

File No. 110970

Committee Item No. 7

Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Rules

Date 9/15/11

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 Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <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"/> | 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"/> | <u>Annual Reports</u> |
| <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: Linda Wong

Date 9/12/11

Completed by: \_\_\_\_\_

Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Annual Reports -- Central Market Community Benefit District.]

2  
3 **Resolution regarding Central Market Community Benefit District annual reports to**  
4 **the City: receiving and approving the District's Annual Reports for calendar**  
5 **years 2007, 2008, 2009 and 2010, as submitted pursuant to Section 36650 of the**  
6 **Business Property and Community Benefit Act of 1994 (California Streets and**  
7 **Highways Code §§36600 *et seq.*) and Section 3.4 of the District's management**  
8 **contract with the City.**  
9

10 WHEREAS, On September 12, 2006, pursuant to the Property and Community  
11 Benefit Law of 1994, California Streets and Highways Code Sections 36600 *et seq.* (the  
12 "Act"), as augmented by Article 15 of the San Francisco Business and Tax Regulations  
13 Code ("Article 15"), the Board of Supervisors adopted Resolution No. 519-06  
14 "Resolution of Intention to form the Central Market Community Benefit District (CBD)"  
15 ("Resolution of Intention," BOS File No. 060860); and,

16 WHEREAS, On October 31, 2006 the Board of Supervisors adopted Resolution  
17 No. 631-06 "Resolution to Establish the Central Market Community Benefit District"  
18 (Resolution to Establish) for a period of seven (7) years commencing with Fiscal Year  
19 2006-2007, (BOS File No. 061393); and,

20 WHEREAS, On June 19, 2007 the Board of Supervisors adopted Resolution  
21 No. 313-07 "Contract with Owners' Association for Administration of Central Market  
22 Community Benefit District" (BOS File No. 070673); and,

23 RESOLVED, that the Board of Supervisors declares as follows:  
24  
25

1           **Section 1. RECEIPT AND APPROVAL OF THE CENTRAL MARKET**  
2 **COMMUNITY BENEFIT DISTRICT'S ANNUAL REPORTS TO THE CITY.**

3           The Board hereby receives and approves the Central Market Community Benefit  
4 District's Annual Reports for calendar years 2007, 2008, 2009 and 2010, and proposed  
5 budget for 2011.

6           Supporting documents for these annual reports are on file with the Clerk of the  
7 Board of Supervisors in File No. 110970, and include a transmittal letter and  
8 memorandum report from the City's Office of Economic and Workforce Development  
9 dated July 27, 2011, and documentation from the owners' nonprofit corporation that is  
10 named "Central Market Community Benefit District Corporation."

11           These annual reports are submitted pursuant to Section 36650 of the Business  
12 Property and Community Benefit Act of 1994 (California Streets and Highways Code  
13 §§36600 *et seq.*), and pursuant to Section 3.4 of the District's Management Contract  
14 with the City (*i.e.*, Section 3.4 of the City's management agreement/contract with the  
15 nonprofit property owners' association which uses the name "Central Market  
16 Community Benefit District Corporation," for management and administration of the  
17 Central Market Community Benefit District), which is on file with the Clerk of the Board  
18 of Supervisors in File No. 070673 (re Resolution No. 313-07).

August 11, 2011

Supervisor Jane Kim  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, Ca 94102-4689

Dear Supervisor Kim,

We are submitting this packet on the Central Market Community Benefit District for your review. Per their contract with the City, we are requesting that you introduce a resolution to approve the annual reports and financial statements of Central Market Community Benefit Corporation for FY 2007, FY 2008, FY 2009, FY 2010 and their organizational budget for FY 2011. Central Market CBC operates on a January 1 – December 31 fiscal year. We also ask that you schedule a public hearing through the appropriate committee to take testimony on the work of Central Market CBD for the past four years.

Included in this packet:

- 1) Draft resolution from the City Attorney
- 2) Memo summarizing the accomplishments of the Central Market CBD
- 3) Summary and analysis of their financial statements
- 4) Annual Reports from FY 2007, FY 2008, FY 2009, FY 2010
- 5) CPA Financial Review for FY 2007, FY 2008, FY 2009 and FY 2010

Per their contract with the City, Central Market Community Benefit Corporation is required to submit the following reports:

- 1) Mid-year report (due July 31<sup>st</sup>, on two quarters of work)
- 2) Annual Report (due January 31<sup>st</sup>, 30 days after the end of fiscal year)
- 3) Unaudited Financial Statements and Budget for the following year (due January 31<sup>st</sup>, 30 days after the end of fiscal year)
- 4) CPA Financial Review/Audit (due April 30<sup>th</sup>, 120 days after the end of fiscal year)

Each year the Central Market Community Benefit Corporation (CMCBC) is required to submit a mid-year report; an annual report; and a CPA Financial Review or Audit. CMCBC has complied with most of these requirements, not all. They did not submit a mid-year report in FY 2008 and FY 2009.

The attached memo summarizes their accomplishments for the past four fiscal years and a summary and analysis of their financial statements and organizational development. 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 Central Market CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2007.





OEWD's staff report reviewed the following budget related benchmarks for Central Market CBC:

- 1) Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget of the previous fiscal year – *Central Market CBC met this requirement for all years covered in this report. Please see Table 1 on page 8.*
- 2) Whether five percent of their income came from sources other than assessment revenue – *Central Market CBC did not meet this requirement during FY 2007 (0%) primarily because there was no staff until August 2007. However, they exceeded 5% during FY 2008 and FY 2009 and greatly exceeded this in FY 2010. Please see Table 2 on page 9.*
- 3) Whether the variance between budget amount and actual expenses within a fiscal year was within 10 percent – *This analysis is explained on pages 5-8 of this report. Please see Table 3 on Page 10.*
- 4) Whether the annual budget indicates the amount of funds carried over from the previous fiscal year – *Central Market CBC met this requirement for all fiscal years covered in this report. Please see Tables 3 and 4 on pages 10 and 11.*
- 5) Whether a spending plan for carryover funds was provided in the annual budget – *Central Market CBC met this requirement for all fiscal years covered in this report. Each year, the organization allocates the assessment funds they receive in December as operating funds for the first six months of the following fiscal year. Please see Tables 3 and 4 on pages 10 and 11.*

The Board of Supervisors will need to vote on the attached resolution to approve the FY 2007, FY 2008, FY 2009 and FY 2010 Central Market CBC annual reports and financial statements as well as their organizational budget for FY 2011.

Thank you for your support of the Central Market Community Benefit District. We look forward to working with you throughout this process.

Sincerely,

Lisa Pagan  
Project Manager  
Community Benefit District Program



## MEMO

To: SF Board of Supervisors

From: Lisa Pagan and Trina Villanueva, OEWD

RE: Central Market Community Benefit District – Annual Review FY 2007, FY 2008, FY 2009, FY 2010 and budget for FY 2011

Date: August 11, 2011

---

The Central Market Community Benefit District was formed in the fall of 2006 with the intention of improving the quality of life experienced in the public right of ways by area residents, workers and small business owners within the Central Market district. The CBD believes that improving the overall cleanliness and safety of the area will increase pedestrian activity, strengthen existing small businesses and cultural institutions and attract new investment.

The CMCBD extends from 5<sup>th</sup> to 9<sup>th</sup> Streets on Market Street (primarily only properties on the south side of Market Street) and includes some areas of Stevenson Street, Jessie Street and Mission Street (see map in attached reports). The district contains 141 parcels including two BART/MUNI stations – Powell Street and Civic Center; the former US Mint building; and Mint Plaza.

### Background

- October 31, 2006, the Board of Supervisors approved the establishment of the Central Market Community Benefit District (Resolution # 631-06).
- June 19, 2007, the Board approved the contract for the administration and management of the Central Market Community Benefit District (Resolution # 313-07). The nonprofit “owner’s association” that will manage the district is called the Central Market Community Benefit Corporation.
- In January 2008, the CBD began providing cleaning services and public safety/social service outreach.

### Basic Info about Central Market CBD

Year Established – October 2006

Assessments Collected – FY 2006-2007 to FY 2012-2013 (July 1, 2006 to June 30, 2013)

Services Start and End Date -- January 1, 2007 – December 31, 2013

Initial Estimated Annual Budget -- \$535,299

Fiscal Year – January 1 – December 31

Executive Director – Daniel Hurtado

Name of Nonprofit Entity – Central Market Community Benefit Corporation

Each year the Central Market Community Benefit Corporation (Central Market CBC), the nonprofit organization that administers the CBD, is required to submit a mid-year report; an annual report; and a CPA Financial Review or Audit. Central Market CBC has complied with most of these requirements, not all. They did not submit mid-year reports in FY 2008 and FY 2009.

This memo summarizes their accomplishments for the past four fiscal years and a summary and analysis of their financial statements. 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 Central Market CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2006.

OEWD's staff report reviewed the following budget related benchmarks for Central Market CBC:

- 1) Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget of the previous fiscal year – *Central Market CBC met this requirement for all years covered in this report. Please see Table 1 on page 8.*
- 2) Whether five percent of their income came from sources other than assessment revenue – *Central Market CBC did not meet this requirement during FY 2007 (0%) primarily because there was no staff until August 2007. However, they exceeded 5% during FY 2008 and FY 2009 and greatly exceeded this in FY 2010. Please see Table 2 on page 9.*
- 3) Whether the variance between budget amount and actual expenses within a fiscal year was within 10 percent – *This analysis is explained on pages 5-8 of this report. Please see Table 3 on Page 10.*
- 4) Whether the annual budget indicates the amount of funds carried over from the previous fiscal year – *Central Market CBC met this requirement for all fiscal years covered in this report. Please see Tables 3 and 4 on pages 10 and 11.*
- 5) Whether a spending plan for carryover funds was provided in the annual budget – *Central Market CBC met this requirement for all fiscal years covered in this report. Each year, the organization allocates the assessment funds they receive in December as operating funds for the first six months of the following fiscal year. Please see Tables 3 and 4 on pages 10 and 11.*

### **Summary of Accomplishments and Challenges 2007-2010**

#### **Public Space Beautification and Safety**

The district's Management Plan calls for 65% of the budget to be spent on cleaning, safety and beautification services. Except for FY 2007, the CBD is in compliance with their Management Plan and contract as they have spent a majority (69%-72%) of their budget in this service area for the past three years.

#### **Clean Streets:**

In November 2007 CMCBC awarded the cleaning/maintenance contract to SF Clean City Coalition and public safety/social service outreach program to MJM Management Group but services did not begin until January 2008.

The CMCBD had a contract with SF Clean City Coalition from January 2008 through December 2008. The CMCBD then entered into contract with MJM Management Group in January 2009.

The Clean Streets program provides daily cleaning and maintenance services in the district. They operate Monday through Friday from 9am to 6pm and Sat. and Sun. from 10am to 2pm. They sweep sidewalks, pick up trash/litter, remove graffiti, paint public fixtures, power wash and steam clean public areas (quarterly). In 2009, the program expanded to include graffiti abatement with a 24-hour response time.

A summary of the Clean Team's work in 2010 showed that the crews removed more than 1100 graffiti tags, stickers and flyers on public and private property and addressed close to 700 cases of construction issues, safety hazards, vandalism and other matters.

#### Community Guides:

The Central Market CBD Management Plan called for public safety programs that included enhanced outreach to the homeless and pedestrian safety program.

To this end, the CBD developed the Community Guides program in partnership with social service agencies, SFPD and community-based organizations and launched program in 2008. The guides would serve as "eyes and ears" for the Central Market community while also serving as goodwill ambassadors providing social service outreach, merchant outreach, wayfinding and pedestrian safety support. The guides are trained to engage people who are homeless and in need on the street and connecting to a continuum of services that will help them become stable and independent. They operate Monday through Friday from 9am to 6pm.

In 2009, the CBD was provided with a \$200,000 contract by the SF Redevelopment Agency to launch a Community Guides program on 6<sup>th</sup> Street (from Market to Harrison Streets). The guides would continue to integrate the three-pronged approach to crime prevention through public safety, social service outreach and customer service. The two guides work Monday through Friday from 10am to 6pm. They also have access to the Dispatch and Call Center.

#### Dispatch Center:

The dispatch center allows for people to call a phone number to report graffiti, abandoned items and cleanliness issues as well as public safety matters. The call center contacts the Clean Team, Community Guides or city departments to address the issue.

#### **District Identity and Streetscape Improvements (DISI)**

Per their Management Plan, the CBD is supposed to spend 5% of their budget on District Identity and Streetscape Improvement projects. In 2007, during their first year of operation, they spent 31% of their total expenses on District Identity projects. However, for the past three years, CMCBC has spent between 5%-10% of their total expenses on DISI activities which is more aligned with their Management Plan and annual budget projections.

#### District Identity:

The CBD began their district identity work in 2007 with the creation of their website, [www.central-market.org](http://www.central-market.org). It includes all the pertinent information about the organization, their programs, reports, meeting schedules and information about events in the neighborhood. Later (in 2010) they added a business directory, a development projects section and commercial space leasing information. In 2007, they also launched the first neighborhood e-newsletter, *Central Market Matters*, highlighting neighborhood news and news from the CBD.

Thereafter, CMCBC worked with partners to organize events and other promotional activities to attract more people to the Central Market area. In 2008, CMCBC worked with the Friends of Mint Plaza and People in Plazas to launch Music on Mint Plaza Concert Series. There were 13 free noontime shows. They also hosted an open house that provided an opportunity for people to learn more about the work of CMCBC. They continued to produce *Central Market Matters* and distributed new brochures and other materials on the CBD's services and special events.

In February 2009, they hosted the *Love Thy Neighbor(hood)* benefit which celebrated the CBD's work in the previous year, featured speakers such as Chip Conley, the CEO of Joie de Vivre Hospitality and raised funds for the Community Guides program. That summer, they expanded the summer concert series to include performances on 1275 Market Street Plaza from July to September in addition to the concerts at Mint Plaza. They continued to work with People in Plazas. CMCBC also participated in the Arts in Storefronts program of the Arts Commission and OEWD in the fall of 2009. The program engaged local artists to reinvigorate the vacant storefronts on Market Street by placing temporary art installations. Lastly, they created a video, "Central Market Community Guides: At the Heart of the Matter" which highlights the role of the guides in creating a safe, clean and welcoming environment in Central Market.

2010 was another year full of district identity activities for CMCBC. They held their second *Love Thy Neighbor(hood)* event in June and drew over 100 attendees. This time funds raised at the event went to support arts-related public space programming. They continued the summer concerts at the Mint Plaza and expanded with a weekly concert in front of 949 Market Street. In addition, CMCBC partnered with KUNST-STOFF arts, a dance company located in the neighborhood and provided free noontime dance performances at Mint Plaza and in front of 949 Market Street. Both the summer concerts and dance performances were held between July and end of September. Soon after that CMCBC provided marketing, design and media relations support to *24 Days of Central Market Arts*, a festival held from September 24 to October 17, 2010. The CBD received a grant from OEWD for \$10,000 to support this event. This festival will be held again in September 2011.

#### Streetscape Improvement:

In 2008, they worked with the Soma Grand to launch the light pole banner program. The banners on light poles throughout the district displayed the arts, cultural and entertainment aspect of the neighborhood.

In 2010, the Art Institute of California-San Francisco agreed to sponsor and participate in the design, fabrication and installation of over 100 light pole banners in Central Market. A team of students designed the banners and the Institute paid for the fabrication and installation of the banners.

#### **Administrative and Corporate Operations**

The CBD was formed in October 2006 and the Steering Committee spent the next year building the infrastructure of the nonprofit organization that will administer the district, the Central Market Community Benefit Corporation. During this time, an interim board was established, various committees were formed to start implementing the goals and objectives of the CBD and an extensive survey was conducted to find out the scope of services desired by the residents, employees and visitors in the district.

In 2007, the Board of Directors approved their bylaws, submitted their 501c3 application and hired Daniel Hurtado as the Executive Director. Daniel started his position in August 2007 and worked with board to issue request for proposals for cleaning/maintenance and public safety/social service outreach services.

The board of directors has 10 members – five property owners, three community representatives and two non-property owning merchants from the district. They are elected to two-year terms and meet monthly. The board has a Finance Committee to ensure that CMCBC is operating in a fiscally responsible manner. They also have a Services Committee which reviews the CBD's programs and a CMCBD Identity Committee which aims to strengthen the organization's marketing initiatives.

*Note: The following is a summary of administrative issues that occurred during FY 2011. Since this report does not cover the current fiscal year, these issues will be discussed again when OEWD analyzes the work of the CBD in FY 2011.*

In March 2011, OEWD staff wrote a letter to the Board of Central Market Community Benefit Corporation expressing concerns about the performance of the organization in meeting their OEWD funded grant objectives and communication challenges with the CBD staff on a number of CMCBD/OEWD joint projects and initiatives. (Please see attached memo)

Since then, the CMCBD board and OEWD staff have met several times to address all the issues. Both have agreed to work more cooperatively and to meet monthly to ensure good communication and coordination about all CMCBD/OEWD joint projects and activities related to Central Market.

#### **CBD Annual Budget Analysis**

Below is a summary of Central Market Community Benefit Corporation's income and expenses for the past three fiscal years. The analysis is based on the organization's annual CPA Financial Review. As noted earlier, the Central Market CBC follows the calendar year as their fiscal year so this report covers FY 2007, FY 2008, FY 2009 and FY 2010 as well as their budget for FY 2011.

As with all CBDs, they receive two major transfers of assessment funds – in late December/early January and in late April/early May. Assessment funds are paid at the same time as property taxes which are due to the city by December 10<sup>th</sup> and April 10<sup>th</sup>. Central Market CBC uses the funds transferred in late December/early January as their cash flow to operate during the first six months of their fiscal year.

#### **FY 2007**

According to their CPA Review, CMCBC received \$789,991 in assessment funds and \$420 in donations. They did not meet their requirement of raising 5% of their budget from non-assessment funds during the first year, mainly because there was no staff person until August 2007 who could have worked on fundraising.

They expended a total of \$165,792 primarily in administrative costs to set up the organization. CMCBC did not meet its budget goals for FY 2007 as they were just starting all their program work. They spent \$0 of their total expenses on public space beautification and safety. They awarded the cleaning and public safety contracts in November 2007 but services did not begin

until January 2008. The organization spent \$51,954 on DISI activities including the creation of their website, logo development, marketing materials, an extensive community survey through Urban Ecology and the launch of the e-newsletter *Central Market Matters* and \$113,838 on administration costs such as paying for contract staff, insurance and legal and accounting fees.

CMCBC ended the fiscal year with net assets of \$624,619. Of this amount, they carried over \$349,245 to the following fiscal year as this was the amount of cash they had available at the end of 2007. The funds were allocated to all program areas. The net assets also included \$275,299 in receivables from the property owners.

#### FY 2008

CMCBC received \$494,139 in assessment funds and \$36,140 worth of in-kind donations for a total of \$530,279. This meant they raised almost 7% in other funds.

They expended \$622,920 in programmatic and administrative costs. CMCBC spent \$430,336 (69%) of their total expenses on public space beautification and safety programs and \$30,896 (5%) on DISI activities including maintenance of their website, sponsorship of special events (*Music on Mint Plaza Summer Concerts*), publication of promotional items and design of banners and artwork. They spent \$161,688 (26%) on management and operations which was more than budgeted because they hired a full-time Executive Director and they moved into an office.

CMCBC had \$535,478 in cash available at the end of the fiscal year. Of this amount, \$269,816 was carried over to be used for operations during the first six months of the 2009 fiscal year (the rest of the funds, \$262,162 were set aside as reserve funds for future projects). CMCBC ended the fiscal year with net assets of \$531,978.

#### FY 2009

Their CPA Financial Review for FY 2009 showed that CMCBC received a total of \$598,219 in revenues. Of this, they received \$554,862 in assessment funds and \$43,357 in other income. The organization was able to raise 7% of their revenues from other sources.

Their total expenses during FY 2009 was \$670,215. CMCBC spent \$472,776 (71%) of their total expenses on public space beautification and safety; \$64,074 (10%) on DISI activities including sponsorship of special events (*Central Market Summer Concerts* at the Mint Plaza; *Love Thy Neighbor* and *Art in Storefronts*), banners and artwork, website maintenance and distribution promotional items and their e-newsletter. They expended \$133,365 (20%) on management and operations. All of these expenses were proportional to their budget and revenues. For a second consecutive year, the CBD was able to spend more than their actual revenues because of their available carryover funds.

