

File No. 170278

Committee Item No. 1
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight
Board of Supervisors Meeting:

Date: May 3, 2017
Date: _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

- | | | |
|--------------------------|-------------------------------------|---------------------------------------|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo - February 1, 2017</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD Annual Report - 2015-2016</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD CPA Report - June 30, 2016</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - March 22, 2017</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: John Carroll
Prepared by: _____

Date: April 28, 2017
Date: _____

1 [Civic Center Community Benefit District - Annual Report for FY2015-2016]

2
3 **Resolution receiving and approving an annual report for the Civic Center Community**
4 **Benefit District for FY2015-2016, submitted as required by the Property and Business**
5 **Improvement District Law of 1994 (California Streets and Highways Code,**
6 **Sections 36600, *et seq.*), Section 36650, and the District's Management Agreement with**
7 **the City, Section 3.4.**

8
9 WHEREAS, On November 2, 2010, pursuant to the Property and Business
10 Improvement District Law of 1994 (the "Act"), California Streets and Highways Code,
11 Sections 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax
12 Regulations Code, the Board of Supervisors adopted Resolution No. 514-10, expressing the
13 City's intention to establish the Civic Center Community Benefit District (the "Civic Center
14 CBD"); and

15 WHEREAS, On January 4, 2011, the Board of Supervisors adopted Resolution
16 No. 21-11 establishing the Civic Center CBD ("Resolution to Establish") for a period of 10
17 years, commencing FY2011-2012; and

18 WHEREAS, On October 18, 2011, the Board of Supervisors adopted Resolution
19 No. 443-11, authorizing an agreement with the owners' association for the
20 administration/management of the Civic Center CBD, and a management agreement (the
21 "Management Contract") with the owners' association, the Civic Center Community Benefit
22 District, Inc., was executed accordingly; and

23 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
24 of Supervisors in File No. 110969; and

1 WHEREAS, On August 2, 2016, the Board of Supervisors approved the Civic Center
2 CBD's annual reports for FY2014-2015 in Resolution No. 347-16; and

3 WHEREAS, The Civic Center CBD has submitted for the Board's receipt and approval
4 the Civic Center an annual report for FY2015-2016 as required by Section 36650 of the Act
5 and Section 3.4 of the Management Contract; and

6 WHEREAS, The annual report for FY2015-2016 is on file with the Clerk of the Board of
7 Supervisors in File No. 170278, and is incorporated herein by reference as though fully set
8 forth; and

9 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
10 memorandum report from the City's Office of Economic and Workforce Development, dated
11 February 1, 2017, and documentation from the Civic Center CBD for the annual report for
12 FY2015-2016 are on file with the Clerk of the Board of Supervisors in File No. 170278; now,
13 therefore, be it

14 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
15 report for the Civic Center Community Benefit District for FY2015-2016.

MEMO

To: Supervisor Jane Kim, District 6
CC: San Francisco Board of Supervisors
From: Chris Corgas, Senior Program Manager
RE: Civic Center Community Benefit District
Date: February 1, 2017

This is a memo summarizing the performance of the Civic Center Community Benefit District (CCCBD) and an analysis of their financial statements (based on their audit) for the period between July 1, 2015 and June 30, 2016.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Civic Center 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 Civic Center's Community Benefit District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2008.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2015-2016
2. CPA Financial Review Report
 - a. FY 2015-2016
3. Draft resolution from the Office of Economic and Workforce Development



Background

The CCCBD includes both privately and publicly owned properties. The district covers 35 blocks and includes approximately 289 parcels.

- January 4, 2011, the Board of Supervisors approved the resolution that established the Civic Center Community Benefits District for 10 years (Resolution # 21-11).
- October 18, 2011, the Board approved the contract for the administration and management of the Civic Center Community Benefit District (Resolution # 443-11).
- April 28, 2015, the Board of Supervisors approved the Annual Reports for FYs 2011-2012, 2012-2013, and 2013-2014 annual reports (Resolution # 162-15).
- August 2, 2016, the Board of Supervisors approved the Annual Report for FY 2014-2015 (Resolution #347-16).

