

MEMORANDUM

TO: Supervisor Aaron Peskin, President of the Board of Supervisors & District 3 Supervisor

CC: San Francisco Board of Supervisors

FROM: Chris Corgas; Deputy Director, Community Economic Development OEWD
Mimi Hiraki; Project Specialist, OEWD

DATE: 5/15/2023

SUBJECT: Fisherman's Wharf Community Benefit; FY 2021-2022 Annual Report

This is a memo summarizing the performance of the Fisherman's Wharf Community Benefit District (FWCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2021 and June 30, 2022.

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 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 2020.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2021-2022
2. CPA Financial Review Report
 - a. FY 2021-2022
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.

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 FY 2015-2016 for the Fisherman's Wharf Landside CBD (Resolution # 077-17).
- July 24, 2018: the Board of Supervisors approved the Annual Report FY 2016-2017 for the Fisherman's Wharf Landside CBD (Resolution # 240-18)
- September 17, 2019: the Board of Supervisors approved the Annual Report FY 2017-2018 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 FY 2018-2019 for the Fisherman's Wharf Landside CBD (Resolution # 391-20)
- November 2, 2021: the Board of Supervisors approved the Annual Report FY2019-2020 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).
- December 13, 2022: the Board of Supervisors approved the Annual Report FY 2020-2021 for the Fisherman's Wharf Landside CBD (Resolution # 536-22)

Basic Information about Fisherman's Wharf CBD

Year Established	2005
Year Renewed	2020
Assessment Collection Period	Landside: FY 2020-21 to FY 2034-35 (July 1, 2020 to June 30, 2035)
Services Start and End Date	January 1, 2021 – December 31, 2021
Initial Estimated Annual Budget	\$1,340,637.53
FY 21-22 Submission	\$1,204,734.18
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.fwcbd.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

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

FY 2021-2022



Clean and Safe Program

- Cleaning/Maintenance Service Highlights
 - Trash collected – 28,890 lbs.
 - Graffiti/Stickers removed – 5,547
 - Pan and broom block faces swept – 14,815
 - Street furniture cleaned – 4,009, more than twice the amount from last year
 - Sidewalk Loitering – 2,854
 - Painting projects completed – 494

Marketing and Events Programs

- Saw a 143% increase in users and 247% increase in pageviews from the previous year after combining the FWCBD site and the Fisherman’s Wharf Merchants Association site
 - 352,400 users opened the destination website fishermanswharf.org leading to 1,072,525-page views, 443,502 sessions
 - 168,900 users viewed the business listings on the website
- 12,761 users used the trip itinerary tool, VisitWidget
 - Usage of the Wharf SF app has doubled since the previous fiscal year translating to 80,661 pageviews, 3,259 iOS downloads and 432 Android downloads
- Online presence with Facebook increased by 117.7% with 6,466,063 accounts reached on Facebook and 39,617 on Instagram. This translates to 42,404 page and profile visits on Facebook and 15,620 on Instagram. Twitter followers increased to 3,812.
- FWCBD switched to using Critical Mention for monitoring media. The following summary statistics are provided by Critical mention:
 - Potentially reached 3.1 Billion viewers during this reporting period
 - 4,800 instances of news media exposure across print and online, radio and TV
 - 2,800 mentions with positive/neutral sentiments compared to 967 mentions with negative
 - Publicity/media exposure had an equivalent value of \$103M
- Published e-newsletter, “News You Need” once a week and 8 blog posts for ‘What’s Up Wharf’ blog gram for various activities
- Hosted a band at the Fisherman’s Wharf plaza and worked closely with SFPD and the Academy of Arts to safely communicate in case of an emergency for Fleet Week 2021
- Installed Christmas lights on the Fisherman’s Wharf sign with a vendor
- Merry Time at the Wharf, the annual holiday event, was canceled due to COVID-19 safety concerns
- Partnered with San Francisco Tourism, Chamber of Commerce and 8 other civic entities to launch a cannabis festival called Evergreen San Francisco in March 2022. Subsequently, 20 articles were written about the event and mentioned Fisherman’s Wharf
- Partnered with KPFA, SF Public Library, Green Apple Books and Seaweed to host a book signing event at the Fisherman’s Wharf plaza
- Pitched to 52 businesses to join the affiliate program and 15 new businesses joined from February to June 2022.
- Through a Google Grant for Adwords, FWCBD was able to generate 18 ads resulting in 60,636 clicks, 599,854 impressions and an average CTR of 10.11%



- Ran two campaigns for Fleet Week and the What's Up Wharf blog reaching 96,507 people, 6,010 clicks and 209,944 impressions

Operating and Administration Costs

- Hired a new communications manager
- Served as the unified voice of the Wharf communicating with news media outlets to increase visibility within the City
- Successfully championed the early return of the cable cars
- Worked with Shine on SF partnership to develop and implement a communications strategy on behalf of the SF Benefit District Alliance
- Participated in a panel discussion with District 3 community leaders on the challenges of small businesses and how new technology can overcome the challenges

FWCBD Annual Budget Analysis

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 2021-2022 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 met this requirement. See tables below.



