

THE NIGHTTIME ECONOMY



MANAGING THE CHALLENGING DYNAMICS OF NIGHTLIFE

By Jim Peters

If one has any doubt that changes are afoot in the realities of managing downtown social districts, perhaps the trending title of “night mayor” will serve to underscore the demands of a nighttime economy.

While attention at the time this article was written focused on Mirik Milan, the night mayor of Amsterdam, who was profiled in *The Guardian*, reports on the position have also appeared in

other news media, including *Fortune* magazine, PBS NewsHour, and editorials in papers around the world, including Toronto, Berlin, South Africa, and Sydney (see resources list on page 9).

The move toward nighttime management has actually been evolving for decades. In the United Kingdom, for example, the Purple Flag accreditation process has set standards for town centers to be recognized for a safe and vibrant nighttime economy. Many local

governments have a nighttime economy manager who coordinates the resources required to balance vibrancy, safety, and quality of life.

San Francisco's Entertainment Commission is taking a more comprehensive approach to managing the nighttime economy with a diverse membership-based commission, which reviews the applications for social venues and residential development in the nightlife district.

Responsible Hospitality Edmonton (see article on *PM*'s website at ICMA.org/pm as of November 27, 2016) has three staff to coordinate multiple strategies on public safety, patron responsibility, transportation, and hospitality business relations.

While more people downtown can bring more vibrancy as well as economic growth, it can also place demands on public safety resources and impact the quality of life of residents as socializing extends into the late night and early morning hours. This new nighttime economy, built around dining and entertainment, requires a similarly dedicated government focus to match opportunity for social offerings with increased demands for nighttime community services.

One person who serves as a night manager, however, cannot replace the need for a consensus-driven community action plan. This requires collaborative partnerships among stakeholders across private, public, and government sectors.

An Economic Engine

Recent studies document the value and growth potential of the nighttime economy. Whether you look at the whole nightlife industry of dining and entertainment; its components, including music and craft beverages; or the secondary economic impacts from transportation or other spending as patrons prepare to socialize, this business segment employs thousands and is a magnet that draws tourists, residents, and sustainable businesses to a community. Here are three examples:

San Francisco, California. The report *Nightlife Industries in San Francisco: 2016 Update* shows a growth of 12,000 jobs in nightlife businesses between 2010 and 2015, a 25 percent increase to more than 60,000. This slightly outpaces overall employment growth, while sales increased 43 percent to \$6 billion during the same period.

Edmonton, Alberta. This city also conducted a comparison study between the years 2010 and 2014. The \$881 million in direct 2014 spending on dining and entertainment and \$452 million in indirect—as money spent circulates through the local economy in other industries—meant a total of more than \$1.33 billion in combined economic output.

That's double the \$687 million generated in 2010, only four years earlier. There was also a comparable doubling of full-time jobs to 11,719.

Washington, D.C. On a smaller scale, a more focused 2010 district analysis of the Mid-City Corridor showed more than \$150 million in annual sales—90 percent after 5 p.m. among 90 businesses. The combined venue seating capacity of 11,000 supported more than 3,000 jobs and added more than \$6 million in sales tax.

These studies are important as local governments face increased demand for nighttime services to support the growth of social activity. Whether it is additional police officers, traffic and parking control, extended public transportation, or late-night code compliance checks, these costs can be offset by the increased contribution, both economic and social, of a well-managed nightlife in downtown areas.

Contributions of Social Culture

The Brookings Institute's *The Rise of Innovation Districts: A New Geography of Innovation in America* states that economic, physical, and networking assets combine with a supportive, risk-taking culture to create an innovation ecosystem—a synergistic relation

between people, businesses, and places that facilitates idea generation.

The craft culture is an example of hospitality innovation that began with the growth of regional wineries in the late 1990s and early 2000s. Coffee houses spawned a new career of the barista along with craft breweries, which increased from 284 in 1990 to 4,269 in 2015 according to the Brewers Association.

The American Craft Spirits Association also claims this is followed closely by craft distillers, with 1,280 active spirits producers in the United States. Combined, these developments indicate a rapidly moving transformation in the consumer adult beverage market.

Similarly, the emergence of farm-to-fork menus and innovations in the culinary experience support a new sociability built around the dining experience. So, too, are food trucks and street vendors.

