




MEMORANDUM

June 7, 2024

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Gail Gilman, Vice President
Hon. Willie Adams
Hon. Ed Harrington
Hon. Steven Lee

FROM: Elaine Forbes 
Executive Director

SUBJECT: Informational presentation regarding proposed Little Embarcadero Activation Project and possible action to amend the Port's sole source grant to the Fisherman's Wharf Community Benefits District to reallocate \$400,000 from the existing budget and increase the not-to-exceed amount by \$1,032,200, all for the Little Embarcadero Activation Project.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 24-31

EXECUTIVE SUMMARY

On June 13, 2023, the Port Commission approved a sole source grant in the not-to-exceed amount of \$2,188,446 over two years to the Fisherman's Wharf Association of San Francisco (DBA Fisherman's Wharf Community Benefit District) (FWCBD) to develop and implement a multi-faceted public space activation and stewardship program for Port property adjacent to the FWCBD. After evaluating the success of last year's activities and incorporating feedback from tenants and other stakeholders, Port staff now requests authorization to amend the existing FWCBD grant agreement (the "FWCBD Grant") to reallocate \$400,000 from the existing budget and increase the not-to-exceed amount by an additional \$1,032,200, for a total not-to-exceed amount to \$3,220,646, so that the FWCBD may implement a new initiative called the Little Embarcadero Activation Project.

The FWCBD Grant, which started July 1, 2023, is central to the Port's economic recovery strategy in Fisherman's Wharf (Wharf), by creating a clean, safe, and vibrant waterfront

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that will attract and retain visitors and tenants while the Port works to re-lease recently closed restaurant facilities in the area. The FWCBD Grant outlines stewardship, beautification, event, and marketing activities that serve to sustain and strengthen tourism, draw local visitors, support businesses, and attract new businesses and activation partners to Port properties and the broader Fisherman's Wharf neighborhood. In addition to helping the long-term viability of the district, these activities are anticipated to support the Port's balance sheet by rebuilding lease revenues as well as the City's overall economic recovery, given Fisherman's Wharf's importance as a destination for Bay area residents and tourists.

In the first year of the grant term, the FWCBD began their work in earnest by deploying ambassadors to the Wharf, installing hanging flower baskets and new murals, and activating the area with events such as the "Pier Party" summer event series at Crab Wheel Plaza. The FWCBD has also played a role in advertising the SkyStar Wheel, which is temporarily located at the eastern edge of Triangle Parking Lot, between Jefferson Street and the portion of the Embarcadero between Taylor and Powell Streets and commonly known as the "Little Embarcadero". This major attraction helps draw visitors to Fisherman's Wharf at a time when the area is struggling from the economic impacts of the COVID-19 pandemic, including restaurant closures and a delayed return of tourism.

During this time, the Port and FWCBD recognized unique issues along the Little Embarcadero promenade related to unpermitted vendors, which have negatively impacted the area since the tail-end of the COVID-19 pandemic. The FWCBD engaged Street Plans, an urban design firm, to guide the FWCBD and Port staff through a planning exercise that resulted in a robust vision for temporary promenade and plaza improvements that will beautify and improve public accessibility while hosting positive, family-friendly, permitted free and affordable activity.

The proposed program is expected to cost \$1,432,200 for one year of implementation, including the installation of beautification and activation elements as well as labor costs from staff dedicated to programming the area and ambassadors ensuring safety and cleanliness. Staff proposes repurposing \$400,000 from the current FWCBD Grant and amending the grant to increase the not-to-exceed amount by \$1,032,200. The additional grant funds are from Port funds dedicated to economic recovery and planning efforts in Fisherman's Wharf.

The proposed amendment will allow the FWCBD to initiate the Little Embarcadero Activation Project for the remainder of the FWCBD Grant term. If approved, Port staff would return to the Port Commission in the coming months to evaluate the impact of the Little Embarcadero Activation Project and to consider what kind of activation strategy Port staff should pursue going forward after the expiration of the FWCBD grant.

STRATEGIC OBJECTIVES

The proposed amendment to the FWCBD Grant supports the following strategic objectives:

Economic Recovery:

Targeted Activation: The Port is actively implementing a \$64.4 million economic recovery and growth plan to address the financial impacts of the pandemic and build a sustainable financial future for the Port, with focused investments in Fisherman’s Wharf (\$11.6 million) and the Southern Waterfront (\$47.5 million). Fisherman’s Wharf is receiving targeted activation due to its slow economic recovery and the critical need to retain and attract visitors as well as new tenants to reactivate closed restaurants in the area.

