

CANOGA PARK BUSINESS IMPROVEMENT DISTRICT

Canoga Park: The COVID-19 Pandemic's Effect on the Business Improvement District

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Fall 2020

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Executive Summary

This project examines the conditions of businesses in the Canoga Park Business Improvement District (BID) during the spread of the COVID-19 global pandemic. Canoga Park is a neighborhood within District 3 in the City of Los Angeles. A BID is an organization of commercial property owners that manages a certain area and provides services that benefit businesses including marketing, beautification, maintenance, and security. Because of impacts from the pandemic, many businesses in the Canoga Park BID closed temporarily or permanently and many suffered a diminishment of clientele. Phone and online surveys were administered to 130 businesses along the Sherman Way corridor from Glade Street to Canoga Avenue; 96 respondents replied. Data from an additional 17 businesses was found online for a total of 113 businesses with data in our study. In the sample, 86 businesses were confirmed to be open and 35 were closed in some form, resulting in financial burden for commercial property owners and a 10 to 12% decrease in tax revenue generated from the Sherman Way Corridor for the City of LA. When asked about what support small business owners would need during COVID, overwhelmingly, businesses wanted methods to increase clientele to the area. Additionally, among business owners, few were familiar with the existence or services of the BID. To increase the efficiency of support offered by the BID, the first option is to use enhanced marketing strategies including a pandemic specific e-newsletter, social media marketing campaigns, and a consumer-centric, redesigned BID website with an online directory of open businesses. The fiscal impact of this option could range between \$2,000 to \$5,000 if a professional is hired to redesign the website and \$7.19 cost per a thousand impressions (CPM) and \$600 CPM for Facebook and Yelp advertising respectively. The BID can avoid these costs if it chooses to do the labor itself. The second option entails using small business improvement strategies including

workshops, the Al Fresco Initiative for restaurants, and physical signage to indicate currently open businesses. The anticipated costs for this option would be the labor cost and cost of signage ranging from \$2,200 to \$3,000. The last option is to continue the BID's current strategies without making changes to existing ones. There are no extraneous costs associated with this option outside of the potential continued loss of revenue. The recommendation is to enact option one because it enhances communication with and supports all stakeholders including consumers. It also poses potential benefits outside of COVID.

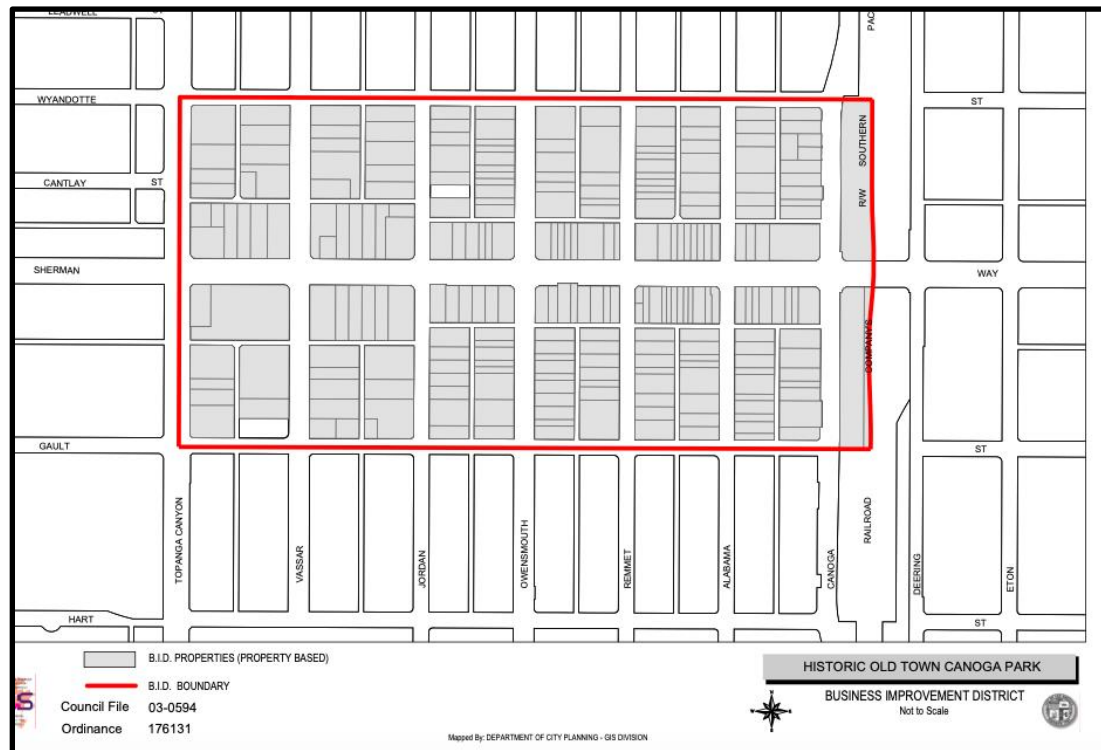
Part I: Background

Canoga Park is a neighborhood nestled in the San Fernando Valley of Los Angeles, California. With a population of over 60,578 in 2008, the neighborhood ranges 4.35 square miles, and is home to a diverse population of residents. The Canoga Park area has long been recognized for its vibrancy and innovation. Canoga Park was named the National Civic League's 2005 "All-American City" for the community's ability to address local issues with civic engagement, innovation and inclusiveness; an honor which marked the first time that a city in Los Angeles and a non-incorporated city won the prestigious award. The heart of downtown Canoga Park runs alongside the Sherman Way corridor. With a wide array of diverse businesses including thrift shops, tattoo parlors, antique shops, a theatre, restaurants and a cultural center, downtown Canoga Park has become a hub for community activity through the years.

