

**PARKING AUTHORITY COMMISSION**  
City and County of San Francisco

**DIVISION:** SFMTA Finance and Administration

**BRIEF DESCRIPTION:**

Authorizing the SFMTA Executive Director/CEO, as the authorized administrative representative of the Parking Authority, or his designee, to approve the San Francisco General Hospital Medical Center Parking System Fiscal Years 2008-2009 and 2009-2010 Operating Budget.

**SUMMARY:**

- On September 20, 2005, the Parking Authority of the City and County of San Francisco entered into a six-year agreement with Pacific Park Management, Inc. ("Manager") for the management of the San Francisco General Hospital Medical Center Parking System that commenced on January 1, 2006.
- Pursuant to the agreement, Pacific Park Management, Inc. is required to submit an annual Operating Budget each fiscal year for review and approval.
- The SFMTA receives 100 percent of the garage net income.
- SFMTA Finance staff formulated a uniform, two-year budget submittal package for use by all garages to establish a new benchmark in the quality of garage budget submittals and to improve the budget review process that includes line item analysis, historical trend review and ongoing discussions with the Manager to ensure that reasonable assumptions and methodologies are used.
- The budget package also incorporates recommendations outlined in the Chance Management Report recommendations for historical trend data, multi-year budgeting and consistent budget formats throughout SFMTA administered garages.
- The two-year operating budget submitted by the Manager is consistent with the requirements of Proposition A for this even-numbered year and the Manager will be provided an opportunity to submit amendments to the two-year budget in each odd-numbered year.

**ENCLOSURES:**

1. Parking Authority Commission Resolution
2. Fiscal Years 2008-2009 and 2009-2010 Operating Budget for the San Francisco General Hospital Medical Center Parking System

**APPROVALS:**

**DATE**

DEPUTY OF DIVISION  
PREPARING ITEM

FINANCE

_____	_____
_____	_____

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

SECRETARY \_\_\_\_\_

ADOPTED RESOLUTION

BE RETURNED TO: Sonali Bose, Finance and Administration

ASSIGNED PA COMMISSION CALENDAR DATE: \_\_\_\_\_

**EXPLANATION:**

**Background:**

On September 20, 2005, the Parking Authority entered into a six-year agreement with Pacific Park Management, Inc. ("Manager") for the management of the San Francisco General Hospital Medical Center Parking System ("Parking System") that commenced on January 1, 2006. Pursuant to the agreement, the Manager is required to submit an annual operating budget, marketing plan and capital improvement request for each fiscal year for review and approval.

SFMTA Finance staff formulated a uniform, two-year budget submittal package for use by all garages to establish a new benchmark in the quality of garage budget submittals and to improve the budget review process. The budget package also incorporates recommendations outlined in the Chance Management Report recommendations for historical trend data, multi-year budgeting and consistent budget formats throughout SFMTA administered garages. Capital improvement requests are deferred until an overall assessment of the capital improvement needs by the SFMTA is completed.

The two-year operating budget submitted by the Manager is consistent with the requirements of Proposition A for this even-numbered year and the Manager will be provided an opportunity to submit amendments to the two-year budget in each odd-numbered year.

Manager receives a management fee of \$1,000.00 per month. In addition, Manager may earn a 5 percent incentive fee of any net income (gross revenue less parking taxes and less expenses) achieved in excess of pre-established target net incomes. Total incentives in a contract year shall not exceed \$25,000.

The SFMTA receives 100 percent of the garage net income.

**Budget Evaluation Process:**

Upon receipt of the Manager's budget submittal, staff's initial review begins with a year-to-date verification of each revenue and expense line item category with the most recent garage monthly report. These line items are projected out through the end of the fiscal year taking into account the variations in seasonality, possible implementation of rate adjustments, known upcoming events, scheduled salary increases and associated payroll expenses, and normalizing for non-regular services or supply purchases. This initial review enables staff to identify possible erroneous assumptions made by the Manager.

The next step in the process is to communicate to the Manager any items of concern, point out obvious mathematical or formatting errors, if any, and to provide the opportunity for clarification and/or revision. Upon mutually accepted projections of revenues and expense for the current and proposed years, the Manager is requested to re-submit the budget in its final form providing the basis for this staff report. The operating budget submitted by Manager for the San Francisco General Hospital Medical Center Parking System contained several formatting and input errors and staff made several adjustments to their initial projections of revenues and expenses.

---

## **FISCAL YEAR 2007-2008**

A comparison between the approved FY 2007-2008 Operating Budget and the anticipated FY 2007-2008 performance is shown in the chart below.

	<b>Approved Budget July 1, 2007 - June 30, 2008</b>	<b>Actual/Anticipated July 1, 2007 – June 30, 2008</b>	<b>Difference Between Approved and Anticipated</b>
Revenues	\$3,046,000	\$3,305,426	\$259,426
less Parking Taxes	\$606,800	\$658,685	\$51,885
less Expenses	\$1,560,128	\$1,673,485	\$113,357
Net Income	\$879,072	\$973,256	\$94,184

For the current fiscal year, the Manager anticipates generating \$3,305,426 in total revenues. This amount is \$259,426 or 8.5 percent more than budget mainly due to payments received from the hospital administration for monthly parking charges incurred in prior years. Remaining monthly revenues owed by the hospital administration are currently being processed and are anticipated to be recorded in the next fiscal year. Transient revenues are within one percent of the budgeted amount for FY 2007-2008.

As for expenses, the Manager anticipates expenditures at \$1,673,485 (\$113,357 or seven percent more than the budgeted amount) for FY 2007-2008. Significant factors attributable to the overage in expenses are underestimated operating salaries and association benefits. Particularly, the Welfare and Pension costs were underestimated by 12 percent. Another significant factor is the cost for repairs and maintenance. Necessary compliance upgrades were made to the parking equipment and system. This particular facility has parking equipment that is exposed to the elements and is approaching the end of its useful service life.

The Manager anticipates generating \$973,256 (\$94,184 or 11 percent more than the amount budgeted) in income to the SFMTA. This amount is \$315,793 or more than the actual prior year actual net income.

---

## **FISCAL YEARS 2008-2009 and 2009-2010**

A comparison between the approved FY 2007-2008 Operating Budget, the proposed FY 2008-2009 and 2009-2010 Operating Budget, is shown in the chart below.

	<b>2007-2008 Approved Budget</b>	<b>2008-2009 Proposed Budget</b>	<b>2009-2010 Proposed Budget</b>	<b>2008-2009 Compared To 2007- 2008</b>	<b>2009-2010 Compared To 2008- 2009</b>
Revenues	\$3,046,000	\$3,188,266	\$3,092,738	\$142,266	-\$95,528
less Parking Taxes	\$606,800	\$635,253	\$616,148	\$28,453	-\$19,105
less Expenses	\$1,560,128	\$1,701,195	\$1,759,865	\$141,067	\$58,670
Net Income	\$879,072	\$851,818	\$716,725	-\$27,254	-\$135,093

For FY 2008-2009, the Manager projects generating \$3,188,266 in revenues. This amount is \$142,226 or 4.5 percent greater than FY 2007-2008 budgeted revenues. The projected increase in revenues is mainly due expected past due payments from the hospital administration for prior year monthly parking charges. Transient revenues are projected to be only two percent over the FY 2007-2008 budgeted amount.

The Manager proposes expenditures of \$1,701,195. This amount is \$141,067 or 9 percent more than the amount budgeted for FY 2007-2008. The proposed expenditures reflect FY 2007-2008 anticipated figures to compensate for the underestimated amounts for operational salaries and associated benefit. The expenses were also adjusted to include scheduled increases for operating salaries and payroll expenses as well as increases for regular operating cost.

The Manager projects generating \$851,818 (\$27,254 or three percent less than the amount budgeted for FY 2007-2008) to the SFMTA due to increases in expenditures and parking tax that offset increase in revenue.

