

MEMORANDUM

TO: Supervisor Aaron Peskin, District 3 Supervisor

CC: San Francisco Board of Supervisors
Chris Corgas; Program Director, OEWD

FROM: Mimi Hiraki; Project Specialist, OEWD

DATE: July 13, 2022

SUBJECT: Fisherman's Wharf Community Benefit; FY 2020-2021 Annual Report

This is a memo summarizing the performance of the Fisherman's Wharf Community Benefit District (FWCBD) for both "Landside" and "Portside" and an analysis of their financial statements (based on their audit) for the period between July 1, 2020 and June 30, 2021.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Fisherman's Wharf CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Fisherman's Wharf Association management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2005 for Landside and 2006 for Portside.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2020-2021
2. CPA Financial Review Report
 - a. FY 2020-2021
3. Draft resolution from the Office of Economic and Workforce Development

Background



The Fisherman's Wharf Community Benefit District includes two districts - the "Landside" property-based district includes 127 parcels and "Portside" business-based district includes 58 parcels.

Landside:

- July 26, 2005: the Board of Supervisors approved the resolution that established the property-based district called the Fisherman's Wharf Landside Community Benefit District for 15 years (Resolution # 540-05).
- January 10, 2006: the Board of Supervisors approved the contract for the administration and management of the Fisherman's Wharf Community Landside CBD (Resolution # 16-06).
- March 14, 2017: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Landside CBD (Resolution # 077-17).
- July 24, 2018: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Landside CBD (Resolution # 240-18)
- September 17, 2019: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Landside CBD (Resolution # 398-19)
- July 14, 2020: the Board of Supervisors approved the resolution to establish (renew and expand) Fisherman's Wharf Landside Community Benefit District for 15 years (Resolution # 323-20)
- September 15, 2020: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Landside CBD (Resolution # 391-20)
- November 2, 2021: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Landside CBD (Resolution # 515-21)
- December 11, 2020: the Board of Supervisors approved the contract for the administration and management of the Fisherman's Wharf Community Landside CBD (Resolution # 551-20).

Portside:

- December 12, 2006: the Board of Supervisors approved the resolution that established the business-based district called the Fisherman's Wharf Portside Community Benefit District for 14 years (Resolution # 696-06).
- June 19, 2007: the Board of Supervisors approved the contract for the administration and management of the Fisherman's Wharf Portside CBD (Resolution # 312-07).
- March 14, 2017: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Portside CBD (Resolution # 077-17).
- July 24, 2018: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Portside CBD (Resolution #240-18)
- September 17, 2019: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Portside CBD (Resolution #398-19)
- September 15, 2020: the Board of Supervisors approved the Annual Report for the Fisherman's Wharf Portside CBD (Resolution # 391-20)
- November 17, 2020: the Board of Supervisors killed the resolution that established the property-based district called the Fisherman's Wharf Portside Community Benefit District.

Basic Information about Fisherman's Wharf CBD

| | |
|------------------|--------------------------------|
| Year Established | Landside 2005 Portside 2006 |
| Year Renewed | Landside 2020 |



| | |
|---------------------------------------|--|
| Assessment Collection Period | Landside: FY 2020-21 to FY 2034-35 (July 1, 2020 to June 30, 2035) Portside: FY 2006-07 to FY 2019-20 (July 1, 2006 to June 30, 2020) |
| Services Start and End Date | Landside: January 1, 2021 – December 31, 2021 Portside: January 1, 2007 – December 31, 2020 |
| Initial Estimated Annual Budget | Landside: \$1,346,000.00 Portside: \$187,113 |
| FY 20-21 Submission | Landside: \$1,218,900.68 |
| Fiscal Year | July 1 – June 30 |
| Executive Director | Randall Scott |
| Name of Nonprofit Owners' Association | Fisherman's Wharf Association of San Francisco |

The current CBD website <http://www.fwcdbd.com>, includes all the pertinent information about the organization and its programs, a calendar of events, its Management Plan, Mid-Year Report, Annual Report and meeting schedules. It should also be noted that the organization also manages the site <http://www.visitfishermanswharf.com> that is designed specifically for visitors to the district.