In response to declining city budgets and out of a desire to increase vitality in the community, a Business Improvement District (BID) was created in Canoga Park surrounding the historic, downtown area centered around Sherman Way. As seen in *Figure 1*, the Canoga Park Business Improvement District spans from Wyandotte St to Gault St moving from North to South. In the other direction, the BID spans from Glade Avenue to Canoga Avenue, covering an

eight-block radius. Though it does fall within the geographic parameters, Our Lady of the Valley Catholic Church is excluded from the BID.

Figure 1: Parameters of Canoga Park Business Improvement District



A Business Improvement District, a type of management district, is a commercial property owners association that provides an array of additional services to those offered by the local government including security, management, graffiti removal, landscaping and economic development. The creation of the Business Improvement District was made possible through the passage of the 1994 Property and Business Improvement District Law. This law expanded the power of management districts, or special districts within a city to financially support services within the geographic zone. The extra services provided to specific geographic areas through management districts are intended to add to the economic vitality of the area, therefore increasing business activity and perhaps increasing property values, and to ensure cleanliness

and maintenance. Some of the extra services provided for through the Business Improvement District outside of services already being provided by the city range from maintenance services including sidewalk cleanings, trash collection, tree maintenance, to advertising and advocacy efforts. Some of the top priorities for the Canoga Park Business Improvement District specifically are security, landscaping/maintenance, and marketing. For example, since maintenance is one of the core concerns of the Canoga Park BID, the BID has hired individuals to pick up trash and sweep five days a week around the properties. Historically, the Canoga Park Business Improvement District has also aided with various community festivals in the area. The Business Improvement District and its services are overseen by the non-profit organization, the Canoga Park Improvement Association (CPIA) which is tasked with administering the district. The Board of the CPIA meets quarterly in order to address BID needs.

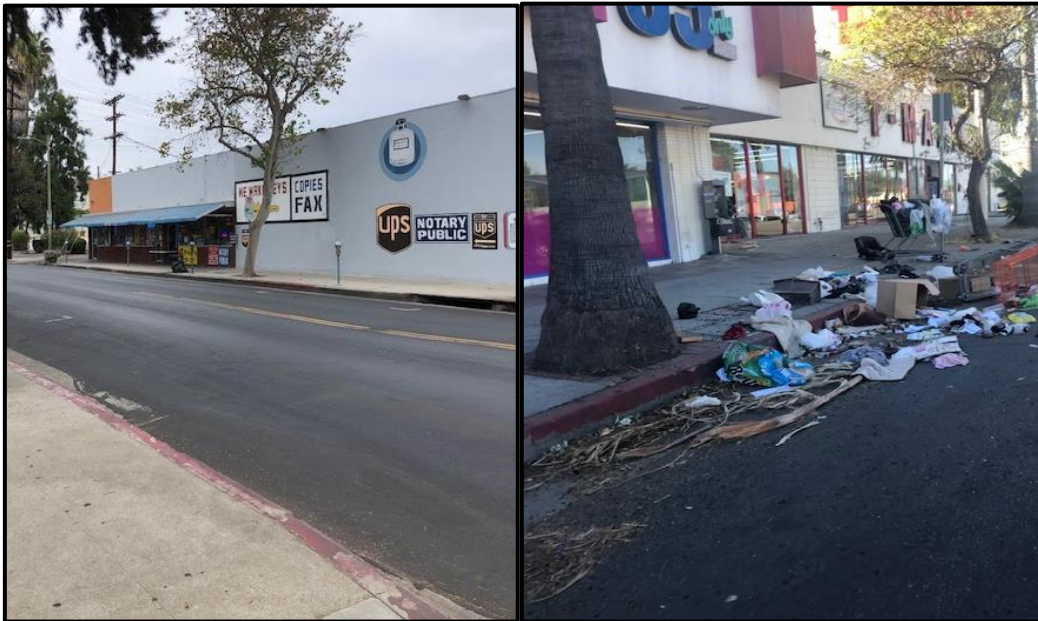
The financial model of the Business Improvement District and the creation process for a managerial district in Canoga Park gives agency to the property owners themselves. To create a managerial district, a petition by property owners, in each geographical region, must account for at least fifty percent of the proposed property assessment payments. After a managerial district like the Business Improvement District has been created, services are funded through an assessment of properties that are within the boundaries of the BID itself. For Canoga Park specifically, these property assessments are collected through the property tax bill by Los Angeles County, and assessments are a combination of 11 cents per square foot of land and \$9.00 per foot of land along Sherman Way. This formula seeks to ensure that businesses pay at an equitable rate in relation to the size of their business, and therefore, how many services they receive for their individual business through the BID. Payments from property owners can be collected at once or in two payments as a portion of their property taxes. In this sense, property

owners agree to increase their annual taxes in order to receive these additional services and BIDs are run and funded by local property owners. In essence, while businesses with a larger lot will pay more based on the square footage of their property, they will also receive more benefits for taking care of their physically larger business. Overall, in Canoga Park, the maximum budget for the BID will be roughly \$230,00 annually. In order to use this budget wisely, a management plan has been created for each category of BID activities. For example, for 2020, \$72,000 has been allocated to maintenance, \$74,766 for security, and roughly \$34,000 for marketing & promotions. Simultaneously, property owners themselves may seek a maximum of a three percent increase of their dues as well if desired annually. The BID has also previously used grants to provide additional services to the BID such as window repair.