Basic Info about Civic Center CBD

Year Established	January 2011
Assessment Collection Period	FY 2011-2012 to FY 2020-2021 (July 1, 2011 to June 30, 2021)
Services Start and End Date	February 1, 2012 – June 31, 2021
Initial Estimated Annual Budget	\$691,964
Fiscal Year	July 1 – June 30
Executive Director	Donald W. Savoie
Name of Nonprofit Entity	Civic Center Community Benefit District Corporation

The current CBD website, <http://sfciviccenter.org/>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report and meeting schedules.

Summary of Service Area Goals

Safety Program

The Safety Program supports both uniformed Ambassadors and activates the sidewalks and open space. CCCBD contracts with MJM Management Group to staff a team of Community Safety Ambassadors (CSAs). There is a daily assignment of four uniformed Community Service Ambassadors who support police and property owners in crime prevention, assist visitors with area information and provide street population/homeless with social services information and referrals. CSAs provide services for 12 hours a day, five days/week. The CBD also trains CSA team members to develop strong, supportive relationships with SFPD officers. The CCCBD Management Plan calls for 63.5% of the budget to be spent on the Safety Program.

Additional Evening Public Safety (Zone 2 only) -includes four uniformed Community Service Ambassadors to work for 200 evenings/year for 4 five hour shifts from 6:30pm - 11:30pm or the equivalent as deemed necessary by the district.

Cleaning Program and On-Call Graffiti Removal

This service area provides a uniformed maintenance worker to respond to maintenance calls to remove graffiti, wash down the sidewalk or pick up an accumulation of debris on the sidewalk 20 hours/week. This individual is supported by calls by the CBD staff to the Department of Public Works (DPW) to coordinate delivery of the maintenance services that the City provides. In addition, Zone 3 deploys one maintenance worker providing daily sidewalk sweeping or steam cleaning and graffiti removal between 7:30 a.m. – 4:00 p.m. The CCCBD Management Plan allocates 11% of their funds to this service area.

Beautification

The Beautification program area includes streetscape improvements such as way finding signage and sidewalk lighting and capital enhancements. The program focuses on the greening of the streetscapes throughout district. One example of this effort is their hanging flower baskets at intersections and key entry points to the district. The CCCBD Management Plan allocates 11% of their funds to this service area.

Activation of Public Spaces (Zone 2)

This service area implements programs that support Civic Center Plaza's night time activation. Civic Center CBD coordinates with municipal agencies, community based organizations and local business owners to develop and provide planned night time based events.

Staff – Executive Director

CCCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Civic Center CBD. In addition, the Executive Director produces a newsletter to district organizations, merchants, property owners, and members of the media. The CCCBD Management Plan calls for 15% of the budget to be spent on administration and corporate operations. The CCCBD board has fourteen (14) members, represented by residents, property owners, community organizations, non-profit arts organizations, government and educational institutions and businesses. The full board meets bi-monthly. All committees meet as needed. The six committees are detailed below:

- **Executive** – creates agendas for the board meetings and is comprised of the four corporate officers (Chair, Vice Chair, Treasurer, and Secretary).
- **Finance** - reviews financial reports, budgets and expenditures.
- **Capital Improvements and Planning** – discusses improvements, including signage beautification, furnishings, transportation and real estate development.
- **External Affairs** – reviews and comments on the policies, laws and the regulations that impact the CBD and the Civic Center. In addition, the committee manages and develops marketing strategies and public relations.
- **Safety** – discusses the overall safety of the district including police and criminal activity as well as data analysis of these statistics and news reports.
- **Services** – drafts the request for proposals for services contracts and manages the ongoing relationship between the CBD and their contracts.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2015-2016

Safety Program/Community Service Ambassadors

- Safety & Security Services:
 - Emergency Services; Quality of Life Crimes; Quality of Life Issues; General Neighborhood Issues.

Total Safety & Security Services: 13,375

Cleaning Program and On-Call Graffiti Removal

- Litter and Trash Removal:
 - .
 - Removed 105,000 pounds of trash from District.
- Graffiti Issues:
 - Removed 2,189 instances of graffiti.
- Request for CBD Services:
 - Painting Request; Scrub Request; Steam Cleaning Request; Sweep Request.

Total Cleaning/Maintenance Services Completed: 19,178

Activation of Public Places Zone 2 Only

The CBD presented its holiday musical event, “Holiday Fanfare,” on weekends in December 2014. Spearheaded by the External Affairs Committee, “Holiday Lights and Fanfare” is a series of performances meant to activate neighborhood streets and bring holiday cheer to the residents and the thousands of visitors and arts patrons

Administration and Corporate Operations

- Partnered with City agencies and/or neighborhood groups on the following projects: “Coalition Impacts Parking, Transit, and Pedestrian Safety” study, the Better Market Street Project, and began planning the Summer Concert Series, which will be implemented in FY 15-16.
- Successful in promoting the CBD, its programs and services through direct contact via Facebook, Twitter and Instagram. We also automatically post news on sites that propel our articles to the top of search engines, such as Google+, LinkedIn, and Tumblr. The CCCBD continues to update and expand its website, sfciviccenter.org, with information about the CBD, resources, demographics, an enhanced calendar, and deeper integration with social media.

CCCBD Annual Budget Analysis

OEWD’s staff reviewed the following budget related benchmarks for CCCBD:

- **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 “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B) (6); Agreement for the Administration of the “Civic Center 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 “Civic Center Community Benefit District”, Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether CCCBD 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 2015-2016

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: *CCCB* met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	FY 2015-2016 Budget	% of Budget	Variance Percentage Points
Safety/CSAs	\$357,495	51.7%	\$404,000.00	53.21%	+1.55%
Cleaning Program	\$139,890	20.2%	\$142,060 .00	18.71%	-1.51%
Beautification	\$22,876	3.3%	\$28,050 .00	3.69%	+ .39%
Activation of Public Places	\$24,081	3.5%	\$28,050.00	3.69%	+ .21%
Administration and Corporate Operations	\$140,702	20.3%	\$149,884.00	19.74%	-.59%
Non-Assessment Funds	\$6,920	1.0%	\$7,211.40	0.95%	-.05%
TOTAL	\$691,964 .00	100.0%	\$759,255.40	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *CCCB* met this requirement. Assessment revenue was \$781,612.00 or 96.95% of actuals and non-assessment revenue was \$24,579 or 3.05% of actuals. See table below.

Revenue Sources	FY 2015-2016 Actuals	% of Actuals
Special Benefit Assessments	\$781,612.00	
Total assessment revenue	\$781,612.00	96.95%
Grants	\$23,171.00	2.87%
Interest Earned	\$1,408.00	.17%
Other	\$0.00	0%
Total non-assessment revenue	\$24,579.00	3.05%
Total	\$806,191.00	100%

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

ANALYSIS: *CCCBD met this requirement. See table below.*

Service Category	FY 2015-2016 Budget	% of Budget	FY 2015-2016 Actuals	% of Actuals	Variance Percentage Points
Safety/CSAs	\$404,000.00	53.21%	\$449,522.00	60.02%	+6.81%
Cleaning Program	\$142,060 .00	18.71%	\$141,400.00	18.88%	+1.17%
Beautification	\$28,050 .00	3.69%	\$358	0.05.%	-3.65%
Activation of Public Places	\$28,050.00	3.69%	\$40,905	5.46%	+1.77%
Administration and Corporate Operations	\$149,884.00	19.74%	\$116,748.00	15.59%	-4.15%
Non-Assessment Funds	\$7,211.40	0.95%	\$0	0.0%	-.95%
TOTAL	\$759,255.40	100.0%	\$748,933.35	100.0%	

BENCHMARK 4: Whether CCCBD 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: *CCCBD met this requirement. See table below. Please note: 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*

FY 2015-16 Carryover Disbursement	\$77,000	To be used in FY 2016-2017
Designated Projects		
10B Officers Program	\$47,000	\$47,000
elevator Greeter	\$30,000	\$30,000
Other		
Total Designated Amount	\$77,000	\$77,000

Findings and Recommendations

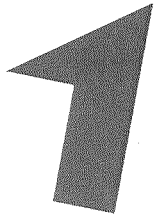
CCCBD has met all of its required benchmarks as defined on page 4 of this memo. Civic Center CBD worked with OEWD throughout FY 15-16 to ensure all reporting benchmarks were met by the district.

