

File No. 150226

Committee Item No. 6

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date March 19, 2015

Board of Supervisors Meeting Date _____

Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Fisherman's Wharf CBD Memo - 02/26/2015</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Fisherman's Wharf CBD Annual Report FY 2013-2014</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Fisherman's Wharf CBD Financial Report FY2013-2014</u> |
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Completed by: Erica Major Date March 13, 2015

Completed by: _____ Date _____

1 [Fisherman's Wharf and Fisherman's Wharf Portside Community Benefit Districts - Annual
2 Report for FY2013-2014]

3 **Resolution receiving and approving the annual report for the Fisherman's Wharf**
4 **Community Benefit District and Fisherman's Wharf Portside Community Benefit District**
5 **for FY2013-2014, submitted as required by the Property and Business Improvement**
6 **District Law of 1994 (California Streets and Highways Code, Sections, 36600, et seq.),**
7 **Section 36650, and the Districts' Management Agreements with the City, Section 3.4.**

8
9 WHEREAS, The Fisherman's Wharf Community Benefit District (the Fisherman's
10 Wharf CBD) was established by the Board of Supervisors in 2005, and the Fisherman's
11 Wharf Portside Community Benefit District (the Fisherman's Wharf CBD) was
12 established by the Board of Supervisors in 2006, as described below; and

13 WHEREAS, Both the Fisherman's Wharf CBD and the Fisherman's Wharf
14 Portside CBD are administered by the same owners' non-profit association, known as
15 the Fisherman's Wharf Association, as described below; and

16 WHEREAS, On June 7, 2005, in accordance with the Property and Business
17 Improvement District Law of 1994, California Streets and Highways Code Sections
18 36600 et seq. (the Act), as augmented by Article 15 of the San Francisco Business and
19 Tax Regulations Code (Article 15), the Board of Supervisors adopted Resolution No.
20 386-05 expressing the City's intent to form the Fisherman's Wharf CBD; and

21 WHEREAS, On July 26, 2005, the Board of Supervisors adopted Resolution
22 No. 540-05 establishing the Fisherman Wharf's CBD for a period of 15 years
23 commencing with fiscal year 2005-2006; and

24 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution
25 No. 16-06 authorizing a contract with the Fisherman's Wharf Association for the

1 management and administration of the Fisherman's Wharf CBD (the Fisherman's Wharf
2 Management Contract) which is on file with the Clerk of the Board of Supervisors in File
3 No. 052026; and

4 WHEREAS, On October 24, 2006, in accordance with the Act, as augmented by
5 Article 15, the Board of Supervisors adopted Resolution No. 586-06 expressing the
6 City's intent to form the Fisherman's Wharf Portside CBD; and

7 WHEREAS, On December 12, 2006, the Board of Supervisors adopted
8 Resolution No. 696-06 establishing the Fisherman's Wharf Portside CBD for a period of
9 14 years commencing with fiscal year 2005-2006; and

10 WHEREAS, On June 19, 2007, the Board of Supervisors adopted Resolution
11 No. 312-07 with the Fisherman's Wharf Association, authorizing a contract with the
12 Fisherman's Wharf Association for the management and administration of the
13 Fisherman's Wharf Portside CBD (the Fisherman's Wharf Portside Management
14 Contract) which is on file with the Clerk of the Board of Supervisors in File No. 070838;
15 and

16 WHEREAS, In November 2014, the Board of Supervisors approved the
17 Fisherman's Wharf CBD's and the Fisherman's Wharf Portside CBD's annual reports for
18 FYs 2009-2010, 2010-2011, 2011-2012, and 2012-2013 in Resolution No. 412-14; and

19 WHEREAS, The Fisherman's Wharf Association has submitted for the Board's
20 receipt and approval of an annual report for both the Fisherman's Wharf CBD and
21 Fisherman's Wharf Portside CBD for FY2013-2014 as required by Section 36650 of the
22 Act and Section 3.4 of the Fisherman's Wharf Management Contract and the
23 Fisherman's Wharf Portside Management Contract (the Annual Report); and
24
25

1 WHEREAS, The Annual Report is on file with the Clerk of the Board of
2 Supervisors in File No. 150226, and is incorporated herein by reference as though fully
3 set forth; and

4 WHEREAS, Supporting documents, including, but not limited to, a transmittal
5 letter and memorandum report from the City's Office of Economic and Workforce
6 Development, dated February 26, 2015, and documentation from the Fisherman's
7 Wharf Association for the Annual Report is on file with the Clerk of the Board of
8 Supervisors in File No.150226; now, therefore, be it

9 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
10 report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside
11 Community Benefit District for FY2013-2014.

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 Committee Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: March 9, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Christensen on March 3, 2015:

File No. 150226

Resolution receiving and approving the annual report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District for FY2013-2014, 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 Districts' Management Agreements 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.

C:
Todd Rydstrom, Office of the Controller
Crezia Tano, Office of Economic and Workforce Development

Major, Erica

From: Major, Erica
Sent: Monday, March 09, 2015 2:26 PM
To: Rosenfield, Ben (CON); Rufo, Todd (MYR) (ECN)
Cc: Rydstrom, Todd (CON); Tano, Crezia (MYR) (ECN); Somera, Alisa (BOS)
Subject: REFERRAL FYI - (150226) Fisherman's Wharf and Fisherman's Wharf Portside Community Benefit Districts Annual Report - FY2013-2014
Attachments: 150226 FYI.pdf

Greetings:

This matter is being forwarded to your department for informational purposes. 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.

Thank you.

Erica Major

Assistant Committee Clerk

Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102

Phone: (415) 554-4441 | Fax: (415) 554-5163

BOARD of SUPERVISORS



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1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
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TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

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

DATE: March 9, 2015

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Government Audit and Oversight Committee

The Board of Supervisors' Government Audit and Oversight Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 150226

Resolution receiving and approving the annual report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District for FY2013-2014, 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 Districts' Management Agreements with the City, Section 3.4.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ **No Comment**

_____ **Recommendation Attached**

Chairperson, Small Business Commission

Major, Erica

From: Major, Erica
Sent: Monday, March 09, 2015 2:27 PM
To: Dick-Endrizzi, Regina (MYR) (ECN)
Cc: Somera, Alisa (BOS)
Subject: REFERRAL SBC - (150226) Fisherman's Wharf and Fisherman's Wharf Portside Community Benefit Districts Annual Report - FY2013-2014
Attachments: 150226 SBC.pdf

Greetings:

This matter is being referred to the Small Business Commission for comment and recommendation. Please forward the Commission's response as soon as it is available.

Thank you.

