

File No. 170181 Committee Item No. 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date March 2, 2017

Board of Supervisors Meeting Date _____

Cmte Board

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

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|-----------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | OEWD Memo 02/01/17 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Annual Rpt 2015-2016 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | CPA Rpt 06/30/16 |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Referral FYI 02/22/17 |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Erica Major Date February 24, 2017
Completed by: _____ Date _____

1 [Fisherman's Wharf and Fisherman's Wharf Portside Community Benefit Districts - Annual
2 Report for FY2015-2016]

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 FY2015-2016, 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,
19 Sections 36600 *et seq.* (the "Act"), as augmented by Article 15 of the San Francisco
20 Business and Tax Regulations Code ("Article 15"), the Board of Supervisors adopted
21 Resolution No. 386-05 expressing the City's intent to form the Fisherman's Wharf CBD;
22 and
23
24
25

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

4 WHEREAS, On January 10, 2006, the Board of Supervisors adopted
5 Resolution No. 16-06 authorizing a contract with the Fisherman's Wharf Association for
6 the management and administration of the Fisherman's Wharf CBD (the "Fisherman's
7 Wharf CBD Management Contract") which is on file with the Clerk of the Board of
8 Supervisors in File No. 052026; and

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

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

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

21 WHEREAS, On April 19, 2016, the Board of Supervisors approved the
22 Fisherman's Wharf CBD's and the Fisherman's Wharf Portside CBD's annual report for
23 FY2014-2015 in Resolution No. 135-16; and

24 WHEREAS, The Fisherman's Wharf Association has submitted for the Board's
25 receipt and approval an annual report for both the Fisherman's Wharf CBD and

1 Fisherman's Wharf Portside CBD for FY2015-2016 as required by Section 36650 of the
2 Act and Section 3.4 of the Fisherman's Wharf Management Contract and the
3 Fisherman's Wharf Portside Management Contract (the "Annual Report"), which is on
4 file with the Clerk of the Board of Supervisors in File No. 170181 and is incorporated
5 herein by reference as though fully set forth; and

6 WHEREAS, Supporting documents, including, but not limited to, a transmittal
7 letter and memorandum report from the City's Office of Economic and Workforce
8 Development, dated February 1, 2017, and documentation from the Fisherman's Wharf
9 Association for the Annual Report is on file with the Clerk of the Board of Supervisors in
10 File No. 170181; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
12 report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside
13 Community Benefit District for FY2015-2016.

MEMO

To: Supervisor Aaron Peskin, District 3
CC: San Francisco Board of Supervisors
From: Chris Corgas, Senior Program Manager
RE: Fisherman's Wharf Community Benefit District (Landside and Portside)
Date: February 1, 2017

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2017 FEB 14 PM 4:26

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, 2015, and June 30, 2016.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. 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 2015-2016
2. CPA Financial Review Report
 - a. FY 2015-2016
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).
- April 19, 2016: the Board approved the Annual Report for the Fisherman's Wharf Landside CBD (Resolution # 135-16).

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).
- April 19, 2016: the Board approved the Annual Report for the Fisherman's Wharf Portside CBD (Resolution # 135-16).

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: \$622,615 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.fwcbd.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. 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 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 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 every 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 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 2015-2016

District Identity and Street Improvements (DISI)

- Secured \$120,000 Google Adwords Grant aimed at boosting CBD search ranking in Google..
- Promoted the “12 Days of Wharfmas” through the FWCBD’s Facebook page.
- Completed a refresh of our branding and updated all print and digital marketing collateral and materials.

Street Operations, Beautification and Order (SOBO)

Note: The FWCBD 2014-15 Annual Report developed standardized metrics for measuring program performance.

- Safety & Security Services:
 - Escorts provided – 548
 - Street Performer Conflict Resolution – 1,185
 - Quality of Life – Sit/Lie – 2,014
 - # of Calls - 548
- Visitor/Merchant Services:
 - Hospitality Assistance – 12,488
 - Directions Given – 9,328
- Cleaning/Maintenance Services
 - Trash Collected (lbs) – 14,104
 - Graffiti/Stickers Removed – 2,733
 - # of Calls - 2,964
 - Street Furniture Cleaned – 1,395
 - Tree Grates Cleaned – 1,563

Administration and Corporate Operations

- Advocated for getting the Central Subway to the Wharf.
Built, maintained, and promoted an online job fair for district merchants in April and May to assist with hiring seasonal employment.
- Awarded a Neighborhood Justice Fund Grant to help promote PARK SMART! a citywide initiative that educates visitors not to leave valuable in their cars.

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 2014-2015

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 2015-2016 Budget | % of Budget | Variance Percentage Points |
|--|------------------------|-------------|---------------------|-------------|----------------------------|
| District Identity and Streetscape Improvements | \$255,000.00 | 40.96% | \$307,342.20 | 42.55% | 1.60% |
| Public Rights of Way and Sidewalk Operations | \$181,130.00 | 29.09% | \$202,545.00 | 28.04% | -1.05% |
| Administrative and Corporate Operations | \$125,000.00 | 20.08% | \$139,141.80 | 19.27% | -0.81% |
| Contingency Reserve | \$61,485.00 | 9.88% | \$73,200.00 | 10.14% | +0.26% |
| Special Projects | \$- | 0.00% | \$- | 0.00% | 0.00% |
| TOTAL | \$622,615.00 | 100% | \$722,229.00 | 100% | |

Portside

| Service Category | Management Plan Budget | % of Budget | FY 2014-2015 Budget | % of Budget | Variance Percentage Points |
|--|------------------------|-------------|---------------------|-------------|----------------------------|
| District Identity and Streetscape Improvements | \$130,979.00 | 70.00% | \$166,619.50 | 69.93% | -0.07% |
| Administrative and Corporate Operations | \$37,423.00 | 20.00% | \$48,751.50 | 20.46% | +0.46% |
| Contingency and Reserves | \$18,711.00 | 10.00% | \$22,900.00 | 9.61% | -0.39% |
| TOTAL | \$187,113.00 | 100% | \$238,271.00 | 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 \$647,611 or 94.50% of actuals and non-assessment revenue was \$37,708 or 5.50% of actuals. See table below.*

| Revenue Sources | FY 2015-2016 Actuals | % of Actuals |
|---|----------------------|----------------|
| Assessments Revenue | \$688,175.00 | |
| Total Assessment (Special Benefit) Revenue | \$688,175.00 | +82.45% |
| Other | \$- | 0.00% |
| Grants | \$62,214.00 | +7.45% |
| Earned Revenue | \$- | 0.00% |
| Contributions and Sponsorships | \$8,251.00 | +0.99% |
| Donations | \$75,341.00 | +9.03% |
| Interest Earned | \$713.00 | +0.09% |
| Total Non-Assessment (General Benefit) Revenue** | \$146,519.00 | +17.55% |
| Total | \$834,694.00 | 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 did not meet this requirement for Portside. See table below.*

