

BOARD of SUPERVISORS



City Hall
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MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller
Joaquin Torres, Director, Office of Economic and Workforce Development

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight
Committee, Board of Supervisors

DATE: June 10, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on June 2, 2019:

File No. 200587

Resolution receiving and approving the annual report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District for FY2018-2019, 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 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
J'Wel Vaughan, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
Chris Corgas, Office of Economic and Workforce Development

1 [Fisherman's Wharf Landside Community Benefit District and Fisherman's Wharf Portside
2 Community Benefit District - Annual Report for FY2018-2019]

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 FY2018-2019, 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
10 "Fisherman's Wharf CBD") was established by the Board of Supervisors in 2005, and
11 the Fisherman's Wharf Portside Community Benefit District (the "Fisherman's Wharf
12 Portside CBD") was established by the Board of Supervisors in 2006, as described
13 below; and

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

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

22 WHEREAS, On July 26, 2005, the Board of Supervisors adopted Resolution
23 No. 540-05 establishing the Fisherman Wharf's CBD for a period of 15 years
24 commencing with FY2005-2006; and

25 WHEREAS, On January 10, 2006, the Board of Supervisors adopted Resolution

1 No. 16-06 authorizing a contract with the Fisherman’s Wharf Association for the
2 management and administration of the Fisherman’s Wharf CBD (the “Fisherman’s
3 Wharf CBD Management Contract”) which is on file with the Clerk of the Board of
4 Supervisors in File No. 052026; and

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

8 WHEREAS, On December 12, 2006, the Board of Supervisors adopted
9 Resolution No. 696-06 establishing the Fisherman’s Wharf Portside CBD for a period of
10 14 years commencing with FY2005-2006; and

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

17 WHEREAS, On September 27, 2019, the Board of Supervisors approved the
18 Fisherman’s Wharf CBD’s and the Fisherman’s Wharf Portside CBD’s annual report for
19 FY2017-2018 in Resolution No. 398-19; and

20 WHEREAS, The Fisherman’s Wharf Association has submitted for the Board’s
21 receipt and approval an annual report for both the Fisherman's Wharf CBD and
22 Fisherman's Wharf Portside CBD for FY2018-2019 as required by Section 36650 of the
23 Act and Section 3.4 of the Fisherman’s Wharf Management Contract and the
24 Fisherman’s Wharf Portside Management Contract (the “Annual Report”), which is on
25

1 file with the Clerk of the Board of Supervisors in File No. _____ and is
2 incorporated herein by reference as though fully set forth; and

3 WHEREAS, Supporting documents, including, but not limited to, a transmittal
4 letter and memorandum report from the City's Office of Economic and Workforce
5 Development, dated June 2, 2020, and documentation from the Fisherman's Wharf
6 Association for the Annual Report is on file with the Clerk of the Board of Supervisors in
7 File No. _____; now, therefore, be it

8 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
9 report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside
10 Community Benefit District for FY2018-2019.

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Fisherman's Wharf Association
of San Francisco

Financial Statements

June 30, 2019
(Reviewed)

Barlow & Hughan LLP
CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

JUNE 30, 2019

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Barlow & Hughan LLP

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 financial statements of the FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO (a California mutual benefit corporation), which comprise the statement of financial position as of June 30, 2019, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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's Responsibility for the Financial Statements

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

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. 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 for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

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 accordance with accounting principles generally accepted in the United States of America.

Barlow & Hughan LLP

September 25, 2019

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2019

(See independent accountants' review report)

ASSETS

CURRENT ASSETS

Cash	\$628,365
Assessments receivable	39,610
Grant receivable	12,956
Prepaid expenses	<u>10,760</u>
	691,691

OFFICE FURNITURE AND EQUIPMENT - Net of accumulated depreciation (Note 3)	1,743
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INTANGIBLE ASSETS - Net of amortization (Note 4)	<u>12,223</u>
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\$705,657

LIABILITIES

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	<u>\$ 24,438</u>
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NET ASSETS

