

MEMO

To: Supervisor Aaron Peskin, District 3

CC: San Francisco Board of Supervisors

From: Chris Corgas, Senior Program Manager

RE: Fisherman's Wharf Community Benefit District (Landside and Portside)

Date: February 1, 2017

This is a memo summarizing the performance of the Fisherman's Wharf Community Benefit District (FWCBD) for both "Landside" and "Portside" and an analysis of their financial statements (based on their audit) for the period between July 1, 2015, and June 30, 2016.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Fisherman's Wharf CBD has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, reviewed these financial documents to monitor and report on whether they have complied with the rules per the Property and Business Improvement District Law of 1994, California Streets and Highways Code Sections 36600 Et Seq.; San Francisco's Business and Tax Regulations Code Article 15; the Fisherman's Wharf Association management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2005 for Landside and 2006 for Portside.

Also attached to this memo are the following documents:

1. Annual Report
 - a. FY 2015-2016
2. CPA Financial Review Report
 - a. FY 2015-2016
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Fisherman’s Wharf Community Benefit District includes two districts - the “Landside” property-based district includes 127 parcels and “Portside” business-based district includes 58 parcels.

Landside:

- July 26, 2005: the Board of Supervisors approved the resolution that established the property-based district called the Fisherman’s Wharf Landside Community Benefit District for 15 years (Resolution # 540-05).
- January 10, 2006: the Board approved the contract for the administration and management of the Fisherman’s Wharf Community Landside CBD (Resolution # 16-06).
- April 19, 2016: the Board approved the Annual Report for the Fisherman’s Wharf Landside CBD (Resolution # 135-16).

Portside:

- December 12, 2006: the Board of Supervisors approved the resolution that established the business-based district called the Fisherman’s Wharf Portside Community Benefit District for 14 years (Resolution # 696-06).
- June 19, 2007: the Board approved the contract for the administration and management of the Fisherman’s Wharf Portside CBD (Resolution # 312-07).
- April 19, 2016: the Board approved the Annual Report for the Fisherman’s Wharf Portside CBD (Resolution # 135-16).

Basic Info about Fisherman’s Wharf CBD

Year Established	Landside 2005 Portside 2006
Assessment Collection Period	Landside: FY 2005-06 to FY 2019-20 (July 1, 2005 to June 30, 2020) Portside: FY 2006-07 to FY 2019-20 (July 1, 2006 to June 30, 2020)
Services Start and End Date	Landside: January 1, 2006 – December 31, 2020 Portside: January 1, 2007 – December 31, 2020
Initial Estimated Annual Budget	Landside: \$622,615 Portside: \$187,113
Fiscal Year	July 1 – June 30
Executive Director	Troy Campbell
Name of Nonprofit Owners’ Association	Fisherman’s Wharf Association of San Francisco

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

Summary of Service Area Goals

District Identity and Street Improvements (DISI)

District Identity and Street Improvements service includes marketing and public relations and street enhancements for the district. The Landside CBD Management Plan calls for 41% of the budget to be spent on DISI while the Portside CBD Management Plan calls for 70% of the budget to be spent in this service area.

Street Operations, Beautification and Order (SOBO)

Street Operations, Beautification and Order service area includes street maintenance, beautification, and safety and emergency preparedness. FWCBD contracts with Costless Maintenance Service Company (CMSC) Block by Block to provide removal of litter from sidewalks seven days a week year round, annual sidewalk steam cleaning, ongoing power washing and removal of graffiti within 72 hours. Security in the district is provided by two SFPD 10B officers SIX days a week from July to early October. Three full-time and one part-time ambassador provide assistance with directions and questions, communication with law enforcement and the Port of San Francisco, and outreach to homeless on the wharf. The Landside CBD Management Plan calls for 29% of the budget to be spent on SOBO while the Portside CBD Management Plan does not allocate funds for this service area.

Administration and Corporate Operations

The Landside and Portside CBD Management Plan calls for 20% of the budget to be spent on administration and corporate operations. FWCBD is staffed by a full-time Executive Director who serves as the focal point person and advocate for Fisherman's Wharf CBD. FWCBD board has twenty-five (25) board members that represent the diverse property and business owners in the district. In addition, there are two non-voting community representatives on the board that include the National Park Service, the Fishing Industry, and the Port of San Francisco. The board meets every fourth Thursday of the month. Each committee requires at least one board member serve on the committee or as the chair. The five committees include:

- **Marketing/District Identity & Streetscape Improvements** - The Marketing/District Identity & Streetscape Improvements committee works to promote visitation to Fisherman's Wharf and meets the second Tuesday of the month.
- **PIERSafe** - The PIERSafe committee works to create a safety and emergency preparedness for businesses and residents in the Fisherman's wharf community and meets the first Thursday of the month. Fisherman Wharf CBD regularly holds trainings, meetings and drills to ensure safety for merchants, workers and visitors on the wharf.
- **Sustainability/Zero** - The Sustainability/Zero Waste committee works to assist businesses and residents in reaching the City's goals of becoming 100% sustainable by the year 2020 and meets every two months.
- **Street Operations and Beautification** - The Street Operations and Beautification committee works to ensure a clean and safe commercial district and meet on the second Tuesday of the month.
- **Transportation Improvement** - The Transportation Improvement committee works to help mitigate traffic congestion and improve vehicle and pedestrian safety and meets every two months.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

FY 2015-2016

District Identity and Street Improvements (DISI)

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

Street Operations, Beautification and Order (SOBO)

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

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

Administration and Corporate Operations

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

FWCBD Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District”, Section 3.9 – Budget; Agreement for the Administration of the “Fisherman’s Wharf Portside Community Benefit District”, Section 3.9 - Budget*)
- **BENCHMARK 2:** Whether five percent (5%) of Landside’s actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District”, Section 3.4 - Annual Reports*)

- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent (*Agreement for the Administration of the “Fisherman’s Wharf Community Benefit District”, Section 3.9 – Budget; Agreement for the Administration of the “Fisherman’s Wharf Portside Community Benefit District”, Section 3.9 - Budget*)
- **BENCHMARK 4:** Whether FWCBD is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*)

FY 2014-2015

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

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

Landside

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

Portside

Service Category	Management Plan Budget	% of Budget	FY 2014-2015 Budget	% of Budget	Variance Percentage Points
District Identity and Streetscape Improvements	\$130,979.00	70.00%	\$166,619.50	69.93%	-0.07%
Administrative and Corporate Operations	\$37,423.00	20.00%	\$48,751.50	20.46%	+0.46%
Contingency and Reserves	\$18,711.00	10.00%	\$22,900.00	9.61%	-0.39%
TOTAL	\$187,113.00	100%	\$238,271.00	100%	

BENCHMARK 2: Whether five percent (5%) of Landside’s actuals came from sources other than assessment revenue

ANALYSIS: *FWCBD met this requirement. Assessment revenue was \$647,611 or 94.50% of actuals and non-assessment revenue was \$37,708 or 5.50% of actuals. See table below.*

Revenue Sources	FY 2015-2016 Actuals	% of Actuals
Assessments Revenue	\$688,175.00	
Total Assessment (Special Benefit) Revenue	\$688,175.00	+82.45%
Other	\$-	0.00%
Grants	\$62,214.00	+7.45%
Earned Revenue	\$-	0.00%
Contributions and Sponsorships	\$8,251.00	+0.99%
Donations	\$75,341.00	+9.03%
Interest Earned	\$713.00	+0.09%
Total Non-Assessment (General Benefit) Revenue**	\$146,519.00	+17.55%
Total	\$834,694.00	100.00%

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

ANALYSIS: *FWCBD met this requirement for Landside; FWCBD did not meet this requirement for Portside. See table below.*

Landside

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

Portside

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

Special Projects	\$0.00	0.00%	\$31,029.76	11.27%	11.27%
Contingency Reserve	\$22,900.00	9.61%	\$14,638.90	5.31%	-4.30%
TOTAL	\$238,271.00	100.00% %	\$200,867.26	100.00%	

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

ANALYSIS: FWCBD met this requirement. *There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.*

Landside

FY 2015-16 Carryover Disbursement	\$544,371.42
SOBO	\$157,791.51
DISI	\$222,143.40
Administration	\$108,893.82
Contingency	\$53,562.69
Special Project Total	\$542,391.42
Total Designated amount for Future Years	\$544,371.42

Portside

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

Findings and Recommendations

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

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

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

Conclusion

Fisherman's Wharf CBD has performed well in implementing the service plan of both the Landside and Portside areas. Fisherman's Wharf CBD has continued to successfully market and produce events such as 4th of July, Fleet Week, and Wharfest. Fisherman's Wharf CBD has an active board of directors and committee members; and OEWD believes the Fisherman's Wharf CBD will continue to successfully carryout its mission and service plans.