For FY 2009-2010, the Manager anticipates revenues of \$3,092,738 which is \$95,528 less to normalize from the payments received from the hospital administration in FY 2008-2009. Expenditures are projected at \$1,759,865 reflecting a 3.5 percent average inflationary increase. Net Income to the SFMTA is projected at \$715,725.

Capital improvement requests are deferred pending an overall capital needs assessment by the SFMTA.

The Manager will be provided an opportunity to propose amendments to the FY 2009-2010 Operating Budget in the odd-numbered year.

This item directly supports Goal 4, Improved Financial Stability and all other SFMTA 2008-2012 Strategic Plan Goals indirectly.

The City Attorney's Office has reviewed this item.

### **Recommendation:**

Staff recommends that the Parking Authority Commission adopt the attached resolution, authorizing the SFMTA Executive Director/CEO, as the authorized administrative representative of the Parking Authority, or his designee, to approve the San Francisco

General Hospital Medical Center Parking System Fiscal Years 2008-2009 and 2009-2010  
Operating Budget.

PARKING AUTHORITY COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. \_\_\_\_\_

WHEREAS, Pacific Park Management, Inc. (“Manager”) operates the San Francisco General Hospital Medical Center Parking System (“Parking System”) on behalf of the Parking Authority of the City and County of San Francisco under an agreement with the Parking Authority; and,

WHEREAS, Under the terms of the agreement, the Manager is required to submit an annual Operating Budget for review and approval; and,

WHEREAS, The Manager has submitted the Fiscal Years 2008-2009 and 2009-2010 Operating Budget for the Parking System to the Parking Authority Commission for review; and,

WHEREAS, The two-year Operating Budget submitted by the Manager is consistent with the requirements of Proposition A for this even-numbered year in a format provided by the SFMTA; and,

WHEREAS, The Manager will be provided an opportunity to submit amendments to the two-year budget in each odd-numbered year; and,

WHEREAS, The Parking Authority Commission has reviewed the Parking System Fiscal Years 2008-2009 and 2009-2010 Operating Budget; now, therefore, be it

RESOLVED, That the Parking Authority Commission authorizes the SFMTA Executive Director /CEO, as the authorized administrative representative of the Parking Authority, or his designee, to approve the San Francisco General Hospital Medical Center Parking System Fiscal Years 2008-2009 and 2009-2010 Operating Budget.

I hereby certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary, Parking Authority Commission

**CITY AND COUNTY OF SAN FRANCISCO**

**SAN FRANCISCO GENERAL HOSPITAL**  
**2501 23<sup>RD</sup> Street**  
**San Francisco, CA 94110**

**\*PROPOSED BUDGET**

**FY 2008 – 2009 (FY09)**

**FY 2009 – 2010 (FY10)**

**Prepared by:**

**Pacific Park Management**  
**Behailu Mekbib**  
**(415) 434-4400**  
**[bmekbib@pacificparkonline.com](mailto:bmekbib@pacificparkonline.com)**

**TABLE OF CONTENTS**

	Page No.
<b>Summary of Revenue &amp; Expenditure –</b> Three-Year Historical Trend (TABLE I) .....	2
<b>Summary of Revenue &amp; Expenditure –</b> FY08 Approved Budget vs. FY08 Projection (TABLE II) .....	4
<b>Summary of Revenue &amp; Expenditure –</b> FY09 and FY10 Proposed Budgets (TABLE III) .....	6
<b>Proposed Revenues by Month –</b> FY09 and FY10 Proposed Revenues (TABLE IV) .....	8
<b>Narrative I –</b> FY08 Approved Budget to FY08 Projection .....	9
<b>Narrative II –</b> FY08 Approved Budget to FY09 Proposed Budget .....	13
<b>FY09 and FY10 Marketing Plan</b> .....	17

**SF GENERAL HOSPITAL MEDICAL CENTER PARKING SYSTEM**  
**Three-Year Historical Trend**  
**Summary of Revenue and Expenditure**  
**(TABLE I)**

**Prior to July 1, 2006, the garage was operating under a flat management fee arrangement.**

<b>REVENUE &amp; EXPENSE CATEGORIES</b>	<b>Budget July 1, 2004 - June 30, 2005</b>	<b>Actual July 1, 2004 - June 30, 2005</b>	<b>Budget July 1, 2005 - June 30, 2006</b>	<b>Actual July 1, 2005 - June 30, 2006</b>	<b>Budget July 1, 2006 - June 30, 2007</b>	<b>Actual July 1, 2006 - June 30, 2007</b>
<b>REVENUE</b>						
1a Transient Parking					864,000	871,684
1b Monthly Parking					1,989,780	1,874,676
1c Business Validation					24,000	18,250
1g Government / Other Tax Exempt Parking						
<b>Total Parking Revenue</b>					<b>\$2,877,780</b>	<b>\$2,764,610</b>
2a Miscellaneous Revenues					12,000	13,885
<b>Gross Revenue</b>					<b>\$ 2,889,780</b>	<b>\$2,778,495</b>
3a Parking Tax (less)					<b>575,556</b>	<b>552,922</b>
<b>Net Revenue</b>					<b>\$2,314,224</b>	<b>\$2,225,573</b>
<b>EXPENDITURE</b>						
<b>Personnel Cost</b>						
A1 Administrative Salaries					115,000	116,294
A2 Parking Operations Salaries					543,000	593,063
A3 Janitorial Salaries						
<b>Payroll Expenses</b>						
B1 Payroll Taxes (non-SF)					56,000	62,280
B2 SF Payroll Taxes					10,000	10,640
B3 Welfare & Pension					179,000	203,949
B4 Worker's Compensation					75,000	83,405
<b>Utilities</b>						
C1 Gas & Electric					70,000	73,701
C2 Water					4,800	0
C3 Telephone					2,400	3,003
C4 Scavenger					3,600	4,486
<b>Supplies &amp; Services</b>						
D1 Insurance					50,000	50,050
D2 Repairs & Maintenance (Facility)					30,000	37,254
D3 Office Supplies					4,000	2,971
D4 Garage Supplies					6,000	2,965
D5 Parking Supplies					10,000	8,849
<b>Management Costs</b>						
E1 Management Fee					12,000	12,000



<b>REVENUE &amp; EXPENSE CATEGORIES</b>	<b>Budget July 1, 2004 - June 30, 2005</b>	<b>Actual July 1, 2004 - June 30, 2005</b>	<b>Budget July 1, 2005 - June 30, 2006</b>	<b>Actual July 1, 2005 - June 30, 2006</b>	<b>Budget July 1, 2006 - June 30, 2007</b>	<b>Actual July 1, 2006 - June 30, 2007</b>
E2 Incentive Fee					0	0
<b>Professional/Personal Services</b>						
F1 Accounting/Bookkeeping					6,000	13,200
F2 Garage Audit					7,200	
F3 Garage Legal					0	0
F4 Security (Contractual)					157,000	156,366
F5 Janitorial Contract					66,000	66,000
F6 Armored Car					0	0
F7 Personnel Training					6,000	5,995
F8 Bank Charges (Non-trustee)					24,000	14,664
F9 Uniform Cleaning					4,800	3,996
F10 Payroll Processing					2,400	2,175
F11 Equipment Maintenance					0	0
F12 Other Contractual Services					0	0
<b>Other Costs</b>						
G1 Taxes & Licenses					2,000	13,076
G2 Marketing					10,000	10,000
G3 Garage Claims					5,000	0
G4 Community Participation					0	0
G5 Miscellaneous					4,000	0
<b>Total Garage Expense</b>					<b>\$1,465,200</b>	<b>\$1,550,382</b>
<b>Garage Operating Income/Loss</b>					<b>\$849,024</b>	<b>\$675,191</b>
G6 Capital Expenditure (less)					75,000	17,728
<b>Garage Net Income</b>					<b>\$774,024</b>	<b>\$657,463</b>