These entrepreneurial ventures bring a taste of cultural and ethnic diversity through low-cost food choices and offer the community a new experience in the many outdoor places designed to activate the street, moving into the evening and late-night as alternatives to the traditional brick-and-mortar establishments

TAKEAWAYS

- › A strong institutional foundation is required for maintaining critical balance between vibrancy and chaos, security and fear, and offering residents affordable options as part of a nighttime social experience.
- › The first and most important step is to match the density of social activity with exemplary community standards and contemporary zoning to reduce impacts from noise, trash, crowds, and transportation.
- › Reduce risk and increase safety through strong collaborative partnerships, from regulatory and compliance agencies to venues with trained personnel, to help prevent disorder.

SAVE THE DATE

Plan to Join us in
San Antonio/Bexar County for the
103rd ICMA Annual Conference



For information about
exhibiting, contact:

Lara Fitts Gamache

Exhibit Manager
Corcoran Expositions, Inc.
lara@corcexpo.com

312.265.9639 (t) | 312.541.0573 (f)

For information about conference
sponsorships, contact:

Julie Butler

Director, Conference
Programs and Exhibits
jbutler@icma.org • 202.962.3573

ICMA.ORG/CONFERENCE
#ICMA2017

ICMA

closing earlier in the evening.

Finally, more people are removing earbuds to embrace live music, whether at festivals or more intimate social venues. Buskers—street performers who accept voluntary donations—are strategically located near subways and street plazas.

This can be the performing artist's first step in the rise to fame. A global movement seeks to define what a "music city" is and how to build a community brand, like Austin's "Live Music Capital of the World."

Plan for the Nighttime Impact

As important as these new industry drivers are to local governments, it is necessary to plan for the impact these social venues place on their resources. This includes improvements on licensing for entertainment, alcohol service, promoters, sidewalk and rooftop seating, and start-up business technical assistance.

A strong institutional foundation with dedicated staffing is needed to coordinate resources among key departments. These resources include police, fire, planning, zoning, licensing, public works (e.g., public restrooms), parking, and traffic control, which will maintain the critical balance between vibrancy and chaos, security, and fear.

The first and most important step is to match the density of social activity with exemplary community standards and contemporary zoning to reduce impacts from noise, trash, and crowds, and to build an efficient nighttime transportation system.

The San Francisco Entertainment Commission, for example, conducts a comprehensive review of a venue providing entertainment on a number of factors, including alcohol service, security, and sound management. In 2015, a new regulation requires any residential development planned near an existing nightlife venue to submit a sound management plan, including construction standards for sound suppression from the street.

Charleston, South Carolina, established a comprehensive transportation

plan that includes improved pedestrian and bicycle safety, strategically located taxi stands, and designated areas for transport network companies (like Uber and Lyft) to pick up and drop off passengers. Social marketing campaigns with hospitality venues direct patrons to the use of these services.

New design and placement strategies, including the Portland Loo, are emerging to make public restrooms a public service investment. More information is available from the American Restroom Association and the *Guide to Better Public Toilet Design and Maintenance*.

A new approach to maintaining an appropriate level of people in a hospitality zone is to set seating limits by block or district. Springfield, Missouri, revitalized a commercial area by locating larger entertainment venues away from residential areas.

When a district's social occupancy expands beyond the capacity of the sidewalk, especially as more outdoor seating is added, some communities close the street on weekend nights to allow people to move more freely. This can lead to a need for increased police and security to guard against the potential of a street party as well as underage youth and gang activity.

An alternate approach is to lease parking spaces (e.g., flexzones, parklets) for venues to add outdoor seating, freeing up the sidewalk passages, and providing additional tables for service throughout the day and evening. Livermore, California, and Montreal, Canada, provide excellent examples of this strategy.

Managing Talent and Buskers

Bringing a celebrity chef to open a restaurant is an exciting development for a community, but are there line cooks and service staff to deliver the quality culinary creations? Being a music city is a magnet for conventions and tourists, but is there affordable housing and fair compensation to keep the musicians?

Seattle, Washington, and Austin, Texas, provide resources to assist

CAM 17-0128
icma.org/pm

Exhibit 3

Page 3 of 5

RESOURCES Here are websites for sources noted in this article:

Mark Milan, Amsterdam/*The Guardian*:

<http://www.theguardian.com/cities/2016/mar/21/night-mayor-amsterdam-holland-mirik-milan-night-time-commission>

Fortune magazine: <http://fortune.com/2015/11/23/london-night-mayor>

PBS Newshour: <http://www.pbs.org/newshour/bb/behind-amsterdams-infamous-club-scene-this-night-mayor-keeps-the-peace>

Austin, Texas: <http://www.austintexas.gov/department/music-entertainment-division>

Berlin, Germany: <http://www.curbed.com/2016/9/6/12814920/club-nightlife-dance-music-night-mayor-club-commission>

Boulder, Colorado: http://www.rhgboulder.com/RHG_Boulder/WELCOME.html

Kings Cross, Australia (scanners): <http://www.justice.nsw.gov.au/Pages/media-news/media-releases/2014/ld-scanners-kingscross.aspx>

Livermore, California: <http://www.cityoflivermore.net/citygov/cedd/downtown/default.htm>

Milwaukee, Wisconsin: <http://www.bizjournals.com/milwaukee/blog/2011/09/visit-milwaukee-hospitality-training.html>

Montreal, Canada: <http://popupcity.net/turning-grey-boxes-into-green-spaces>

Seattle, Washington: <http://www.seattle.gov/filmandmusic/music/city-of-music-programs>

South Africa: <http://www.bdlive.co.za/opinion/2016/08/08/cities-must-see-the-light-on-night-economy>

Sydney, Australia: <http://thefmusic.com.au/meta/info/contact-us>

Toronto, Canada: <http://mixmag.net/read/toronto-looks-to-appoint-a-night-mayor-news>

Purple Flag: https://www.atcm.org/programmes/purple_flag/Welcome-toPurpleFlag

San Francisco Entertainment Commission: <http://sfgov.org/entertainment>

Responsible Hospitality Edmonton, Canada: <http://www.responsiblehospitalityedmonton.ca>; https://www.edmonton.ca/city_government/initiatives_innovation/responsible-hospitality-edmonton.aspx

Edmonton video:

http://www.edmontonpolice.ca/News/SuccessStories/TIWWA_PSCT.aspx

San Francisco's *Nightlife Industries in San Francisco: 2016 Update*:

<http://openbook.sfgov.org/webreports/details3.aspx?id=2357>

The Brookings Institute, *The Rise of Innovation Districts: A New Geography of Innovation in America*: <https://www.brookings.edu/events/the-rise-of-innovation-districts-a-new-geography-of-innovation-in-america>

Portland Loo: <http://www.portland.oregon.gov/parks/?c=59293>

American Restroom Association:

<http://www.americanrestroom.org/design/index.htm>

Santa Cruz Visitor Restroom: <http://www.cityofsantacruz.com/departments/economic-development/business-support/visitor-restroom-program>

A Guide to Better Public Toilet Design and Maintenance, Third Edition 2013:

www.toilet.org.sg/articles/Guide-BetterPublicToilet.pdf

musicians, including subsidized housing, training on contract negotiations, and offering technical assistance and low-interest loans for sound system upgrades to minimize residential complaints. Milwaukee has established a hospitality vocational training network and job placement.

Street performers have been entertaining since the 11th century in Russia, with mixed receptivity by the public. Today, there is a fine line between legitimate "busking" and panhandling, so communities have to work carefully to enhance performance while not restricting freedom of expression.

Some leading practices include designated areas that are located away from ATM machines and store entrances or only in assigned areas; limited time in

each location (30 to 60 minutes); auditions; permits when requesting tips; and license and fees (\$150) for amplification.

Santa Cruz, California, holds a monthly Busker Festival. Burlington, Vermont, conducts auditions for Church Street Marketplace performers. Santa Monica, California's Third Street Promenade has a strict rotating schedule with uniformed sound officers testing the volume of amplified music.

Students at the University of Colorado Boulder Drama School can earn public performance hours in venues or as street performers on the Pearl Street pedestrian mall.

Assuring Public Safety

Public safety is more than just adding police officers. To reduce risk and

increase safety, communities need to establish strong collaborative partnerships, from regulatory and compliance agencies to venues with trained personnel to help prevent disorder and reduce risk.

A continuum of connections and shared responsibility is becoming the new norm in nighttime safety. From business licensing and code compliance to police and fire departments, each stakeholder has a role to play in facilitating high standards for public safety.

Regular meetings and data sharing among a dedicated team composed of city, county, and state safety agencies leads to proactive identification, provision of early assistance, and coordination of intervention with high-risk businesses. There are a growing number of communities with these teams,

including Seattle, Washington; Edmonton, Canada; Chicago, Illinois; and Columbia, South Carolina. For a good example, see the link in the resource list for the Edmonton video.

Strategic police and code compliance officer deployment, scheduling methods, and specialized training can help deescalate conflicts, better manage crowds, and prevent crime. A dedicated hospitality officer unit is one possible approach.

Expanded use of private security services and license requirements that require social venues to deploy some of

to violence and active shooters, and assisting police in managing closing time crowds are all effective strategies to create a safer and more vibrant social experience. New York City, Washington, D.C., and Boulder, Colorado, among others, are all effective strategies.

The New York City Hospitality Alliance joined forces with the New York City Alliance Against Sexual Assault to provide training for nightlife venue security staff. Training includes strategies to recognize and intervene with potential sexual aggression or assault.

MANY LOCAL GOVERNMENTS HAVE A NIGHT-TIME ECONOMY MANAGER WHO COORDINATES THE RESOURCES REQUIRED TO BALANCE VIBRANCY, SAFETY, AND QUALITY OF LIFE.

their own security staff to assist in crowd disbursement at closing frees police officers to be better able to monitor streets and other potential high-crime areas. San Diego, California; College Station, Texas; Lincoln, Nebraska; and West Palm Beach, Florida, are among communities with this approach.

The primary goal of an organized hospitality and nightlife alliance is to protect the social, economic, and cultural contributions of nightlife through voluntary standards of good practice and an efficient communication network. This allows public safety agencies to notify business owners about policy changes and coordinate meetings on urgent topics.

The use of technology facilitates more objective criteria to maintain order, promote safety, and document responsible practices. Kings Cross, Australia, is among the cities beginning to require use of scanners by venues with high occupancy and late-night activity.

Responsible beverage service training to reduce underage drinking and impaired driving and pedestrian risk, along with security training on identifying sexual predators and risk, responding

The Responsible Hospitality Group, a network of venue owners and managers, works with police in identifying the places where individuals arrested for DUI had their last drink. A peer-to-peer intervention helps the businesses evaluate serving practices to reduce future risks of impaired driving and venue liability.

Unlike traditional retail stores selling clothes or other types of merchandise, hospitality businesses serving food and alcoholic beverages and providing music and entertainment have exceptional responsibilities that require constant monitoring and motivation for compliance.

While the day and the early evening business activity is primarily food service with some drinks, late-night activity revolves around drinking, music, and dance. This increases the risk to public safety as well as the possibility of public disturbances.

State alcohol regulations often reflect remnants of prohibition repeal in 1933 and lack flexibility for such local needs and circumstances as split-use licenses. Places like San

Francisco, California; Springfield, Missouri; Lincoln, Nebraska; Montgomery County, Maryland, among others, are using zoning or entertainment permits to create better controls.

A dining establishment closing at 10 or 11 p.m., for example, doesn't need the same security, sound management, and alcohol service policies as one operating into the early morning hours. If that same dining venue wants to extend hours with music and drinking as the primary activity, it should be required to meet the same standards as other late-night businesses.

Springfield, Missouri, updated licensing regulations to rely more on a business plan than food-to-beverage sales ratios or distant requirements. The plan is evaluated by risk, hours of operation, and what the policies are on alcohol service, security, sound management, and community relations.

San Francisco established its entertainment commission to review applications for any event or venue offering entertainment, from live performances to DJs. Like Springfield, a plan review is required.

More recently, as more residential development was coming in close contact with existing nightlife areas, the commission now reviews all residential plans for sound management and requires that residents be notified of their proximity to nightlife activity.

Managing a nighttime economy certainly presents special challenges for local government managers. Balancing the need to provide social offerings with the need to ensure public safety and adherence to community standards can be a challenging juggling act. Whether the night manager or mayor position is needed or not, a local government manager will have to plan for the impact of a nighttime economy. **PM**



JIM PETERS is president, Responsible Hospitality Institute, Scotts Valley, California (jim@rhiweb.org; Facebook, @sociablecity; Twitter, @sociablecity). Author retains the copyright to this article.