The Business Improvement District has a 5-year term, at which point a petition process by property owners must be repeated. For the BID to be renewed, more than fifty percent of property owners must be in favor and then a vote must finalize the decision. The Canoga Park BID was renewed in 2020. In the most recent renewal season, business owners surrounding De Soto Avenue, which is located on the east side of Canoga Park were interested in the BID projects, but desired for the city to pay instead of property owners themselves. Thus, The BID continues to be established only in the west side of Canoga Park. Since one of the roles of the BID is to provide additional maintenance services to support beautification efforts in the region, community leaders have expressed that there is a noticeable difference in cleanliness between the west side of Canoga Park, which has a BID, and the east side of the community which currently does not. *Figure 2* shows street areas on the west side of Canoga Park and on the east side. Looking forward, Mary Patterson, the Executive Director of the Canoga Park Improvement Association & President of Canoga Park Neighborhood Council has a variety of areas she would

like to expand. Patterson would like to start a public service announcement system to train and empower individuals to help with trash pick-up for the De Soto side of businesses on the east side of the city. She would also like to increase the amount of trash cans in the BID to promote more cleanliness.

Figure 2: Beautification Comparison, Street Cleanliness



West Side (with BID)

East Side (without BID)

Part II: Impact of COVID-19 Pandemic

In response to the public health crisis, in May of 2020 Governor Newsom of California issued a Stay-at-Home Order on March 19, 2020. Under the Stay-at-Home Order, Californians were directed to remain in their homes except to go to an essential job or to shop for essential supplies. To keep essential businesses running, the state outlined to the public a detailed list of those essential businesses such as healthcare, emergency services, food, water, transportation, food and government operations. While those businesses that were deemed essential were

permitted to remain open, many others had to temporarily cease operations and close. For example, in the food industry while grocery stores, deemed as essential, were able to stay open, bars and wineries were told to close while restaurants were only able to operate through drive-through or other pick-up methods. Because of this, numerous businesses in the Canoga Park Business District had to temporarily halt operations or only provide pick-up services during this period. To create a graduate reopening process, the state issued a four-stage pandemic roadmap for California. The plan outlined the four stages of 1. Safety and Preparation, 2. Reopening Lower-Risk Workplaces and Other Spaces 3. Reopening of Higher-Risk Workplaces and Other Spaces 4. Easing of Final Restrictions. On May 4, 2020, Governor Newsom issued a new executive order which stated that some industry sectors would be able to gradually reopen in a modified manner, launching the state into the second phase of the pandemic roadmap and on August 28, 2020, the state released the “Blueprint for a Safer Economy” which outlined revised criteria for restrictions on activities and businesses. In July of 2020, Governor Newsom reimposed numerous restrictions on specific businesses due to an increase of Coronavirus cases.

As previously highlighted, the COVID-19 Pandemic has imposed a wide array of restrictions on businesses; the pandemic has altered the way that businesses operate and how businesses generate their revenue streams. At the federal level, in March 2020, Congress passed the CARES Act, a two trillion-dollar relief bill that focused on providing relief to the financial industry, state and local governments, small businesses, and individual households. Through the CARES Act, 280 billion dollars were allocated toward economic support for small businesses. Under this legislation, the U.S. Small Business Administration (SBA) provided options for small business owners to gain access to monetary assistance. The programs available were the Paycheck Protection Program (PPP), Economic Injury Disaster Loan (EIDL), SBA Express

Bridge Loans, and the SBA Debt Relief Program. PPP provided small businesses with resources to maintain their payroll, rehire any employees who may have been laid off, and attain any applicable overhead needed to maintain function. EIDL was designed to provide economic relief for businesses that were experiencing a loss. EIDL eligible businesses included small businesses with fewer than 500 employees, private non-profit organizations, or 501(c)(19) veterans' organizations. SBA Express bridge loans were available to those small businesses who have a relationship with an SBA Express Lender; those businesses were eligible to access up to \$25,000 in loans. Lastly, the SBA Debt Relief program offered financial reprieve such as removal of up to six months of interest fees and debt from the principal of business debt.

On the state level, the California State Treasurer's office provided a resource called the CalCAP program. This resource is a loan reserve program which offers to pick up, up to 100% coverage on losses, as a result of loan defaults. Another program through the state, for those who do not qualify for federal funding, is the Small Business Disaster Relief Loan Guarantee Program through IBank. This program offers up to one million dollars of relief for small businesses with up to 750 employees. On a more local level, L.A. City and County, in partnership with philanthropic groups, came together to offer loan and grant resources to micro-entrepreneurs, small businesses, and non-profits through the LA Regional Recovery Fund. Additionally, the region provided support such as the LA County Employer Assistance Grant Fund and the LA Small Business Revitalization Program which were all efforts that came from available funding through the CARES Act. Due to the demand for resources, a second round of funding from the L.A. County Small Business Revitalization Grant Program was opened October 22, 2020, allowing businesses that closed due to the pandemic to apply for assistance that can be used for payroll expenses or other business expenses. On the district level, Councilmember Bob

Blumenfield's office currently provides support through the Small Business Angel Fund. In partnership with the non-profit The Change Reaction, the Blumenfield office works to provide from \$5000 to \$15,000 in interest free loans and emergency grants.