Economic Growth:

Property Portfolio: The work of the FWCBD is intended to attract new tenants to vacant facilities and restore Port revenues to pre-pandemic levels through beautification and activation, increased marketing efforts, and targeted building improvements in Fisherman’s Wharf.

Equity:

Share Economic Prosperity. Ensure Port activities equitably advance public benefits that appeal to and attract a diverse population to the Waterfront. Ensure equal access to opportunities, particularly for BIPOC-owned and local business enterprises.

Engagement:

Stakeholder Awareness: Partner with the FWCBD, which represents the businesses in Fisherman’s Wharf, to address issues and implement solutions that will support tenants and other stakeholders as the Port plans for and implements economic recovery and growth initiatives.

BACKGROUND

As an initiative to help the Port and Fisherman’s Wharf tenants recover from the economic impacts of the COVID-19 pandemic, the Port has been partnering with the FWCBD through a two-year FWCBD Grant approved by the Port Commission to improve the visitor experience in the Wharf. The FWCBD Grant is designed to allow the Port to partner with FWCBD to implement a multi-faceted public space activation and stewardship program for the Port properties adjacent to those maintained by FWCBD to complement the existing efforts by FWCBD within its district boundaries.

The FWCBD Grant agreement outlines stewardship, beautification, event, and marketing activities that serve to sustain and strengthen tourism, draw local visitors to the area, support area businesses, and attract new businesses in vacant restaurant spaces and activation partners to Port properties and the broader Fisherman’s Wharf neighborhood. In addition to helping the long-term viability of the district, these activities are anticipated to support the Port’s balance sheet by rebuilding lease revenues as well as the City’s overall economic recovery, given Fisherman’s Wharf’s importance as a destination for residents and tourists.

In the first year of the grant term, the FWCBD began its work in earnest to improve the visitor experience in Fisherman’s Wharf. Examples of the FWCBD’s work during the first six months of operation include:

Stewardship Assistance – FWCBBD was asked to implement a robust stewardship program that supports daily use of the Wharf’s public spaces, with a particular focus on comfort, ensuring safety, and quality of experience for visitors. Community ambassadors were hired to spot and respond to cleanliness issues such as litter and Big Belly garbage receptacle issues, and address quality of life issues including homeless encampments, graffiti, and illegal vending in concert with Port maintenance and security teams and other city agencies. In the first six months, ambassadors addressed:

- 181 instances of illegal dumping
- 284 instances of overflowing trash cans, and
- 1,715 instances of graffiti or stickers on Port property.

Small Beautification Elements – FWCBBD was asked to develop and implement small-scale beautification projects and temporary amenities that facilitate area use and reduce blight, such as temporary murals and art installations, bistro lighting, and landscaping elements. In the first six months, FWCBBD completed:

- A multi-piece, sea-themed temporary mural along the concrete barriers in the public plaza portion of the triangle parking lot
- A movable mural dedicated to fishers on the wall next to the vacant 490 Jefferson
- Installed silk flower baskets on light poles along both Taylor Street and Little Embarcadero. Preparing to install them on Jefferson Street
- Installed bistro lights on the trees adjacent to the SkyStar Wheel (SkyStar)
- Placed an interactive QR code decal in front of the Crab Wheel sign for social media promotion.

Outdoor Events and Storefront Activations – FWCBBD was asked to develop and implement regular event programming for the area’s public spaces, with a focus on activating the empty spaces in front of vacant Port-owned buildings and attracting locals as well as tourists, including:

- Worked with Port Maintenance to clean the front of Alioto’s and then decorate it in nautical themes for the “Pier Party” event series
- Hosted Pier Party events featuring free concerts, seating, drinks, and small bites. In Summer 2024, will host a weekly Saturday event beginning May 25 through the end of October
- Conducted outreach to Port tenants and neighboring businesses to ensure that the events were designed to generate business for them, as well as begin to draw interest in the neighborhood from new visitors and prospective businesses
- The largest Pier Party concert counted more than 3,000 unique visitors to the plaza throughout the event
- Hosted the 20th annual Trolley Dances and brought 3,500 visitors to the Wharf, including along the docks of the Inner Lagoon.