Summary of Service Area Goals

Service Area Categories for July 1, 2020, to December 31, 2020

Landside renewed and expanded the District during this review period. For the first half of the fiscal year (July 1, 2020 to December 31, 2020), the CBD operated under the previous Management Plan's framework which detailed the following service areas:

District Identity and Street Improvements (DISI)

District Identity and Street Improvements service includes marketing and public relations and street enhancements for the district. The Landside CBD Management Plan calls for 41% of the budget to be spent on DISI while the Portside CBD Management Plan calls for 70% of the budget to be spent in this service area.

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance, beautification, and safety and emergency preparedness. FWCBD contracts with Block by Block to provide removal of litter from sidewalks seven days a week year round, annual sidewalk steam cleaning, ongoing power washing and removal of graffiti within 72 hours. Security in the district is provided by SFPD 10B officers several days a week from July to early October. Three full-time and one part-time ambassador provide assistance with directions and questions, communication with law enforcement and the Port of San Francisco, and outreach to homeless on the wharf. The Landside CBD Management Plan calls for 29% of the budget to be spent on SOBO while the Portside CBD Management Plan does not allocate funds for this service area.

Administration and Corporate Operations



The Landside and Portside CBD Management Plan calls for 20% of the budget to be spent on administration and corporate operations. The FWCBD is staffed by a full-time Executive Director who serves as the point person and advocate for the Fisherman's Wharf CBD. FWCBD board has twenty-five (25) board members who represent the diverse property and business owners in the district. In addition, there are two non-voting community representatives on the board that include the National Park Service, the Fishing Industry, and the Port of San Francisco. The board meets the fourth Thursday of the month. Each committee requires at least one board member serve on the committee or as the chair. The five committees include:

- **Marketing/District Identity & Streetscape Improvements** - The Marketing/District Identity & Streetscape Improvements committee works to promote visitation to Fisherman's Wharf and meets the second Tuesday of the month.
- **PIERSafe** - The PIERSafe committee works to create a safety and emergency preparedness for businesses and residents in the Fisherman's Wharf community and meets the first Thursday of the month. Fisherman Wharf CBD regularly holds trainings, meetings and drills to ensure safety for merchants, workers and visitors on the wharf.
- **Sustainability/Zero** - The Sustainability/Zero Waste committee works to assist businesses and residents in reaching the City's goals of becoming 100% sustainable by the year 2020 and meets every two months.
- **Street Operations, Beautification and Order (SOBO)** - The SOBO committee works to ensure a clean and safe commercial district and meets the second Tuesday of the month.
- **Transportation Improvement** - The Transportation Improvement committee works to help mitigate traffic congestion and improve vehicle and pedestrian safety and meets every two months.

Service Area Categories for January 1, 2021, to June 30, 2021

The second half of the fiscal year (January 1, 2021-June 30, 2021), the CBD transitioned to an updated framework. The new service areas are similar to the previous service areas as described below:

Clean and Safe Program

Clean and Safe Program includes sidewalk sweeping and pressure washing, graffiti removal and abatement, security patrols and emergency preparedness. The goals are to improve safety and cleanliness of sidewalks, curbs, and street fixtures within the District boundaries. Programs under Clean and Safe include the Staffing Program to assist visitors with directions and questions, clean and remove graffiti, provide outreach to the street population and aid law enforcement; 10B SFPD Officers or private security to be visual crime deterrent, report crimes to 911 or non-emergency, and advise the public on laws and rules regarding the public realm; committees are developed for short term issues such as the Safety Outreach Working Group (formerly PIERSafe), the Transportation Improvement Working Group and the Jefferson Street Working Group; and security cameras.