CMCBC ended the fiscal year with \$162,069 in cash available which they will use for operations in the first six months of the next fiscal year. They ended the year with net assets of \$459,982. Net assets include \$297,963 still owed to the CBD from property owners.

#### FY 2010

CMCBC received \$447,657 in assessment funds and \$211,201 in other income for a total of \$658,858. This meant they raised 32% in other funds including a \$200,000 contract from the SF Redevelopment Agency to pay for two Community Guides on 6<sup>th</sup> Street.

They expended \$763,617 in programmatic and administrative costs. CMCBC spent \$546,995 (72%) of their total expenses on public space beautification and safety and \$76,227 (10%) on DISI activities mainly on sponsorship of special events (*Central Market Summer Concerts* at the Mint Plaza; *24 Days of Central Market Arts*; and *Lights on Market Street*), website maintenance and distribution promotional items and their e-newsletter. They spent \$140,395 (18%) on management and operations.

CMCBC had \$103,441 in cash available at the end of the fiscal year which they will use for operations in the first six months of FY 2011. CMCBC ended the fiscal year with net assets of \$355,223. Of this amount, \$251,782 is due to the CBD in receivables from property owners.

#### FY 2011

The CBD's budget for FY 2011 is \$667,008. They intend to spend \$404,024 (61%) on Public Space Beautification; \$33,960 (5%) on District Identity and Streetscape Improvements; and \$128,115 (19%) on Administration cost. They have allocated \$100,909 (15%) for Contingency/Reserve funds. All are consistent with their Management Plan and their FY 2010 budget.

#### Recommendations

- 1) Central Market CBC has not been consistent on submitting all reports. OEWD staff has informed them that they need to submit all required reports and they have agreed to do so. During FY 2011 they have submitted all required documents on time.
- 2) The board and staff of Central Market CBC should attend a training on the Brown Act and CA Public Records Act sponsored by OEWD.
- 3) OEWD staff and Central Market CBC board and staff should continue to meet on a regular basis and work together on matters related to the Central Market neighborhood.

#### Conclusion

Central Market is one of the most challenged areas of San Francisco. This is an area that has had historically high rates of commercial vacancies, crime and violence and many other issues that residents, merchants and their employees, and tourists have to contend with. Over the past five years, Central Market CBD has added a lot of positive elements to the area. Their Clean Streets program has ensured a better pedestrian experience; their Community Guides on both Market and Sixth Streets have provided a lot of social service support to the homeless population; and their marketing and promotions program has increased foot traffic through their sponsorships of events on Mint Plaza and Market Street. OEWD is committed to working closely with the Central Market CBD to make a positive impact on this neighborhood.



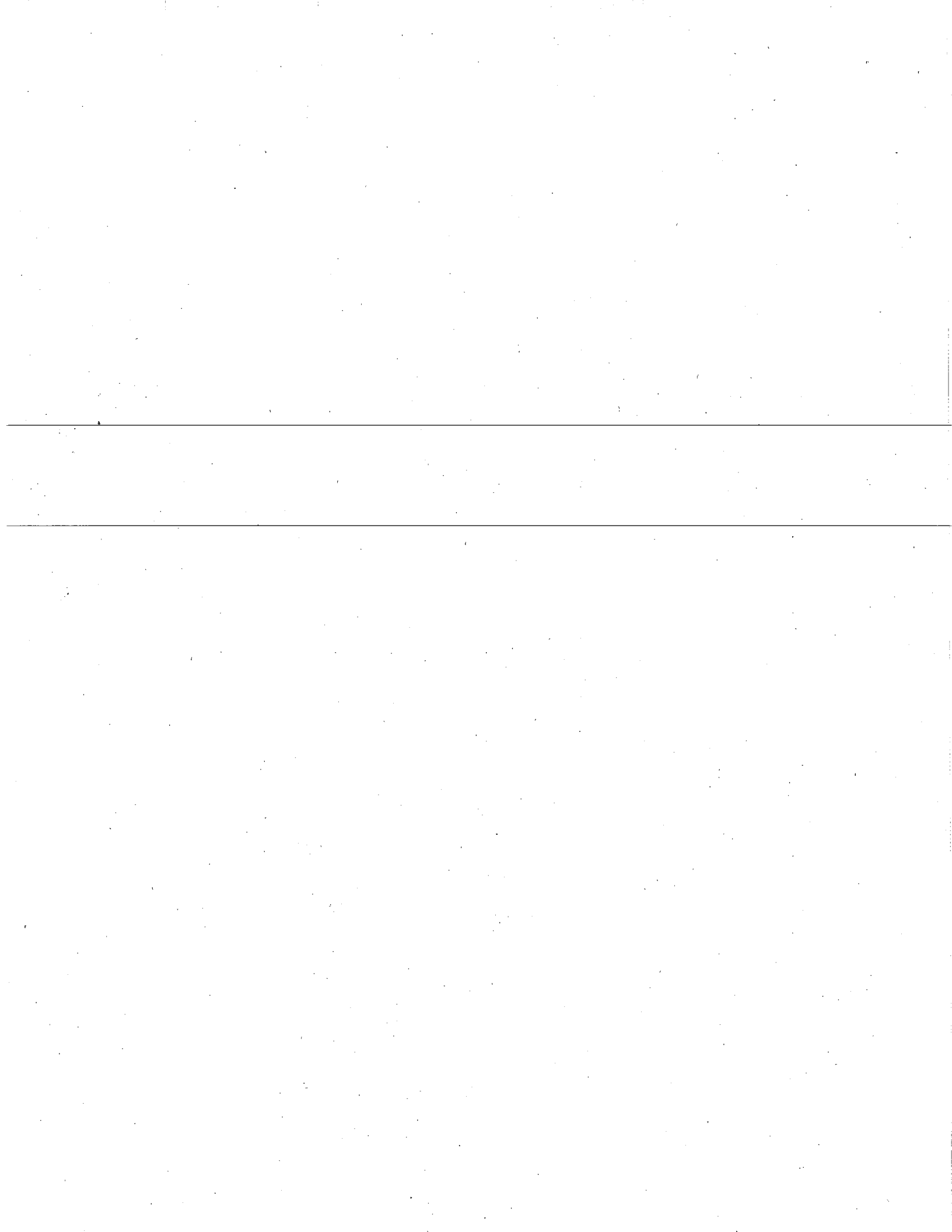
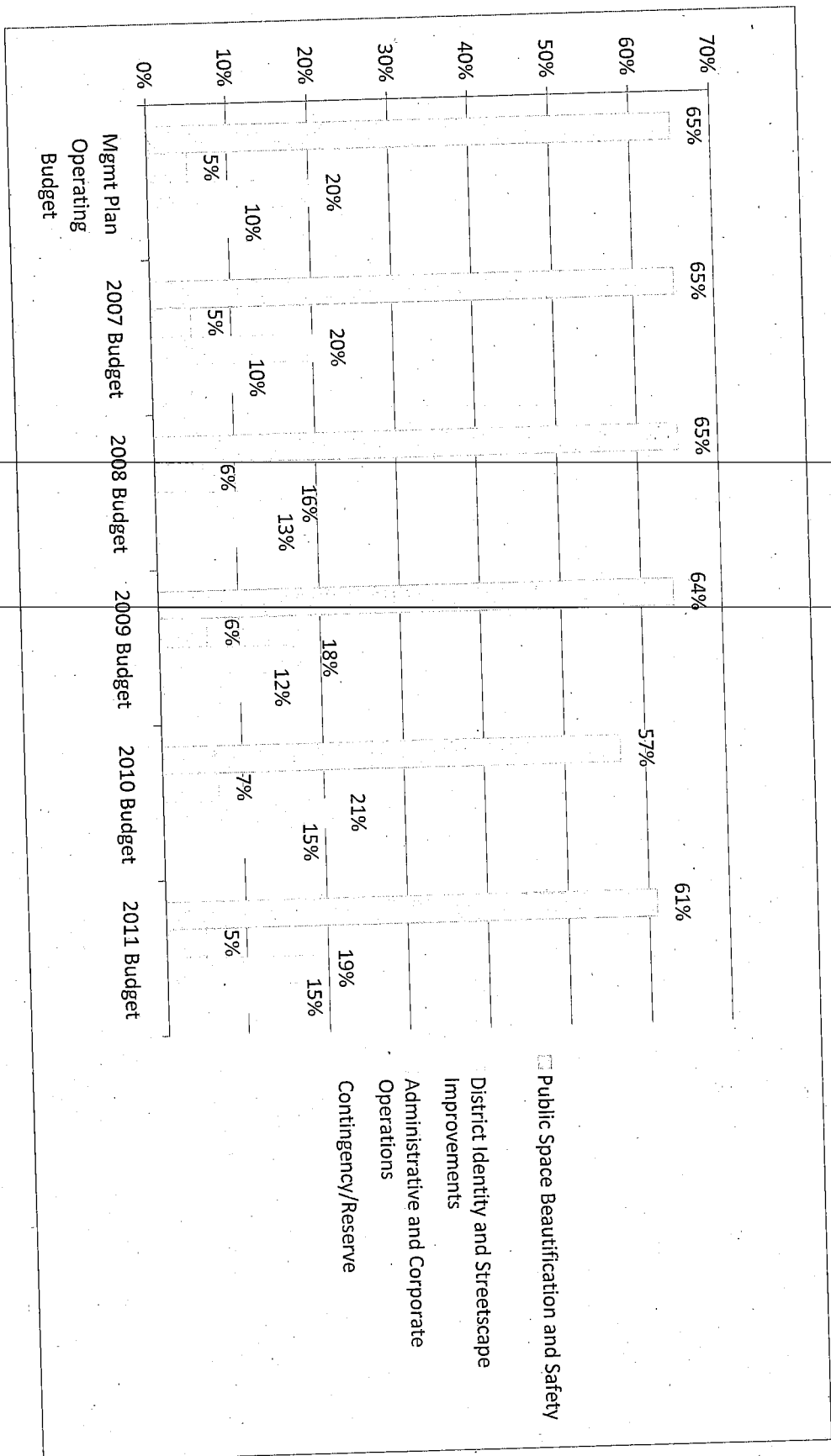


Table 1

# Annual Budget compared to original Management Plan Budget



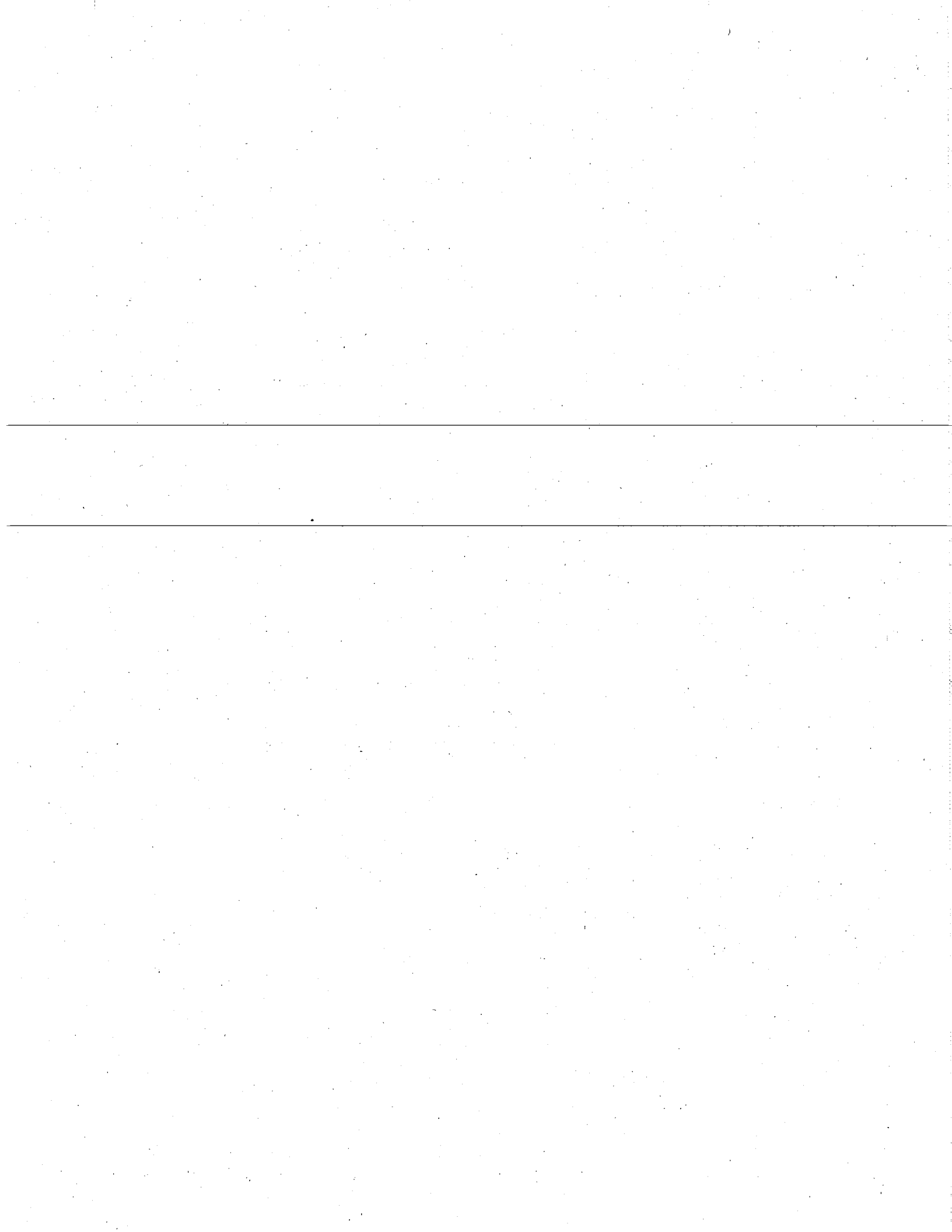


Table 2

### Other Income Sources (e.g. Grants, Donations, In-Kind, etc.) / 5% requirement

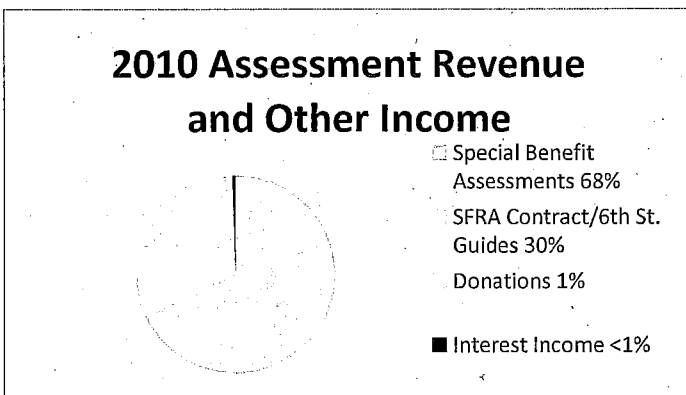
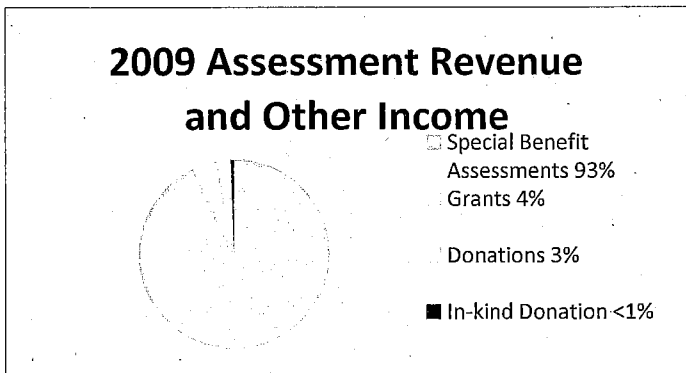
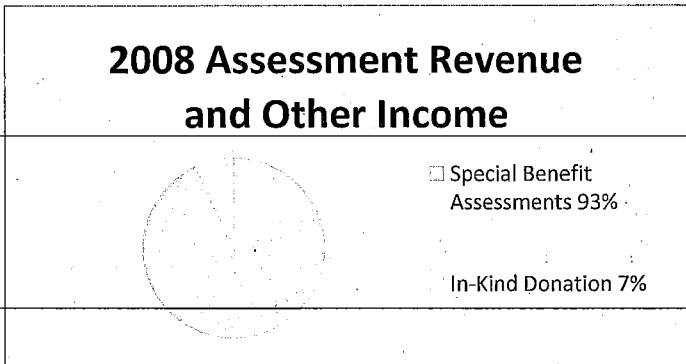
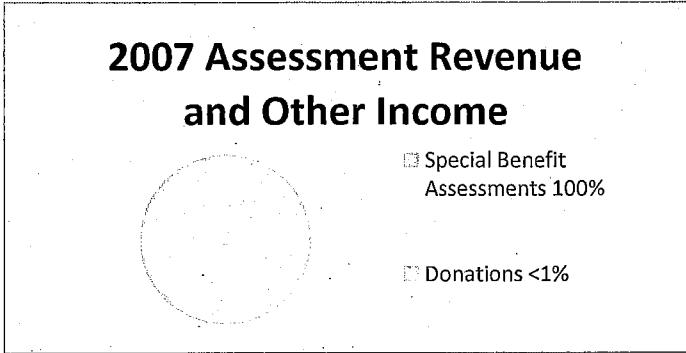


Table 3

**CENTRAL MARKET COMMUNITY BENEFIT DISTRICT**  
**Revenue and Expenditures - Budget vs. Actual**  
**Fiscal Years Ending 2007 through 2010**

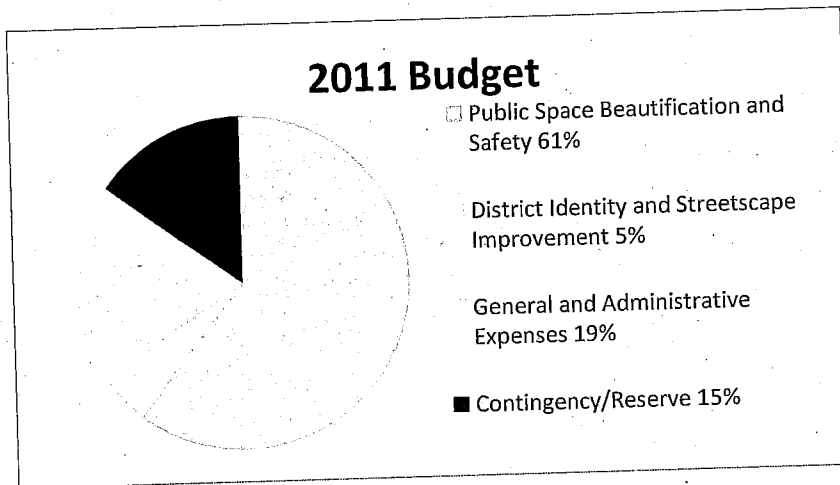
	Year Ended December 31, 2007				Year Ended December 31, 2008				Year Ended December 31, 2009				Year Ended December 31, 2010			
	Actuals	Budget	Difference	% Difference	Actuals	Budget	Difference	% Difference	Actuals	Budget	Difference	% Difference	Actuals	Budget	Difference	% Difference
<b>REVENUES*</b>																
Special Benefit Assessments	789,991	535,300			494,139	514,700			554,862	553,661			447,657	526,472		
Donation & Grants	420	28,174			36,140	25,723			40,857	79,183			208,345	92,000		
Investment Income									2,500	2,772			2,856	0		
Carryover from previous year					624,619	624,619			531,978	531,978			459,982	162,070		
	<b>790,411</b>	<b>563,474</b>			<b>1,154,898</b>	<b>1,165,042</b>			<b>1,130,197</b>	<b>1,167,594</b>			<b>1,118,840</b>	<b>780,542</b>		
<b>EXPENDITURES</b>																
Program Services																
Public Space Beautification and Safety	0	366,257	-366,257	-100%	430,335	513,454	-83,118	-16%	472,776	530,693	-57,917	-11%	546,995	385,144	161,851	42%
District Identity and Streetscape Improvements	51,954	28,174	23,780	84%	30,895	45,674	-14,778	-32%	64,074	49,200	14,874	30%	76,227	49,842	26,385	53%
General and Administrative Expense	113,838	112,695	1,143	1%	161,688	124,639	37,049	30%	133,365	144,220	-10,855	-8%	140,395	138,484	1,911	1%
Contingency/Reserve	165,792	563,473	-341,334		622,920	889,744	-60,847		670,215	824,113	-153,898		763,617	673,470	90,147	
Carryover to next year	624,619				531,978				459,982				355,223			

\* Budget vs actual statement includes carryover funds not spent in previous years.

Table 4

**CENTRAL MARKET COMMUNITY BENEFIT DISTRICT  
2011 Budget**

<b>REVENUES</b>		
Special Benefit Assessments		503,567
SFRA / 6th Street Community Guide funding		25,000
Donations & Grants		35,000
Carryover from prior year		355,223
		<u>\$ 918,790</u>
 <b>EXPENDITURES</b>		
Program services		
Public Space Beautification and Safety	404,024	
District Identity and Streetscape Improvements	33,960	
General and administrative expenses	128,115	
Contingency/Reserve	100,909	
		<u>\$ 667,008</u>
 <b>EXCESS OF REVENUE OVER EXPENDITURES</b>		 \$ 251,782



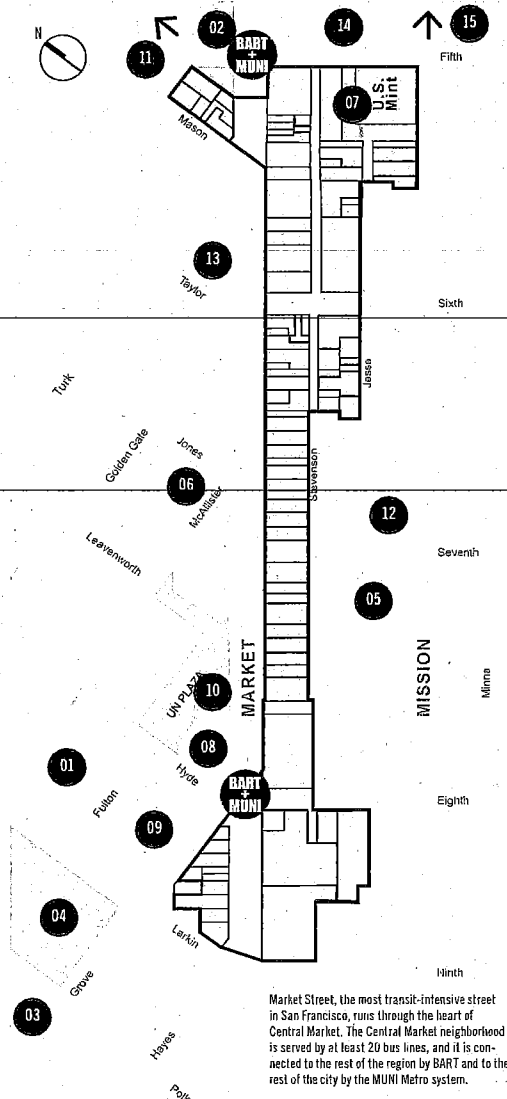
<b>FY 2011 Carryover Disbursement</b>	
Retained Revenue for 6 months of operation in FY 2012 (January - May 2012)	\$ 251,782
Public Space Beautification and Safety	\$ 163,658
District Identify and Streetscape Improvement	\$ 12,589
Administrative	\$ 50,356
Contingency	\$ 25,179
	<u>\$ 251,782</u>



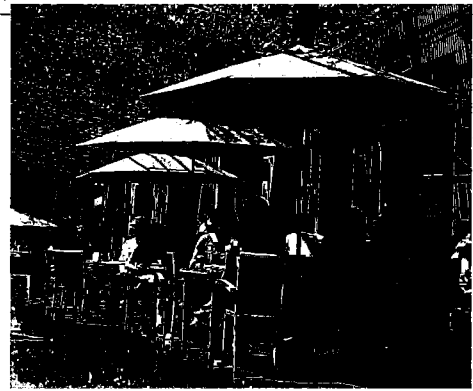
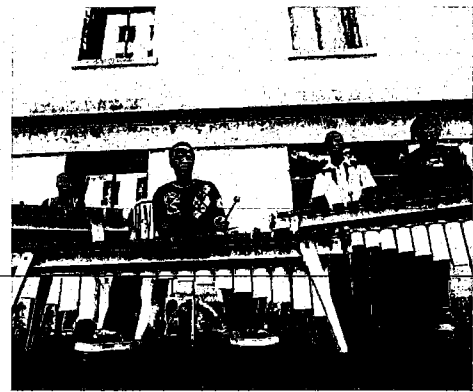
**CENTRAL MARKET**  
**COMMUNITY BENEFIT DISTRICT**

**ANNUAL REPORT 2010**





- ### Neighborhood Highlights and Area Attractions
- |  |  |
|--|--|
| 01. Asian Art Museum (1 block)                       | 09. Public Library                                 |
| 02. Cable Car Turnaround (1 block)                   | 10. The Art Institute of California, San Francisco |
| 03. City Hall (1 block)                              | 11. Union Square (1 block)                         |
| 04. Civic Center Plaza                               | 12. U.S. Court of Appeals                          |
| 05. General Services Administration Federal Building | 13. Warfield Theater                               |
| 06. Golden Gate Theater                              | 14. Westfield San Francisco Centre                 |
| 07. Mint Plaza                                       | 15. Yerba Buena Gardens (1 block)                  |
| 08. Orpheum Theater                                  |  |





# THE CENTRAL MARKET COMMUNITY BENEFIT DISTRICT

---

The Central Market Community Benefit District (CMCBD) is a non-profit, community-based organization that provides programs and services to improve the quality of life experienced in the public realm of San Francisco's Central Market.

The CMCBD believes that improving the overall cleanliness and safety of the district will increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment, and enhance the public right of ways for people of all incomes, ethnicities and ages, including residents, business and property owners, workers, and visitors in the area.

The CMCBD provides a range of services to help create a pedestrian environment that is cleaner, safer and more inviting. These services include public space beautification, pedestrian safety programs, social service outreach, marketing and community outreach, and public space programming.

Cover photo by Weidong Yang

## THE DISTRICT

Making its way through San Francisco's Central Market area is Market Street, the city's main thoroughfare. In Central Market, the tree-lined street knits together existing transit, cultural, academic and neighborhood assets.

The mixed-use district is a thriving destination for entertainment, with the Warfield Theater, Orpheum Theater, Golden Gate Theater and Mezzanine concentrated along these few blocks of central Market Street.

The area's gathering places – Mint Plaza, 1275 Market Street, United Nations Plaza, and Hallidie Plaza – host summer concerts, art and cultural festivals, farmers markets, and other public space programming.

Home to the Luggage Store Gallery, Alonzo King LINES Dance Center, and Kunst-Stoff arts, this section of central Market Street is where art is made and displayed.

The area's construction zones and planned development projects also point to a neighborhood renaissance.

The Central Market Community Benefit District extends from Fifth Street to Ninth Street along Market Street and includes areas of Stevenson Street, Jessie Street and Mission Street. The community benefit district was established to improve the mixed-use district and help create a neighborhood that is a clean, safe and an inviting place to be for residents, workers, merchants and visitors.

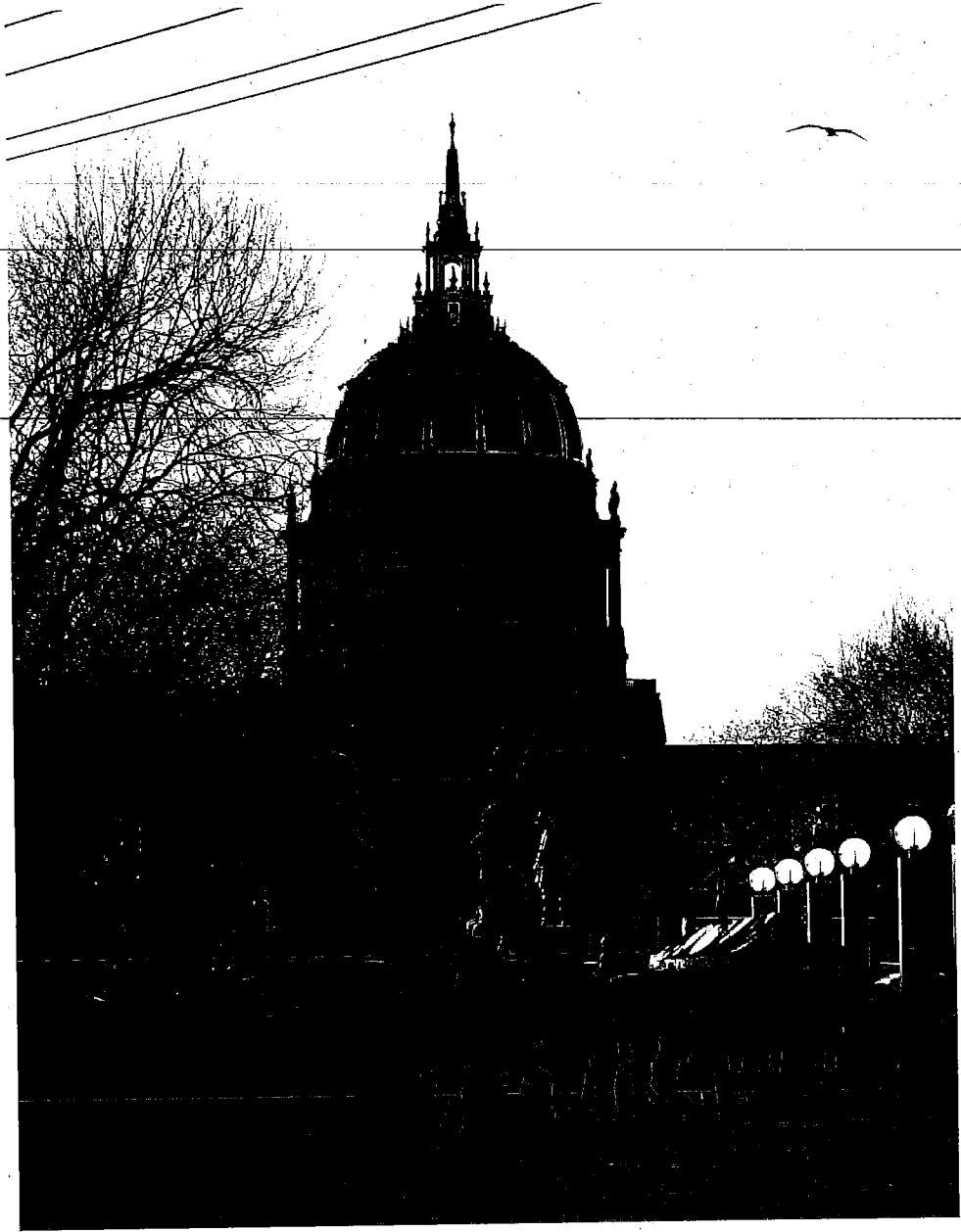


"The more art that's proliferated in a community, the richer the community is, the healthier the community is, the smarter the community is, and art brings hope."

–Alonzo King,  
Alonzo King LINES Ballet

"One of the strengths of the CMCBD is that we are making a positive difference in trying to make a livable community, one that is incredibly diverse and rich in its heritage. And this is the heart of San Francisco."

–Bill Worthen,  
CMCBD Board Member (2010)  
and Central Market Resident



## **PUBLIC SPACE BEAUTIFICATION & SAFETY**

The CMCBD works every day to create a pedestrian environment that is clean and safe and a neighborhood that is an inviting and exciting place to be.

From friendly and caring Community Guides to its Clean Streets services, the CMCBD's public space beautification and safety programs are designed to enhance the sidewalks and plazas, and create a positive pedestrian experience in San Francisco's Central Market district.



Visible in the Central Market's signature brown and orange uniforms, the Community Guides are uniformed, radio-equipped and in communication with the Central Market Dispatch & Call Center, law enforcement officers and other emergency services.

### **Community Guides**

The Central Market Community Guides are at the heart of the CMCBD's mission. Integrating public safety services, social service outreach, and hospitality and customer service, the Central Market Community Guides help create a safe and hospitable public realm for people who live, work, shop, visit, and do business in Central Market.

They offer directions to visitors, greet residents, and check in with merchants, property owners, office building security and residential building front desk services.

The Community Guides assist individuals in Central Market that are homeless and in need of assistance, and help connect them to health and human services. Trained by social service providers and City agencies, the Community Guides provide street-level intervention and support for people in Central Market who are in need and help them gain access to care to improve their quality of life.

As the "eyes and ears" of the community, the Community Guides also perform a vital role in reporting pedestrian safety issues and accidents to the proper authorities.

### **Clean Streets**

The Central Market Clean Streets Program is also at the core of the CMCBD's mission. Providing daily cleaning and maintenance services to the neighborhood's pedestrian environment, the Central Market Clean Team picks up litter and trash, sweeps sidewalks, removes gum and graffiti, paints public fixtures, power washes and steam cleans the public areas, and addresses specific cleaning issues in Central Market.

### **Get Connected: Services Committee**

Connecting the Clean Streets, Community Guides and other public space beautification and safety programs is the Central Market Services Committee. As a community-driven group, the Services Committee helps monitor and guide the CMCBD's public space beautification and safety programs. The Services Committee Meetings are also designed to connect the Central Market community to the San Francisco Police Department (SFPD) and other safety agencies, health and human services, and cleaning/maintenance providers including the Department of Public Works.

## 2010 Accomplishments

Continued to operate and manage the Sixth Street Community Guides Program for the Sixth Street corridor (from Market to Harrison Streets) through a contract with the San Francisco Redevelopment Agency. The contract was renewed for an additional year through a unanimous decision by the San Francisco Redevelopment Commission and extends through 2011. The program provides two full-time Community Guides for the Sixth Street project area and Dispatch and Call Center service, Monday through Friday, 10 a.m. to 6 p.m.

The Central Market Community Guides engaged in more than 6,600 acts of public assistance in 2010, including social service outreach, responding to merchants needs, and reporting illegal vending.

The Central Market Community Guides provided more than 3,000 interactions with merchants, visitors and other members of the community, which included directions, referrals to shops and restaurants, and meet and greets.

The Central Market Clean Team removed more than 1,000 graffiti tags, stickers and flyers on public and private property in the district in 2010.

# 1,114

Graffiti tags, stickers and flyers removed by the Central Market Clean Team on public and private property in the district

The Central Market Clean Team addressed or reported close to 700 cases of construction issues, safety hazards, vandalism and other matters that impacted the pedestrian environment in 2010.

## 2011 Initiatives

Continue to provide excellent core services to improve the public space for residents, commercial tenants, property owners and visitors.

Enhance the CMCBD's Clean Streets Program by adding one additional part-time staff person to the Central Clean Team and expanding service hours.

Partner with Friends of the Urban Forest in the planting and maintenance of up to 34 trees along Jessie Street (between Mint and Sixth Streets) and Stevenson Street (between Sixth and Seventh Streets).

The CMCBD has identified four locations for murals in the district as part of the StreetSmARTS program through the San Francisco Arts Commission and the Department of Public Works. The CMCBD will engage and encourage property owners to participate the program as a way to make vacant properties less vulnerable to graffiti vandalism and as a way to help mitigate the effects of ongoing construction.

Track and report locations of chronic public space issues and hot spots in the district in monthly service reports, and identify trends and commonalities.

Work with merchants and property management to address specific concerns impacting the public space, such as chronic cleaning/maintenance, quality of life, and pedestrian safety issues.

Continue to conduct ongoing surveys to gauge the community's perceptions of safety, cleanliness, social service needs, quality of life issues and other neighborhood concerns and obtain an assessment of CMCBD programs and services.

## DISTRICT IDENTITY & STREETScape IMPROVEMENTS

Through its district identity and streetscape improvement programs, the CMCBD is helping to raise Central Market's profile and reinforce the neighborhood's role as an arts, cultural and theater destination.

Its district identity and streetscape improvement projects not only share the message that Central Market is an exciting place to be, but directly activate the public space and help attract people to the heart of San Francisco.

### Community Events & Public Space Programs

Whether it's a summer concert on Mint Plaza, a noontime dance performance on Market Street, or supporting public art, the CMCBD's community events and public space programs are designed to beautify, activate and attract people to its sidewalks and plazas. The CMCBD's community events help strengthen neighborhood pride, encourage positive pedestrian activity, and create a welcoming, friendly and safe environment for all to enjoy.



### Community Outreach & Marketing

To spread the word about the neighborhood's successes and share about Central Market's revitalization, the CMCBD has developed strategic communication plans and opportunities to promote Central Market and the CMCBD's good works. From its comprehensive website and e-newsletters to Twitter and its Facebook page, the CMCBD is strengthening its online presence and social networking communication.



### Get Connected: Identity Committee

The CMCBD Identity Committee provides opportunities for the Central Market community to help guide marketing and communication efforts and plan public space programming and special events. Those who volunteer on the Committee have an interest in marketing, special events, or urban planning, or are simply interested in helping to enhance the vitality of the Central Market district. The Committee develops and implement programs and projects to activate the public space. Current and past projects include a summer concert series, light pole banners, Art in Storefronts program, and streetscape improvement recommendations for Market Street. The Committee also assists with fundraising efforts for the CMCBD.

## 2010 Accomplishments

Expanded the Central Market Summer Concert Series by adding an additional weekly concert in front of 949 Market Street, currently a vacant building scheduled for construction as part of the CityPlace retail project. Produced by People in Plazas and sponsored by the CMCBD, the summer concerts were held July through the end of September and also included a weekly summer concert series on Mint Plaza.

Hosted the second annual Love Thy Neighbor[hood] benefit for the CMCBD on June 24, 2010. The benefit was attended by more than 100 guests and served as an opportunity for the Central Market community to join the CMCBD in celebrating the thriving arts and theater opportunities in the district. The benefit was also an opportunity to for guests to network with community leaders, local artists, neighbors and stakeholders who are working together with the CMCBD in revitalizing the district. The benefit helped to raise donations through ticket sales and sponsorships for the arts-related public space programming.



**26** summer concerts supported by the CMCBD

Produced a video highlighting the role of art in revitalizing the Central Market district while spotlighting theaters, art galleries, performance venues, public space programming, the Art in Storefronts program, and cultural opportunities available in the district.

The CMCBD partnered with KUNST-STOFF arts, a Central Market-based dance company, in providing free noontime dance performances on Mint Plaza and in front of 949 Market Street to activate the public space and showcase the district's unique arts and cultural opportunities. The dance performances were held between July and September 2010.

The CMCBD participated in the formation of Central Market Arts (CMA), a coalition comprised of organizations dedicated to a common vision of promoting San Francisco's Central Market Neighborhood as a vital arts district. CMA serves as a unified voice for arts of every discipline through promotion of arts, cooperative marketing, programming coordination, and the production of a yearly capstone event ([www.CentralMarketArts.org](http://www.CentralMarketArts.org)).

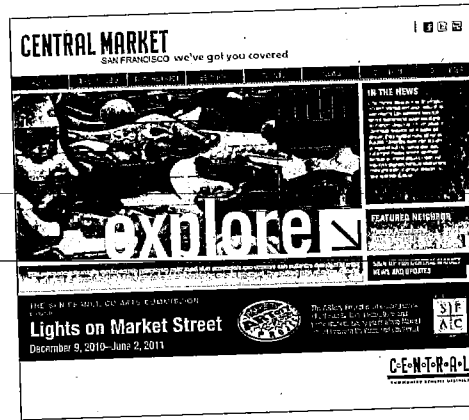
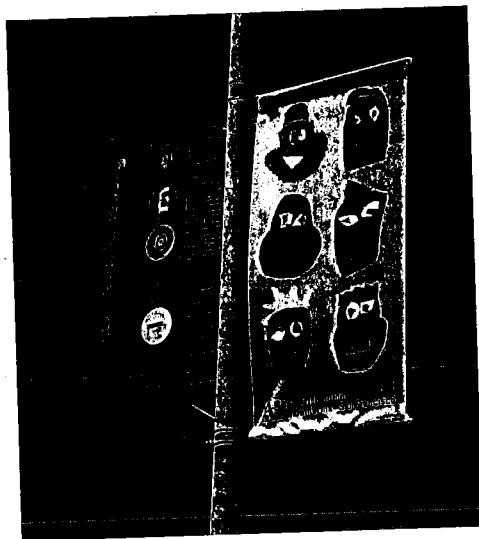
"The Central Market Community Benefit District is an organization that has a tremendous vision...how to actually support this neighborhood, to collaborate, and to understand this neighborhood more."

—Yannis Adoniou,  
KUNST-STOFF arts

The CMCBD provided marketing, design and media relations support in preparation of 24 Days of Central Market Arts, held September 24-October 17, 2010. The CMCBD also assisted in fundraising and securing sponsors.



Secured sponsorship and participation of The Art Institute of California – San Francisco in the design, fabrication and installation of over 100 light pole banners for Central Market. The CMCBD provided oversight to a dedicated team of students from one of the college's advanced graphic design classes. The Art Institute also generously paid for the fabrication and installation of the banners.



Expanded the CMCBD website ([www.Central-Market.org](http://www.Central-Market.org)) capabilities and features by adding an online business directory, a development projects section and commercial space leasing information for Central Market.

Developed a cooperative advertisement for restaurants on Mint Plaza to promote dining opportunities in Central Market in conjunction with the summer concert series on the plaza. The full-age advertisement was included in the San Francisco Examiner and as part of a four-page insert for the People in Plazas-produced summer concert series. The advertisement was paid entirely by participating businesses.

Strengthened marketing and communication efforts, and increased awareness and support of the CMCBD by retaining a consultant to assist in media outreach and public relations for both the organization and the district.





## 2011 Initiatives

Redesign and upgrade the CMCBD website (HYPERLINK "<http://www.Central-Market.org>" www.Central-Market.org) to publicize district events, retail establishments, restaurants, cultural institutions, hotels and other attractions more effectively.

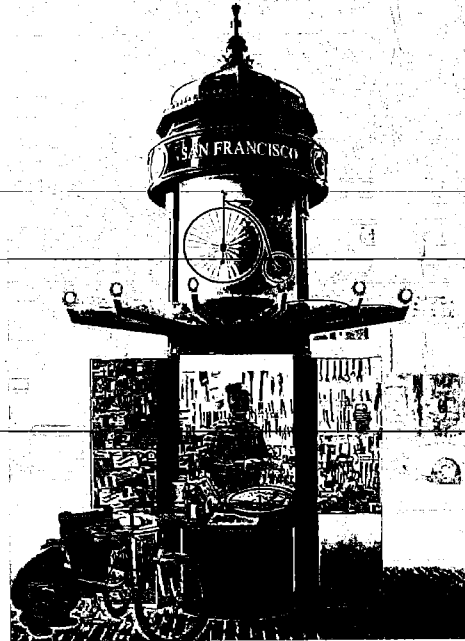
Expand cooperative advertising opportunities for merchants in Central Market that will assist in promoting restaurants, arts and culture, nightlife and shopping in the district while strengthening neighborhood identity and CMCBD visibility.

Support the 2011 Art in Storefronts program through the San Francisco Arts Commission. The Art in Storefronts program will temporarily place original art installations by San Francisco artists in vacant storefront windows located along Central Market Street.

Seek opportunities to partner with existing arts organizations and cultural institutions to program and activate the public space.

In 2010, the CMCBD partnered with the architecture community (HOK, American Institute of Architects - San Francisco, WSP Flack+Kurtz, and Public Architecture) in a streetscape improvement exercise designed to identify potential solutions to improve Central Market that could be immediately actionable, scalable and sustainable. This exploration led to a proposal to reutilize and readapt vacant kiosks along Market Street in Central Market for micro-retail and arts/cultural uses. The CMCBD will help guide and implement this pilot program in 2011 to include a bike repair stop and other uses.

Continue to produce and distribute Central Market Matters, the CMCBD monthly e-newsletter.



"People in Plazas and the Central Market Community Benefit District have been focused on revitalizing the Central Market area. Certainly bringing live music events to the area is one way to revitalize it. We want people to come out and use the public plazas, which creates an atmosphere of community as well as supports local businesses near the plazas.

—Lynn Valente,  
People in Plazas

## ADMINISTRATIVE OPERATIONS

### The Leadership

The CMCBD is managed by an Executive Director and a 10-member Board of Directors elected to two-year terms through an open public process. The Board of Directors consists of five property owners, three community-based organizations (at least two of which must be residents or community-based organizations representing the interests of residents in the CMCBD) and two non-property owning merchants from the district.

### Get Connected:

#### Board of Directors Meetings

The CMCBD Board meets every month and all meetings are open to the public. The Board's activities are governed by the organization's bylaws, its contract with the City of San Francisco, the Management District Plan, San Francisco's Community Benefit District Ordinance, and California property and business improvement district law.

#### 2010 Accomplishments

In 2010, the CMCBD began discussions with Urban Solutions, the San Francisco Office of Economic & Workforce Development, and Cornish & Carey Commercial on the development of a collaborative business attraction program for Central Market. Through a business attraction program, the CMCBD would seek to provide guidance and assistance to interested property owners and brokers in promoting available space and searching for and securing neighborhood-serving businesses to occupy vacant spaces in Central Market.

The CMCBD created a section on its website to promote available commercial spaces and leasing information. The CMCBD also designed a Central

Market Neighborhood Profile one-sheet, which provides information on neighborhood highlights and area attractions, the CMCBD neighborhood benefits, and overview of services.

The CMCBD continued to promote the CMCBD's Board and Committee meetings. The CMCBD maintains an online section on its website ([www.Central-Market.org](http://www.Central-Market.org)) for public access of the CMCBD meeting minutes and announcements. The CMCBD continues to hold monthly Services and Identity Committee meetings. The CMCBD also continues to hold monthly CMCBD Finance Committee meetings to ensure that the CMCBD operates in a fiscally responsible manner.

From March through July 2010, the CMCBD retained a consultant to assist the CMCBD in media outreach, marketing, and public relations efforts for both the organization and the district. Through these efforts, the CMCBD was able to garner positive attention on the success of its programs and services while also placing a spotlight on the positive improvements taking place in Central Market.

Surpassed the CMCBD's minimum fundraising requirement through in-kind and monetary support, sponsorships and grants.

The CMCBD participated on boards and committees in 2010 that shared similar goals to improve and revitalize the Central Market district. The CMCBD was represented on the Friends of Mint Plaza Board of Directors, the Market Street Association Board of Directors, the Central Market Arts, and the Mid-Market Project Area Committee.

## 2011 Initiatives

Develop a business attraction program for Central Market in cooperation with partner organizations and City agencies including Urban Solutions, Office of Economic and Workforce Development, and the broker community.

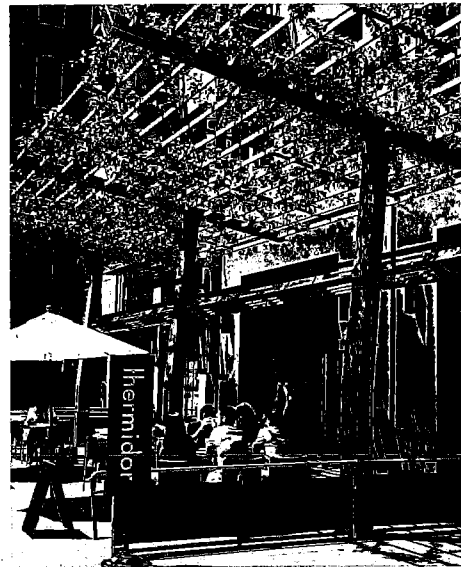
Continue to publicize the CMCBD's Board and Committee meetings. Expand the community's participation on the Committees.

Explore opportunities for administrative office assistance through volunteers, internships, or temporary work services.

Continue to meet and surpass the organization's minimum fundraising requirement.

Explore the development of a strategic action plan for the organization to incorporate annual fundraising goals, and programming, marketing and service initiatives.

Continue to hold monthly CMCBD Finance Committee meetings to ensure that the CMCBD operates in a fiscally responsible manner.



## FINANCIALS

2010	BUDGET	ACTUALS
Assessments	\$562,472	\$493,288
Prior Year Assessments	\$27,715	\$0
Retained Revenue (carryover from previous FY)	\$162,070	\$162,070
Interest Income	\$0	\$2,856
Donations & Grants (Income)*	\$22,000	\$8,345
San Francisco Redevelopment Agency/Sixth Street Community Guides Grant & Administrative Fee*	\$70,000	\$200,000
<b>Total</b>	<b>\$808,257</b>	<b>\$866,559</b>
Administrative / Operations	\$138,484	\$139,896
Public Space Beautification & Safety	\$385,144	\$558,769
District Identity & Streetscape Improvements	\$49,842	\$64,453
<b>Total</b>	<b>\$573,470</b>	<b>\$763,118</b>
	\$100,000	\$100,000
Retained Revenue (Reserved for services in FY 2010)	\$7,071	\$3,441
<b>Total Cash</b>	<b>\$107,071</b>	<b>\$103,441</b>

### Notes & Comments\*

\*Under 2010 Actuals, In-Kind Donations totaled \$5,274 for in-kind conference room space at Hotel Whitcomb for monthly CMCBD Board of Directors Meetings. Monetary donations totaled \$8,345.

In 2010, The San Francisco Redevelopment Agency compensated the CMCBD for the administration of the Sixth Street Community Guides Program and service expenses for a total of \$200,000. This amount includes the administrative fee for the program and compensation for service expenses incurred in fiscal year 2009/2010 and the remainder of calendar year 2010.

Under "Actuals" for Public Space, Beautification & Safety, expenses were higher due to the Sixth Street Community Guides Services expense not having been factored into the initial operating budget. The CMCBD was reimbursed by The San Francisco Redevelopment Agency upon completion of its contract for the Sixth Street Community Guides Service for fiscal year 2009/2010 and the remainder of calendar year 2010.

2011	BUDGET
Assessments	\$503,567
Prior Year Assessments	\$0
Interest Income	\$0
Retained Earnings (Carryover from previous year)	\$103,441
Donations/Grants*	\$35,000
San Francisco Redevelopment Agency/Sixth Street Community Guides Grant & Administrative Fee	\$25,000
<b>Total</b>	<b>\$667,008</b>
Administrative / Operations	\$128,115
Public Space Beautification & Safety	\$404,024
District Identity & Streetscape Improvements	\$33,960
<b>Total</b>	<b>\$566,099</b>
Retained Revenue (Reserved for services in FY 2010)	\$100,909
<b>Total Cash</b>	<b>\$100,909</b>

## ASSESSMENTS

### Assessment Methodology

The CMCBD is funded through an annual assessment from property owners within the district. The annual assessments are based on three property variables: 1.) Linear frontage (sidewalk frontage), 2.) Land area or lot size, and 3.) Gross building square footage

- Linear Frontage: \$14.60 per linear foot
- Lot Size: \$.155 per square foot
- Building Square Foot: \$.07 per square foot (not applicable to buildings owned or used by nonprofits)

### Assessment Calculation

For example, a 5,000 square foot lot, with 50 feet of frontage and 4,000 square feet of retail building use would yield an annual assessment of:

- 5000 x \$.155 = \$775.00 in lot size
- 50 x \$14.60 = \$730.00 in linear square footage, and
- 4000 x \$.07 = \$280.00 in building square footage

Total Assessment: \$1,785.00

## THE LEADERSHIP

### CMCBD Executive Committee

**Katie O'Brien**  
CMCBD President  
Martin Building Company  
(Property Owner Board Seat)

---

**Greg Johnson**  
CMCBD Treasurer  
CAC Real Estate Management  
(Property Owner Board Seat)

---

**David Fariello**  
UCSF Citywide Case  
Management Program  
(Residents/Community-Based Organizations Board Seat)

---

### CMCBD Staff

**Daniel Hurtado**  
Executive Director

Central Market Community Benefit District  
901 Market Street, Suite 490  
San Francisco, CA 94103  
Office: 415.957.5985  
Email: [info@central-market.org](mailto:info@central-market.org)  
Website: [www.Central-Market.org](http://www.Central-Market.org)

### CMCBD Board of Directors

**Doug Dalton**  
Anu Bar  
(Merchant Board Seat)

---

**Jason Kletter**  
BAART Programs  
(Residents/Community-Based Organizations Board Seat)

---

**Carrie Lane**  
SF Office Lofts  
(Property Owner Board Seat)

---

**Ralph Lee**  
Hotel Whitcomb  
(Property Owner Board Seat)

---

**Uriah Perez**  
Central Market Resident  
(Residents/Community-Based Organizations Board Seat)

**Jonie Marie Theodorsen**  
Pearl Art & Craft  
(Merchant Seat)

**Bill Worthen**  
Property-Owning Resident  
(Property Owner Board Seat)  
As of September 12, 2010

**CENTRAL**

COMMUNITY BENEFIT DISTRICT

901 Market Street, Suite 490, San Francisco, CA 94103  
415.957.5985 | [info@central-market.org](mailto:info@central-market.org) | [www.Central-Market.org](http://www.Central-Market.org)

---

**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION**

---

**REVIEWED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2010**

---

---

---

This Page Left Intentionally Blank

---



**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION  
FOR THE YEAR ENDED DECEMBER 31, 2010**

**Table of Contents**

	<u><b>Page</b></u>
<b>INDEPENDENT ACCOUNTANT'S REVIEW REPORT</b> .....	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Cash Flows .....	4
Statement of Functional Expenses .....	5
Notes to Financial Statements .....	7

---

---

This Page Left Intentionally Blank

---

ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

---

We have reviewed the accompanying statement of financial position of Central Market Community Benefit Corporation (a California nonprofit benefit organization) as of December 31, 2010, and the related statements of activities, cash flows and functional expenses for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, we do not express such an opinion.

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

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

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

Our review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles.

*Maze & Associates*

March 29, 2011

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2010**

**ASSETS**

Cash	\$103,441
Due from City and County of San Francisco (Note 2D)	<u>251,782</u>
<b>Total Assets</b>	<b><u><u>\$355,223</u></u></b>

**NET ASSETS (Note 2B)**

Unrestricted	\$147,031
Temporarily restricted	<u>208,192</u>
<b>Total Net Assets</b>	<b><u><u>\$355,223</u></u></b>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and revenues:</b>			
Local property assessments		\$447,657	\$447,657
Grants	\$200,000		200,000
Donations	8,345		8,345
Interest income	2,856		2,856
<b>Net assets released from restrictions:</b>			
Satisfaction of purpose (Note 3)	<u>698,665</u>	<u>(698,665)</u>	
<b>Total Support and Revenues</b>	<u>909,866</u>	<u>(251,008)</u>	<u>658,858</u>
<b>Expenses:</b>			
Program	702,694		702,694
Support services:			
Management and general	<u>60,923</u>		<u>60,923</u>
<b>Total Expenses</b>	<u>763,617</u>		<u>763,617</u>
Change in Net Assets	146,249	(251,008)	(104,759)
Net Assets, Beginning of Year	<u>782</u>	<u>459,200</u>	<u>459,982</u>
Net Assets, End of Year	<u>\$147,031</u>	<u>\$208,192</u>	<u>\$355,223</u>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2010**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	(\$104,759)
<hr/>	
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
<hr/>	
Increase/decrease in:	
Due from City and County of San Francisco	(251,782)
Accounts payable	<u>(50)</u>
Total adjustments	<u>(251,832)</u>
Net cash used for operating activities	<u>(356,591)</u>
Net decrease in cash	(356,591)
Cash and cash equivalents, beginning of year	<u>460,032</u>
Cash and cash equivalents, end of year	<u><u>\$103,441</u></u>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2010**

	Program Services			Totals	Management and General	Total
	Clean Streets	Community Guides	District Identity & Streetscape Improvements			
Salaries	\$35,183	\$28,146	\$7,037	\$70,365	\$17,591	\$87,956
Payroll taxes	2,738	2,190	548	5,476	1,369	6,845
Employee benefits	1,816	1,452	363	3,631	908	4,539
Dispatch services	46,840	171,840		218,680		218,680
Graffiti removal	276			276		276
Banners and artwork			11,074	11,074		11,074
Promotional items			6,922	6,922		6,922
Special events			46,479	46,479		46,479
Website and IT communication			360	360		360
Design and printing			7,862	7,862		7,862
Community relations			2,030	2,030		2,030
Advertising and sponsorship			1,500	1,500		1,500
Administrative services					5,076	5,076
Rent (Note 4)					5,400	5,400
Bank service charges					648	648
Outside services	128,339	199,700		328,039		328,039
Education, meetings and travel					15	15
Professional fees					22,317	22,317
Licenses and permits					1,290	1,290
Insurance					6,309	6,309
	<u>\$215,191</u>	<u>\$403,329</u>	<u>\$84,174</u>	<u>\$702,694</u>	<u>\$60,923</u>	<u>\$763,617</u>

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

---

---

**This Page Left Intentionally Blank**

---



**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2010**

**NOTE 1 – ORGANIZATION AND PROGRAMS**

**A. Reporting Entity**

Central Market Community Benefit Corporation (CMCBC) (the Organization) is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness and safety of the Central Market district's public realm in San Francisco, California. The goal of CMCBC is to increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment and improve quality of life in the district's public realm.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for CMCBC is allocated into the following spending categories: 65% public space beautification and safety, 5% district identity and streetscape improvement, 20% administrative and 10% contingency.

**B. Programs**

**Clean Streets** – enhances the attractiveness of San Francisco's Central Market district by providing daily cleaning services and responding to on-call maintenance issues in the neighborhood's public realm. The Clean Streets Program is provided through a contract with MJM Management Group.

**Community Guides** – provides a friendly and welcoming presence in the public realm of San Francisco's Central Market district. The Community Guides provide way-finding and customer service to visitors while supporting social service providers, residents, workers, merchants and property owners in creating a clean, safe and welcoming Central Market neighborhood. This service is provided through a contract with MJM Management Group.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Income Taxes**

The Organization has been granted tax-exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California Franchise Tax Board, and therefore has no provision for federal or State income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the fiscal year ended December 31, 2010.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2010**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Standards Codification, the Organization recognizes the effect of income tax positions only if these positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions.

**B. *Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows.

Unrestricted Net Assets - Unrestricted net assets consist of resources over which the Board of Directors has discretionary control and are available for daily operations of the Organization.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**C. *Estimates***

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

**D. *Due from City and County of San Francisco***

No allowance for uncollectible accounts has been recorded as all amounts due from the City and County of San Francisco are deemed collectible by management as of December 31, 2010.

**E. *Statement of Cash Flows***

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2010**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Functional Expenses**

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

**G. Support and Revenue Recognition**

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

**H. Advertising**

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

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

During the year ended December 31, 2010, net assets of \$698,665 were released due to the fulfillment of the purpose restriction to provide improvement district services.

**NOTE 4 – LEASE COMMITMENT**

The Organization entered into a month to month lease agreement with CFRI/Urban 901 Market, LLC on December 10, 2008. Total rent is \$450 per month.

**NOTE 5 – RETIREMENT PLAN**

The Organization sponsors a defined contribution plan for its full-time employees. The Organization did not contribute to the plan during the year ended December 31, 2010.

**NOTE 6 – SUBSEQUENT EVENTS**

The Organization evaluated subsequent events for recognition and disclosure through March 29, 2011, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since March 29, 2011 that require recognition or disclosure in such financial statements.

---

This Page Left Intentionally Blank

---

**CENTRAL**

COMMUNITY BENEFIT DISTRICT

**CENTRAL MARKET  
COMMUNITY BENEFIT DISTRICT  
ANNUAL REPORT 2009**

CENTRAL MARKET

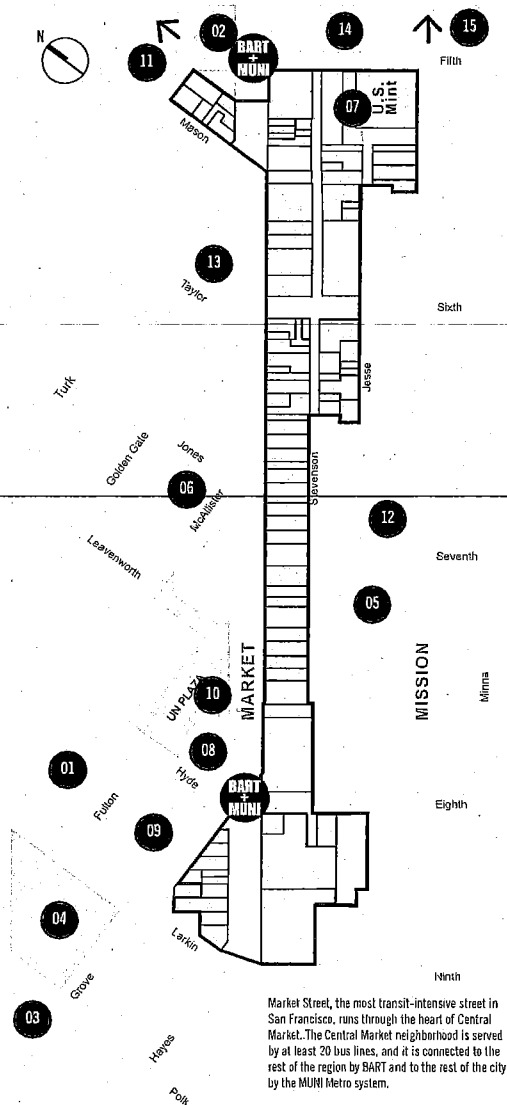
SAN FRANCISCO, CA

[WWW.CENTRAL-MARKET.ORG](http://WWW.CENTRAL-MARKET.ORG)



**YOUR**

**SERVICE**



**Neighborhood Highlights and Area Attractions**

- 01. Asian Art Museum (1 block)
- 02. Cable Car Turnaround (1 block)
- 03. City Hall (1 block)
- 04. Civic Center Plaza
- 05. General Services Administration Federal Building
- 06. Golden Gate Theater
- 07. Mint Plaza
- 08. Orpheum Theater
- 09. Public Library
- 10. The Art Institute of California, San Francisco
- 11. Union Square (1 block)
- 12. U.S. Court of Appeals
- 13. Warfield Theater
- 14. Westfield San Francisco Centre
- 15. Yerba Buena Gardens (1 block)

**ABOUT THE CENTRAL MARKET COMMUNITY BENEFIT DISTRICT**

San Francisco's Market Street - with its characteristic tree-lined sidewalks, wide paths paved in bricks, and historic light poles - is the most important transit corridor in the city and is at the heart of the Central Market district.

The mixed-use district is home to an array of artistic and cultural places, performance venues, public spaces, diverse housing, and a palpable civic presence.

The Central Market Community Benefit District (CMCBD), a non-profit, community-based organization, provides programs and services to improve the quality of life experienced in the public realm in Central Market.

The CMCBD believes that improving the overall cleanliness and safety of the district will increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment, and enhance the public right of ways for people of all incomes, ethnicities and ages, including residents, business and property owners, workers, and visitors in the area.

# WELCOME

Making its way through San Francisco's Central Market district is Market Street, the city's main thoroughfare. In Central Market, the tree-lined street knits together existing transit, cultural, academic and neighborhood assets.

Much like the street that serves as the heart of this neighborhood, the Central Market Community Benefit District (CMCBD) connects, supports and serves to meet the needs of a diverse community.

In 2009, the Central Market Community Benefit District (CMCBD) set a goal to expand its services and build support of its mission by tapping into the neighborhood's existing cultural assets and strengthening its connections with its community partners.

The CMCBD teamed up with the San Francisco Arts Commission, the Office of Economic and Workforce Development and the local arts community to bring more art to Market Street. With the support of the San Francisco Redevelopment Agency, the CMCBD expanded its Community Guides Program and extended its social service outreach, wayfinding, community outreach and pedestrian safety services to the Sixth Street corridor. In association with People in Plazas, the CMCBD brought more free music to Central Market. Wrapping up the year, the CMCBD partnered with The Art Institute of California - San Francisco in the creation of distinct, tailor-made light pole banners promoting Central Market as a thriving arts and theater district. Through the guidance of its Board of Directors and feedback from the Central Market community, the CMCBD spent the year tweaking and fine-tuning its core programs to increase efficiency and expand its services.

By building connections and building upon neighborhood assets, Central Market is becoming cleaner, safer, more inviting and even more exciting. There's more music on the streets, more art adorning the neighborhood, more "eyes and ears", more street sweeping, more people getting access to care, more business opportunities, and more reasons to reimagine, rediscover and return to Central Market.

It is our pleasure to share these accomplishments with you. As we take a moment to pause and celebrate the achievements of the past year, we also take this opportunity to recognize and thank you for your support, participation and help in enhancing the quality of life experienced by everyone in the public realm of Central Market.

Daniel Hurtado  
CMCBD Executive Director



# Welcoming & Clean



## COMMUNITY GUIDES

Integrating public safety services, social service outreach, and hospitality and customer service, the Central Market Community Guides help make the Central Market experience welcoming and inviting for all.

### Inviting

The foundation of the CMCBD's mission to serve the community is the creation of a safe and hospitable public realm for people who live, work, shop, visit, and do business in Central Market and enjoy the neighborhood.

The Community Guides offer directions to people in the neighborhood, greet residents and workers, welcome visitors, and visit with merchants, property owners, hotel concierge, office building security, and residential building front desk services.

As the face of the CMCBD, the Community Guides develop and strengthen relationships with all members of the Central Market community to better understand their needs and concerns and to create a friendly and inviting pedestrian environment.

### Compassionate

The Community Guides are trained by social service providers, including government agencies and non-profit organizations, to assist individuals in Central Market that are homeless and in need of assistance gain access to health and human services.

The Community Guides provide street-level intervention, supportive services and solutions for this segment of the Central Market community.



The social service outreach component of the Community Guides program operates under the mission of increasing access to care for individuals in need in the public realm of Central Market and to identify solutions to improve their quality of life.

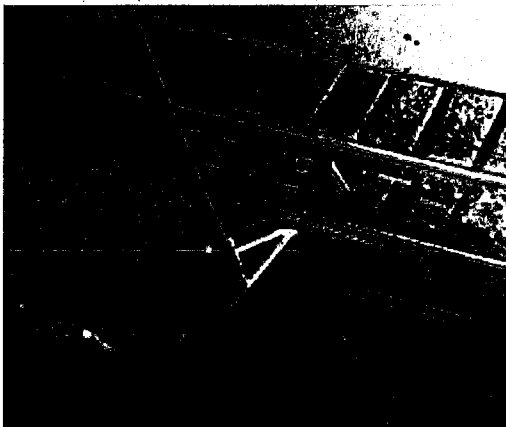
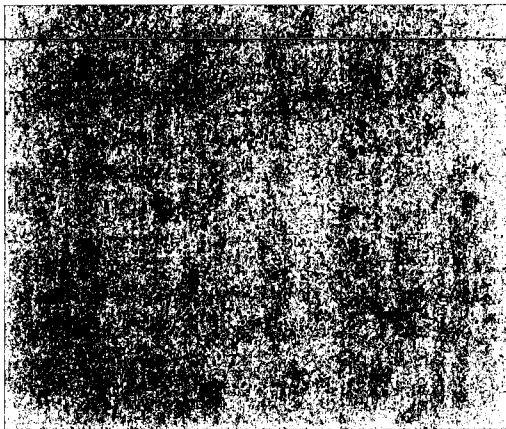
### Responsive

The uniformed, radio-equipped team welcomes and assists Central Market residents, workers and visitors and maintains contact with law enforcement officers should trouble arise. As the “eyes and ears” of the community, the Community Guides perform a vital role in reporting safety concerns and accidents to the proper authorities.

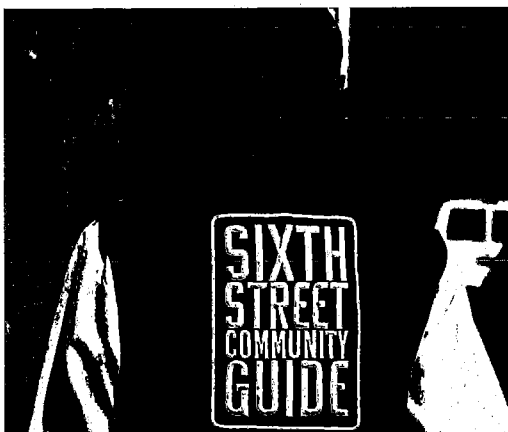
The CMCBD integrates the Community Guides program as part of its overall pedestrian safety initiative. Devoted to enhanced safety awareness, shared problem solving and targeted actions in response to incidents, the CMCBD provides a voice and vision for the Central Market community and works to ensure that sufficient police coverage is provided in the district and that targeted actions are executed in response to incidents.

### CLEAN STREETS

Through its Clean Streets program, the CMCBD provides vital enhanced services to maintain the neighborhood's public realm and improve the pedestrian experience in Central Market. The Central Market Clean Team picks up litter and trash, sweeps sidewalks, removes gum and graffiti, paints public fixtures, power washes and steam cleans the public areas, and addresses cleaning issues in Central Market.



# Public Space, Beautification & Safety



## 2009 Accomplishments

- Launched the Sixth Street Community Guides program for the Sixth Street corridor (from Market to Harrison Streets) through a contract with the San Francisco Redevelopment Agency. The program provides two full-time Community Guides for the Sixth Street project area and Dispatch and Call Center service, Monday through Friday, 10 a.m. to 6 p.m.
- Expanded the Clean Streets program to include graffiti abatement on both public property and private property with a 24-hour response time during the hours of operation.

## 2010 Initiatives

- Community Guides will continue to undergo intensive training to become knowledgeable about issues such as crime prevention and reporting, first and first-responder training, communication skills and social service outreach.
- Explore opportunities to expand the CM CBD's Clean Streets and Community Guides programs through partnerships, sponsorships and fundraising efforts.
- Continue to hold monthly CM CBD Services Committee Meetings to strengthen valuable partnerships forged with the San Francisco Police Department (SFPD) and the Central Market community. These valuable partnerships and communication, coupled with the Community Guides Program and Dispatch Service, help sustain low crime levels in the public realm of Central Market through monitoring and reporting of uncivil activities.
- Continue to conduct ongoing surveys to gauge the community's perceptions of safety, cleanliness, social service needs, quality of life issues and other neighborhood concerns and obtain an assessment of CM CBD programs and services.
- Explore opportunities to ratchet up the CM CBD's Clean Streets, Community Guides and Call Center services with a focus on hospitality and customer service, and strengthen efficiency and response times to service requests.



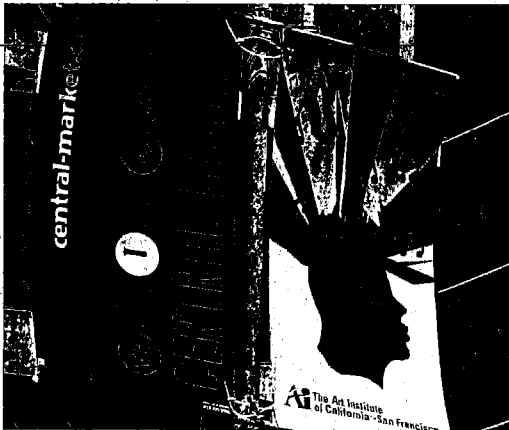
# Invigorating

## MARKETING, BRANDING & SPECIAL EVENTS

The marketing programs of the CMCBD involve developing strategic communication plans that support the full spectrum of the initiatives of the organization.

The branding of Central Market continued to build neighborhood identity in 2008 with the launch of the Central Market light pole banner program.

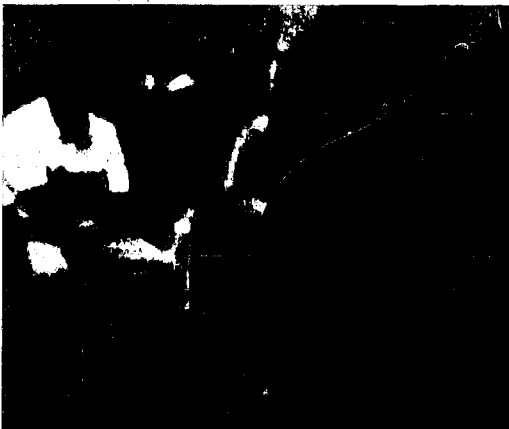
In 2008, the CMCBD also built upon its community outreach and programming initiatives with the launch of its summer concert series and community networking opportunities.



## DISTRICT IDENTITY & STREETScape IMPROVEMENTS

### 2009 Accomplishments

- Expanded the Central Market Summer Concert Series to include performances at 1275 Market Street Plaza, in addition to weekly summer concerts on Mint Plaza. Produced by People in Plazas and sponsored by the CMCBD, the summer concerts were held July through the end of September.
- Hosted the Love Thy Neighbor[hood] benefit and fundraiser for the CMCBD. Held on February 12, the benefit was attended by more than 150 guests and served as an opportunity for the Central Market community to join the CMCBD in celebrating its first year of services and the positive improvements



taking place in the district. The benefit helped raise donations through ticket sales and sponsorships for the Community Guides Program. The event featured guest speakers Phil Ting, Assessor-Recorder for the City and County of San Francisco, and Chip Conley, Founder and CEO of Joie de Vivre Hospitality.

- Participated in Art in Storefronts, a pilot program through the San Francisco Arts Commission and the Office of Economic and Workforce Development. The Art in Storefronts program temporarily placed original art installations by San Francisco artists in vacant storefront windows located in Central Market Street. The program engaged local artists in reinvigorating neighborhoods and commercial corridors that have been hard-hit by the economic downturn.
- Continued to produce and distribute Central Market Matters, the monthly e-newsletter from the CMCBD.
- Created a Facebook fan page for the CMCBD to utilize social networking in increasing efficiency in disseminating information about Central Market and enhance communication with the community.
- Produced a video on the CMCBD's programs and services. The video, entitled Central Market Community Guides: At the Heart of the Matter, highlighted the role of the Community Guides service in creating a clean, safe and welcoming pedestrian environment in Central Market.
- Continued to hold monthly CMCBD Identity Committee meetings to strengthen community involvement in the organization's marketing and programming initiatives.
- Secured sponsorship commitment and participation of The Art Institute of California – San Francisco in the design, fabrication and installation of the Central Market Light Pole Banners for 2010.

## 2010 Initiatives

- Expand the Central Market music programming by adding an additional venue to host a third summer concert series. Explore opportunities to hold summer concerts on Market Street, between Fifth and Sixth Streets, to activate the public space and drive positive pedestrian activity.
- Through the sponsorship of the 2010 Central Market Light Pole Banner project, the CMCBD will work closely with The Art Institute of California – San Francisco design students to create unique artwork for Central Market that promotes the neighborhood's culture, music, theater and art.
- Determine opportunities to build upon the Art in Storefronts model for Central Market to beautify the streetscape and temporarily activate vacant spaces in the district.
- Produce a video highlighting the role of art in revitalizing the Central market neighborhood while spotlighting theaters, art galleries, performance venues, public space programming, Art in Storefronts, and cultural opportunities available in the district.
- Expand the CMCBD website ([www.Central-Market.org](http://www.Central-Market.org)) capabilities and features by adding an online business directory, a development projects section and commercial space leasing information for Central Market.
- Continue to produce and distribute Central Market Matters, the CMCBD monthly e-newsletter.
- Develop cooperative advertising opportunities for merchants in Central Market that will assist in promoting restaurants and shopping opportunities in the district while strengthening neighborhood identity and CMCBD visibility.
- Retain a consultant to assist the CMCBD in media outreach, marketing, and public relations efforts for both the organization and the neighborhood.

## Resourceful

## LEADERSHIP, MANAGEMENT & SUPPORT

The CMCBD is managed by an Executive Director and a 10-member Board of Directors elected to two-year terms through an open public process. The Board of Directors consists of five property owners, three community-based organizations (at least two of which must be residents or community-based organizations representing the interests of residents in the CMCBD) and two non-property owning merchants from the district.



The CMCBD Board meets every month and all meetings are open to the public. The Board's activities are governed by the organization's bylaws, its contract with the City of San Francisco, the Management District Plan, San Francisco's Community Benefit District Ordinance, and California property and business improvement district law.

## ADMINISTRATIVE & OPERATIONS

### 2009 Accomplishments

- Continued to promote the CMCBD's Board and Committee meetings.
- Maintained an online section on the CMCBD website ([www.Central-Market.org](http://www.Central-Market.org)) for public access of the CMCBD meeting minutes and announcements.
- Met the CMCBD's minimum fundraising requirement through in-kind and monetary support, sponsorships and grants.

- Populated and maintained the online business directory on the CMCBD website ([www.Central-Market.org](http://www.Central-Market.org)).

## 2010 Initiatives

- Develop a business attraction program for Central Market in cooperation with partner organizations and City agencies including Urban Solutions, Office of Economic and Workforce Development, and the broker community. Through a business attraction program, the CMCBD would seek to provide guidance and assistance to interested property owners in promoting available space and searching for and securing neighborhood-serving businesses to occupy vacant spaces in Central Market.
- Continue to promote the CMCBD's Board and Committee meetings. Expand the community's participation on the Committees.
- Explore opportunities for administrative office assistance through volunteers, internships, or temporary work services.
- Continue to meet and surpass the organization's minimum fundraising requirement.
- Explore the development of a strategic action plan for the organization to incorporate annual fundraising goals, and programming, marketing and service initiatives.
- Continue to hold monthly CMCBD Finance Committee meetings to ensure that the CMCBD operates in a fiscally responsible manner.

## ASSESSMENTS

### Assessment Methodology

The Central Market Community Benefit District is funded through an annual assessment from property owners within the district. The annual assessments are based on three property variables:

- Linear frontage (sidewalk frontage)
- Land area or lot size
- Gross building square footage

Linear Frontage:	\$14.60 per linear foot
Lot Size:	\$.155 per square foot
Building Square Foot:	\$.07 per square foot

(not applicable to buildings owned or used by nonprofits)

### Assessment Calculation

For example, a 5,000 square foot lot, with 50 feet of frontage and 4,000 square feet of retail building use would yield an annual assessment of:

$$5000 \times \$0.155 = \$775.00 \text{ in lot size}$$

$$50 \times \$14.60 = \$730.00 \text{ in linear square footage, and}$$

$$4000 \times \$0.07 = \$280.00 \text{ in building square footage}$$

Total Assessment: \$1,785.00

# FINANCIALS

## 2009 Budget vs. Actuals

	BUDGET	ACTUALS
<b>Income</b>		
Assessments	\$25,946	\$518,570
Prior Year Assessments	\$27,715	
Interest Income	\$2,772	
Retained Revenue (carryover from previous year)	\$269,816	\$269,808
Donations & Grants (Income)	\$68,683	\$40,857
	<b>\$894,882</b>	<b>\$829,235</b>
<b>Expense</b>		
Administrative / Operations	\$144,220	\$130,365
Public Space Beautification & Safety	\$530,693	\$497,047
District Identity & Streetscape Improvements	\$38,700	\$39,803
	<b>\$713,613</b>	<b>\$667,215</b>
Contingency	\$100,000	\$100,000
Retained Revenue (Reserved for services in FY 2009)	\$181,319	\$162,070

### Notes & Comments

\*Under 2009 Actuals, In-Kind Donations totaled \$7,975 in addition to \$40,857 in monetary donations and grants, for a total of \$48,832.

In-Kind Special Events Space for CM CBD Benefit	\$2,500
In-Kind Conference Room Space at Hotel Whitcomb for monthly CM CBD Board of Directors Meetings	\$5,475
<b>TOTAL</b>	<b>\$7,975</b>



## 2010 Budget

### BUDGET

<b>Income</b>	
Assessments	\$526,472
Retained Earnings (Carryover from previous FY)	\$162,070
Donations & Grants (Income)*	\$22,000
San Francisco Redevelopment Agency/ Sixth Street Community Guides Grant & Administrative Fee	\$70,000
	<b>\$780,542</b>
<b>Expense</b>	
Administrative / Operations	\$138,484
Public Space Beautification & Safety	\$385,144
District Identity & Streetscape Improvements	\$49,842
	<b>\$573,470</b>
Contingency	\$100,000
Retained Revenue (Reserved for services in FY 2011)	\$207,071

#### Notes & Comments

\*Under 2010 Budget, In-Kind Donations are budgeted to total \$22,000 in addition to \$22,000 anticipated in monetary donations and grants, for a total of \$44,000.