**FY 2008 Approved Budget vs. FY 2008 Projection**  
**Summary of Revenue and Expenditure**  
**(TABLE II)**

<b>REVENUE &amp; EXPENSE CATEGORIES</b>	<b>Approved Budget July 1, 2007 - June 30, 2008</b>	<b>Projected July 1, 2007 - June 30, 2008</b>	<b>Difference Between FY08 Approved and FY08 Projected</b>	
<b>REVENUE</b>				
1a Transient Parking	910,000	897,812	-12,188	-1%
1b Monthly Parking	2,100,000	2,369,614	\$269,614	13%
1c Business Validation	24,000	26,000	\$2,000	8%
<b>Total Parking Revenue</b>	<b>\$3,034,000</b>	<b>\$3,293,426</b>	<b>\$259,426</b>	<b>9%</b>
2a Miscellaneous Revenues	12,000	12,000	0	0%
<b>Gross Revenue</b>	<b>\$3,046,000</b>	<b>\$3,305,426</b>	<b>\$259,426</b>	<b>9%</b>
3a Parking Tax (less)	\$606,800	\$658,685	\$51,885	9%
<b>Net Revenue</b>	<b>\$2,439,200</b>	<b>\$2,646,741</b>	<b>\$207,541</b>	<b>9%</b>
<b>EXPENDITURE</b>				
<b>Personnel Cost</b>				
A1 Administrative Salaries	118,450	118,450	0	0%
A2 Parking Operations Salaries	596,000	647,000	51,000	9%
<b>Payroll Expenses</b>				
B1 Payroll Taxes (non-SF)	63,014	68,891	5,877	9%
B2 SF Payroll Taxes	10,717	11,482	765	7%
B3 Welfare & Pension	205,000	230,072	25,072	12%
B4 Worker's Compensation	81,947	81,138	-809	-1%
<b>Utilities</b>				
C1 Gas & Electric	74,000	78,896	4,896	7%
C2 Water	4,800	4,800	0	0%
C3 Telephone	3,000	3,000	0	0%
C4 Scavenger	4,500	5,140	640	14%
<b>Supplies &amp; Services</b>				
D1 Insurance	50,000	50,142	142	0%

REVENUE & EXPENSE CATEGORIES	Approved Budget July 1, 2007 - June 30, 2008	Projected July 1, 2007 - June 30, 2008	Difference Between FY08 Approved and FY08 Projected	
D2 Repairs & Maintenance (Facility)	35,000	63,274	28,274	81%
D3 Office Supplies	4,000	4,000	0	0%
D4 Garage Supplies	5,500	5,500	0	0%
D5 Parking Supplies	10,000	10,000	0	0%
<b>Management Costs</b>				
E1 Management Fee	12,000	12,000	0	0%
E2 Incentive Fee	0	0	0	0%
<b>Professional/Personal Services</b>				
F1 Accounting/Bookkeeping	7,000	7,000	0	0%
F2 Garage Audit	13,000	13,000	0	0%
F4 Security (Contractual)	160,000	160,000	0	0%
F5 Janitorial Contract	66,000	66,000	0	0%
F7 Personnel Training	5,500	5,500	0	0%
F9 Uniform Cleaning	4,900	4,900	0	0%
F10 Payroll Processing	2,400	2,400	0	0%
<b>Other Costs</b>				
G1 Taxes & Licenses	6,600	6,600	0	0%
G2 Marketing	8,000	8,000	0	0%
G3 Garage Claims	5,000	2,500	-2,500	-50%
G5 Miscellaneous	3,800	3,800	0	0%
<b>Total Garage Expense</b>	<b>\$1,560,128</b>	<b>\$1,673,485</b>	<b>\$113,357</b>	<b>7%</b>
<b>Garage Operating Income/Loss</b>	<b>\$879,072</b>	<b>\$973,256</b>	<b>\$94,184</b>	<b>11%</b>
G6 Capital Expenditure (less)	0	0	0	0%
<b>Garage Net Income</b>	<b>\$879,072</b>	<b>\$973,256</b>	<b>\$94,184</b>	<b>11%</b>

**SF GENERAL HOSPITAL MEDICAL CENTER PARKING SYSTEM**  
**FY 2009 and FY 2010 Proposed Budget**  
**Summary of Revenue and Expenditure**  
**(TABLE III)**

<b>REVENUE &amp; EXPENSE CATEGORIES</b>	<b>Approved Budget July 1, 2007 – June 30, 2008</b>	<b>Proposed Budget July 1, 2008 – June 30, 2009</b>	<b>Proposed Budget July 1, 2009 – June 30, 2010</b>	<b>Difference Between FY08 Approved and FY09 Proposed</b>	
<b>REVENUE</b>					
1a Transient Parking	910,000	924,746	952,488	14,746	2%
1b Monthly Parking	2,100,000	2,225,000	2,101,200	125,000	6%
1c Business Validation	24,000	26,520	27,050	2,520	11%
<b>Total Parking Revenue</b>	<b>\$3,034,000</b>	<b>\$3,176,266</b>	<b>\$3,080,738</b>	<b>\$142,266</b>	<b>5%</b>
2a Miscellaneous Revenues	12,000	12,000	12,000	0	0%
<b>Gross Revenue</b>	<b>\$3,046,000</b>	<b>\$3,188,266</b>	<b>\$3,092,738</b>	<b>\$142,266</b>	<b>5%</b>
3a Parking Tax (less)	606,800	635,253	616,148	28,453	5%
<b>Net Revenue</b>	<b>\$2,439,200</b>	<b>\$2,553,013</b>	<b>\$2,476,590</b>	<b>\$113,813</b>	<b>5%</b>
<b>EXPENDITURE</b>					
<b>Personnel Cost</b>					
A1 Administrative Salaries	118,450	123,188	128,115	4,738	4%
A2 Parking Operations Salaries	596,000	672,880	699,795	76,880	13%
<b>Payroll Expenses</b>					
B1 Payroll Taxes (non-SF)	63,014	70,850	73,684	7,836	12%
B2 SF Payroll Taxes	10,717	11,941	12,419	1,224	11%
B3 Welfare & Pension	205,000	236,974	244,083	31,974	16%
B4 Worker's Compensation	81,947	81,949	82,769	2	0%
<b>Utilities</b>					
C1 Gas & Electric	74,000	81,263	83,701	7,263	10%
C2 Water	4,800	4,944	5,092	144	3%
C3 Telephone	3,000	3,090	3,183	90	3%
C4 Scavenger	4,500	5,294	5,453	794	18%

<b>REVENUE &amp; EXPENSE CATEGORIES</b>	<b>Approved Budget July 1, 2007 – June 30, 2008</b>	<b>Proposed Budget July 1, 2008 – June 30, 2009</b>	<b>Proposed Budget July 1, 2009 – June 30, 2010</b>	<b>Difference Between FY08 Approved and FY09 Proposed</b>	
<b>Supplies &amp; Services</b>					
D1 Insurance	50,000	51,646	53,196	1,646	3%
D2 Repairs & Maintenance (Facility)	35,000	37,000	39,000	2,000	6%
D3 Office Supplies	4,000	4,120	4,244	120	3%
D4 Garage Supplies	5,500	5,665	5,835	165	3%
D5 Parking Supplies	10,000	10,300	10,609	300	3%
<b>Management Costs</b>					
E1 Management Fee	12,000	12,000	12,000	0	0%
E2 Incentive Fee	0	0	0	0	0%
<b>Professional/Personal Services</b>					
F1 Accounting/Bookkeeping	7,000	7,210	7,426	210	3%
F2 Garage Audit	13,000	13,390	13,792	390	3%
F4 Security (Contractual)	160,000	164,800	169,744	4,800	3%
F5 Janitorial Contract	66,000	67,980	70,019	1,980	3%
F7 Personnel Training	5,500	5,665	5,835	165	3%
F9 Uniform Cleaning	4,900	5,047	5,198	147	3%
F10 Payroll Processing	2,400	2,472	2,546	72	3%
<b>Other Costs</b>					
G1 Taxes & Licenses	6,600	6,798	7,002	198	3%
G2 Marketing	8,000	8,240	8,487	240	3%
G3 Garage Claims	5,000	2,575	2,652	-2,425	-49%
G5 Miscellaneous	3,800	3,914	4,031	114	3%
<b>Total Garage Expense</b>	<b>\$1,560,128</b>	<b>\$1,701,195</b>	<b>\$1,759,865</b>	<b>\$141,067</b>	<b>9%</b>
<b>Garage Operating Income/Loss</b>	<b>\$879,072</b>	<b>\$851,818</b>	<b>\$716,725</b>	<b>-27,254</b>	<b>-3%</b>
G6 Capital Expenditure (less)	0	0	0	0	0%
<b>Garage Net Income</b>	<b>\$879,072</b>	<b>\$851,818</b>	<b>\$716,725</b>	<b>-27,254</b>	<b>-3%</b>