Marketing and Events Program



Marketing and Events Program aims to attract more tourists and locals to the area and promote businesses and events in the District. This program includes community and special events, communications, outreach, public relations efforts, other marketing efforts, advocacy, and street improvements. Under the communication, public relations and community relations area, regular activities include, but are not limited to, attendance at community and City meetings, participation of neighborhood organization committees, coordinating services among merchants and public sector, maintaining district website, event promotion and coordination, publishing newsletter regularly, and issuing press releases. Under marketing, activities included but not limited to are maintaining wayfinding and district signage, social media marketing, district marketing, public space activation and events, and networking and educational opportunities for business owners. Streetscape Improvement services include, but are not limited to, landscaping, activation, events, beautification, “Little Embarcadero” events, and signage. Special community events include, but not limited to the Fourth of July Waterfront Celebration, Fleet Week, Holiday Lights & Sights Campaign, Wharf Fest, and Lighted Boat Parade.

Operating and Administration Costs

Staff will provide oversight and coordination of both District and contractor-provided services, annual assessment roll preparation, addressing property owners’ questions and concerns, ensuring adherence to the Management District Plan and ensuring compliance with the law.

Contingency/Reserve Allocation

A contingency reserve will be used to cover possible unforeseen future expenses or ensure smooth cash flows.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

The following activities are reported by the CBD at the annual level. Based off the descriptions of the service categories areas in each of the management plans, the service areas are grouped by similarity. District Identity and Street Improvement is grouped with Marketing and Events Program as both service areas largely focused on services such as marketing. Streets Operations, Beautification and Order is grouped with Clean and Safe Program as both service areas largely focused on safety and security services, visitor/merchant services and cleaning/maintenance services. Administration and Corporate Operations is grouped with Operating and Administration Costs as both service areas largely focused on providing oversight and coordination of District and contractor-provided services, administrative tasks such as annual assessment roll preparation, addressing property owners’ questions and concerns and ensuring adherence to the Management District Plan.

FY 2020-2021

District Identity and Street Improvements (DISI) / Marketing and Events Programs

- Launched new SEO-enabled website combining the FWCBD site and the Fisherman’s Wharf Merchants Association’s site to centralize information for visitors and increase traffic on the website
- More than 133,000 users on the new website with 8,000 users on the trip itinerary tool (Visit Widget)



- Increased online presence with the Facebook page likes totaling 52,800, Instagram followers to 6,600 and Twitter followers to more than 3,600
- Fleet Week 2020 and Wharf Fest 2020 were both cancelled due to health and safety concerns related to the Covid-19 pandemic
- Adapted annual holiday event, Merry Time at the Wharf, by promoting shopping, outdoor dining, take-away food and outdoor activities through paid Instagram, Facebook and radio ads.
- Awarded Certificate of Excellence from Trip Advisor for 6th year in a row and inducted into Trip Advisor Hall of Fame.
- Maintained 4/5 star rating on both Yelp and Trip Advisor
- Awarded Trip Experts' Expert's Choice Award

Street Operations, Beautification and Order (SOBO) / Clean and Safe Program

- Safety & Security Services:
 - Camping/sleeping in public right of way – 597
 - Aggressive panhandling addressed – 179
 - Drinking in Public – 101
 - Illegal Dumping – 439
 - Requests for Police/Fire/EMS – 13
 - Worked with City agencies and partners to provide access to care to members of the street population
 - From July to October the Fisherman's Wharf CBD hired private security guards and SFPD 10-B officers to assist the district with security and create a preventative presence.
 - Beginning Memorial Day 2021, hired private security for weekly deployments
 - Wharf Patrol, the district's motorcycle crime deterrent team returned in November 2020
 - Through the efforts of its Ambassadors and continued community participation, the FWCBD worked to get convictions and stay-away orders for the top three criminal offenders at Fisherman's Wharf. The Ambassadors also led an awareness campaign about the persons of interest in our district.
 - 40+ security camera sensors were installed at new locations at the Wharf
- Visitor/Merchant Services:
 - Hospitality assistance – 1,302
 - Directions given – 927
 - Business contacts made – 655
- Cleaning/Maintenance Services
 - Trash collected – 37,902 lbs.
 - Graffiti/Stickers removed – 4,887
 - Pan and broom block faces swept - 16,132
 - Street furniture cleaned – 1,554
 - Tree grates cleaned – 3,152
 - Painting projects completed – 667

Administration and Corporate Operations / Operating and Administration Costs

- Renewed the Landside CBD for the next 15 years with 85% of property owners in favor and increased the budget by 160%.
- Participated in Mayor's COVID-19 Economic Recovery Task Force.



