

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Senior Program Manager

RE: Central Market Community Benefit District

Date: February 1, 2017

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

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Central Market CBD has complied with the submission of all these requirements. OEWD staff reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Central Market Community Benefit District's Management Contract with the City; and their Management Plan as approved by the Board of Supervisors in 2014.

Also attached to this memo are the following documents:

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

Background

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



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

Basic Info about Central Market CBD

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

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

Summary of Service Area Goals

Public Safety

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

Cleaning and Maintenance

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

Management and Economic Development

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

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2015

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

Public Safety

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

Cleaning and Maintenance

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

Management and Economic Development

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

CMCBD Annual Budget Analysis

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

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

CY 2015

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

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

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

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

ANALYSIS: CMCBD met this requirement. See table below.

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

Non-assessment revenue applied to 3.68% General Benefit requirement

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

ANALYSIS: CMCBD met this requirement. See table below.

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

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

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

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

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

Findings and Recommendations

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

Conclusion

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