Marketing and Business Attraction – FWCBBD was asked to develop a marketing campaign that included social media, press, and potential tenant engagement. Pier Party, the Trolley Dances, and the SkyStar Wheel were major activations that resulted in the following activities:

- 205 media callouts regarding Pier Party
- Articles in the San Francisco Chronicle and EaterSF regarding Pier Party
- Outreach to neighboring communities with postcards and through partners
- Helped pitch or produce positive stories, including multiple stories about the Trolley Dances and the SkyStar Wheel
- Stakeholder engagement and public relations for the relocation of the SkyStar to the Wharf
- 23 social media posts featuring the SkyStar Wheel that created over 2 million viewer impressions during November.

The work completed by the FWCBD, combined with the efforts of Port maintenance and security teams, has positively impacted the visitor experience in Fisherman’s Wharf. The installation of SkyStar has also been a major win for the Port, drawing an estimated 150,000 visitors since November 2023.

In a series of interviews, online surveys, and other stakeholder feedback collected in late 2023, visitors expressed high satisfaction with Pier Party events and area businesses noted the increase in shopping and dining corresponding to Pier Party events. Comments gathered included noted improvements in foot traffic at area shops and restaurants; safety and general presence of ambassadors; cleanliness, including public bathrooms; beautification, i.e. flower baskets; overall fun and liveliness. Positive feedback was also received from numerous performers who were pleased with the conditions of the Wharf, the support from the FWCBD, and the opportunity to perform.

Despite these successes, the prevalence of unpermitted vendors along the Little Embarcadero has been an ongoing challenge for the Port that neighborhood stakeholders repeatedly request additional and focused attention on. The call for support led the Port and FWCBD to closely examine the issue which led to a new initiative designed to address the unique needs of the Little Embarcadero.

LITTLE EMBARCADERO ACTIVATION PROJECT

Throughout delivering the public space activation and stewardship program, it became apparent to Port staff and the FWCBD that the Little Embarcadero warrants focused attention due to the prevalence of unpermitted vendors that until recently have regularly disrupted the flow of foot traffic to area businesses and negatively impacts visitors’ experience in Fisherman’s Wharf at a time when the Port and its partners are trying to rebuild the public image and fill vacant storefronts in the area.

To tackle the issues, Port staff have been working with the Department of Public Works to deploy vending permit enforcement staff on a daily basis at the Little Embarcadero, while also seeking to provide a positive improvement to the public’s ability to enjoy this historic and scenic location on the waterfront. On the latter effort, in December 2023 the FWCBD engaged Street Plans, an urban design firm, to guide the FWCBD and Port staff through a planning exercise that resulted in a robust vision for a temporary public space activation project along the Little Embarcadero that will complement unpermitted vending enforcement activities by establishing a robust temporary installation hosting positive,

family-friendly, free and affordable activity that enhances enjoyment of the area's public spaces.

Project Timeline & Phasing – The Little Embarcadero Activation Project is targeted for installation in phases over approximately three months, beginning in mid-June 2024, with an initial duration of one year, within the term of the existing FWCBD Grant.

Project Scope – Project components are all temporary and movable and will be installed with the intention of rigorous monitoring by Port staff for performance; they will serve as prototypes for design, fixtures, and activities that could be incorporated in future potential mixed-use development and/or capital improvements planned by the Waterfront Resiliency Program. Components aim to build on the area's assets and emphasize enhanced use of area public spaces for leisure and play, while also responding to operational needs of commercial stakeholders and area businesses.

Welcome Plaza – At the corner of Powell and Embarcadero the project proposes the creation of a Welcome Plaza on the existing public plaza site at the tip of the parking lot. Components of the Welcome Plaza include movable tables and chairs and a decorative kiosk structure placed between the trees. The structure will be used for storage of tables and chairs and for use by a welcome ambassador staff person who will provide visitors with information about the area.

Play Elements & Retail – The promenade will be programmed with movable games and seating, as well as up to four kiosk structures, which will provide space for commercial activity and free programming led by area businesses and artists, as well as secure nighttime storage of movable amenities.

FWCBD will operate the kiosks as pop-ups, with short-term agreements that allow for experimentation with what is most successful and that acknowledge the constraint that FWCBD also requires daily access to the structures for storage. The initial plan is for FWCBD to facilitate a call for interest from operators, to be approved by the Port, who can provide products and services such as coffee, bike rental, a photo booth, a signature branded Fisherman's Wharf retail item, and limited take-away food and drink items. Operators will be required to operate 7 days a week with minimum hours.

Public Seating & Beautification – Along the sidewalk area between Pier 43 and the Franciscan restaurant, the project proposes rearrangement of existing benches in a fashion that will encircle a new row of wood or metal planters, with additional movable seating sited between the planter and bench nodes to better help visitors relax and enjoy the water's edge. An asphalt mural will be installed on the sidewalk using eco-friendly paint and artist-driven designs.

At the eastern edge of the Franciscan, the project proposes the addition of playful open public seating elements and an enhanced outdoor eating area with family-friendly grab-and-go options offered from an additional kiosk. Behind the Franciscan, a small decorative fence to enclose trash is proposed.

At the northern edge of the site, the project proposes the placement of movable tables and chairs and games in an open plaza area, as well as the addition of a temporary playable structure between existing rows of benches.

Throughout the project area, colorful wayfinding is proposed using temporary and removable signs as well as non-slip vinyl sidewalk graphics. ADA review is underway for this and the entirety of the site plan.

STAKEHOLDER ENGAGEMENT

The FWCBD and Port staff have engaged stakeholders throughout the development of the Little Embarcadero Activation Project, including at two Fisherman’s Wharf Advisory Committee (FWAC) meetings, in focused meetings with neighboring tenants, the FWCBD Board meetings, and through one-on-one conversations with tenants. Throughout the process, stakeholders provided strong support for the concept and weighed in heavily on concept developments. The proposed activation was developed through an iterative process that reflects concerns and feedback to maximize community benefit and limit negative impacts on area businesses to the greatest extent possible.

FWCBD GRANT AMENDMENT

The anticipated cost of implementing the Little Embarcadero Activation Project for one year is \$1,432,200, including the cost of ambassadors supporting and guiding the public, site improvements, and outdoor events and activations. Staff proposes reallocating \$400,000 in unspent funds from the current FWCBD Grant budget to the Little Embarcadero Activation Project and increasing the not-to-exceed amount by \$1,032,200 in new funding. The \$1,032,200 will be funded through existing Port funds dedicated to economic recovery and public realm planning efforts in Fisherman’s Wharf. As detailed in **Figure 1** below, this funding increase will bring the FWCBD Grant from a not-to-exceed amount of \$2,188,446 to \$3,220,446, to implement the Little Embarcadero Activation Project.

In June 2023, The Port Commission authorized the sole source grant to the FWCBD in accordance with the San Francisco Administrative Code Chapter 21G, which governs the award of grants. This provision in the Administrative Code requires the Port to follow a competitive solicitation process to award a grant unless an exception to the solicitation requirement applies or a sole-source award is approved in accordance with the Purchaser’s rules and regulations. The Port Commission determined that the FWCBD was uniquely qualified to meet the terms of the grant and authorized the award of a sole source grant. The Little Embarcadero Activation Project aligns with the existing work being performed by FWCBD under the FWCBD Grant, will be completed within the existing term of the FWCBD Grant, and FWCBD continues to be uniquely positioned to spearhead the Little Embarcadero Activation Project.

The proposed amendment will allow the FWCBD to initiate the Little Embarcadero Activation Project for the remainder of the FWCBD Grant term. Port staff will return to the Port Commission in the coming months to gather input on how to proceed with

implementing the Little Embarcadero Activation Project after the expiration of the FWCBD Grant.

Figure 1: Proposed FWCBD Grant Amendment

Item	Total Original Grant Plan Budget	1 st Amendment			Total Amended Grant Plan Budget
		Amended Original Grant Plan Budget	Little Embarcadero Activation Budget	Net Adjustment	
Stewardship Assistance	\$787,520	\$0	\$611,000	\$611,000	\$1,398,520
Small Beautification Elements	\$321,226	(\$75,091)	\$530,200	\$455,109	\$776,335
Outdoor Events and Storefront Activations	\$772,700	(\$212,909)	\$81,000	(\$131,909)	\$640,791
Engagement, Marketing and Business Attraction	\$187,000	(\$112,000)	\$35,000	(\$77,000)	\$110,000
Admin and Staffing	\$120,000	\$0	\$175,000	\$175,000	\$295,000
Total Expenditures	\$2,188,446	(\$400,000)	\$1,432,200	\$1,032,200	\$3,220,646
FW Resilience Project - Stimulus	\$2,188,446	(\$400,000)	\$591,554	\$191,554	\$2,380,000
FW Resilience & Public Realm Planning – Harbor	\$0	\$0	\$840,646	\$840,646	\$849,646
Total Sources	\$2,188,446	(\$400,000)	\$1,432,200	\$1,032,200	\$3,220,646