	Management Plan Budget		FY 2021-2022 Budget		Variance	
Service Category	Assessment (Percentage)	Total (Percentage)	Assessment (Percentage)	Total (Percentage)	Assessment	Total
Clean and Safe Program	\$545,826.88 (44.78%)	\$600,337.53 (44.78%)	\$635,700.00 (51.95%)	\$655,700.00 (50.22%)	+7.17%	+5.44%
Marketing and Events Program	\$318,183.63 (26.10%)	\$349,960.00 (26.10%)	\$343,326.00 (28.05%)	\$377,480.00 (28.91%)	+1.95%	+2.80%
Administration Costs	\$244,756.64 (20.08%)	\$269,200.00 (20.08%)	\$244,757.00 (20.00%)	\$272,603.00 (20.88%)	-0.08%	+0.80%
Contingency/ Reserve Allocation	\$110,140.49 (9.04%)	\$121,140.00 (9.04%)	\$0.00 (0.00%)	\$0.00 (0.00%)	-9.04%	-9.04%
TOTAL	\$1,218,907.64	\$1,340,637.53	\$1,223,783.00	\$1,305,783.00		

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 \$1,223,783.21 or 79.51% of actuals and non-assessment revenue was \$315,330.63 or 20.49% of actuals. See table below.

Revenue Sources	FY21-22 Actuals	% of Actuals
Assessment Revenue	\$1,223,783.21	
Total Assessment (Special Benefit) Revenue	\$1,223,783.21	79.51%
Contributions & Sponsorships	\$22,974.50	
Grants	\$113,302.77	
Interest Earned	\$1,578.33	
Donations - Cash & In Kind	\$132,017.12	8.58%
Other	\$45,457.91	2.95%
Total Non-Assessment (General Benefit) Revenue	\$315,330.63	20.49%
Total (Assessment and Non-Assessment) Revenue	\$1,539,113.84	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 met this requirement.* See table below.



	FY 2021-2022 Budget		FY 2021-2022 Actuals		Variance	
Service Category	Assessment (Percentage)	Total (Percentage)	Assessment (Percentage)	Total (Percentage)	Assessment	Total
Clean and Safe Program	\$635,700.00 (51.95%)	\$655,700.00 (50.22%)	\$630,014.65 (54.57%)	\$675,197.11 (46.56%)	2.62%	-3.65%
Marketing and Events Program	\$343,326.00 (28.05%)	\$377,480.00 (28.91%)	\$332,852.71 (28.83%)	\$479,866.61 (33.09%)	0.77%	4.18%
Administration Costs	\$244,757.00 (20.00%)	\$272,603.00 (20.88%)	\$191,742.20 (16.61%)	\$295,042.10 (20.35%)	-3.39%	-0.53%
Contingency/ Reserve Allocation	\$0.00 (0.00%)	\$0.00 (0.00%)	\$0.00 (0.00%)	\$0.00 (0.00%)	0.00%	0.00%
TOTAL	\$1,223,783.00	\$1,305,783.00	\$1,154,609.56	\$1,450,105.82		

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 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.*

FY 2021-2022 Carryover Disbursement	Amount	Spended Timeline
Clean and Safe Program	\$235,607.14	July 2022 - June 2023
Marketing and Events Program	\$150,612.60	July 2022 - June 2023
Administration Costs	\$121,244.43	July 2022 - June 2023
Contingency/Reserve Allocation	\$267,065.96	July 2022 - June 2024
Total Assessment (Special Benefit) Carry Forward	\$774,530.13	
Total Non-Assessment (General Benefit) Carry Forward	\$25,190.71	July 2022 - June 2023

Findings and Recommendations

Fisherman's Wharf CBD met all four benchmarks as defined on page 5 of this memo for the reporting period. FY 2021-2022 marks the first year that the Fisherman's Wharf CBD operated solely as the Landside portion of the district, due to the failure of the Portside's renewal in the previous fiscal year. Portside assessment obligations are still owed to the CBD organization and will be used to service existing debt taken on to by the Portside portion of the CBD. Any Portside assessment over and beyond this amount shall be refunded to rate payers in accordance with the percentage they paid into the district, per state law.



In late FY 20-21, FWCBD launched a joint website partnership with the Fisherman's Wharf Merchants Association. The first full fiscal year saw a 143% increase in the number of users and a 247% increase in the number of page views compared to the previous fiscal. The combined website ensures the maximum search engine optimization for the Fisherman's Wharf brand.

FWCBD does participate in the Connected Worker program, commonly known as integrated 311. FWCBD began participation late in FY 21-22 so it does not have enough data to draw any meaningful conclusions. In general, the predominantly tourist makeup of the CBD equates to fewer 311 calls than other areas of the city as the CBD reports that tourists are more likely to call their direct hotline or tell a street porter directly of a problem. OEWD will monitor this in FY 22-23 to determine if any meaningful conclusions can be discerned during a full fiscal year.

FWCBD continues to perform strongly in its core programming and OEWD has received no complaints from the public regarding the organization's service delivery. One major new initiative of FWCBD during this fiscal year was its participation in Evergreen San Francisco. Evergreen San Francisco is a grassroots collective that promotes adult events around cannabis throughout San Francisco. Specifically, FWCBD contributed through web design, concept ideation, event permitting, and organization.

FWCBD does employ surveillance technology and did comply with OEWD's memo regarding surveillance technology. OEWD received no reports that the CBD violated the Brown Act or the California Public Records Act during this reporting period.

Conclusion

Fisherman's Wharf CBD has performed well in implementing the service plan. 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 will continue to successfully carry out its mission and service plans.

