

**MEMO**

To: Supervisor Aaron Peskin, District 3

CC: San Francisco Board of Supervisors

From: Chris Corgas; OEWD Senior Program Manager

RE: Fisherman's Wharf Community Benefit District (Landside and Portside); FY 19-20 Annual Report

Date: May 24, 2021

---

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, 2019 and June 30, 2020.

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 2019-2020
2. CPA Financial Review Report
  - a. FY 2019-2020
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)
- September 15, 2020: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Landside CBD (Resolution # 391-20)

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)

### Basic Information about Fisherman’s Wharf CBD

Year Established	Landside 2005 Portside 2006
Assessment Collection Period	Landside: FY 2005-06 to FY 2019-20 (July 1, 2005 to June 30, 2020) Portside: FY 2006-07 to FY 2019-20 (July 1, 2006 to June 30, 2020)
Services Start and End Date	Landside: January 1, 2006 – December 31, 2020 Portside: January 1, 2007 – December 31, 2020
Initial Estimated Annual Budget	Landside: \$622,615 Portside: \$187,113
FY 19-20 Submission	Landside: \$751,901.36

Fiscal Year	Portside: \$220,511 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**

#### **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.
- **Safety Outreach Committee** - 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.
- **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.

### Summary of Accomplishments, Challenges, and Delivery of Service Areas

#### **FY 2019-2020**

##### **District Identity and Street Improvements (DISI)**

- Worked with participating Wharf businesses on a full-page co-op ad in October edition of the Alaska Airlines in-flight magazine.
- Received \$120,000 Google Grant for Adwords which allows FWCBD to create ad campaigns and boost its search ranking on Google, its top referral search engine.
- Secured an in-kind sponsor, iHeartRadio, which awarded \$10K in free radio advertising to the FWCBD.
- Received in-kind media sponsorship from Paneau, a new company that puts screens in the back of ride share vehicles.
- Promoted MerryTime at the Wharf and the Bars & Attractions Treasure Hunt with this advertising tool.
- Received an in-kind donation from Firefly to promote the Bars & Attractions Treasure Hunt on their screens (placed on the roofs of ride shares).
- Created a “Welcome Back to the Wharf” social media campaign on Facebook from June 8 – July 7, 2020, which increased page visits by 176% to 11,632.
- For the 6<sup>th</sup> year in a row, Fisherman’s Wharf was honored with the Certificate of Excellence from Trip Advisor and was also inducted into the Trip Advisor Hall of Fame

##### **Street Operations, Beautification and Order (SOBO)**

- **Safety & Security Services:**
  - Aggressive panhandling addressed – 112
  - Drinking in Public – 981
  - Illegal Dumping – 985
  - 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.
  - 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, publishing weekly documents on Townsquared.
- **Visitor/Merchant Services:**
  - Hospitality assistance – 9,160
  - Directions given – 4,730
  - Business contacts made – 2,651
  - Street performer interactions - 297
- **Cleaning/Maintenance Services**
  - Trash collected (lbs) – 42,157 lbs
  - Graffiti/Stickers removed – 4,206

- Pan and broom block faces covered - 10,287
- Street furniture cleaned – 986
- Tree grates cleaned – 3,015
- Painting projects completed - 534

**Administration and Corporate Operations**

- Actively participated in both the Clean and Safe 365 working group led by the Hotel Council, and SF Travel’s Clean and Safe Coalition which focuses on safety, cleanliness, and quality of life issues. Began work on FY 19-20 Fisherman’s Wharf Landside and Portside CBD renewal process
- Advocated for extending the Central Subway to the Wharf by partnering with SF NextStop

**FWCBD Annual Budget Analysis**

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

- **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 (*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:** 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*)
- **BENCHMARK 3:** 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:** 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 2019-2020**

**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 for Portside; FWCBD met this requirement for Landside. See tables below.

**Landside**

Service Category	Mgmt. Plan Budget (Percentage)	FY 19-20 Budget (Percentage)	FY 19-20 Asst Budget (Percentage)	Variance % Points	Variance % Points – Asst.