The CCCBD continues to implement its spenddown plan from the FY 13-14 annual report. As indicated in the FY 14-15 annual report, the CBD is currently ahead of schedule in completing its spenddown plan. OEWD anticipates the spenddown will be completed no later FY 17-18.

The CCCBD expires in 2020, OEWD recommends that the CBD's governing board evaluates the effectiveness of the CBD in preparation for the district's renewal and expansion campaign.

Conclusion

CCCBD has performed well in implementing its service plan. CCCBD has continued to successfully sponsor and help implement events and programs in the district. CCCBD is a well-run organization with active board and committee members and will continue to successfully carryout its mission as a community benefit district.



**Civic
Center**
Community
Benefit District



**Annual
Report**

2015-2016

**History. Culture.
Government.**

**It all happens
in Civic Center.**

Quick #s:
Cleaning/Graffiti

2,700 Needles
2,560 Graffiti Tags
19,178
Clean Calls Completed

Quick #s:
Cleaning Stats

105,000
pounds of trash removed
287,848
feet of sidewalks steamcleaned

Quick #s:
Safety Stats

13,375
Public Safety Calls
725
Drunk & Disorderly Calls

Enhanced Safety Services Implemented

Expanding the Services

The CBD's board members and executive director continued to provide in conjunction with our provider, MJMMG, the daily safety and cleaning services that have been popular since our inception:

- 7-day-a-week cleaning and graffiti abatement;
- Daytime community ambassadors, and;
- Nighttime ambassadors that welcome arts patrons and new residents.

Due to increased assessments revenue generated by new construction, the CBD was able to add services this past year that proved to be beneficial as well:

SF Police 10b Program

The Civic Center CBD partnered with the Central-Market CBD to employ an off-duty police officer to work in our districts part-time through the SFPD's 10-b program. The officers work with the CCCBD Ambassadors and the CMCBD Community Guides to primarily address quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering, and pedestrian safety infractions.

Civic Center Greeter

In June of 2015, the CBD started

an experiment to see if we could impact safety, both real and perceived, by adding one nighttime ambassador dedicated to the entrance and elevator area of the Civic Center Parking Garage.

After two months, The CBD evaluated the program and concluded that it should be continued.

Beautification and Activation

The CBD's board members and executive director built upon the past successes of the holiday concerts to establish new ways to activate.

Ivy Street Livable Alley

The Civic Center CBD submitted a grant application to make improvements to Ivy Street and was approved for \$200,000 to work with the neighbors, business owners and several partners to turn the 200-block into a pedestrian friendly community space. The grant is from the Mayor's Office of Housing and Community Development (MOHCD), and is funded through the Complete Neighborhoods Program (CNP) to fund capital projects.

Summer 2015 Concert Series

The CBD partnered with People in Plazas, MJMMG, and the Recreation and Parks Dept. to present a new summer concert series, for Civic Center Plaza. The concerts were every Wednesday from noon to

1:00 pm, starting from July through October. There were 17 in total.

Holiday Concerts and Activation

The CBD expanded its holiday musical event, "Holiday Fanfare," on the weekends in December. Spearheaded by the External Affairs Committee, "Holiday Fanfare" was a series of performances meant to activate neighborhood streets and bring holiday cheer to the residents and the thousands of visitors and arts patrons.

Performances Brass Quintets and Carolers from the San Francisco Conservatory of Music, and Mostly Madrigals, a caroling quartet. Each performance was meant to highlight cultural assets in the neighborhood, from the historic War Memorial Opera House, to the new SFJazz Center. There were 19 concerts in total.

Advocacy and Community Outreach

Coalition Impacts Parking, Transit and Pedestrian Safety

A group of interested parties organized by SFMTA and the Civic Center Community Benefit District has been meeting for several months in an effort to improve the patron experience in the around the SF Performing Arts Center, as it relates to parking and traffic. We have conducted site surveys and consulted with representatives

Quick #s:
Summer Concert Series

17 Concerts
1,500 People

Quick #s:
Holiday Concert Series

19 Concerts
3,500 People

Quick #s:
Visitors/Merchants

2,503 Directions given
3,743 Meet & Greets with
 Merchants and Residents

with knowledge about parking, taxi, traffic, garages, arts organizations, evening ambassadors and city administrators.

On most evenings, those without a performance at Bill Graham Civic Auditorium, the Civic Center Garage has many available parking spaces and the Performing Arts Garage has few if any spaces. This causes traffic jams, pedestrian hazards and frustration for all even those merely trying to drive past the performing arts buildings on Franklin.

Partnering with Stakeholders

In addition to the various committees, CCCBD staff and board members also worked with important stakeholders in the Civic Center:

- ⊕ Supervisor Jane Kim and staff
- ⊕ Supervisor London Breed and staff
- ⊕ Mayor's Office of Economic and Workforce Development
- ⊕ Central Market Partnership
- ⊕ CBD/BID Consortium
- ⊕ San Francisco Ballet
- ⊕ San Francisco Opera
- ⊕ San Francisco Symphony
- ⊕ San Francisco Conservatory of Music
- ⊕ Hayes Valley Neighborhood Association
- ⊕ Recreation and Parks Staff
- ⊕ San Francisco Police Department
- ⊕ San Francisco Travel

Website - sfciviccenter.org

The CCCBD continues to update and expand its website, sfciviccenter.org, with information about the CBD, resources, demographics, an enhanced calendar, and deeper integration with its social media.

Social Media

- ⊕ www.facebook.com/sfciviccenter
- ⊕ www.twitter.com/civiccenter
- ⊕ www.plus.google.com/+SFCivicCenterorg
- ⊕ <https://www.instagram.com/sfciviccenter/>
- ⊕ www.linkedin.com/company/civic-center-community-benefit-district
- ⊕ <http://sfciviccenter.tumblr.com/>

Civic Center CBD Operating Budget

The annual operating budget for the year July 1, 2015 to June 30, 2016 was \$740,271.86, which is based on the total of the assessed properties in the district. The proposed service plan budget was developed based on the priorities that the stakeholders expressed through the surveys and Steering Committee meetings.

All improvements and activities are allowed under the 1994 California Property and Business Improvement Act. These numbers are preliminary and the CCCBD will have the financial reports audited by Maze and Associates.

CBD Assets/Liabilities on

June 30, 2016

Current Assets	
Checking Account.....	\$94,493.23
Savings Account.....	\$308,999.21
Fixed Assets	
Furniture, fixtures and equipment, net.....	\$1,990.60
Other Assets & Deposits.....	\$(750.00)
Total assets.....	\$404,733.04
Liabilities and Equity	
Unrestricted Net Assets.....	\$340,064.52
Net Income.....	\$64,668.52
Total Equity.....	\$404,733.04
Total Liabilities and Equity.....	\$404,733.04

* These figures indicate that we have currently, before the audit, a carry-over into FY 2016, of \$404,733.04. The staff of the Mayor's Office of Economic and Workforce Development has requested that we "spend down" our surplus funds in an organized approach over the next few years.



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info@sfciviccenter.org

2014-2015 Board of Directors

Chair
Bill Whitfield
Shorenstein Realty Services

Vice Chair
Tim Vrabel
The Emerald Fund

Vice Chair
Ruth Nott
San Francisco Opera

Treasurer
John Updike
San Francisco Real Estate

Secretary
Jennifer Norris
San Francisco War Memorial

Anthony Boas
San Francisco Honda

Nathan Brito
San Francisco Ballet

Mary Conde
Another Planet Entertainment

Jim Haas
Resident/Neighborhood Advocate

Roberto Lombardi
San Francisco Public Library

Sarah Madland
Dept. of Recreation and Parks

Susan McConkey
San Francisco Conservatory of Music

Janan New
San Francisco Apartment Association

Annette Turner
State of California

Patricia Unterman
Hayes Street Grill

Ex-Officio
Donald W. Savoie
CBD Executive Director

Civic Center CBD Committees

- Executive - Bill Whitfield, Chair
- Finance - John Updike, Chair
- Capital Improvements and Planning - Jim Haas, Chair
- External Affairs - Sam Smith, Chairs
- Services - Mary Conde and Tim Vrabel, Co-Chairs

Special Thanks!

The Civic Center CBD would like to thank the following for their support of the CBD and its programs:

CBD Dispatch for Services

For non-emergency cleaning and ambassador services, call dispatch at (415) 781-4700, or email dispatch@sfciviccenter.org

Learn more about Civic Center CBD programs and services at:

sfciviccenter.org

MJMMG

- Services provider for the Civic Center CBD

AAA Flag and Banner

- Production and installation of street poll banners

Mucho

- Design and identity work for the Civic Center CBD

West Coast Property Management

- Discounted office space for the CBD office

San Francisco Ballet

- Photo for CCCBD street pole banners

Joel Puliatti

- Photos of the San Francisco War Memorial

CIVIC CENTER COMMUNITY BENEFIT DISTRICT

**FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015**

INTRODUCTORY SECTION

CIVIC CENTER COMMUNITY BENEFIT DISTRICT

BOARD OF DIRECTORS

JUNE 30, 2016

BOARD OF DIRECTORS

Bill Whitfield, Chair
Tim Vrabel, Vice Chair
Ruth Nott, Vice Chair
John Updike, Treasurer
Jennifer Norris, Secretary
Anthony Boas
Nathan Brito
Mary Conde
Jim Haas
Roberto Lombardi
Sarah Madland
Susan McConkey
Janan New
Annette Turner
Patricia Unterman

MANAGEMENT

Donald Savoie, Executive Director

CIVIC CENTER COMMUNITY BENEFIT DISTRICT

**Financial Statements
For the Years Ended June 30, 2016 and 2015**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Civic Center Community Benefit District
San Francisco, California

We have audited the accompanying financial statements of the Civic Center Community Benefit District (District), a not-for-profit organization, which comprise the statement of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Civic Center Community Benefit District as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Pleasant Hill, California
Opinion Date

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
 STATEMENTS OF FINANCIAL POSITION
 AS OF JUNE 30, 2016 AND 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current Assets:		
Cash and cash equivalents (Note 3)	\$403,492	\$338,824
Accounts receivable, net (Note 2C)	<u>98,912</u>	<u>89,205</u>
Total Current Assets	<u>502,404</u>	<u>428,029</u>
Non-Current Assets:		
Prepaid expenses		750
Furniture and equipment, net of accumulated depreciation of \$19,978 and \$19,978, respectively (Note 2D)		
Total Non-Current Assets		<u>750</u>
Total Assets	<u>\$502,404</u>	<u>\$428,779</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$51,333	\$47,302
Accrued vacation (Note 2E)	<u>4,835</u>	<u>4,399</u>
Total Liabilities	<u>56,168</u>	<u>51,701</u>
NET ASSETS (Note 2A)		
Unrestricted	<u>446,236</u>	<u>377,078</u>
Total Net Assets	<u>446,236</u>	<u>377,078</u>
Total Liabilities and Net Assets	<u>\$502,404</u>	<u>\$428,779</u>

See accompanying notes to financial statements.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
UNRESTRICTED SUPPORT AND REVENUES		
Assessments	\$898,765	\$541,789
Contributions	23,171	8,000
Other	1,409	952
Total Support and Revenues	923,345	550,741
PROGRAM EXPENSES		
Cleaning and graffiti removal	152,627	125,970
Safety	443,122	381,808
Activation	34,212	34,518
Total Program Expenses	629,961	542,296
SUPPORT SERVICES		
Facilities and equipment (Note 4)	9,340	8,000
Payroll and related	91,444	87,119
Legal and accounting	3,811	5,711
Bad debt expense	107,446	20,122
Other	12,185	13,034
Depreciation	5,993	5,993
Total Support Services Expenses	224,226	139,979
Total Expenses	854,187	682,275
CHANGE IN NET ASSETS	69,158	(131,534)
Net Assets, beginning of year	377,078	508,612
Net Assets, end of year	\$446,236	\$377,078