Currently, a significant amount of the regulations placed on communities rely on the counties in which they are in. Specifically in California, counties are assigned a tier based on their case and test positivity rates. As of November 2, 2020, California had 936,402 cases and a three percent positivity rate overall. In order to reach a less restrictive tier, a county must meet the criteria for the least restrictive tier for a two-week period. Currently, as of October 10, 2020, Los Angeles County, the county to which Canoga Park belongs, has a "widespread rating", which is the most restrictive tier rating level. Thus, LA County remains in the most restrictive "widespread" (purple) of the state's color-coded system. Tiers within the "widespread" category mean that there is an eight percent positivity rating and more than seven new cases per 100,000 people in a seven-day period. Under the "widespread" tier, some businesses including amusement parks, indoor movie theaters, bars (where no meals are served), and convention centers must remain closed. Others can operate with modifications including aquariums, auto repair shops, banks, bookstores (with 25% capacity), clothing stores (with 25% capacity) and florists (with 25% capacity). Many different types of businesses also have business specific guidelines that must be followed to reopen. For example, restaurants under this tier are only allowed to operate outdoors with modifications, or through take-out options. Under these current restrictions, while some types of businesses in the historic, downtown Canoga Park area have been permitted to reopen with limited capacity and guidelines, others, including the indoor movie theater on Sherman Way, are still temporarily closed.

To allow businesses to continue to serve customers onsite, late in March of 2020, businesses in the Los Angeles area were offered the opportunity to participate in the LA Al Fresco program. The LA Al Fresco program supports restaurants and eateries to offer outdoor dining spaces for customers by moving dining spaces and repurposing sidewalks, parking lots, and portions of the street into outdoor eating spaces. Although the initiative was intended to end on August 21, 2020, the Mayor has chosen to extend the duration of the program through December 31, 2020. Those businesses who have chosen to participate may see extensions granted as the Safer at Home restrictions continue in L.A. County. At this time, there are no businesses in the Canoga Park BID who have participated in this initiative. This may be due to the low number of restaurants in the BID geographical region.

Though a wide array of actions has been taken to curtail the fiscal effects of the pandemic, businesses continue to suffer in light of current restrictions. Locally speaking, despite efforts to help local businesses, businesses filing for bankruptcy in LA rose sharply in March of 2020 and numerous large chain businesses have also filed. In October 2020, L.A. County officials noted that the City of L.A. could face a budget shortfall of up to \$600 million dollars for the 2020-2021 annual budget, accounting for nine percent of the budget. Some of the most vulnerable companies include restaurants and the retail industry.

Part III: Economic Analysis of Canoga Park BID from Pandemic

Overview of Economic Analysis Process

Considering the significant effects that the COVID-19 Pandemic has had on local businesses, the Canoga Park BID can benefit greatly from an analysis of the current state of businesses that belong to the business district. While the parameters of the BID span from Topanga Canyon Blvd from Canoga Ave and from Wyandotte St to Gault St, the BID's Board of

Directors has significant concern in the state of businesses belonging to the “historic downtown area” surrounding the Sherman Way Corridor. Thus, this economic analysis will cover the businesses along Sherman Way from Glade Ave to Canoga Ave as a representative sample of the state of businesses in the BID. The Sherman Way corridor covers roughly 130 local businesses that belong to the BID.

In order to better understand the impact that the COVID-19 pandemic has had on the Canoga Park BID, our economic impact will first assess the final impact of the COVID-19 pandemic by assessing how many businesses have closed in the region, and address how many current vacancies there are in the region. Data collected on the vacancies in the area will then be used in order to determine what the economic impact will be in lost sales taxes for Canoga Park. Simultaneously, because the Canoga Park BID’s Board of Directors sought to better understand the needs of individual businesses considering the pandemic, all businesses were individually contacted in order to assess their current needs and financial situation. Finally, themes derived from these qualitative responses from business owners paired with the economic impact on sales revenue created from current business vacancies will be utilized to both highlight the current needs of business owners, and to highlight potential solutions.

Vacancies & Closures

In our sample of 130 businesses, we connected with 96 businesses via phone and an online survey and found data online for an additional 17 for a total of 113 businesses. We found that most businesses, 86, were currently open and 36 businesses were closed. Within that count of closed businesses, 11 were visibly vacant and 13 were temporarily closed, the rest were permanently closed. Prior to the COVID-19 pandemic, the Canoga Park BID did see some vacancies, however they were often low. Mary Patterson, the President of Canoga Park

Neighborhood Council shared that there were times when only 5-6 businesses had vacancy. Even among the businesses that reported to be open, several them reported that they had to close between two to seven months. The businesses that opened sooner were typically those deemed as essential. Those businesses who relied on foot traffic, or were more unique in nature, such as specialty shops or hobby shops were impacted more so than businesses who were deemed as essential. Although some businesses did choose to take their sales to an online modality, some business owners did not have the infrastructure to change their methods so easily. In relation to closures, there have been a variety of businesses that have closed in light of the pandemic. Two of the businesses that have closed during this pandemic time period include a local deli and a yoga studio. Other business owners have chosen to retire considering the pandemic including the owners of the cultural center on Sherman Way.

Vacancies have also caused a score of issues for the BID district. Due to the large number of vacancies, property owners are more susceptible to inadvertently leasing to an illegal business, claiming to be something else. In recent months, illegal businesses have started to operate in some of the vacant spaces along Sherman Way including an illegal gambling store that originally posed as a business seeking to offer computer literacy services to elderly individuals and an illegal marijuana dispensary. Because these businesses tend to pay significant amounts of rent up front, when they are shut down, they are profitable enough to relocate to another location after a few months. Often, because of these instances, building owners depend on BID personnel to check in on businesses and report if tenants are not operating as promised, or if they are starting illegal businesses. This is especially the case since many building owners do not live locally.