Landside

| Service Category | FY 2015-2016 Budget | % of Budget | FY 2015-2016 Actuals | % of Budget | Variance Percentage Points |
|--|---------------------|----------------|----------------------|----------------|----------------------------|
| District Identity and Streetscape Improvements | \$307,342.20 | 42.55% | \$322,599.36 | 37.86% | -4.69% |
| Public Rights of Way and Sidewalk Operations, | \$202,545.00 | 28.04% | \$192,109.36 | 22.55% | -5.50% |
| Administrative and Corporate Operations | \$139,141.80 | 19.27% | \$152,530.34 | 17.90% | -1.36% |
| Contingency Reserves | \$73,200.00 | 10.14% | \$124,598.55 | 14.62% | +4.49% |
| Special Projects | \$- | 0.00% | \$60,234.24 | 0.00% | +7.07% |
| TOTAL | \$722,229.00 | 100.00% | \$852,071.85 | 100.00% | |

Portside

| Service Category | FY 2014-2015 Budget | % of Budget | FY 2014-2015 Actuals | % of Budget | Variance Percentage Points |
|--|---------------------|-------------|----------------------|-------------|----------------------------|
| District Identity and Streetscape Improvements | \$166,619.50 | 69.93% | \$179,671.96 | 65.23% | -4.70% |
| Administrative and Corporate Operations | \$48,751.50 | 20.46% | \$50,091.53 | 18.19% | -2.27% |

| | | | | | |
|---------------------|---------------------|----------------------------|---------------------|----------------|--------|
| Special Projects | \$0.00 | 0.00% | \$31,029.76 | 11.27% | 11.27% |
| Contingency Reserve | \$22,900.00 | 9.61% | \$14,638.90 | 5.31% | -4.30% |
| TOTAL | \$238,271.00 | 100.00% % | \$200,867.26 | 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 2015-16 Carryover Disbursement | \$544,371.42 |
| SOBO | \$157,791.51 |
| DISI | \$222,143.40 |
| Administration | \$108,893.82 |
| Contingency | \$53,562.69 |
| Special Project Total | \$542,391.42 |
| Total Designated amount for Future Years | \$544,371.42 |

Portside

| | |
|---|---------------------|
| FY 2015-2016 Carryover Disbursement | \$124,374.66 |
| Designated Projects for FY 2015-16 | |
| General Benefit | \$1,020.00 |
| DISI | \$86,348.20 |
| Administration | \$24,671.20 |
| Contingency | \$12,335.27 |
| Special Project Total | \$123,354.66 |
| Total Designated amount for Future Years | \$124,374.66 |

Findings and Recommendations

For the fiscal year in review, Fisherman's Wharf CBD generally met all benchmarks mentioned, on pages 4 and 5 of this memo. The one exception is Benchmark 3 for the Portside district where the amount

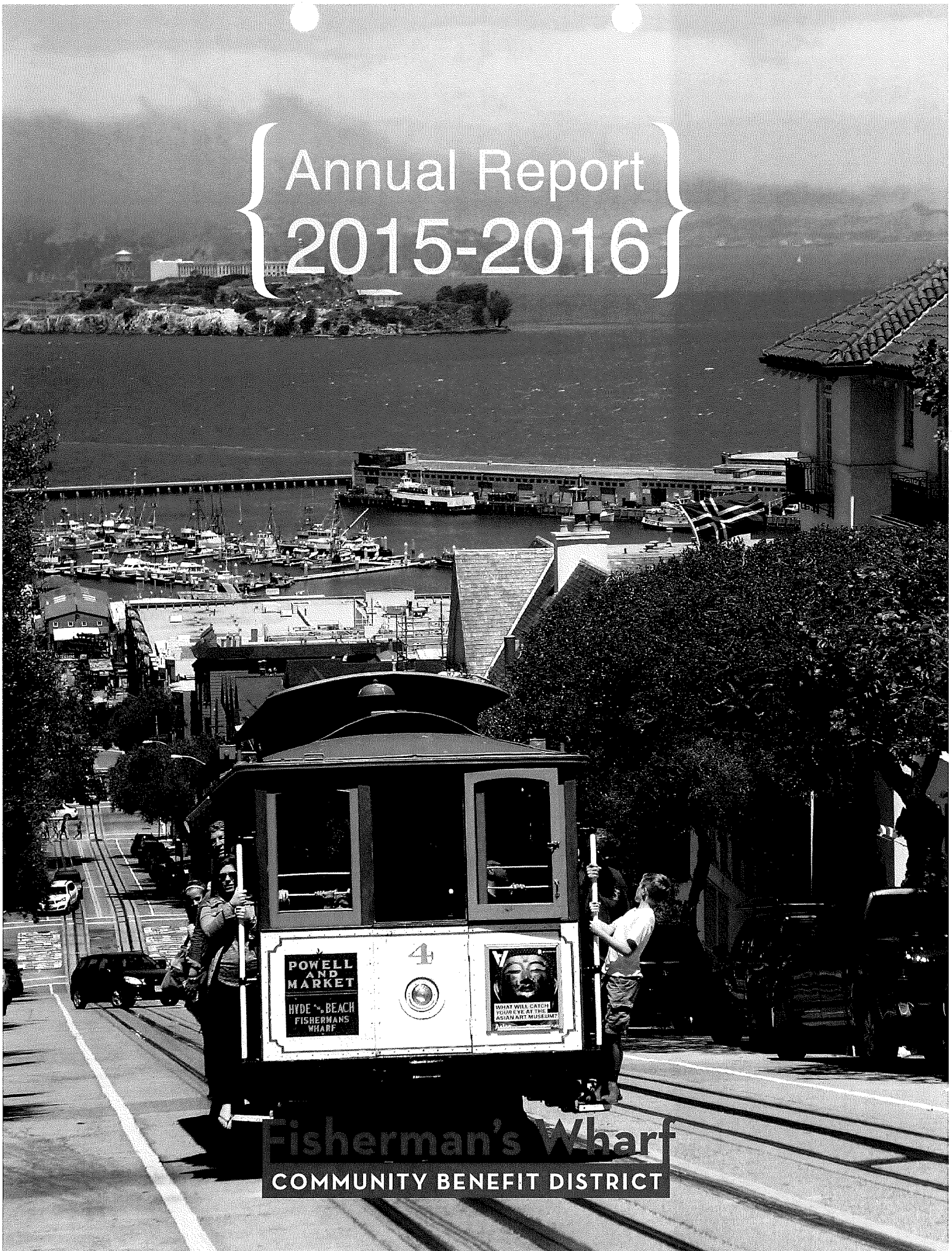
designated towards Special Projects exceeded the 10 percentage point variance allowance. Upon further review, the entirety of the Special Project budget was composed of non-assessment dollars. If we factor only the assessment dollars spent, the Portside district was in compliance with this benchmark.

