

# Discover Polk Community Benefit District - Special Meeting -

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SUPPLEMENTAL MATERIAL

NOVEMBER 10, 2019

# Current Situation

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Discover Polk CBD (“DPCBD”) entered into the Community Benefit District Management Agreement (the “Agreement”) with Lower Polk CBD (“LPCBD”) on February 6, 2019.

## Services:

- Cleaning and Hospitality Services Beautification & Placemaking
  - Street team deployment (2 Ambassadors, 7 Days a Week for 8 Hrs. / Day)
- Beautification & Placemaking
- Executive Director (“ED”) Oversight (Christian Martin) - 20% of FTE time
- District Coordinator & COO of DPCBD (Iana Dikidjieva) - 80% of FTE time

Monthly Cost: [REDACTED]

Annual Cost: [REDACTED]

Deposit Paid: [REDACTED] (covers 1.23x the monthly service fee to act as working capital)

# Current Situation - Continued

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LPCBD has struggled to deliver services given the difficult labor market in San Francisco and for a period of time was short staffed. Some progress has been made: <https://discoverpolk.org/clean-team/>

- Since inception there have been zero grants obtained in the name or benefit of DPCBD
- DPCBD has only had spot power washing completed and is still evaluating the purchase and operation of a standalone system
- October 31, 2019 - Iana Dikidjieva resigned/quit her post and is moving to SOMA West
- November 8, 2019 - Christian Martin resigned/quit his post and will be the ED of SOMA West
- The street team and Jon Gordon remains at LPCBD and will continue to deliver services
- November 8, 2019 - LPCBD Board of Directors voted to run a hiring process internally for new ED

# Call To Action - Find New Service Provider

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As of October 31, 2019 LPCBD has been in breach of the Agreement and following the announcement of Christian's resignation continue to be in breach. As such the DPCBD Board of Directors will be voting on sending a notice of Breach on 11/10/2019.

- LPCBD has 30 days to cure said breach, if the breach is not cured within 30 days, it will result in a Termination For Cause pursuant to Section D(iii) of the Agreement.

Given that there is no ED and District Coordinator (collectively the "Leadership Team") overseeing the services for DPCBD and the process for finding a new Leadership Team will likely carry into 2020 other options have been explored to continue to deliver services to DPCBD.

The service options reviewed are as follows:

- Streetplus
- Block by Block

# Summary of Services - Streetplus

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Suzanne and Chris walked the district with Steve Hillard, President & Principal of Streetplus on 11/5/2019 and identified district boundaries, hotspots and spoke about service and mobilization timeframes (2 weeks fastest / 30 days preferred mobilization).

- Streetplus is a national organization and currently serves Yerba Buena, Civic Center, Mid Market CBDs and the Downtown Berkley Association.
- The resource allocation is as follows:
  - Cleaning Ambassadors: 2 staffers; 1 X 7 days a week, 8 hours a day, 1 X 5 days a week, 8 hours a day
  - Power Washing: 5 days a week, 8 hours a day
  - Team Leader: Saturday and Sunday, 8 hours a day
  - Operations Supervisor: 5 days a week, 8 hours a day
  - TOTAL HOURS / Week: 192
- Monthly Cost (inclusive of capital equipment amortized over 3 yrs.): [REDACTED]
- Annual Cost: [REDACTED]

***\*Streetplus contract attached***

# Summary of Services - Block by Block

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Suzanne and Chris walked the district with Derreck Hughes, Vice President of Operations for Block by Block on 11/6/2019 and identified district boundaries, hotspots and spoke about service and mobilization timeframes (2 weeks fastest / 30 days preferred mobilization).

- Block by Block is a national organization and currently serves a total of 14 CBDs in the Bay Area which include the Tenderloin, Fisherman's Wharf, The East Cut, Japan Town CBDs.
- The resource allocation is as follows:
  - Cleaning Ambassadors: 2 staffers; 7 days a week, 8 hours a day
  - Power Washing: 1 day a week, 8 hours a day
    - Proposal includes 1x, 48 hours of restorative deep clean of the district to get to a base level of cleanliness (see pgs. 7 & 8 of the proposal)
  - Operations Supervisor: 5 days a week, 8 hours a day
  - TOTAL HOURS / Week: 160
- Monthly Cost (inclusive of capital equipment amortized over 3 yrs.): [REDACTED]
- Annual Cost: [REDACTED]

***\*Block by Block contract attached***

## Summary of Services - Financials

- LPCBD is higher on all metrics (total annual costs, total monthly costs and \$/Hr.) with the least amount of hours offered
- Switching to another provide will yield material annual and monthly savings

### Summary Services - Financial Comparison

	LPCBD W/O Power Washing	LPCBD With Power Washing	Streetplus	BBB
Monthly	[REDACTED]			
Annual	[REDACTED]			
Hours / Wk.	152	167	192	160
Hours / Yr.	7904	8684	9984	8320
\$ / Hr.	[REDACTED]			

## Summary of Services - Savings Overview

- LPCBD is higher on all metrics (total annual costs, total monthly costs and \$/Hr.) with the least amount of hours offered

- Comparing Streetplus and Block by Block to the current service with LPCBD without pressure washing the following annual savings are realized:

- Streetplus: [Redacted]
- Block by Block: [Redacted]

- Comparing Streetplus and Block by Block to the current service with LPCBD with pressure washing the following annual savings are realized:

- Streetplus: [Redacted]
- Block by Block: [Redacted]

### Summary Services - Savings vs. LPCBD w/o Power Washing

	LPCBD w/o PW	SP	BBB
Savings / Mo.	N/A	[Redacted]	
Savings / Yr.	N/A	[Redacted]	
Savings / Hr.	N/A	[Redacted]	

### Summary Services - Savings vs. LPCBD w/ Power Washing\*

	LPCBD w/ PW	SP	BBB
Savings / Mo.	N/A	[Redacted]	
Savings / Yr.	N/A	[Redacted]	
Savings / Hr.	N/A	[Redacted]	

\* - Does not include Cap-Ex for LPCBD PW Equipment



# Conclusions & Next Steps

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## Conclusions:

- Given that LPCBD does not currently have a Leadership Team in place and is in breach of the Agreement it is time to find a new service provider
- The two providers that have been vetted service more than 80% of the CBDs in SF
- The cost savings realized by switching to either Streetplus or Block by Block are material

## Next Steps:

- **It is recommended that DPCBD move forward with Streetplus**
  - More hours of service vs. BBB (192 vs. 160)
  - Cost per hour of service is less than BBB [REDACTED]
  - Better feel and responsiveness from Streetplus team (direct line to President & Principal)
  - Annual cost is not materially more than BBB [REDACTED] difference and receiving 1,664 more hours/yr.)