**SF GENERAL HOSPITAL MEDICAL CENTER PARKING SYSTEM**  
**FY 2008-2009 and FY 2009-FY2010 Proposed Revenues by Month**  
**(TABLE IV)**

<b>FY 2008 - 2009</b>	<b>Jul</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>REVENUES</b>													
<b>Parking Revenues</b>													
1a Transient Parking	76,000	76,000	76,000	78,000	74,000	74,000	80,000	76,000	79,000	80,000	78,000	77,746	924,746
1b Monthly Parking	300,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	2,225,000
1c Business Validations	2,000	2,000	2,400	2,400	2,000	1,120	3,600	2,200	2,200	2,200	2,200	2,200	26,520
<b>Total Parking Revenue</b>	<b>\$378,000</b>	<b>\$253,000</b>	<b>\$253,400</b>	<b>\$255,400</b>	<b>\$251,000</b>	<b>\$250,120</b>	<b>\$258,600</b>	<b>\$253,200</b>	<b>\$256,200</b>	<b>\$257,200</b>	<b>\$255,200</b>	<b>\$254,946</b>	<b>\$3,176,266</b>
2a Miscellaneous	800	1,000	1,000	1,000	800	800	1,200	1,000	1,200	1,000	1,200	1,000	12,000
<b>Gross Revenue</b>	<b>\$378,800</b>	<b>\$254,000</b>	<b>\$254,400</b>	<b>\$256,400</b>	<b>\$251,800</b>	<b>\$250,920</b>	<b>\$259,800</b>	<b>\$254,200</b>	<b>\$257,400</b>	<b>\$258,200</b>	<b>\$256,400</b>	<b>\$255,946</b>	<b>\$3,188,266</b>
3a Parking Tax (less)	75,600	50,600	50,680	51,080	50,200	50,024	51,720	50,640	51,240	51,440	51,040	50,989	635,253
<b>Net Revenue</b>	<b>\$303,200</b>	<b>\$203,400</b>	<b>\$203,720</b>	<b>\$205,320</b>	<b>\$201,600</b>	<b>\$200,896</b>	<b>\$208,080</b>	<b>\$203,560</b>	<b>\$206,160</b>	<b>\$206,760</b>	<b>\$205,360</b>	<b>\$204,957</b>	<b>\$2,553,013</b>

  

<b>FY 2009 - 2010</b>	<b>Jul</b>	<b>Aug</b>	<b>Sept</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Total</b>
<b>REVENUES</b>													
<b>Parking Revenues</b>													
1a Transient Parking	78,000	78,000	81,000	81,000	76,000	76,000	81,000	76,000	81,000	81,000	82,000	81,488	9,52,488
1b Monthly Parking	175,000	175,000	180,000	175,000	170,000	170,000	180,000	170,000	180,000	180,000	175,000	171,200	2,101,200

1c Business Validations	2,200	2,400	2,600	2,400	2,000	1,400	3,400	2,450	2000	2,200	2,000	2,000	27,050
<b>Total Parking Revenue</b>	<b>\$255,200</b>	<b>\$255,400</b>	<b>\$263,600</b>	<b>\$258,400</b>	<b>\$248,000</b>	<b>\$247,400</b>	<b>\$264,400</b>	<b>\$248,450</b>	<b>\$263,000</b>	<b>\$263,200</b>	<b>\$259,000</b>	<b>\$254,688</b>	<b>\$3,080,738</b>
2a Miscellaneous	800	1,000	1,000	1,000	800	800	1,200	1,000	1,200	1,000	1,200	1,000	12,000
<b>Gross Revenue</b>	<b>\$256,000</b>	<b>\$256,400</b>	<b>\$264,600</b>	<b>\$259,400</b>	<b>\$248,800</b>	<b>\$248,200</b>	<b>\$265,600</b>	<b>\$249,450</b>	<b>\$264,200</b>	<b>\$264,200</b>	<b>\$260,200</b>	<b>\$255,688</b>	<b>\$3,092,738</b>
3a Parking Tax (less)	51,040	51,080	52,720	51,680	49,600	49,480	52,880	49,690	52,600	52,640	51,800	50,938	616,148
<b>Net Revenue</b>	<b>\$204,960</b>	<b>\$205,320</b>	<b>\$211,880</b>	<b>\$207,720</b>	<b>\$199,200</b>	<b>\$198,720</b>	<b>\$212,720</b>	<b>\$199,760</b>	<b>\$211,600</b>	<b>\$211,560</b>	<b>\$208,400</b>	<b>\$204,750</b>	<b>\$2,476,590</b>

**NARRATIVE I**

**FY 2007-2008 Approved Budget  
To  
FY 2007-2008 Projection**

**1a. Transient Parking****-1%**

This facility primarily services the employee population of the hospital. Currently, we are at peak utilization with this population. Transient revenues at this facility are a secondary focus, and are projected to be at targeted levels of the approved budget.

**1b. Monthly Parking****+13%**

Monthly parking revenue is projected to exceed the approved budget by \$269,614 due to payments made by the Hospital administration for past due invoices for prior year parking.

**1c. Business Validation****+8%**

PPM actively promotes hospital departments to purchase validations. We also partnered with Sunset Magazine's Idea House Home Tour to purchase parking validations for visitors. These initiatives have yielded considerable success in validation sales.

**2a. Miscellaneous****0%**

This line item represents late fees and card replacement fees etc. We expect it to be in alignment with the allocated budget.

**3a. Parking Tax****+9%**

This line item is a function of total gross revenue.

**A1. Administrative Salaries****0%**

This item represents a full time general manager and a full time assistant manager. These administrative personnel are experienced parking veterans that ensure that the garage operates professionally. Expenses are projected to be in line with the budgeted amount.

**A2. Parking Operations Salaries****+9%**

These costs reflect 12 full time and 5 part time employees, excluding managers. Union wages range between \$11.81 for a new employee and \$19.65 for an experienced journeyman. Because of our excellent employee retention rates, many of our employees have moved up the union wage scale, thus resulting in higher operations salaries costs. PPM believes that these experienced employees provide better service and increased proficiency.

**B1. Payroll Taxes (non-SF)****+9%**

These taxes consist of FUTA (.8%) SSI (6.20%), Medicare (1.45%), SUI (4.1%). The total amount is a function of total payroll costs.

**B2. SF Payroll Taxes****+7%**

This tax is 1.5% of total payroll costs. The total amount is a function of total payroll costs.

**B3. Welfare & Pension****+12%**

We have already experienced rate increases earlier this year. Health benefits increased from \$815 to \$855 per employee as of January 2008; Pension rates increased from \$1.97 to \$2.09 per employee per worked hour as of December 1, 2007. Furthermore, another driver of the cost increase for healthcare is additional employees have become eligible and are receiving health benefits.