In-Kind Conference Room Space at Hotel Whitcomb for monthly CMCBD Board of Directors Meetings/Safety Meetings	\$6,000
In-Kind Special Events Space for CMCBD Benefit	\$2,000
In-Kind Sponsorship of Central Market Light Pole Banners	\$14,000
<b>TOTAL</b>	<b>\$22,000</b>



# THE LEADERSHIP

## CMCBD Executive Committee

**Katie O'Brien**  
CMCBD President  
Martin Building Company  
(Property Owner Board Seat)

**Greg Johnson**  
CMCBD Treasurer  
CAC Real Estate Management  
(Property Owner Board Seat)

**David Fariello**  
UCSF Citywide Case  
Management Program  
(Residents/Community-Based Organizations Board Seat)

## CMCBD Staff

**Daniel Hurtado**  
Executive Director

## CMCBD Board of Directors

**Doug Dalton**  
Anu Bar  
(Merchant Board Seat)

**Jason Kletter**  
BAART Programs  
(Residents/Community-Based Organizations Board Seat)

**Jason Kletter**  
BAART Programs  
(Residents/Community-Based Organizations Board Seat)

**Carrie Lane**  
SF Office Lofts  
(Property Owner Board Seat)

**Ralph Lee**  
Hotel Whitcomb  
(Property Owner Board Seat)

**Uriah Perez**  
Central Market Resident  
(Residents/Community-Based Organizations Board Seat)

**Jonie Marie Theodorsen**  
Pearl Art & Craft  
(Merchant Seat)

**Bill Worthen**  
Property-Owning Resident  
(Property Owner Board Seat)

---

# C·M·E·N·T·R·A·L

COMMUNITY BENEFIT DISTRICT

The Central Market Community Benefit District (CMCBD) is a non-profit, community-based organization that provides programs and services to improve the quality of life experienced in the public realm in San Francisco's Central Market neighborhood. The CMCBD works every day to create a cleaner, safer, and more inviting place to be for residents, workers, merchants and visitors.

901 Market Street, Suite 490, San Francisco, CA 94103  
415.957.5985 | [info@central-market.org](mailto:info@central-market.org) | [www.Central-Market.org](http://www.Central-Market.org)

**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION**

**REPORT ON FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2009**

---

**This Page Left Intentionally Blank**

---

**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**Table of Contents**

	<b><u>Page</u></b>
<b>INDEPENDENT ACCOUNTANT'S REVIEW REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Cash Flows .....	4
Statement of Functional Expenses .....	5
<hr/>	
Notes to Financial Statements .....	7

**This Page Left Intentionally Blank**

---



ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Central Market Community Benefit Corporation (a California nonprofit benefit organization) as of December 31, 2009, and the related statements of activities, cash flows and functional expenses for the year ended December 31, 2009, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Central Market Community Benefit Corporation.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

*Maze + Associates*

October 28, 2010

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2009**

**ASSETS**

Cash	\$162,069
Due from City and County of San Francisco (Note 2D)	<u>297,963</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$460,032</u></u></b>

**LIABILITIES**

Accounts payable	<u>\$50</u>
<b>TOTAL LIABILITIES</b>	<b><u>50</u></b>

**NET ASSETS (Note 2B)**

Unrestricted	782
Temporarily restricted	<u>459,200</u>
<b>TOTAL NET ASSETS</b>	<b><u>459,982</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$460,032</u></u></b>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues:			
Local property assessments		\$554,862	\$554,862
Grants	\$25,000		25,000
Donations	15,857		15,857
In-kind contributions (Note 4)	2,500		2,500
<hr/>			
Net assets released from restrictions			
Satisfaction of purpose (Note (3))	<u>627,000</u>	<u>(627,000)</u>	<u>0</u>
Total support and revenues	670,357	(72,138)	598,219
Expenses:			
Program	611,362		611,362
Support services:			
Management and general	<u>58,853</u>		<u>58,853</u>
Total expenses	<u>670,215</u>	<u>0</u>	<u>670,215</u>
Change in net assets	142	(72,138)	(71,996)
Net assets, beginning of year	<u>640</u>	<u>531,338</u>	<u>531,978</u>
Net assets, end of year	<u>\$782</u>	<u>\$459,200</u>	<u>\$459,982</u>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	(71,996)
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Due from City and County of San Francisco	(297,963)
Accounts payable	(3,450)
Total adjustments	(301,413)
Net cash provided by (used for) operating activities	(373,409)
Net decrease in cash	(373,409)
Cash and cash equivalents, beginning of year	535,478
Cash and cash equivalents, end of year	\$162,069

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2009**

	Program Services			Totals	Management and General	Total
	Clean Streets	Community Guides	District Identity & Streetscape Improvements			
Salaries	\$33,203	\$26,562	\$6,641	\$66,406	\$16,601	\$83,007
Payroll taxes	2,700	2,160	540	5,399	1,350	6,749
Employee benefits	1,354	1,083	271	2,707	677	3,384
Dispatch services	44,757	59,340		104,097		104,097
Graffiti removal	1,343			1,343		1,343
Banners and artwork			23,771	23,771		23,771
Promotional items			8,915	8,915		8,915
Special events			18,879	18,879		18,879
Website and IT communication			1,216	1,216		1,216
Design and printing			8,311	8,311		8,311
Community relations			1,482	1,482		1,482
Advertising and sponsorship			1,500	1,500		1,500
Administrative services					15,425	15,425
Rent (Note 5)					5,283	5,283
In-kind facilities (Note 6)					2,500	2,500
Bank service charges					514	514
Outside services	167,636	199,700		367,336		367,336
Education, meetings and travel					6	6
Professional fees					10,654	10,654
Licenses and permits					185	185
Insurance					5,658	5,658
	<u>\$250,992</u>	<u>\$288,845</u>	<u>\$71,525</u>	<u>\$611,362</u>	<u>\$58,853</u>	<u>\$670,215</u>

See accountant's review report and notes to financial statements

**This Page Left Intentionally Blank**

---

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2009**

**NOTE 1 – ORGANIZATION AND PROGRAMS**

**A. Reporting Entity**

Central Market Community Benefit Corporation (CMCBC) (the Organization) is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness and safety of the Central Market district's public realm in San Francisco, California. The goal of CMCBC is to increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment and improve quality of life in the district's public realm.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for CMCBC is allocated into the following spending categories: 65% public space beautification and safety, 5% district identity and streetscape improvement, 20% administrative and 10% contingency.

**B. Programs**

**Clean Streets** – enhances the attractiveness of San Francisco's Central Market district by providing daily cleaning services and responding to on-call maintenance issues in the neighborhood's public realm. The Clean Streets Program is provided through a contract with MJM Management Group.

**Community Guides** – provides a friendly and welcoming presence in the public realm of San Francisco's Central Market district. The Community Guides provide way-finding and customer service to visitors while supporting social service providers, residents, workers, merchants and property owners in creating a clean, safe and welcoming Central Market neighborhood. This service is provided through a contract with MJM Management Group.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Income Taxes**

The Organization has been granted tax-exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California Franchise Tax Board, and therefore has no provision for federal or state income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the fiscal year ended December 31, 2009.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2009**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As required by the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification, the Organization recognizes the effect of income tax positions only if these positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions.

**B. *Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows.

Unrestricted Net Assets - Unrestricted net assets consist of resources over which the Board of Directors has discretionary control and are available for daily operations of the Organization.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**C. *Estimates***

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

**D. *Due from City and County of San Francisco***

No allowance for uncollectible accounts has been recorded as all amounts due from the City and County of San Francisco are deemed collectible by management as of December 31, 2009.

**E. *Statement of Cash Flows***

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



**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2009**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Functional Expenses**

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

**G. Support and Revenue Recognition**

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

**H. Advertising**

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

**NOTE 3 – TEMPORARILY RESTRICTED NET ASSETS**

During the year ended December 31, 2009, net assets of \$627,000 were released due to the fulfillment of the purpose restriction to provide improvement district services.

**NOTE 4 – DONATED FACILITIES, MATERIALS AND SERVICES**

The Organization records the value of donated goods and services when there is an objective basis available to measure their fair value. The following donated goods and services are reflected in the accompanying financial statements at their estimated fair market value as a contribution and an expense.

Donated rent	<u>\$2,500</u>
--------------	----------------

**NOTE 5 – LEASE COMMITMENT**

The Organization entered into a month to month lease agreement with CFRI/Urban 901 Market, LLC on December 10, 2008. Total rent is \$450 per month.

**NOTE 6 – RETIREMENT PLAN**

The Organization sponsors a defined contribution plan for its full-time employee. The Organization did not contribute to the plan during the year ended December 31, 2009.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2009**

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date but arose after the financial position date and before financial statements are available to be issued.

The Organization has performed an evaluation of subsequent events through October 28, 2010, which is the date the financial statements were available to be issued.

**C·E·N·T·R·A·L**

COMMUNITY BENEFIT DISTRICT

**CENTRAL MARKET  
COMMUNITY BENEFIT DISTRICT  
ANNUAL REPORT 2008**

CENTRAL MARKET

SAN FRANCISCO, CA

[WWW.CENTRAL-MARKET.ORG](http://WWW.CENTRAL-MARKET.ORG)



## CENTRAL MARKET WELCOMES YOU...

The Central Market Community Benefit District (CMCBD) welcomes you to a neighborhood that is becoming cleaner, safer and more inviting.

The CMCBD is now working every day to enhance San Francisco's Central Market neighborhood and improve the pedestrian experience for residents, workers, business owners and visitors. From friendly and caring Community Guides to an effective and efficient Clean Streets program, the CMCBD continued to expand its service and strengthen its commitment to the Central Market neighborhood.

The Annual Report serves as a year-end review of the achievements of the past year, documents the organization's activities and also presents new initiatives for 2009. The report also highlights those areas where we wish to advance service to the Central Market community.

On behalf of the CMCBD, I extend my sincere appreciation to you for your ongoing support of our services and programs. It has been a pleasure to serve you in 2008 and we look forward to being at your service in 2009.



Daniel Hurtado  
CMCBD Executive Director

## CENTRAL MARKET AT YOUR SERVICE

The Central Market Community Benefit District (CMCBD) is a non-profit, community-based organization formed in 2006 to provide programs and services to improve the quality of life experienced in the public realm in Central Market. The CMCBD believes that improving the overall cleanliness and safety of the district will increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment, and enhance the public right of ways for people of all incomes, ethnicities and ages, including residents, business and property owners, workers, and visitors in the area.

## MAINTAINING A FRIENDLY NEIGHBORHOOD: COMMUNITY GUIDES

The Central Market Community Guides provide a friendly and welcoming presence in the public realm of San Francisco's Central Market district. The Community Guides program integrates a three-prong approach to crime prevention through public safety, social service outreach, and hospitality and customer service.

### Wayfinding

Hospitality is key to maintaining a welcoming and friendly urban environment and is a significant focus of the Community Guides program. The Community Guides give directions, offer assistance, provide customer service and greet visitors, workers and residents in Central Market.

## Social Service Outreach

The Community Guides are trained by partner providers, including government agencies and non-profit organizations, to constructively engage and communicate with people they come in contact that are homeless or in need of assistance in the district's public realm.

Through the Community Guides program, the CM CBD provides social service outreach in the hope of helping to connect people who are homeless and in need on the street with the continuum of services critical to transitioning to a life of independence, good health and stability.

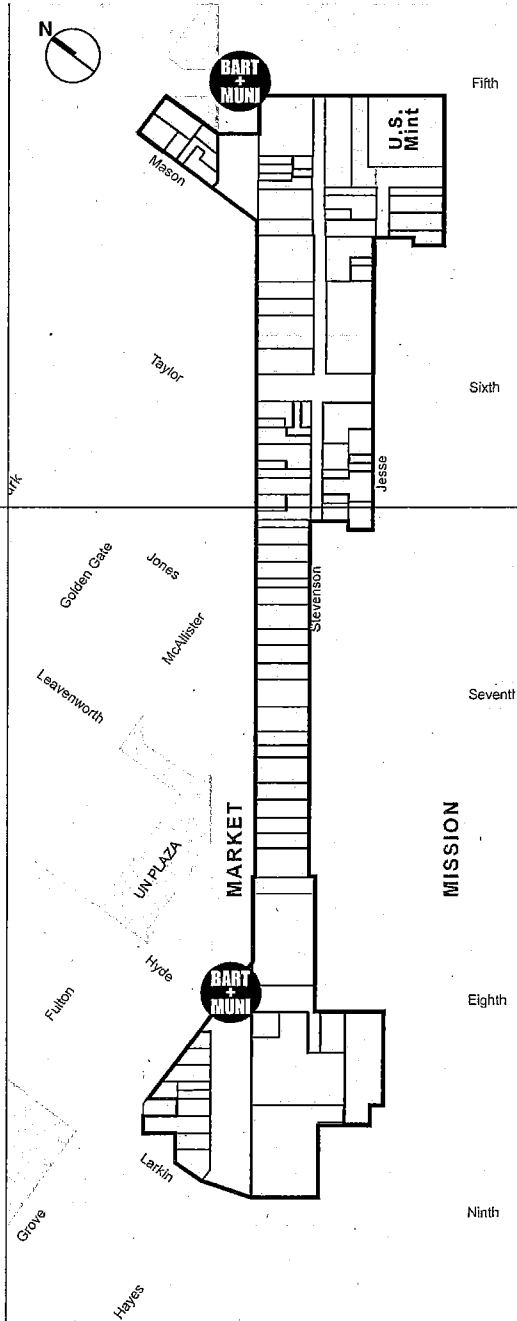
## Pedestrian Safety Outreach

The Community Guides Program is also aimed at improving safety in Central Market by adding a uniformed presence to prevent undesirable behavior.

As the "eyes and ears" of the community, the Community Guides also perform a vital role in reporting safety concerns and accidents to the proper authorities.

The Community Guides have received initial training by social service providers, the San Francisco Police Department and other safety agencies, in addition to receiving First Aid training.

In addition to incorporating safety services through the Community Guides program, the CM CBD also works closely with the San Francisco Police Department to ensure that sufficient police coverage is provided in Central Market to address other issues that have safety implications.



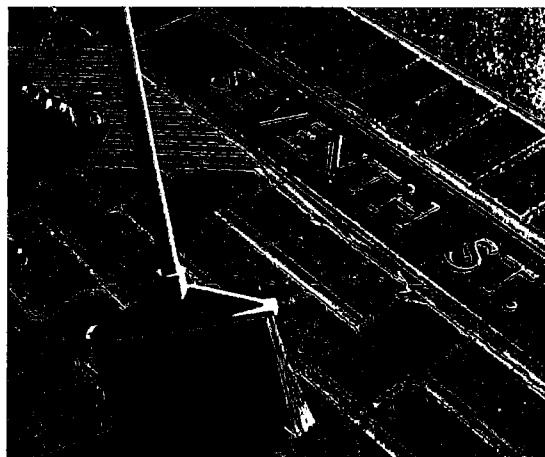
## BEAUTIFYING THE NEIGHBORHOOD

### CLEAN STREETS

Through its Clean Streets program, the CMCBD provides enhanced cleaning and maintenance services in the Central Market neighborhood public right of way and sidewalks above and beyond the baseline level of service provided by the City of San Francisco.

The Central Market Clean Team can be seen sweeping sidewalks, monitoring and removing trash from public trash receptacles, weeding tree basins, spot cleaning, power washing and removing graffiti from public and private properties in the district.

The CMCBD also provides steam cleaning of the public spaces on a quarterly basis.



## PUBLIC SPACE BEAUTIFICATION & SAFETY

### 2008 Accomplishments

- Launched Central Market Clean Streets program, which provides daily cleaning and maintenance services in the CMCBD. The service operates Monday through Friday from 9 a.m. to 6 p.m., and Saturday and Sunday from 10 a.m. to 2 p.m.
- Launched the Community Guides program, a comprehensive, community-based service providing social service outreach, merchant outreach, wayfinding, and pedestrian safety support. The program operates Monday through Friday, 9 a.m. to 6 p.m.
- Established a Central Market call center service for reporting litter, graffiti, abandoned items, cleanliness issues, and social service needs within the district. Once reported, the call center dispatcher contacts the Clean Team, Community Guides or the appropriate City department to address the issue or service request. The call center operates during service hours.
- Held monthly Safety and Services Committee Meetings. The CMCBD Services Committee meetings are designed as a roundtable discussion, focusing on pedestrian safety, social service needs, quality of life concerns, and cleanliness issues that impact the Central Market district's public realm.
- Held Love Thy Neighbor(hood), a lunchtime concert and informational fair to launch the long-awaited Central Market Clean Streets and Community Guides programs. The free community event featured informational booths staffed by community organizations and social service groups that are working to enhance and improve the quality of life in Central Market.
- Participated in the Community Clean-up Day for District 6 on February 9, 2008 as part of a neighborhood launch of the Central Market Clean Streets Program. The event was presented by the City of San Francisco's Department of Public Works and Project Green Connect. The CMCBD was represented by a volunteer clean-up team comprised of 20 neighborhood volunteers.

### 2009 Initiatives

- Continue to hold monthly CMCBD Services Committee Meetings to develop strategies to address chronic cleaning/maintenance issues, social service needs, and pedestrian safety hot spots as well as assist in monitoring and guiding the CMCBD's Clean Streets and Community Guides programs.
- Explore opportunities to expand the CMCBD's Clean Streets and Community Guides programs through partnerships, sponsorships and fundraising efforts.
- Conduct ongoing surveys to gauge the community's perceptions of safety, cleanliness, social service needs, quality of life issues and other neighborhood concerns and obtain feedback on the Community Guides and Clean Streets services.
- Explore opportunities to increase efficiency of the CMCBD's Clean Streets, Community Guides and Call Center services. Research possible efforts to enhance these services such as advocating for a police substation in Central Market.

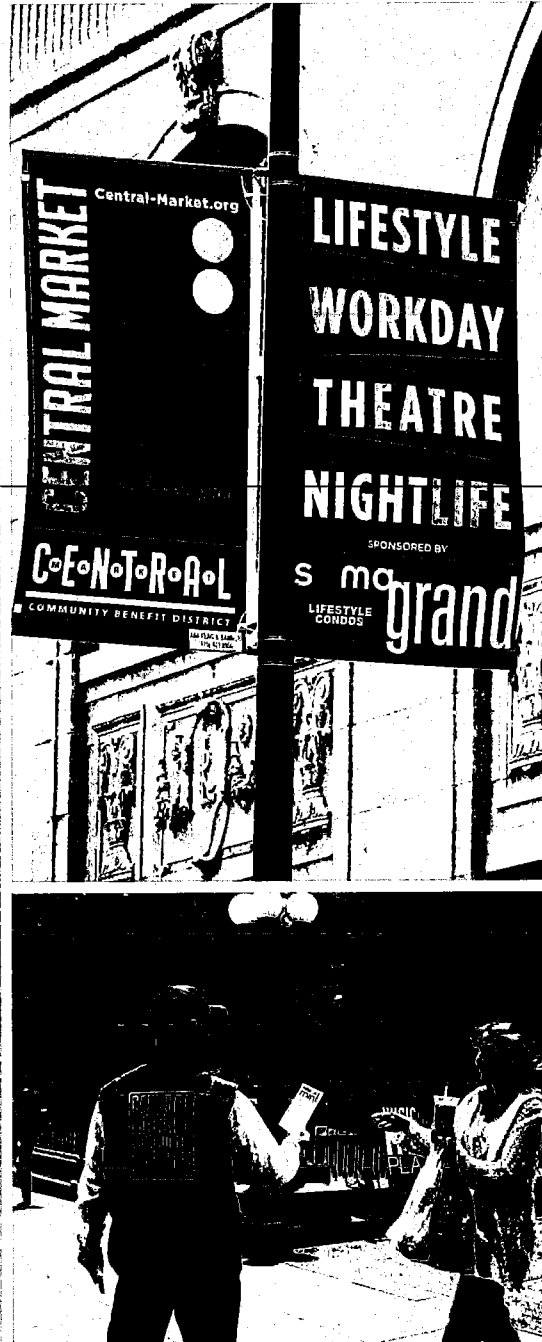
MARKETING, BRANDING  
& SPECIAL EVENTS

## MARKETING, BRANDING & SPECIAL EVENTS

The marketing program of the CMC will involve a variety of strategic advertising and public relations that support the overall mission and objectives of the organization.

The branding of Central Market will focus on building a strong identity and connection with the community. The CMC will utilize a variety of marketing and public relations strategies to achieve its goals.

The CMC will also focus on building a strong community and providing support to its members. The CMC will utilize a variety of marketing and public relations strategies to achieve its goals.





## DISTRICT IDENTITY & STREETScape IMPROVEMENTS

### 2008 Accomplishments

- Launched the Music on Mint Plaza Summer Concert Series, providing 13 free noontime outdoor concerts on Mint Plaza. The summer concert series was produced by People in Plazas.
- Secured advertising sponsorship through The San Francisco Examiner to support and promote the Music on Mint Plaza Summer Concert Series. The sponsorship included 14 free 1/4-page advertisements in The San Francisco Examiner.
- Launched the Central Market light pole banner program through a sponsorship with Soma Grand. The banners, displayed on light poles throughout the district, were designed to convey the arts, cultural and entertainment aspect of the neighborhood while also highlighting the mixed-use character of Central Market.
- Hosted an "open house", community concert and fair, and neighborhood mixer in 2008 that provided an opportunity for the Central Market community to learn more about the CMCBD's programs, services and initiatives.
- Produced and distributed brochures, posters and other promotional materials on the CMCBD's services and special events.
- Continued to produce and distribute Central Market Matters, the monthly e-newsletter from the CMCBD.
- Worked with Urban Studies senior students from California State University at San Francisco in the development of a streetscape improvement plan and an implementation strategy for Central Market. The plan addressed specific issues related to the safety of the public realm (real and perceived), the improvement of aesthetic appeal, the need to improve sanitation and the need to increase community identity.

- Continued to hold monthly CMCBD Identity Committee meetings to strengthen community involvement in the organization's marketing and programming initiatives.
- Held two walking tours of Central Market in spring 2008 through Walk San Francisco and SPUR (San Francisco Planning and Urban Research Association), respectively.

### 2009 Initiatives

- Continue to produce and distribute Central Market Matters, the CMCBD monthly e-newsletter.
- Create a Facebook fan page for the CMCBD to increase efficiency in disseminating information about Central Market and enhance communication with the community.
- Expand the Central Market music programming by adding an additional venue to host a second summer concert series.
- Produce a Vacant Storefront Beautification Program for Central Market to beautify vacant spaces along Market Street.
- Explore the recommendations of the Central Market Streetscape Improvement Plan for implementation.
- Produce a video on the CMCBD's Community Guides program and Clean Streets services.
- Build upon the CMCBD's Love Thy Neighbor(hood) community concert and fair by producing an annual benefit and fundraiser to support the CMCBD's Community Guides program.
- Increase sponsorship of the Market Street snowflake holiday lights through the Market Street Association.
- Expand the CMCBD website ([www.Central-Market.org](http://www.Central-Market.org)) capabilities and features by adding an online business directory, a development projects section and commercial space leasing information for Central Market.

## GUIDING THE NEIGHBORHOOD

### LEADERSHIP, MANAGEMENT & SUPPORT

The CM CBD is managed by an Executive Director and a 10-member Board of Directors elected to two-year terms through an open public process. The Board of Directors consists of five property owners, three community-based organizations (at least two of which must be residents or community-based organizations representing the interests of residents in the CM CBD) and two non-property owning merchants from the district.

The CM CBD Board meets every month and all meetings are open to the public. The Board's activities are governed by the organization's bylaws, its contract with the City of San Francisco, the Management District Plan, San Francisco's Community Benefit District Ordinance, an

## ADMINISTRATIVE & OPERATIONS

### 2008 Accomplishments

- Continued to promote the CM CBD's Board and Committee meetings.
- Created a CM CBD Finance Committee to assist in the fiscal management of the CM CBD and to explore fundraising, in-kind monetary support, grant and sponsorship opportunities. The CM CBD Finance Committee meets monthly to prepare and review the organization's operating budget and monitor monthly expenses.
- Created an online section on the CM CBD website ([www.Central-Market.org](http://www.Central-Market.org)) for public access of the CM CBD meeting minutes and announcements.
- Met the CM CBD's minimum fundraising requirement through in-kind and monetary support, sponsorships and grants.

### 2009 Initiatives

- Continue to promote the CM CBD's Board and Committee meetings. Expand the community's participation on the Committees.
- Continue to meet and surpass the organization's minimum fundraising requirement.
- Explore the development of a strategic action plan for the organization to incorporate annual fundraising goals, and programming, marketing and service initiatives.
- Continue to hold monthly CM CBD Finance Committee meetings to ensure that the CM CBD operates in a fiscally responsible manner.



# FINANCIALS

## 2008 Budget vs. Actuals

	BUDGET	ACTUALS
Assessments	\$514,700	\$506,344
Retained Revenue (carryover from previous year)	\$350,245	\$350,245
Donations & Grants (Income)*	\$25,723	\$0
	<b>\$890,668</b>	<b>\$856,589</b>
Administrative / Operations	\$127,439	\$125,550
Public Space Beautification & Safety	\$513,454	\$431,465
District Identity & Streetscape Improvements	\$45,674	\$29,767
	<b>\$686,567</b>	<b>\$586,782</b>
Contingency	\$0	\$100,000
Retained Revenue (Reserved for services in FY 2009)	\$150,059	\$269,816

### Notes & Comments

\*Under 2008 Actuals, In-Kind Donations totaled \$36,140:

In-Kind Office Rent/Conference Room Space	\$14,988
In-Kind Special Events Space for CMCBD Open House at Hotel Whitcomb	\$1,300
In-Kind Advertising through San Francisco Examiner for Central Market Summer Concerts 2008	\$6,669
In-Kind SOMA Grand Sponsorship of 2008 Banners (fabrication/installation)	\$13,183
<b>TOTAL</b>	<b>\$36,140</b>

## 2009 Budget

### BUDGET

Assessments	\$525,946
Prior Year Assessments	\$ 27,715
Interest Income	\$2,772
Retained Earnings (Carryover from previous FY)	\$269,816
Donations & Grants (Income)*	\$68,683
	<b>\$894,882</b>
Administrative / Operations	\$144,220
Public Space Beautification & Safety	\$530,693
District Identity & Streetscape Improvements	\$38,700
	<b>\$713,613</b>
Contingency	\$100,000
Retained Revenue (Reserved for services in FY 2010)	\$181,319

#### Notes & Comments

\*Under 2009 Budget, In-Kind Donations are budgeted to total \$10,500 in addition to \$68,683 anticipated in monetary donations and grants, for a total of \$79,183.

In-Kind Advertising through San Francisco Examiner for Central Market Summer Concerts 2009	\$6,000
In-Kind Special Event Space for CMCBD Benefit	\$2,500
In-Kind Special Event Space	\$2,000
<b>TOTAL</b>	<b>\$10,500</b>

## THE LEADERSHIP

As of September 12, 2008

### CMCBD Executive Committee

**Katie O'Brien**  
CMCBD President  
Martin Building Company  
(Property Owner Board Seat)

**Greg Johnson**  
CMCBD Treasurer  
CAC Real Estate Management  
(Property Owner Board Seat)

**Maureen Futtner**  
CMCBD Secretary  
Urban Solutions  
(Residents/Community-Based Organizations  
Board Seat)

### CMCBD Staff

**Daniel Hurtado**  
Executive Director

### CMCBD Board of Directors

**Doug Dalton**  
Anu Bar  
(Merchant Board Seat)

**David Fariello**  
UCSF Citywide Case  
Management Program  
(Residents/Community-Based Organizations  
Board Seat)

**Maureen Futtner**  
Urban Solutions  
(Residents/Community-Based Organizations  
Board Seat)

**John Markham**  
Central Market Resident  
(Residents/Community-Based Organizations  
Board Seat)

**Jason Kletter**  
BAART Programs  
(Property Owner Board Seat)

**Richard Lane**  
SF Office Lofts  
(Property Owner Board Seat)

**Ralph Lee**  
Hotel Whitcomb  
(Property Owner Board Seat)

**Jonie Marie Theodorsen**  
Pearl Art & Craft  
(Merchant Seat)



The Central Market Community Benefit District (CMCBD) is a non-profit, community-based organization that provides programs and services to improve the quality of life experienced in the public realm in San Francisco's Central Market neighborhood. The CMCBD works every day to create a cleaner, safer, and more inviting place to be for residents, workers, merchants and visitors.

901 Market Street, Suite 490, San Francisco, CA 94103 415.957.5985 | [info@central-market.org](mailto:info@central-market.org) | [Central-Market.org](http://Central-Market.org)

**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION**

**REPORT ON FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2008**

---

**This Page Left Intentionally Blank**

---



**CENTRAL MARKET COMMUNITY  
BENEFIT CORPORATION  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**Table of Contents**

<b>INDEPENDENT ACCOUNTANT'S REVIEW REPORT .....</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position .....	2
Statement of Activities.....	3
Statement of Cash Flows .....	4
Statement of Functional Expenses .....	5
<hr/>	
Notes to Financial Statements.....	7

This Page Left Intentionally Blank

---

# MAZE & ASSOCIATES

---

ACCOUNTANCY CORPORATION  
3478 Buskirk Ave. - Suite 215  
Pleasant Hill, California 94523  
(925) 930-0902 • FAX (925) 930-0135  
maze@mazeassociates.com  
www.mazeassociates.com

## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying statement of financial position of Central Market Community Benefit Corporation (a California nonprofit benefit organization) as of December 31, 2008, and the related statements of activities, cash flows and functional expenses for the year ended December 31, 2008, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Central Market Community Benefit Corporation.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

*Maze + Associates*

October 26, 2010

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2008**

**ASSETS**

Cash	<u>\$535,478</u>
<b>TOTAL ASSETS</b>	<u><u>\$535,478</u></u>

**LIABILITIES**

Accounts payable	<u>\$3,500</u>
<b>TOTAL LIABILITIES</b>	<u><u>3,500</u></u>

**NET ASSETS (Note 2B)**

Unrestricted	640
Temporarily restricted	<u>531,338</u>
<b>TOTAL NET ASSETS</b>	<u><u>531,978</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$535,478</u></u>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues:			
Local property assessments		\$494,139	\$494,139
In-kind contributions (Note 6)	\$36,140		36,140
Net assets released from restrictions:			
Satisfaction of purpose (Note 4)	<u>587,000</u>	<u>(587,000)</u>	<u>0</u>
Total support and revenues	623,140	(92,861)	530,279
Expenses:			
Program	588,679		588,679
Support services:			
Management and general	<u>34,241</u>		<u>34,241</u>
Total expenses	<u>622,920</u>	<u>0</u>	<u>622,920</u>
Change in net assets	220	(92,861)	(92,641)
Net assets, beginning of year	<u>420</u>	<u>624,199</u>	<u>624,619</u>
Net assets, end of year	<u>\$640</u>	<u>\$531,338</u>	<u>\$531,978</u>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the Year Ended December 31, 2008**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	(\$92,641)
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
Increase/decrease in:	
Due from City and County of San Francisco	275,299
Other asset	75
Accounts payable	<u>3,500</u>
Total adjustments	<u>278,874</u>
Net cash provided by operating activities	<u>186,233</u>
Net increase in cash	186,233
Cash and cash equivalents, beginning of year	<u>349,245</u>
Cash and cash equivalents, end of year	<u><u>\$535,478</u></u>

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Year Ended December 31, 2008**

	Program Services			Totals	Management and General	Total
	Clean Streets	Community Guides	District Identity & Streetscape Improvements			
Salaries	\$31,834	\$25,467	\$6,367	\$63,668	\$15,917	\$79,585
Employee benefits	5,739	4,591	1,148	11,478	2,869	14,347
Dispatch services	18,200	18,200		36,400		36,400
Graffiti removal	15,045			15,045		15,045
Banners and artwork			1,129	1,129		1,129
Promotional items			9,765	9,765		9,765
Special events			14,249	14,249		14,249
Website and IT communication			1,434	1,434		1,434
Design and printing			3,095	3,095		3,095
Community relations			824	824		824
Advertising and sponsorship			400	400		400
Administrative services	8,081	6,464	1,616	16,161	250	16,411
In-kind services (Note 6)	7,969			7,969		7,969
In-kind facilities (Note 6)	14,988			14,988		14,988
In-kind materials (Note 6)			13,183	13,183		13,183
Outside services	195,833	183,058		378,891		378,891
Memberships and subscriptions					60	60
Professional fees					9,584	9,584
Licenses and permits					160	160
Insurance					5,401	5,401
	<u>\$297,689</u>	<u>\$237,781</u>	<u>\$53,210</u>	<u>\$588,679</u>	<u>\$34,241</u>	<u>\$622,920</u>

See accountant's review report and notes to financial statements

**This Page Left Intentionally Blank**

---



**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2008**

**NOTE 1 – ORGANIZATION AND PROGRAMS**

**A. Reporting Entity**

Central Market Community Benefit Corporation (CMCBC) (the Organization) is a California nonprofit, community-based organization incorporated in February 2007, to provide programs and services to improve the overall cleanliness and safety of the Central Market district's public realm in San Francisco, California. The goal of CMCBC is to increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment and improve quality of life in the district's public realm.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for CMCBC is allocated into the following spending categories: 65% public space beautification and safety, 5% district identity and streetscape improvement, 20% administrative and 10% contingency.

**B. Programs**

**Clean Streets** – enhances the attractiveness of San Francisco's Central Market district by providing daily cleaning services and responding to on-call maintenance issues in the neighborhood's public realm. The Clean Streets Program is provided through a contract with MJM Management Group.

**Community Guides** – provides a friendly and welcoming presence in the public realm of San Francisco's Central Market district. The Community Guides provide way-finding and customer service to visitors while supporting social service providers, residents, workers, merchants and property owners in creating a clean, safe and welcoming Central Market neighborhood. This service is provided through a contract with MJM Management Group.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Income Taxes**

The Organization has been granted tax-exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California Franchise Tax Board, and therefore has no provision for federal or state income taxes. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the fiscal year ended December 31, 2008.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

As required by the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification, the Organization recognizes the effect of income tax positions only if these positions are more likely than not of being sustained. The Organization does not believe its financial statements include any uncertain tax positions.

**B. *Basis of Presentation***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows.

Unrestricted Net Assets - Unrestricted net assets consist of resources over which the Board of Directors has discretionary control and are available for daily operations of the Organization.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**C. *Estimates***

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

**D. *Due from City and County of San Francisco***

No allowance for uncollectible accounts has been recorded as all amounts due from the City and County of San Francisco are deemed collectible by management as of December 31, 2008.

**E. *Statement of Cash Flows***

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

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2008**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. *Functional Expenses***

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

**G. *Support and Revenue Recognition***

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

**H. *Advertising***

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

**NOTE 3 – CONCENTRATION OF CREDIT RISK**

The organization maintains cash balances at a financial institution in excess of federally insured limits. Accounts which are insured by the Federal Deposit Insurance Corporation up to \$250,000 exceeded this limitation at December 31, 2008 by \$285,478.

**NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS**

During the year ended December 31, 2008, net assets of \$587,000 were released due to the fulfillment of the purpose restriction to provide improvement district services.

**NOTE 5 – LINE OF CREDIT**

The Organization was subject to a revolving line of credit agreement with a bank, which renewed annually. The terms of the agreement allowed the Organization to borrow up to \$100,000, with interest at 8.25%. The line of credit expired effective May 31, 2008 and was not renewed.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2008**

**NOTE 6 – DONATED FACILITIES, MATERIALS AND SERVICES**

The Organization records the value of donated goods and services when there is an objective basis available to measure their fair value. The following donated goods and services are reflected in the accompanying financial statements at their estimated fair market value as a contribution and an expense.

Donated rent	\$14,988
Donated special events	1,300
Donated advertising	6,669
Donated banners	<u>13,183</u>
 Total donated goods and services	 <u>\$36,140</u>

**NOTE 7 – LEASE COMMITMENT**

The Organization entered into a month to month lease agreement with CFRI/Urban 901 Market, LLC on December 10, 2008. Total rent is \$450 per month.

**NOTE 8 – RETIREMENT PLAN**

The Organization sponsors a defined contribution plan for its full-time employee. The Organization did not contribute to the plan during the year ended December 31, 2008.

**NOTE 9 – SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are issued. The Organization recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the financial position, including the estimates inherent in the process of preparing the financial statements. The Organization's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date but arose after the financial position date and before financial statements are available to be issued.

The Organization has performed an evaluation of subsequent events through October 25, 2010, which is the date the financial statements were available to be issued.

**C·M·E·N·T·R·A·L**

**COMMUNITY BENEFIT DISTRICT**

ANNUAL REPORT | 2007

---

*Presented to the City and County of San Francisco Board of Supervisors*

## Central Market – A Community Coming Together

Downtown San Francisco's Central Market neighborhood has turned a corner.

Following twenty-five years of economic decline and physical decay, community members in the Central Market area came together in 2006 to establish San Francisco's newest Community Benefit District to improve the quality of life experienced in the public right of ways by area residents, workers and small business owners in within the Central Market district.

Following a year of community organizing and outreach, property owners voted to form a new CBD in the fall of 2006.

The values and mission of the Central Market Community Benefit District (CMCBD) reflect the community's shared concern for improving the mixed-use neighborhood in a socially responsible way that protects the area's diversity and encourages new investment and positive change.

The creation of the CMCBD is just one component of what is ultimately needed to create a cleaner, safer and more vibrant Central Market neighborhood. Ultimately, the CMCBD must partner with the City, non-profits and private property owners and businesses to make longer-term changes to the area, including bringing new residents, entertainment and retail to once-boarded-up storefronts.

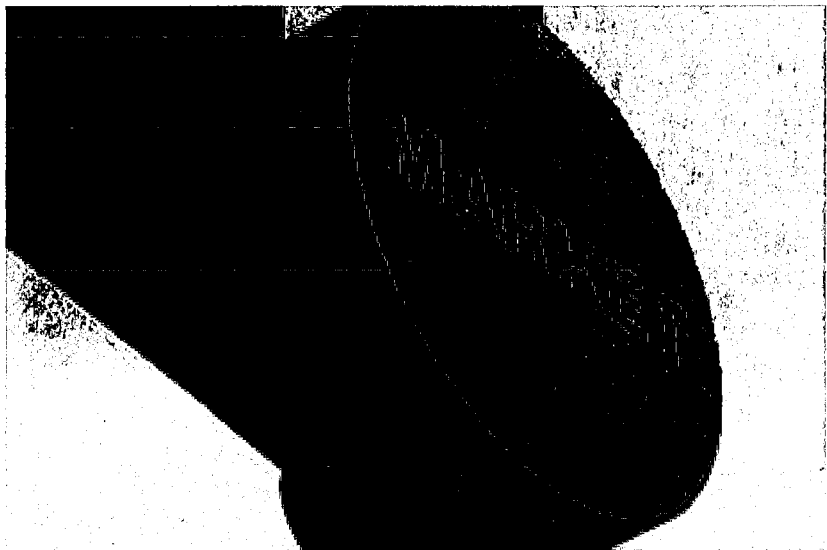
In the year ahead, we will launch our core cleaning and public safety services, develop a comprehensive community outreach program, and introduce new marketing initiatives and neighborhood events.

We invite you to join us.



Respectfully yours,

Daniel Hurtado  
Executive Director



## ABOUT THE CMCBD

The Central Market Community Benefit District (CMCBD) is a non-profit, community-based organization formed in 2006 to provide programs and services to improve the quality of life experienced in the public rights of ways in the Central Market neighborhood for people of all incomes, ethnicities and ages, including residents, business and property owners, workers, and visitors in the area.

The CMCBD believes that improving the overall cleanliness and safety of the district will increase pedestrian activity, strengthen existing small businesses and cultural institutions, and attract new investment.

### Services

The CMCBD was established to fund a range of services including public space beautification and safety, marketing, community outreach, and special events.

### The Leadership

The CMCBD is managed by an Executive Director and a 10-member Board of Directors who were elected to two-year terms through an open public process. The Board of Directors consists of five property owners, three community-based organizations (at least two of which must be residents or community-based organizations representing the interests of residents in the CMCBD) and two non-property owning merchants from the district.

The Board meets every month and all meetings are open to the public. The Board's activities are governed by the organization's bylaws, its contract with the City of San Francisco, the Management District Plan, San Francisco's Community Benefit District Ordinance, and California Property and Business Improvement District law.

### Funding

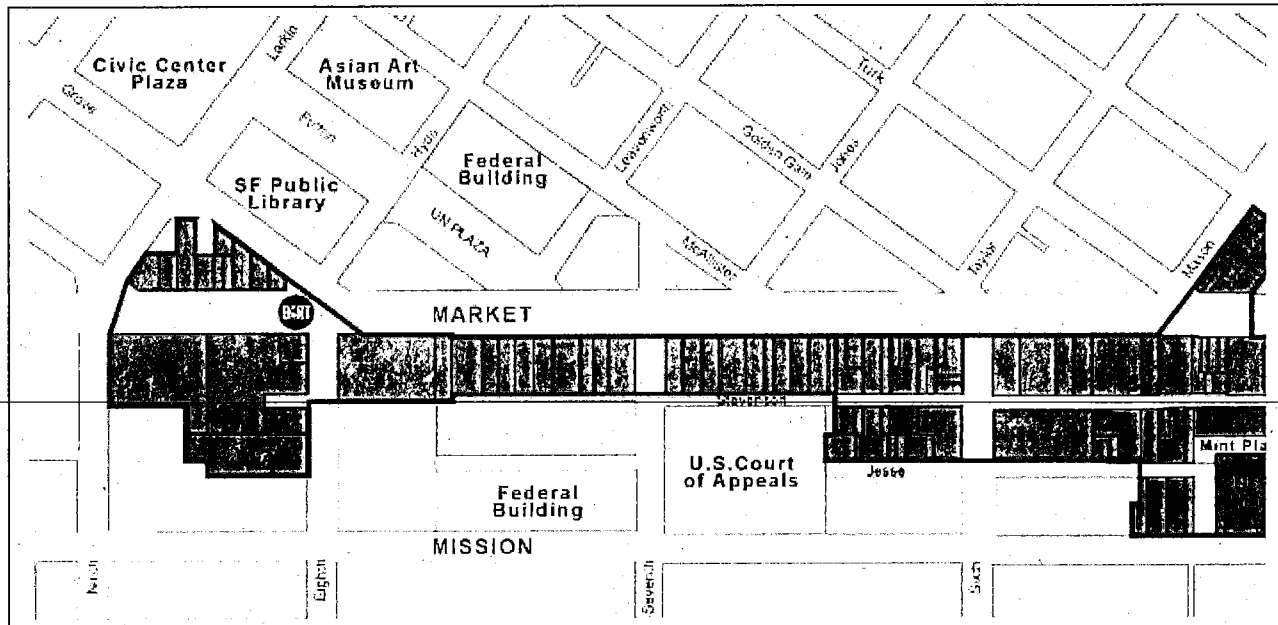
The CMCBD is funded through a special assessment based on a blended rate derived from each lot's linear (public) frontage, area and gross building square footage. The Department of Elections sent ballots to all property owners in the district in October 2006 and a substantial majority of those responding (68%) voted in favor of the proposed special assessment. On October 31, 2006 at a public hearing, the San Francisco Board of Supervisors reviewed the ballots and adopted a resolution approving the creation of the CMCBD.

The annual budget for the CMCBD is approximately \$535,000. The budget is generated from the special assessment collected from every property owner in the district. The budget is allocated into the following spending categories as follows: 65% Public Space Beautification and Safety, 5% District Identity and Streetscape Improvement, 20% Administrative and 10% Contingency.

These categories are governed by the Management District Plan, which was adopted by the San Francisco Board of Supervisors after extensive community input.

## ABOUT THE NEIGHBORHOOD

Located in San Francisco, the Central Market Community Benefit District (CMCBD) extends from Fifth Street to Ninth Street on Market Street and includes some areas of Stevenson Street, Jessie Street, and Mission Street at its most southern point.



### Streetscape

Lined with historic buildings, the Central Market area is home to neighborhood shops, restaurants and other retail, while its residential community and office workers add vitality to the district.

The Central Market neighborhood is part of a larger downtown district referred to as South of Market, or SoMa. Central Market itself is urban and dense.

Concentrated along Market Street, the community includes beloved neighborhood gems (Vietnamese eatery Tu Lan), hidden treasures (Red Ink Studios), and new and historical landmarks (Mint Plaza and the Old Mint Building, respectively).

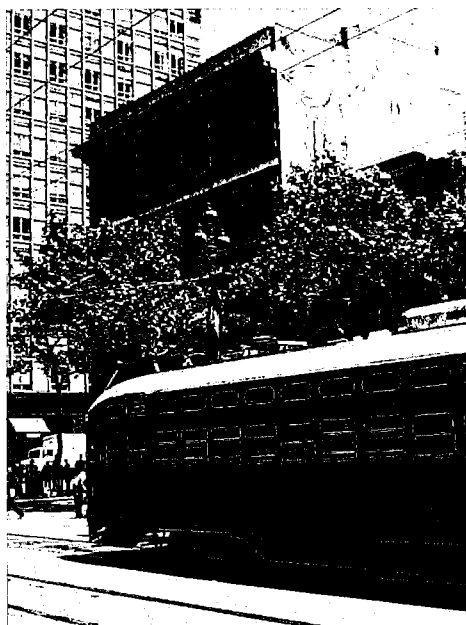




## Historical

From the 1930s to 1970s, Central Market was the bustling center of commerce and public life in San Francisco. With restaurants and theatres – including the popular Paramount and Fox theaters – the Central Market area was the entertainment center of the Bay Area. Market Street was nicknamed “The Great White Way” in honor of the neon signs lining the corridor. Remnants of the neighborhood’s colorful past can still be found along Market Street.

Following twenty-five years of economic decline, the Central Market Community Benefit District was established to improve the Central Market mixed-use district and is striving to make the neighborhood a clean and safe area to live, work and play.



## Accessible

Central Market is easily accessed by a range of public transportation options, and Market Street itself is arguably the most transit-intensive street on the West Coast. The Central Market community is connected to the rest of the region by two BART stations and to the rest of the city by the MUNI Metro system, both at Civic Center and Powell stations. The Central Market neighborhood is also served by at least 20 bus lines.



## REVIEW | 2007

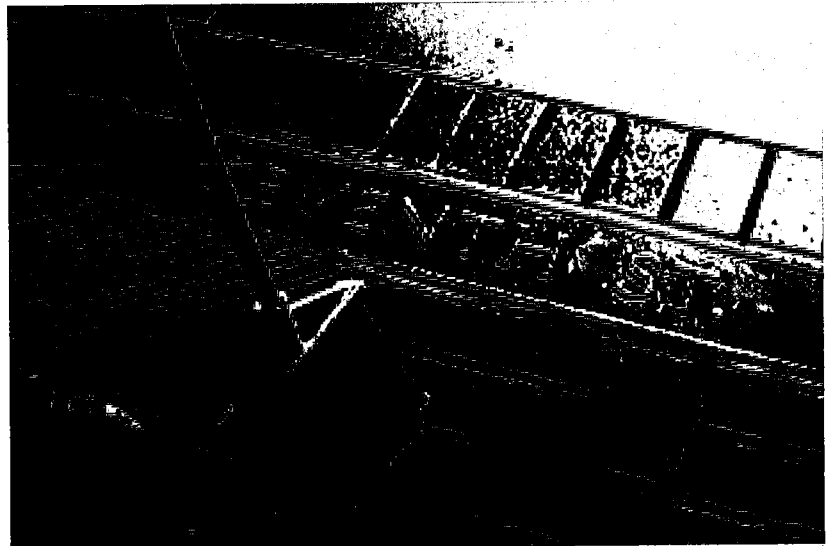
- October 2006: The Department of Elections sent ballots to all property owners in the District. A substantial majority of those responding (68%) voted in favor of the proposed special assessment.
- October 31, 2006: the San Francisco Board of Supervisors reviewed the ballot results, took public testimony, and adopted a resolution approving the creation of the CMCBD.
- December 2006: the CMCBD Steering Committee engaged the Market Street Association to begin the implementation of the CMCBD Management Plan. The Steering Committee for the CMCBD engaged MSA-People in Plazas for the 501(c)(3) non-profit status for the organization.
- December 2006: An Interim Board of Directors was formed.
- December 2006: A Services Committee was established to guide and oversee the development of cleaning, maintenance, and public safety services in the District.
- December 2006: An Identity Committee was formed to oversee marketing projects, special events, and branding efforts for the District.
- March 2007: The CMCBD bylaws were approved by the CMCBD Board of Directors.
- March 2007: The CMCBD conducted an extensive survey to better understand the scope of services desired by residents, employees and visitors in the district. The results of the survey helped identify the most important issues and needs of the general public in the district. This information will be used as a starting place for developing core programs and services that best respond to the top priorities identified in the survey results.
- Spring 2007: A search for an Executive Director for the CMCBD was executed.
- May 2007: Submitted an application for obtaining 501(c)(3) status.
- June 2007: the CMCBD made its online debut and unveiled its new logo. The CMCBD established its website presence at [www.Central-Market.org](http://www.Central-Market.org).
- July 2007: The CMCBD hired Daniel Hurtado as the Executive Director for the CMCBD. He officially began his new position on August 1, 2007.
- September 2007: The CMCBD issued a request for proposals for cleaning/maintenance and public safety/social service outreach services.
- October 2007: The CMCBD launched a monthly public safety seminar series for the community, focusing on crime prevention methods and safety education.
- October 2007: the CMCBD launched the first neighborhood e-newsletter, *Central Market Matters*, highlighting neighborhood news and news items from the CMCBD.
- In November 2007, the CMCBD Board of Directors awarded the contract for cleaning/maintenance services to San Francisco Clean City Coalition and the public safety/social service outreach program to MJM Management Group.

## PREVIEW | 2008

### Public Space Beautification & Safety

(See "Community Guides & Cleaning/Maintenance Programs" appendix)

- Launch cleaning and maintenance of public spaces in the district to include:
    - Regular sidewalk and gutter sweeping
    - Quarterly sidewalk steam cleaning
    - Regular power washing
    - Enhanced trash emptying in the public rights of way
    - Graffiti removal
    - Report and repair street furniture
  - Launch a comprehensive, community-based "Community Guides" program emphasizing public safety and community outreach. The Community Guides would serve as "eyes and ears" for the Central Market community while also serving as goodwill ambassadors for social service agencies, linking services to those in need desiring assistance. The program would be developed in partnership with social service agencies, the San Francisco Police Department (SFPD) and community-based agencies.
- 
- Establish a dispatch phone number for people to call to report litter, graffiti, abandoned items, and other cleanliness issues in addition to public safety matters
  - Publish a regular public safety e-news blast consisting of a letter from the captain of the SFPD Southern Station, crime statistics, public safety-related events and meetings, public safety tips, and crime alerts for the neighborhood.
  - Develop a public safety tips brochure for business, residents and employees in partnership with SFPD and San Francisco SAFE, Inc.
  - Create a homeless outreach card in collaboration with area social services agencies and distribute through the Ambassador program and through service providers.
  - Produce a series of public safety and pedestrian safety/transportation fairs for the neighborhood.



## PREVIEW | 2008

### District Identity

- Design and install banners to celebrate the Central Market neighborhood.
- Develop a streetscape improvement plan for the district through the CMCBD Identity Committee.
- Explore opportunities for beautifying vacant storefronts through window displays, exploring façade improvement opportunities, and filling vacancies through business attraction and economic development strategies in conjunction with Urban Solutions and other community-based organizations.
- Develop an online and printable business directory for the district.
- Produce a concert series for the neighborhood, highlighting area artists.
- Expand the holiday window-decorating contest for street-level businesses.

---

### Administrative / Corporate Operations

- Continue to expand the CMCBD database.
- Publish and distribute an Annual Report to all property owners.
- Develop a strategic marketing and business plan for the CMCBD.
- Host an Annual Meeting event as a year-end review of the organization's accomplishments, a preview of upcoming services and initiatives, and a networking and neighborhood awards opportunity.
- Continue to hold and publicize Board and Committee Meetings monthly.



## FINANCIALS

### 2007 Budget v. Actuals\*

	BUDGET	ACTUALS
<b>INCOME</b>		
Assessments (FY 06 – 07)	535,300	514,693.83
Donations & Grants	28,174	420.00
<b>Total</b>	<b>563,473</b>	<b>515,113.83</b>
<b>EXPENSE</b>		
Administrative / Operations	112,695	151,195.08
Public Space Beautification & Safety	366,257	
District Identity & Streetscape Improvements	28,174	14,597.34
<b>Total</b>	<b>507,126</b>	<b>165,792.42</b>
<b>CONTINGENCY / RETAINED EARNINGS</b> <i>Carryover to</i>	56,347	349,321.41

\*ending December 31, 2007

### 2008 Budget

<b>INCOME</b>	
Assessments	514,700
<i>Retained Earnings (Carryover from previous FY)</i>	349,321
Donations/Grants	25,723
<b>Total</b>	<b>889,774</b>
<b>EXPENSE</b>	
Administrative / Operations	124,639
Public Space Beautification & Safety	513,454
District Identity & Streetscape Improvements	45,674
<b>Total</b>	<b>683,767</b>
<b>CONTINGENCY / RETAINED EARNINGS</b> Reserved for services in FY 2009 & FY 2010	205,977

## THE LEADERSHIP | 2007

### Executive Committee\*

**Michael Yarne**  
CMCBD President  
*Martin Building Company*  
(Property Owner Seat)

**Gregory Johnson**  
CMCBD Treasurer  
*CAC Real Estate Management*  
(Property Owner Seat)

**Denise Burian**  
CMCBD Secretary  
*State Compensation Insurance Fund*  
(Property Owner Seat)

### Board of Directors\*

**Doug Dalton**  
*Anu Bar*  
(Merchant Seat)

**David Fariello**  
*UCSF Citywide Case*  
*Management Program*  
(Residents/Community-Based Organizations Seat)

**Maureen Futtner**  
*Urban Solutions*  
(Residents/Community-Based Organizations Seat)

**Jerry Jarvis**  
*Central Market Resident*  
(Residents/Community-Based Organizations Seat)

**Jason Kletter**  
*BAART*  
(Property Owner Seat)

**Richard Lane**  
*SF Office Lofts*  
(Property Owner Seat)

**Jonie Marie Theodorsen**  
*Pearl Art & Craft*  
(Merchant Seat)

### Staff\*

**Daniel Hurtado**  
CMCBD Executive Director

\*as of December 31, 2007

**C·E·N·T·R·A·L**

COMMUNITY BENEFIT DISTRICT

**Central Market Community Benefit District**  
989 Market Street, Third Floor  
San Francisco, CA 94103

Office: 415.882.3088  
Email: [info@central-market.org](mailto:info@central-market.org)  
Website: [www.Central-Market.org](http://www.Central-Market.org)

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**  
**(A California Nonprofit Public Benefit Corporation)**

---

**REPORT ON FINANCIAL STATEMENTS**

---

---

**FOR THE PERIOD FROM INCEPTION (FEBRUARY 27, 2007)**  
**TO DECEMBER 31, 2007**

---

## CONTENTS

	<u>PAGE</u>
ACCOUNTANTS' REVIEW REPORT . . . . .	1
FINANCIAL STATEMENTS	
Statement of financial position . . . . .	2
Statement of activities . . . . .	3
Statement of cash flows . . . . .	4
Statement of functional expenses . . . . .	5
Notes to financial statements . . . . .	6 – 8



# ***CLARIDAD & CROWE***

**Certified Public Accountants  
A Partnership of Professional Corporations**

101 Larkspur Landing Circle, Suite 311, Larkspur, CA 94939  
Telephone (415) 464-8999  
Facsimile (415) 464-9009

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

---

We have reviewed the accompanying statement of financial position of Central Market Community Benefit Corporation (a California nonprofit benefit organization) as of December 31, 2007, and the related statements of activities, cash flows and functional expenses for the period from inception (February 27, 2007) to December 31, 2007, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Central Market Community Benefit Corporation.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with U.S. generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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



**CERTIFIED PUBLIC ACCOUNTANTS**

July 2, 2008

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FINANCIAL POSITION**

**December 31, 2007**

ASSETS	
Cash	\$ 349,245
Due from City and County of San Francisco	275,299
Other asset	<u>75</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 624,619</u></b>
NET ASSETS	
Unrestricted	420
Temporarily restricted	<u>624,199</u>
<b>TOTAL NET ASSETS</b>	<b><u>624,619</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 624,619</u></b>

See accountants' review report and notes to financial statements.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF ACTIVITIES**

**For the Period from Inception (February 27, 2007) to December 31, 2007**

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Support and revenues:			
Contributions:			
Individuals	\$ 420	\$	\$ 420
Local property assessments		789,991	789,991
Net assets released from restrictions			
Satisfaction of purpose	<u>165,792</u>	<u>(165,792)</u>	<u>-</u>
Total support and revenues	166,212	624,199	790,411
Expenses			
Program	103,042	-	103,042
Support services:			
Management	<u>62,750</u>	<u>-</u>	<u>62,750</u>
Total expenses	<u>165,792</u>	<u>-</u>	<u>165,792</u>
Change in net assets	<u>420</u>	<u>624,199</u>	<u>624,619</u>
Net assets, end of year	<u>\$ 420</u>	<u>\$ 624,199</u>	<u>\$ 624,619</u>

See accountants' review report and notes to financial statements.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF CASH FLOWS**

**For the Period from Inception (February 27, 2007) to December 31, 2007**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets	\$ 624,619
Adjustments to reconcile support and revenue over expenses to net cash provided (used) by operating activities:	
(Increase) decrease in:	
Due from City and County of San Francisco	(275,299)
Other asset	<u>(75)</u>
Total adjustments	<u>(275,374)</u>
Net cash provided by operating activities	<u>349,245</u>
Cash flows from financing activities	
Proceeds from line of credit borrowings	75,000
Principal payments on line of credit	<u>(75,000)</u>
Net cash provided (used) by financing activities	<u>-</u>
Net increase in cash	349,245
Cash and cash equivalents, beginning of year	<u>0</u>
Cash and cash equivalents, end of year	<u>\$ 349,245</u>

See accountants' review report and notes to financial statements.

**CENTRAL MARKET COMMUNITY BENEFIT CORPORATION**

**STATEMENT OF FUNCTIONAL EXPENSES**

**For the Period from Inception (February 27, 2007) to December 31, 2007**

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 22,615	\$ 5,654	\$ 28,269
Employee benefits	2,520	631	3,151
Administrative services	24,470	21,753	46,223
Outside services	51,954	9,308	61,262
Professional fees		15,243	15,243
<hr/>			
Insurance		4,883	4,883
Interest		1,692	1,692
Other expenses	<u>1,483</u>	<u>3,586</u>	<u>5,069</u>
	<u>\$ 103,042</u>	<u>\$ 62,750</u>	<u>\$ 165,792</u>

See accountants' review report and notes to financial statements.

# CENTRAL MARKET COMMUNITY BENEFIT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

For the Period from Inception (February 27, 2007) to December 31, 2007

### NOTE A – General and Summary of Significant Accounting Policies

#### General

Central Market Community Benefit Corporation (CMCBC)(the Organization) is a California nonprofit, community-based organization incorporated in February, 2007, to provide programs and services to improve the overall cleanliness and safety of the Central Market district's public realm in San Francisco, California. The goal of CMCBC is to increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment and improve quality of life in the district's public realm.

Funding is provided primarily from special assessments collected from every property owner in the district through the City and County of San Francisco. The annual budget for CMCBC is allocated into the following spending categories: 65% public space beautification and safety, 5% district identity and streetscape improvement, 20% administrative and 10% contingency.

#### Income Taxes

The Organization has been granted tax-exempt status under section 501(c)(3) of the Internal Revenue Code and Section 23701d of the Revenue and Taxation Code of the State of California Franchise Tax Board.

#### Basis of Accounting and Reporting Accounting Method

##### Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Unrestricted net assets consist of resources over which the Board of Directors has discretionary control and are available for daily operations of the Organization.

# CENTRAL MARKET COMMUNITY BENEFIT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

For the Period from Inception (February 27, 2007) to December 31, 2007

### NOTE A – General and Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting and Reporting Accounting Method (Continued)

#### Basis of Presentation (Continued)

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### 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.

#### Due from City and County of San Francisco

No allowance for uncollectible accounts has been recorded as all amounts due from the City and County of San Francisco are deemed collectible by management as of December 31, 2007.

#### Statement of Cash Flows

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

#### Functional Expenses

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

# CENTRAL MARKET COMMUNITY BENEFIT CORPORATION

## NOTES TO FINANCIAL STATEMENTS

For the Period from Inception (February 27, 2007) to December 31, 2007

### NOTE A – General and Summary of Significant Accounting Policies (Continued)

#### Basis of Accounting and Reporting Accounting Method (Continued)

#### Support and Revenue Recognition

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

---

#### Advertising

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

### NOTE B – Concentration of Credit Risk

The Organization maintains cash balances at a financial institution in excess of federally insured limits. Accounts which are insured by the Federal Deposit Insurance Corporation up to \$100,000 exceeded this limitation at December 31, 2007, by \$250,245.

### NOTE C – Temporarily Restricted Net Assets

During the period from inception (February 27, 2007) to December 31, 2007, net assets of \$165,792 were released due to the fulfillment of the purpose restriction to provide improvement district services.

### NOTE D – Line of Credit

The Organization is subject to a revolving line of credit agreement with a bank, which renews annually. The terms of the agreement allow the Organization to borrow up to \$100,000, with interest at 8.25%. At December 31, 2007, there was no outstanding balance under this agreement.