FWCBD expires on June 30, 2020. OEWD recommends the Executive Director and the governing board begin outlining and preparing for their renewal campaign. OEWD will assist the district with this planning process.

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 Wharfest. 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.

{ Annual Report 2015-2016 }



Fisherman's Wharf
COMMUNITY BENEFIT DISTRICT



Dear Community Member,

As a member of the Fisherman's Wharf Community Benefit District (FWCBD), it has been a wonderful opportunity to watch and experience the evolution and growth of our organization. It has been an honor to be a part of the Board of Directors for the past seven years and to serve as president over the last year. Our organization has become the community's most powerful advocate and a generator of growth that we did not have before the FWCBD's inception 11 years ago.

The 2015 – 2016 fiscal year has been another exciting and successful year. We were able to accomplish many of our previously established goals, continue to make progress on Phase II of the Jefferson Street Public Realm Project, and set future goals during our strategic planning meeting.

I want to thank our committed staff, volunteer Board of Directors, committee members and City agencies that contributed to the betterment of the Fisherman's Wharf community throughout the year. I have been very fortunate to serve as president and work with so many wonderful people.

Please read through this annual report and discover all that we have accomplished and how we are working to make Fisherman's Wharf an even greater place for our businesses, residents and visitors. I encourage all interested members of our community to get involved and help the growth and evolution of our organization.

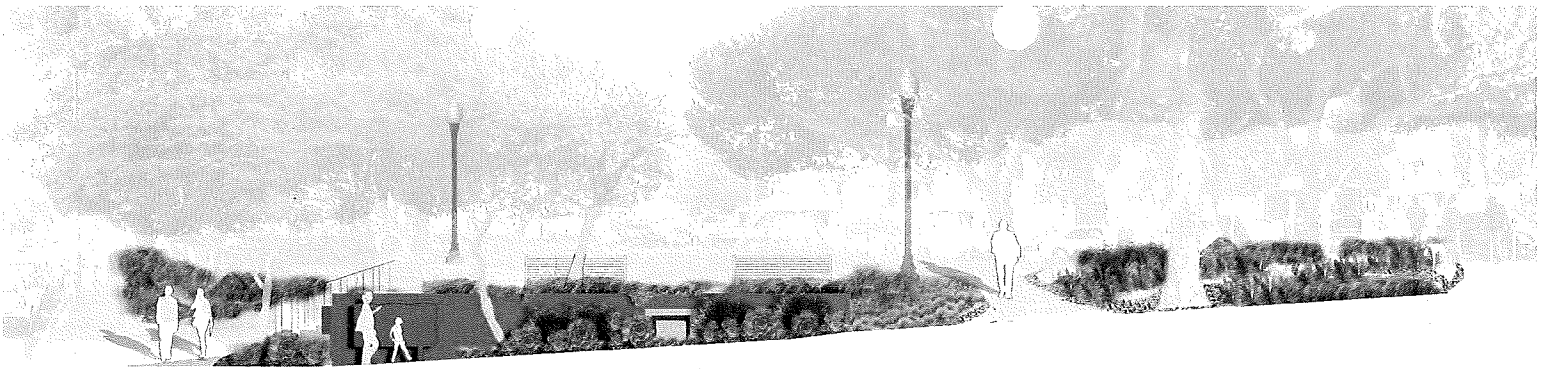
Sincerely,

John Cannizzaro, FWCBD President

Fisherman's Wharf District Information

| | |
|----------------------------------|--------------------|
| Year Established | 2006, for 15 years |
| Total Assessed Properties | 105 Landside |
| Total Assessed Businesses | 56 Portside |
| Total Square Blocks | 30 |
| Geographic Size | 143 Acres |
| Population | 5,885 |
| Jobs | 8,334 |
| Job Density | 59 Jobs / Acre |

- » Fisherman's Wharf is the number one destination in San Francisco and PIER 39 is the most visited attraction.
- » Fisherman's Wharf receives 10-12 million visitors annually.
- » On average, 24,383 people visit Fisherman's Wharf on a daily basis. The number can swell as high as 100,000 people, depending on the season and/or the weather.
- » 35% of visitors to Fisherman's Wharf are local Bay Area residents.
- » In 2010 businesses at Fisherman's Wharf generated \$65.6 million in revenue annually to the City of San Francisco through rents to the Port of San Francisco, payroll, sales, property, hotel and parking taxes.
- » There are 11 parking garages and lots at Fisherman's Wharf that generated \$14.2 million in parking revenue tax that funds the Port and the MTA.
- » Fisherman's Wharf supports over 8,384 jobs, 1,475 of which are at the 13 hotels located at Fisherman's Wharf. These 13 hotels have over 3,200 guest rooms and have some of the highest occupancy rates in the city.



SOBO & PIERsafe

- » In the spring of 2016 we assisted DPW with writing an Active Transportation Grant for the Jefferson Steet Public Realm Project.
- » Partnered with the landscape design firm, Carducci & Associates and SF Rec and Parks to create new design for Joseph Conrad Square.
- » Created new information packets for the district addressing rules, regulations, marketing opportunities and how to become more involved in the district.
- » Worked with the MTA to allow the FWCBD to attach branded district identity decals to light poles in the neighborhood.
- » Partnered with the MTA on a licensing agreement to add a new welcome sign at the Hyde Street Cable Car turnaround.
- » Maintained lights in all of the trees at Joseph Conrad Square
- » Held monthly district walkthroughs with DPW and the Port of San Francisco staff to identify and fix issues within the district.
- » The Executive Director served as Co-Chair 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, the Deputy District Attorney and the Fisherman's Wharf beat officers.
- » Held our 2nd Annual Security and Safety Summit in the spring. The event achieved the goal of providing the community with resources and education as well as fostering partnerships between SFPD, the District Attorney's Office, local merchants and private security companies located at the Wharf.
- » Held monthly PIERsafe Committee Meetings.
- » Conducted weekly tests of the FISHnet radio network that includes over 15 participating members.
- » Reprinted the Essential Contact Numbers wallet cards that were distributed in the district.
- » Through an applicaiton process we awarded two businesses with FISHnet radios so that they could participate in this vital emergency program.