Erica Major

Assistant Committee Clerk

Board of Supervisors

1 Dr. Carlton B. Goodlett Place, City Hall, Room 244 San Francisco, CA 94102

Phone: (415) 554-4441 | Fax: (415) 554-5163

MEMO

To: Supervisor Julie Christensen, District 3

CC: San Francisco Board of Supervisors

From: Crezia Tano, OEWD Senior Project Manager

RE: Fisherman's Wharf Community Benefit District (Landside and Portside)

Date: February 26, 2015

This is a memo summarizing the performance of the Fisherman's Wharf Community Benefit District (FWCBD) for both "Landside" and "Portside" and an analysis of their financial statements (based on their audit) for the period between July 1, 2013, and June 30, 2014.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Fisherman's Wharf CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Fisherman's Wharf Association management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2005 for Landside and 2006 for Portside.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2013-2014
2. CPA Financial Review Report
 - a. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Fisherman's Wharf Community Benefit District includes two districts - the "Landside" property-based district includes 127 parcels and "Portside" business-based district includes 58 parcels.

Landside:

- July 26, 2005: the Board of Supervisors approved the resolution that established the property-based district called the Fisherman's Wharf Landside Community Benefit District for 15 years (Resolution # 540-05).
- January 10, 2006: the Board approved the contract for the administration and management of the Fisherman's Wharf Community Landside CBD (Resolution # 16-06).

Portside:

- December 12, 2006: the Board of Supervisors approved the resolution that established the business-based district called the Fisherman's Wharf Portside Community Benefit District for 14 years (Resolution # 696-06).
- June 19, 2007: the Board approved the contract for the administration and management of the Fisherman's Wharf Portside CBD (Resolution # 312-07).

Basic Info about Fisherman's Wharf CBD

Year Established	Landside 2005 Portside 2006
Assessment Collection Period	Landside: FY 2005-06 to FY 2019-20 (July 1, 2005 to June 30, 2020) Portside: FY 2006-07 to FY 2019-20 (July 1, 2006 to June 30, 2020)
Services Start and End Date	Landside: January 1, 2006 – December 31, 2020 Portside: January 1, 2007 – December 31, 2020
Initial Estimated Annual Budget	Landside: \$662,615 Portside: \$187,113
Fiscal Year	July 1 – June 30
Executive Director	Troy Campbell
Name of Nonprofit Owners' Association	Fisherman's Wharf Association of San Francisco

The current CBD website, <http://www.visitfishermanswharf.com/>, 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

District Identity and Street Improvements (DISI)

District Identity and Street Improvements service includes marketing and public relations and street enhancements for the district. The Landside CBD Management Plan calls for 41% of the budget to be spent on DISI while the Portside CBD Management Plan calls for 70% of the budget to be spent in this service area.

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance, beautification, and safety and emergency preparedness. FWCBD contracts with Costless Maintenance Service Company (CMSC) Block by Block to provide removal of litter from sidewalks seven days a week year round, annual sidewalk steam cleaning, ongoing power washing and removal of graffiti within 72 hours. Security in the district is provided by two SFPD 10B officers SIX days a week from July to early October. Three full-time and one part-time ambassador provide assistance with directions and questions, communication with law enforcement and the Port of San Francisco, and outreach to homeless on the wharf. The Landside CBD Management Plan calls for 29% of the budget to be spent on SOBO while the Portside CBD Management Plan does not allocate funds for this service area.

Administration and Corporate Operations

The Landside and Portside CBD Management Plan calls for 20% of the budget to be spent on administration and corporate operations. FWCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Fisherman's Wharf CBD. FWCBD board has twenty-five (25) board members that represent the diverse property and business owners in the district. In addition, there are three non-voting community representatives on the board that include the National Park Service, the Fishing Industry, and the Port of San Francisco. The board meets every fourth Thursday of the month. Board members are expected to serve on at least one committee. The five committees include:

- **Marketing/District Identity & Streetscape Improvements** - The Marketing/District Identity & Streetscape Improvements committee works to promote visitation to Fisherman's Wharf and meets the second Tuesday of the month.
- **PIERSafe** - The PIERSafe committee works to create a safety and emergency preparedness for businesses and residents in the Fisherman's wharf community and meets the first Thursday of the month. Fisherman Wharf CBD regularly holds trainings, meetings and drills to ensure safety for merchants, workers and visitors on the wharf.
- **Sustainability/Zero** - The Sustainability/Zero Waste committee works to assist businesses and residents in reaching the City's goals of becoming 100% sustainable by the year 2020 and meets every two months.
- **Street Operations and Beautification** - The Street Operations and Beautification committee works to ensure a clean and safe commercial district and meet on the second Tuesday of the month.
- **Transportation Improvement** - The Transportation Improvement committee works to help mitigate traffic congestion and improve vehicle and pedestrian safety and meets every two months.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2013-2014

District Identity and Street Improvements (DISI)

- Sold 857 tickets for the beer garden and chowder competition.
- Produced the sold out 2nd Annual “Crab Fest” in December which included 8 restaurants, three wineries, and a brewery, raising \$4,000.
- Received press coverage from: The Guardian, Curbed.com, KTVU, SF Weekly, NBC, CBS, SF Business Times, SF Gate, SF Examiner, Funcheap SF, SF Station, The Bold Italic, Boston Herald, USA Today, Where Magazine and VIA. Magazine, The Huffington Post, the Travel Channel, Travelocity, The Red Tricycle, etc.

Street Operations, Beautification and Order (SOBO)

Note: The FWCBD 2013-14 Annual Report developed standardized metrics for measuring program performance.

- Safety & Security Services:
 - Escorts provided – 1,430
 - Street Performer Interaction – 1,073
 - Quality of Life – Sit/Lie – 1,043
- Visitor/Merchant Services:
 - Hospitality Assistance – 19,963
 - Directions Given – 14,540
- Cleaning/Maintenance Services
 - Trash Collected (lbs) – 15,330
 - Graffiti Stickers Removed – 4,786
 - Street Furniture Cleaned – 2,838
 - Trash Gates Cleaned – 917

Administration and Corporate Operations

- The Executive Director served as the representative for the district on Central Station’s Community Police Advisory Board.
- Held bi-monthly SFPD Community Meetings attended by the SFPD Central Station Police Captain and beat officers.
- Produced and partnered with the Tel-Hi Neighborhood center on the 2nd Annual Fisherman’s Wharf Job Fair. Attracted 20 wharf businesses to participate in the event. The businesses met with applicants from all age groups and levels of experience.
- Advocated for bringing the Central Subway to the wharf and assisted the group SF NexT stop in getting the County Transportation Authority to fund a study to move the project forward .

FWCBD Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.9 – Budget; Agreement for the Administration of the "Fisherman's Wharf Portside Community Benefit District", Section 3.9 - Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of Landside's actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.4 - Annual Reports*)
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the "Fisherman's Wharf Community Benefit District", Section 3.9 – Budget; Agreement for the Administration of the "Fisherman's Wharf Portside Community Benefit District", Section 3.9 - Budget*)
- **BENCHMARK 4:** Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*)

FY 2013-2014

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: FWCBD met this requirement for Portside; FWCBD did not meet this requirement for Landside. Landside variances are explained by the cost of paying for Parking Control officers due to changes made on Jefferson Street and an expanded Ambassador program which falls in both DISI and SOBO. DISI reductions were due to the FWCBD's reduction in sponsoring events that did not significantly add to the FWCBD's Mission. See tables below.

Landside

Service Category	Management Plan Budget	% of Budget	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$255,000	41%	\$138,100	21.9%	-24.2
Sidewalk Operations, Beautification, & Order	\$181,130	29%	\$291,900	46.2%	+17.2
Administrative Expenses	\$125,000	20%	140,000	22.2%	+2.2
Contingency Reserve	\$61,033	10%	61,200	9.7%	-0.2
TOTAL	\$622,615	100%	631,200	100%	

Portside

Service Category	Management Plan Budget	% of Budget	FY 2013-2014 Budget	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$130,979	70%	\$152,810	70.4%	+0.4
Administrative Expenses	\$37,423	20%	\$40,590	18.7%	-1.3
Contingency Reserve	\$18,711	10%	\$23,800	11.0%	+1.0
TOTAL	\$187,113	100%	\$217,200	100%	

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

ANALYSIS: *FWCBD met this requirement. Assessment revenue was \$631,200 or 85.2% of actuals and non-assessment revenue was \$109,848 or 14.8% of actuals. See table below.*

Revenue Sources	FY 2013-2014 Actuals	% of Actuals
Landside Special Benefit Assessments	\$ 631,200	
Total assessment revenue	\$631,200	85.2%
Special Events	\$2,876	
Public Support	\$106,467	
Interest Earned	\$505	
Total non-assessment revenue**	\$109,848	14.8%
Total	\$741,048	100%

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

ANALYSIS: *FWCBD did not meet this requirement for Landside; FWCBD did not meet this requirement for Portside. Variances in DISI for both the Port and Landside come from costs related to hiring a new employee, Wharf Fest 2013, legal fees and the need to reprint Wharf tourist brochures. These were from designated carry over funds. See table below.*

Landside

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$138,100	21.9%	\$244,645	35.3%	+13.4
Sidewalk Operations, Beautification, & Order	\$291,900	46.2%	\$311,011	44.9%	-1.3
Administrative Expenses	\$140,000	22.2%	\$136,973	19.8%	-2.4
Contingency Reserve	\$61,200	9.7%			
TOTAL	631,200	100%	\$692,629	100.0%	

Portside

Service Category	FY 2013-2014 Budget	% of Budget	FY 2013-2014 Actuals	% of Budget	Variance Percentage Points
District Identity and Street Improvements	\$152,810	70.4%	\$158,991	82.3%	+12.0
Administrative Expenses	\$40,590	18.7%	\$34,091	17.7%	-1.0
Contingency Reserve	\$23,800	11.0%			
TOTAL	\$217,200	100.0%	\$193,082	100.0%	

BENCHMARK 4: Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

ANALYSIS: *FWCBD did not meet this requirement. FWCBD did not indicate carryforward funds and the allocation of these funds in their Annual Report. OEWD requested that FWCBD provide a letter stating the carryover disbursement along with the designated projects. See attached letter from Fisherman’s Wharf CBD dated February 26, 2015. 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. See table below.*

FY 2013-14 Carryover Disbursement	\$356,600
Designated Projects for FY 2014-15	
DISI Special marketing Projects	\$249,600
SOBO Special Street Projects	\$107,000
Total Designated amount for FY 2014-15	\$356,600

Findings and Recommendations

For the fiscal year in review, Fisherman’s Wharf CBD (Landside) has exceeded its general benefit requirement of five percent. FWCBD did not, however, provide the following required information in its Annual Report: 1) carryover amounts and designated program area. FWCBD has prepared a letter addressing this issue, the letter is attached.

With respect to benchmark one (whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan) FWCBD (Landside) did not meet this requirement. For benchmark three (whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points), FWCBD Landside and Portside did not meet this requirement.

FWCBD has expressed that these variances in DISI and SOBO fund allocations can be explained by the overlap of activities across service areas. For example, FWCBD (Landside) has an Ambassador Program that is funded by both DISI and SOBO. While FWCBD has outlined the cause of the variances, FWCBD should work diligently to ensure that the annual budget presented to their Board of Directors for approval is in reasonable alignment with the original management plan, as approved by the voters in the District.

Conclusion

Fisherman's Wharf CBD has performed well in implementing the service plan of both the Landside and Portside areas. Fisherman's Wharf CBD has continued to successfully market and produce events such as 4th of July, Fleet Week, and Holiday Lights and Sights. Fisherman's Wharf CBD has increased their opportunities in partnering with community stakeholders and numerous municipal agencies for the implementation of the Jefferson Street Public Realm Plan. Fisherman's Wharf CBD has an active board of directors and committee members; and OEWD believes the Fisherman's Wharf CBD will continue to successfully carryout its mission and service plans.

Fisherman's Wharf

COMMUNITY BENEFIT DISTRICT

Crezia Tano
Office of Economic and Workforce Development
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 448
San Francisco, CA 94102

February 26, 2015

Dear Ms. Tano,

Carry forward for FY 2014-15	\$356,600
DISI Special marketing Projects	\$249,600
SOBO Special Street Projects	\$107,000

Sincerely,



Executive Director
Fisherman's Wharf Community Benefit District

{ Annual Report
2013-2014 }



Fisherman's Wharf
COMMUNITY BENEFIT DISTRICT



July 2014

Dear Community Member,

The 2013-2014 fiscal year saw the continued growth and success of our organization. Now in its ninth year of operation, the Fisherman's Wharf Community Benefit District (FWCBD) has built productive relationships with city agencies and other neighborhood groups. With a 25 member Board of Directors and 10 committees and subcommittees, we have over 150 active district and community members. We would like to thank our volunteer Board of Directors as well as all of the individuals that support our district throughout the year.

In October of 2013, the Board of Directors held their second Strategic Planning Meeting in order to identify which previous goals had been accomplished and to create some new ones to drive the work of the FWCBD for the next two years. The goals that the Board of Directors agreed upon are:

Marketing & Brand Development

- Define the Fisherman's Wharf Branding and create a Marketing Plan for the District.
- To conduct and update our visitor and locals research.

Sidewalk Operations, Beautification, and Order & Urban Planning

- Complete Phase 2 of Public Realm project.
- Beautify, brand and delineate the district with physical signs, markers, and embellishments.
- Work on creating new zoning standards and criteria for the district.
- Continue to work with property owners, the Port of SF, and the City to improve the cleanliness of the District.
- Work on strategies to address the homelessness and aggressive panhandling issues in the district.
- Identify and implement portions of the Public Realm plan that will help lengthen the visitor stays.
- Develop and install District zone specific way-finding signage that supports the new District branding.

Transportation and Emergency Preparedness

- Develop a comprehensive transportation and parking plan to improve visitor access and mobility to the District.
- Develop relationships with public and private safety organizations to improve preparedness, response, and recovery.
- Identify and acquire financial support to implement FW's business continuity program.

I encourage you to read about the accomplishments of the FWCBD included in this annual report. If you are not already involved with the organization we ask you to consider joining one of our committees where you can make a difference.

Regards,

Lou Cuneo
President



BEAUTIFICATION & MAINTENANCE

- Replacement of the FW Crab Wheel sign at Jefferson and Taylor, a project the FWCBD spearheaded and provided the majority of the funding for.
- Maintained and replaced the 67 flower baskets in the district. (Replanted in October and June).
- Maintained the lighted trees along Taylor Street from Jefferson Street to Bay Street.
- Conducted annual sidewalk steam cleaning.

SECURITY

- Provided SFPD 10B coverage (off duty SPPD Officers). The officers for the fiscal year gave out over 300 citations and made 7 arrests. The FWCBD also provided the 10B officers with cell phones so that the community can easily contact them when they are on duty.
- The Executive Director served as the representative for the district on Central Station’s Community Police Advisory Board.
- Held bi-monthly SFPD Community Meetings attended by the SFPD Central Station Police Captain and beat officers.
- Actively worked with SFPD to curtail aggressive panhandling and chronic behavioral issues in the district.

PIERsafe

- Held monthly PIERsafe Meetings.
- Conducted weekly tests of the FishNet radio network that includes over 15 participating members.
- Organized a SF Fire Department NERT certification training in the spring of 2014 for over 80 people.
- Reprinted the “Essential Contact Numbers” wallet cards that were distributed in the district.
- Hired Dr. Peg Jackson to write an Emergency Preparedness Plan for the FWCBD. This plan not only has practical applications but is something that businesses in the district can use as a boiler plate for their own use.

PUBLIC REALM & URBAN PLANNING

The FWCBD continues its commitment to perform outreach and work with the Department of Public Works, the MTA, the San Francisco Planning Department and the Port of San Francisco to make sure the community is keep informed on all aspects regarding Phase 2 of the project as we work to locate funding.

AMBASSADORS

The 2013-14 Fiscal year was the first full year for the expanded Ambassador program with our contractor Block by Block. This program included two full-time and one part-time ambassadors whose duties are tailor made for the needs of the district.

The ambassadors not only assist visitors with directions and questions, but they clean graffiti in the district, power wash sidewalks, collect litter, outreach to the district’s street polulation and aid law enforcement and the Port of San Francisco.

The program has been very well received by the district merchants and property owners who are relying on the FWCBD Ambassadors more and more to help them with neighborhood issues.

The following stats are for the past 11 months that this program has been in operation:

Hospitality Assistance	19,963
Trash Collected (lbs)	15,330
Directions Given	14,540
Graffiti Stickers Removed	4,786
Business Contacts	4,536
Graffiti Removed	3,718
Street Furniture Cleaned	2,838
Escorts	1,430
Quality of Life - Sit/Lie	1,043
Pan & Broom Block Faces	1,042
Street Performer Interaction	1,073
Quality of Life - Ddrinking	938
Trash Grates Cleaned	917
Quality of Life - Public Distrubance	863
Motorist Directions	815
Painting	536
Quality of Life - Illegal Dumping	245



EVENTS & SEASONAL PROMOTIONS

The FWCBD helped produce and promote Wharf Fest 2013 to replace Fleet Week which was cancelled in 2013. The event was a success and resulted in the following:

- Over \$32,000 in sponsorship raised for the event.
- Increases for a majority of businesses compared to the same weekend of the previous year.
- 857 tickets sold for the beer garden and chowder competition.
- Grew Facebook likes by 12% for the month of October.
- For the Month of October we received 20,375 unique visitors to the website which doubled the average for that month.
- Coverage, postings and interviews on 56 separate websites and publications.

Produced our 2nd Annual "Crab Fest" in December which included 8 restaurants, three wineries and a brewery. The event sold out and after expenses, raised over \$4,000.

The FWCBD helped produce the Holiday Lights & Sights Boat Parade with over 60 boats from the Fishing Fleet, the St. Francis Yacht Club, SF Fire and Police Departments and the PIER 39 Harbor.

The CBD redesigned, updated and printed 300,000 brochures that are distributed by our Ambassadors at 9 California Welcome Centers and at 850 tourist sites in the greater Bay Area.

Hung lights and a "tree" on the iconic Fisherman's Wharf Crab Wheel sign and provided lights to the Sport Fishing Fleet to decorate their boats located in the inner lagoon for the holidays.

A Holiday Season event postcard was produced and distributed to visitor centers and hotel concierges in the district highlighting holiday events at the wharf.

The FWCBD Sponsored the FWMA Golf Tournament, The SF Ocean Film Festival, Opening Day on the Bay, The Tel-Hi Heart of Gold, A Taste of Tel-Hi and the 2013 Fourth of July Celebration. To help promote the 4th of July the FWCBD did a website build-out and produced an event handout with all the scheduled events which was distributed to local businesses, visitor centers and hotels.

WEBSITE

The Fisherman's Wharf website, www.visitshermanswharf.com, received an updated home page design and many modifications to help its search engine ranking.

The website's template was completely rebuilt so that it can

be responsive on tablets and handheld devices and is now fully integrated with our social media.

Unique visitors to the website were up by an average of 66% when compared to the same month of the previous year.

The FWCBD built the following two micro sites:

- **www.fwcdb.com** is a place to share information about the FWCBD with its own customized menu to better delineate between the community facing pages vs. the public ones.
- **www.FishermansWharfEvents.com** which has over 40 new pages of content about event venues at the wharf which is geared to event, wedding and meeting planners. The new site was launched at party hosted at Boudins and was attended by over 100 people representing the event venues, SF Travel, destination management companies and local media.

PRESS, SOCIAL MEDIA & INFRASTRUCTURE

- Added Instagram and Pinterest Social Media sites.
- The FWCBD has taken ownership and now manages the Yelp and Trip Advisor pages for Fisherman's Wharf.
- We were successful in getting Facebook to merge the Fisherman's Wharf Fan Page with our FWCBD managed page which took our "likes" from 6,700 to 28,000. This has greatly increased the reach and feedback that our posts receive.
- We strengthened our infrastructure by switching to Mail Chimp for our newsletter, integrating our mail and database systems, moved all files to the cloud, subscribed to a press release distribution platform and created a media contact database of 1,553 contacts.
- We redesigned our newsletter which has a 38% open rate and we grew distribution by 12%.
- We were awarded a \$25,000 grant from the Mayor's Office of Economic and Workforce Development to complete a visitor intercept survey of the wharf.
- In the 2013-14 Fiscal Year, the FWCB received press coverage from: The Guardian, Curbed.com, KTVU, SF Weekly, NBC, CBS, SF Business Times, SF Gate, SF Examiner, Funcheap SF, SF Station, The Bold Italic, Boston Herald, USA Today, Where Magazine and VIA Magazine, The Huffington Post, the Travel Channel, Travelocity, The Red Tricycle, etc.



2014 Job Fair

WORKSHOPS

- We worked with the Aquarium of the Bay and Fish Revolution to hold a Sustainable Seafood Workshop. The goal was to educate district restaurants on how they can identify items on their menu that may be red listed by the Seafood Watch program and strive to make changes to their menus.
- We hosted a free Human Resource Workshop to educate businesses on new laws and labor land mines to avoid.
- Held a table top exercise on how to run an Incident Command Station in the event of an emergency.
- A “Business Continuity Seminar in 3 Esy Steps” with Dr. Peg Jackson
- Produced and partnered with the Tel-Hi Neighborhood center on the 2nd Annual Fisherman’s Wharf Job Fair. The 20 wharf businesses that participated in the event met with well-qualified applicants from all age brackets and levels of experience.

ADVOCACY

- The FWCBD continued to advocate for Phase Two of Jefferson St. Public Realm Plan and completed the document, “Fisherman’s Wharf Impacts and Demographics” which can be found on newjeffersonstreet.com
- Worked to stop Formula Retail controls at the wharf.
- Advocacy for getting the Central Subway to the wharf and assisted the group SF NextStop in getting the County Transportation Authority to fund a study necessary to move the project forward.
- Continued advocacy for the E-line
- Opposed the F-Line increase that would have raised the fare from \$2 to \$6.
- Attended the Port/BCDC workshops on the new ideas for public access.
- Helped protect wharf brick and mortar businesses by opposing sidewalk kiosks and food trucks.

PRIVATE EVENTS

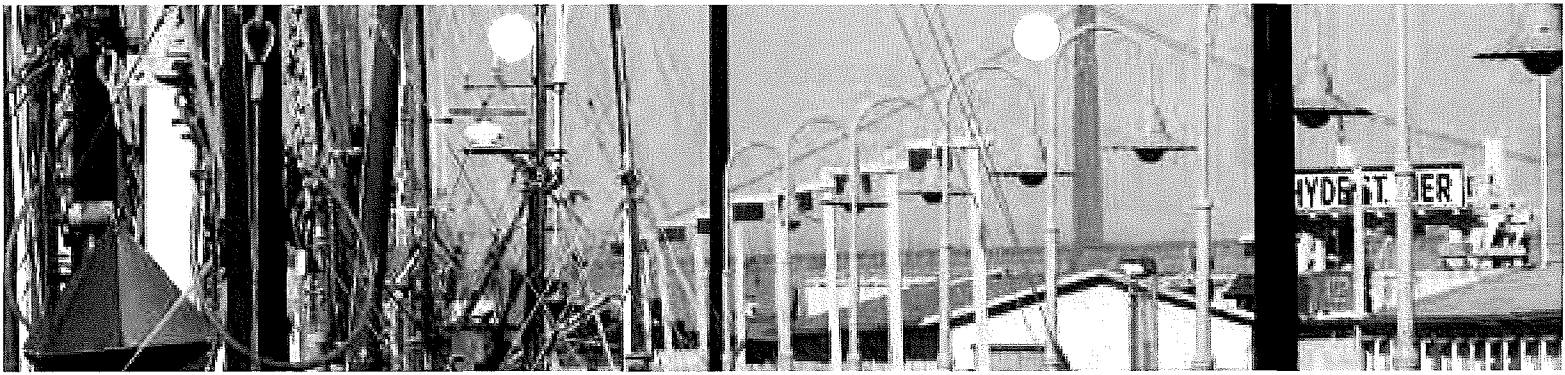
BY LAND
— *By Sea* —

Explore venues at
FishermansWharfEvents.com

WEDDINGS

BY LAND
— *By Sea* —

Explore venues at
FishermansWharfEvents.com



Assessment Methodology

The District is funded through an annual assessment for 15 years from the property owners for both the land-side and port-side boundaries of the district. The FWCBD Board of Directors increased the Landside Assessments by the CPI of 2.9% for the 2012-2013 fiscal year.

LAND-SIDE CBD PROPERTY ASSESSMENTS

For the land-side, there are four property variables that are used in determining individual assessments. The factors are:

1. Linear frontage (sidewalk frontage)
2. Land area
3. Entire usable building square footage
4. Building use

There is a total of 2,151,139 square feet in gross lot size, 28,276 feet in linear frontage and 4,486,146 in building square footage. Three benefit zones have been created in the District for calculating assessments.

Benefit Zone 1 includes roughly all parcels north of Bay/North Point, between Polk and Powell to Jefferson.

The formula for calculating the assessment is:

\$0.091612 per square foot of lot size
 + \$ 5.4296 per linear foot of lot frontage
 + \$ 0.072168 per square foot (Building Use "A or B") or
 \$ 0.033368 per square foot (Building Use "C-E") or
 \$0.05 per square foot for residential "F")

Note: See chart below for building categories.

Example: A 5,000 square foot lot, with 50 feet of frontage and 4,000 square feet of usable retail or commercial building use:

5,000 x .091612 = \$ 458.06 in lot size
 50 x \$ 5.4296 = \$ 271.48 in linear frontage, and
 4,000 x \$.072168 = \$ 288.67 in bldg sq footage (A or B)
 Total assessment:= \$1,018.21 per year

Benefit Zone 2 includes parcels west of Polk and east of Powell. Benefit Zone 2 parcels are assessed at the same rate as above but without a building factor assessment. The formula for calculating the assessment is:

\$0.091612 per square foot of lot size
 + \$ 5.4296 per linear foot of lot frontage
 = Total Assessment

Benefit Zone 3 includes the ILWU* block bordered by Beach, Mason, Taylor and North Point. Parcels are assessed on the basis of linear frontage only. All residential parcels are assessed \$0.05 per square foot per year. The formula for calculating the assessment is:

\$ 5.4296 per linear foot of lot frontage (ILWU Block) =
 Total Assessment

* The ILWU is designated as Benefit Zone 3, because of its unique position in the district and was assessed upon its four sides of linear frontage only.

Building Uses In Land-Side CBD For Zone 1

BUILDING USE CODE	CATEGORY
A	Retail space, hotels, motels, visitor related
B	Office and Commercial uses, free standing parking structures
C	Industrial/Manufacturing/Distribution
D	Institutional (City, County, public utility, parks, etc.)
E	Church, non-profit, tax-exempt, affordable housing, rent-controlled housing
F	Multi-unit housing, condos, apartments
G	Non-functional building structures

PORT-SIDE CBD PROPERTY ASSESSMENTS

The port-side is comprised of retail/walk-in, hotel, food and beverage businesses, general motorized land-based tour operators and for-profit parking lots. These businesses are assessed on their annual gross sales as reported to the Port of San Francisco from the previous calendar year. This data is provided to the Port of San Francisco on a monthly basis and is public information. The assessment factor applied to that gross sales figure is .0014%.

Example:

Gross Sales \$1,000,000 x .0014 = \$1,400 Assessment

Tour operators/tour boat vessels and related businesses (including large and small tour boats and sport fishing boats), are assessed based on the number of passengers per vessel operator or per horse drawn carriage company or per pedi cab company. The assessments range from \$250 to \$2,000.



2013 – 2014 Balance Sheet

ASSETS	
CURRENT ASSETS	
Cash	29,715
Savings & Short Term Investments	318,632
Total Cash/Short Term Investments	348,247
ACCOUNTS RECEIVABLE	
Landside Assessments	45,962
Portside Assessments	19,917
Total Accounts Receivable	65,879
OTHER CURRENT ASSETS	
Prepaid Expenses & Insurance	18,528
Total Other Current Assets	18,528
FIXED ASSETS	
Total fixed assets net of accumulated depreciation	46,493
TOTAL ASSETS	479,248
LIABILITIES & EQUITY	
LIABILITIES	
Accounts Payable	1,068
Accrued Expenses Year-End	28,348
Total Liabilities	29,416
EQUITY	
Total Equity	449,831
TOTAL LIABILITIES & EQUITY	479,248

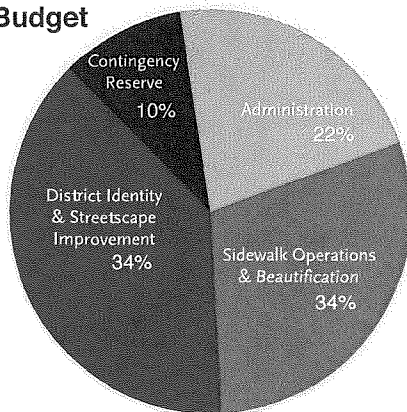
July 1, 2013– June 30, 2014 (Budget vs Actual)

REVENUE	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Assessments–Landside	631,200	631,200	0	0%
Assessments–Portside	213,415	217,200	(3,785)	-2%
Program Sponsorship/Special Events	30,484	0	30,484	100%
Interest Savings/Short-Term Investment	505	600	(95)	100%
Donated Services	64,299	40,000	24,299	38%
TOTAL REVENUE	939,903	889,000	50,903	5%
EXPENSE	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Sidewalk Operations & Beautification	270,194	292,600	(22,406)	-8%
District Identity & Streetscape Improvement	325,294	297,630	27,664	9%
Administration	158,033	173,770	(15,737)	-10%
Donated Services	64,299	40,000	24,299	38%
TOTAL EXPENSES	817,820	804,000	13,820	2%
DESIGNATED PROJECTS	78,331	0	\$78,331	100%
CONTINGENCY RESERVE	85,000	85,000	0	0%
2013-2014 REVENUE OVER EXPENSES	(41,248)	0	(41,248)	100%

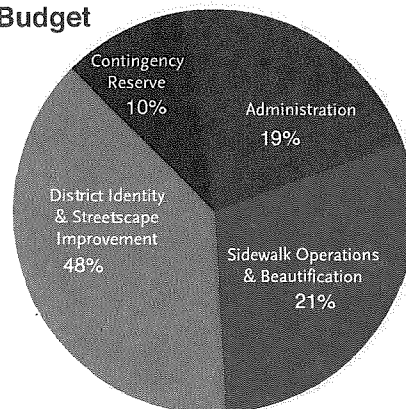
July 2014 - June 2015 Budget

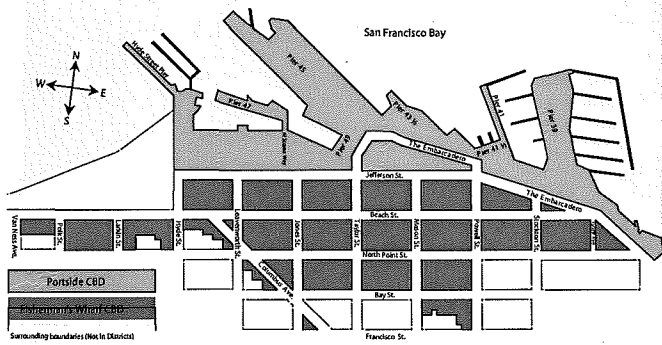
REVENUE	LAND-SIDE	PORT-SIDE	TOTAL
Assessments	647,606	219,089	848,400
Donated Services	34,000	6,000	40,000
TOTAL REVENUE	817,700	298,300	1,116,000
EXPENSE	LAND-SIDE	PORT-SIDE	TOTAL
Sidewalk Operations & Beautification	187,806	0	187,806
District Identity & Streetscape Improvement	259,042	153,362	412,404
Administration	129,521	43,818	173,339
Donated Services	34,000	6,000	40,000
TOTAL EXPENSES	576,369	197,180	773,549
Contingency Reserve	69,000	24,200	93,200
2014-2015 REVENUE OVER EXPENSES	0	0	0

2013–2014 Budget



2014–2015 Budget





The purpose of the Fisherman's Wharf Community Benefit District is to preserve and enhance its vast waterfront landscape and multi-cultural heritage, while integrating modern efficiencies to enrich the experience of visitors from both near and far through Market Research, Brand and Destination Marketing, Sidewalk Operations, Beautification and Order, Traffic and Urban Planning and Emergency Preparedness.

2013-2014 Board of Directors

PRESIDENT:

Lou Cuneo, American Academy of Ophthalmology

VICE PRESIDENT:

Tony Smith, Anchorage Square, CBRE

SECRETARY:

John Cannizzaro, Jefferson Building, Inc.

TREASURER:

Jeff Sears, Blazing Saddles

ASST. SECRETARY:

Rodney Fong, The Wax Museum at Fisherman's Wharf

ASST. TREASURER:

Aline Estournes, NorthPoint Shopping Center

IMMEDIATE PAST PRESIDENT:

David Berbey, Portco, Inc.

BOARD MEMBERS:

Gary Burns, Tarantino's

Hagen Choi, Tower Tours

Chris Connors, Aquarium of the Bay

Tom Creedon, Scoma's

Rebecca Delgado-Rottman, Academy of Art University

Jacqueline Douglas, Wacky Jacky Sport Fishing

Stephan Dreyfuss, Mad Lin Records

Jane Echlin, Ghirardelli Square

Tom Escher, Red and White Fleet

Brian Huber, MapWest

Paul Miller, Boudin

Jan Misch, The Tuscan Inn

Kathy Paver, PIER 39

Dante Serafini, The Franciscan Restaurant

Frank Rescino, The Lovely Martha Sport Fishing

Craig Vandermause, Ride the Ducks / Classic Cable Cars

Sina von Reitzenstein, PIER 39

David von Winckler, The Argonaut Hotel

COMMUNITY REPRESENTATIVES

Jay Edwards, Port of San Francisco

Lynn Cullivan, San Francisco Maritime N.H.P.

John Tregenza, SF Maritime National Park Association

EXECUTIVE DIRECTOR

Troy Campbell

PROGRAM MANAGER

Reuel Daniels

MARKETING & COMMUNICATIONS MANAGER

Rachel Brown



Reuel Daniels, Troy Campbell, Rachel Brown



Cameron Carr-Johnson, Jane Singh, Mike Castro, Keith Carter

Fisherman's Wharf

COMMUNITY BENEFIT DISTRICT

2801 Leavenworth Street, Suite B-16 San Francisco, CA 94133

415.673.3530 | info@visitfishermanswharf.com

www.visitfishermanswharf.com & www.fwcdbd.com

**Fisherman's Wharf Association
of San Francisco**

Financial Statements

June 30, 2014
(Reviewed)

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

JUNE 30, 2014

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STATEMENT OF FUNCTIONAL EXPENSES Year ended June 30, 2014	11

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

BOARD OF DIRECTORS
FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO
SAN FRANCISCO, CALIFORNIA

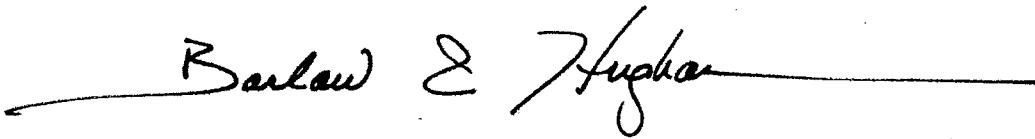
We have reviewed the accompanying statement of financial position of the FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO (a California mutual benefit corporation) as of June 30, 2014 and the related statements of activities and net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications 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 of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The additional information on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

A handwritten signature in cursive script that reads "Barlow & Hughan". The signature is written in black ink and is underlined with a long horizontal line extending to the left and right.

San Francisco, California
September 26, 2014

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2014

(See independent accountants' review report)

ASSETS

CURRENT ASSETS

Cash	\$348,348
Assessments receivable	65,879
Grant receivable	25,000
Prepaid costs	<u>18,528</u>
	457,755

OFFICE FURNITURE AND EQUIPMENT - Net of accumulated depreciation (Note 3)	3,275
--	-------

INTANGIBLE ASSETS - Net of amortization (Note 4)	<u>43,218</u>
---	---------------

\$504,248

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	<u>\$ 29,416</u>
--	------------------

NET ASSETS

UNRESTRICTED	449,832
--------------	---------

TEMPORARILY RESTRICTED (Notes 1 and 5)	<u>25,000</u>
--	---------------

474,832\$504,248*See notes to financial statements.*

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2014

(See independent accountants' review report)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Special benefit assessments	\$844,615		\$844,615
Public support	81,467	\$25,000	106,467
Special events - Net of expenses of \$36,216	2,876		2,876
Interest and other income	505		505
Net assets released from restrictions	<u>8,460</u>	<u>(8,460)</u>	
	<u>937,923</u>	<u>16,540</u>	<u>954,463</u>
EXPENDITURES			
Program services			
Landside - District identity and street improvements	244,645		244,645
Landside - Street operations beautification and order	311,011		311,011
Portside- District identity and street improvements	158,991		158,991
General and administrative expenses	<u>171,064</u>		<u>171,064</u>
	<u>885,711</u>		<u>885,711</u>
CHANGE IN NET ASSETS	52,212	16,540	68,752
FUND BALANCES - Beginning of year	<u>397,620</u>	<u>8,460</u>	<u>406,080</u>
FUND BALANCES - End of year	<u>\$449,832</u>	<u>\$25,000</u>	<u>\$474,832</u>

See notes to financial statements.

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

(See independent accountants' review report)

CASH FLOWS USED FOR OPERATING ACTIVITIES	
Assessments received	\$795,585
Cash paid to suppliers and employees	(845,249)
Cash received from special events	32,878
Grants received	6,400
Interest received	<u>172</u>
Net cash used for operating activities	<u>(10,214)</u>
CASH FLOWS USED FOR INVESTING ACTIVITIES	
Purchase of office furniture and equipment	<u>(1,363)</u>
NET DECREASE IN CASH	(11,577)
CASH - Beginning of year	<u>359,925</u>
CASH - End of year	<u>\$348,348</u>
RECONCILIATION OF CHANGE IN NET ASSETS	
TO NET CASH USED FOR OPERATING ACTIVITIES	
Change in net assets	\$ 68,752
Items not requiring cash:	
Depreciation and amortization	7,162
Changes in assets and liabilities:	
Increase in assessments receivable	(49,030)
Increase in grants receivable	(16,540)
Increase in prepaid costs	(6,758)
Decrease in accounts payable	<u>(13,800)</u>
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (10,214)</u>

See notes to financial statements.

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Operations

The Fisherman's Wharf Association of San Francisco (the Association) was incorporated in California on February 23, 2006 as a non-profit public benefit corporation. Its purpose is to provide services to the Fisherman's Wharf Landside and Portside Community Benefit Districts (the Districts). The members of the Landside District include the owners of all parcels of land subject to property tax assessments within the geographic area of Fisherman's Wharf as established on July 26, 2005 by the Board of Supervisors of the City and County of San Francisco. Members of the Portside District include the tenants who have leased property from the Port of San Francisco within the Portside District as established by the Board of Supervisors on December 3, 2006.

Upon formation of each District, its members were subject to multi-year special assessments imposed by the City under the Property and Business Improvement District Law of 1994. Under contracts with the City, the Association receives these special assessments and, in exchange, provides certain services to the members of the Districts. These services include supplemental security services to maintain order, the cleaning and maintenance of sidewalks, the removal of graffiti, the coordination of services provided to the homeless, neighborhood beautification and tree-planting programs, and the organization and funding of special events. In addition to the special assessment funds, the contracts with the City require that the Association raise a specified level of private donations to supplement the special assessments. Management believes that during the year ended June 30, 2014, the organization has met this requirement.

The annual special assessments imposed by the City will expire on December 31, 2020, unless the Districts are disestablished earlier by a majority vote of its members. The Association's contracts with the City will expire on December 31, 2021, but either would expire upon the disestablishment of the District to which it relates. .

Barlow & HUGHAN

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Association reports 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, based upon the existence or absence of donor-imposed restrictions.

Grants receivable at the end of the year are recognized as temporarily restricted. Income is also recognized as temporarily restricted if restrictions imposed by the donor will not be satisfied by the end of the current year. At June 30, 2014 the association had no permanently restricted net assets.

Income is recognized when the special assessment imposed by the City becomes due and enforceable for collection by the City assessor. The City and County of San Francisco serves as an agent in collecting and transmitting the assessments.

Assessments Receivable

Assessments billed but not transmitted by the City at year end are recorded as receivables. Management believes that the receivables at June 30, 2014 are collectable by the City and no allowance is needed to provide for doubtful receivables.

Use of 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.

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status

The Association qualifies as a tax exempt organization and is therefore generally exempt from income taxes. Income taxes are payable, however, on revenue from sources unrelated to its tax exempt purpose. There were no such revenues during the year. For the year ended June 30, 2014 there were no penalty or interest assessments by any government agency recorded in the financial statements. In addition, the Association has not taken an unsubstantiated tax position that would require provision of a liability under Accounting Standards Codification Topic 740, "Income Taxes". The Association's Forms 990, Return of Organization Exempt from Income Tax, for the previous three years (four years for State) are subject to examinations by Federal and State taxing authorities.

Donated Services

A number of organizations have donated services and materials to the Association. Further, the Association also received discounted rental and meeting space to carry on its activities. Management estimates the value of these donations to be \$97,074. This amount was allocated between public support and special events revenue and corresponding expenses were also recognized by the Association.

2. CASH

Cash at June 30, 2014 consisted of the following:

Cash in checking account	\$ 29,715
Cash deposited in interest-bearing account	<u>318,633</u>
	<u>\$348,348</u>

Barlow & Hughan

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(See independent accountants' review report)

3. OFFICE FURNITURE AND EQUIPMENT

Office furniture and equipment are stated at cost. Depreciation is provided using the straight-line method over five years. Depreciation charged to general and administrative expenses for the year ended June 30, 2014 was \$963.

Office furniture and equipment at June 30, 2014 consisted of the following:

Furniture and equipment	\$8,353
Less accumulated depreciation	<u>5,078</u>
	<u>\$3,275</u>

4. INTANGIBLE ASSETS

Intangible assets are stated at cost. Amortization is provided using the straight-line method over their estimated useful lives of between three and fifteen years. Amortization charged to general and administrative expenses for the year ended June 30, 2014 was \$6,199.

At June 30, 2014 net intangible assets were comprised of the following:

Organization costs	\$ 83,551
Website development costs	35,000
Signage and logos	<u>9,432</u>
	127,983
Less accumulated amortization	<u>84,765</u>
	<u>\$ 43,218</u>

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CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

(See independent accountants' review report)

5. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2014 was comprised of a grant which had not been received by year end. The grant was awarded by the City and County of San Francisco and is restricted to use in funding a public survey of improvements to Jefferson Street.

6. RISK AND UNCERTAINTIES

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 90% of the Association's total revenues. Under the terms of the contracts the City can suspend distributions and ultimately terminate the contracts if the Association fails to provide adequate services to the Districts. The contracts expire on December 31, 2021 but either could be terminated at an earlier date if the Fisherman's Wharf Community Landside or the Portside Benefit Districts were disestablished by a vote of more than 50% of the assessed members.

At June 30, 2014 the Association had uninsured cash deposits with a bank totaling approximately \$100,000.

7. SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued.

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ADDITIONAL INFORMATION

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FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014

(See independent accountants' review report)

	Program Services Landside		Program Services Portside		General and Administrative		Total
	District identity and street improvements	Street operations, beautification and order	District identity and street improvements	Landside	Portside		
Salaries	\$ 57,290	\$ 39,539	\$ 57,290	\$ 70,899	\$17,632		\$242,650
Payroll taxes	5,338	2,796	5,338	7,418	1,309		22,199
Employee benefits	<u>1,655</u>	<u>1,105</u>	<u>1,655</u>	<u>12,128</u>	<u>1,959</u>		<u>18,512</u>
	64,283	43,440	64,283	90,445	20,910		283,361
Ambassador program	33,024	81,996	17,782				132,802
Events marketing	52,550		25,219				77,769
Hanging flower baskets		60,061					60,061
Security and parking operations		56,219					56,219
Brochure distribution	32,709		17,613				50,322
Professional fees	18,433		10,743	6,204	1,094		36,474
Occupancy	5,155	5,155	5,155	11,422	6,722		33,609
Marketing and media production	24,109		8,355				32,464
Signage		29,688					29,688
Office expenses	4,120		2,888	11,775	2,182		20,965
Street maintenance and operations		20,183					20,183
Website maintenance	8,139		5,040				13,179
District Color Curb Program		8,353					8,353
Insurance				6,240	1,367		7,607
Deprecation and amortization				7,162			7,162
Meeting and events	1,360	1,360	1,360	1,360	1,360		6,800
Emergency preparedness		4,556					4,556
Travel				1,363	248		1,611
Planning and zoning	220		144				364
Miscellaneous	<u>543</u>		<u>409</u>	<u>1,002</u>	<u>208</u>		<u>2,162</u>
	<u>\$244,645</u>	<u>\$311,011</u>	<u>\$158,991</u>	<u>\$136,973</u>	<u>\$34,091</u>		<u>\$885,711</u>

See notes to financial statements.

Barlow & Hughan
CERTIFIED PUBLIC ACCOUNTANTS

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

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 Julie Christensen

Subject:

Fisherman's Wharf and Fisherman's Wharf Portside Community Benefit Districts – Annual Report for FY 2013-14

The text is listed below or attached:

Resolution receiving and approving the annual report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District for FY 2013-2014, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §§36600, et seq.), Section 36650, and the Districts' management agreements with the City, Section 3.4.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: