

File No. 170355

Committee Item No. _____

Board Item No. 25

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: May 3, 2017

Board of Supervisors Meeting:

Date: May 9, 2017

Cmte Board

- | | | |
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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" 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 checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Presentation - May 3, 2017</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo - February 1, 2017</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD Annual Report - 2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CBD CPA Report - December 31, 2015</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - April 11, 2017</u> |

Prepared by: John Carroll

Date: _____

Prepared by: _____

Date: _____

1 [Central Market Community Benefit District - Annual Report for Calendar Year 2015]

2
3 **Resolution receiving and approving an annual report for the Central Market Community**
4 **Benefit District for calendar year 2015, submitted as required by the Property and**
5 **Business 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 September 12, 2006, pursuant to the Property and Business
10 Improvement District Law of 1994 (the "Act"), California Streets and Highways Code, Sections
11 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. 519-06, expressing the
13 City's intention to establish the Central Market Community Benefit District (the "Central Market
14 CBD"); and

15 WHEREAS, On October 31, 2006, the Board of Supervisors adopted Resolution
16 No. 631-06 establishing the Central Market CBD ("Resolution to Establish") for a period of 7
17 years, commencing FY2006-2007; and

18 WHEREAS, On June 19, 2007, the Board of Supervisors adopted Resolution
19 No. 313-07, authorizing an agreement with the owners' association for the
20 administration/management of the Central Market CBD, and a management agreement (the
21 "Management Contract") with the owners' association, the Central Market Community Benefit
22 District Corporation, 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. 070673; and

1 WHEREAS, On July 23, 2013, the Board of Supervisors adopted Resolution
2 No. 264-13 renewing and expanding the Central Market CBD for a period of 15 years,
3 commencing with FY2013-2014; and

4 WHEREAS, On February 4, 2014, the Board of Supervisors adopted Resolution
5 No. 019-14, authorizing an agreement with the owners' association for the
6 administration/management of the Central Market CBD, and a management agreement (the
7 "Management Contract") with the owners' association, the Central Market Community Benefit
8 District Corporation, was executed accordingly; and

9 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board
10 of Supervisors in File No. 140038; and

11 WHEREAS, On June 7, 2016, the Board of Supervisors approved the Central Market
12 CBD's annual reports for calendar year 2014 in Resolution No. 230-16; and

13 WHEREAS, The Central Market CBD has submitted for the Board's receipt and
14 approval the Central Market annual report for calendar year 2015 as required by
15 Section 36650 of the Act and Section 3.4 of the Management Contract; and

16 WHEREAS, The 2015 annual report is on file with the Clerk of the Board of
17 Supervisors in File No. 170355, and is incorporated herein by reference as though fully set
18 forth; and

19 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
20 memorandum report from the City's Office of Economic and Workforce Development, dated
21 February 1, 2017, and documentation from the Central Market CBD for the 2015 annual report
22 are on file with the Clerk of the Board of Supervisors in File No. 170355; now, therefore, be it

23 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
24 reports for the Central Market Community Benefit District for calendar year 2015.
25

170355

SUBMITTED w/ Presentation

5/3/2017



Central Market Community Benefit District

 **SAN
FRANCISCO**
Office of Economic and Workforce Development

Legislative Overview

**Community Benefit Districts (CBDs) /
Business Improvement Districts (BIDs) are
governed by:**

– State law

- “1994 Act”

– Local law

- “Article 15”

Review Process

This resolution covers the Annual Report for CY 2015

OEWD ensures that all CBDs/BIDs are meeting their management plans.

- OEWD staff conducts an annual review of Annual Reports and CPA Financial Reviews.
- OEWD provides the Board Supervisors with a summary memo.

CMCBD Formation

CMCBD	Type	Assessment Budget*	Year Established	Year Renewed	Expired
	Property-Based	\$ 1,225,433.63	2006	2013	June 30, 2028

**budget identified in management plan*

CMCBD Operations

Staff

- Executive Director – Tracy Everwine

Service Areas

- **Public Safety**
 - This program focuses on the overall safety of the Central Market district.
 - Contracts with MJM Management Group to staff Community Guides.
 - Hires 10 SFD 10B Officers.
- **Cleaning and Maintenance**
 - This service area includes graffiti abatement, spot cleaning, sidewalk sweeping, and trash removal within the Central Market district. The organization contracts with MJM Management Group for Clean.Team staff.
- **Management & Economic Development**
 - This service area includes business attraction, retention, and expansion within the Central Market district. Additionally, it provides advocacy for the district as well day-to-day administration of the organization.

BENCHMARKS

OEWD's staff reviewed the following budget related benchmarks for CMCBD:

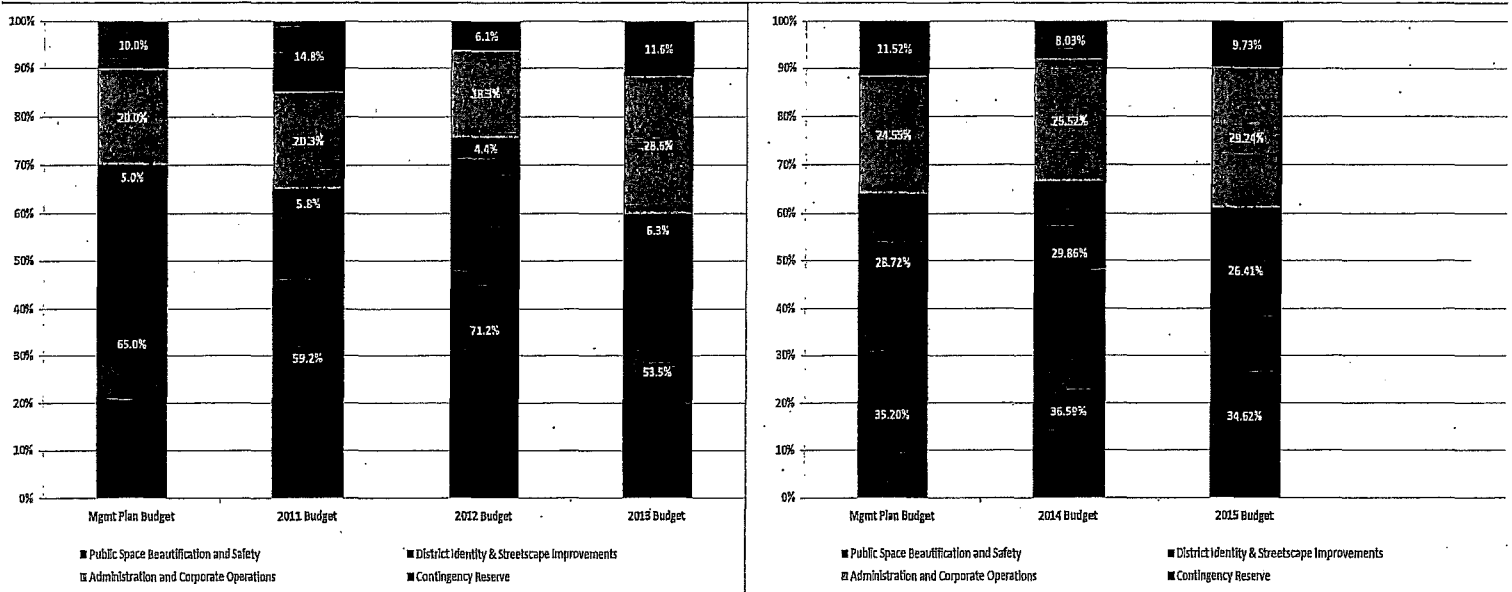
Benchmark 1 – Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.

Benchmark 2 – Whether three and sixty eight hundredths percent (3.68%) of CMCBD's actuals came from sources other than assessment revenue.

Benchmark 3 - Whether the variance between the budget amounts for each service category was within 10 percentage points from the actuals.