- Distributed and delivered PPE to CBD stakeholders during the pandemic as one of the City's distribution sites for PPE.
- Secured a line of credit to ensure continuous operations.
- Applied for and awarded two PPP loans. Forgiveness was obtained for the first one.
- Continue to be an active member of the Aquatic Park and Pier Project to be a liaison between community members and the project team.
- Awarded an OEWD grant to license new software to track ambassador metrics.

FWCBD Annual Budget Analysis

The reporting period (FY2021) was a year of transition for the Fisherman's Wharf CBD Landside as the CBD successfully completed renewal on July 14, 2020 and transitioned to a new management plan. Thus, for the first half of this reporting period, July 2020-December 2020, the CBD's benchmarks are evaluated under the previous management plan and engineer's report adopted by the Board of Supervisors on January 10, 2006 (File # 052026) while the second half of this reporting period, January 2021-June 2021 will be evaluated under the new management plan and engineer's report adopted by the Board of Supervisors on September 15, 2020 (File #200959).

OEWD's staff reviewed the following budget-related benchmarks for FWCBD:

- **BENCHMARK 1.** This benchmark remained the same: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan. (*Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.9 – Budget; Agreement for the Administration of the "Fisherman's Wharf Portside Community Benefit District", Section 3.9 - Budget*).
- **BENCHMARK 2.** This benchmark changed: Under the previous management plan, it was whether five percent (5%) of Landside's actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.4 - Annual Reports*). Under the current management plan, it is whether nine and eight tenths percent (9.08%) of Landside's actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.4 - Annual Reports*).
- **BENCHMARK 3.** This benchmark remained the same: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.9 – Budget; Agreement for the Administration of the "Fisherman's Wharf Portside Community Benefit District", Section 3.9 - Budget*).
- **BENCHMARK 4.** This benchmark remained the same: Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*).

FY 2020-2021 Budget Analysis

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan



ANALYSIS: *FWCBD did not meet this requirement for Portside or for Landside. See tables below.*

Landside - JANUARY 2021-JUNE 2021

| Service Category | Management Plan Budget (Percentage) | FY2020-2021 Budget – Asst. (Percentage) | FY2020-2021 Budget – Total (Percentage) | Variance Percentage Points – Asst. | Variance Percentage Points - Total |
|--------------------------------|---|---|---|---|---|
| Clean and Safe Program | \$550,702.44 (45.00%) | \$315,984.00 (44.84%) | \$605,700.00 (49.45%) | -0.16% | +4.45% |
| Marketing and Events Program | \$318,183.63 (26.00%) | \$188,899.00 (26.81%) | \$349,960.00 (28.57%) | +0.81% | -2.57% |
| Administration Costs | \$244,756.64 (20.00%) | \$144,711.00 (20.54%) | \$269,200.00 (21.98%) | +0.54% | +1.98% |
| Contingency/Reserve Allocation | \$110,140.49 (9.00%) | \$55,070.00 (7.82%) | \$121,140.00 (9.89%) | -1.18% | +0.89% |
| January 2021-June 2021 TOTAL | \$1,223,783.20 (100%) | \$704,664.00 (100%) | \$1,224,860.00 (100%) | | |

Landside - JULY 2020-DECEMBER 2020

| Service Category | Management Plan Budget (Percentage) | FY2020-2021 Budget (Percentage) | Variance Percentage Points – Asst. |
|---|---|---|---|
| Sidewalk Operations & Beautification | \$164,683.40 (29.09%) | \$143,997.00 (40.56%) | +11.46% |
| District Identity & Streetscape Improvement | \$231,846.00 (40.96%) | \$140,280.00 (39.51%) | -1.45% |
| Administration Costs | \$113,650.00 (20.08%) | \$70,774.00 (19.93%) | -0.14% |
| Contingency/Reserve Allocation | \$55,902.16 (9.88%) | \$0.00 (0.00%) | -9.88% |
| July 2020-December 2020 TOTAL | \$566,081.56 (100%) | \$355,051.00 (100%) | |

Portside

| Service Category | Management Plan Budget (Percentage) | FY2020-2021 Budget (Percentage) | Variance Percentage Points |
|---|---|---|----------------------------------|
| District Identity & Streetscape Improvement | \$130,979.00 (70.00%) | \$68,490.00 (61.95%) | -8.05% |
| Administration/Corporate Operations | \$37,423.00 (20.00%) | \$42,059.00 (38.05%) | +18.05% |



| | | | |
|---------------------------------------|--------------------------------------|--------------------------------------|---------|
| Contingency/Reserve Allocation | \$18,711.00 (10.00%) | \$0.00 (0.00%) | -10.00% |
| TOTAL | \$187,113.00 (100%) | \$110,549.00 (100%) | |

BENCHMARK 2: Whether nine and eight tenths percent (9.08%) of Landside’s actuals came from other sources other than assessment revenue during the second half of the fiscal year.

ANALYSIS: *FWCBD met this requirement. Assessment revenue was \$1,209,617.00 or 85.84% of actuals and non-assessment revenue was \$199,528.00 or 14.16% of actuals. See table below.*

| Revenue Sources | FY2021 Actuals | % of Actuals |
|---|-----------------------|---------------------|
| Assessment Revenue Landside | \$1,209,617.00 | 85.84% |
| Total Assessment (Special Benefit) Revenue | \$1,209,617.00 | 85.84% |
| Grants | \$81,974.00 | 5.82% |
| Interest Earned | \$60.00 | 0.00% |
| Donations - Cash & In Kind | \$117,494.00 | 8.34% |
| Total Non-Assessment (General Benefit) Revenue | \$199,528.00 | 14.16% |
| Total (Assessment and Non-Assessment) Revenue | \$1,409,145.00 | 100.00% |

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *FWCBD Landside did not meet this requirement; FWCBD Portside met this requirement. See table below.*

Landside - JANUARY 2021-JUNE 2021

| Service Category | FY2020-2021 Budget – Asst. (Percentage) | FY2020-2021 Budget – Total (Percentage) | % of Actuals | Variance Percentage Points |
|-------------------------------------|--|--|-------------------------|---|
| Clean and Safe Program | \$315,984.00 (44.84%) | \$605,700.00 (49.45%) | 49.21% | +4.37% |
| Marketing and Events Program | \$188,899.00 (26.81%) | \$349,960.00 (28.57%) | 26.13% | -0.68% |
| Administration Costs | \$144,711.00 (20.54%) | \$269,200.00 (21.98%) | 24.66% | +4.13% |



| | | | | |
|---------------------------------------|--------------------------------------|--|-------|--------|
| Contingency/Reserve Allocation | \$55,070.00 (7.82%) | \$121,140.00 (9.89%) | 0.00% | -7.82% |
| January 2021-June 2021Total | \$704,664.00 (100%) | \$1,224,860.00 (100%) | | |

Landside – JULY 2020-DECEMBER 2020

| Service Category | FY2020-2021 Budget (Percentage) | FY2020-2021 Actuals – Asst. (Percentage) | FY2020-2021 Actuals – Total (Percentage) | Variance Percentage Points – Asst. | Variance Percentage Points – Total* *Due to not having a budget different between total and assessment, this was determined from the FY 20-21 budget provided |
|--|--|---|---|---|---|
| Sidewalk Operations & Beautification | \$143,997.00 (40.56%) | \$70,380.44 (34.70%) | \$138,094.44 (32.86%) | -5.85% | -7.69% |
| District Identity & Streetscape Improvement | \$140,280.00 (39.51%) | \$71,594.73 (35.30%) | \$212,802.91 (50.64%) | -4.21% | +11.13% |
| Administration Costs | \$70,774.00 (19.93%) | \$60,828.43 (29.99%) | \$69,298.43 (16.49%) | +10.06% | -3.44% |
| Contingency/Reserve Allocation | \$0.00 (0.00%) | \$0.00 (0.00%) | 0.00% (0.00%) | 0.00% | 0.00% |
| July 2020-December 2020 Total | \$355,051.00 (100%) | \$202,803.60 (100%) | \$420,195.78 (100%) | | |

Portside

| Service Category | FY2020-2021 Budget (Percentage) | FY2020-21 Actuals – Asst. (Percentage) | FY2020-2021 Actuals – Total (Percentage) | Variance Percentage Points – Asst. | Variance Percentage Points - Total |
|--|--|---|---|---|---|
| District Identity & Streetscape Improvement | \$68,490.00 (61.95%) | \$87,790.71 (65.80%) | \$117,685.89 (70.96%) | +3.85% | +9.01% |
| Administration/Corporate Operations | \$42,059.00 (38.05%) | \$45,622.02 (34.20%) | \$48,152.02 (29.04%) | -3.85% | -9.01% |
| Contingency/Reserve Allocation | \$0.00 (0.00%) | \$0.00 (0.00%) | \$0.00 (0.00%) | 0.00% | 0.00% |
| Total | \$110,549.00 (100%) | \$133,412.73 (100%) | \$165,937.91 (100%) | | |



BENCHMARK 4: Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

ANALYSIS: FWCBD Landside met this requirement. *There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

Landside

| FY 2020-2021 Carryover Disbursement | Amount | Spenddown Timeline |
|---|---------------------|---------------------------|
| Clean and Safe Program | \$235,607.14 | Jul-Dec 2021 |
| Marketing and Events Program | \$150,612.60 | Jul-Dec 2021 |
| Administration Costs | \$87,214.40 | Jul-Dec 2021 |
| Contingency/Reserve Allocation | \$231,923.35 | Jul-Dec 2021 |
| Total Assessment (Special Benefit) Carry Forward | \$705,357.49 | |
| Total Non-Assessment (General Benefit) Carry Forward | \$5,355.33 | |

Findings and Recommendations

FY2020-2021 was a year of transition for the Fisherman's Wharf CBD Landside as the CBD successfully completed renewal on July 14, 2020 and began operating under a new management plan mid-year. Thus, for the first half of this reporting period, July 2020-December 2020, the CBD's benchmarks are evaluated under the previous management plan and engineer's report adopted by the Board of Supervisors on January 10, 2006 (File # 052026) while the second half of this reporting period, January 2021-June 2021, will be evaluated under the new management plan and engineer's report adopted on September 15, 2020 (File #200959). The Fisherman's Wharf CBD Portside's renewal process was defeated during the election process in November 2020 and set to sunset on December 31, 2020 so will only be evaluated for the time period it operated, July 2020-December 2020.

Fisherman's Wharf CBD Landside met all four benchmarks as defined on pages 7 to 9 of this memo for the first half of the reporting period, July 2020-December 2020. Fisherman's Wharf CBD Landside met 2 of the 4 benchmarks as defined on pages 7 to 9 of this memo for the second half of the reporting period. The CBD missed Benchmark 1 which compares whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan for January-June 2021 and Benchmark 3 which compares the organization's fiscal year budget with the fiscal



year actuals for January – June 2021. In relation to Benchmark 1, per Section 3.4 of the *Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District,”* each CBD is allotted ten (10) percent deviation from their budget from their management plan budget and in relation to Benchmark 3, per Section 3.4 of the *Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District,”* each CBD is allotted ten (10) percent deviation from their budget and actual expenses. If they do not meet this, OEWD must determine if this deviation adversely impacts the special benefits conferred on parcels within the CBD.

In this particular situation, based on assessment dollars, the CBD overbudgeted 1.46% on their Sidewalk Operations & Beautification service category more than the 10% variance for January-June 2021. In order to determine if these actions adversely impacted special benefits conferred on the parcels within the CBD, OEWD reviewed the CBD’s management plan and engineer’s report approved by the Board of Supervisors on September 15, 2020 (File # 200959). Per the Engineer’s Report, Sidewalk Operations & Beautification service confers aesthetic benefit, safety benefit and economic and promotional activity benefit; both aesthetic benefit and safety benefits are stated to bring benefit to all land use benefits types including non-residential property, apartment property, condominium property and public property. Thus, this deviation adversely impacts the special benefits conferred on parcels within the CBD.