The FWCBD's Ambassador Program is a critical program for the district, offering needed support to property owners and merchants. The ambassadors not only assist visitors with directions and questions, but they also clean and remove graffiti in the district, collect litter, outreach to the district's street population, and aid law enforcement and the Port of San Francisco.

15/16 SERVICE TOTALS

Hospitality Statistics

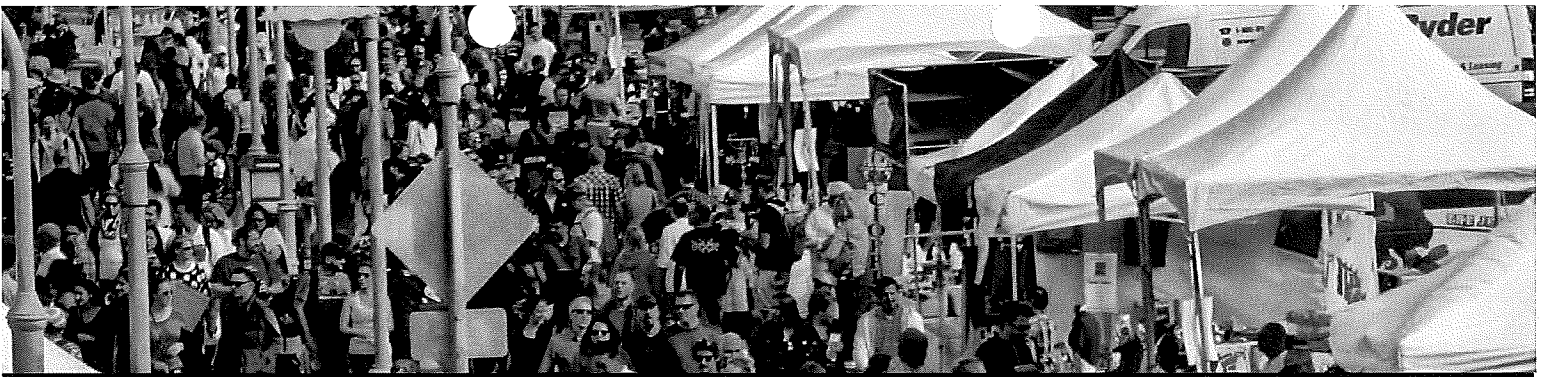
| | |
|---|--------|
| 1. Hospitality Assistance | 12,488 |
| 2. Business Contacts Made | 9,747 |
| 3. Directions Given | 9,328 |
| 4. Street Performer Conflict Resolution | 1,185 |
| 5. Escorts Provided | 548 |
| 6. Motorists Directions Given | 292 |

Cleaning & District Service Statistics

| | |
|-------------------------------------|--------|
| 1. Trash Removed (lbs) | 14,104 |
| 2. Calls for Service From Merchants | 2,964 |
| 3. Pan & Broom Block Faces | 2,008 |
| 4. Graffiti Removed | 1,532 |
| 5. Graffiti Stickers Removed | 1,201 |
| 6. Street Furniture Cleaned | 1,395 |
| 7. Tree Grates Cleaned | 1,563 |
| 8. Painting Enhancements | 603 |

Safety / Compliance Request Statistics

| | |
|-----------------------------------|-------|
| 1. Sit/Lie | 2,014 |
| 2. Public Disturbance/Panhandling | 2,164 |
| 3. Drinking in Public | 1,378 |
| 4. Camping/Sleeping | 1005 |
| 5. Drug Activity | 702 |
| 6. Illegal Dumping | 1,010 |



Marketing & District Identity Accomplishments

- » The FWCBD received a \$120,000 Google Adwords Grant for the creation of ad campaigns aimed at boosting our search ranking in Google, our top referral search engine.
- » Highlights from the 3rd Annual Wharf Fest Event & Chowder Competition Include:
 - » Over 500 tickets sold for the Chowder Competition tasting between 10 local restaurants who competed to win the title of either Judge's Choice or People's Choice Award
 - » Partnered with the Hard Rock Café to provide bands for the main stage at Jefferson and Taylor Streets
 - » The FWCBD raised \$20,000 in sponsorship for the event
- » The FWCBD built and relaunched the website, visitchowder.com, in December on the Squarespace platform. The new website has helped site performance dramatically. From January 1 - June 30, the time spent on the site per user increased 192%, the bounce rate decreased by 40%, the amount of pages viewed site increased by 24%, and the non-bounce sessions (valuable visitors) increased by 72%.
- » Promoted the "12 Days of Wharfmas," a contest through the FWCBD's Facebook page. The contest generated 1,925 likes, 199 comments and 1,938 entries.
- » Held a travel media familiarization tour that focused on what's new and unexpected at the Wharf. 100 media personnel were pitched and 20 attended (including Eater SF, Hoodline, Red Tricycle and 7x7). The event covered many of the new businesses and remodels happening at the Wharf. Within weeks of the event, their stories published by Foster Travel, Eater SF and 7x7.
- » Completed the district branding pole wraps that were affixed to light poles in the district.
- » During the month of December we decorated the iconic crab wheel sign with holiday lights.
- » Fisherman's Wharf was awarded Trip Advisor's Certification of Excellence and the Experts' Choice Award from TripExpert.
- » We were nominated for Poppy Award from Visit California for our joint social media marketing campaign with the Union Square BID.
- » We completed a refresh of our branding and updated all print and digital marketing collateral and materials.

Pedestrian Counts

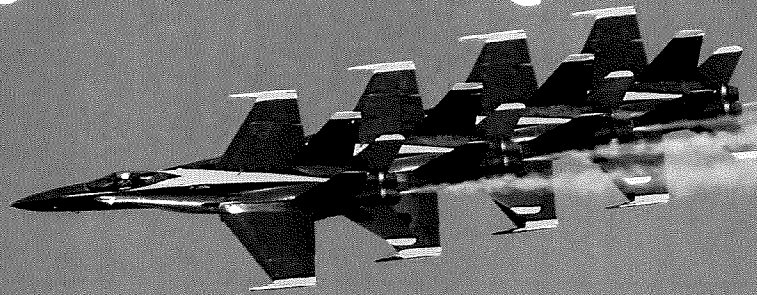
Here are some highlights from the 2015/2016 fiscal year of the FWCBD's four pedestrian counting cameras on Jefferson Street.

