

MEMO

To: Supervisor Jane Kim, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Project Manager

RE: Central Market Community Benefit District

Date: February 19, 2015

This is a memo summarizing the performance of the Central Market Community Benefit District (CMCBD) and an analysis of their financial statements (based on their audit) for the period between January 1, 2014 and December 31, 2014.

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

Also attached to this memo are the following documents:

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



Background

The District is generally described as from the West side of 5th Street to the East side of South Van Ness Avenue, and from the South side of Market Street to the South Side of Mission Street. In addition, one block North of Market between Cyril Magnin and Mason, and one block North of Market between Grove and Larkin are included. Also, properties along Sixth Street between Market and Folsom Streets, along with the properties on adjacent streets and alleys East and West of Sixth Street (to varying distances) are included. The district contains 811 parcels, including the former US Mint building and Mint Plaza.

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

Basic Info about Central Market CBD

Year Established	2006
Year Renewed	2013
Assessment Collection Period	July 1, 2013 - June 30, 2028
Services Start and End Date	January 1, 2014 – December 31, 2028
Initial Estimated Annual Budget	\$1,225,433.63
Fiscal Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Central Market Community Benefit District Corporation

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

Summary of Service Area Goals

Public Safety

The Public Safety program area includes multiple programs intended to ensure the safety of the district. Parts of this program area include Community Guides, the 10B Officer program, the San Francisco Patrol Special Police, community meetings, and public safety seminars. The district's approach focuses on public safety, social service outreach, hospitality and customer service.

Cleaning and Maintenance

The Cleaning and Maintenance program includes enhanced cleaning and maintenance services within the public right-of-way and sidewalks, above and beyond the baseline level of service provided by the City of San Francisco. Service includes quarterly steam cleaning.

Management and Economic Development

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

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2014

Public Safety

Note: The CMCBD CY 2014 Annual Report developed standardized metrics for measuring program performance.

Public Safety

- Public Safety Services (*partial list*):
 - Ambulance/Fire/Police Called – 431
 - Mentally Disabled Assisted – 224
 - Referrals to Shelters – 260
 - Social Services Accepted – 214
 - Social Services Refused – 424
 - Collaborated with Civic Center CBD to hire a full-time 10B Officer
 - Helped District 6 advance pedestrian safety efforts along the 6th Street corridor

Cleaning and Maintenance

- Cleaning and Maintenance Services (*partial list*)
 - Removed 2,051 needles
 - Responded to more than 10,091 requests for sidewalk sweeping, steam cleaning and spot cleaning
 - Removed 5,739 graffiti tags, stickers and flyers
 - Repainted 111 fixtures
 - Produced the “SRO Manager’s Guide” in collaboration with SRO residents, SRO owners and supportive housing providers

Management and Economic Development

- Successfully fulfilled management plan services in all program areas
- Monitored City agency baseline services provided by Department of Public Works
- Effectively collaborated with neighboring CBDs and multiple City agencies
- Surpassed General Benefit fundraising goal by \$120,908.00 (8.98%)
- Attracted 3 new businesses to the district and retained 4 existing businesses
- Helped the City create and implement the Central Market/Tenderloin Economic Strategy
- Helped the City re-design and launch Epicenter-SF.org
- Designed and implemented “Be Barrier Beautiful” construction barricade improvement program
- Conducted Bike Friendly Business District Workshops with district businesses, SFMTA and the San Francisco Bicycle Coalition
- Held the 4th annual “2 Blocks of Art” art walk promoting local art and district businesses

- Produced “Stevenson Alley Design Guidelines” in collaboration with district stakeholders, Public Works and Planning

CMCBD Annual Budget Analysis

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

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

CY 2014

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

ANALYSIS: CMCBD met this requirement. See table below.

Service Category	Management Plan Budget	% of Budget	CY 2014 Budget	% of Budget	Variance Percentage Points
Public Safety	\$431,382.73	35.20%	\$431,382.73	36.59%	+1.39%
Cleaning and Maintenance	\$352,000.00	28.72%	\$352,000.00	29.86%	+1.13%
Management and Economic Development	\$300,885.66	24.55%	\$300,885.66	25.52%	+ .97%
Contingency	\$141,165.24	11.52%	\$94,718.06	8.03%	-3.49%
TOTAL	\$1,225,433.63	100%	\$1,178,986.39	100%	

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

ANALYSIS: *CMCBD met this requirement.* Assessment revenue was \$1,144,834.00 or 87.34% of actuals and non-assessment revenue was \$166,004.00 or 12.66% of actuals. See table below.

Revenue Sources	CY 2014 Actuals	% of Actuals
Special Benefit Assessments	\$1,144,834.00	
Total assessment revenue	\$1,144,834.00	87.34%
Grants	\$141,667	10.81%
Donations	\$2,400	.18%
Other	\$21,937.00	1.67%
Total non-assessment revenue	\$166,004.00	12.66%
Total	\$1,310,838.00	100%

Non-assessment revenue applied to 3.68% General Benefit requirement

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

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

Service Category	CY 2014 Budget	% of Budget	CY 2014 Actuals	% of Actuals	Variance Percentage Points
Public Safety	\$431,382.73	36.59%	\$406,982.00	34.79%	-1.80%
Cleaning & Maintenance	\$352,000.00	29.86%	\$359,208.00	30.71%	+ .85%
Management and Economic Development	\$300,885.66	25.52%	\$284,742.00	24.34%	-1.18%
Contingency	\$94,718	8.03%	118,857.00	10.16%	+2.13%
TOTAL	\$1,178,986.39	100%	\$1,168,789.00	100%	

*Contingency Reserve is redeployed throughout the year to meet the needs of the CBD

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

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

CY 2014 Carryover Disbursement	\$136,315
Contingency & Reserve	\$118,857
Non-Assessment Revenue Net Assets	\$17,458
Total Carryover Disbursement	\$136,315

Findings and Recommendations

Within the review period of CY 2014, the Central Market CBD met the expectations and requirements as set by the California Street and Highways Code Section 36650-36651; the Agreement for the Administration of the “Central Market Community Benefit District; and the Agreement for the Administration of the “Central Market Community Benefit District.”

Conclusion

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