WITHOUT DONOR RESTRICTIONS	668,263
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WITH DONOR RESTRICTIONS

Time restricted	<u>12,956</u>
	<u>681,219</u>

\$705,657

See notes to financial statements.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Special benefit assessments	\$ 949,569		\$ 949,569
Public support	309,121	\$ 12,956	322,077
Program services	<u>13,350</u>	<u> </u>	<u>13,350</u>
	1,272,040	12,956	1,284,996
OTHER INCOME (EXPENSE)			
Special events - Net of expenses of \$22,290	(3,360)		(3,360)
Interest	279		279
Net assets released from restriction - expiration of time restrictions	<u>108,797</u>	<u>(108,797)</u>	<u> </u>
	<u>1,377,756</u>	<u>(95,841)</u>	<u>1,281,915</u>
EXPENDITURES			
Program services			
Landside - District identity and street improvements	432,115		432,115
Landside - Street operations, beautification and order	259,767		259,767
Portside - District identity and street improvements	196,044		196,044
Lombard street visitor services	199,828		199,828
Support Services			
General and administrative expenses	<u>260,344</u>		<u>260,344</u>
	<u>1,348,098</u>		<u>1,348,098</u>
CHANGE IN NET ASSETS	29,658	(95,841)	(66,183)
NET ASSETS - Beginning of year	<u>638,605</u>	<u>108,797</u>	<u>747,402</u>
NET ASSETS - End of year	<u>\$ 668,263</u>	<u>\$ 12,956</u>	<u>\$ 681,219</u>

See notes to financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

	Program Services Landside		Program Services Portside	Lombard Street Visitor Services	General and Administrative		Total
	District identity and street improvements	Street operations, beautification and order	District identity and street improvements		Landside	Portside	
Salaries	\$106,956	\$ 47,747	\$ 39,198	\$ 25,771	\$ 64,277	\$19,396	\$ 303,345
Employee benefits	658	844	186		17,484	5,080	24,252
Payroll taxes	<u>4,307</u>		<u>1,215</u>		<u>9,667</u>	<u>2,727</u>	<u>17,916</u>
	111,921	48,591	40,599	25,771	91,428	27,203	345,513
Ambassador programs	108,355	165,470	51,199	174,057			499,081
Marketing and media production	94,287		46,364				140,651
Security and parking operations	54,759		26,971				81,730
Community engagement and preservation	39,145		19,280				58,425
Professional fees		2,750			36,289	12,544	51,583
Directional/branding signs		42,956					42,956
Occupancy					23,317	6,576	29,893
Office expenses	413		187		17,171	4,911	22,682
Travel and meetings	108		53		16,978	4,843	21,982
Springboard camera counter	6,288		3,097				9,385
Insurance					7,074	1,995	9,069
PR & media relations	5,561		2,739				8,300
Deprecation and amortization					6,019	1,698	7,717
Nightlife promotion	4,942		2,434				7,376
PIERSafe	2,431		1,197				3,628
Planning and zoning	2,196		1,082				3,278
Research	1,709		842				2,551
Membership dues					1,789	509	2,298
	<u>\$432,115</u>	<u>\$259,767</u>	<u>\$196,044</u>	<u>\$199,828</u>	<u>\$200,065</u>	<u>\$60,279</u>	<u>\$1,348,098</u>

See notes to financial statements.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

CASH FLOWS FROM OPERATING ACTIVITIES	
Assessments received	\$ 958,613
Cash paid to suppliers and employees	(1,279,271)
Cash received from programs and events	32,280
Grants received	298,169
Interest received	<u>279</u>
Net cash provided by operating activities	<u>10,070</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(1,576)</u>
NET INCREASE IN CASH	8,494
CASH - Beginning of year	<u>619,871</u>
CASH - End of year	<u>\$ 628,365</u>
RECONCILIATION OF CHANGE IN NET ASSETS	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Change in net assets	\$ (66,183)
Items not requiring cash:	
Depreciation and amortization	7,717
Increases (decreases) in assets and liabilities:	
Assessments receivable	9,044
Grant receivable	95,841
Prepaid expenses	22,881
Accounts payable and accrued liabilities	<u>(59,230)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 10,070</u>

SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES

Value of in-kind contributions used for operations	\$119,700
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See notes to financial statements.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(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. The contracts with the City also require that the Association raise a specified level of private donations. Management believes that during the year ended June 30, 2019, the Association has complied with this requirement.

In addition to the special assessment funds, the Association relies on public support, grants, and service revenues to supplement the special assessments and provide services to the Districts and the neighboring areas. During the year the Association received a grant from the City to provide community services under the Lombard Street Visitor Services Program which serves an area adjacent to the Districts.

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CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

History and Operations (Continued)

The annual special assessments imposed by the City will expire on December 31, 2020, but are subject to renewal 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.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) Topic 958 Not-For-Profit Entities dated August 2016. Under FASB ASC Topic 958, the Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions. If restrictions imposed by the donor are not satisfied by the end of the current year or if the funds have not been received by year end, then the income will be recognized to be with donor restrictions. Net assets without restrictions include funds separately designated by the Board of Directors.

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, net of an allowance for doubtful accounts based on the Association's historical experience. At June 30, 2019 Management determined that all of the receivables were collectible and therefore no allowance for doubtful accounts was necessary.

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CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expense allocation by Function

The financial statements report certain natural categories of operating expenses that are attributable to more than one program or supporting function.

The expenses were allocated on the following basis:

Employment Costs	Time and Effort
Program and other expenses	Based on square footage

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.

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. There were no penalty or interest assessments by any government agency recorded in the financial statements during the year. 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."

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Donated Services

A number of volunteers have donated significant amounts of their time to the Association. These donated services are not reflected in the financial statements since they do not meet generally accepted criteria for recognition as contributed services.

A number of organizations have donated services and materials to the Association. The Association also received discounted rental and meeting space to carry on its activities. Management estimates the value of these donations during the year to be approximately \$119,700. This amount was recognized as public support revenue and corresponding expenses were also recognized by the Association.

Compensated Absences

Accumulated paid time off is accrued when earned. As of June 30, 2019 the liability for employees for compensated absences was \$7,181.

2. CASH

Cash at June 30, 2019 consisted of the following:

Cash in checking account	\$ 58,161
Cash deposited in interest-bearing account	<u>570,204</u>
	<u>\$628,365</u>

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The cash and financial assets at June 30, 2019 that will be available for general use consist of the following:

Cash	\$628,368
Assessments receivable	39,610
Grants receivable	<u>12,956</u>
	<u>\$680,934</u>

The Organization has a goal to maintain financial assets on hand to meet its normal monthly operating expenses. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

4. 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, 2019 was \$1,518.

Office furniture and equipment at June 30, 2019 consisted of the following:

Furniture and equipment	\$ 11,010
Less accumulated depreciation	<u>9,267</u>
	<u>\$ 1,743</u>

5. 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, 2019 was \$6,199.

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

(See independent accountants' review report)

5. INTANGIBLE ASSETS - (Continued)

At June 30, 2019 net intangible assets were comprised of the following:

Organization costs	\$ 118,551
Website development costs	35,000
Signage and logos	<u>9,432</u>
	127,983
Less accumulated amortization	<u>115,760</u>
	<u>\$ 12,223</u>

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2019 were comprised of grants which had not been received by year end.

7. RISK AND UNCERTAINTIES

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 74% 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.

8. CONCENTRATIONS OF CREDIT RISK

At June 30, 2019 the Association had uninsured cash deposits with a bank totaling approximately \$418,000.

9. 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.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

MEMO

To: Supervisor Aaron Peskin, District 3

CC: San Francisco Board of Supervisors

From: Chris Corgas; OEWD Senior Program Manager

RE: Fisherman's Wharf Community Benefit District (Landside and Portside); FY 18-19 Annual Report

Date: June 2, 2020

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, 2018 and June 30, 2019.

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 2018-2019
2. CPA Financial Review Report
 - a. FY 2018-2019
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 of Supervisors approved the contract for the administration and management of the Fisherman’s Wharf Community Landside CBD (Resolution # 16-06).
- March 14, 2017: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Landside CBD (Resolution # 077-17).
- July 24, 2018: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Landside CBD (Resolution #240-18)
- September 17, 2019: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Landside CBD (Resolution #398-19)

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 of Supervisors approved the contract for the administration and management of the Fisherman’s Wharf Portside CBD (Resolution # 312-07).
- March 14, 2017: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Portside CBD (Resolution # 077-17).
- July 24, 2018: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Portside CBD (Resolution #240-18)
- September 17, 2019: the Board of Supervisors approved the Annual Report for the Fisherman’s Wharf Portside CBD (Resolution #398-19)

Basic Information 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: \$622,615 Portside: \$187,113
FY 18-19 Submission	Landside: \$715,578 Portside: \$220,511
Fiscal Year	July 1 – June 30
Executive Director	Randall Scott
Name of Nonprofit Owners’ Association	Fisherman’s Wharf Association of San Francisco

The current CBD website <http://www.fwcbd.com>, includes all the pertinent information about the organization and its programs, a calendar of events, its Management Plan, Mid-Year Report, Annual Report and meeting schedules. It should also be noted that the organization also manages the site <http://www.visitfishermanswharf.com> that is designed specifically for visitors to the district.

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 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 SFPD 10B officers several 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. The FWCBD is staffed by a full-time Executive Director who serves as the point person and advocate for the Fisherman's Wharf CBD. FWCBD board has twenty-five (25) board members who represent the diverse property and business owners in the district. In addition, there are two 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 the fourth Thursday of the month. Each committee requires at least one board member serve on the committee or as the chair. 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, Beautification and Order (SOBO)** - The SOBO committee works to ensure a clean and safe commercial district and meets 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 2018-2019

District Identity and Street Improvements (DISI)

- Sponsored the following events: Fleet Week, City 4th of July celebration, Taste of Tel-Hi, FWMA Crab Feed, and the FWMA Golf Tournament
- Produced the 6th annual Wharf Fest Event and Chowder Competition
- Partnered with the St. Francis Yacht Club to produce the annual Holiday Lighted Boat Parade
- Received approximately 55,000 media impressions
- Earned media equivalent to \$30 million in advertising
- Received a \$120,000 grant for Google AdWords. This grant allows the FWCBD to create ad campaigns and boost our search ranking on Google, which is our top referral search engine.

Street Operations, Beautification and Order (SOBO)

- Safety & Security Services:
 - Public disturbance – 800
 - Drinking in Public – 800
 - Illegal Dumping – 600
- Visitor/Merchant Services:
 - Hospitality Assistance – 13,700
 - Directions Given – 8,100
 - Business Contacts Made – 6,700
 - Street Performer Interactions - 700
- Cleaning/Maintenance Services
 - Trash Collected (lbs) – 35,400
 - Graffiti/Stickers Removed – 3,900
 - Pan and Broom Block Faces Covered - 10,600
 - Street Furniture Cleaned – 1,500
 - Tree Grates Cleaned – 4,400

Administration and Corporate Operations

- Actively participated in both the Clean and Safe 365 working group led by the Hotel Council, and SF Travel’s Clean and Safe Coalition which focuses on safety, cleanliness, and quality of life issues. Began work on FY 19-20 Fisherman’s Wharf Landside and Portside CBD renewal process
- Advocated for extending the Central Subway to the Wharf by partnering with SF NextStop

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 2018-2019

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 met this requirement for Landside. See tables below.

Landside

Service Category	Management Plan Budget	% of Budget	FY 2018-2019 Budget	% of Budget	Variance Percentage Points
District Identity and Streetscape Improvements	\$255,000.00	40.96%	\$414,268.50	39.72%	-1.24%
Public Rights of Way and Sidewalk Operations	\$181,130.00	29.09%	\$336,525.00	32.27%	+3.17%
Administrative and Corporate Operations	\$125,000.00	20.08%	\$219,246.30	21.02%	+0.94%
Contingency Reserve	\$61,485.00	9.88%	\$72,940.00	6.99%	-2.88%
TOTAL	\$622,615.00	100%	\$1,042,979.80	100%	

Portside

Service Category	Management Plan Budget	% of Budget	FY 2018-2019 Budget	% of Budget	Variance Percentage Points
District Identity and Streetscape Improvements	\$130,979.00	70.00%	\$206,431.50	71.39%	+1.39%

Administrative and Corporate Operations	\$37,423.00	20.00%	\$61,838.70	21.39%	+1.39%
Contingency and Reserves	\$18,711.00	10.00%	\$20,880.00	7.22%	-2.78%
TOTAL	\$187,113.00	100%	\$289,150.20	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 \$740,770.00 or 71.68% of actuals and non-assessment revenue was \$292,661.54.00 or 28.32% of actuals. See table below.*

Revenue Sources	FY 2018-2019 Actuals	% of Actuals
Assessments Revenue	\$740,770.00	
Total Assessment (Special Benefit) Revenue	\$740,770.00	71.68%
Grants	\$199,828.00	19.34%
Contributions and Sponsorships	\$6,691.63	0.65%
Donations	\$85,929.11	8.31%
Interest Earned	\$212.80	0.02%
Total Non-Assessment (General Benefit) Revenue**	\$292,661.54	28.32%
Total	\$1,033,431.54.00	100.00%

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

ANALYSIS: *FWCBD met this requirement for Landside; FWCBD met this requirement for Portside. See table below.*

Landside

Service Category	FY 2018-2019 Budget	% of Budget	FY 2018-2019 Actuals	% of Budget	Variance Percentage Points
District Identity and Streetscape Improvements	\$414,268.50	39.72%	\$432,115.00	44.73%	+5.01%
Public Rights of Way and Sidewalk Operations,	\$336,525.00	32.27%	\$259,767.00	26.89%	-5.38%

Administrative and Corporate Operations	\$219,246.30	21.02%	\$200,065.00	20.71%	-0.31%
Contingency Reserves	\$72,940.00	6.99%	\$74,077.00	7.67%	+0.67%
TOTAL	\$1,042,979.80	100%	\$966,024.00	100.00%	

Portside

Service Category	FY 2018-2019 Budget	% of Budget	FY 2018-2019 Actuals	% of Budget	Variance Percentage Points
District Identity and Streetscape Improvements	\$206,431.50	71.39%	\$196,044.00	70.72%	-0.67%
Administrative and Corporate Operations	\$61,838.70	21.39%	\$60,279.00	21.75%	+0.36%
Contingency Reserve	\$20,880.00	7.22%	\$20,880.00	8.64%	+0.31%
TOTAL	\$289,150.20	100%	\$277,203.00	100.00%	

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 met this requirement. 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.*

Landside

FY 2018-2019 Carryover Disbursement	\$497,818.54
Public Rights of Way and Sidewalk Operations	\$139,675.37
District Identity and Streetscape Improvements	\$118,758.97
Administration	\$92,195.68
Contingency	\$147,188.52
Total Designated amount for Future Years	\$497,818.54

Portside

FY 2018-2019 Carryover Disbursement	\$185,219.53
District Identity and Streetscape Improvements	\$96,080.53
Administration	\$19,827.20

Contingency	\$69,247.48
Total Designated amount for Future Years	\$185,155.21

Findings and Recommendations

For the fiscal year in review, Fisherman’s Wharf CBD met all benchmarks mentioned on page 5 of this memo. The CBD continues to perform strongly in respect to reported metrics. FWCBD, once again, hosted successful events and has partnered with the broader community to make the Wharf area a destination for locals.

The FWCBD - Landside expires on June 30, 2020 and must be renewed before then. FY 18-19 saw the CBD lay the ground work for its renewal process and it is expected to be completed on time. It should be noted that the Landside and Portside districts have different sunset dates based on the differences between property assessment and business assessment collection. The organization is expected to complete the renewal process for both the Landside and Portside districts before each of their respective sunset dates.

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 Wharf Fest. 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 carry out its mission and service plans. Fisherman’s Wharf CBD is well underway with their renewal process and are expected to complete the process on schedule.

Introduction Form

By a Member of the Board of Supervisors or 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 inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic 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 the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only