INFORMATIONAL MEMORANDUM

TO: Agency Commissioners

FROM: Fred Blackwell, Executive Director

SUBJECT: Update on the $800,000 Agency grant made to the Office of Economic & Workforce Development (OEWD) for the purposes of increasing business activity on the Fillmore commercial corridor (between McAllister & Post Streets)

BACKGROUND

At the request of the San Francisco Redevelopment Agency, the Office of Economic and Workforce Development (OEWD) is administering a multi-year economic development program aimed at stabilizing and strengthening the economic vitality of the Fillmore commercial corridor. The corridor runs from McAllister to Post and includes the Webster Street shopping center and businesses located on and adjacent to Fillmore Street between Webster and Steiner Streets in the target area. The primary focus of the Agency's contribution is to increase business activity along the corridor.

OEWD assembled a team of experts including the Local Initiatives Support Corporation (LISC), AECOM (formerly EDAW), University of San Francisco's Gellert Family Foundation and Brothers for Change, in conjunction with staff for the purpose of assisting in the planning and program development process.

A six-month program development phase that began in March 2010 produced a prioritized Fillmore Economic Action Plan ("Action Plan") to establish a program that will run for approximately three years. The Action Plan identifies a mix of activities that will increase vibrancy and sustain improvements to increase commerce in the Fillmore commercial district. It makes specific recommendations for program structure, potential program implementers, and projected costs. The Action Plan is being implemented through collaborations with a diverse mix of community partners.

OEWD is including The Fillmore in its Neighborhood Marketplace Initiative program (NMI). This initiative is a commercial corridor revitalization and stabilization program that targets resources to approximately a dozen neighborhood commercial districts in San Francisco.

The Planning Process

In order to minimize expenses and maximize resources, the following approach was adopted for the planning process:

- **Review:** They reviewed all prior plans, studies, economic and demographic data on the Fillmore neighborhood (Attachment A)

- **Analysis:** They developed a business and building inventory, including business mix analysis and an existing building condition analysis of various structures.

- **Expert Walks**: They conducted two expert walks on the corridor – one during the day and one in the evening (May 25 & June 3, 2010). These were very helpful in soliciting expert opinions from economic analysts and commercial revitalization experts who participated in a panel discussion immediately following each walk. The public was invited and participated in these discussions, and we encouraged all merchants and stakeholders to attend.

- **Stakeholder Interviews**: They interviewed 20+ community stakeholders. Feedback was solicited in the following areas: historical perspective, gaps in economic development activities and corridor perceptions of residents and visitors.

- **Merchant Surveys**: They conducted surveys with more than 20 Fillmore Street merchants who provided valuable information on barriers to leasing opportunities, perceived strengths and challenges of the corridor, and the effectiveness of their recent rebranding to "Heart & Soul of the City – The Entertainment District".

- **Resident Surveys**: Surveys were conducted, in part, by Brothers for Change (BFC), via survey table set up at Safeway, online surveys, and other survey tools to solicit additional community feedback.

- **Property Owners Focus Group:** The Fillmore Community Benefit District (CBD) organized and hosted a property owner focus group to get targeted information from a landlord/property owner perspective for improving the area.

- **Community Workshops**: There were two Community Workshops co-hosted by Supervisor Ross Mirkarimi to allow for additional community input. At the first Workshop which was held on June 30, 2010, the consultants presented their findings; got community input on appropriate business mix, physical investments, and programmatic activities that could improve business conditions along the Fillmore commercial corridor. The second workshop took place on July 27, 2010. Consultants prepared and presented final recommendations and strategies, incorporating the feedback received at the June workshop, and asked the community to prioritize the activities and proposed community investment ideas. They also discussed potential implementation strategies with meeting participants to help assess the feasibility of the revitalization concepts. Both Community Workshops were held at the West Bay Conference Center and were well attended with more than 60 people at each event.

FINAL REPORT –The Fillmore Economic Action Plan

Based on the integrated analysis of the corridor and current market conditions incorporating the results of the surveys, interviews, focus group and community workshops, a final report – **The Fillmore Economic Action Plan** - was developed as a tool to help strengthen the Fillmore's economy. While much has been accomplished, there is broad consensus that many barriers remain that prevent the area from being a healthy neighborhood commercial district as well as a cultural destination for tourists. The economic analysis determined that

in order to be the latter, the former must first be achieved. The strategies identified in the Action Plan are designed to build on the work that has already been done to enhance the Fillmore corridor; and therefore the broad objectives of the plan include the following:

- Diversify the business mix in order to better serve neighborhood residents and assist existing businesses in generating more foot traffic to the area. Physical upgrades and other types of assistance to existing businesses are needed to attract new tenants as well as help the existing businesses capture more of the area's spending power.
- Enable local entrepreneurs to start businesses that fill service gaps to the neighborhood. This can be done by facilitating access to storefronts where possible, to public market and to street vending and event promotions opportunities.
- Activate public spaces with programming that will help build the cultural identity of the neighborhood while bringing positive activity to plazas, parks, sidewalks and the Blue Bridge.
- Build the area's cultural identity by engaging neighborhood residents, business owners and community organizations in developing cultural events and programs that promote the area's history to area residents and visitors

The report categorized these strategies into five segments and includes a projected budget for each area. Each segment includes specific tasks to be undertaken and each task is identified as a funded initiative or a staffed initiative. A list of long term community driven initiatives was also developed as a mechanism for economic revitalization. The five categories are:

- Marketing and Visitor Attraction
- Local Business Entrepreneurship Support
- Physical Improvements & Land Use
- Safety and Cleanliness
- Potential Future Action Items

IMPLEMENTATION TO DATE

The implementation strategy for The Fillmore Economic Action Plan is based on continued community participation and the pursuit of additional funding opportunities that augment existing community and economic development efforts in The Fillmore.

Given the extensive and somewhat ambitious goals of The Fillmore Economic Action Plan, community members expressed great concern that the funds transferred by the Agency might be quickly depleted by consultant and administrative costs over the three year period. In order to address that concern, consultant fees for the planning process were limited to $50,000, and the Project Manager, Andrea Baker, for this project was limited to a half time position. Since Ms. Baker is currently a SFRA employee assigned to this project, the Agency generously agreed to bill her time at direct cost ($53,452/annually) without including the typical overhead mark up of fifty percent. This limits the project management costs over the three year period to $155,804. OEWD has also declined to charge any additional staffing costs to the project.

Since September 2010, the following strategies have been implemented:

The Fillmore Events & Promotions Mini-Grant Program

In order to immediately increase foot traffic and bring more people to the district, staff developed an Events and Promotions Mini-Grant program. A selection panel including representatives from Supervisor Mirkarimi's office, LISC, OEWD and the community was assembled. The first of three funding cycles was completed by September 15, 2010. Eight events were funded in the first cycle including:

- *Independent Artists Week & The Fillmore Art Walk*, by Infin8sync & Meaghan Mitchell
- *Black Cinderella*, African American Shakespeare Company
- *The Black Couture Ball*, Roy Bennett Productions
- *Kwanzaa*, The Village Project
- *Black Family in Film*, San Francisco Black Film Festival
- *Youth & Jazz*, Jazz Heritage Center
- *The Fillmore Soul Train Bash*, Jazzy'z Stop 'N Go
- *Mardi Gras San Francisco Style /Fat Tuesday*, Fillmore Community Benefit District (CBD) and the Village Project

These events will all take place between September 2010 and March 2011. Funding for these events ranged from $2,000 - $10,000 and totaled $38,000. The African American Arts & Culture Complex has adopted the program and is currently serving as the administrator and fiscal agent of the grants program. In addition, OEWD has funded an events consultant to work with each grant recipient to provide technical assistance and ensure the optimum standard of execution.

The second cycle of the program is currently being promoted and the deadline for applications is February 18, 2011.

Awning & Signage Program

A portion of the funds have been earmarked for a façade and tenant improvement program to incentivize community serving businesses. Applications were made available to all Fillmore merchants beginning December 2010, and the deadline for submission is January 21, 2011. OEWD has engaged staff of the SF Shines Program as well as the Agency's architect to consult on design strategies and to develop an implementation process for the awning and signage program. This will maximize the funds available and optimize the activation of façade and sidewalks through signage, lighting, seating and other streetscape improvements.

The goal is to complete the awning and signage program by September 2011.

The Fillmore Mobile Food Vendor Program

OEWD is collaborating with Urban Solutions and La Cocina to develop a mobile food vendor program, which will outreach within the community to identify interested individuals, conduct business workshops and provide culinary training. OEWD is also working with Opportunity Fund to develop a loan program targeted to individuals interested in purchasing a mobile food trailer. The loan terms would be favorable and supportive of first-time operators. Upon

completion of the training workshops, qualifying applicants will be eligible to take one of two routes:

- Rotate use of a La Cocina owned mobile food trailer (potentially purchased with CDBG funds on a pilot basis)
- Apply for a loan to purchase a mobile food trailer

In addition, successful participants will receive ongoing technical support from La Cocina and Urban Solutions, for up to six months after completing the program. OEWD is working to identify two public sites where the Fillmore food vendors will be located. We anticipate that the program will be 'rolled out' in March 2011 actively soliciting vendors who are ready to take the next step in broadening their market.

The Fillmore Artisan Marketplace (*working title*)

Driven by the community's desire to provide a legitimate outlet for micro-businesses to sell their goods, OEWD is working with the community to develop- a Fillmore Artisan Marketplace. Building on the success of the current Fillmore Farmers Market, we anticipate that the Artisan Marketplace might be located in the Gene Suttle Plaza, across from the farmers market and would have similar operating hours in order to attract the growing attendance at the farmers market.

OEWD is currently working with Urban Solutions to develop this business model and community workshops to identify and prepare participants for The Fillmore Artisan Marketplace.

The goal is to open the Marketplace by September 2011.

The Fillmore Art Cluster Program

Building on existing community and professional relations and programs, OEWD's strategy is to leverage the Agency's funds wherever possible in order to accomplish more economic revitalization goals. As such, working with the Arts Commission, a grant for $25,000 has been identified, and the African American Arts & Culture Complex will administer this Arts Cluster Grant focused on funding and supporting three Fillmore Art Walks annually.

Ongoing Communications and Community Participation

To ensure that the strategies of the Fillmore Economic Action Plan continue to be community driven, the team has developed the following ongoing communications plan:

a) Monthly working meetings - community residents, merchants and stakeholders are invited to attend and participate first hand in the planning and execution of the tasks outlined in The Fillmore Economic Action Plan.

b) A Fillmore Neighborhood Marketplace Initiative Newsletter - is distributed every two months, providing updates on ongoing tasks from the Action Plan as well as promoting neighborhood merchants and community organizations.

c) Quarterly Community Forums - hosted by Supervisor Mirkarimi and OEWD. Each forum provides an opportunity for updates on the programs that have been implemented and

introduces new initiatives being implemented from the Action Plan. The forums will also provide broad relevant information designed to assist the residents and merchants of the Fillmore to take advantage of project and encourage them to tap into existing City resources and programs. The first of these forums was held on November 15, 2010; and the next one is scheduled for February 16, 2011. This forum will include a Business Development Panel comprised of landlords, real estate brokers and lenders to provide relevant information on leasing requirements, potential capital costs, technical assistance and other resources available for those endeavors.

d) Web Page- a web link has also been developed for The Fillmore on the OEWD website where The Fillmore Economic Action Plan, The Fillmore Events & Promotions Mini Grant program and all other relevant reports and resources may be accessed by community members, businesses and the general public.

(Originated by Andrea Baker, Assistant Project Manager)

Fred Blackwell
Executive Director

Attachments:

Attachment A - Reports reviewed in the preparation of The Fillmore Economic Action Plan
Attachment B - The Fillmore Economic Action Plan, November 15, 2010
Attachment C - The Fillmore Economic Action Plan Working Budget, November 23, 2010