- » 21,011,914 footfalls* were counted on Jefferson Street from July 1, 2015 to June 30, 2016

The top ten days for visitation were:

| | |
|--|---|
| 110,796 - 02/14/16 - Valentine's Day | 103,697 - 07/25/15 - Saturday in July |
| 110,533 - 10/10/15 - Saturday of Fleet Week | 101,251 - 07/18/15 - Saturday in July |
| 109,664 - 07/04/15 - July 4th at the Wharf | 100,814 - 09/05/15 - Saturday of Labor Day Weekend |
| 105,078 - 08/15/15 - Saturday in August | 100,687 - 09/06/15 - Sunday of Labor Day Weekend |
| 103,909 - 08/08/15 - Saturday in August | 100,467 - 08/01/15 - Saturday in August |

*Footfalls are the total number of people counted passing by the cameras, not individuals.



Fisherman's Wharf Ongoing Marketing Programs

Social Media & Internet Management

| | | |
|-----------------|-----------------------------------|----------------------|
| Visitor Website | VisitFishermansWharf.com | 195,000 Annual Users |
| Facebook | Facebook.com/visitfishermanswharf | 37,000 Likes |
| Twitter | @TheWharfSF | 2,566 Followers |
| Instagram | @FishermansWharf | 2,002 Followers |

The FWCBD is also the account administrators for the Fisherman's Wharf Yelp & Trip Advisor pages.

Newsletters

| | |
|------------------------|--------------------------------------|
| FWCBDDetails | Monthly community newsletter |
| What's Up Wharf? | Quarterly consumer newsletter |
| Events & Meetings News | Quarterly travel industry newsletter |

Print Media

| | |
|--------------------------|---|
| Visitor Brochure | Distributed to over 850 locations in California |
| Alaska Airlines Magazine | Full Page ad with six other Wharf businesses for their in-flight magazine |

Event Production & Sponsorships

| | |
|-----------------------|---|
| 4th of July | Major sponsor and assistance with marketing the event |
| Fleet Week | Major sponsor and assistance with marketing the event |
| 3rd Annual Wharf Fest | Production, operations and marketing |
| Lighted Boat Parade | Partnership with the St. Francis Yacht Club |

Advocacy & Other Accomplishments

- » Advocated for getting the Central Subway to the Wharf and assisted the group SF Nextstop in promoting the extension to Fisherman's Wharf.
- » Built, maintained and promoted an "Online Job Fair" for district merchants during the months of April & June to assist with hiring seasonal employment at the Wharf.
- » Sponsorships by the FWCBD were provided to: Fleet Week, 4th of July Celeration, the Taste of Tel-Hi Fundraier, FWMA Crab Feed Fundraiser, National Night Out, FWMA Golf Tournament and the Aquarium of the Bay.
- » Partnered with the FWMA on a joint district holiday party
- » The FWCBD was awarded a Neighborhood Justice Fund Grant from the District Attorney's office to help promote the PARK SMART! campaign, a citywide initiative that educate visitors to not leave valuables in their cars.
- » Advocated for increased fines with the District Supervisors office for two of the most violated laws at Fisherman's Wharf; solicitation and illegal vending.
- » Received a grant from OEWD to run a seasonal ambassador program for nearby Lombard Street. This program not only helps this tourist hot spot adjacent to Fisherman's Wharf but also provides additional funds for the FWCBD Ambassador program.
- » Created a sponsorship program, leveraging FWCBD assets, in order to create new fundraising opportunities for the district. For the 15/16 year the following companies participated in the program; Anchorage Chopping Center, The Electric Tour Company and Where Magazine.

2015/16 Financials

Landside + Portside

Landside

| | Actual | Budget | Variance | % of Variance | Actual | Budget | Variance | % of Variance |
|---|------------------|----------------|----------------|---------------|----------------|----------------|----------------|---------------|
| REVENUE | | | | | | | | |
| Assessments-Landside | 688,175 | 665,100 | 23,075 | 3% | 688,175 | 665,100 | 23,075 | 3% |
| Assessments-Portside | 219,059 | 229,600 | -10,541 | -5% | 0 | 0 | 0 | 0% |
| Special Projects | 94,264 | 0 | 94,264 | 100% | 62,214 | 0 | 62,214 | 100% |
| Special Event/Sponsorship | 13,772 | 20,800 | -7,028 | -34% | 8,569 | 13,728 | -5,159 | -38% |
| Interest Savings/Other | 748 | 0 | 748 | 100% | 748 | 0 | 748 | 100% |
| Donated Services | 111,486 | 45,000 | 66,486 | 148% | 75,341 | 29,700 | 45,641 | 154% |
| TOTAL REVENUE | 1,127,504 | 960,500 | 167,004 | 17% | 835,047 | 708,528 | 126,516 | 18% |
| EXPENSE | | | | | | | | |
| Sidewalk, Operations & Beautification | 192,109 | 192,900 | -791 | 0% | 192,109 | 192,900 | -791 | 0% |
| District Identity & Streetscape Improvement | 412,786 | 447,600 | -34,814 | -8% | 263,539 | 293,930 | -30,391 | -10% |
| Administration | 180,622 | 178,900 | 1,722 | 1% | 136,250 | 132,470 | 3,780 | 3% |
| Special Projects | 91,264 | 0 | 91,264 | 100% | 60,234 | 0 | 60,234 | 100% |
| Donated Services | 111,486 | 45,000 | 66,486 | 148% | 75,341 | 29,700 | 45,641 | 154% |
| TOTAL EXPENSES | 988,267 | 864,400 | 123,867 | 14% | 727,473 | 649,000 | 78,473 | 12% |
| NET INCOME | 139,237 | 96,100 | 43,137 | 45% | 107,574 | 59,528 | 48,046 | 81% |
| 15/16 CARRYOVER | 668,746 | 0 | 668,746 | 100% | 544,371 | 0 | 544,371 | 100% |

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 |

2015 – 2016 Balance Sheet

Portside

| Actual | Budget | Variance | % of Variance |
|----------------|----------------|---------------|---------------|
| 0 | 0 | 0 | 0% |
| 219,059 | 229,600 | -10,541 | -5% |
| 32,050 | 0 | 32,050 | 100% |
| 5,203 | 7,072 | -1,869 | -26% |
| 0 | 0 | 0 | 0% |
| 36,145 | 15,300 | 20,845 | 136% |
| 292,456 | 251,972 | 40,484 | 16% |
| 0 | 0 | 0 | 0% |
| 149,247 | 153,670 | -4,423 | -3% |
| 44,372 | 46,430 | -2,058 | -4% |
| 31,030 | 0 | 31,030 | 100% |
| 36,145 | 15,300 | 20,845 | 136% |
| 260,793 | 215,400 | 45,393 | 21% |
| 31,663 | 36,572 | -4,909 | -13% |
| 124,375 | 0 | 124,375 | 100% |

| ASSETS | |
|---|----------------|
| CURRENT ASSETS | |
| Checking | 93,834 |
| Savings | 570,090 |
| TOTAL | 663,924 |
| ACCOUNTS RECEIVABLE | |
| Other | 1,823 |
| Grant | 3,000 |
| TOTAL | 4,823 |
| OTHER CURRENT ASSETS | |
| Prepaid Expenses & Insurance | 7,204 |
| TOTAL | 7,204 |
| TOTAL CURRENT ASSETS | 679,950 |
| FIXED ASSETS | |
| Total fixed assets & ORG. COSTS | 134,047 |
| Accumulated Depreciation | -101,689 |
| TOTAL FIXED ASSETS | 32,357 |
| TOTAL ASSETS | 708,307 |
| LIABILITIES & EQUITY | |
| LIABILITIES | |
| Accounts Payable | 0 |
| Accrued Expenses Year-End | 16,243 |
| TOTAL CURRENT LIABILITIES | 16,243 |
| FUND BALANCE | |
| Restricted | 3,000 |
| Unrestricted | 689,064 |
| TOTAL FUND BALANCE | 692,064 |
| TOTAL LIABILITIES & FUND BALANCE | 708,307 |

2015 – 2016 Carryover Disbursement

For '16-'17 Fiscal Year

| | |
|------------------------|----------------|
| DISI | 229,673 |
| SOBO | 109,616 |
| ADMIN | 89,616 |
| Special Projects | 140,688 |
| Contingency Reserve | 99,153 |
| Total Carryover | 668,746 |

2015 – 2016 Budget Distribution

| | |
|---------------------|-----|
| SOBO | 21% |
| DISI | 49% |
| ADMIN | 20% |
| Contingency Reserve | 10% |

2016/17 Budget

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

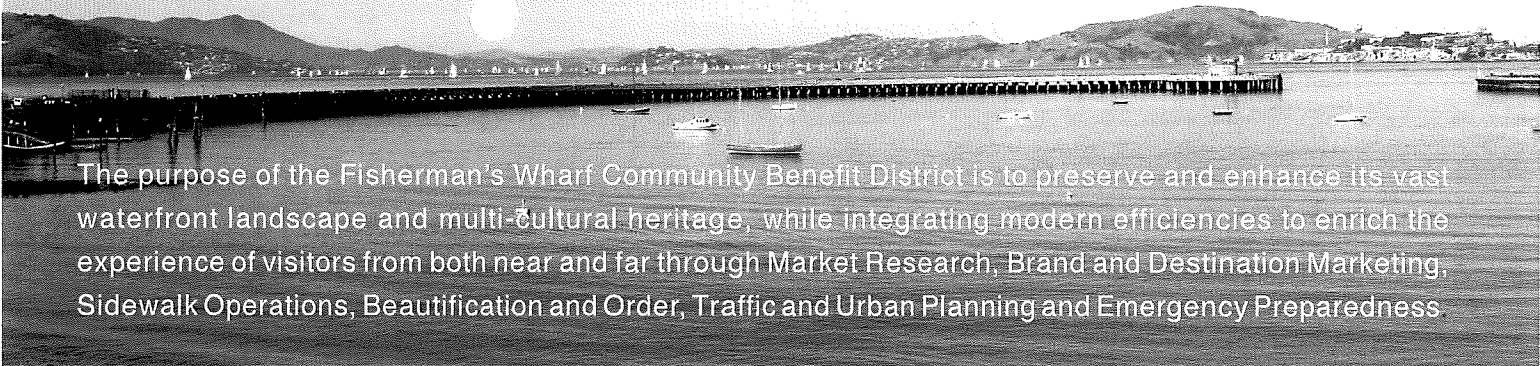
Tour operators/tour boat vessels and related businesses (including large and small tour boats and sport fishing boats), are assessed based on the number of passengers per vessel operator or per horse drawn carriage company or per pedi cab company. The assessments range from \$250 to \$2,000.

July 2016 - June 2017 Budget

| Revenue | Land | Port | Total |
|-----------------------|----------------|----------------|----------------|
| Assessments | 686,300 | 236,500 | 922,885 |
| Events/Sponsorships | 8,000 | 4,100 | 12,100 |
| Donated Services | 38,500 | 10,600 | 49,100 |
| TOTAL REVENUE | 732,900 | 251,200 | 984,100 |
| Expense | Land | Port | Total |
| SOBO | 199,00 | 0 | 199,00 |
| DISI | 282,600 | 169,600 | 452,200 |
| Administration | 137,300 | 47,300 | 184,600 |
| Donated Services | 38,500 | 10,600 | 49,100 |
| Contingency Reserve | 75,500 | 23,700 | 99,200 |
| TOTAL EXPENSES | 732,900 | 251,200 | 984,100 |

2016 – 2017 Budget Distribution

| | |
|---------------------|-----|
| SOBO | 22% |
| DISI | 48% |
| ADMIN | 20% |
| Contingency Reserve | 10% |



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.

2015-2016 Board of Directors



Troy Campbell
Executive Director



Laura Schaefer
Program Manager



Rachel Brown
Marketing & Communications Director



Mike Castro
Operations Manager

PRESIDENT:

John Cannizzaro, Jefferson Building, Inc.

VICE PRESIDENT:

Jeff Sears, Blazing Saddles

SECRETARY:

Aline Estournes, NorthPoint Shopping Center

TREASURER:

Sina von Reitzenstein, PIER 39

ASST. SECRETARY:

Rodney Fong, The Wax Museum Building

ASST TREASURER:

Brandy Marts, The Franciscan Restaurant

IMMEDIATE PAST PRESIDENT:

Tony Smith, Anchorage Square, CBRE

BOARD MEMBERS:

David Berbey, Portco, Inc.

Gary Burns, Tarantino's

Al Casciato, Bovis Foods

Molly Castles, Ghirardelli Sqaure

Hagen Choi, Tower Tours

Chris Connors, Merlin Entertainment

Tom Creedon, Scoma's Restaurant

Mike Cunningham, Holiday Inn Express

Rebecca Delgado-Rottman, Academy of Art University

Jacqueline Douglas, Wacky Jacky Sport Fishing

Tom Escher, Red and White Fleet

Michael Hirsch, Sheraton Hotel Fisherman's Wharf

Carolyn Horgan, Blue & Gold Fleet

Brian Huber, MapWest

Paul Miller, Boudin

Kathy Paver, PIER 39

Frank Rescino, The Lovely Martha Sport Fishing

Jason Williams, Hotel Zephyr

COMMUNITY REPRESENTATIVES

Jay Edwards, Port of San Francisco

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

COMMITTEES & MEETINGS

- Executive
- Street Operations, Beautification and Order
- Marketing
- Sustainability
- PIERsafe
- Transportation
- Police Community Meetings



Fisherman's Wharf
COMMUNITY BENEFIT DISTRICT

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 - Visitor Site
www.fwcbd.com - Association Site

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

Financial Statements

June 30, 2016
(Reviewed)

Barlow & Hughan LLP
CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

JUNE 30, 2016

TABLE OF CONTENTS

| | | |
|--|----------|------|
| INDEPENDENT ACCOUNTANTS' REVIEW REPORT | PAGE NO. | 1-2 |
| STATEMENT OF FINANCIAL POSITION June 30, 2016 | | 3 |
| STATEMENT OF ACTIVITIES AND NET ASSETS Year ended June 30, 2016 | | 4 |
| STATEMENT OF CASH FLOWS Year ended June 30, 2016 | | 5 |
| NOTES TO FINANCIAL STATEMENTS | | 6-10 |
| ADDITIONAL INFORMATION | | |
| STATEMENT OF FUNCTIONAL EXPENSES Year ended June 30, 2016 | | 11 |

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

1182 MARKET STREET, SUITE 400
SAN FRANCISCO, CA 94102-4922
TELEPHONE (415) 522-2490

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, 2016, the related statements of activities 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

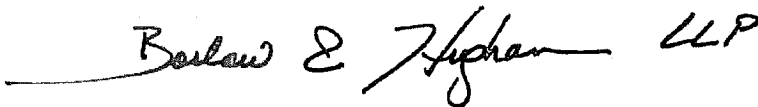
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting 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.

Supplementary Information

The statement of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. We have reviewed the information and, based on our review we are not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. We have not audited the information and, accordingly, do not express an opinion on such information.

Handwritten signature of Barlow & Hughan LLP in cursive script.

San Francisco, California
October 27, 2016

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

(See independent accountants' review report)

ASSETS

CURRENT ASSETS

| | |
|---|--------------|
| Cash | \$663,924 |
| Assessments receivable net of allowance for doubtful accounts of \$10,659 (Note 1) | 0 |
| Grant receivable | 3,000 |
| Accounts receivable | 1,823 |
| Prepaid expenses | <u>7,203</u> |
| | 675,950 |

| | |
|--|-------|
| OFFICE FURNITURE AND EQUIPMENT - Net of accumulated depreciation (Note 3) | 1,537 |
|--|-------|

| | |
|---|---------------|
| INTANGIBLE ASSETS - Net of amortization (Note 4) | <u>30,820</u> |
|---|---------------|

\$708,307

LIABILITIES

| | |
|--|------------------|
| ACCOUNTS PAYABLE AND ACCRUED LIABILITIES | <u>\$ 16,243</u> |
|--|------------------|

NET ASSETS

| | |
|--------------|---------|
| UNRESTRICTED | 689,064 |
|--------------|---------|

| | |
|------------------------|----------------|
| TEMPORARILY RESTRICTED | <u>3,000</u> |
| | <u>692,064</u> |

\$708,307*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, 2016

(See independent accountants' review report)

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|-------------------|
| REVENUES AND SUPPORT | | | |
| Special benefit assessments | \$ 892,894 | | \$ 892,894 |
| Public support | 202,750 | \$3,000 | 205,750 |
| Program services | <u>22,215</u> | | <u>22,215</u> |
| | 1,117,859 | 3,000 | 1,120,859 |
| OTHER INCOME (EXPENSE) | | | |
| Provision for doubtful accounts | 14,341 | | 14,341 |
| Special Events - Net of expenses of \$32,238 | (8,444) | | (8,444) |
| Interest | 233 | | 233 |
| Gain on disposition of equipment | <u>515</u> | | <u>515</u> |
| | <u>1,124,504</u> | <u>3,000</u> | <u>1,127,504</u> |
| EXPENDITURES | | | |
| Program services | | | |
| Landside - District identity and street improvements | 317,664 | | 317,664 |
| Landside - Street operations, beautification and order | 192,110 | | 192,110 |
| Portside - District identity and street improvements | 179,671 | | 179,671 |
| Lombard street visitor services | 91,264 | | 91,264 |
| Support Services | | | |
| General and administrative expenses | 202,622 | | 202,622 |
| Fundraising | <u>4,935</u> | | <u>4,935</u> |
| | <u>988,266</u> | | <u>988,266</u> |
| CHANGE IN NET ASSETS | 136,328 | 3,000 | 139,238 |
| FUND BALANCES - Beginning of year | <u>552,826</u> | | <u>552,826</u> |
| FUND BALANCES - End of year | <u>\$ 689,064</u> | <u>\$3,000</u> | <u>\$ 692,064</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, 2016

(See independent accountants' review report)

| | |
|---|-------------------------|
| CASH FLOWS PROVIDED BY OPERATING ACTIVITIES | |
| Assessments received | \$964,460 |
| Cash paid to suppliers and employees | (914,772) |
| Cash received from programs and events | 44,186 |
| Grants received | 91,264 |
| Interest received | <u>233</u> |
| Net cash provided by operating activities | <u>185,371</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Proceeds from disposition of equipment | 1,946 |
| Purchase of equipment | <u>(2,445)</u> |
| Net cash used for investment activities | <u>(499)</u> |
| NET INCREASE IN CASH | 184,872 |
| CASH - Beginning of year | <u>479,052</u> |
| CASH - End of year | <u>\$663,924</u> |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES | |
| Value of in-kind contributions used for operations | <u>\$111,486</u> |
| RECONCILIATION OF CHANGE IN NET ASSETS | |
| TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Change in net assets | 139,238 |
| Items not requiring cash: | |
| Depreciation and amortization | 7,756 |
| Provision for doubtful accounts | (14,341) |
| Gain on disposition of equipment | (515) |
| Changes in assets and liabilities: | |
| Decrease in assessments receivable | 71,566 |
| Increase in grants receivable | (3,000) |
| Increase in accounts receivable | (1,823) |
| Decrease in prepaid expenses | 211 |
| Decrease in accounts payable | <u>(13,721)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$185,371</u> |

See notes to financial statements.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(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, 2016, 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 new grant from the City to provide community services under the Lombard Street Visitor Services Program which serves an area adjacent to the Districts.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History and Operations (Continued)

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.

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, 2016 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, net of an allowance for doubtful accounts based on the Association's historical experience. At June 30, 2016 the Association had outstanding receivables of \$10,659 related to the Portside District which were fully subject to the reserve for doubtful accounts.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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."

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 \$111,486. This amount was recognized as public support and corresponding expenses were also recognized by the Association.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(See independent accountants' review report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Accumulated paid time off is accrued when earned. As of June 30, 2016 the liability for employees for compensated absences was \$8,443. The liability for compensated absences was included among the accrued liabilities of the Association.

2. CASH

Cash at June 30, 2016 consisted of the following:

| | |
|--|------------------|
| Cash in checking account | \$ 93,834 |
| Cash deposited in interest-bearing account | <u>570,090</u> |
| | <u>\$663,924</u> |

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, 2016 was \$1,557.

Office furniture and equipment at June 30, 2016 consisted of the following:

| | |
|-------------------------------|----------------|
| Furniture and equipment | \$6,063 |
| Less accumulated depreciation | <u>4,526</u> |
| | <u>\$1,537</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, 2016 was \$6,199.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(See independent accountants' review report)

4. INTANGIBLE ASSETS (Continued)

At June 30, 2016 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>97,163</u> |
| | <u>\$ 30,820</u> |

5. RISK AND UNCERTAINTIES

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 80% 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.

6. CONCENTRATIONS OF CREDIT RISK

At June 30, 2016 the Association had uninsured cash deposits with a bank totaling approximately \$453,000.

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.

Barlow & Hughan LLP

CERTIFIED PUBLIC ACCOUNTANTS

ADDITIONAL INFORMATION

Barlow & Hughan LLP
CERTIFIED PUBLIC ACCOUNTANTS

FISHERMAN'S WHARF ASSOCIATION OF SAN FRANCISCO

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2016

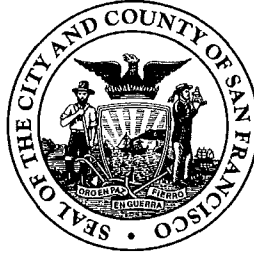
(See independent accountants' review report)

| | Program Services <u>Landside</u> | | Program Services <u>Portside</u> | | Lombard Street <u>Visitor services</u> | General and <u>Administrative</u> | | <u>Fundraising</u> | <u>Total</u> |
|--|--|--|--|--|---|--------------------------------------|-----------------|--------------------|------------------|
| | <u>District identity and street improvements</u> | <u>Street operations, beautification and order</u> | <u>District identity and street improvements</u> | | | <u>Landside</u> | <u>Portside</u> | | |
| Salaries | \$ 78,136 | \$ 25,694 | \$ 39,965 | | \$ 8,025 | \$ 81,164 | \$28,515 | | \$261,499 |
| Employee benefits | 10,837 | 784 | 4,538 | | 1,045 | 5,406 | 1,392 | | 24,002 |
| Payroll taxes | <u>3,976</u> | <u>3,487</u> | <u>2,048</u> | | <u>409</u> | <u>8,327</u> | <u>2,932</u> | | <u>21,179</u> |
| | 92,949 | 29,965 | 46,551 | | 9,479 | 94,897 | 32,839 | | 306,680 |
| Ambassador program | 60,302 | 114,706 | 33,920 | | 81,785 | | | | 290,713 |
| Marketing and media production | 65,745 | | 46,802 | | | | | 4,935 | 117,482 |
| Events marketing | 60,910 | | 32,392 | | | | | | 93,302 |
| Jefferson Street traffic management | | 37,376 | | | | | | | 37,376 |
| Occupancy | | | | | | 22,196 | 7,772 | | 29,968 |
| Security and parking operations | 16,251 | | 8,960 | | | | | | 25,211 |
| Office expenses | | | | | | 16,644 | 5,794 | | 22,438 |
| Professional fees | 3,191 | 5,234 | 1,705 | | | | | | 10,130 |
| Springboard camera counter | 6,405 | | 3,449 | | | | | | 9,854 |
| Website maintenance | 5,942 | | 2,868 | | | | | | 8,810 |
| Insurance | | | | | | 6,174 | 1,816 | | 7,990 |
| Deprecation and amortization | | | | | | 7,756 | | | 7,756 |
| Signage | | 4,829 | | | | | | | 4,829 |
| Planning and zoning | 2,640 | | 1,360 | | | | | | 4,000 |
| Membership dues | | | | | | 2,655 | 1,065 | | 3,720 |
| Emergency preparedness | 1,899 | | 963 | | | | | | 2,862 |
| Meeting and events | | | | | | 1,587 | 587 | | 2,174 |
| Annual report | 850 | | 402 | | | | | | 1,252 |
| Miscellaneous | <u>580</u> | | <u>299</u> | | | <u>622</u> | <u>218</u> | | <u>1,719</u> |
| | <u>\$317,664</u> | <u>\$192,110</u> | <u>\$179,671</u> | | <u>\$91,264</u> | <u>\$152,531</u> | <u>\$50,091</u> | <u>\$4,935</u> | <u>\$988,266</u> |

See notes to financial statements.

Barlow & Hughan LLP
CERTIFIED PUBLIC ACCOUNTANTS

BOARD of SUPERVISORS



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

MEMORANDUM

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

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

DATE: February 22, 2017

SUBJECT: LEGISLATION INTRODUCED

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

File No. 170181

Resolution receiving and approving the annual report for the Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District for FY2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600 *et seq.*), Section 36650, and the 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
Ken Rich, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 FEB 14 PM 4:25

Time stamp
for 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):

Peskin

Subject:

[Fisherman's Wharf Community Benefit District and Fisherman's Wharf Portside Community Benefit District – Annual Report for FY 2015-16]

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 fiscal year 2015-2016, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600 et seq.), Section 36650, and the Districts' management agreements with the City, Section 3.4.

Signature of Sponsoring Supervisor: _____

For Clerk's Use Only: