



# HEARING ON IMPACT OF DOWNTOWN BUSINESS CLOSURES

November 2, 2023

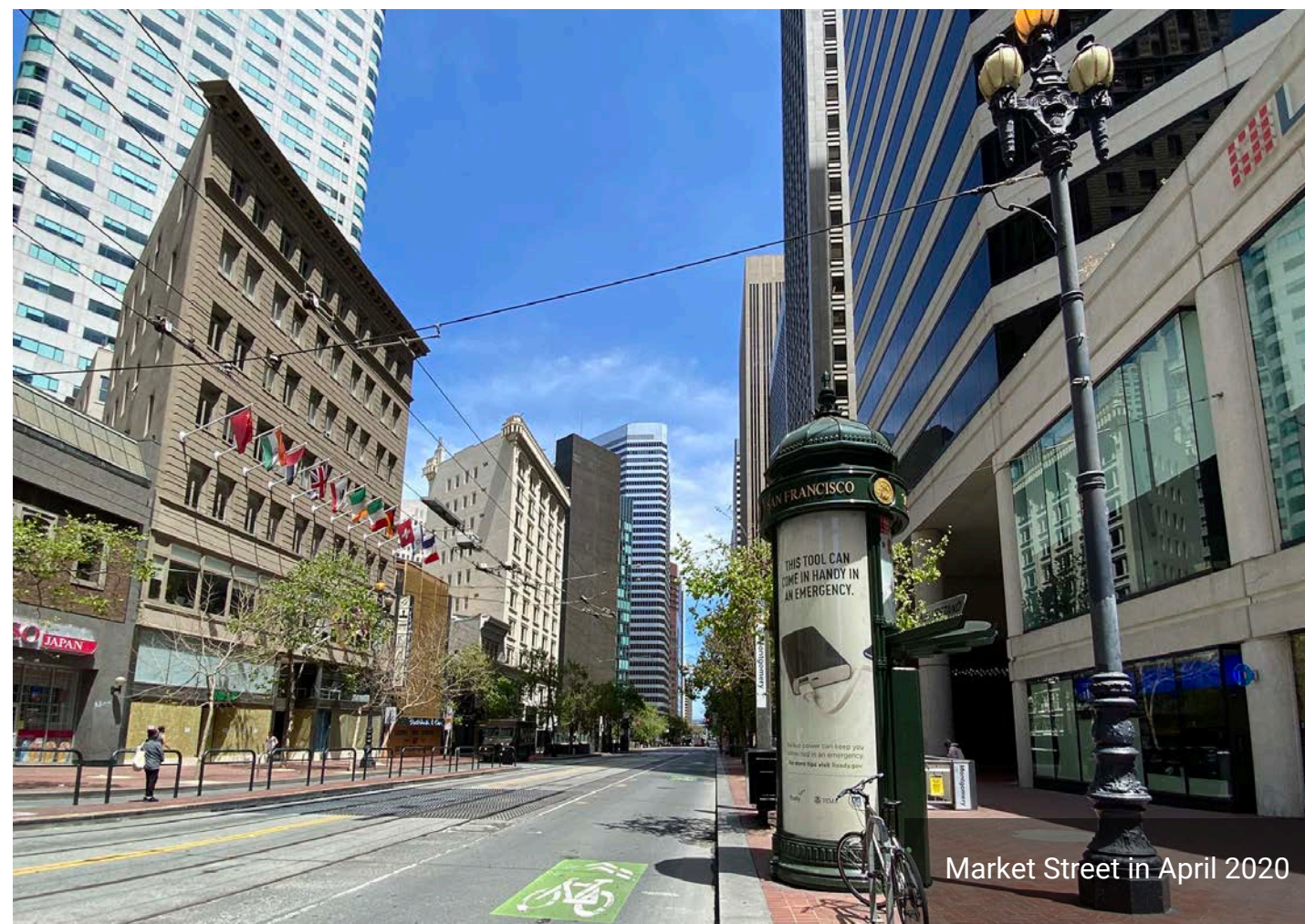


Sarah Dennis Phillips, Executive Director

Laurel Arvanitidis, Director of Business Development



# WHAT WE HEAR **WHY BUSINESSES CLOSE**



## **Changing Retail Landscape**

- Retail decline prior to COVID-19
- Impacts of COVID-19 to number of patrons downtown

## **Exits and Closures of Office and Professional Services**

- Remote work
- Comparative challenges of doing business in the City
- Cost of living



# OEWD RESPONSE AND ACTION

## Roadmap to San Francisco's Future

- Supporting the "retail revolution"
- Business retention and recruitment
- Business tax project
- Activations and events
- Coordination with tourism partners

## Our strategies

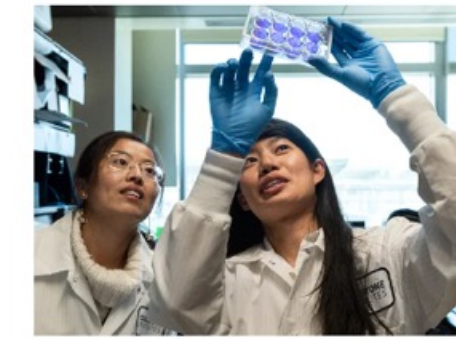


"Pier 7 on the northern waterfront" by [haveseen](#)

### Ensure Downtown is clean, safe, and inviting

Investing in a clean and safe downtown is essential to attracting new businesses as well as workforce, visitors, and residents.

[Learn more](#)



"Life science research in Mission Bay" by [Michael Short/Gladstone Institutes](#)

### Attract and retain a diverse range of industries and employers

Supporting long-standing sectors maintains the strength of San Francisco's economic core, while attracting new businesses and industries increases our economic resilience.

[Learn more](#)



"American Tulip Day in Union Square" by [Flower Bulb Day](#)

### Facilitate new uses and flexibility in buildings

Maximizing the variety of uses and flexibility in our buildings creates the spaces and services that a diverse industry base needs to succeed and will help San Francisco's Downtown recover faster.

[Learn more](#)



"Shani Jones, Chef and Owner of Peaches Patties" by [Peaches Patties](#)

### Make it easier to start and grow a business

Lowering costs, simplifying City processes, and proactively supporting entrepreneurs will encourage more businesses to start and remain Downtown and increase the diversity among business owners.

[Learn more](#)



"Hundreds of jobseekers attend a hiring fair at the Ferry Building" by [Mark Hogains](#)

### Grow and prepare our workforce

Growing and diversifying the workforce and linking workers to quality jobs will help businesses find the right employees, creating more opportunities to share in our city's economic prosperity.

[Learn more](#)



"SFMOA's annual Art Bash draws a crowd to Yerba Buena" by [SEMOMA](#)

### Transform Downtown into a leading arts, culture, and nightlife destination

Encouraging additional arts and culture, recreation, retail, nightlife and entertainment experiences in Downtown will draw a wide range of people at all hours and throughout the year.

[Learn more](#)



"Malden Lane with new lighting and street furniture" by [Sergio Ruiz](#)

### Enhance public spaces to showcase Downtown

Improving our plazas, streets, sidewalks, and parks to highlight their walkability and strong design and invite visitors, workers and residents to re-discover the best of Downtown.

[Learn more](#)



"Market Street is the transit backbone of Downtown" by [SFMTA](#)

### Invest in transportation connections

Increasing reliable transit service, protected bike lanes, and safer streets will bring more people to and through Downtown.

[Learn more](#)



"Only-in-San Francisco view from Lands End/Marin Headlands" by [SundryPhotography](#)

### Tell our story

Reclaiming our unique story and brand is key to attracting the next generation of residents, workers, employers, and visitors.

[Learn more](#)



# RESULTS 6 MONTH UPDATE

## Strategy 1: Ensure Downtown is clean, safe, and inviting

- ✔ Achieved largest new police academy class in three years; increased starting pay to be among highest in the Bay Area.
- ✔ Budgeted nearly \$50 million for non-police community-based ambassador programs over the next two years.
- ✔ Secured funding to ensure a total increase of over 15,000 housing slots and nearly 4,000 shelters beds since 2018.

## Strategy 2: Attract and retain a diverse range of industries and employers

- ✔ Increased office attendance by over 38% since July 2022, the largest year over year back-to-office gain of any US city.
- ✔ Saw office demand increase by over 10% by the second quarter of 2023, the only major city aside from New York to see positive office demand. Continued growth among AI companies, with a reported demand of up to 800,000 additional square feet on top of current holdings.

## Strategy 3: Facilitate new uses and flexibility in buildings

- ✔ Received submittals of interest for 8 potential downtown residential conversions, in response to recent Request for Information (RFI).

# RESULTS 6 MONTH UPDATE

## Strategy 4: Make it easier to start and grow a business

- ✔ 4,873 businesses have benefitted from the First Year Free program to date.
- ✔ 5,578 new business registrations have been filed to date in 2023.
- ✔ Facilitating over 100 changes to Planning Code to ease permitting of ground floor commercial spaces (via pending legislation).

## Strategy 5: Grow and prepare our workforce

- ✔ Enrolled 2,630 San Francisco job seekers in workforce services in the first six months of 2023, with over 1,954 of those job seekers referred through Neighborhood Job Centers.
- ✔ Connected over 1,000 job seekers with 80 employers at the Ferry Building job fair in April.

## Strategy 6: Transform Downtown into a leading arts, culture, and nightlife destination

- ✔ Welcomed over 10,000 people at Bhangra & Beats Night Market, with surveyed attendees spending \$89 on average in downtown before or after each event.
- ✔ Drew crowds of approximately 4,350 attendees to Women's World Cup Village events, with 33 vendors who nearly sold out of food and beverages.
- ✔ Expanded the UNDSVCVRD SF Block Party in its 7th year, bringing an average of 6,000 attendees downtown per event.



# RESULTS 6 MONTH UPDATE

## Strategy 7: Enhance public spaces to showcase Downtown

- ✓ Adopted the Shared Spaces program permanently to allow businesses to operate in outdoor public spaces.
- ✓ Opened Landing at Leidesdorff as a new public space Downtown in early September.

## Strategy 8: Invest in transportation connections to maintain access to Downtown

- ✓ Increased morning rush hour service on the 1 California pilot, and supplemented service on other Citywide lines, to address growing demand.
- ✓ Launched the California Line Cable Car Day Pass, selling close to 10,000 more Cable Car tickets on-board on the California line and an additional 5,400+ day passes on MuniMobile.
- ✓ Saw MUNI daily boardings increase by approximately 33,000 weekday boardings from the start of 2023, and BART weekday ridership by approximately 25,000 daily riders.

## Strategy 9: Tell our story

- ✓ Expanding visibility to a broader national and international audience through Fall events like Dreamforce (now the largest AI conference in the world), and APEC (with 21 heads of state including the President of the United States and hundreds of business leaders from Asia).





# DISCUSSION

[oewd.org](http://oewd.org)



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