<b>B4. Worker's Compensation</b>	<b>-1%</b>
We anticipate these costs to be slightly below budgeted costs due to our diligent safety trainings.	
<b>C1. Gas &amp; Electric</b>	<b>+7%</b>
Actual costs are 7 % higher than budgeted due to increases in energy costs.	
<b>C2. Water &amp; Sewer</b>	<b>0%</b>
We anticipate being within budget for this line item.	
<b>C3. Telephone</b>	<b>0%</b>
We anticipate remaining within the allotted budget.	
<b>C4. Scavenger</b>	<b>+14%</b>
The aggregate increase for scavenger service is \$53 a month or \$640 a year. This increase is a result of cost increases from our vendor.	
<b>D1. Insurance</b>	<b>0%</b>
Working with our broker we conducted competitive bidding to stay current in the marketplace; as a result costs have continued to remain the same.	
<b>D2. Repair &amp; Maintenance (Facility)</b>	<b>81%</b>
Maintenance on an as needed basis, as well as the maintenance contract for the revenue control system is part of this budget item. Per direction of MTA staff, the revenue control equipment has been upgraded to comply with recently enacted legislation regarding Article 22. These upgrades to the revenue control system were the primary driver of const increases in this line item.	
<b>D3. Office Supplies</b>	<b>0%</b>
We anticipate that this expense will remain the same.	
<b>D4. Garage Supplies</b>	<b>0%</b>
These items support general public wayfinding, rate information, emergency exit signage, parking contract signage, and similar consumable goods for the betterment and stability of the facility. We anticipate remaining within the allocated budget.	
<b>D5. Parking Supplies</b>	<b>0%</b>
These items include parking tickets, journal tape, ribbons and validation stamps that allow employees to efficiently serve patrons and process transactions. We anticipate remaining within the allocated budget.	
<b>E1. Management Fee</b>	<b>0%</b>
The management fee is fixed during the duration of the contract.	

**E2. Incentive Fee** **0%**

We do not anticipate surpassing established revenue targets during this budget.

**F1. Accounting/Bookkeeping** **0%**

These services support the general accounting, tracking and record keeping of the accounts payable and receivables of the facility. These services also reconcile the revenues reported to DPT with what has been deposited to the bank. We anticipate remaining within the allocated budget for this line item.

**F2. Garage Audit** **0%**

Under our contractual obligation with the City, Section 11.12, these services provide for a CPA random audit of transactions and financial accounting/record keeping of the facility. We anticipate remaining within the allotted budget for this line item.

**F3. Garage Legal** **0%**

This line item is difficult to predict. However, there is no pending litigation and PPM does not anticipate legal costs at this time.

**F4. Security (Contractual)** **0 %**

Under section 8.4 of our contract, we are required to have one security guard on duty during all hours of facility operation. We anticipate remaining within the allotted budget for this item.

**F5. Janitorial Contract** **0 %**

These services are provided as required under section 8.3 of our contract. Janitorial services are provided on a daily basis to provide a clean, safe and professional experience for customers, and a positive work environment for employees. We anticipate remaining within the allocated budget.

**F7. Personnel Training** **0%**

Training of our employees leads to better customer satisfaction, safety in the workplace, a more efficient operation and better teamwork, among other considerations. These trainings are provided by an outside professional vendor. Expenses are anticipated to remain within the allotted budget.

**F8. Bank Service Charge** **NA**

All funds are deposited directly into an MTA account. We therefore, do not incur any bank expenses.

**F9. Uniform Cleaning** **0%**

Presenting employees with a professional appearance to the public is important. Costs for these services are \$408 per month or \$4,900 annually. We do not anticipate exceeding the budget allocation for this line item.

**F10. Payroll Processing** **0%**

This service provides accurate and timely payment of compensation to employees. Costs are \$200 per month or \$2,400 annually. We anticipate remaining within the allocated budget.

**G1. Tax & License Fees****0%**

These costs are approximately \$550 per month or \$6,600 annually and include permits and licenses such as fire permit, business permit, tax collector license. We anticipate remaining with the allocated budget.

**G2. Marketing****0%**

These costs support promotion of our facility, activities to strengthen customer retention, and feedback through programs such as surveys and mystery shop programs. The budget is \$8,000 annually or \$666 per month, and is not expected to exceed the allotted amount.

**G3. Garage Claims****- 50%**

So far we have not experienced any claims in the current fiscal year. We have conducted several safety trainings and anticipate a positive impact on claims as a result.

**G5. Miscellaneous****0%**

The allocation is \$3,800 annually, or \$316 per month, and will be utilized for unforeseen expenses not covered under other line items in the budget. We anticipate remaining within the allotted budget.

**G6. Capital Expenditure****0%**

We do not anticipate any expenses in this line item based on conversations with SFMTA Staff and previous budgetary resolution of the SFMTA Board on this line item.

**NARRATIVE II****FY 2007-2008 Approved Budget  
To  
FY 2008-2009 Proposed Budget****1a. Transient Parking****+2%**

In the past year and a half we have greatly increased transient revenues through our valet service. We anticipate modest revenue gains in the coming year.

**1b. Monthly Parking****+ 6%**

The completion of construction at the power plant will free up additional parking campus spaces. As a result, we will solicit more monthly parking customers from our waiting list of 40 people. Collection of outstanding parking invoices owed by DPH will also add additional monthly parking revenue.

**1c. Business Validation****+11%**

We anticipate some increases in the number of validations sold on a monthly basis through our continued marketing efforts.

**2a. Miscellaneous****+0%**

This revenue stream is difficult to project, however we are allotting \$1,000 per month or \$12,000 additional annual revenues.

**3a. Parking Tax** **+5%**

These taxes are a function of total projected gross revenues.

**A1. Administrative Salaries** **+4%**

This line item reflects the salary of one full time general manager and one full time assistant manager. There are two driving forces in the growth of these costs, first the rising costs of CPI, second is an allowance for merit based salary increases.

**A2. Parking Operations Salaries** **+13%**

These costs reflect cashiers, valets, supervisors, foremen, but exclude the administrative salaries. The range of wages begins at \$11.81 for new employees to \$19.65 for an experienced journeymen. Foremen rates are journeymen rate + 15%. Costs for this budget line item are projected to be higher than the approved budget due to several considerations; the complex nature of the operation has led us to bring a more experienced team to the mix; in December 2007 Teamsters Collective Bargaining wages increased; due to the tenured nature of employees at this location the progressive wage matrix of Teamsters Collective Bargaining has increased wages. For example, in the coming year we anticipate several employees will begin to receive the journeymen rate. This facility is open 24 hours / 365 days per year.

**B1. Payroll Taxes (non-SF)** **+ 12%**

These taxes are function of total gross payroll.

**B2. SF Payroll Taxes** **+11%**

This line item is 1.5% of total payroll and are anticipated to grow as a function of total payroll.

**B3. Welfare & Pension** **+ 16%**

We have already experienced rate increases earlier this year. Health benefits increased from \$815 to \$855 per employee as of January 2008; Pension rates increased from \$1.97 to \$2.09 per employee per worked hour as of December 1, 2007. We anticipate further increases as part of the new collective bargaining agreement to be in place December 1, 2008.

**B4. Worker's Compensation** **0%**

We anticipate positive results from our safety training and favorable trends in the global marketplace.

**C1. Gas & Electric** **+10%**

Overall energy prices have been increasing, combined with general inflation as reflected in the CPI has driven costs up for these items.

**C2. Water & Sewer** **3%**

We anticipate minor increases in these expenses to follow CPI numbers.

**C3. Telephone** **+3%**

We anticipate increases in alignment with the consumer price index for the Bay Area.

**C4. Scavenger** **+ 18 %**

Contracted vendors have been increasing prices in the face of rising energy & fuel costs.

**D1. Insurance** **+ 3 %**

We anticipate increases in alignment with the consumer price index for the Bay Area.

**D2. Repair & Maintenance (Facility)** **+6%**

This line item reflects the maintenance and upkeep of such items as landscaping, lighting and the monthly maintenance for Datapark equipment (revenue control), as well as other repairs on an as needed basis. This line item also covers other unforeseen repair items. Several unforeseen projects have been completed to include required upgrading of the revenue control equipment to be compliant with SF Article 22; sidewalk damage caused by tree roots led to needed repair and tree pruning.