Pandemic's Effect on BID Businesses

Research found that the pandemic has affected local businesses to varying degrees. For example, numerous businesses have been significantly negatively impacted in light of the pandemic, closures, and current regulations that restrict business activity. While talking to personnel from India Sweets & Spices, they shared that they have lost almost half of their revenue due to the inability of having their instore restaurant open which served ethnic and traditional foods and treats. Similarly, the Cell Phone Payment Center estimated that they lost 70-80% of their business. Additionally, other businesses expressed that they have had to lose some of their workforce. For example, Frontier Windows & Doors shared that they had lost 35% of their workforce because some workers did not feel comfortable working. In contrast, other businesses reported that they were doing well financially considering the pandemic. For example, the business owner of JB Bike Shop 2 on Sherman Way noted that his sales have increased in the past year due to an increasing demand for bicycles in light of the pandemic. Interestingly, demand called for some businesses to shift their practice and work on different types of projects than before. Krystal Graphics, a printing shop, who focused on printing things like business cards, banners, and signs began to brand face masks and hand sanitizer bottles. This reality illustrates the varying degrees to which businesses have been affected by the pandemic, and stresses the importance of recognizing the types of businesses that have been the most affected by the pandemic in order to create a targeted solution to aid the BID with limited resources.

A variety of themes emerged from interviews with business owners themselves. For example, numerous business owners expressed that they were not available to speak or felt pressed for time trying to keep their businesses afloat and open and did not feel they had the time to participate. Other business owners do not currently go into businesses because of health

conditions. Therefore, in relation to communication efforts, it may be beneficial for the BID to work on enhancing communication strategies that enable business owners to participate when it is convenient for them outside of business hours. Others did not desire to participate in the study. Likewise, a common theme emerging from interviews with business leaders was that businesses adjusted their businesses with new protocols, adjusted hours or different schedules. While some businesses increased their online website store presence or tried to offer business services online, other businesses simply made the necessary adjustments to follow COVID related regulations. Many expressed that business and foot traffic had slowed down significantly.

Additionally, business owners did express some concerns about issues that were not directly related to the pandemic but do relate to BID activities. For example, several businesses stated that they had a need for cleaning services including tree trimming. One business owner from Revival Furniture expressed that recently business owners have increasingly been putting the trash from their businesses in the front trash bins operated by the BID that are meant for public use, which is causing large amounts of trash to pile up quickly. Finally, some business owners also expressed concerns over the Homeless presence in the area, and temporary shelters.

BID Sales Revenue Loss

To calculate tax revenues, we used the 2019 California Retail Analytics: Expanding Retailers and Retail Stores Sales Estimate guide to calculate a range of values based on the types of businesses listed that generate sales tax. The sales tax in Canoga Park is 9.5% and the City of Los Angeles is entitled to 1% of that 9.5%. In our sample of 113 businesses, we estimate that the tax revenue generated from this strip is between \$879,836 to \$1,800,502. Excluding the vacant lots, for which the tax revenue is undeterminable, the projected tax revenue loss from the remaining 35 businesses is in between \$73,000 to \$178,500. In other words, the City of Los

Angeles would lose 10 to 12% of the tax revenue that would be typically generated by this strip because of COVID related closures. While the loss in sales tax revenue will not directly impact the BIDs functioning itself, this estimated figure is indicative of the magnitude of financial loss in the area through sales taxes considering current business vacancies. One of the barriers in getting an exact estimate of how many closures happened because of COVID, as opposed to other sources, is not having the data or means to track what closures happened before versus during COVID.

Although there is no general loss of revenue to the BID with vacancies from the businesses, because the funding for the BID comes from property owners not business owners, this could potentially impact property owners' willingness to participate in the BID. This is because high business turnover and multiple vacancies harms the property owners' income streams. The Business Improvement District may need to increase their efforts in attracting local businesses into the area and in enhancing marketing efforts to secure future BID funding and participation.

When analyzing the contents of the interviews, there was a decided disinterest in taking on more debt when future earnings are already so unsteady. At first, when the state began to shut down, businesses were primarily concerned with learning information about economic assistance including PPP, other government assistance programs and loan and grant programs. Based on our results, business owners want another debt free stimulus package. Restaurant owners in particular want expanded support for Al Fresco programs where the city relaxes certain restrictions to allow for dining in open space areas outdoors in parking lots and on sidewalks. They also wanted promotion to encourage foot traffic to the area and other similar marketing to increase their customer bases.

In terms of the program that the BID already provides, businesses were generally satisfied with the level of cleanliness, despite a few incidents of tagging, and appreciated the presence and receptivity of security especially if they had direct contact with Mary or the security officers. Because of the increased presence of individuals who are experiencing homelessness in the area, less people walking by in general, and early curfews, some businesses expressed a desire for increased security especially while businesses are closed. In general, there was a difference in response between property owners and businesses owners. Because BID serves primarily its commercial property owners and communication is not as streamlined to local renting businesses, there were many business renters who did not know there was a BID or its grounds or duties. Many businesses assumed that it was the city that maintained and patrolled the area and expressed frustration about the lack of maintenance directly outside of the BID's perimeter.