District Identity and Streetscape Improvements	\$255,000.00 (40.96%)	\$518,096.38 (46.28%)	\$493,425.12 (46.12%)	+5.32%	+5.17%
Public Rights of Way and Sidewalk Operations	\$181,130.00 (29.09%)	\$326,497.50 (29.16%)	\$310,950.00 (29.07%)	+0.07%	-0.03%
Administrative and Corporate Operations	\$125,000.00 (20.08%)	\$199,041.30 (17.78%)	\$186,563.14 (17.72%)	-2.30%	-2.36%
Contingency and Reserve	\$61,485.00 (9.88%)	\$75,860.00 (6.78%)	\$75,860.00 (7.09%)	-3.10%	-2.78%
<b>TOTAL</b>	<b>\$622,615.00</b>	<b>\$1,119,495.17</b>	<b>\$1,069,798.26</b>		

**Portside**

Service Category	Mgmt. Budget (Percentage)	FY 19-20 Budget (Percentage)	FY 19-20 Asst. Budget (Percentage)	Variance % Points	Variance % Points – Asst.
District Identity and Streetscape Improvements	\$130,979.00 (70.00%)	\$239,216.12 (74.43%)	\$227,824.88 (74.18%)	+4.43%	+4.18%
Administrative and Corporate Operations	\$37,423.00 (20.00%)	\$60,140.17 (18.71%)	\$60,140.17 (18.65%)	-1.29%	-1.35%
Contingency and Reserve	\$18,711.00 (10.00%)	\$22,026.00 (6.85%)	\$22,026.00 (7.17%)	-3.15%	-2.83%
<b>TOTAL</b>	<b>\$187,113.00</b>	<b>\$321,382.83</b>	<b>\$307,127.74</b>		

**BENCHMARK 2:** Whether five percent (5%) of Landside’s actuals came from sources other than assessment revenue

**ANALYSIS:** *FWCBD met this requirement. Assessment revenue was \$758,600.00 or 58.64% of actuals and non-assessment revenue was \$535,100.00 or 28.32% of actuals. See table below.*

Revenue Sources	FY 2019-2020 Actuals	% of Actuals
Assessments Revenue	\$758,600.00	
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$758,600.00</b>	<b>58.64%</b>
Grants	\$461,745.00	35.69%
Donations	\$73,215.00	5.66%
Interest Earned	\$140.00	0.01%
<b>Total Non-Assessment (General Benefit) Revenue**</b>	<b>\$535,100.00</b>	<b>41.36%</b>
<b>Total</b>	<b>\$1,293,700.00</b>	<b>100.00%</b>

**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 for Landside; FWCBD met this requirement for Portside. See table below.*

**Landside**

Service Category	FY 19-20 Budget (Percentage)	FY 19-20 Asst. Budget (Percentage)	FY 19-20 Actuals – Total (Percentage)	FY 19-20 Actuals – Asst. (Percentage)	Variance % Points - Total	Variance % Points – Asst.
District Identity and Streetscape Improvements	\$518,096.38 (46.28%)	\$493,425.12 (46.12%)	\$436,171.69 (34.32%)	\$379,896.00 (44.63%)	-11.86%	-1.49%
Public Rights of Way and Sidewalk Operations	\$326,497.50 (29.16%)	\$310,950.00 (29.07%)	\$302,471.00 (23.87%)	\$302,471.00 (35.54%)	-5.30%	+6.47%
Administrative and Corporate Operations	\$199,041.30 (17.78%)	\$186,563.14 (17.72%)	\$185,699.00 (14.65%)	\$168,759.00 (19.83%)	-3.12%	+2.11%
Special Projects	---	---	\$342,941.00 (27.06%)	---	+27.06%	---
Contingency and Reserve	\$75,860.00 (6.78%)	\$75,860.00 (27.06%)	\$0.00	---	-7.09%	-6.78%
<b>TOTAL</b>	<b>\$1,119,495.17</b>	<b>\$1,069,798.26</b>	<b>\$1,267,282.69</b>	<b>\$851,126.00</b>		

**Portside**

Service Category	FY 19-20 Budget (Percentage)	FY 19-20 Asst Budget (Percentage)	FY 19-20 Actuals – Total (Percentage)	FY 19-20 Actuals – Asst. (Percentage)	Variance % Points - Total	Variance % Points – Asst.
District Identity and Streetscape Improvements	\$518,096.38 (46.28%)	\$493,425.12 (46.12%)	\$436,171.69 (34.32%)	\$379,896.00 (44.63%)	- 11.86%%	-1.49%
Public Rights of Way and Sidewalk Operations	\$326,497.50 (29.16%)	\$310,950.00 (29.07%)	\$302,471.00 (23.87%)	\$302,471.00 (35.54%)	-5.30%	+6.47%
Administrative and Corporate Operations	\$199,041.30 (17.78%)	\$186,563.14 (17.72%)	\$185,699.00 (14.65%)	\$168,759.00 (19.83%)	-3.12%	+2.11%
Special Projects	---	---	\$342,941.00 (27.06%)	---	+27.06%	---
Contingency and Reserve	\$75,860.00 (6.78%)	\$75,860.00 (27.06%)	\$0.00	---	-7.09%	-6.78%
<b>TOTAL</b>	<b>\$1,119,495.17</b>	<b>\$1,069,798.26</b>	<b>\$1,267,282.69</b>	<b>\$851,126.00</b>		