**D3. Office Supplies** **+ 3%**

The aggregate increase is \$120 per year, reflecting CPI.

**D4. Garage Supplies** **+3%**

These items support general public wayfinding, rate information, emergency exit signage, and similar consumable goods for the betterment and stability of the facility. The aggregate increase is \$165 per year or \$13 per month, reflecting CPI.

**D5. Parking Supplies** **+3%**

These items include parking tickets, journal tape, ribbons and validation stamps that allow employees to efficiently serve patrons and process transactions. We anticipate costs to increase in alignment with CPI.

**E1. Management Fee** **+0%**

This line item is fixed per the contract, and will not change during the duration of the contract.

**E2. Incentive Fee** **+0%**

We do not anticipate surpassing established revenue targets during this budget.

**F1. Accounting/Bookkeeping** **+ 3%**

These services support the general accounting, tracking and record keeping of the accounts payable and receivables of the facility. These services also reconcile the revenues reported to DPT with what has been deposited to the bank. We anticipate costs to increase with CPI.

**F2. Garage Audit** **+ 3%**

Under our contractual obligation with the City, Section 11.12, these services provide for a CPA audit for each contract year of transactions and financial accounting/record keeping of the facility. We anticipate costs to increase with CPI.

**F4. Security (Contractual)**

**+3%**

Under section 8.4 of our contract, we are required to have one security guard on duty during all hours of facility operation. This facility is open 24 hours a day, 365 days a year. We anticipate costs will increase with CPI.

**F5. Janitorial Contract**

**+3%**

These services are provided as required under section 8.3 of our contract. Janitorial services are provided on a daily basis to provide a clean, safe and professional experience for customers, and a positive work environment for employees. We anticipate costs to increase with CPI.

**F7. Personnel Training**

**+3%**

Training of our employees leads to better customer satisfaction, safety in the workplace, a more efficient operation and better teamwork, among other considerations. These trainings are provided by an outside professional vendor. We anticipate costs to increase with CPI.

**F8. Bank Service Charge**

**NA**

All funds are deposited directly into an MTA account. We therefore, do not incur any bank expenses.

**F9. Uniform Cleaning**

**+3%**

Presenting frontline employees (manager costs not included) with a professional appearance to the public is important. We anticipate costs to increase with CPI.

**F10. Payroll Processing**

**+3%**

This service provides accurate and timely payment of compensation to employees. We anticipate costs to increase with CPI which represents an annual increase of \$72 or \$6 per month.

**G1. Tax & License Fees**

**+3%**

This line item includes permits and licenses for fire, elevator, taxes and business. We anticipate costs to increase with CPI

**G2. Marketing**

**+3%**

These costs support promotion of our facility, activities to strengthen customer retention, and feedback through programs such as surveys and mystery shop programs. We anticipate costs to increase with CPI

**G3. Garage Claims**

**-49%**

We continue to anticipate a positive impact on claims as a result of our safety trainings that will result in continued low claims rates.

**G5. Miscellaneous**

**+3%**

The allocation is \$3,800 annually or \$316 per month and will be utilized for unforeseen expenses not covered under other line items in the budget. We anticipate costs to increase with CPI

## **GARAGE**

### **\*FY 2008-2009 and FY 2009-2010 MARKETING PLAN**

Following is Pacific Park Management's Marketing Plan for the San Francisco General Hospital Garage. Pacific Park Management would like to institute some or all of the following new programs at the San Francisco General Hospital Garage for the upcoming budget years.

- **Signage:** Professional signs are instrumental in increasing transient traffic into the garage and parking space utilization within the garage. We continually upgrade and added new signage to position us with customers to be a more inviting and safe environment. For example, we had received complaints from the community that dogs were going into the landscaped gardens on 24<sup>th</sup> street. As a result, we placed numerous signs around the gardens to advise dog owners and protect our beautiful gardens. Also, for the safety of the public, we added cautionary signs and tape when a sidewalk surface had become uneven. We will continue to re-evaluate our signage program and make proactive additions on an as needed basis going forward.
- **Enhancements & Repairs:** Improving the SFGH parking facility will ensure that it remains a premiere facility. Customers will feel comfortable and safe parking their vehicle at SFGH, resulting in increased patronage. Projects may include painting, re-striping, parking equipment upgrades, and lighting upgrades. One example of a completed project is the completion of "birdproofing" in the stairwells. Previously, birds had made nests and were making the stairwells dirty. Our project eliminated this concern and presented a cleaner facility to the public. We will continue our efforts in this area. We are also in the process of conducting a study to enhance the lighting program. Our efforts will identify areas that require improvements to both light bulbs as well as structural repair to ballasts. Also, we continually improve landscaping appearance, an initiative that we have worked together with the local community since we commenced operations in 1998. We are in the process of analyzing re-striping options for both the B/C lots, also known as the "Emergency Lot" Re-striping can lead to a more efficient operation, as well as the accommodation of additional cars. As part of this project, we may also upgrade the way finding signage in the main garage to further ensure customer safety as well as improved ingress and egress of the garage.
- **Employee Training:** Due to the uniqueness of the parking system at SFGH, Pacific Park Management believes that the retention of current customers is paramount. Pacific Park Management has developed a 3-tier customer service specific training that is intended to positively impact all areas of the customer service experience. Each of these training modules is 90 minutes in length, and is completed by all employees at the facility. The first module is GUEST, our customer service basic skills program. It stands for Greet, Understand, Eye contact, Smile, Thank you. The second module is teamwork approaches. As good customer service is a team effort, this training

facilitates our employees and management working better together to deliver a first class experience to customers. The third segment is Conflict Resolution Training. Inevitably in a service environment, conflict arises. This module empowers our employees to respond professionally, and appropriately.

- **Evening Monthly Parkers:** SFGH is under utilized in the evenings. However, it is important to realize that we are competing against free parking on the street at night. With that in mind, we are targeting a segment of customers that value safety and convenience. Our facility is well lit and patrolled by security. On the convenience side, customers need not worry about moving their vehicles for street cleaning and other inconveniences. In order to further attract this segment, PPM recommends changing the evening hours to 4:00 PM to 8:30 AM. In order to promote this program we will saturate the local neighborhood with flyers and mailers.
- **Mystery Shopper:** PPM utilizes the services of Mystery Shoppers to measure our own efficiency against established performance benchmarks. Mystery shop results continue to be helpful in gaining insights and calibrating our customer service offerings. Currently, we are experiencing an average score of 4.43 / 5, and will strive towards an improvement in the coming year.
- **Customer Surveys:** PPM will hold several customer appreciation days in which complimentary coffee and pastries will be offered. PPM also uses this day to collect surveys. These surveys assist us in recommending rate changes, facility enhancements, customer service concerns and operational issues. In the past our efforts have been wildly successful, collecting over 200 surveys in one day. We anticipate continuing these efforts with similar results in the future.
- **Community Partnerships:** PPM will work with the local business community to partner in strategic business opportunities. These groups include the Lower 24<sup>th</sup> St. Merchant & Neighborhood Association and the Bravo Theater. Possible initiatives include a weekend farmer's market and merchant validation programs. Also, we will continue our long-standing relationship with the neighborhood association to enhance the appearance of the facility, and to address common safety concerns.
- **Customer Appreciation Days:** We look forward to hosting more customer appreciation days. In the past we have offered coffee and pastries. We look forward to offering sodas and waters in the summer and other services such as complimentary window cleaning and tire pressure checks. Customer appreciation days give us an opportunity to get to know our clients and their needs and wants while building customer loyalty. These events have also proven to be an excellent way of obtaining feedback from customers. In previous events we have collected over 200 customer surveys, and look forward to similar successes in the coming year.



THIS PRINT COVERS CALENDAR ITEM NO: 10

**PARKING AUTHORITY COMMISSION**

City and County of San Francisco

**DIVISION:** Off-Street Parking Operations

**BRIEF DESCRIPTION:**

Supporting the formation of a new Yerba Buena Community Benefit District (CBD) and authorizing the SFMTA Executive Director/CEO to submit ballots in favor of the formation of the CBD.

**SUMMARY:**

- The Yerba Buena Neighborhood stretches from Market to Harrison and 2<sup>nd</sup> to 5<sup>th</sup> streets. The neighborhood includes large venues such as Moscone Center, Yerba Buena Gardens, Westfield San Francisco Centre and Metreon, and numerous hotels, art galleries, museums small business establishments, apartments, lofts and condominiums.
- Over the last year, the neighborhood residents and merchants have explored formation of a Community Benefit District to raise adequate funds to implement various projects and provide services to improve the neighborhood and enhance the quality of life for neighborhood residents and visitors.
- The proposed CBD will levy special assessments on the property owners within the CBD boundaries. Annual assessments will begin in January 2009 and will continue for 7 years.
- The Fifth & Mission Garage, currently leased to the Downtown Parking Corporation, is located within the proposed CBD boundaries; the proposed annual assessment for this garage is \$104,630. The Moscone Center Garage is also located within the proposed CBD boundaries; the proposed annual assessment for this garage is \$21,517.18.
- The area in the vicinity of the Fifth and Mission and Moscone Center garages will benefit from enhanced sidewalk cleaning, graffiti removal, security, special events and street beautification efforts, to be funded by the assessments.
- To form a CBD, both the Board of Supervisors and a majority of property owners must approve. Following City policy, the SFMTA has been neutral as to whether the Board of Supervisors should approve issuance of ballots to create the CBD. But once the Board of Supervisors authorizes the formation of the CBD, the SFMTA has the opportunity to cast its two ballots (one for each garage) to support or oppose the formation of the CBD. Staff supports the formation of a new CBD, and recommends that the Parking Authority Commission authorize the Executive Director/CEO or his designee to submit the ballots to approve formation of the CBD.
- The City Attorney's Office has reviewed this calendar item.

**ENCLOSURES:**

1. PAC Resolution
2. Attachment A – Map - Benefit Zones
3. Attachment B - Zones and Services

**APPROVALS:**

**DATE**

DEPUTY OF DIVISION

PREPARING ITEM \_\_\_\_\_

FINANCE \_\_\_\_\_

EXECUTIVE DIRECTOR/CEO \_\_\_\_\_

SECRETARY \_\_\_\_\_

ADOPTED RESOLUTION

SHOULD BE RETURNED TO: Amit M. Kothari, Off-Street Parking

**ASSIGNED PAC CALENDAR DATE:** \_\_\_\_\_

**EXPLANATION:**

**Background:**

State and City law set out the requirements and authorization procedures for the formation and administration of a Community Benefit District (CBD). (California Streets & Highways Code Section 36600 et seq.; S.F. Business and Tax Regulations Code, Article 15). Currently, there are 8 CBDs within the City and County of San Francisco, in which the property owners pay annual assessments and implement specific programs and projects that benefit their communities.

For over a year, a Steering Committee, comprised of 25 members representing 40 properties within the Yerba Buena neighborhood, has evaluated the challenges faced by their community and successfully identified creative and feasible solutions to advance the quality of life for its residents and visitors, as well as enhancing economic vibrancy for its businesses. Since community's needs exceed the services provided by limited government resources, the Steering Committee has put together a comprehensive plan that proposes to address the community needs through formation of a CBD. The preliminary CBD Management Plan, released in April 2008, outlines the following:

District Boundaries, Benefit Zones and Service Plan

The proposed district stretches from Market to Harrison and from 2<sup>nd</sup> to 5<sup>th</sup> Streets (Map attached). Specific parcels already included in the existing Union Square Business Improvement District (BID) are excluded from the proposed CBD.

The Yerba Buena Alliance facilitated over 150 community interviews and 26 events to provide outreach to over 2,000 property owners and other stakeholders to receive community feedback on the formation of the CBD. Based upon the community input, the proposed CBD will expend funds in the following four categories:

1. Sidewalk Operations and Beautification
2. District Identity and Streetscape Improvements
3. Administration
4. Contingencies and Reserve

Since needs of a particular block within the CBD may differ from other blocks, the proposed CBD is divided into 5 zones. This will allow implementing a service plan more tailored to

each zone, and thereby make more effective use of the assessment dollars. Details of the proposed services and improvements for each zone are shown on Attachment B.

### Budget

Based upon the needs of the community, a first year budget of \$2,511,225 has been identified in the Preliminary Plan. The breakdown of proposed expenses is as follows:

Sidewalk Operations and Beautification	\$1,596,700 (63.5%)
District Identity and Streetscape Improvements	\$ 279,597 (11.0%)
Administration	\$ 370,000 (15.0%)
Contingencies and Reserve	\$ 264,928 (10.5%)
TOTAL	\$2,511,225 (100%)

The annual budget for the subsequent years will be prepared by the corporation and submitted to the Board of Supervisors. Of the total annual budget, 95% of the revenues will be generated from the special benefit assessments (61% building area, 34% linear frontage). The remaining 5% revenues will be generated from other sources such as grants, donations and in-kind contributions.

### District Management

The CBD will be administered by a nonprofit corporation, whose board will be representative of the community and stakeholders within the CBD. The Board will have a maximum of 28 members, each serving a 3-year term, with a maximum of two terms. The members will be selected with the following representations:

- 30% - Commercial (up to 2 hotels, 2 retail, and one each from restaurant, office building, service business and at large)
- 14% - Residential (up to 2 condo owners and 2 other tenants)
- 14% - Community Organizations (e.g. SPUR, SOMACC, etc.)
- 14% - Government or educational institutions (e.g. City College, Moscone Center, SFCVB, etc.)
- 14% - Non-profit Arts (one each – property owner, tenant, large entity, small entity)
- 14% - At large – from any categories listed above

### Property Assessments

The Yerba Buena CBD Steering Committee developed an assessment methodology to calculate assessments for each parcel in the CBD. Since all parcels within the District will benefit from the formation of the CBD, an assessment has been proposed for each parcel. Certain parcels owned by nonprofit corporations, religious organizations, and parking areas not open to public at large are exempt for assessment. The annual assessment for each parcel is based on one or more of the following:

- Linear footage of the lot abutting the public right of way
- Gross building area
- Location in a particular benefit zone, and
- Use

The assessments for future years (years 2 through 7) may be adjusted for inflation based upon the San Francisco-Oakland-San Jose Consumer Price Index, not to exceed 5% annually. Unless extended by the property owners, the CBD will terminate after 7 years.

#### Schedule

Through a petition process in May 2008, the Yerba Buena Alliance has already documented the necessary support from the property owners to form a CBD. The anticipated schedule for the remainder of the process is as follows:

June 2008	Board of Supervisors – hearing and approval to mail the ballots to all affected property owners.
July/August 2008	Ballots due. Public Hearing scheduled and CBD formed.
Sept. – Nov. 2008	Interim management corporation formed.
January 2009	Assessments transferred to CBD from the City. Services initiated.

#### **Analysis:**

In general, the staff encourages neighborhood associations and community groups to work together with the City staff to identify the community needs, secure necessary funds and jointly develop an implementation plan. Staff believes that the proposed CBD initiative, including the planned services and administration, will benefit the community at large, including the two public parking facilities operated by the SFMTA. The proposed assessments include \$104,630 for the 5<sup>th</sup> & Mission Garage (Zone 1) and \$21,517.18 for the Moscone Center Garage (Zone 2). The total assessment for these two garages is approximately 5.29% of the entire assessment for all properties within the CBD. This is consistent with Article XIID (4) of the California Constitution which requires that government parcels be assessed unless they receive no special benefit from the improvements and services funded by the assessments.

The enhanced maintenance of sidewalks, additional security and streetscape improvements in the proximity of these garages will benefit thousands of garage patrons every day. Special marketing and community events will also support garage operations. Detailed services to be provided in the vicinity of these garages are shown on Attachment B (Zones 1 and 2). Due to significant benefits in return for an annual assessment of approximately \$126,000, staff recommends supporting the formation of the CBD.

The Downtown Parking Corporation currently leases the 5<sup>th</sup> & Mission Garage, and its Board supports the formation of CBD.

This item directly supports Goal 1 - *Customer Focus* and other 2008-2012 Strategic Plan Goals indirectly.

The City Attorney's Office has reviewed this item.

#### **Recommendation:**

Staff recommends that the Parking Authority Commission adopt the attached resolution, supporting formation of a new Yerba Buena Community Benefit District and authorizing the SFMTA Executive Director/CEO to submit ballot in favor of establishing the CBD.

PARKING AUTHORITY COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION No. \_\_\_\_\_

WHEREAS, City and State law authorize and provide the procedures to establish a Community Benefit District (CBD); and,

WHEREAS, The Yerba Buena community believes that due to limited government resources, the property owners must explore new ways to fund cleaning, greening, beautifying, marketing, promoting and maintaining a vibrant and inviting community; and,

WHEREAS, The Yerba Buena Alliance proposes to form a CBD for the area bounded by Market, 2<sup>nd</sup>, Harrison and 5<sup>th</sup> Streets; and,

WHEREAS, A Steering Committee with broad representation from the Yerba Buena neighborhood has developed a CBD Management Plan that identifies community challenges and priorities, proposed projects and services, annual assessments for each parcel, budget and administration of the CBD; and,

WHEREAS, Formation of the CBD will benefit thousands of property owners and residents by improving community livability and strengthening economic vibrancy of the neighborhood; and,

WHEREAS, Two public parking facilities administered by the SFMTA (5<sup>th</sup> & Mission and Moscone Center garages) are located within the proposed CBD boundaries, and will be subject to annual assessments, and the total assessments for the first year is \$126,147.18; and,

WHEREAS, Staff anticipates that the formation of the CBD will result in cleaner sidewalks, enhanced safety, improved streetscape and additional community events that will benefit the two garages as well as the community; and now, therefore, be it

RESOLVED, That the Parking Authority Commission supports the formation of the Yerba Buena Community Benefit District, and authorizes the SFMTA Executive Director/CEO or his designee to submit ballots in favor of formation of the CBD.

I hereby certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of \_\_\_\_\_.

ATTACHMENT A

MAP 4-1 BENEFIT ZONES



This map describes the district boundaries stretching from Market to Harrison and from 2<sup>nd</sup> to 5<sup>th</sup> Streets.

**ATTACHMENT B**  
**SERVICE FREQUENCY BY BENEFIT ZONE**

<b>CBD Services</b>	<b>Zone 1 (includes 5<sup>th</sup> &amp; Mission Garage)</b>	<b>Zone 2 (includes Moscone Center Garage)</b>	<b>Zone 3</b>	<b>Zone 4</b>	<b>Zone 5</b>
<b>Regular sidewalk and gutter sweeping</b>	Commercial/R esidential: Other – 3 times/day or 21 times/week  Residential: Condo – 4 times/day or 28 times/week	Commercial/R esidential: Other – 2 times/day or 14 times/week  Residential: Condo – 3 times/day or 21 times/week	Commercial/R esidential: Other – 1-2 times/day or 7- 14 times/week  Residential: Condo – 2-3 times/day or 14-21 times/week	Commercial – 3 times/day or 21 times/week (same as Zone 1)	Commercial/R esidential: Other – 2 times/day or 14 times/week (same as Zone 2 but frontage only)  Residential: Condo – 3 times/day or 21 times/week
<b>Sidewalk steam cleaning</b>	Commercial/R esidential: Other – 2 times/month or 24 times/year  Residential: Condo – special time to prevent overnight disturbances	Commercial/R esidential: Other – Once a month or 12 times/year  Residential: Condo – special time to prevent overnight disturbances	Commercial/R esidential: Other – Quarterly  Residential: Condo – special time to prevent overnight disturbances	Commercial – 2 times/month or 24 times/year (same as Zone 1)	Commercial/R esidential: Other – 2 times/month or 24 times/year (same as Zone 2 but frontage only)  Residential: Condo – special time to prevent overnight disturbances
<b>Spot power washing</b>	As needed; assessed daily	As needed; assessed daily	As needed; assessed daily	As needed; assessed daily	As needed; assessed daily

<b>CBD Services</b>	<b>Zone 1 (includes 5<sup>th</sup> &amp; Mission Garage)</b>	<b>Zone 2 (includes Moscone Center Garage)</b>	<b>Zone 3</b>	<b>Zone 4</b>	<b>Zone 5</b>
<b>Frequent trash removal</b>	Commercial/R esidential: Other – 3 times/day or 21 times/week  Residential: Condo – 4 times/day or 28 times/week	Commercial/R esidential: Other – 2 times/day or 14 times/week  Residential: Condo – 3 times/day or 21 times/week	Commercial/R esidential: Other – 1-2 times/day or 7- 14 times/week  Residential: Condo – 2-3 times/day or 14-21 times/week	Commercial – 3 times/day or 21 times/week (same as Zone 1)	Commercial/R esidential: Other – 2 times/day or 14 times/week (same as Zone 2 but frontage only)  Residential: Condo – 3 times/day or 21 times/week
<b>Graffiti removal</b>	Within 24 hours	Within 24 hours	Within 24 hours	Within 24 hours	Within 24 hours
<b>Safety and crime prevention programs</b>	Daily  Residential: Condo – targeted evening/night monitoring	Daily  Residential: Condo – targeted evening/night monitoring	Daily  Residential: Condo – targeted evening/night monitoring	Daily	Daily  Residential: Condo – targeted evening/night monitoring
<b>Beautification programs (including greening activities)</b>	Commercial/R esidential: Other – Hanging flower baskets at all major intersections, tree planting, other landscaping as determined  Residential: Condo – installation of additional hanging baskets or similar greening	Commercial/R esidential: Other – Hanging flower baskets at all major intersections, tree planting, other landscaping as determined  Residential: Condo – installation of additional hanging baskets or similar greening	Commercial/R esidential: Other – Hanging flower baskets at all major intersections, tree planting, other landscaping as determined  Residential: Condo – installation of additional hanging baskets or similar greening	Commercial/R esidential: Other – Hanging flower baskets at all major intersections, tree planting, other landscaping as determined	Commercial/R esidential: Other – Hanging flower baskets at all major intersections, tree planting, other landscaping as determined  Residential: Condo – installation of additional hanging baskets or similar greening



<b>CBD Services</b>	<b>Zone 1 (includes 5<sup>th</sup> &amp; Mission Garage)</b>	<b>Zone 2 (includes Moscone Center Garage)</b>	<b>Zone 3</b>	<b>Zone 4</b>	<b>Zone 5</b>
<b>Tree and plant maintenance</b>	Daily watering; weekly pruning and weeding; replanting as needed	Daily watering; weekly pruning and weeding; replanting as needed	Daily watering; weekly pruning and weeding; replanting as needed	Daily watering; weekly pruning and weeding; replanting as needed	Daily watering; weekly pruning and weeding; replanting as needed
<b>Installation of banners</b>	Seasonally	Seasonally	Seasonally	Seasonally	Seasonally
<b>Special events</b>	3 times/year	3 times/year	3 times/year	3 times/year	3 times/year
<b>Marketing and promotions</b>	As determined by special events or similar	As determined by special events or similar	As determined by special events or similar	As determined by special events or similar	As determined by special events or similar
<b>Map or similar way-finding system</b>	Map updated annually; wayfinding system as determined	Map updated annually; wayfinding system as determined	Map updated annually; wayfinding system as determined	Map updated annually; wayfinding system as determined	Map updated annually; wayfinding system as determined
<b>Install, Maintain, and /or Replace street furnishings</b>	As needed	As needed	As needed	As needed	As needed