Part IV: Options

As the focus shifts to the potential options that the Canoga Park BID could take as a result of the analysis described previously, it is important to consider the various stakeholders in the decision-making process. The various stakeholders that would be affected by any changes the BID could pursue include the Board of Directors of the CPIA, the Canoga Park Neighborhood Council which works closely with the BID, the property owners, the business owners along Sherman Way, and the community at large of Canoga Park who come to shop on Sherman Way. Thus, the various strategies and options presented in the next section of the paper will seek to benefit these various stakeholders. Based on information gathered from business owners and the analysis of the BID businesses by researchers, consistent themes emerged in the areas of marketing, and small business improvement strategies as potential areas for desired

improvement. Thus, in the following section, three options for the CPIA Board of Directors to adopt in these key areas will be discussed.

Option 1: Enhanced Marketing Strategies

There are a variety of different ways that the Canoga Park BID could enhance marketing efforts with both property owners and business owners. Various businesses surveyed did not have a robust understanding of the BID's role in the area nor the array of services that the BID offered. Other businesses noted that they had previously tried to get in contact with the BID but did not know how to contact the CPIA or expressed that they have struggled to keep track of changing property owners. Finally, numerous business owners expressed that they were unable to speak because they were working, illustrating that contacting businesses via phone may not be the most effective strategy. Thus, the BID could benefit from increasing communication between the BID, property and business owners through enhanced marketing strategies. There are a variety of ways that marketing efforts could be leveraged.

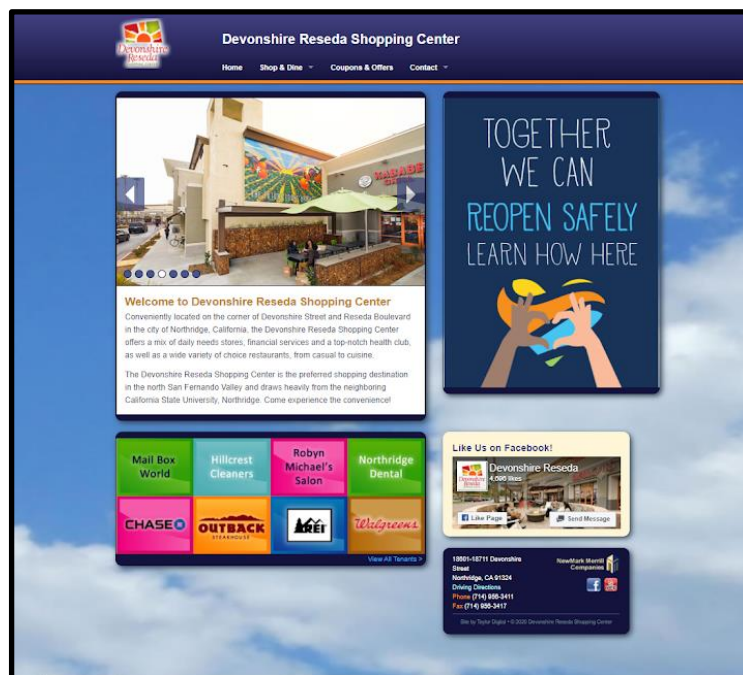
The first marketing option would focus on enhancing communication between the BID, property owners and business owners in general, as well as specifically in relation to the pandemic. The first component of the strategy would **start a new pandemic e-newsletter** for both business owners and property owners while the COVID-19 pandemic regulations are still in effect. Currently the BID does have an e-newsletter that is sent out to property owners. However, starting a second monthly pandemic e-newsletter that could be sent to business owners and property owners alike focused on COVID regulations and related news could be beneficial. The content of the monthly pandemic e-newsletters could include sections on available resources including various loan programs, grant opportunities and local county initiatives that businesses could apply for and highlight any changes in regulations. The e-newsletter could also have a

section that highlights creative business solutions to the pandemic or CPIA informational videos meant to share more on its purpose and completed projects within the BID. Local businesses could send in their own creative solutions to be included as a highlight in the email, or creative ideas from other cities could be discussed as well. Since the BID already has an e-newsletter service, there would be no anticipated additional costs outside of labor.

A second component of the strategy would focus on increasing customer foot-traffic using marketing. In light of the pandemic the BID could enhance specific, targeted marketing strategies for businesses along Sherman Way through **social media platforms** such as Facebook and Yelp. Facebook could be used to promote specific businesses as they have sales or new websites to shop on and could also stress new health and safety protocols that businesses have adopted to keep the public safe. Location Targeting could also be used on Facebook for the Canoga Park Improvement Association's posts in order to reach more individuals in the Canoga Park area. The BID could also use Yelp in order to try to promote businesses and increase foot traffic. Because of the pandemic, many individuals are not sure if businesses are currently open and if there are limited hours for businesses. Due to the wide array of individuals who use Yelp to gather business information and reviews, the BID could work with businesses along Sherman Way to ensure that their Yelp pages are up to date to ensure customers have up-to-date information on businesses and their updated hours. Likewise, the BID could also support businesses by writing positive reviews for businesses and highlighting their enhanced cleaning protocols. This option is free of external costs but would require manpower. If the BID chooses to use enhanced paid advertising features on social media, Facebook advertising costs \$7.19 cost per 1,000 impressions (CPM) and Yelp \$600 CPM.

Related to the second, the third component would include a **redesign of the BID's website** so that it targets the public. With a public-centric website, the BID can create an online directory of open businesses and links to the businesses' websites (see Figure 5). Since we have moved into the digital space, especially during the times of COVID-19, the website could also highlight an "Open business list." By having clear information about hours of operation or updates to service protocols, customers could be more willing to take their business to the area. The BID board could update the site themselves or get volunteers who have the skill set to do so. However, due to the lack of manpower that was shared, for this option, it would be best to hire a professional to do the initial redesign. The average price for a simple redesign range from \$2,000 to \$5,000. From there, it would be up to the BID to maintain the site. This option has the potential to increase foot traffic and online traffic if done correctly. The downside of this option is that it requires certain digital expertise and a time commitment to do well.