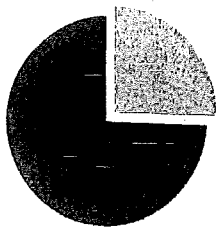
Benchmark 4 - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

Management Plan vs. Annual Budgets



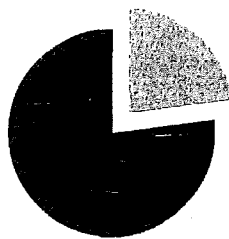
Assessment Revenue & Other Income

CY 2011



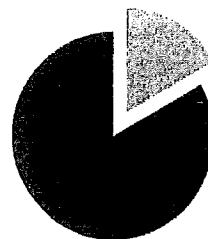
□ Non-Assessment Revenue 25.6%
■ Special Benefit Assessments 74.4%

CY 2012



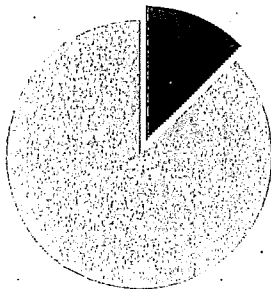
□ Non-Assessment Revenue 23.0%
■ Special Benefit Assessments 77.0%

CY 2013



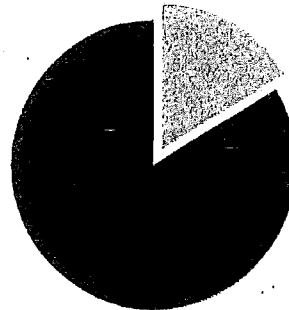
□ Non-Assessment Revenue 16.9%
■ Special Benefit Assessments 83.1%

CY 2014



□ Non-Assessment Revenue 12.7%
■ Special Benefit Assessments 87.3%

CY 2015



□ Non-Assessment Revenue 16.25%
■ Special Benefit Assessments 83.75%

Budget vs Actuals

Service Category	CY 2011 Variance % Points	CY 2012 Variance % Points	CY 2013 Variance % Points	Service Category	CY 2014 Variance Percentage Points	CY 2015 Variance Percentage Points
Public Space Beautification & Safety	+21.7%	+2.7%	+14.7%	Public Safety	-1.8%	+1.68%
District Identity and Street Improvements	+5.0%	+2.0%	+3.1%	Cleaning and Maintenance	+9%	+2.13%
Administrative Expenses	-11.9%	+1.4%	+0.6%	Management and Economic Development	-1.2%	-4.27%
				Contingency	+2.1%	+4.46%

Carryover

CY 2015 Carryover		Spended Timeline
Assessment Revenue		
Public Safety	\$22,725.28	2016
Contingency & Reserve	\$124,431.00	2028
Non-Assessment Revenue		
Public Safety	\$11,637.11	2016
Total Designated Amount	\$158,794.29	

Findings/Conclusion

CMCBD has performed well in implementing the service plan in the district:

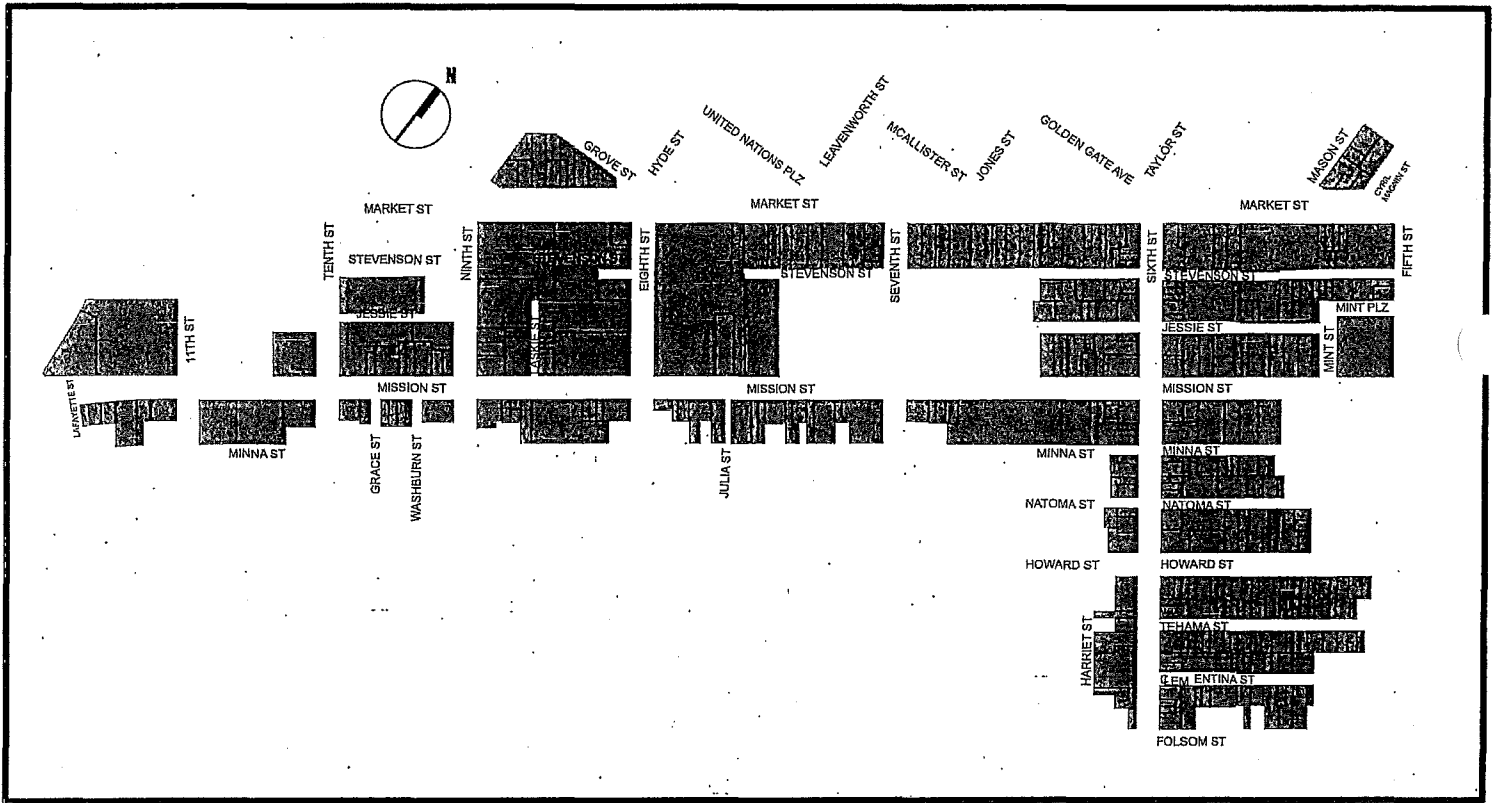
- **The organization did a commendable job of raising +16.25% in non-assessment revenue to support the district.**
- **Continues to partner well with community organizations and municipal organizations to fulfill the District management plan.**
- **Maintained an active board of directors and robust subcommittees.**



C M C B D

central market community benefit district

C M B D 812 parcels - \$1.2M annual budget



7am-7pm, 7 days / week

Cleaning & Maintenance

Public Safety

Economic Development



C M B D Cleaning & Maintenance



	<u>Monthly Avg.</u>	<u>Yearly total</u>
Human and animal waste removed	502	6,019
Graffiti tags removed	320	3,838
Syringes disposed	349	4,190

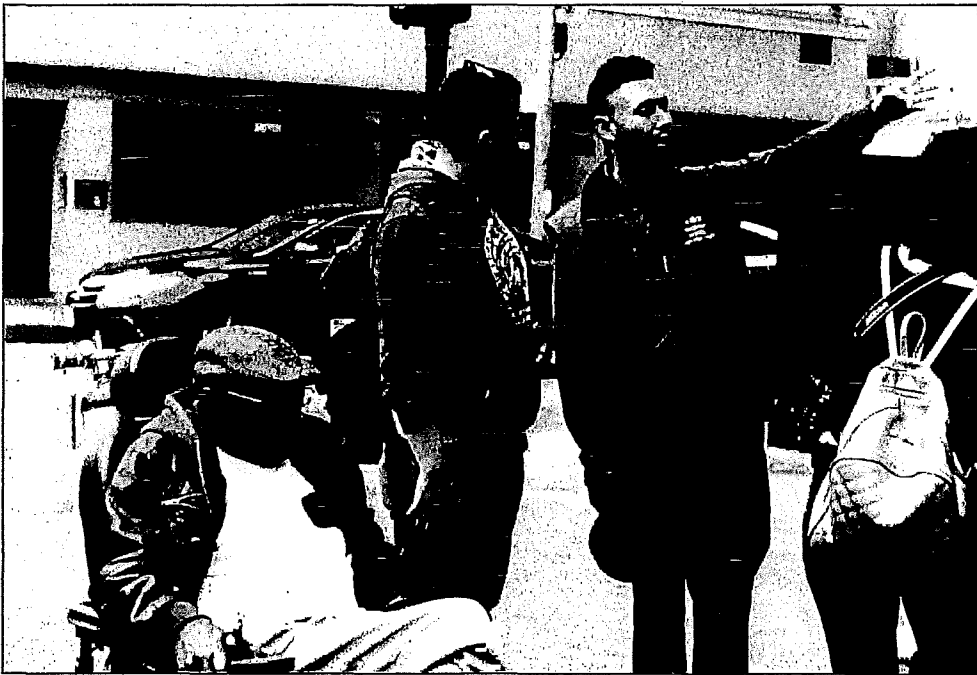
C M B D Cleaning & Maintenance



C M B D Public Safety



- **Visitor Assistance**



C M B D Ambassadors

- **Merchant Support**



C M B D Ambassadors



- **Social Service Outreach**

Key points:

- Developing relationships with service-resistant individuals
- De-escalation and social service training
- Connection to HOT team and other resource providers

C M O B D Ambassadors

Ambassadors teams in Mid Market area



San Francisco
CAP



Civic Center
CBD



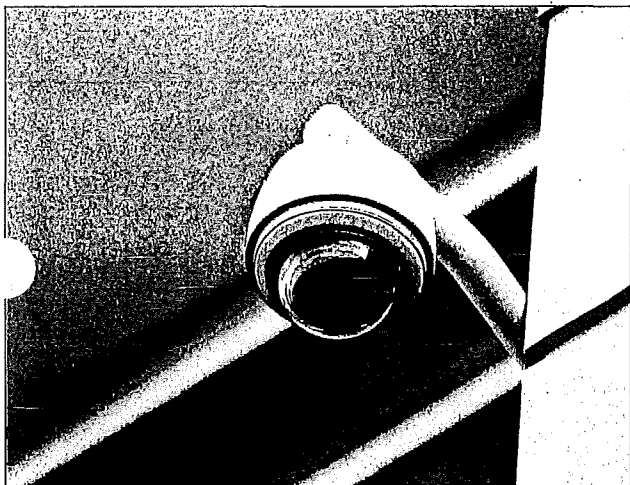
Safe
Passage



Central Market
CBD



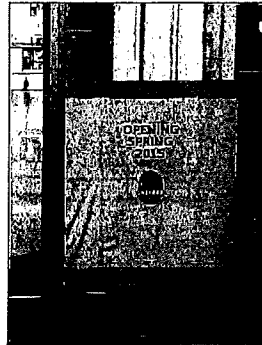
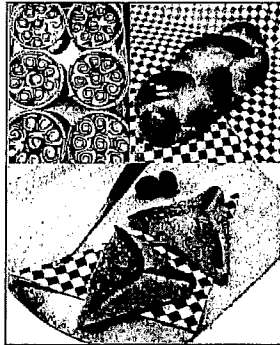
Cameras & Co-responder Safety Teams





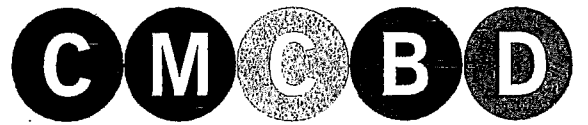
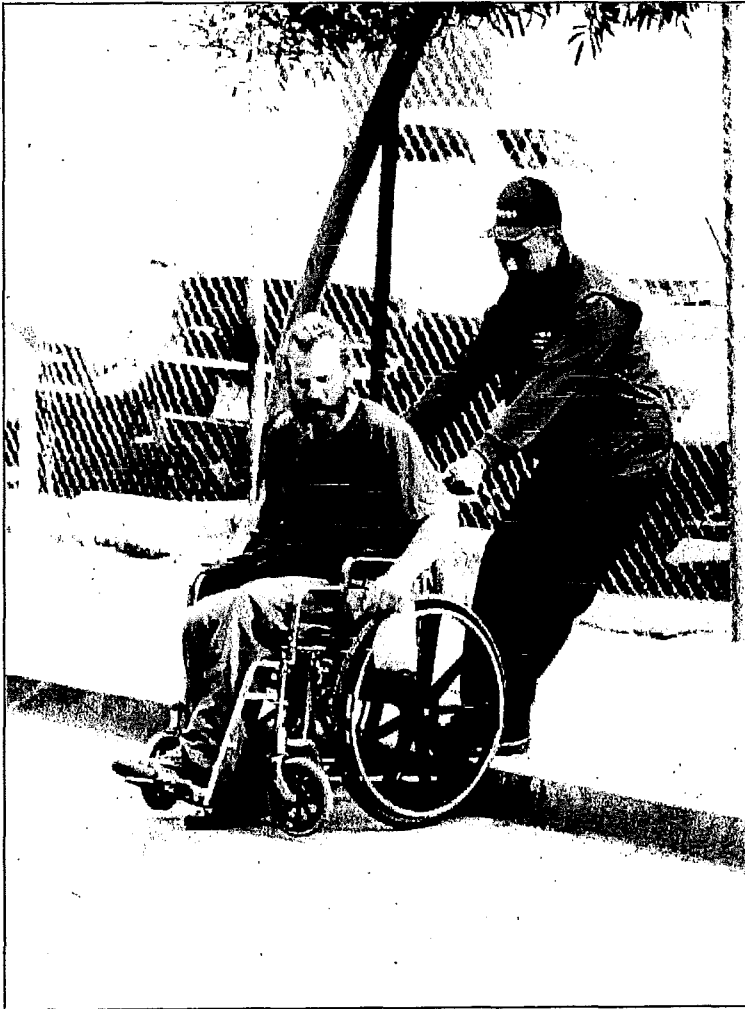
Economic Development: Business Attraction, Retention & Stabilization

The 12th Street



C M B D Economic Development: District Marketing





central market community benefit district



Text:
dispatch@central-market.org



Call:
415.543.5223



Email:
dispatch@central-market.org



Service Hours:
7am-7pm, 7 days/week

MEMO

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

This is a memo summarizing the performance of the Central Market Community Benefit District (CMCBD) and an analysis of their financial statements (based on their audit) for the period between January 1, 2015 and December 31, 2015.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Central Market 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 Central Market Community Benefit District's Management Contract with the City; and their Management Plan as approved by the Board of Supervisors in 2014.

Also attached to this memo are the following documents:

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

Background

The District is generally described as from the West side of 5th Street to the East side of South Van Ness Avenue, and from the South side of Market Street to the South Side of Mission Street. In addition, one block North of Market between Cyril Magnin and Mason, and one block North of Market between Grove and Larkin are included. Also, properties along Sixth Street between Market and Folsom Streets, along with the properties on adjacent streets and alleys East and West of Sixth Street (to varying distances) are included. The District contains 807 parcels, including the former US Mint building and Mint Plaza.



- July 23, 2013: the Board of Supervisors approved the resolution that established (renew and expand) the property-based district called the Central Market Community Benefit District (Resolution #264-13).
- February 4, 2014: the Board approved the contract for the administration and management of the Central Market Community Benefit District (Resolution # 019-14).
- February 3, 2015: the Board of Supervisors approved CMCBD's Annual Reports for CYs 2011, 2012, and 2013 (Resolution # 034-15).
- June 7, 2016: the Board of Supervisors approved CMCBD's Annual Report for CY 2014 (Resolution # 230-16).

Basic Info about Central Market CBD

Year Established	2006
Year Renewed	2013
Assessment Collection Period	2013 - 2027
Services Start and End Date	January 1, 2014 - December 31, 2028
Initial Estimated Annual Budget	\$1,225,433.63
Calendar Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Central Market Community Benefit District Corporation

The current CBD website, <http://www.central-market.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

Public Safety

The District's approach focuses on customer service hospitality, crime prevention and social service outreach. Key programs include: Community Guide ambassadors, SFPD 10B Officers, community meetings and public safety seminars.

Cleaning and Maintenance

Cleaning and maintenance services include enhanced cleaning and maintenance services within the public right-of-ways (above and beyond) the baseline level of service provided by the City of San Francisco.

Management and Economic Development

Management includes day-to-day management of the organization and advocacy for District needs with various City departments ensuring good and timely service. Economic Development activities such as business attraction, retention and promotion encourage non-residential properties to maximize their development and land use.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2015

**Note: In collaboration with the Mayor's Office of Economic and Workforce Development, CMCBD has developed standardized metrics for measuring program performance.*

Public Safety

- Public Safety Services (*partial list*):
 - Ambulance/Fire/Police Called – 716
 - Mentally Disabled Assisted – 144
 - Referrals to Shelters – 333
 - Social Services Accepted – 100
 - Social Services Refused – 516
 - Collaborated with Civic Center CBD to jointly hire an additional full-time SFPD 10B Officer
 - Helped District 6 advance pedestrian safety efforts along the 6th Street corridor
 - Received grant funding for an additional Community Guide and SFPD 10b Officer team from the Mid Market Business Association
 - Coordinated additional lighting and parking restrictions on Stevenson Street to enhance pedestrian safety

Cleaning and Maintenance

- Cleaning and Maintenance Services (*partial list*)
 - Removed 4,190 needles (on average 349 per month)
 - Steam cleaned 117,445 linear feet of sidewalk (not including additional special requests)
 - Removed 4,820 graffiti tags, stickers and flyers
 - Repainted 86 fixtures
 - 6,019 human/animal waste clean-ups
 - 1,339 social service interventions

Management and Economic Development

- Monitored City agency baseline services provided by DPW, SFPD and OEWD
- Began campaign to clarify Management Plan language related to assessment budget
- Effectively collaborated with neighboring CBDs and multiple City agencies
- Surpassed General Benefit fundraising goal of (\$47,680.00) by \$197,854.47 or (414%)
- Attracted 3 new businesses to the District: Montesacro, Pentacle and Taboon
- Helped retain 2 businesses in the District: Local 21 and Miss Saigon
- Provided support for incoming businesses: Chai Bar by David Rio and Fellow Barber
- Helped the City create and implement the Central Market/Tenderloin Economic Strategy
- Helped the City re-design and launch Epicenter-SF.org
- Continued "Be Barrier Beautiful" construction barricade improvement program
- Held the 5th annual "2 Blocks of Art" art walk promoting local art and District businesses
- Produced the "Stevenson Street Enhancement Guidelines" in collaboration with District stakeholders, Public Works, Planning and CMG Landscape Architecture
- Coordinated decorative lighting on Stevenson Street to enhance pedestrian safety and alley ambiance

CMCBD Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for CMCBD:

- **BENCHMARK 1:** Whether the variance between the budget percentages for each service category were within 10 percentage points of the percentages in the Management Plan (*Agreement for the Administration of the "Central Market Community Benefit District", Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether three and sixty eight hundredths percent (3.68%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Central Market Community Benefit District", Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget expenses and actual expenses within a calendar year was within 10 percent (*Agreement for the Administration of the "Central Market Community Benefit District", Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether CMCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year (*CA Streets & Highways Code, Section 36650(B)(5)*).

CY 2015

BENCHMARK 1: Whether the variance between the percentage amounts for each service category were within 10 percentage points of the percentages identified in the Management Plan.

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

Service Category	Original Management Plan Budget	% of Budget	CY 2015 Budget	% of Budget	Variance Percentage Points
Public Safety	\$431,382.73	35.20%	\$461,382.73	34.62%	-0.58%
Cleaning and Maintenance	\$352,000.00	28.73%	\$352,000.00	26.41%	-2.32%
Management and Economic Development	\$300,885.66	24.55%	\$389,620.25	29.24%	+4.69%
Contingency and Reserve	\$141,165.24	11.52%	\$129,703.70	9.73%	-1.79%
TOTAL	\$1,225,433.63	100%	\$1,332,706.68	100%	

BENCHMARK 2: Whether three and sixty eight hundredths percent (3.68%) of actuals came from sources other than assessment revenue.

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

Revenue Sources	CY 2015 Actuals	% of Actuals
Special Benefit Assessments	\$1,244,310.44	
Total assessment revenue	\$1,244,310.44	83.75%
Contributions – In Kind	\$10,872.00	
Grants	\$178,058.00	
Donations	\$1,250.00	
Interest Earned	\$30.21	
Earned Revenue	\$51,157.26	
Other		
Total General Benefit (non-assessment) revenue	\$241,367.47	16.25%
Total	\$1,485,677.91	100%

Non-assessment revenue applied to 3.68% General Benefit requirement

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within the calendar year were within 10 percentage points.

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

Service Category	CY 2015 Budget	% of Budget	CY 2015 Actuals	% of Actuals	Variance Percentage Points
Public Safety	\$461,382.73	34.62%	\$443,461.11	36.30%	+1.68%
Cleaning & Maintenance	\$352,000.00	26.41%	\$348,662.21	28.54%	+2.13%
Management and Economic Development	\$389,620.25	29.24%	\$305,029.94	24.97%	-4.27%
Contingency and Reserve	\$129,703.70	9.73%	\$124,431.00	10.19%	+0.46%
TOTAL	\$1,332,706.68	100%	\$1,221,584.26	100%	

*Contingency and Reserve may be redeployed throughout future years to meet the needs of the CBD.

BENCHMARK 4: Whether CMCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year.

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

CY 2015 Carryover		Spenddown timeline
Assessment		
Cleaning & Maintenance		
Public Safety	\$22,725.28	2016
Management and Economic Development		
Contingency & Reserve	\$124,431.00	2028
Non-Assessment		
Cleaning & Maintenance		
Public Safety	11,637.11	2016
Management and Economic Development		
Total Carryover Disbursement for Future Years	\$158,794.29	

Findings and Recommendations

Within the review period of CY 2015, the Central Market CBD met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the "Central Market Community Benefit District; and the Agreement for the Administration of the "Central Market Community Benefit District."

Conclusion

Central Market CBD has performed well in implementing their service plan. Central Market CBD has continued to successfully implement the service areas stated in their management plan and seized opportunities to leverage and add value to its work through fundraising, grants and collaborative partnerships. Central Market CBD has an active Board of Directors and committee members; and OEWD believes the Central Market CBD will continue to successfully carryout its mission and service plans.



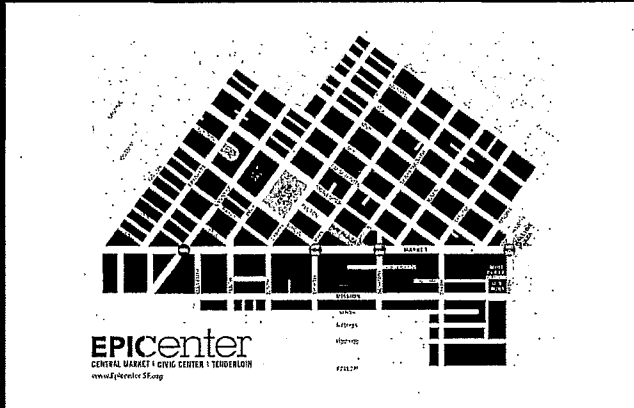
CENTRAL MARKET
COMMUNITY-BENEFIT DISTRICT
ANNUAL REPORT 2015

2015 ACHIEVEMENTS

Business Attraction, Retention & Expansion



Quarterly Recaps



Epicenter-SF.org



Safety Teams

2 Blocks of Art



Stevenson Street Lighting Project



**Mid-Market Business Association
Safety Team**



SRO Hotel Support

THE DISTRICT

Centrally located along mid-Market Street, the Central Market Community Benefit District's 98 acres include parts of Civic Center, SOMA, Tenderloin and Union Square neighborhoods. With over 800 existing parcels and several new residential and commercial real estate development projects underway, Central Market CBD is San Francisco's most dynamic property-based improvement district.

The District is also home to two of downtown San Francisco's busiest public transportation stations - Powell Street and Civic Center - providing convenient access to the City's Municipal Rail Way (MUNI) and Bay Area Rapid Transit (BART). Serving early morning commuters to late night theater-goers, residents of all ages, downtown workers and international tourists - balancing the needs of the District requires a specialized approach with great attention to detail.

Central Market CBD support in particular was key in 2015. Sidewalks and storefronts continued to endure the impacts of real estate development sites (active and not); and requests for pedestrian safety and social service interventions rose dramatically. In addition to dispatching our services 7am to 7pm, 7 days a week we continued to ensure the City fulfilled its contractual obligation to maintain baseline cleaning, maintenance and public safety services - including additional emergency support when needed.

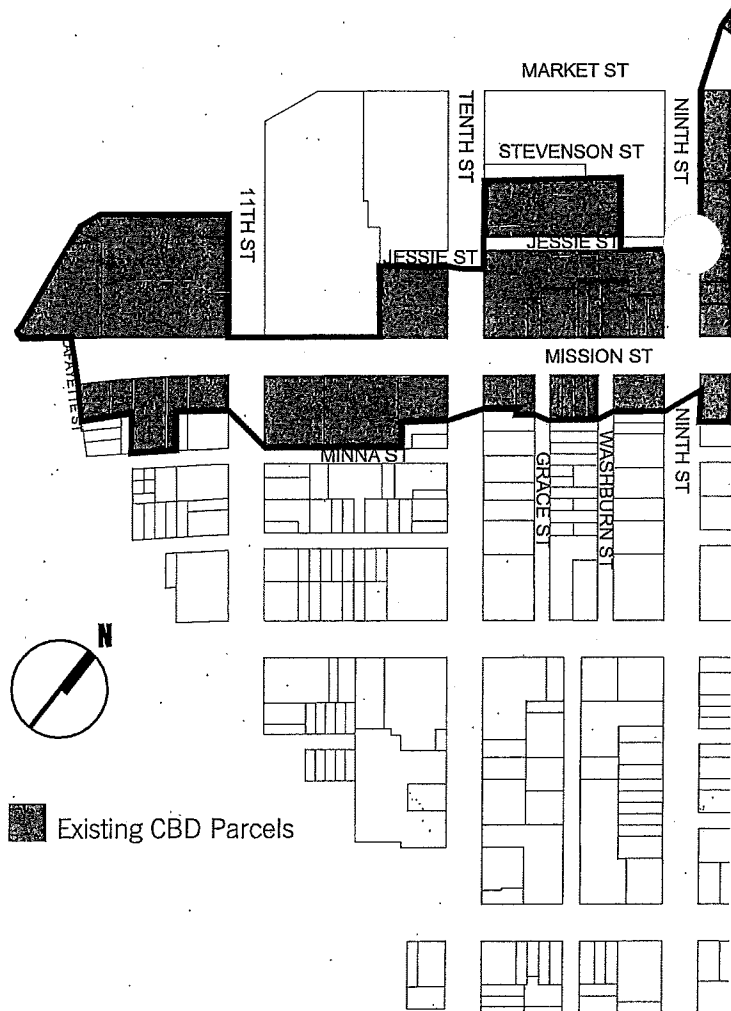
Economic Development efforts resulted in the attraction and retention of several businesses and non-profit organizations; as well as marketing and promotional activities that illuminated the District's robust amenities. The following pages contain the year's highlights of programming initiatives and outcomes. Please visit CMCBD's website for more current and in depth information at central-market.org.

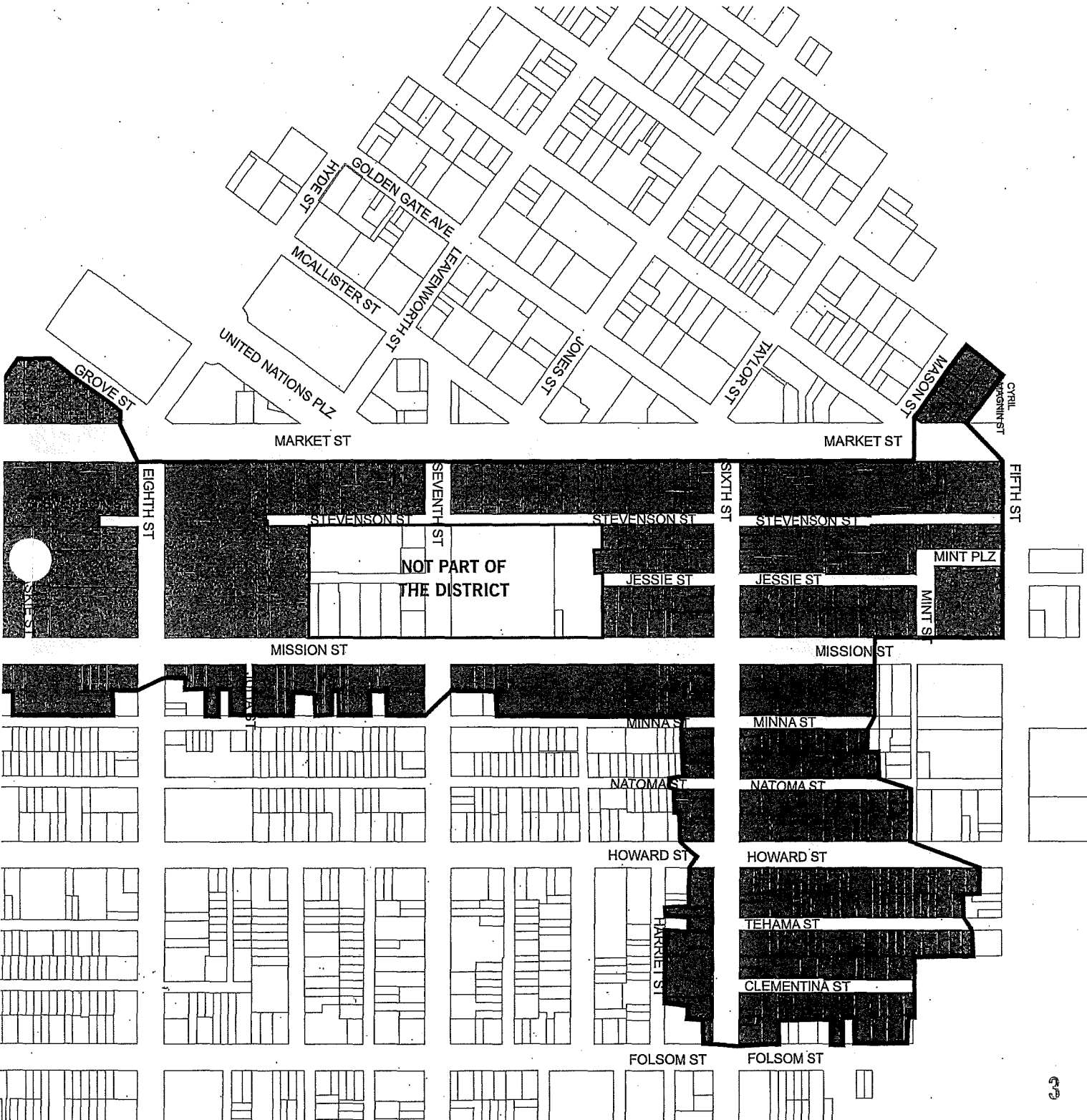
CMCBD Dispatch

415.543.5223

dispatch@central-market.org

7am-7pm, 7 days/week





CLEANING, MAINTENANCE & PUBLIC SAFETY

Clean Team

Central Market CBD's Clean Team provides enhanced cleaning and maintenance services within the public right of way, including sidewalks and plazas, **above and beyond the baseline level of service provided by the City of San Francisco**. Cleaning services include: sidewalk sweeping, monitoring of public trash receptacles for overflow and litter removal, weeding of tree basins, sidewalk cracks and landscape planters, reporting of bulky items for removal by the Department of Public Works, spot cleaning, steam cleaning and graffiti abatement on public and private property.

Community Guides

Community Guides focus on wayfinding, customer service and pedestrian safety support. They work in partnership with local law enforcement agencies, social service providers, residents, workers, merchants and property owners in creating a safe and welcoming neighborhood.

SRO Hotel Support

With 37 SRO hotels in the District, CM CBD created the SRO Manager's Guide and hosts networking breakfasts allowing hotel managers and staff to meet one another and share best practices in person.

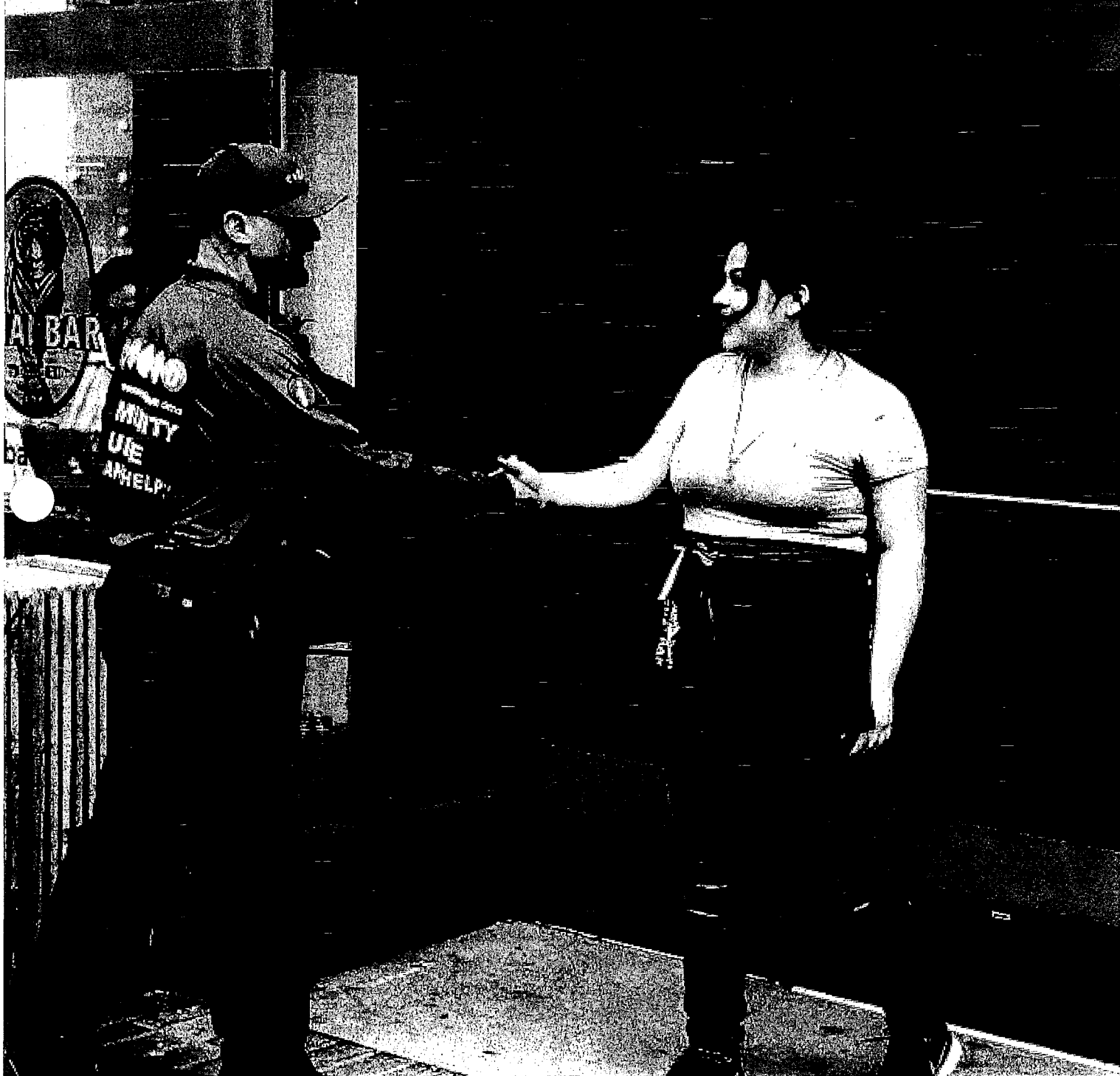
Safety Teams

Our Community Guide and SFPD 10B Officer duos have had a tremendously positive impact on the District. CM CBD's Community Guides, who focus on hospitality, way-finding and social service interventions enjoy strolling the sidewalks with uniformed law enforcement while making their daily rounds. Similarly, SFPD 10B Officers enjoy walking with a community partner focused on conviviality and community cohesiveness. This joint effort has been incredibly well received by the community and CM CBD looks forward to expanding the number of teams in 2016.

Mid-Market Business Association Safety Team

Thanks to a grant from the Mid-Market Business Association - CM CBD deployed an additional Community Guide and 10B Police Officer safety team three days a week over the summer. The team improved pedestrian safety between 6th and 7th Streets on Market, on the first blocks of Turk and Golden Gate, and in Stevenson alley between 5th and 7th. The team frequently stopped to meet and greet local businesses, provided directions to visitors and proactively addressed quality of life issues during peak commute times.

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ECONOMIC DEVELOPMENT

Business Attraction, Retention & Expansion

Attracting, retaining and expanding businesses is a key component of economic development. This involves creating a favorable business environment, providing incentives, and offering support services to businesses. The goal is to create jobs, increase tax revenue, and stimulate economic growth.

Business attraction, retention, and expansion are essential for a city's economic health. By providing a supportive environment, cities can attract new businesses, retain existing ones, and encourage them to expand their operations.

MARKETING & PROMOTION

Quarterly Recaps

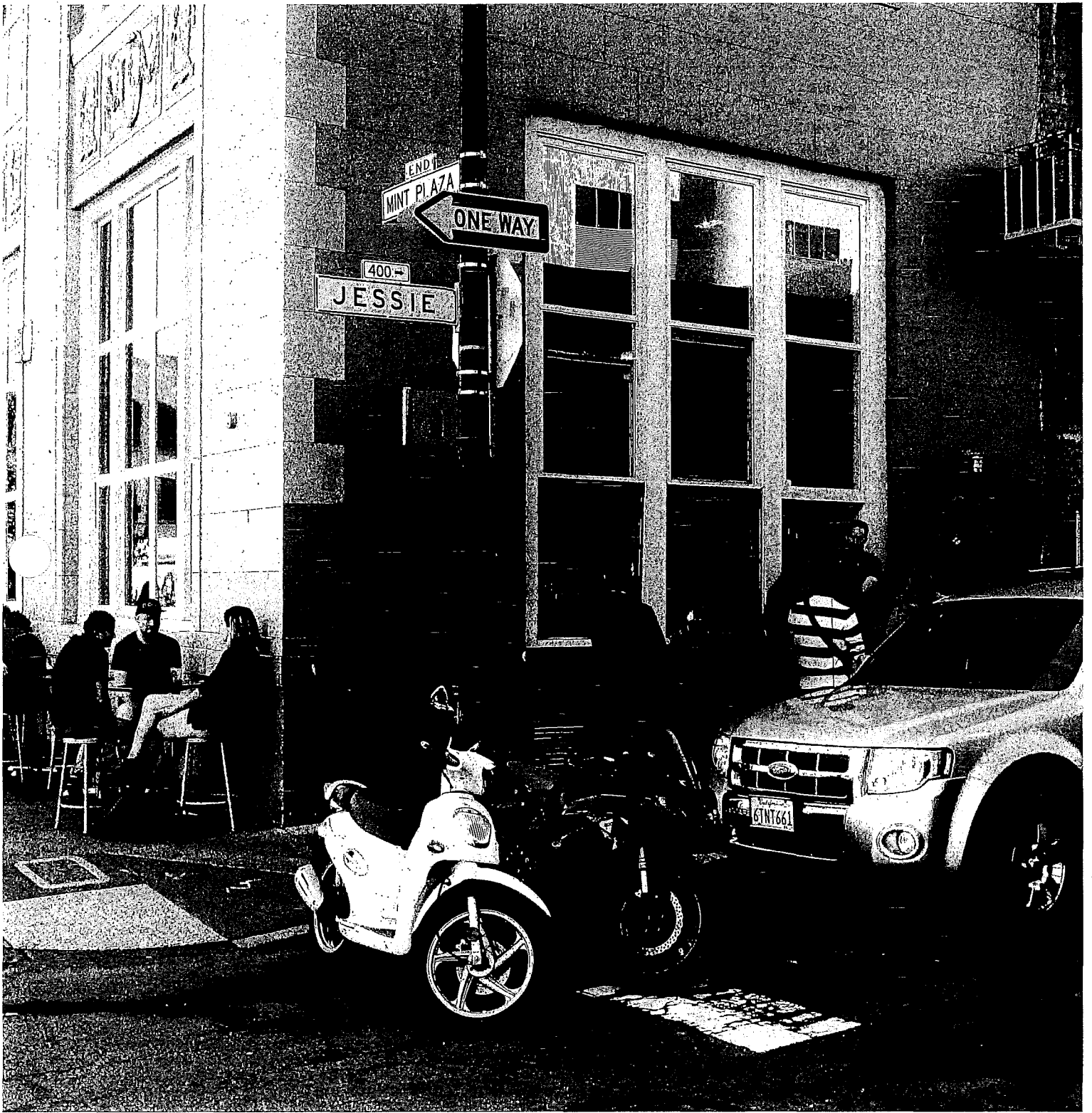
Enhancing information sharing with District stakeholders, Central Market CBD produced quarterly recaps (available on CMCBD's website) highlighting service statistics, information, news, events and achievements in and around the District.

Was your home or business featured in a 2015 Quarterly Recap "District Beauty" section? To find out, visit: central-market.org/resources/recaps. To submit a photo for recognition in the District Beauty section please send it via email with a title to: info@central-market.org.

Golden Brick Award

2015's Golden Brick Award was presented to Laura Stepping and Hillary Tyree of Silicon Valley Bank for their significant contributions to the Central Market community. Co-founding the Mid Market Business Association, helping to strengthen existing community-based organizations, championing the arts and spreading general merriment throughout the neighborhood are just a few of their accomplishments. This year's distinguished Presenter was San Francisco Police Captain Teresa Ewins.

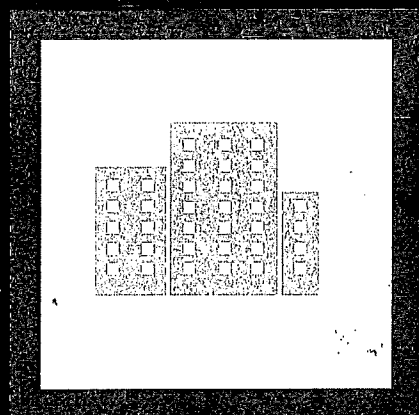




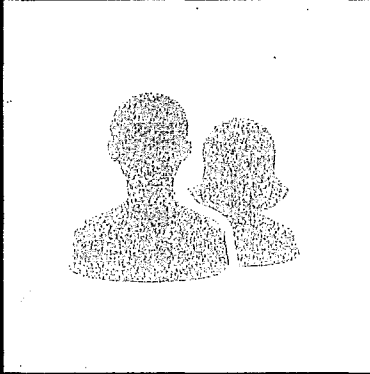


7,987
Camping &
Trespassing
Interventions

3,838
Graffiti Tags
Removed



4,564
Directions
and Referrals



4,190

**Needles
Disposed**

1,339
**Social Service
Interventions**



6,019
**Human / Animal
Waste
Clean-Ups**



FINANCIALS

Assessment Methodology

The method of apportioning benefit to parcels within the District reflects the proportional special benefit assigned to each property from the District services, activities and improvements based upon the various property characteristics for each parcel as compared to other properties within the District. Given that the special benefits provided by the District services, activities, and improvements focus on cleanliness, maintenance, safety, and economic development, it was determined that property linear street frontage, lot square footage, building square footage, and land use are the most appropriate parcel factors. Each parcel's linear street frontage, lot square footage, building square footage, and land use have been used as the primary assessment variables for the benefit point calculation and assignment of parcel factors. Details of the annual assessment calculation are in the District Management Plan at central-market.org.

2015 Central Market CBD Budget & Balance Sheet

INCOME:		
Assessments	\$1,295,657	\$1,244,311
Non-Assessment Income: Fundraising/ In-kind	\$92,000	\$241,337
Interest Income	\$50	\$30
Total Income		\$1,485,678

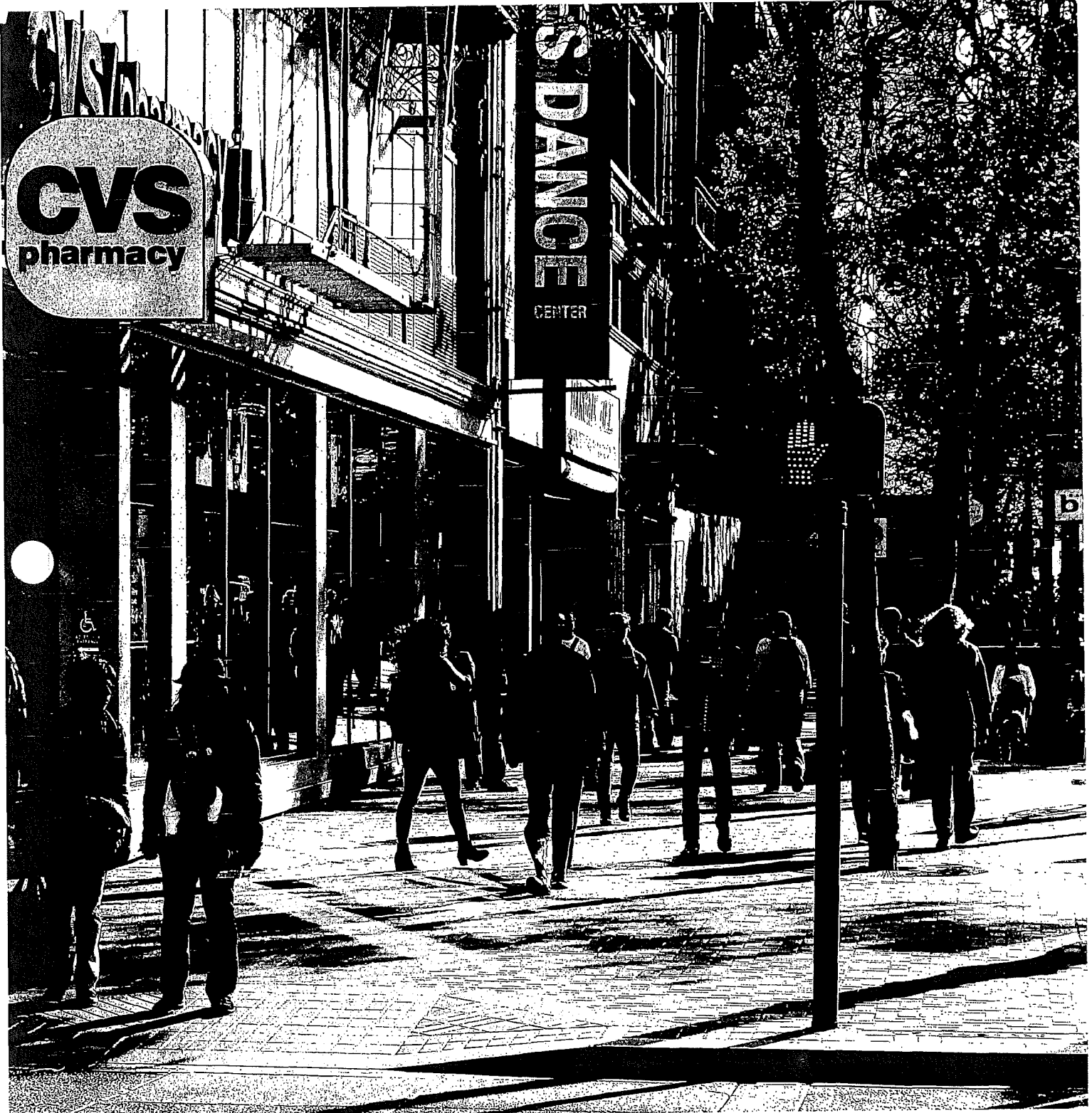
EXPENSE:	BUDGET	ACTUAL
Cleaning and Maintenance	\$352,000	\$348,662
Public Safety	\$461,383	\$443,461
Management and Economic Development	\$389,620	\$305,030
Non-Assessment Expense: Fundraising/ In-kind	\$55,000	\$229,731
Total Expense		\$1,326,884

ASSETS:	
Cash and Cash Equivalents	\$1,237,550
Accounts Receivable	\$29,875
Total Assets	\$1,267,425

LIABILITIES:	
Accounts Payable	\$65,054
Accrued Expenses	\$75,964
Deferred Revenue	\$831,299
Total Liabilities	\$972,317

NET ASSETS:	
Unrestricted	\$295,108
Total Net Assets	\$295,108
Total Liabilities & Net Assets	\$1,267,425

CARRY OVER:	
Contingency & Reserve	\$243,288
Net Assets	\$51,820
Total Carry Over	\$295,108



2015 BOARD OF DIRECTORS

David Fariello
UCSF Citywide Case Management
Resident or Non-Profit Seat

Jim Sangiacomo
Trinity Properties
Property Owner Seat

David Harrison
Patson Company
Property Owner Seat

Matt Semmelhack
Mercer Restaurant Group
Business Seat

Ralph Lee
Hotel Whitcomb
Property Owner Seat

Brian Smith
Huckleberry Bicycles
Business Seat

Sara McGhie
Alonzo King LINES Dance Center
Business Seat

Jane Weil
Resident or Non-Profit Seat

Dipak Patel
Property Owner/Stay In SF
Property Owner Seat

Bill Whitfield
Shorenstein Realty
Property Owner Seat

Kyle Pickett
Property Owner Board Seat



central market community benefit district

901 Market Street, Suite 490 San Francisco, CA 94103
415.957.5985 | info@central-market.org | central-market.org

**CENTRAL MARKET COMMUNITY
BENEFIT CORPORATION**

REVIEWED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

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**CENTRAL MARKET COMMUNITY
BENEFIT CORPORATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

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Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	7

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
Central Market Community Benefit Corporation
San Francisco, California

We have reviewed the accompanying statement of financial position of Central Market Community Benefit Corporation (a California nonprofit benefit organization) as of December 31, 2015, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements in order for them to be in accordance with generally accepted accounting principles in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modification that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States.

Maze & Associates

Pleasant Hill, California
May 16, 2016

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

1

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W mazeassociates.com

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CENTRAL MARKET COMMUNITY BENEFIT CORPORATION

STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

Current Assets:

Cash and cash equivalents (Note 3)	\$993,291
Cash restricted for contingencies and reserve (Note 3)	243,288
Accounts receivable	28,971
Security deposits	<u>1,875</u>
 Total Assets	 <u>1,267,425</u>

LIABILITIES

Current Liabilities:

Accounts payable	65,054
Accrued expenses	75,964
Deferred revenue (Note 5)	<u>831,298</u>
 Total Liabilities	 <u>972,316</u>

NET ASSETS (Note 2G)

Unrestricted	<u>295,109</u>
 Total Net Assets	 <u><u>\$295,109</u></u>

See accountant's review report and notes to financial statements.

CENTRAL MARKET COMMUNITY BENEFIT CORPORATION

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2015

CHANGE IN UNRESTRICTED NET ASSETS:

Support and revenues:

Local property assessments	\$1,244,310
Investment Income	30
General Benefit Non-Assessment Revenue	<u>241,337</u>
Total Support and Revenues	<u>1,485,677</u>

Expenses:

Program:

Cleaning and Maintenance	347,739
Public Safety	444,384
Management and Economic Development	305,030
General Benefit Non-Assessment Expense	<u>229,730</u>
Total Expenses	<u>1,326,883</u>

Change in Unrestricted Net Assets 158,794

Unrestricted Net Assets, Beginning of Year, as reclassified (Note 2J) 136,315

Unrestricted Net Assets, End of Year \$295,109

See accountant's review report and notes to financial statements.

CENTRAL MARKET COMMUNITY BENEFIT CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$158,794
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Accounts receivable	36,696
Security deposits	(1,875)
Accounts payable	(41,378)
Accrued expenses	34,886
Deferred revenue	<u>831,298</u>
Total adjustments	<u>859,627</u>
Net cash used for operating activities	<u>1,018,421</u>
Net increase in cash	1,018,421
Cash and cash equivalents, beginning of year	<u>218,158</u>
Cash and cash equivalents, end of year	<u><u>\$1,236,579</u></u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

No taxes or interest were paid by the Corporation during 2015.

See accountant's review report and notes to financial statements.

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CENTRAL MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 1 – ORGANIZATION AND PROGRAMS

A. Reporting Entity

Central Market Community Benefit Corporation (CMCBC) (the Organization) is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness, safety and economic development of the Central Market district in San Francisco, California.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for CMCBC is allocated into the following spending categories: 24.6% cleaning and maintenance, 28.7% public safety, 35.2% management and economic development and 11.5% contingency.

B. Programs

Cleaning and Maintenance – CMCBD public realm services include: graffiti abatement, sidewalk sweeping and pressure washing, landscape maintenance and reporting of issues to the Department of Public Works.

Public Safety – CMCBD's Community Guides program provides way-finding assistance, social service outreach and serves as eyes and ears on the street deterring and reporting crime. CMCBD also provides a uniformed SFPD 10b Police Officer to support CMCBD field staff. 10b Officers work alongside CMCBD staff to address crime and quality of life issues within the neighborhood.

Management and Economic Development – Management oversees the Organization's operations and advocates for more responsive City services. Economic development efforts support District business attraction, retention and expansion; and marketing and special events that enhance District awareness and vitality.

CENTRAL MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Basis of Accounting*

The financial statements have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted net assets consist of assets with time and purpose restrictions.

Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor or payor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. The Organization considers that all contributions for long-lived assets have implied time restrictions and classifies this support as temporarily restricted until the purpose restriction is met. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

B. *Income Taxes*

The Organization 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 Organization 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 Organization paid no taxes on unrelated business income for the year ended December 31, 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 Organization 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 Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Organization's tax returns remain open for federal income tax examination for three years from the date of filing.

CENTRAL MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Estimates*

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

D. *Statement of Cash Flows*

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

E. *Functional Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted based on management's estimates.

F. *Support and Revenue Recognition*

Support and revenue are recognized when the donor or grantee makes a promise to give to the Organization that is, in substance, unconditional. Support that is restricted by donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

G. *Net Assets Classifications*

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets: Unrestricted net assets include expendable resources over which the CMCBC Board of Directors has discretionary control and are used to carry out operations in accordance with its bylaws. Included in unrestricted net assets are funds used to account for fixed asset acquisitions, improvements and related activities.

CENTRAL MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Organization.

Permanently Restricted Net Assets: Permanently restricted net assets include resources subject to donor-imposed stipulations that they be maintained permanently by the Organization.

H. 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.

I. Advertising

The Organization follows the policy of expensing advertising costs as incurred.

J. Reclassifications

Beginning net assets previously reported as temporarily restricted were reclassified as unrestricted as the District determined all temporarily restricted net assets had been satisfied during 2014. There was no effect to the previously reported net assets balance or change in net assets in total.

CENTRAL MARKET COMMUNITY BENEFIT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2015, the Organization's cash is summarized as follows:

Cash in bank	<u>\$1,236,579</u>
Total	<u><u>\$1,236,579</u></u>

Of the \$1,236,579 total cash and cash equivalents above, \$243,288 has been set aside as restricted for contingencies and reserve, in accordance with the Organization's management plan with the City and County of San Francisco.

NOTE 4 – RETIREMENT PLAN

The Organization sponsors a defined contribution plan for its full-time employees. The Organization contributed \$3,958 to the plan during the year ended December 31, 2015.

NOTE 5 – DEFERRED REVENUE

Assessments for any given year are collected in the prior year and may be transferred to the District in the year collected. As of December 31, 2015 the balance of deferred revenue is \$831,298 and is expected to be applied in 2016.

NOTE 6 – ASSESSMENT REVENUE

The Organization receives assessment revenues from the San Francisco City and County on behalf of members in the assessment district as a part of the County tax roll. Conversely, the Organization does not have control over unpaid assessments. The City and County may not be able to collect on unpaid assessments. As such, revenue is only recorded when received.

As of December 31, 2015, the Organization had outstanding assessments of \$60,714, for fiscal year 2015, respectively.

NOTE 7 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events for recognition and disclosure through May 16, 2016, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2015 that require recognition or disclosure in such financial statements.

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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: April 11, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Kim on April 4, 2017:

File No. 170355

Resolution receiving and approving an annual report for the Central Market Community Benefit District for calendar year 2015, 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 additional 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, or by email at: erica.major@sfgov.org.

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 APR - 11 PM 2:07
Time stamp
or meeting date

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):

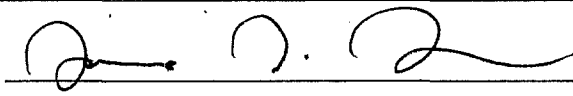
Supervisor Kim

Subject:

Central Market Community Benefit District – CY 2015 Annual Report to the City

The text is listed below or attached:

See attachments

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: