

MEMO

To: Supervisor Matthew Haney, District 6

CC: San Francisco Board of Supervisors

From: Chris Corgas, OEWD Senior Program Manager

RE: Central Market Community Benefit District (dba: Mid Market Community Benefit District) CY 2018 Annual Report

Date: October 23, 2020

This is a memo summarizing the performance of the Central Market Community Benefit District (CMCBD) dba: Mid Market Community Benefit District (Mid Market CBD) and an analysis of their financial statements (based on their audit) for the period between January 1, 2018 and December 31, 2018.

Each year the CBD is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Mid 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 Report
 - a. CY 2018
2. CPA Financial Review Report
 - a. CY 2018
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 1,087 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 of Supervisors approved the contract for the administration and management of the Central Market Community Benefit District (Resolution # 019-14).
- February 3, 2015: the Board of Supervisors approved CMCBD's Annual Reports for CYs 2011, 2012, and 2013 (Resolution # 034-15).
- June 7, 2016: the Board of Supervisors approved CMCBD's Annual Report for CY 2014 (Resolution # 230-16).
- September 20, 2016: the Board of Supervisors approved Resolution modifying the Management District Plan and Engineer's Report to remove the District-wide cap on annual assessment revenues levied on properties located in the property-based business improvement District (Community Benefit District) known as the "Central Market Community Benefit District," and making environmental findings (Resolution # 402-16).
- May 9, 2017: the Board of Supervisors approved CMCBD's Annual Report for CY 2015 (Resolution # 170-17).
- November 13, 2018: the Board of Supervisors approved the CMCBD's Annual Report for CY 2016 (Resolution # 400-18).
- October 29, 2019: the Board of Supervisors approved CMCBD's Annual Report for CY 2017 (Resolution # 467-19).

Basic Info about Central Market CBD dba: Mid Market CBD

Year Established	2006
Year Renewed	2013
Year Modified	2016
Assessment Collection Period	2013 - 2027
Services Start and End Date	January 1, 2014 - December 31, 2028

Initial Estimated Annual Budget	\$1,225,433.63
FY 17-18 Assessment Roll Submission	\$1,462,796.22
Calendar Year	January 1 – December 31
Executive Director	Tracy Everwine
Name of Nonprofit Entity	Central Market Community Benefit District Corporation

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

Summary of Service Area Goals

Public Safety

Mid Market CBD’s public safety services focus on: hospitality, social service outreach, and crime prevention. Key programs include: Community ambassadors; SFPD 10B Officers (as needed) paired with ambassadors to create a co-responder approach to pedestrian health and safety concerns; and public safety seminars.

Cleaning and Maintenance

Mid Market CBD’s cleaning and maintenance services within the public right-of-way are supplemental to the baseline level of service provided by the City of San Francisco. This includes sidewalk sweeping, pressure washing, graffiti abatement, and monitoring public trash receptacles reducing overflow, and removal of large debris.

Management and Economic Development

Management includes day-to-day oversight of the organization and advocacy for District needs with City departments ensuring good and timely service. Economic Development activities such as: business attraction, retention, stabilization and promotion support ground floor retail space activation and overall District vitality.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2018

Public Safety

Mid Market safety services continued to support hospitality and address anti-social activity. CBD Ambassadors and co-responder Safety Teams received additional training from the City’s newly formed Healthy Streets Operations Center (HSOC) and SFPD on the City’s coordinated response to issues. MMCBD also worked closely with BART to mitigate the impacts of construction of new BART station canopies on Market Street for pedestrians.

- Provided wayfinding assistance for visitors and tourists
- Provided referrals for food, clothing, and shelter support to those in need
- Reported instances of trespassing, loitering, and illegal camping
- Reversed drug overdoses by calling 911 as first responder
- Reported instances of drunk and disorderly conduct and provided escorts to the sobering center when possible
- Reported illegal street vending of stolen merchandise, cell phones, and narcotics

Cleaning and Maintenance

Mid Market CBD cleaners went above and beyond addressing homeless encampments; graffiti removal on vacant and boarded storefronts and increased syringe cleanup resulting from the opioid epidemic.

- Removed 224,120 pounds of trash from the District
- Collected 29,605 needles over 12 months
- Pressure washed 40,678 linear feet of sidewalk quarterly
- Facilitated significant human/animal waste clean-ups
- Removed or reported instances of illegal dumping
- Removed graffiti tags and illegal postings
- Awarded competitive grant to pilot Bigbelly “smart” refuse collection units through the Mayor’s Fix-It Team and OEWD

Management and Economic Development

Management ensured the District remained compliant with regulatory agencies and that Management Plan services remained constant and adaptable to increasing needs and new City policies.

- Provided technical assistance to existing residents and businesses and helped to attract new ones through Management Plan services and connections to City resources
- Inventoried and promoted District ground floor retail vacancies on MMCBD’s website
- Recorded 14 new ground floor retail businesses to the District as well as new residential buildings, non-profits and public realm enhancements
- Participated on the Better Market Street project team
- Participated on the BART Station Modernization project team
- Participated on the 6th Street Pedestrian Safety project
- Issued comprehensive quarterly newsletters for members and stakeholders containing service statistics and important District news

Annual Budget Analysis

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

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

- **BENCHMARK 4:** Whether MMCBD is indicating the amount of funds to be carried forward into the next calendar year and designating projects to be spent in that calendar year (*CA Streets & Highways Code, Section 36650(B)(5)*).

CY 2018

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

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

Service Category	Original Management Plan Budget	% of Budget	CY 2018 Budget	% of Budget	Variance Percentage Points
Public Safety	\$431,382.73	35.20%	\$484,224.88	33.09%	-2.11%
Cleaning and Maintenance	\$352,000.00	28.73%	\$440,966.40	30.14%	1.41%
Management and Economic Development	\$300,885.66	24.55%	\$479,688.74	32.78%	8.23%
Contingency and Reserve	\$141,165.24	11.52%	\$58,315.46	3.99%	-7.53%
TOTAL	\$1,225,433.63	100%	\$1,463,195.48	100%	

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

ANALYSIS: *MMCBD met this requirement. MMCBD received \$1,463,365 in assessment revenue, which was approximately 76.08% of their CY 2018 operating budget. The CBD received \$460,078 in non-assessment revenue which was approximately 23.92% of their CY 2018 revenue. See table below.*

Revenue Sources	CY 2018 Actuals	% of Actuals
Special Benefit Assessments	\$1,463,365.00	
Total assessment revenue	\$1,463,365.00	76.08%
Contributions and Sponsorships	\$18,425.00	0.96%
Grants	\$117,246.00	6.10%
Fees for Service	\$324,185.00	16.85%
Other	\$222.00	0.01%
Total General Benefit (non-assessment) revenue	\$460,078.00	23.92%

Total	\$1,923,443.00	100%
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Non-assessment revenue applied to 3.68% General Benefit requirement

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

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

Service Category	CY 2018 Budget	% of Budget	CY 2018 Actuals	% of Actuals	Variance Percentage Points
Public Safety	\$484,224.88	33.09%	\$464,462.00	31.67%	-1.43%
Cleaning & Maintenance	\$440,966.40	30.14%	\$393,120.00	26.80%	-3.33%
Management and Economic Development	\$479,688.74	32.78%	\$514,826.00	35.10%	+2.32%
Contingency and Reserve*	\$58,315.46	3.99%	\$94,251.00	6.43%	+2.44%
TOTAL	\$1,463,195.48	100%	\$1,466,659.00	100.00%	

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

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

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

CY 2018 Carryover	To be used in 2019
CY 2018 Assessment Carryforward	\$10,579.72
Designated Projects	
Management Plan Services	\$10,579.72
Total Designated Amount	\$10,579.72

Findings and Recommendations

Within the review period of CY 2018, the Mid Market CBD met benchmarks set by the California Street and Highways Code Section 36650-36651, as found on Pages 4 and 5 of this memo and fulfilled its Management Plan. Mid Market CBD was also able to raise a significant amount of General Benefit revenue from non-assessment sources exceeding their General Benefit requirement of 3.68% by 20.24% for a total of 23.92%.

Conclusion

Mid Market CBD continued to successfully implement the service areas stated in their Management Plan and seized opportunities to leverage its resources to fundraise and add additional services through grants, donations, and collaborative partnerships.