**BENCHMARK 4:** Whether FWCB 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:** FWCB 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**

<b>FY 2019-2020 Carryover Disbursement</b>	<b>\$405,432.57</b>
Public Rights of Way and Sidewalk Operations	\$143,997.00
District Identity and Streetscape Improvements	\$61,189.00
Administration	\$56,092.00
Contingency and Reserve	\$142,154.57
<b>Total Designated amount for Future Years</b>	<b>\$405,432.57</b>

**Portside**

<b>FY 2019-2020 Carryover Disbursement</b>	<b>\$185,219.53</b>
--	---------------------



District Identity and Streetscape Improvements	\$96,080.53
Administration	\$19,827.20
Contingency	\$69,247.48
<b>Total Designated amount for Future Years</b>	<b>\$185,155.21</b>

### Findings and Recommendations

For the fiscal year in review, Fisherman’s Wharf CBD met all benchmarks mentioned on page 5 of this memo. The CBD continues to perform strongly in respect to reported metrics. FWCBD, once again, hosted successful events and has partnered with the broader community to make the Wharf area a destination for locals.

The second half of FY 2019-2020 was particularly challenging for the Fisherman’s Wharf CBD as well as property owners and businesses in the area. In February 2020 visitor traffic to the area began to decline due to the emergence of the Covid-19 global pandemic. On March 16, 2020 Mayor London N. Breed announced that the Health Officer for the City County of San Francisco issued a Public Health Order requiring residents to remain at home, with the exception of essential needs. Additionally, all businesses other than Essential Businesses and Essential Government Functions, were required to cease all operations. All public and private gatherings of any number of people occurring outside a single family or living unit were also prohibited. This impacted a large number of events the CBD helps sponsor including the 4<sup>th</sup> of July and Fleet Week, which are both important economic contributors to businesses in the area.

This order was particularly confusing to the Community Benefit District/Business Improvement District community in San Francisco as, by definition, they provide supplemental service and no direction was provided on whether or not they were to cease operations. The Fisherman’s Wharf CBD did not suspend operations and continued to perform essential services in the early days of the pandemic ensuring that the public rights of way in the area maintained were clean. OEWD worked with the Covid Command Center to ensure that these essential workers were not forgotten during the Covid response and was able to acquire personal protective equipment and hygiene supplies to keeps workers and the community safe. CBD/BIDs played an important role in facilitating communication between the City and their stakeholders throughout the pandemic.

Additionally, in May 2020, peaceful protests broke out through the world, including San Francisco, in response to the killing of George Floyd in Minneapolis. The vast majority of these demonstrations were nonviolent, but on May 30<sup>th</sup> bad actors embedded with the peaceful protestors began to riot and loot businesses throughout the City and County of San Francisco. Fisherman’s Wharf experienced this too as these individuals made their way from Union Square. In the aftermath of these incidents the Fisherman’s Wharf CBD helped clean up streets, contacted property owners, and worked with officials to help secure the district.

This iteration of the FWCBD - Landside sunset on June 30, 2020 and needed to be renewed before the end of 2020. FY 19-20 saw the CBD and its renewal steering committee focus on completing their renewal process before the district expired. The Landside CBD successfully completed renew on July 14, 2020. The Portside renewal was put on hold due to the emergence of the Covid-19 pandemic. Instead of completing the process in the summer, like originally anticipated, the process was suspended until the stakeholders could have a better understanding of the impact of the pandemic on businesses in the district. The Portside CBD renewal process was completed in FY 2020-21 and will be discussed in that annual report.

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.

### Conclusion

Fisherman's Wharf CBD has performed well in implementing the service plan of both the Landside and Portside areas. Due to the pandemic, the Fisherman's Wharf CBD was unable to successfully market and produce events such as 4<sup>th</sup> of July, Fleet Week, and Wharf Fest as it has done in the past. Fisherman's Wharf CBD has an active board of directors and committee members; and OEWD believes the Fisherman's Wharf CBD will continue to successfully carry out its mission and service plans. Fisherman's Wharf CBD is well underway with their renewal process and are expected to complete the process on schedule.