CONCLUSION

The FWCBD Grant is central to the Port’s economic recovery strategy in Fisherman’s Wharf, by creating a clean, safe, and vibrant waterfront that will attract and retain visitors and tenants. The proposed grant will allow the FWCBD to implement a robust vision for a temporary public space activation project along the Little Embarcadero that complements unpermitted vending enforcement activities and replaces it with a robust temporary installation hosting a positive, family-friendly, free, and affordable activity that enhances enjoyment of the area’s public spaces.

RECOMMENDATION

Port staff recommends that the Port Commission approve the attached resolution authorizing an amendment to the FWCBD Grant to reallocate \$400,000 from the current budget to the Little Embarcadero Activation Project and increase the current not-to-exceed amount by \$1,032,200, so that the total not-to-exceed amount will increase from \$2,188,446 to \$3,220,646, to implement the Little Embarcadero Activation Project as described above.

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Deputy Director, Real Estate & Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTIONS NO. 24-31

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and

WHEREAS, On June 13, 2023 pursuant to Resolution No. 23-27, the Port Commission waived an open and competitive process and authorized the award of a sole-source grant agreement under San Francisco Administrative Code Chapter 21G to FWBD and authorized the Port Executive Director, or the Executive Director's designee, to directly negotiate and execute a grant amendment with the Fisherman's Wharf Association of San Francisco (DBA Fisherman's Wharf Community Benefit District) (FWBD) for an amount not to exceed \$2,188,446 with a maximum term of two (2) years to develop and implement a multi-faceted public space activation and stewardship program for the Port property in Fisherman's Wharf; and

WHEREAS, Port and FWBD entered into the Grant Agreement dated as of July 1, 2023 for a not-to-exceed amount of \$2,188,446 with a maximum term of two (2) years (the "FWCBD Grant"); and

WHEREAS, In the first year of the FWCBD Grant term, the FWCBD successfully performed the work as described in the memorandum accompanying this resolution and FWCBD and Port staff also recognized unique issues along the Little Embarcadero promenade related to unpermitted vendors; and

WHEREAS, The FWCBD engaged an urban design firm to guide the FWCBD and Port staff through a planning exercise that resulted in a robust vision for roadway and promenade improvements that will beautify and improve public accessibility while hosting positive, family-friendly, free, and affordable activity (the "Little Embarcadero Activation Project"); and

WHEREAS, The Little Embarcadero Activation Project aligns with the existing work being performed by FWCBD under the FWCBD Grant, will be completed within the existing term of the FWCBD Grant, and FWCBD continues to be uniquely positioned to spearhead the Little Embarcadero Activation Project; and

WHEREAS, Port stakeholders are in support of the Little Embarcadero Activation Project; and

WHEREAS, The Little Embarcadero Activation Project is expected to cost \$1,432,200 for one year of implementation, including the installation of beautification and activation elements as well as labor costs from staff dedicated to programming the area and ambassadors supporting and guiding the public; and

WHEREAS, Staff proposes reallocating \$400,000 from the current FWCBD Grant budget to the Little Embarcadero Activation Project and increasing the not-to-exceed amount by \$1,032,200, which increased amount will come from Port funds dedicated to economic recovery and planning efforts in Fisherman's Wharf; now therefore be it

RESOLVED, The Little Embarcadero Activation Project aligns with the existing work being performed by FWCBD under the FWCBD Grant, will be completed within the existing term of the FWCBD Grant, and FWCBD continues to be uniquely positioned to spearhead the Little Embarcadero Activation Project; and be it further

RESOLVED, The Port Commission authorizes an amendment to the FWCBD Grant that reallocates \$400,000 from the current FWCBD Grant budget to the Little Embarcadero Activation Project and increases the not-to-exceed grant amount by \$1,032,200 using existing Port funds dedicated to economic recovery and public realm planning efforts in Fisherman's Wharf so that the total not-to-exceed amount of the FWCBD Grant will increase, from \$2,188,446 to \$3,220,646, to implement the Little Embarcadero Activation Project; and be it further

RESOLVED, The Port Commission authorizes the Port Executive Director, or the Executive Director's designee, to execute an amendment to the FWCBD Grant on terms described in this resolution.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of June 11, 2024.

Secretary