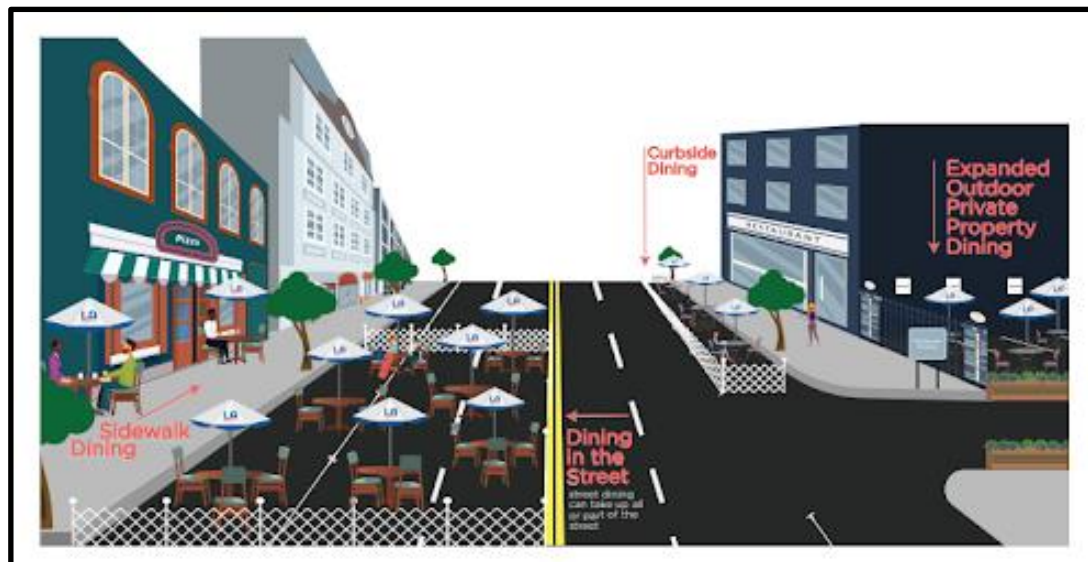
Figure 5: Website Example



Option 2: Small Business Improvement Strategies

To increase foot traffic and to bring residents back to the businesses on Sherman Way, the Canoga Park BID should consider working to appeal to residents of the area. Three ways in which the BID district could do this is to **1. Encourage businesses to participate in the LA Al Fresco program** and **2. Provide physical signage and notices for customers** and **3. Provide online business improvement resources to increase sales.** By participating in the Al Fresco program, a business could not only potentially increase their own revenue, but they could also help the neighboring businesses. When residents of Canoga Park drive by Sherman way, it is difficult to identify which businesses are open or closed. This could be a contributing factor to low foot traffic and a decline in customer traffic in the area. If restaurants provide outdoor seating, this type of scenery could be more inviting to those who are unsure if businesses are open. (See figure 6) Currently, in the Canoga Park BID, businesses are not participating in the initiative.

Figure 6: LA Al Fresco Dining



By providing signage for businesses, the BID could eliminate any customer confusion about businesses being open. Signs which indicate whether a business is open could be a simple “OPEN” sign that is in clear view, or additional type of sign indicators that businesses are open for business. (See figure 7) *Figure 7* shows an example of the type of physical signage that could be helpful for the public. Additionally, there are two printing shops who are located within the Canoga Park BID, this is an opportunity for partnership with businesses who are local.

Figure 7: Visible Signs for the Public



The last component is to provide small business owners with training and support to help their business thrive in these challenging times. Business owners today are having to make many adjustments to the way in which they do business. By providing business owners with resources and support to make these changes, these businesses can learn to attract more customers and keep their existing clientele. These types of workshops could include marketing strategies,

educational workshops on small business loans, technology workshops for tools like Square or Google AdWords. If the BID is not prepared to provide workshops of this sort, there are opportunities to refer business owners out into the community for access. For example, the Governor's office of Business and Economic Development offers small businesses with over twenty different types of resources with quick and easy access through their website. On a local level, ICON Community Development Center, which works with the City of LA in the San Fernando Valley area, offers small business owners with online (previously in person) workshops and support. These workshops include topics like customer service, bookkeeping and budgeting, marketing and social media, cost structure analysis, and certification and procurement. These workshops, services and tutorials are all free of cost for those who wish to access them.

Option 3: Business as Usual

The last option would be to make no changes in operation or marketing strategies. Recognizing that the BID might have reduced capacity to operate during COVID and its primary focus is its commercial property owners, it does not necessarily have to help businesses market to consumers or increase their clientele outside of their usual strategies. There would be no financial costs anticipated for the BID to use this option although it would not meet its goal of increasing support to businesses. This option is viable since businesses on average report contentment with maintenance, beautification, and security efforts and have no knowledge of the BIDs marketing efforts. In this sense the BID could choose to retain funding and personnel for future initiatives when businesses start to reopen more. The consequence of this option is that businesses would continue to recover slowly or falter as they have been.

Part V: Fiscal Impacts

In relation to the first option to enhance marketing strategies there are some costs that would be incurred by the BID. The first component of the option of creating a pandemic e-newsletter for business owners and property owners would not have financial costs associated with it. In order to create an e-newsletter, a free service like MailChimp could be utilized to cut down on costs. MailChimp, an online platform for email marketing campaigns is free to use for businesses that are sending emails to less than 2,000 individuals. If emails are sent to over 2,000 individuals, there is a thirty-dollar monthly charge for the service. Any additional costs would go into any personnel costs required for the hours it would take to research and gather the information for the monthly pandemic e-newsletter. In relation to personnel costs, if the BID was able to get a volunteer to create the e-newsletter on a monthly basis, the cost would be free to the BID. Depending on the level of research needed for the specific monthly newsletter and the desired level of depth desired by the BID, compiling the e-newsletter could range from 3-8 hours of work. In relation to the second component to increase social media marketing efforts on Facebook and Yelp, if the BID chooses to use paid advertising features on social media, Facebook advertising costs \$7.19 cost per 1,000 impressions (CPM) and Yelp \$600 CPM. It should be noted however that these costs can be avoided by not using targeted advertising features, and instead focusing on using the free options for marketing on these platforms. There would be some upkeep required for these virtual marketing campaign efforts. Finally, there are some costs associated with the website, the last component of this option. If the BID were to hire a professional to redo their website, hiring a professional to revamp the BID website ranges from \$2,000-5,000 on average that would need to come from the BID's annual marketing fund of \$34,000. However, these costs could be minimized if instead the BID were able to have someone on the board or a CSUN graduate student group be willing to revamp the website. Thus, the total

cost for the marketing strategy would range from approximately \$2,000-5,000 depending on the features the BID would like included on the website and whether the BID was to pursue targeted marketing on either Facebook or Yelp.

The second option regarding small business improvement strategies would also have a financial cost associated with it. While the workshops and the Al Fresco components of the option do not have a financial cost, the physical signage would. It should be noted that the costs of the physical signage will vary depending on the size of the signs that the BID were to purchase as well as the company that is used. However, if the BID were to use the business Vistaprint to purchase custom window decals, 12"x18" signs could be purchased by the BID for the 113 businesses that are currently operational in the BID district along Sherman Way. Each of the window decals individually costs \$14.17, though there are slight discounts for purchasing 100 of the 113 signs in bulk. If the BID was to purchase signs in the 12" by 18" size for all the 113 businesses along Sherman Way that are open, the total cost would come to approximately \$1,600.88 before tax. Thus, the total cost for option 2 would be approximately \$1,600.88. The third option of business as usual does not have any financial cost associated with it.

Part VI: Recommendation

After working with the Canoga Park BID, Canoga Park Neighborhood Council and talking to Canoga Park stakeholders, the recommendation to improve the overall functioning and business operations is to channel resources into adopting all recommended marketing strategies in Option 1. These marketing and communication strategies include a pandemic e-newsletter, social media presence, and the restructuring of the Canoga Park BID website. The first marketing strategy included in Option 1 is the monthly pandemic e-newsletter. This effort would not have a fiscal impact, rather, it would require personnel to take on the completion of this task. Second is the presence of the BID on social media platforms. This strategy would not have a fiscal impact

unless the BID chooses to utilize enhanced marketing features. Examples of these enhanced features would be a Facebook marketing feature costing \$7.19 per 1000 impressions, or Yelp which has a cost of \$600 per 1000 impressions. Lastly, since there is an existing website, the recommendation is to update the information on the site and make the site more appealing to the community by adding relevant and important information. Currently, in the Northridge community, Devonshire-Reseda shopping center has high foot traffic. Their website exemplifies a well-executed strategy as it includes a business directory, the information to the shopping center management and also letters and information to the public (see Figures 5 & 7). Implementation of this type of strategy could have a potential fiscal impact of \$2000-5000 for a website/content creator. However, if the Canoga Park BID already has the personnel that can carry out this marketing project, it would be most cost effective to work with the resources already available. Specifically, it is recommended that the BID reallocates \$2,000 total from the \$34,000 marketing budget in order to hire a professional to restructure the website. If the BID is unable to allocate these \$2,000 this year from the marketing budget, the \$2,000 should be added to the budget for FY 2021-22. At this time our recommendation is that in order to save costs, the BID should not engage in targeted advertising on Facebook and Yelp, unless they are able to stay under budget with the website.

Though there are benefits associated with all the presented options, the marketing strategy is the most comprehensive strategy to adopt currently as it supports all of the various stakeholders in the area. Not only could the enhanced social media presence increase sales for business owners, but it could also increase promotional activities for property owners. Likewise, the revamped website could provide valuable information to the public who desires to shop in the area. Finally, enhancing the marketing strategy not only supports one of the BID's key

functions, but it also will enable the Canoga Park Business Improvement Association's Board of Directors to greatly increase communication among the stakeholders. These recommendations, focused on enhancing marketing efforts for BID businesses, fit into the organizational policies and strategies of the Canoga Park Business Areas. While the marketing strategy is one of the noted main goals of the BID, the recommendations surrounding increasing foot traffic and sales seek to increase the overall economic vitality of the BID, another goal of the BID. Since these marketing strategies could potentially improve the community as a whole, gaining buy-in and assistance from the Canoga Park Neighborhood Council should be considered. Conjointly, the Canoga Park BID could utilize volunteers from the community or partnerships with local universities for these efforts. For these reasons, amid the COVID-19 pandemic, the Canoga Park Business Improvement Association can effectively support its property and business owners by adopting the comprehensive marketing strategy as it is low cost, effective, and attainable with various sources of labor.