Based on the assessment dollars, the CBD overbudgeted .06% on their Administration Costs service category more than the 10% variance for January-June 2021. In order to determine if these actions adversely impacted special benefits conferred on the parcels within the CBD, OEWD reviewed the CBD’s management plan and engineer’s report approved by the Board of Supervisors on September 15, 2020 (File # 200959). Per the Engineer’s Report, Administration Costs confers aesthetic benefit, safety and economic and promotional activity benefit; both aesthetic benefit and safety benefits are stated to bring benefit to all land use benefits types including non-residential property, apartment property, condominium property and public property. Thus, this deviation adversely impacts the special benefits conferred on parcels within the CBD.

Fisherman’s Wharf CBD Portside met 3 of the 4 benchmarks as defined on pages 7 to 9 of this memo. The CBD missed Benchmark 1 whether the variance between the budget amounts fore each service category was within 10 percentage points from the budget identified in the Management Plan. The CBD overbudgeted 8.05% on their Administration/Corporate Operations service category for July-December 2020. In order to determine if these actions adverse impacted special benefits conferred on the parcels within the CBD, OEWD reviewed the CBD’s management plan approved by the Board of Supervisors on October 24, 2006 (File # 061419). Per the management plan, activities confer benefit only to the businesses within the stated boundaries. It is in OEWD’s opinion that the deviation did not adversely impact the special benefits conferred on parcels within the CBD.

Given the CBD’s strong historical precedence of meeting all benchmarks for more than past five reporting periods, this reporting period is one of transition and the variances are less than 2%, it is in OEWD’s opinion that the CBD will likely be able to meet the benchmarks in future years.

In FY 19-20 the CBD and its renewal steering committee focused on completing their renewal process before the district expired. The Landside CBD successfully completed renew on July 14, 2020 with 85% of property owners voting in favor. Portside CBD’s renewal process was killed during the election process in November 2020 with the Portside CBD failing to garner the necessary support of assessment payers to



renew the district. Proponents of the Portside CBD renewal were met with significant and organized opposition from some of the assessment payers. The Portside CBD sunset on December 31, 2020. OEWD worked with FWCBD to ensure that all laws were followed in the dissolution of the Portside CBD. The Affiliate Program was launched on the sunset of Portside CBD, so businesses still interested in receiving select services from FWCBD can pay a fee.

During this review period, the CBD has performed well pivoting to the emerging health and economic impacts of the COVID-19 global pandemic that started in March 2020 and continued through this review period. During this review period, the CBD continuously adjusted to the continuous changes of health orders issued by the San Francisco Health Officer, including the renewed shelter-in-place health order in December 2021.

Fisherman's Wharf CBD has been on the forefront of partnering with the City and County of San Francisco as we work to emerge from the Covid-19 pandemic. The CBD was instrumental in connecting with neighborhood stakeholders, managing PPE deliveries, and its executive director, Randall Scott, sat on the Economic Recovery Task Force. The CBD is currently proactively thinking how to emerge from the pandemic to welcome visitors back to the area to support the Wharf's unique businesses. The CBD continues to execute the Retail Strategy's 2 year goals. Although many of Fisherman's Wharf CBD's traditional events such as Wharf Fest and Fleet Week were canceled due to the pandemic, the CBD pivoted other events such as Merry Time at the Wharf event well to promote their district's businesses.

Due to their strategic marketing decision to launch a new website that combined both the CBD's and Fisherman Wharf's Merchant Association websites, their online presence significantly increased with more than 138,000 users on the site.

Conclusion

Fisherman's Wharf CBD has performed well in implementing the service plan of both the Landside and Portside areas. The CBD continues to a valued partner providing resources to its constituents and working well with OEWD and other city agencies. Fisherman's Wharf CBD has an active board of directors and committee members. OEWD believes the Fisherman's Wharf CBD Landside will continue to successfully carry out its mission and service plans and the Portside was successfully closed.