See accompanying notes to financial statements.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$69,158	(\$131,534)
Adjustments to reconcile to net cash provided by (used for) operating activities:		
Depreciation		5,993
Bad debt expense	107,446	20,122
(Increase) in accounts receivable	(117,153)	(14,097)
Decrease in prepaid assets	750	
Increase in accounts payable	4,031	3,883
Increase in accrued expenses	436	
Cash Flows Provided (Used) by Operating Activities	64,668	(115,633)
Net (decrease) increase in cash and cash equivalents	64,668	(115,633)
Cash and cash equivalents, beginning of year	338,824	454,457
Cash and cash equivalents, end of year	\$403,492	\$338,824

See accompanying notes to financial statements.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2016 and 2015

NOTE 1 – REPORTING ENTITY

A. General

The Civic Center Community Benefit District (District) was incorporated on June 1, 2011. The District is a 501(c)(3) nonprofit public benefit special assessment district conceived and organized by a group of concerned Civic Center property owners, arts organizations, government entities and other stakeholders (Members). Funding is provided primarily from special assessments from Members that are collected by the City and County of San Francisco and remitted to the District, pursuant to an administration agreement, dated July 1, 2011.

The goal of the District is to improve coordination and communication around the management, image, safety, beautification and cleanliness of the greater Civic Center area for the benefit of patrons, residents, employees, merchants, property owners and other visitors within the District. The District provides community service ambassadors to assist the public with information and direct them to destinations within the area, made possible by training on local geography, area venues, business, transportation systems, and other useful information. They also provide a vital role in promoting the Civic Center as safe and friendly. The District also provides teams to respond to maintenance calls to remove graffiti, wash sidewalks or pick up an accumulation of debris on the sidewalk, seven days a week.

B. Programs

Civic Center Greeter – The District added one nighttime ambassador dedicated to the entrance and elevator of the Civic Center Parking Garage. The arts organizations have received complaints from patrons saying they feel unsafe when they walk back to their cars at night because of the lack of other people in the area. The District believes that this is impacting people’s willingness to park in the garage and it impacts traffic flow, congestion and pedestrian safety on busy nights as people circle the blocks looking for parking.

10-B Police Officer Program – The District partnered with the Central Market Community Benefit District to employ an off-duty police officer to work in our District part-time through the SFPD’s 10-B Program. The officers work the District Ambassadors and Community Guides to primarily address quality of life issues within the neighborhood and within the purview of SFPD, such as issuing citations for drinking, trespassing, permit violations, littering and pedestrian safety infractions.

Community Service Ambassadors – The team of Community Service Ambassadors are a key element of the District. Their function is to assist the public with information and direct them to destinations within the area, made possible by training on local geography, area venue and businesses, transportation systems, and other useful information. The Ambassadors are goodwill ambassadors who assist the public in navigating the District with a welcoming and informed presence. They also play a vital role in promoting the Civic Center area as safe and friendly. They are easily visible and identifiable by their uniforms that will be unique to this District. Their presence is a deterrent to misdemeanor crime, and they have a communication system to enable them to report conditions or observations of criminal activity immediately through the District dispatch to the SFPD.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2016 and 2015**

NOTE 1 – REPORTING ENTITY (Continued)

Cleaning and Graffiti Team – The service provide for uniformed maintenance workers to respond to maintenance calls to remove graffiti, wash down the sidewalk or pick up an accumulation of debris on the sidewalk. They are aided by calls by the District staff to the Department of Public Works to coordinate delivery of the maintenance service that the City provides.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation and Financial Statement Presentation

The financial statements of the District have been prepared on the accrual basis of accounting. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the District and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the District and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions, if any. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. At June 30, 2016 and 2015, the District had no temporarily restricted net assets.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the District. Generally, the donors of these assets permit the District to use all or part of the income earned on any related investments for general or specific purposes. At June 30, 2016 and 2015, the District had no permanently restricted net assets.

B. Support and Revenues

The District relies on member assessments which are invoiced in advance, deferred on the statement of financial position and recognized monthly on a straight-line basis. All contributions are recorded upon receipt, and are considered to be available for unrestricted use unless specifically restricted by the donor.

The District and the City and County of San Francisco entered into an administration agreement whereby, on the District's behalf, the City and County of San Francisco will levy and collect the assessments from the Members through the Members' secured property tax bills. For payments received in conjunction with the first and second installment of secured property taxes, the City and County of San Francisco will remit those funds to the District on or before January 10th and May 10th, respectively. Delinquent assessments will be remitted to the District at least once during the final quarter of the fiscal year and from time to time, at the discretion of the Controller of the City and County of San Francisco.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Accounts Receivable and Allowance for Doubtful Accounts*

Accounts receivable generally consists of amounts due from Members and are stated at the amount the District expects to collect. When necessary, the District provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to accounts receivable. The allowance for doubtful accounts was \$18,241 and \$103,254 at June 30, 2016 and 2015, respectively.

D. *Furniture and Equipment*

Furniture and equipment is stated at cost. Donated assets are recorded at their estimated fair market values at date of donation. Depreciation is computed over the estimated useful lives of the respective assets, ranging from 2 to 3 years, on a straight-line basis. Expenses for maintenance, repairs and minor renewals are charged against operations as incurred.

E. *Accrued Vacation*

Accrued vacation is comprised of unpaid vacation. Vacation is accrued as earned and sick leave is not accrued since it does not vest. All accrued vacation is considered to be a current liability. The balance at June 30, 2016 and 2015 was \$4,835 and \$4,399, respectively.

F. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. *Income Taxes*

The District is exempt from income tax under Section 501(c)(3) of U.S. the Internal Revenue Code. Accordingly, no provision for income taxes has been provided in these financial statements. In addition, the District qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1). Unrelated business income, if any, may be subject to income tax. The District paid no taxes on unrelated business income in the years ended June 30, 2016 or 2015.

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the organization's tax returns. Management has determined that the District does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the District's tax returns will not be challenged by the taxing authorities and that the District will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the District's tax returns remain open for federal income tax examination for three years from the date of filing.

CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2016 and 2015

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Advertising Costs

Advertising costs, if any, are expensed as incurred.

I. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect the management's judgment about the assumptions that market participants would use in pricing the asset or liability.

NOTE 3 - CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are comprised of cash in banks, which is insured by the Federal Depository Insurance Corporation up to \$250,000, and is reported using the Level 1 fair value measurement. The District has not experienced any losses in such accounts. Management believes the District is not exposed to any significant risk related to cash.

NOTE 4 - OPERATING LEASE

The District rents office space subject to an operating lease beginning December 1, 2011, for \$750 per month, plus common area maintenance charges. The lease term is month-to-month, subject to termination by either party. Rent expense, including common area maintenance charges totaled \$9,340 and \$8,000 for the years ended June 30, 2016 and 2015, respectively, and is included with facilities and equipment expense on the Statement of Activities.

NOTE 5 - OUTSIDE SERVICE CONTRACT

The District contracts with MJM Management Group to provide ambassador, janitorial, maintenance, and other services on the District's behalf. At June 30, 2016 and 2015, MJM charges were \$629,961 and \$542,296, respectively.

**CIVIC CENTER COMMUNITY BENEFIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2016 and 2015**

NOTE 6 – SUBSEQUENT EVENTS

The District evaluated subsequent events for recognition and disclosure through DATE, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2016 that require recognition or disclosure in such financial statements.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller
Todd Rufo, Director, Office of Economic and Workforce Development

FROM: Erica Major, Assistant Clerk, Government Audit and Oversight Committee,
Board of Supervisors

DATE: March 22, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Kim on March 14, 2017:

File No. 170278

Resolution receiving and approving an annual report for the Civic Center Community Benefit District for FY2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, *et seq.*), Section 36650, and the District's Management Agreement with the City, Section 3.4.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Todd Rydstrom, Office of the Controller
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 MAR 17
Time stamp
or meeting date 17

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Supervisor Kim

Subject:

[Civic Center Community Benefit District - Annual Report for FY 2015-2016]

The text is listed below or attached:

Attached

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: