

File No. 230607

Committee Item No. 8  
Board Item No. 12

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight  
Board of Supervisors Meeting:

Date: February 1, 2024  
Date: February 13, 2024

#### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

#### OTHER

- TID and MED Annual Report FY 2021-2022
- Financial Report 063022
- OEWD Memo 051123
- Annual Report CBD OEWD Presentation
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Prepared by: Monique Crayton  
Prepared by: \_\_\_\_\_  
Prepared by: \_\_\_\_\_

Date: February 9, 2024  
Date: \_\_\_\_\_  
Date: \_\_\_\_\_

1 [Tourism Improvement District and Moscone Expansion District - Annual Report - FY2021-  
2022]

2  
3 **Resolution receiving and approving an annual report for the Tourism Improvement**  
4 **District and Moscone Expansion District for Fiscal Year (FY) 2021-2022, submitted as**  
5 **required by the Property and Business Improvement District Law of 1994 (California**  
6 **Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District’s**  
7 **management agreement with the City, Section 3.4.**

8  
9 WHEREAS, On October, 2008, pursuant to the Property and Business Improvement  
10 District Law of 1994 (the “Act”), California Streets and Highways Code, Sections 36600 *et*  
11 *seq.*, as augmented by Article 15 of the San Francisco Business and Tax Regulations Code,  
12 the Board of Supervisors adopted Resolution No. 430-08, expressing the City’s intention to  
13 establish the Tourism Improvement District; and

14 WHEREAS, On December 16, 2008, the Board of Supervisors adopted Resolution  
15 No. 504-08 establishing the Tourism Improvement District ("Resolution to Establish") for a  
16 period of 15 years, commencing January 1, 2009; and

17 WHEREAS, On July 28, 2009, the Board of Supervisors adopted Resolution  
18 No. 323-09, authorizing an agreement with the owners' association for the  
19 administration/management of the Tourism Improvement District, and a management  
20 agreement (the “Management Contract”) with the owners' association, the San Francisco  
21 Tourism Improvement District Management Corporation, was executed accordingly; and

22 WHEREAS, A copy of the Management Contract is on file with the Clerk of the Board  
23 of Supervisors in File No. 090819; and

24 WHEREAS, On December 10, 2013, the Board of Supervisors adopted Resolution No.  
25 441-13 amending the Tourism Improvement District’s Management District Plan to require

1 monthly, instead of quarterly, assessment collection and distribution by the Office of the  
2 Treasurer and Tax Collector; and

3 WHEREAS, On November 20, 2012, pursuant to the Property and Business  
4 Improvement District Law of 1994 (the "Act"), California Streets and Highways Code, Sections  
5 36600 *et seq.*, as augmented by Article 15 of the San Francisco Business and Tax  
6 Regulations Code, the Board of Supervisors adopted Resolution No. 416-12, expressing the  
7 City's intention to establish the Moscone Expansion District; and

8 WHEREAS, On February 5, 2013, the Board of Supervisors adopted Resolution  
9 No. 026-13 establishing the Moscone Expansion District ("Resolution to Establish") for a  
10 period of 32 years, commencing July 1, 2013; and

11 WHEREAS, On December 10, 2013, the Board of Supervisors adopted Resolution No.  
12 427-13 amending the Moscone Expansion District's Management District Plan to require  
13 monthly, instead of quarterly, assessment collection and distribution by the Office of the  
14 Treasurer and Tax Collector; and

15 WHEREAS, On November 29, 2022, the Board of Supervisors approved the Tourism  
16 Improvement District's and Moscone Expansion District's annual report for FY 2019-2020 in  
17 Resolution No. 518-22; and

18 WHEREAS, The Tourism Improvement District and Moscone Expansion District have  
19 submitted for the Board's receipt and approval the Tourism Improvement District and  
20 Moscone Expansion District annual reports for FY 2021-2022 as required by Section 36650 of  
21 the Act and Section 3.4 of the Management Contract; and

22 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in  
23 File No. 230607, and are incorporated herein by reference as though fully set forth; and

24 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and  
25 memorandum report from the City's Office of Economic and Workforce Development, dated

1 May 11, 2023, and documentation from the Tourism Improvement District and Moscone  
2 Expansion District for the Annual Report on file with the Clerk of the Board of Supervisors in  
3 File No. 230607; now, therefore, be it

4 RESOLVED, That the Board of Supervisors hereby receives and approves the annual  
5 report for the Tourism Improvement District and Moscone Expansion District for FY 2021-  
6 2022.

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## Annual Report | 2021-2022

The San Francisco Tourism Improvement District Management Corporation (SFTIDMC) is the owner's association group that oversees the San Francisco Tourism Improvement District (TID) and the San Francisco Moscone Expansion District (MED). The San Francisco Tourism Improvement District Management Corporation, governed by a board of industry representatives, ensures that the funds are used to benefit the assessed businesses by allocating them to San Francisco Travel programs that draw conventions, meetings, events and leisure travelers to San Francisco, and by keeping the city's convention facilities competitive with those of other major cities.

### **San Francisco Tourism Improvement District**

The San Francisco Tourism Improvement District ensures that funding for the San Francisco Travel Association's selling, marketing and promotion of San Francisco as a visitor destination.





## SALES AND MARKETING PROGRAM

The purpose of the sales and marketing program of work is to set industry standards and position San Francisco as the most compelling destination in the world. One of the primary objectives is to generate visitor-related economic impact to San Francisco and the region. SFTIDMC contracts the services of the San Francisco Travel Association which, with more than 110 years of expertise, is well positioned to fulfill this goal.

With the benefit of the TID funding, San Francisco Travel has been able to conduct a comprehensive review and strategic analysis of the industry, as well as created a plan that focuses on being proactive and setting new, visionary strategies to lead San Francisco's tourism industry.

Highlights of **San Francisco Travel** activity during FY January 1, 2021 to December 31, 2021:

### Convention and Meeting Sales

- 641,713 room nights booked  
Over 850 meetings held in San Francisco
- Attended over 20 virtual events and 12 in person events

**641,713**  
Total room nights booked

### Marketing Promotion

San Francisco's balanced mix of convention/meetings travel, leisure/consumer travel and business travel, means the city isn't as vulnerable to swings in any one market as some other destinations. In 2021, leisure visitors comprise 82% of all trips to San Francisco. San Francisco Travel's leisure marketing team has the enviable task of building relationships with, inviting, converting and retaining potential and existing San Francisco leisure travelers.

### Visitor Information Center (ViC)

- Center closed due to lack of funding – Covid impact

### [www.sftravel.com](http://www.sftravel.com)

- 3.1 million unique visitors to the website; up 200,000 from previous year
- \$106,886,871 million in economic impact; up \$22,000,000

### Social Media

- Facebook @onlyinSF 698k followers
- Twitter @onlyinSF 201k followers
- Instagram @onlyinsf 295k followers
- Tik Tok 3,600

**17.0 Million visitors to  
San Francisco in 2020**



### **Key Themes & Programs**

- I am San Francisco | San Francisco Welcomes All Campaign
- Our Gate is Open
- Destination 101/IconicSF
- Culinary
- Arts & Culture
- Diversity

### **Tourism Sales and Marketing**

- SFO had 3,335,838 million international travelers in 2021
- Represented in 14 international offices in 13 countries (2021)
- Attended International and Domestic virtual trade shows
- San Francisco hosted 300+ journalists (2021)
- Media Coverage (2021)
  - 1.2 billion impressions
  - \$96+ million value

**\$2.7 billion in visitor  
spending in 2020**



## MOSCONE EXPANSION DISTRICT



- Over \$450,000 was utilized to provide convention customers with rental incentives to attract conventions to San Francisco
- The City of San Francisco provided up to \$4.6MM in incentive discounts to attract new business to Moscone Center



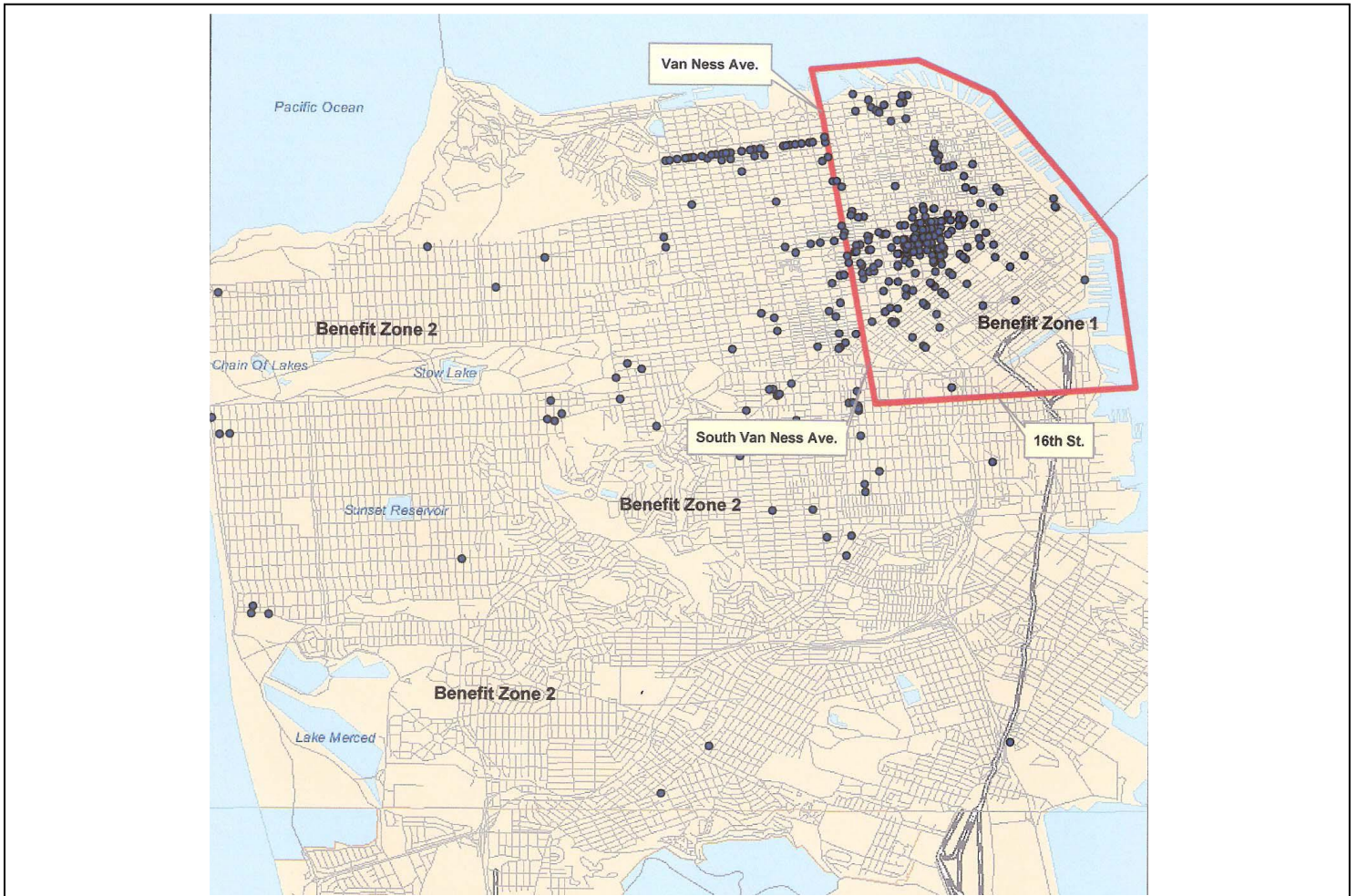


### TID and MED COLLECTION METHODOLOGY

Tourist hotels are broken up into two zones. The zones are the same for the TID and MED assessments. Tourist hotels in Zone 1 are assessed 1% of gross revenue from tourist rooms for the TID and 1.25% for the MED. Tourist hotels in Zone 2 are assessed .75% of gross revenue from tourist rooms for TID and .3125 for the MED.

**Zone 1 Tourist hotels:** All tourist hotels with addresses on or east of Van Ness Avenue, on or east of South Van Ness Avenue, and on or north of 16<sup>th</sup> Street from South Van Ness to the Bay, including all tourist hotels east of Van Ness Avenue as if it continued north to the Bay, and north of 16<sup>th</sup> Street as if it continued east to the Bay.

**Zone 2 Tourist hotels:** All tourist hotels with addresses west of Van Ness Avenue and South Van Ness Avenue, and all tourist hotels south of 16<sup>th</sup> Street.





**San Francisco Tourism Improvement District Management Corporation (SFTIDMC)  
 BUDGET & BALANCE SHEET**

<b>JULY 2021-JUNE 2022 ACTUAL</b>	<b>TID</b>	<b>MED</b>	<b>AMB</b>	<b>TOTAL</b>
<b>INCOME</b>				
Assessment Fee	\$7,771,340	\$9,092,384	\$4,401,946	\$21,265,670
Interest Income	\$8,035	\$7,701	\$0	\$15,736
<b>TOTAL INCOME</b>	<b>\$7,779,375</b>	<b>\$9,100,085</b>	<b>\$4,401,946</b>	<b>\$21,281,406</b>
<b>EXPENSES</b>				
SFTA Marketing & Operations	\$7,152,513	\$0	\$0	\$7,152,513
Moscone Convention Center Development and Expansion	\$0	\$0	\$0	\$0
Moscone Convention Center Capital Fund	\$0	\$42,635	\$0	\$42,635
Moscone Convention Center Incentive Fund	\$0	\$892,692	\$0	\$892,692
Convention Sales/Marketing Fund	\$0	\$86,092	\$0	\$86,092
Debt Service and Stabilization Fund	\$0	\$7,754,502	\$0	\$7,754,502
Ambassador Program	\$0	\$0	\$3,979,730	\$3,979,730
SFTIDMC Administration and Operating Expenses	\$362,823	\$564,108	\$422,216	\$1,349,147
<b>TOTAL EXPENSES</b>	<b>\$7,515,336</b>	<b>\$9,340,029</b>	<b>\$4,401,946</b>	<b>\$21,257,311</b>
<b>NET INCOME</b>	<b>\$264,039</b>	<b>(\$239,944)</b>	<b>\$0</b>	<b>\$24,095</b>



<b>JULY 2021-JUNE 2022 BALANCE SHEET</b>	<b>TID</b>	<b>MED</b>	<b>AMB</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash	\$1,147,339	\$1,981,853	\$1,736,839	\$4,866,031
Accounts Receivable, Net	\$0	\$0	\$1,320,000	\$1,320,000
Security Deposit	\$0	\$0	\$6,188	\$6,188
<b>TOTAL ASSETS</b>	<b>\$1,147,339</b>	<b>\$1,981,853</b>	<b>\$3,063,027</b>	<b>\$6,192,219</b>
<b>LIABILITIES</b>				
Accounts Payable – San Francisco Travel	\$19,081	\$6,786	\$0	\$25,867
Accounts Payable – Ambassador Program	\$0	\$0	\$1,154,080	\$1,154,080
Accounts Payable - MED	\$0	\$1,859,243	\$0	\$1,859,243
Line of Credit	\$0	\$3,500,000	\$0	\$3,500,000
Accrued Liabilities	\$0	\$8,021	\$3,893	\$11,914
Deferred Revenue	\$0	\$0	\$1,905,054	\$1,905,054
Business Loan Payable	\$0	\$500,000	\$0	\$500,000
<b>TOTAL LIABILITIES</b>	<b>\$19,081</b>	<b>\$5,874,050</b>	<b>\$3,063,027</b>	<b>\$8,956,158</b>
<b>TOTAL NET ASSETS (CARRYOVER)</b>	<b>\$1,128,258</b>	<b>(\$3,892,197)</b>	<b>\$0</b>	<b>(\$2,763,939)</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$1,147,339</b>	<b>\$1,981,853</b>	<b>\$3,063,027</b>	<b>\$6,192,219</b>

<b>JULY 2022- JUNE 2023 BUDGET</b>	<b>TID</b>	<b>MED</b>	<b>AMB</b>	<b>TOTAL</b>
<b>INCOME</b>				
Assessment Fee	\$17,600,700	\$20,416,700	\$5,000,000	\$43,017,400
Interest Income	\$0	\$0	\$0	\$0
<b>TOTAL INCOME</b>	<b>\$17,600,700</b>	<b>\$20,416,700</b>	<b>\$5,000,000</b>	<b>\$43,017,400</b>
<b>EXPENSES</b>				
SFTA Marketing & Operations	\$17,150,700	\$201,900	\$0	\$17,352,600
Moscone Convention Center Capital Fund	\$0	\$1,211,200	\$0	\$1,211,200
Moscone Convention Center Incentive Fund	\$0	\$273,800	\$0	\$273,800
Convention Sales & Marketing Fund	\$0	\$1,614,900	\$0	\$1,614,900
Debt Service and Stabilization Fund	\$0	\$16,654,000	\$0	\$16,654,000
Ambassador Program	\$0	\$0	\$4,503,460	\$4,503,460
SFTIDMC Administration	\$450,000	\$460,900	\$496,540	\$1,407,440
<b>TOTAL EXPENSES</b>	<b>\$17,600,700</b>	<b>\$20,416,700</b>	<b>\$5,000,000</b>	<b>\$43,017,400</b>
<b>NET INCOME</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



<b>PROJECTED CARRYOVER DISBURSEMENT</b>	<b>TID</b>	<b>MED</b>	<b>TOTAL</b>	<b>TO BE USED IN FY 2022- 2023</b>	<b>TO BE USED IN FUTURE YEARS</b>
SFTA Marketing & Operations	\$409,024	\$3,555	\$412,579	\$412,579	\$0
Moscone Convention Center Development and Expansion	\$0	\$12,649	\$12,649	\$12,649	\$0
Moscone Convention Center Capital Fund	\$186,118	\$351,206	\$537,324	\$0	\$537,324
Moscone Convention Center Incentive Fund	\$14,973	\$1,114,020	\$1,128,993	\$81,250	\$1,047,743
Contingency/Reserve	\$537,224	\$500,422	\$1,037,646	\$527,713	\$509,933
<b>TOTAL CARRYOVER DISBURSEMENT</b>	<b>\$1,147,339</b>	<b>\$1,981,853</b>	<b>\$3,129,192</b>	<b>\$1,034,191</b>	<b>\$2,095,001</b>



## **SFTIDMC Board of Directors | FY 2021-2022**

### **BOARD CHAIR**

Stefan Mühle, Noble Hotels

### **BOARD VICE-CHAIR**

Ingrid Summerfield, Ingrid Summerfield Hospitality

### **SECRETARY/TREASURER**

Matt Humphreys, Hyatt Regency

### **Board Members**

Jon Kimball, Marriott Hotels

Brittney Beck, Beck's Motor Lodge

Janet Griggs, Taste Catering

Clif Clark, Palace Hotel

John Anderson, JW Marriott

Cathy Maupin, Yerba Buena Community Benefit District

Ken Bukowski, City & County of San Francisco

Taylor Safford, Pier 39

One Front Street, Suite 2900  
San Francisco, CA 94111  
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info@sftid.com  
www.sftid.com

**San Francisco Tourism Improvement  
District Management Corporation**

Financial Statements

June 30, 2022

## INDEX TO FINANCIAL STATEMENTS

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
San Francisco Tourism Improvement District Management Corporation

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of San Francisco Tourism Improvement District Management Corporation (SFTIDMC), a California not-for-profit organization, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SFTIDMC as of June 30, 2022, and the changes in its net assets (deficit) and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SFTIDMC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Substantial Doubt About SFTIDMC's Ability to Continue as a Going Concern***

The accompanying financial statements have been prepared assuming that SFTIDMC will continue as a going concern. As discussed in Note 2 to the financial statements, SFTIDMC has negative working capital and net deficit as of June 30, 2022 and has stated that substantial doubt exists about SFTIDMC's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.



### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SFTIDMC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SFTIDMC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SFTIDMC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.



### **Report on the Summarized Comparative Information**

We have previously audited San Francisco Tourism Improvement District Management Corporation's financial statements as of and for the year ended June 30, 2021, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 27, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**BAKER TILLY US, LLP**

*Baker Tilly US, LLP*

San Francisco, California

October 26, 2022

**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2021)**

ASSETS

	TID FUND	MED FUND	AMB	Totals	
				2022	2021
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,147,339	\$ 1,981,853	\$ 1,736,839	\$ 4,866,031	\$ 3,453,469
Grants receivable	-	-	1,320,000	1,320,000	-
Security deposit	-	-	6,188	6,188	-
Total assets	<u>\$ 1,147,339</u>	<u>\$ 1,981,853</u>	<u>\$ 3,063,027</u>	<u>\$ 6,192,219</u>	<u>\$ 3,453,469</u>

LIABILITIES AND NET ASSETS (DEFICIT)

<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 19,081	\$ 1,866,029	\$ 1,154,080	\$ 3,039,190	\$ 1,207,232
Notes payable	-	3,500,000	-	3,500,000	5,000,000
Deferred revenue	-	-	1,905,054	1,905,054	-
Accrued liabilities	-	8,021	3,893	11,914	34,271
Total current liabilities	<u>19,081</u>	<u>5,374,050</u>	<u>3,063,027</u>	<u>8,456,158</u>	<u>6,241,503</u>
<b>LONG-TERM DEBT</b>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Total liabilities	<u>19,081</u>	<u>5,874,050</u>	<u>3,063,027</u>	<u>8,956,158</u>	<u>6,241,503</u>
<b>NET ASSETS (DEFICIT)</b>					
Without donor restrictions					
Designated	1,128,258	1,962,418	-	3,090,676	2,404,478
Undesignated	-	(5,854,615)	-	(5,854,615)	(5,192,512)
Total net assets (deficit)	<u>1,128,258</u>	<u>(3,892,197)</u>	<u>-</u>	<u>(2,763,939)</u>	<u>(2,788,034)</u>
Total liabilities and net assets (deficit)	<u>\$ 1,147,339</u>	<u>\$ 1,981,853</u>	<u>\$ 3,063,027</u>	<u>\$ 6,192,219</u>	<u>\$ 3,453,469</u>

**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)**

	Without Donor Restriction			Totals	
	TID FUND	MED FUND	AMB	2022	2021
<b>SUPPORT AND REVENUES</b>					
Assessments (Note 5)	\$ 7,771,340	\$ 9,092,384	\$ -	\$ 16,863,724	\$ 4,605,667
Government grants	-	-	4,401,946	4,401,946	-
Interest and dividends	8,035	7,701	-	15,736	474
Total support and revenues	<u>7,779,375</u>	<u>9,100,085</u>	<u>4,401,946</u>	<u>21,281,406</u>	<u>4,606,141</u>
<b>EXPENSES</b>					
Program services -					
Moscone Center	-	8,689,829	-	8,689,829	1,917,882
Marketing and promotion	7,152,513	86,092	-	7,238,605	2,659,100
Downtown ambassador services	-	-	3,979,730	3,979,730	-
Total program services	<u>7,152,513</u>	<u>8,775,921</u>	<u>3,979,730</u>	<u>19,908,164</u>	<u>4,576,982</u>
Management and general	<u>362,823</u>	<u>564,108</u>	<u>422,216</u>	<u>1,349,147</u>	<u>1,073,788</u>
Total expenses	<u>7,515,336</u>	<u>9,340,029</u>	<u>4,401,946</u>	<u>21,257,311</u>	<u>5,650,770</u>
<b>CHANGE IN NET ASSETS (DEFICIT)</b>	264,039	(239,944)	-	24,095	(1,044,629)
<b>NET ASSETS (DEFICIT) - BEGINNING OF YEAR</b>	<u>864,219</u>	<u>(3,652,253)</u>	<u>-</u>	<u>(2,788,034)</u>	<u>(1,743,405)</u>
<b>NET ASSETS (DEFICIT) - END OF YEAR</b>	<u>\$ 1,128,258</u>	<u>\$ (3,892,197)</u>	<u>\$ -</u>	<u>\$ (2,763,939)</u>	<u>\$ (2,788,034)</u>

**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)**

	TID FUND		MED FUND		AMB		Totals	
	Program Services	Management and General	Program Services	Management and General	Program Services	Management and General	2022	2021
Moscone Center -								
Debt service and stabilization fund	\$ -	\$ -	\$ 7,754,502	\$ -	\$ -	\$ -	\$ 7,754,502	\$ 1,917,882
Sales incentive	-	-	892,692	-	-	-	892,692	-
Capital projects	-	-	42,635	-	-	-	42,635	-
Marketing and promotion	7,152,513	-	86,092	-	-	-	7,238,605	2,659,100
Contractual services -								
San Francisco Travel Association fees	-	140,136	-	140,136	-	237,365	517,637	266,926
Treasurer fees	-	124,575	-	127,642	-	-	252,217	430,275
Professional fees	-	67,076	-	34,962	3,841,420	181,776	4,125,234	103,961
Interest expense	-	-	-	231,670	-	-	231,670	266,146
Insurance and taxes	-	29,197	-	29,098	-	-	58,295	5,076
Salaries and wages	-	-	-	-	138,310	-	138,310	-
Office expenses	-	1,839	-	600	-	3,075	5,514	1,404
	<u>\$ 7,152,513</u>	<u>\$ 362,823</u>	<u>\$ 8,775,921</u>	<u>\$ 564,108</u>	<u>\$ 3,979,730</u>	<u>\$ 422,216</u>	<u>\$ 21,257,311</u>	<u>\$ 5,650,770</u>

**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2022**  
**(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2021)**

	TID FUND	MED FUND	AMB	Totals	
				2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in net assets (deficit)	\$ 264,039	\$ (239,944)	\$ -	\$ 24,095	\$ (1,044,629)
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operating activities:					
Grants receivable	-	-	(1,320,000)	(1,320,000)	-
Security deposit	-	-	(6,188)	(6,188)	-
Accounts payable	15,514	662,364	1,154,080	1,831,958	(1,479,156)
Accrued liabilities	-	(26,250)	3,893	(22,357)	382
Deferred revenue	-	-	1,905,054	1,905,054	-
Total adjustments	15,514	636,114	1,736,839	2,388,467	(1,478,774)
Net cash provided by (used in) operating activities	279,553	396,170	1,736,839	2,412,562	(2,523,403)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from long-term debt	-	500,000	-	500,000	-
Payment of notes payable	-	(1,500,000)	-	(1,500,000)	-
Net cash used in financing activities	-	(1,000,000)	-	(1,000,000)	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	279,553	(603,830)	1,736,839	1,412,562	(2,523,403)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	867,786	2,585,683	-	3,453,469	5,976,872
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,147,339	\$ 1,981,853	\$ 1,736,839	\$ 4,866,031	\$ 3,453,469
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>					
Cash paid during the year for interest	\$ -	\$ 231,670	\$ -	\$ 231,670	\$ 266,146

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**1. NATURE OF ORGANIZATION**

San Francisco Tourism Improvement District Management Corporation (SFTIDMC) is a not-for-profit organization formed for the purpose of managing and administering the Tourism Improvement District (TID) and Moscone Expansion District (MED) pursuant to a management contract with the City and County of San Francisco (the City). Refer to Note 5.

**2. GOING CONCERN**

The outbreak of COVID-19 pandemic in March 2020 has impacted the hotel industry and resulting assessments revenue of SFTIDMC. As of June 30, 2022, SFTIDMC has net deficit of \$2,763,939. As of June 30, 2022, SFTIDMC has a note payable of \$3,500,000 due on December 31, 2022, which resulted in negative working capital of \$2,263,939. Uncertainty also remains as to when the hotels within the Business Improvement District will open at full capacity. These factors raise substantial doubt about SFTIDMC's ability to continue as a going concern.

Under the terms of the agreement with the City dated August 17, 2017, the City will finance the stabilization fund and debt service payments from the MED assessments in accordance with the MED Management District Plan effective April 15, 2019. SFTIDMC will collect the surplus allocated to the development activities ("surplus") that will not be needed to fund the MED contributions toward debt service.

Management acknowledges that uncertainty remains over the ability of SFTIDMC to meet its funding requirements and to refinance or repay its banking facilities as they are due. SFTIDMC is currently in the process of extending the maturity date of the note payable. If for any reason SFTIDMC is unable to continue as a going concern, it could have an impact on SFTIDMC's ability to extinguish liabilities in the normal course of operations at the amounts stated in the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

SFTIDMC prepares the financial statements in accordance with generally accepted accounting principles promulgated in the United States of America for Not-For-Profit Organizations (U.S. GAAP). The significant accounting and reporting policies used by SFTIDMC are described subsequently to enhance the usefulness and understandability of the financial statements.

The accompanying financial statements present the accounts of Tourism Improvement District Fund (TID Fund), Moscone Expansion District Fund (MED Fund) and Ambassador Program (AMB).

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Basis of Presentation*** (continued)

SFTIDMC reports information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions*

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The net assets are designated in accordance with the Management District Plan. Refer to Note 5.

*Net assets with donor restrictions*

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. All net assets of SFTIDMC were without donor restrictions at June 30, 2022.

***Cash and Cash Equivalents***

Cash consists of funds in checking and savings accounts. Cash equivalents consist of short-term and highly liquid investments with original maturities of three months or less from the dates of acquisition.

***Grants receivable and Allowanced for Doubtful Accounts***

Grants receivable are recognized when unconditional promise to give is made by a donor. It also includes amounts due from the government on cost reimbursement or performance grants. Accordingly, an unconditional promise to give that extends beyond one year is discounted to reflect its net present value using risk-free interest rates applicable to the years in which the promises are received. The allowance for doubtful accounts reflects management's best estimate of the accounts that will not be collected based on historical experience and an evaluation of the outstanding receivable at the end of the year. At June 30, 2022, SFTIDMC determined that the accounts were fully collectible.

***Revenue Recognition***

*Assessments*

SFTIDMC receives assessments from gross hotel room revenues which are collected by the City under the terms of the agreement between SFTIDMC and the City (refer to Note 5). Revenues from assessments, which include fines and penalties, are accounted for as support and recognized when notification of the assessments is received from the City in accordance with Topic 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*.



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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Revenue Recognition*** (continued)

*Government Grants*

SFTIDMC receives grants from the local government. Government grants are recognized when the qualifying costs are incurred or when a unit of service is provided. The arrangements are non-reciprocal, meaning the granting agency has not received a direct benefit in exchange for the resources provided. Government grants are subject to review by grantor agencies. The review could result in disallowance of expenditures under the terms of the grant or reductions of future grant funds. SFTIDMC's management believes that costs ultimately disallowed, if any, would not materially affect its financial position.

*Other*

Revenues from interest and dividends are recognized when earned.

***Professional and Contractual Expenses***

Professional and contractual services are expensed as incurred.

***Allocation of Functional Expenses***

The costs of program and supporting service activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses are identified with a specific program or support service and are charged directly to that program or support service.

***Tax Status***

SFTIDMC is exempt from federal and state income taxation under Section 501(c)(6) of the Internal Revenue Code (IRC) and under Section 23701(e) of the California Revenue and Taxation Code, respectively. Accordingly, no provision for income tax has been made in the accompanying financial statements.

U.S. GAAP provides disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and does not believe that SFTIDMC has any uncertain tax positions that require adjustment or disclosure in the financial statements. SFTIDMC's returns are subject to examination by federal and state taxing authorities, generally for three to four years, respectively, after they are filed.

**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Estimates Included in the Financial Statements***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

***Comparative Financial Information***

The financial statements include certain prior year summarized comparative financial information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with SFTIDMC's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

**4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

SFTIDMC's goal is to maintain financial assets per the Management District Plans of TID and MED (the Management District Plans). Annually, the SFTIDMC Board of Directors approves the annual budget based on the terms of the agreements with the City.

The following represents SFTIDMC's financial assets at June 30, 2022 available for general expenditures within the following 12 months:

	<u>TID FUND</u>	<u>MED FUND</u>	<u>AMB</u>	<u>Totals</u>
Financial assets at year-end:				
Cash and cash equivalents	\$ 1,147,339	\$ 1,981,853	\$ 1,736,839	\$ 4,866,031
Total financial assets	<u>1,147,339</u>	<u>1,981,853</u>	<u>1,736,839</u>	<u>4,866,031</u>
Less - amounts designated for the following purpose in accordance with the Management Plans:				
Moscone Center Incentive Fund	14,973	1,107,770	-	1,122,743
Contingency/Reserve	518,678	503,442	-	1,022,120
Moscone Center Capital Fund	186,118	351,206	-	537,324
SF Travel Association Marketing & Operations	408,489	-	-	408,489
	<u>1,128,258</u>	<u>1,962,418</u>	<u>-</u>	<u>3,090,676</u>
Financial assets available for general expenditures as of June 30, 2022	<u>\$ 19,081</u>	<u>\$ 19,435</u>	<u>\$ 1,736,839</u>	<u>\$ 1,775,355</u>

SFTIDMC considers ongoing program, management and general expenses as general expenditures.

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**5. BUSINESS IMPROVEMENT DISTRICT ASSESSMENTS**

The following describes the assessments related to the agreements entered into by SFTIDMC with the City and County of San Francisco.

***Tourism Improvement District Assessments***

On December 16, 2008, the San Francisco Board of Supervisors approved the establishment of a business-based business improvement district, known as the Tourism Improvement District, and assessments on gross room revenues (TID assessments) on hotels within the TID, which are categorized as Zone 1 or Zone 2 depending on their location. The TID assessments were designed to generate funds dedicated to promoting and marketing the City as a leisure and convention destination, and to fund repairs and improvements to the Moscone Center.

The annual TID assessments commenced on January 1, 2009, and will continue until December 31, 2023. The schedule of TID assessments is as follows:

<u>Periods</u>	<u>Zone 1</u>	<u>Zone 2</u>
January 1, 2009 – December 31, 2013	1.50%	1.00%
January 1, 2014 – December 31, 2023	1.00%	0.75%

The TID assessments are collected by the City and remitted to SFTIDMC. The SFTIDMC will ensure that the TID assessments collected are used to benefit the assessed businesses by (1) allocating them to the San Francisco Travel Association (the Association) to fund its marketing and promotional programs; and (2) keeping the Moscone Center competitive with those of other major cities.

The Association's marketing and promotional programs have been funded by SFTIDMC since July 1, 2009.

***Moscone Expansion District Assessments***

On June 21, 2012, the City announced the development of a 25-year master plan for the expansion of the Moscone Center. The expansion was funded by a public-private partnership with the SFTIDMC and the City. On February 5, 2013, the San Francisco Board of Supervisors approved the creation of the Moscone Expansion District which will provide the majority of funding for the expansion of the Moscone Center.

The City began imposing assessment of fees on gross hotel room revenue on July 1, 2013 (MED assessments). The term of the MED is 32 years. The schedule of MED assessments is as follows:

<u>Periods</u>	<u>Zone 1</u>	<u>Zone 2</u>
July 1, 2013 – December 31, 2013	0.50%	0.3125%
January 1, 2014 – December 31, 2045	1.25%	0.3125%

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**5. BUSINESS IMPROVEMENT DISTRICT ASSESSMENTS** (continued)

***Moscone Expansion District Assessments*** (continued)

The City will commit the following towards the repayment of bonds issued in connection with the expansion:

- Contribution of \$8,200,000 in fiscal year 2019 with an increase of 3% per year through fiscal year 2028 up to cap of \$10,700,000, with a continuing contribution of no less than \$10,700,000 per year for the remainder of the term of the MED.
- The City will fund shortfalls in any given year for purposes of debt service, which will be repaid from surpluses in MED assessments, as detailed in the Management District Plan.

The amount of debt service to retire the MED portion of the indebtedness shall not exceed the amount of revenue estimate to be raised from the assessment. No more than a total maximum of \$5,766,814,000 in assessment funds will be collected during the 32-year term of the MED.

The MED assessments will be used for the following improvements and activities, including the categories of expenses:

- Planning, design, engineering, entitlement, construction, project management and related services for expansion of the Moscone Center, including related payments for any bond, financing lease (including certificates of participation) or similar obligations of the City.
- Funding of a Moscone Center Incentive Fund which will be used to attract significant meetings, tradeshows and conventions to San Francisco via offset of rental costs.
- Funding of a Moscone Center Sales & Marketing Fund to provide increased funding for sales and marketing of convention business, with a focus on generating increased revenues for hotels that pay the assessment.
- Funding of capital improvements and renovations, including a capital reserve fund to cover future upgrades and improvements to the Moscone Center.
- Allocation of funds to pay for District formation, operation and administration, and to establish and maintain a contingency reserve.
- In consultation with the City, funding of expenses for development and implementation of future phases of expansion, renovations or capital improvements if there are funds available in excess of those needed for the expansion.

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**5. BUSINESS IMPROVEMENT DISTRICT ASSESSMENTS** (continued)

***Moscone Expansion District Assessments*** (continued)

In June 2017, the City issued Certificates of Participation (Moscone Convention Center Expansion Project) Series 2017B amounting to \$412,355,000. For the year ended June 30, 2022, the City Treasurer and Tax Collector's Office (TTX) withheld 86.5% of MED assessments amounting to \$7,754,502 from the TTX's cash collections from July 2021 through June 2022.

The funds apportioned by the City for the above purpose are included in the MED assessments in the statement of activities and program services in the statement of functional expenses for the year ended June 30, 2022.

**6. NOTES PAYABLE**

The notes payable consists of the following as of June 30, 2022:

Original line of credit of \$5,000,000 with a bank, due April 15, 2020, bears interest at prime rate less 0.25%, but not less than 5.25% per annum. On May 26, 2020, the loan was converted into a term loan with maturity date of May 15, 2021. On October 29, 2021, the maturity of the loan was extended to December 31, 2022.

\$ 3,500,000

Term loan of \$500,000 with the U.S. Small Business Administration (SBA), bears interest of 2.75% per annum, payable 30 years from the date of the promissory note which is December 3, 2021, with monthly installment payments, including principal and interest, of \$2,189 beginning 18 months from the date of promissory note.

500,000

4,000,000

Less - current maturities

(3,500,000)

\$ 500,000

SFTIDMC is in the process of finalizing the modification agreement with the bank to extend the maturity of the bank loan to December 31, 2023.

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**6. NOTES PAYABLE** (continued)

The annual maturities of notes payable were as follows:

<u>Years Ending June 30</u>	
2023	\$ 3,500,000
2024	-
2025	11,713
2026	12,840
2027	13,193
Thereafter	462,254
	<u>\$ 4,000,000</u>

**7. RELATED PARTY TRANSACTIONS**

SFTIDMC entered into agreements for professional and administrative services with the San Francisco Travel Association (the Association), a related party. The agreements were effective for the period June 4, 2009 to June 30, 2010, and are automatically renewed annually thereafter.

Under the Professional Services Agreement, the Association will provide marketing and promotional services consistent with the requirements of the Management District Plan. The Association will be compensated based on its budget, as approved by SFTIDMC's Board of Directors, and consistent with the management plan.

Under the Administrative Services Agreement, the Association will provide the following services: (1) staff support for the operation of SFTIDMC, (2) the Chief Financial Officer (CFO) of the Association will serve as CFO of SFTIDMC and the Association's staff will perform finance and accounting related functions, (3) the Association will be responsible for the tax related issues of SFTIDMC, (4) the Association will be responsible for all compliance issues of SFTIDMC, including compliance with the management plan approved by the San Francisco Board of Supervisors, and (5) the Association will be responsible for developing an appropriate investment policy and program for SFTIDMC funds. On July 1, 2013, the Administrative Services Agreement was revised primarily to include MED. Based on the agreement, the Association will be compensated a fee of \$190,000 per annum, subject to an annual increase of 5%, for the performance of the above services on behalf of both TID and MED.

The expenditures related to the marketing and promotional services (professional services) and administrative services amounted to \$7,238,605 and \$517,637, respectively, during the year ended June 30, 2022. There is no payable to the Association for these services as of June 30, 2022.

From time to time, the Association also advances or pays other professional fees (e.g., legal and consulting fees) on behalf of SFTIDMC. SFTIDMC has \$25,872 payable to the Association for these advances as of June 30, 2022.

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**8. COMMITMENTS**

Pursuant to the establishment of the TID as approved by the Board of Supervisors in December 2008, the Office of the Treasurer and Tax Collector for the City and County of San Francisco (the Treasurer) was mandated to collect the TID Assessments on behalf of the SFTIDMC. In August 2009, an administration agreement was entered into between the Treasurer and SFTIDMC wherein the Treasurer agreed to provide the following services: (a) collect assessments in accordance with the management plan, (b) provide quarterly reports indicating the amount of penalties, fees, assessment and interest collected, and (c) provide a list of delinquent accounts on a quarterly basis. SFTIDMC shall pay the Treasurer a monthly collection fee plus commission on collection of delinquent accounts and fees for other services that the Treasurer may provide in connection of its services on behalf of TID and MED.

The amount of fees charged by the Treasurer for both TID and MED was \$252,217 during the year ended June 30, 2022. These fees are recorded under Contractual Services – Treasurer fees in the statement of functional expenses.

**9. RISKS AND UNCERTAINTIES**

***COVID-19 Pandemic***

With respect to the ongoing and evolving coronavirus (COVID-19) outbreak, which was designated as a pandemic by the World Health Organization on March 11, 2020, the outbreak has caused a substantial disruption in international and U.S. economies and market. SFTIDMC's results of operations could be adversely affected to the extent that coronavirus or any other epidemic harms the global economy. The ultimate impact on SFTIDMC cannot be determined as of the date of this report and, as such, no adjustments related to this matter were made to the financial statements. Management will continue to monitor the development and the effect of COVID-19 on SFTIDMC's results of operations and financial condition and adjust plans as necessary.

***Credit Risk***

Financial instruments that potentially subject SFTIDMC to concentrations of credit risk consist principally of cash and cash equivalents. Risks associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Such balances with any one institution may, at times, be in excess of federally insured amounts (currently \$250,000 per depositor).

Certain cash equivalents are insured up to \$500,000 by the Securities Investor Protection Corporation (SIPC). Such balances with any one institution may, at times, be in excess of the insured amounts. SFTIDMC has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

***Concentrations***

During the year ended June 30, 2022, all of SFTIDMC's government grants came from one grantor. The grant receivable as of June 30, 2022 amounted to \$1,320,000.

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**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2022**

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**10. CONTINGENCIES**

Pursuant to the MED Management District Plan, the City will fund shortfall in any given year for purposes of debt service due from MED, which will be repaid from surpluses in MED assessments, as detailed in the Management District Plan.

**11. SUBSEQUENT EVENTS**

SFTIDMC has evaluated subsequent events through October 26, 2022, the date which the financial statements were available to be issued.

On September 13, 2022, the Board of Supervisors approved the renewal and expansion of San Francisco Tourism Improvement District for the next 15 years, expiring on December 31, 2038.



# MEMORANDUM

**TO:** President Aaron Peskin, President of the Board of Supervisors and District 3 Supervisor

**CC:** San Francisco Board of Supervisors

**FROM:** Chris Corgas; Deputy Director, Community Economic Development, OEWD  
Mimi Hiraki; Project Specialist, OEWD

**DATE:** 5/11/2023

**SUBJECT:** Tourism Improvement District and Moscone Expansion Districts; FY 2021-2022 Annual Report

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This is a memo summarizing the performance of the Tourism Improvement District (TID) and an analysis of their financial statements (based on their audit) for the period between July 1, 2021 and June 30, 2022.

Each year the TID and MED are required to submit an annual report, and a CPA Independent Auditor's Report. The TID and MED have complied with the submission of these requirements. OEWD staff, with assistance from the Office of the Controller, City Services Auditor Division, 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 San Francisco Tourism Improvement District Management Corporation's management contract with the City for the TID; the San Francisco Tourism Improvement District Management Corporation's management contract with the City for the TID; MED Management District Plan approved by the Board of Supervisors in 2013.; and the Amended TID Management District Plan approved by the Board of Supervisors in 2013.

As stipulated in Section 3.4 of the Moscone Expansion District's management agreement with the City and County of San Francisco, the district may consolidate their annual reports with those of the San Francisco Tourism Improvement District. The management agreement can be found as a supporting document in Resolution# 427-13.

Also attached to this memo are the following documents:

1. Annual Reports



- a. FY 2021-2022
2. CPA Independent Auditors' Report
  - a. FY 2021-2022
3. Office of the Controller, City Services Auditor Division, TID and MED review files
4. Draft resolution from the Office of Economic and Workforce Development

### **Background**

The TID and MED are business-based assessment districts that includes all tourist hotels operating in the City & County of San Francisco that generate revenue from tourist rooms, and which are located in the following geographic areas:

- Zone 1: Tourist hotels with addresses:
  - On or east of Van Ness Avenue
  - On or east of South Van Ness Avenue, and
  - On or north of 16th Street from South Van Ness to the Bay, including all tourist hotels east of Van Ness Avenue as if it continued north to the Bay, and north of 16th Street as if it continued east to the Bay.
- Zone 2: Tourist hotels with addresses:
  - West of Van Ness Avenue and South Van Ness Avenue, and
  - South of 16th Street.
- December 16, 2008: the Board of Supervisors approved the resolution to form the Tourism Improvement District Business Improvement District to cover hotels identified in the District's Management Plan and Engineer's Report. Resolution # 504-08).
- July 28, 2009: the Board approved the contract for the administration and management of the Tourism Improvement District Business Improvement District (Resolution # 323-09).
- December 10, 2013: the Board of Supervisors approved an amendment to the District's Management Plan to authorize monthly, instead of quarterly, assessment collection and distribution. (Resolution #441-13).
- September 12, 2017: the Board of Supervisor approved annual reports for the Moscone Expansion District for FYs 2014 – 2016 (Resolution #336-17).
- September 11, 2018: the Board of Supervisors approved annual reports for the Tourism Improvement District and Moscone Expansion District for FY 2016-2017 (Resolution #295-18)
- October 29, 2019: the Board of Supervisors approved annual reports for the Tourism Improvement District and Moscone Expansion District for FY 2017-2018 (Resolution #465-19)
- September 15, 2020: the Board of Supervisors approved the annual reports for the Tourism Improvement District and Moscone Expansion District for FY 2018-2019 (Resolution #393-20).
- November 16, 2021: the Board of Supervisors the annual reports for the Tourism Improvement District and Moscone Expansion District for FY 2019-2020 (Resolution #529-21).
- September 13, 2022: the Board of Supervisors approved the resolution to establish (renew and expand) the Tourism Improvement District to cover hotel and short-term residential rental businesses identified in the District's Management Plan and Engineer's Report. (Resolution # 381-22).
- November 29, 2022: the Board of Supervisors approved annual reports for the Tourism Improvement District and Moscone Expansion District for FY2020-2021 (Resolution # 518-22).



**Basic Info about Tourism Improvement District BID:**

Year Formed	December 2008
Assessment Collection Period	FY 2009-10 to FY 2023-24 (July 1, 2009 to June 30, 2023)
Services Start and End Date	January 1, 2009 – December 31, 2023
Initial Estimated Annual Budget	\$27,000,000
Fiscal Year	July 1 – June 30
Executive Director	Paul Frentsos
Name of Nonprofit Owners' Entity	San Francisco Tourism Improvement District Management Corporation (SFTIDMC)

The current TID website is <http://www.sftid.com/>.

**Basic Info about Moscone Expansion District BID:**

Year Formed	2013
Assessment Collection Period	FY 2014-15 – FY 2044-45 (July 1, 2014 to June 30, 2045)
Services Start and End Date	July 1, 2013 – December 31, 2045
Initial Estimated Annual Budget	\$19,332,000
Fiscal Year	July 1 – June 30
Executive Director	Paul Frentsos
Name of Nonprofit Owners' Entity	San Francisco Tourism Improvement District Management Corporation

The current MED website is <http://www.sftid.com/moscone.html>.

**Summary of Program Areas**

**Tourism Improvement District**

**Marketing and Promotions**

This service area includes, but is not limited to, the marketing and promotion of programs, oversight for marketing and promotion staff, ad creation, media placement, and startup costs related to satellite offices.

**Administration and Personnel Services**

This service area includes design, engineering, planning, and entitlements for activities and services for the expanded Moscone Convention Center and renovation/upgrades to capital improvements of Moscone Convention Center North, South, and West.

**Contingency/Reserve/Administration and City Administration/Costs of the TID/Formation Costs**

This service area is used to cover the administrative costs and expenses of the non-profit management corporation that administers the TID and reimbursement of formation costs. This includes payment of unforeseen costs and escalation for the two improvement areas listed just above; and a proportionate share of the SFTIDMC administrative and operational costs.

**Moscone Expansion District**

**Expansion/Development Activities**



This service area includes design, engineering, planning, construction, and other activities for renovations on the Moscone Convention Center.

### **Incentive Fund**

This service will provide an incentive fund to bring conventions to San Francisco during the renovations and after them.

### **Administration of MED and Operating Contingency Reserves**

This service area is used to cover the administrative costs and expenses of the non-profit management corporation that administers the TID and reimbursement of formation costs. This includes payment of unforeseen costs and escalation for the two improvement areas listed just above; and a proportionate share of the SFTIDMC administrative and operational costs.

## **Summary of Accomplishments, Challenges, and Delivery of Services**

### **January 1, 2021 to December 31, 2021\***

\*TIDMC operates on a fiscal year for financial systems, but a calendar year for data reporting.

### **TID**

#### **Sales and Marketing Program**

- 641,713 room nights booked
- Over 850 meetings held in San Francisco
- Attended over 20 virtual events and 12 in person events
- 17.0 million visitors to San Francisco in 2020
- 3,335,838 million international travelers in 2021
- Sfravel.com had 3.1 million unique visitors worth \$106,886,871 in economic impact
- 698k Facebook followers, 201k Twitter followers, 295k Instagram followers, and 3,600 Tik Tok followers translating to 1.2 billion impressions and \$96+ million value

### **MED**

- Utilized over \$450,000 to provide convention customers with rental incentives to attract conventions in San Francisco
- Received \$4.6MM from City of San Francisco in incentive discounts to attract new businesses to Moscone Center

#### **Moscone Expansion Incentive Fund**

- Used to attract new clients
- Retained current clients during the expansion and into the future

Moscone funds were also allocated to MED reserve for future renovations and Moscone Asset maintenance, in line with the District's Management District Plan.

## **TID and MED Annual Budget Analysis**

OEWD's staff reviewed the following budget related benchmarks for TID:

- **BENCHMARK 1:** The variance between the Management Plan Budget and Fiscal Year budget, by service category.



- **BENCHMARK 2:** The variance between the budget amount and actual expenses within a fiscal year.
- **BENCHMARK 3:** Whether TID 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 2021-2022**

**BENCHMARK 1:** The variance between the Management Plan Budget and Fiscal Year budget, by service category.

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

<b>Expenditure Category</b>	<b>Management Plan Budget</b>	<b>% of Budget</b>	<b>FY 2021-22 Budget</b>	<b>% of FY 2021-22 Budget</b>	<b>Variance</b>
Marketing and Promotions	\$66,628,126.00	69.4%	\$14,910,000.00	97.3%	+27.9%
Administration and Personnel	\$21,401,000.00	22.2%	\$413,000.00	2.7%	-19.5%
Contingency/Reserves/ Administration and City Administration Costs of the TID	\$8,025,375.00	8.3%	\$0.000	0.0%	-8.3%
<b>TOTAL</b>	<b>\$96,304,501.00</b>	<b>100.0%</b>	<b>\$15,323,000.00</b>	<b>100.0%</b>	

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

<b>Expenditure Category</b>	<b>Management Plan Budget</b>	<b>% of Management Plan Budget</b>	<b>FY 2021-22 Budget</b>	<b>% of FY 2020-2021 Budget</b>	<b>Variance</b>
Expansion/Development Activities		86.5%	\$0.00	0.0%	-86.5%
Capital Reserve for Future Renovation and Improvements		1.0%	\$183,100.00	1.0%	0.0%
Incentive Fund		9.0%	\$1,648,300.00	8.9%	-0.1%
Sales and Marketing Fund		1.0%	\$273,800.00	1.5%	+0.5%
Debt Service and Stabilization Fund		0.0%	\$15,842,300.00	85.4%	+85.4%
SFTA Marketing & Operations		0.0%	\$183,100.00	1.0%	+1.0%
Administration of the MED and Operating Contingency Reserves		2.5%	\$410,200.00	2.2%	-0.3%
<b>TOTAL</b>		<b>100.0%</b>			



**BENCHMARK 2:** The variance between the budget amount and actual expenses within a fiscal year.

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

Service Category	FY 2021-22 Budget	% of Total Budget	FY 2021-22 Actual	% of Actual	Variance
Marketing and Promotions	\$14,910,000.00	97.3%	\$7,152,513.00	95.2%	-2.1%
Convention Sales/Marketing Fund	\$0.00	0.0%	\$0.00	0.0%	0.0%
Administration and Personnel	\$413,000.00	2.7%	\$362,823.00	4.8%	+2.1%
Contingency/Reserves/ Administration and City Administration Costs of the TID	\$0.00	0.0%	\$0.00	0.0%	0.0%
<b>TOTAL</b>	<b>\$15,323,000.00</b>	<b>100%</b>	<b>\$7,515,336.00</b>	<b>100%</b>	

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

Service Category	FY 2021-22 Budget	% of FY2020-21 Budget	FY 2021-22 Actual	% of FY 2021-22 Actual	Variance
Expansion/Development Activities	\$0.00	0.0%	\$0.00	0.0%	0.0%
Capital Reserve for Future Renovation and Improvements	\$183,100.00	1.0%	\$42,635.00	0.5%	-0.5%
Incentive Fund	\$1,648,300.00	8.9%	\$892,692.00	9.6%	+0.7%
Sales and Marketing Fund	\$273,800.00	1.5%	\$86,092.00	0.9%	-0.6%
Debt Service and Stabilization Fund	\$15,842,300.00	85.4%	\$7,754,502.00	83.0%	-2.4%
SFTA Marketing and Operations	\$183,100.00	1.0%	\$0.00	0.0%	-1.0%
Administration of the MED and Operating Contingency Reserves	\$410,200.00	2.2%	\$564,108.00	6.0%	+3.8%
<b>TOTAL</b>	<b>\$18,540,800.00</b>	<b>100%</b>	<b>\$9,340,029.00</b>	<b>100%</b>	

**BENCHMARK 3:** Whether TID and MED are indicating the amount of surplus or deficit funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year.



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

<b>Carryover From FY 2021-22</b>	<b>Projected Carryover - Annual Report</b>
SFTA Marketing & Operations	\$409,024.00
Capital Fund	\$186,118.00
Incentive Fund	\$14,973.00
Convention Sales & Marketing Fund	\$0.00
Contingency/Reserve	\$537,224.00
<b>TOTAL</b>	<b>\$1,147,339.00</b>

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

<b>Carryover From FY 2021-22</b>	<b>Projected Carryover - Annual Report</b>
Marketing & Operations	\$3,555.00
Development and Expansion	\$12,649.00
Capital Fund	\$351,206.00
Incentive Fund	\$1,114,020.00
Contingency/Reserve	\$500,422.00
<b>TOTAL</b>	<b>\$1,981,852.00</b>

### **Findings and Recommendations**

The Tourism Improvement District and Moscone Expansion District met their reporting requirements, mentioned on pages 4 to 5 of this memo, under Article 15 of the San Francisco Business and Tax Regulations Code, the California Streets and Highways Code, and the organization’s management agreement with the City and County of San Francisco.

Both districts are unique compared to the rest of the CBD/BID portfolio in that they are sector-based business-based improvement districts. Both the Tourism Improvement District and Moscone Expansion District were greatly impacted as the result of the Covid-19 pandemic’s impact on San Francisco’s tourism industry. This impact can clearly be seen with both districts’ respective actuals for the reporting period.

Both the Tourism Improvement District and Moscone Expansion District present their financial data in a way that is inconsistent with the service categories articulated in their respective management district plans. This is likely due to designed general nature of the management district plans compared to the highly



specified description of budget categories and expenditures in the annual reports and financial statements for both districts. OEWD recommends grouping the highly specified categories under the correct management district plan service categories in the future. This would allow documents to be more easily consumable and relatable to the general public.

OEWD did not receive any complaints regarding violations of either the Brown Act or California Public Records Act.

In addition to overseeing core services, the Tourism Improvement District spent FY 21-22 focused on completing a successful renewal and expansion of the district. This process concluded, successfully, early in FY 22-23.

### **Conclusion**

The Tourism Improvement District is following all requirements placed on it by the California Streets & Highways Code, Article 15 of the San Francisco Business and Tax Regulations Code, and the District's Management Agreement with the City and County of San Francisco. The Districts continue to succeed at their primary purpose of attracting tourism and conventions to San Francisco and renovating the Moscone Convention Center.







# Community Benefit District Annual Reports

## FY 2021-2022

- Ocean Avenue Association
- SOMA West
- Fisherman's Wharf
- Lower Polk
- Union Square Alliance
- TID/MED
- Downtown Partnership



# Legislative Overview

Community Benefit Districts (CBDs) / Business Improvement Districts (BIDs) are governed by:

- State law
  - “1994 Act”
- Local law
  - “Article 15”

# Review Process

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of the Annual Reports and CPA Financial Reviews.
- OEWD provides the Board of Supervisors with a summary memo.

## Basic Information

CBD Name	Type	Management Plan Assessment Budget	FY21-22 Assessment Roll Submission	Year(s) Formed and Renewed	Expires
<b>Ocean Avenue</b>	Property-based	\$239,578.00	\$339,580.72	2010	2025
<b>SOMA West</b>	Property-based	\$3,741,943.94	3,996,910.40	2019	2034
<b>Fisherman's Wharf</b>	Property-based	\$1,218,907.64	\$1,204,734.20	2005, 2020	2035
<b>Lower Polk</b>	Property-based	\$799,093.54	\$926,992.00	2014	2029
<b>Union Square Alliance</b>	Property-based	6,036,111.00	\$6,328,080.80	1999, 2009, 2019	2029
<b>Tourism Improvement District</b>	Business-based	\$27,000,000.00	-	2008	2023*
<b>Moscone Expansion District</b>	Business-based	\$19,332,000.00	-	2013	2045
<b>Downtown Partnership</b>	Property-based	\$3,873,491.14	\$4,007,035.84	2019	2034

# Benchmarks

OEWD's staff reviewed the following budget related benchmarks for each CBD/BID:

- **Benchmark 1** - Whether the variance between the budget amounts for each service category was within 10 percentage points from the management plan.
- **Benchmark 2** - Whether the CBD met its non-assessment revenue source requirement.
- **Benchmark 3** - Whether the variance between the budget amounts for each service category was within 10 percentage points from the fiscal actuals.
- **Benchmark 4** - Whether CBD is indicating the amount of funds carried over from the current fiscal year and designating projects to be spent in the upcoming fiscal year.

# Ocean Avenue - Benchmarks

Benchmark	Question	Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is $X \geq 1.00\%$	Yes
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	No
<b>Benchmark 4</b>	Were carryforward funds indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	No

# Ocean Avenue - Findings and Recommendations (Part 1 of 2)

## *Missed Benchmarks (3 & 4)*

- OAA budget amount and actual expenses for fiscal year were not within 10 percentage points as they overspent in their Cleaning, Maintenance, and Public Safety category by 0.53%.
  - **Analysis & Recommendation:** OEWD believes this could have been prevented had the CBD followed through on planned spending in the Marketing, Streetscape Improvements, and Beautification service area and through the solicitation of committee/board feedback before making a proposal.
- For the second year in a row, OAA did not provide carryforward amount and spenddown plan in their annual report; provided the information in supplemental documentation
  - **Recommendation:** Utilize the OEWD provided annual reporting template to ensure they include all required reporting fields

# Ocean Avenue - Findings and Recommendations (Part 2 of 2)

- **Strategic Plan & Progress:** Throughout this reporting period, OEWD extensively tracked the success of this organization as it aimed to follow **organization, operational, and financial** recommendations included in the OEWD-funded Ocean Avenue Strategic Plan (the Plan) which aimed to fix systemic and structural issues within the organization
  - **Analysis & Recommendation:** Due to slow progress on many recommendations, OEWD did plan to utilize budget to have the Office of Controller audit the organization in FY 22-23 (an action also requested by Supervisor Melgar)
- **Leadership Changes:** New Executive Director (Mr. Pierre Smit) was hired in spring 2021 - Mr. Smit resigned shortly after the end of this reporting period
- **Brown Act Compliance:** OEWD received multiple complaints regarding Brown Act violations during this reporting period and provided complainants with remedies set forth in the Brown Act itself.
- **Service Delivery:** OEWD received multiple complaints regarding core service delivery of the CBD toward the end of the fiscal year which it passed on to the organization.

*\*Though not in this reporting period, OEWD acknowledges significant strides through and beyond FY 22-23\**



# SOMA West - Benchmarks

Benchmark	Question	Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is $X \geq 5.22\%$	No
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
<b>Benchmark 4</b>	Were carryforward funds indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	No

# SoMa West- Findings and Recommendations (Part 1 of 2)

## *Missed Benchmarks (2 & 4)*

- 5.22% of SOMA West actuals *did not* come from sources other than assessment revenue as required. This missed requirement is likely due to a combination of it being the first true year of operations for the CBD and general impacts to donor solicitations caused by the COVID-19 pandemic.
  - **Recommendation:** The CBD can meet this goal through a combination of grants, donations, as well as in-kind services provided to it.
- SOMA West did not provide a carryforward amount and spenddown plan in their annual report as is required by state law. \*The CBD did provide enough financial information through financial statements for OEWD to have an understanding of these figures\*
  - **Recommendation:** Inclusion of this chart field in future annual reports.

# SoMa West- Findings and Recommendations (Part 2 of 2)

- **Service Delivery:** SoMa West CBD performed extraordinary implementation of services in its first full fiscal year of operations - **completed 1,549 (27.12%) of 311 service requests within their geographic boundaries.**
  - OEWD believes the CBD would be able to handle a greater amount of these requests with non-assessment dollars (either via city grant dollars or donations) to hire additional staff to fulfill the scale of 311 requests that come in.
- **Strong Community Partner:** During the pandemic, the CBD allowed use of its facilities to store PPE for use by all other CBDs throughout the City allowing OEWD to better coordinate logistics for PPE deliveries to all of our geographic-based CBDs.
  - Further, one of the initial partners in the 311 Connected Worker pilot program (also known as integrated 311).
- **Surveillance Technology:** SoMa West CBD *did not* employ surveillance technology in this reporting period.
- **Compliance:** There were no reported violations to OEWD of the Brown Act or CA Public Records Act.

• **Overall, the CBD is well-positioned to carry on its mission.**

# Fisherman's Wharf - Benchmarks

Benchmark	Question	Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is X < 10%?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is X $\geq$ 9.08%	Yes
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is X < 10%	Yes
<b>Benchmark 4</b>	Were carryforward funds indicated from on fiscal year to the next fiscal and were projects designated to be spent on?	Yes

# Fisherman's Wharf - Findings and Recommendations

- **Transition Year:** FY 21-22 marks the first year that the CBD operated solely as the Landside portion of the district (due to the failure of the Portside's renewal in the previous fiscal year)
- **Optimizing Digital Presence:** In late FY 20-21, FWCBD launched a joint website partnership with the Fisherman's Wharf Merchants Association. **The first full fiscal year saw a 143% increase in the number of users and a 247% increase in the number of page views compared to the previous fiscal.** The combined website ensures the maximum search engine optimization for the Fisherman's Wharf brand.
- **Surveillance Technology:** The CBD does employ surveillance technology and did comply with OEWD's memo regarding this technology.
- **Compliance:** There were no reported violations to OEWD of the Brown Act or CA Public Records Act.
- Overall, the CBD is well-positioned to carry on its mission.

# Lower Polk - Benchmarks

Benchmark	Question	Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is $X \geq 5.55\%$	Yes
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
<b>Benchmark 4</b>	Were carryforward funds indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

# Lower Polk CBD - Findings and Recommendations

- **Service Delivery:** During this review period, the CBD continued their COVID-19 response work of the prior years, expanding their Ambassador Clean Team - increasing district cleaning, trained staff on PPE use, and provided business support services to merchants and renters.
- **Surveillance Technology:** The CBD does employ surveillance technology and did comply with OEWD's memo regarding this technology.
- **Board Attendance Challenges:** The CBD held three board meetings (up from two in the prior year); the CBD has made efforts to improve attendance - prioritizing fixed meetings throughout the fiscal year and hiring of a consultant to improve engagement
  - **Recommendation:** Continue to prioritize board engagement efforts (both through consultant and internally via Executive Director communications).
- **Administrative Challenges:** Continued struggles to submit their annual report in a timely manner.
  - **Recommendation:** Prioritize reporting deadlines with staff and financial partners.

# Union Square - Benchmarks

Benchmark	Question	Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is $X \geq 8.00\%$	Yes
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
<b>Benchmark 4</b>	Were carryforward funds indicated from on fiscal year to the next fiscal and were projects designated to be spent on?	Yes



# Union Square Alliance - Findings and Recommendations

- **Activations & Marketing of District:** Continued to identify/prioritize needs and solutions to bring both local and international visitors to the area to support local businesses.
  - Installed an array of pink and purple lanterns at Maiden Lane, Union Square Park, and Hallidie Plaza & activated Union Square Park with a regular music series.
  - Spurred by holiday success, light displays were made permanent throughout the year
  - Activated Hallidie Plaza with a series of colorful improvements, including holiday décor, lanterns, wayfinding banners, a mural, café tables and seating, and landscaping maintenance.
  - Completed a district rebrand and developed a social media strategy as well as ad campaigns throughout the fiscal year.
- **Smooth Leadership Transition:** In this year, Karin Flood - longtime executive director - left the position and was replaced by former Head of the Office of Cannabis and Assistant District Attorney, Marisa Rodriguez early in FY 21-22.
- **Surveillance Technology:** The CBD does employ surveillance technology and did comply with OEWD's memo regarding this technology.
- **Compliance:** There were no reported violations to OEWD of the Brown Act or CA Public Records Act.
- Overall, the CBD is well-positioned to carry on its mission.

# Tourism Improvement District (TID) & Moscone Expansion District (MED) - Benchmarks

Benchmark	Question	TID: Was This Met in FY2022?	MED: Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is X < 10%?	Yes	Yes
<b>Benchmark 2</b>	Variance between fiscal year budget and fiscal year actuals is X < 10%	Yes	Yes
<b>Benchmark 3</b>	Were carryforward funds indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes	Yes

# TID/MED - Findings and Recommendations

- **Pandemic Impact on Revenue:** Both districts' special assessment revenues were significantly impacted by the Covid-19 pandemic. The formula for both districts is based on a percentage of revenue generated from hotel room purchases in the City and County of San Francisco.
  - This impact can be seen with both districts' respective actuals for the reporting period.
- **Successful TID Renewal/Expansion:** Though just outside of this reporting period, the TID completed its renewal and expansion process in Fall 2022. With this, the District is now set to expire in December 2038.
- **Compliance:** There were no reported violations to OEWD of the Brown Act or CA Public Records Act.
- The Districts continue to succeed at their primary purpose of attracting tourism and conventions to San Francisco and renovating the Moscone Convention Center.

# Downtown Partnership - Benchmarks

Benchmark	Question	Was This Met in FY2022?
<b>Benchmark 1</b>	Variance between management plan budget and fiscal year budget is $X < 10\%$ ?	Yes
<b>Benchmark 2</b>	Non-assessment revenue is $X \geq 3.20\%$	Yes
<b>Benchmark 3</b>	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
<b>Benchmark 4</b>	Were carryforward funds indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

# Downtown SF Partnership - Findings and Recommendations

- **First Annual Report Submission:** The Downtown SF Partnership was formed in 2019 and its first full year of operation was FY 20-21. In accordance with state statute, this is the organization's first annual report submitted to the City and County of San Francisco.
- **Service Delivery:** Although new, the Downtown SF Partnership quickly emerged as a thought and best practice leader.
  - In FY 21-22, they were able to respond and complete a total of 300 unique 311 tickets, or 47.24% of those generated within their service area (recorded through their participation in the Connected Worker app)
  - The CBD prioritized attracting folks into the downtown core and back to the office with new public space activations (inaugural Let's Glow SF light show) and working to enhance and support timeless traditions (such as Bastille Day)
- **Surveillance Technology:** The Downtown Partnership *did not* employ surveillance technology in this reporting period.
- **Compliance:** There were no reported violations to OEWD of the Brown Act or CA Public Records Act.
- Overall, the CBD is well-positioned to carry on its mission.

**ANNUAL REPORT**  
**Fiscal Year 2021-2022**  
***OCEAN AVENUE ASSOCIATION***

The Ocean Avenue Community Benefit District consists of a 12-block retail business corridor in the southern part of San Francisco.

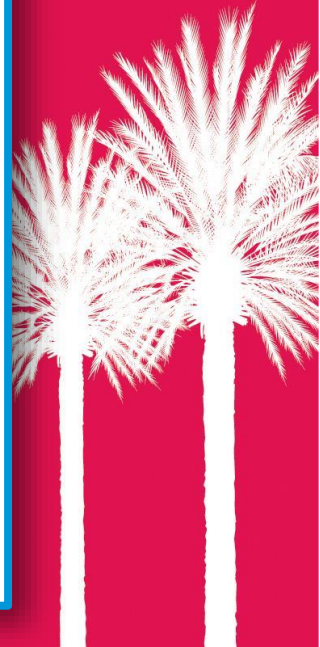
It is at the center of a quiet residential area easily accessible by BART, MUNI, 280 Freeway, Junipero Serra or 19th Avenue, and is a place of unity for businesses serving people of all backgrounds.



# Intro

**FY 2021-2022 was a time of great progress for OAA, for example:**

- ★ We reviewed and updated our contracts.
- ★ We worked with Cleanscapes to make sure Ocean Avenue was clean and graffiti free.
- ★ We worked with DPW to add five trash cans at critical locations.
- ★ Our “*Respect New 20 MPH on Ocean Avenue*” prints were posted on windows of businesses, and our posters appeared on social media with politicians and law enforcement officers.
- ★ We developed and participated in a series of events to bring neighbors to Ocean Avenue.



## Cleaning-Graffiti Data:

- ★ Trash Collected: 25,000 lbs.
- ★ Graffiti cleaned-up: 1,300 occurrences
- ★ Blocks power washed: 200
- ★ #311 Calls (big items removal): 340
- ★ Palm Trees Cleaned: 50
- ★ Other Trees Thinning: +/- 40
- ★ Feces cleaning: 600

By The Numbers



## Spreading The Word

### Marketing:

- ★ OAA developed a database of all businesses, and produced the Ocean Avenue Business Directory that can be found at multiple locations on Ocean Avenue,
- ★ OAA has increased its email list by 38% during the FY 21/22. Emails with Community Updates are sent out 2 to 3 times monthly.
- ★ OAA is active on Facebook, Twitter, and Instagram.
- ★ Posting happened 2 to 3 times weekly.
- ★ In FY 21/22, we showed a 300% increase in Instagram followers telling us that a young audience is very involved on Ocean Avenue.
- ★ We saw an average increase of 40% in Email / Facebook / Twitter / Instagram for FY 21/22.

## **San Francisco adopted a speed reduction of 5 MPH along Ocean Avenue, and:**

- ★ OAA promptly started a public campaign to promote the new 20 MPH speed limit by passing window signs to businesses, stickers to kids, and posing at events with posters promoting the new speed limit of 20 MPH.
- ★ All intersections on the Ocean Avenue business corridor have a traffic light signal except at Granada.
- ★ OAA collected about 400 signatures asking our district supervisor to install a STOP sign on Ocean at Granada Avenue.

**Street Safety**

## Examples:

- ★ Thanks to a grant from Paint the Void, a free temporary artwork was painted by artist Andrea Perreira on the front of the NEMS building (1441 Ocean) in January 2022.
- ★ Bows were installed on all palm trees of the district at the end of November 2021 giving a cheerful Holiday welcome to the visitors.
- ★ OAA worked with the property owner SFMTA to regularly steam clean the plaza. OAA also worked with their team to keep up the landscape around the plaza.

## Beautification



## Helping Merchants:

- ★ OAA has diligently encouraged businesses to apply for the Vandalism Relief Grant. An instruction pamphlet was designed in English/Chinese to help affected businesses.
- ★ OAA is working with the Office of Small Business to resolve ADA issues with retail stores who need to update their entrances to qualify for grants.
- ★ We worked with merchants that qualified for the OEWD Rent Relief Pilot Program.
- ★ In March 2022, our vacancy report showed a 25% vacancy. By June, this report showed vacancies had fallen to about 12%.

**Business Assistance**



## Events and Activations

### Examples:

- ★ “National Night Out”: a community-building that promotes police-community partnerships.
- ★ “Ocean After Hour”: a business owners & neighbors gathering (Jul, Aug & Sept 21); past Executive Director Dan Weaver was presented with a Mayor’s Proclamation.
- ★ “Open The Gate”: Ingleside Library Gateway Grand Opening in September 2021.
- ★ “MuSix September”: featured musicians on Ocean Avenue between Miramar and Faxon. Sponsors included Whole Foods Market (4 Gift Certificates), Ocean Paws/The Plant Lady.
- ★ “Gotta Love Ocean Avenue” Art Show: organized by community member Kate Favetti, OAA sponsored this well attended event in October 2021.



- ★ Community Cleanup of Unity Plaza on National Public Lands Day – with community volunteers, Whole Foods Market employees, OAA Board Directors & staff (Sept 2021). 25 bags of weeds and trash were collected.
- ★ 20 dedicated students from Lick-Wilmerding volunteered to clean-up the walkway known as 699 Ocean Avenue and collected 40 bags of trash and weeds.
- ★ A group of 15 students from Lick-Wilmerding volunteered to make noise on Ocean & Granada Avenues to make drivers aware of the new 20 MPH speed limit.
- ★ OAA sponsored the SF Turkey Drive who collects turkeys to feed the poor and homeless coming to St. Anthony's Dining Room to get fed.

## Events and Activations

**From the FY 20/21 Strategic Plan, the following accomplishments were made:**

- ★ Board Member Handbook
- ★ Personnel Policies and Procedures
- ★ Financial Policies

**Looking Forward**



## 2022 and Beyond:

- ★ The process for the renewal of OAA started with the signing of the contract with the consulting firm NBS in July 2021.
- ★ The Renewal & Expansion working group met with new stakeholders including a Lakeside Village group, Mayor's Office of Housing and Community Development, Municipal Transportation Authority, Parks & Rec, and BART.

# Looking Forward





# Budget

o Comparing Totals FY 21/22 Budget

Service Category	Assessment \$	% of Budget from Assessment	Non-Assessment \$	% of Budget from Non-Assessment	Total Amount \$	% of Total Budget
Cleaning, Maintenance & Safety Program	\$192,155	45.03%	-	-	\$192,155	30.57%
Marketing, Streetscape Improvements & Beautification Program	\$88,945	20.85%	\$11,988	5.94%	\$100,933	16.05%
Management & Operations	\$130,560	30.60%	\$190,000	94.06%	\$320,560	50.99%
Contingency & Reserves	\$15,000	3.52%	-	-	\$15,000	2.39%
<b>Total Budget</b>	<b>\$426,660</b>	<b>100%</b>	<b>\$201,988</b>	<b>100%</b>	<b>\$628,648</b>	<b>100%</b>

o Comparing Totals FY 21/22 Actual

Service Category	Assessment \$	% of Budget from Assessment	Non-Assessment \$	% of Budget from Non-Assessment	Total Amount \$	% of Total Budget
Cleaning, Maintenance & Safety Program	\$190,882	55.56%	-	-	\$190,882	40.68%
Marketing, Streetscape Improvements & Beautification Program	\$41,380	12.05%	\$11,968	9.52%	\$53,348	11.37%
Management & Operations	\$111,255	32.39%	\$113,749	90.48%	\$225,004	47.95%
Contingency & Reserves	-	-	-	-	-	-
<b>Total Budget</b>	<b>\$343,517</b>	<b>100%</b>	<b>\$125,717</b>	<b>100%</b>	<b>\$469,234</b>	<b>100%</b>





## OPERATIONS

July 1st, 2021 - June 30th, 2022

# 2021 - 2022

# SERVICES

---

SOMA West Community Benefit provides the following service with an in-house team of full-time employees with full benefits, as well as contractors on an as-needed basis.

- **Cleaning & Maintenance**
- **SOMA West Night Crew**
- **Outreach**
- **Public Realm and Streetscape Improvements**
- **Neighborhood Identity and Marketing**
- **Advocacy**



## CLEANING & MAINTENANCE OPERATIONS



SOMA West CBD ambassadors' hard work is driven by real-time data collected through multiple channels, including 311 and daily walk-through of our district's ten cleaning zones. As a district of our size, this data-driven approach allows us to track tasks and provide services to the far reaches of our district more efficiently. Cleaning and maintenance services include sidewalk and gutter sweeping, sticker and handbill removal, pressure washing, graffiti removal, trash and bulk removal, greening and maintenance, and more.

*SOMA West Community Benefit District Mid-Year Report 2022*

## CLEANING & MAINTENANCE OPERATIONS

- Micro neighborhood approach (10 zones) 21 ambassadors
- 6 trucks
- 1 Street Vacuum
- 1 Dump Truck
- 1 Pressure Washer
- Landscaper
- contractor
- Jia (location-based field management software for ambassadors)
- Performance incentives and Hazard pay
- Employee support and professional development opportunities
- Employee wellness program including once a month group meetings, gatherings, and trainings



## NIGHT TEAM AMBASSADOR PROGRAM



**Beginning in March 2021, we have operated a small but mighty Night Crew Ambassador Program.** The Night Crew program's key priority is maintaining a welcoming and vibrant neighborhood by directly interacting with neighborhood stakeholders and providing our cleaning and maintenance services in the evening. Since its launch, the Night Crew has been successful and popular, especially with businesses that have worked with the night shift to help their customers and employees feel safer with their presence. Our 'eyes on the street' approach have helped deter crime, including arson and vehicular break-ins.

While our small team of night ambassadors does a lot, we have been advocating to expand this group to improve the overall feeling of safety in the neighborhood.

**Growing this team is our organization's and neighbors' priority for 2023 and beyond.**

## OUTREACH

We are incredibly proud of our outreach efforts in the district, primarily through the leadership of Outreach Director Hanif Hakeem. Hanif walks and bikes the streets of SOMA West each day - connecting people to services, handing out food, water, sanitary items, and warm accessories, including ponchos on those rainy days we have been experiencing- all while building relationships and trust with the local community of individuals experiencing homelessness. Quantifying our team's work under his leadership is challenging, but his impact is felt throughout the neighborhood.

We continue to partner with City Departments to help address these issues, including Healthy Streets Operation Center (HSOC unit), the S.F. HOT team, the Encampment Resolution Team, Health-Right 360, Food Runners S.F. AIDS foundation, DPW, and SFPD.

As a bright spot this year, we receive hundreds of donations of ponchos, new socks, gloves, beanies, snacks, and sanitary items to support our unhoused neighbors.



CLEANING &  
MAINTENANCE  
STATS

825,173

POUNDS OF GARBAGE REMOVED\*



\*Not including bulk items

SOMA West Community Benefit  
District Mid-Year Report 2022  
Maintenance Data



## COVERAGE MAP



## OPERATIONS DATA BY THE NUMBERS

**825,173**

LBS OF GARBAGE  
REMOVED

**328,935**

CLEANING TASKS

**101,447**

SWEEPING TASKS

**64,318**

HAZARDOUS  
TASKS

**82,443**

TRASH BAGS  
COLLECTED

**16,985**

LANDSCAPING  
TASKS

**18,198**

GRAFFITI  
REMOVAL TASKS

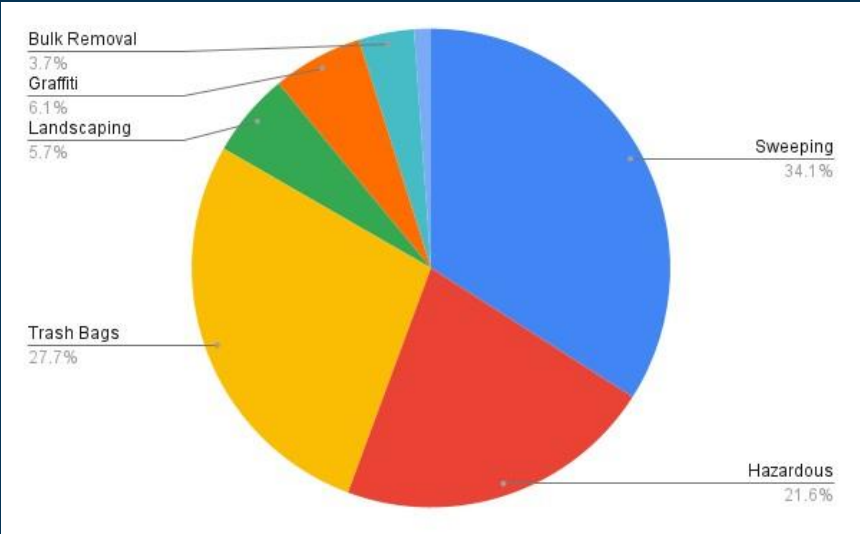
**11,150**

BULK ITEM TASKS

**3,386**

MISCELLANEOUS  
TASKS

# OPERATIONS TASK BREAKDOWN



## STREETSCAPES & PUBLIC REALM

### Hanging Baskets

We piloted a hanging flower basket program that we plan on continuing and expanding. We selected the 11th Street nightlife corridor and Eagle Plaza and the feedback was overwhelmingly positive. The bright bursts of color were welcomed by neighbors in all of SOMA's diverse communities.

**Joshua Hubert, Glimmer, Clementina & 8th** Partnered with Bay Area lighting artist Josh Hubert to install an LED artwork between two buildings at 8th and Clementina. Glimmer features are programmable with infinite patterns and daytime optical effects. Glimmer is not just a cutting-edge sculpture but the first in multiple light-art sculptures to be brought to the SOMA West neighborhood, making it an attractive destination to benefit the local community and businesses alike. The goal of Glimmer is to bring art to the area and create a beautiful illumination to improve the safety of our community.



## STREETSCAPES & PUBLIC REALM

**Planters** We rolled out and maintain over 150 planters throughout the district, bringing more green into our neighborhood. This is an ongoing program that will continue and expand.



SOVA West Community Benefit  
District Mid-Year Report 2022  
Streetscapes & Public Realm

# STREETSCAPES & PUBLIC REALM

## Velia de Iulis Mural, Folsom and 7th Street

Commissioned San Francisco-born artist Velia De Iulis to paint California Native flowers on a wall that has a long record of being regularly tagged with graffiti.



## Ringold Alley Maintenance

Ringold Alley Maintenance was completed in Spring of 2022 in partnership with the SF Leather and LGBTQ Cultural District. Ringold Alley is a historic location for the Leather community in SOMA. Leather pride colored paving, bronze boot prints, stone plinths, and more were all implemented in 2012 and have been in serious need of maintenance. SOMA West CBD funded the maintenance work and the celebration for the completion of the work.



## STREETSCAPES & PUBLIC REALM

### Hot Off the Press Mural by 1AM Projects

Sponsored mural by acclaimed neighborhood mural artists  
1AM in collaboration with The Box SF and SF parks  
Alliance as part of the Moss Metamorphosis Project.



## COMMUNITY EVENTS

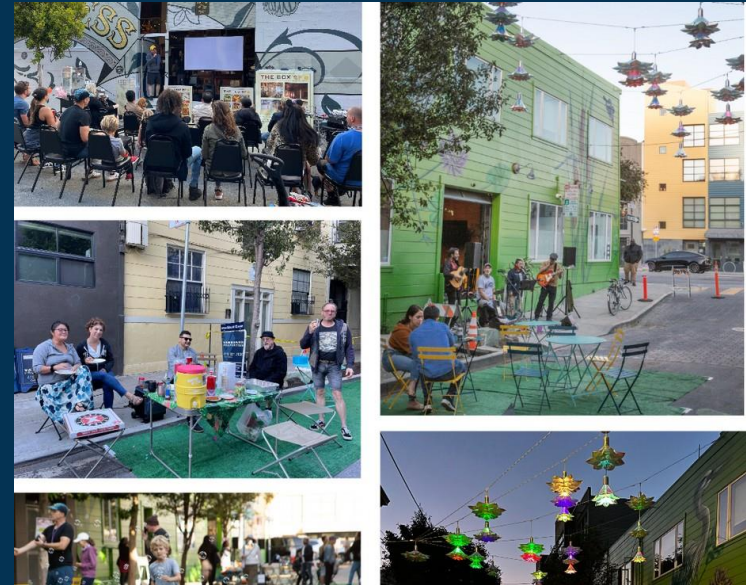
### Ringold Revival Event

Ringold Revival Block Party to celebrate the completion of maintenance with history tour with renowned historian Gayle Rubin, a caricature artist, boot blacking, and an artist boot auction to benefit the Leather Cultural District.



### Moss Metamorphosis Community Block Party

In celebration of installation of lights, planting, and murals that have recently been completed as part of the SF Parks Alliance's Moss Metamorphosis, we hosted a gathering of neighbors and community members to enjoy the enhanced streetscape on Moss.

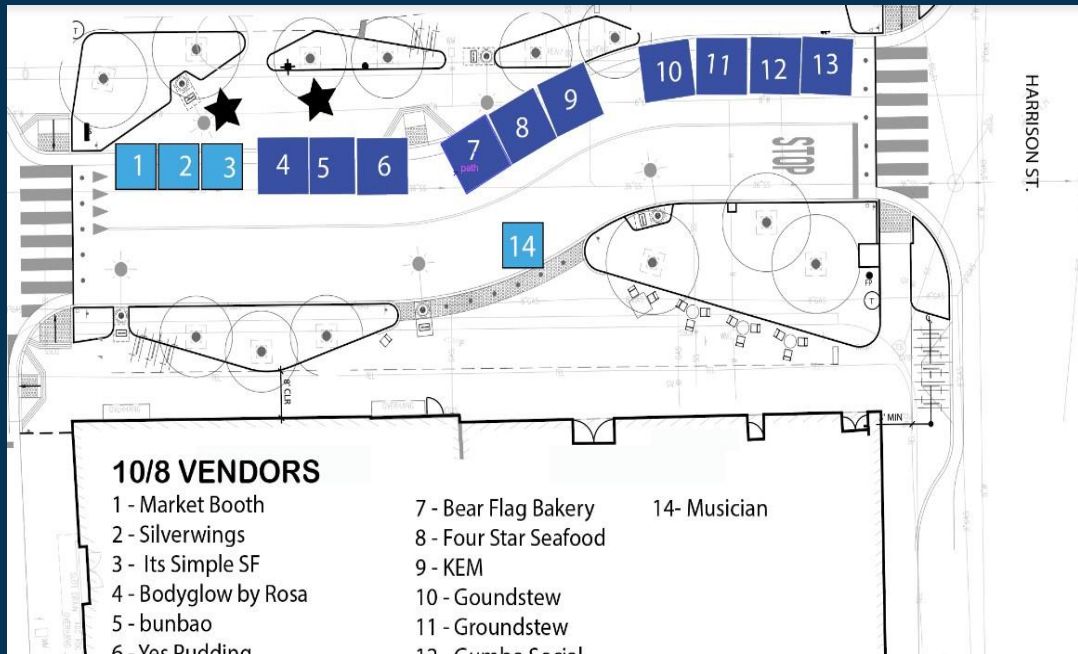




## COMMUNITY EVENTS

### SOMA West Farmers Market Planning

Planning for the SOMA West Farmers Market Pilot ongoing. Location analysis, stakeholder and community engagement, vendor outreach, marketing and communications, and permitting all in preparation for a July 16th 2022 launch. The pilot program will run from July 16th - October 29th, 2022 at Eagle Plaza.



## COMMUNITY EVENTS

### Sockgiving

With the Support of the Sisters of Perpetual Indulgence and SF Cat Club, donations of socks, beanies, and sanitary items were donated for SOMA West CBD's outreach efforts.

#### PLAYLAND X SOCKSGIVING!

SOCK DRIVE TO SUPPORT SOMA WEST CBD OUTREACH

PRESENTED BY: THE SISTERS OF PERPETUAL INDULGENCE

AT PLAYLAND: SF'S WEEKLY FETISH SOCIAL & DANCE PARTY IN THE HEART OF SOMA!



### SOMA Sings

Event with SOMA Pilipinas where Russ Street was closed to traffic for SOMA Sings, a holiday event centered around music with the TNT Traysikel Karaoke machine and the Holly Jolly Trolley, a cable car decked out with holiday decorations and holiday carolers, in collaboration with SFOEWD.



### Heron Arts

SOMA West CBD sponsored an event at Heron Arts featuring a dance performance choreographed for one of the artworks. We look forward to partnering with them in the coming year!



### SOMA Second Saturdays

A monthly leather and kink craft fair that takes place at Eagle Plaza on Saturdays after the Farmers Market in partnership with the SF Leather and LGBTQ Cultural District and Folsom Street



### SOMArts Gala

SOMA West CBD has sponsored events from our neighbors at SOMArts, supporting their endeavors to bring more people into the South of Market neighborhood through dynamic, exciting program highlighting diverse local artists. Most recently we sponsored their annual fundraising gala.

## COMMUNITY EVENTS



### Cleanup days on Russ and Moss Streets

Partnered with SOMA Pilipinas, SF Parks Alliance, partnered twice to host a neighborhood cleaning around Russ and Moss Streets.



### Sunday Streets Folsom

SOMA West CBD participated in the Sunday Streets SOMA - handing out flyers and surveys for the neighborhood, as well as meeting neighbors. SOMA West CBD also sponsored local food businesses to participate in Sunday Streets by covering the cost of Health Department Permitting.



### Moss Street Block Party

In partnership with SOMA Pilipinas and Parks Alliance, a community block party with live music, performing arts, food vendors, and play structures for families, July 2021.

## ADVOCACY



### ADVOCACY ACTIVITIES BY SOMA WEST STAFF AND BOARD

- International Downtown Association Federal Policy Committee Policy Priorities: Homelessness
- Economic Development and Placemaking Housing
- Public Safety
- California Downtown Association Our legislative voice in Sacramento
- San Francisco CBD Alliance
- City Hall policy reform
- SF Rail yards Project Community Advisory Committee SOMA Community Advisory Committee
- District Six Representation for the San Francisco Public Space Advisory Committee (CBD Board Member)
- SOMArts Board
- Friends of Eagle Plaza Board WalkSF

# MARKETING & COMMUNICATIONS

## District 360

SOMA West CBD took a big step in organizing our operations by getting the entire district's property data onto District360, a software built on the Salesforce platform. District360 brings all of our property, business, and stakeholder information into one system giving our team a 360-degree view of all operations in SOMA West.

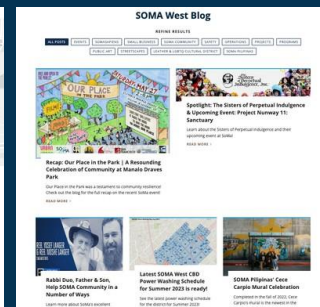
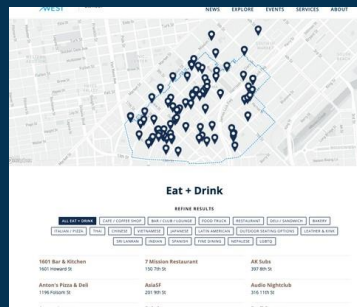
## Monthly Newsletter

We are continuing to produce a monthly newsletter that highlights our internal operations, City resources and announcements, neighborhood news, events, and more!



## New Website

Development of a new website with Geocentric, who specialize in building beautiful websites for districts and corridors. We selected Geocentric because of their emphasis on celebrating the uniqueness of a place: highlighting small businesses, community organizations, and local events. We aim to be a hub of information for SOMA residents and businesses, a space to learn about the neighborhood and support local businesses. The website was completed in spring of 2021.



# MARKETING & COMMUNICATIONS

## SOMASAPIENS Film Series

SOMA Sapiens is a series of ongoing short films by Grant Thompson in partnership with SOMA West Community Benefit District that offers a snapshot of people’s lives in the South of Market neighborhood in San Francisco. We aim to celebrate and uplift the stories of the individuals that make this diverse neighborhood into a vibrant community.



**Spot Design**

[READ MORE >](#)



**Elmira**

[READ MORE >](#)



**Biro & Sons**

[READ MORE >](#)



**1AM Gallery**

[READ MORE >](#)



# SOMA WEST CBD BOARD MEMBERS

**James Spinello**  
President

**Alex Ludlum**  
Vice President

**Ryan Dick**  
Secretary

**Brendan Tobin**  
Treasurer

**Adam Mesnick**, Deli Board (Small Business Owner)  
**Barry Synoground**, DNA Lounge (Small Business)  
**Beth Stokes**, Episcopal Community Services (Non-Profit Housing Organization)  
**Brandon McGanty**, (Property Owner & Resident)  
**Brian Pepin**, (Property Owner)  
**Carla Laurel**, West Bay Filipino Center (Community Organization)  
**DeeDee Crosset**, San Francisco Institute of Esthetics and Cosmetology (Education)  
**Eric Lopez**, (Property Owner & Resident)  
**Harold Hoogasian**, Hoogasian Flowers (Small Business)  
**Henry Karnilowicz**, (Small Business Owner and Resident)  
**Jason Cinq-Mars**, LGBTQ+Leather District (Cultural Organization)  
**Maria Jenson**, SOMArts (Cultural Organization)  
**Randy Maupin**, Cat Club (Small Business Owner and Resident)  
**Tim Figueras**, (Resident)  
**Kevin Bixler**, (Property Owner & Resident)  
**Lisa Creed**, (Property Owner & Resident)  
**Stuart Collins**, (Property Owner & Resident)  
**Tova Lobatz**, (Cultural Organization)  
**Laura Kudritzki**, (Small Business Owner)  
**Jesse Tepfl**, (Resident)  
**Patrick Eggan**, (Resident)

## **Committees**

**Executive**

**Safety & Services**

**Nominations**

**Finance & Governance**

**Neighborhood Identity**



SO/MA  
WEST COMMUNITY  
BENEFIT  
DISTRICT

The logo features the text 'SO/MA' in white, with a blue diagonal slash between 'SO' and 'MA'. Below this, 'WEST' is written in blue, and 'COMMUNITY BENEFIT DISTRICT' is written in white in three stacked lines to the right. The background is a dark blue field with a repeating pattern of lighter blue 'X' shapes.



# 2021/22 GAO Presentation

Jul. 1, 2021 – Jun. 30, 2022



# Website Launch Results

Jul. 1, 2021 – Jun. 30, 2022

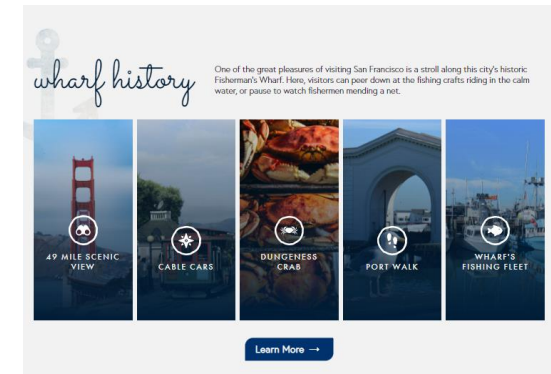
The first full fiscal year saw a

**143%**

increase in users

**247%**

increase in pageviews from the 2020/21 fiscal year.



# Events & Holidays

Jul. 1, 2021 – Jun. 30, 2022

- For **Fleet Week 2021**, FWCBD hosted a band at the Fisherman's Wharf plaza and facilitated the command post, working closely with SFPD and the Academy of Arts to safely communicate in case of an emergency.
- The FWCBD partnered with a vendor to install **Christmas lights on the Fisherman's Wharf Sign**, offering visitors the perfect Holiday photo destination.
- Due to COVID-19 and public safety concerns, **Merry Time at the Wharf**, our annual holiday event, was canceled.
- In March 2022, the FWCBD partnered with the head of San Francisco tourism, the Chamber of Commerce, and 8 other civic entities in San Francisco to launch a "high-end" cannabis festival **Evergreen San Francisco** for guests looking for alternatives to Hippie Hill (more on next slide).
- In April 2022, the FWCBD partnered with KPFA, SF Public Library, Green Apple Books, and Seaweed for a **special book signing event** at the Fisherman's Wharf plaza with one of San Francisco's most renowned writers Alia Voltz, author of Home Baked: My Mom, Marijuana, and the Stoning of San Francisco.

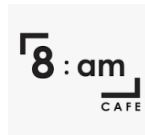
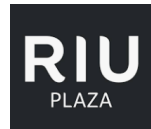
# Affiliate Marketing

Jul. 1, 2021 – Jun. 30, 2022

- The District is funded through an annual assessment for 15 years from the property owners for both the Landside and Portside boundaries of the district. In 2021, the Portside CBD elected not to renew. The FWCBD Affiliate Program was relaunched in February 2022 to champion this financial setback by regaining those businesses on the Northside of Jefferson who still want to receive selected services from the FWCBD for a fee.
- From February to June 2022, **15 new affiliates:**



AMERICAN ACADEMY  
OF OPHTHALMOLOGY®



Pier 41 Location



Committed to Participate in  
May; Signed Up in August



Renewal

# Advertising

Jul. 1, 2021 – Jun. 30, 2022

- Received a **\$120,000** Google Grant for AdWords. This annual grant allows the FWCBD to create ad campaigns and boost its search ranking on Google, which is our top referral search engine. The FWCBD partnered with Nonprofit Megaphone to increase overall clicks and optimize Google Ads.
  - This included **18** ads that generated **60,636** clicks, **599,854** impressions, and an average CTR of **10.11%**.
- From July 2021 to June 2022, we ran two campaigns highlighting Fleet Week and the What's Up Wharf blog program for a total spend of **\$1,014.99**.
  - This included a paid reach of **96,507** people and **6,010** clicks, and **209,944** impressions.

# Ambassador Program

Jul. 1, 2021 – Jun. 30, 2022

- 7 days a week, the **FWCBD Ambassadors** help keep Fisherman's Wharf clean by sweeping the streets and power washing; removing graffiti and stickers; and collecting trash.

- Cleaning Highlights:**

▪ Pounds of Trash Collected	<b>28,890</b>
▪ Graffiti & Stickers Removed	<b>5,547</b>
▪ Pan & Broom Block Faces Swept	<b>14,815</b>
▪ Sidewalk Outreach	<b>2,854</b>
▪ Street Furniture Cleaned	<b>4,009</b>
▪ Painting Projects Completed	<b>494</b>



# Financials

Jul. 1, 2021 – Jun. 30, 2022

## 2021-2022 Year-End Financials

July 1, 2021 to June 30, 2022

REVENUE	ACTUAL	BUDGET	Variance
Assessments	\$ 1,223,784	\$ 1,223,784	\$ -
Grants/Other	183,313	82,000	101,313
Donations (Cash & In-Kind)	132,017	-	132,017
<b>Total Revenue</b>	<b>\$ 1,539,114</b>	<b>\$ 1,305,784</b>	<b>\$ 233,330</b>
<b>EXPENSES</b>			
Clean and Safe Program	\$ 723,975	\$ 655,700	\$ 68,275
Marketing and Event Marketing Program	497,174	377,480	119,694
Administration & Contingency	228,957	272,604	(43,647)
<b>Total Expenses</b>	<b>\$ 1,450,106</b>	<b>\$ 1,305,784</b>	<b>\$ 144,322</b>
<b>Revenue over Expenses</b>	<b>\$ 89,008</b>	<b>\$ -</b>	<b>\$ 89,008</b>
<b>Prior Year Carryover</b>	<b>\$ 710,713</b>	<b>\$ 710,713</b>	<b>\$ -</b>
<b>2021-2022 Year-End Carryover</b>	<b>\$ 799,721</b>	<b>\$ 710,713</b>	<b>\$ 89,008</b>

## 2022-2023 Budget

July 1, 2022 to June 30, 2023

REVENUE	BUDGET
Assessments	\$ 1,284,990
Grants/Other	69,000
<b>Total Revenue</b>	<b>\$ 1,353,990</b>
<b>EXPENSES</b>	
Clean and Safe Program	\$ 636,200
Marketing and Event Marketing Program	421,030
Administration & Contingency	296,760
<b>Total Expenses</b>	<b>\$ 1,353,990</b>
<b>Revenue over Expenses</b>	<b>\$ -</b>

Thank You!

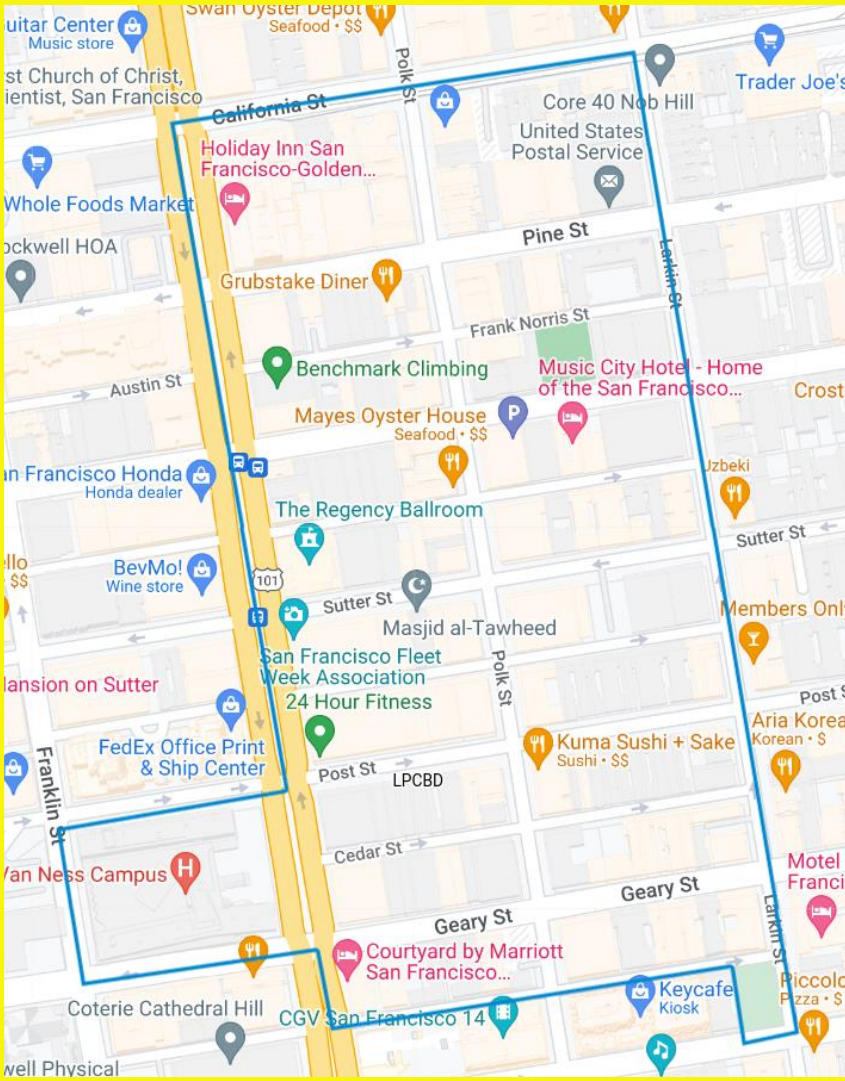




• LOWER POLK •

COMMUNITY BENEFIT DISTRICT

2021-2022 Annual Report



The Lower Polk CBD encompasses 22 whole or partial blocks on lower Polk street. It is a diverse and challenging District, due to its proximity to the Tenderloin, and to the high traffic Van Ness corridor.

The tail end of the pandemic continued to be challenging, yet the members of our local, diverse, and active Board of Directors continued to collectively demonstrate outstanding leadership and commitment to our unique and vibrant District.



## In 2021-2022:

**Cleaning:** We continued to increase District cleaning and sanitizing public fixtures, train staff on personal protective equipment (PPE) use, and provide business support services to merchants and renters affected by the pandemic.

**Business support:** We transitioned our placemaking and arts program from an events and arts focus to a business support activation focus to support businesses facing COVID-19 losses and impacts. As FY 21-22 regulations shifted and the LPCBD assisted businesses in keeping up in an ever changing regulatory environment.

**Community engagement:** We continued to serve on the Lower Polk Neighbors stakeholder group, the Lower Polk TAY Navigation Center CAC, and the San Francisco Community Benefit District Consortium.



Elected new board members, new officers and community chairs. Renewed the terms of current board members.

Kept up with new developments in the Lower Polk District, including the post-pandemic shift to hybrid and remote work, and their effect on quality of life and other issues. The district has been negatively impacted and the nightlife economy has suffered, and the LPCBD has shifted resources accordingly.

Stayed involved in leadership positions with many community and City organizations, including Lower Polk Neighbors and the Lower Polk TAY Navigation Center CAC, among others.



With respect to finance and fund development:

Completed our organizational annual audit and received an unmodified opinion, which shows approval.

Prepared budget projections, taking into account the changing economic landscape of San Francisco.

Reviewed our organizational investments and insurance.



## We Continued To:

Continued to provide regular cleaning and maintenance services throughout the District, with a focus on keeping public spaces clean and safe.

Expanded the LPCBD Ambassador Clean Team to meet the increased needs of the District.

Implemented new performance measures and goals for neighborhood cleanliness.

Hired a contracted pressure washing/steam company to clean the district in its entirety and specific areas as needed.

## We Continued To:

Worked closely with the San Francisco Police Department and the Department of Homelessness and Supportive Housing to address issues around quality of life and safety, including homelessness and drug use.

Brought the OEWD-funded Hospitality Ambassador team on board during Q3 and Q4.

Provided funding for presence at Sgt. Macaulay park to provide both a safety/stewardship presence at the park and resources for individuals experiencing homelessness and other social service needs.

Participated in multiple neighborhood safety and security groups to discuss and take action on issues and trends, with a special focus on the safety and condition of alleyways.

## We Continued To:

Collaborate with the Department of Public Health to address homelessness and the neighborhood street population.

Continued to operate the award-winning Lower Polk Tenant Landlord Clinic, which helps landlords, small merchants and tenants resolve issues that may lead to tenant or merchant displacement.

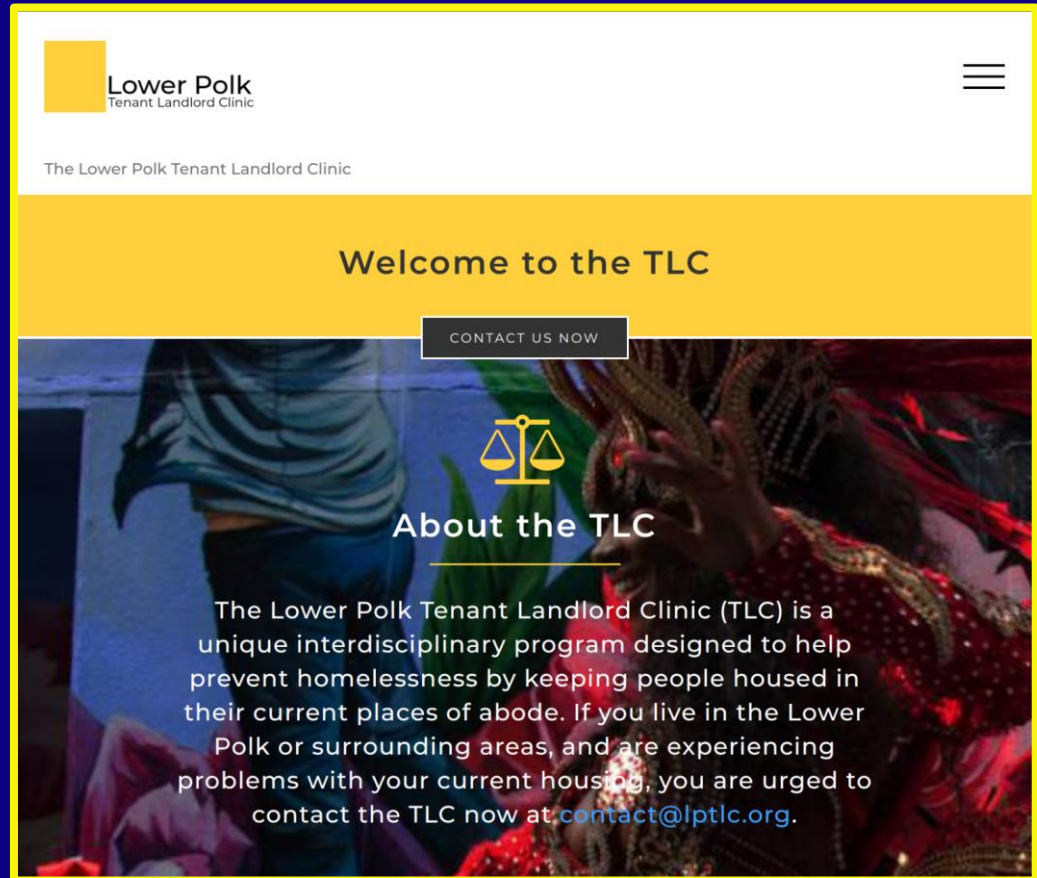
Advocated to city Departments and Elected Officials and others for needs of the District.





The Lower Polk Tenant Landlord Clinic (TLC) is a unique interdisciplinary program designed to keep residential tenants and small businesses stably sited. It works with people who live in the Lower Polk or surrounding areas, or operate a small business in the Lower Polk or surrounding areas.

Its coalition members include the Bar Association of San Francisco and UC Hastings.




Lower Polk  
Tenant Landlord Clinic

The Lower Polk Tenant Landlord Clinic

Welcome to the TLC

CONTACT US NOW



About the TLC

The Lower Polk Tenant Landlord Clinic (TLC) is a unique interdisciplinary program designed to help prevent homelessness by keeping people housed in their current places of abode. If you live in the Lower Polk or surrounding areas, and are experiencing problems with your current housing, you are urged to contact the TLC now at [contact@lptlc.org](mailto:contact@lptlc.org).

## Financial Data\*

### Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2022

	Actual	Budget	Variance Positive/(Negative)	Variance %
<b>REVENUE AND SUPPORT</b>				
Assessment revenue	926,992	982,784	(55,792)	-6%
Grant revenue	859,469	173,102	686,367	397%
Contributions	68,208	57,199	11,009	19%
Interest	30	-	30	100%
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,854,699</b>	<b>1,213,085</b>	<b>641,614</b>	<b>53%</b>
<b>EXPENSES</b>				
Cleaning, Maintenance, and Safety	781,955	666,154	(115,802)	-17%
Marketing, Streetscape, and Beautification	659,183	290,782	(368,400)	-127%
Management and Operations	124,347	217,527	93,180	43%
<b>TOTAL EXPENSES</b>	<b>1,565,485</b>	<b>1,174,463</b>	<b>(391,023)</b>	<b>-33%</b>
Change in Net Assets	289,214	38,622	(250,591)	-649%
Prior Year Net Assets (Carryover)	732,993	732,993	-	0%
<b>TOTAL NET ASSETS</b>	<b>1,022,207</b>	<b>771,616</b>	<b>(250,591)</b>	<b>-32%</b>

## Statement of Financial Position

As of 06/30/2022

### ASSETS

Cash and Cash Equivalents	925,166
Grants Receivables	575,887
Assessment and Other Receivables	21,520
Prepaid Expenses	105,021
Equipment, net	64,890
<b>TOTAL ASSETS</b>	<b>1,692,484</b>

-

### LIABILITIES & NET ASSETS

#### LIABILITIES

Accounts Payable	410,896
Accrued Liabilities	57,214
Unearned Revenue	18,750
CARES Act PPP Loan	183,417
<b>TOTAL LIABILITIES</b>	<b>670,277</b>

#### NET ASSETS

Without Donor Restrictions	446,320
With Donor Restrictions	575,887
<b>TOTAL NET ASSETS (CARRYOVER)</b>	<b>1,022,207</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>1,692,484</b>

-

Note: Our AR is late because of delayed completion of our financial statements and the subsequent audit. This unexpected delay was set in motion due to a significant late billing for the fiscal year by a Lower Polk Tenant Landlord Clinic subcontractor. This unexpected delay had a cascading effect on all our end-of-year processes.



## Budget

FY 2022-23

### REVENUE AND SUPPORT

Assessments	1,012,268
Grants	280,000
Contributions	0
Interest	0
<b>TOTAL REVENUE AND SUPPORT</b>	<b>1,292,268</b>

### EXPENSES

Cleaning, Maintenance, and Safety	883,597
Marketing, Streetscape, and Beautification	233,178
Management and Operations	160,276
<b>TOTAL EXPENSES</b>	<b>1,277,052</b>

<b>DEFICIT</b>	<b>15,216</b>
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# San Francisco Government Audit & Oversight Committee (GAO)

Union Square Alliance Fiscal Year 2021 – 2022  
February 1, 2024

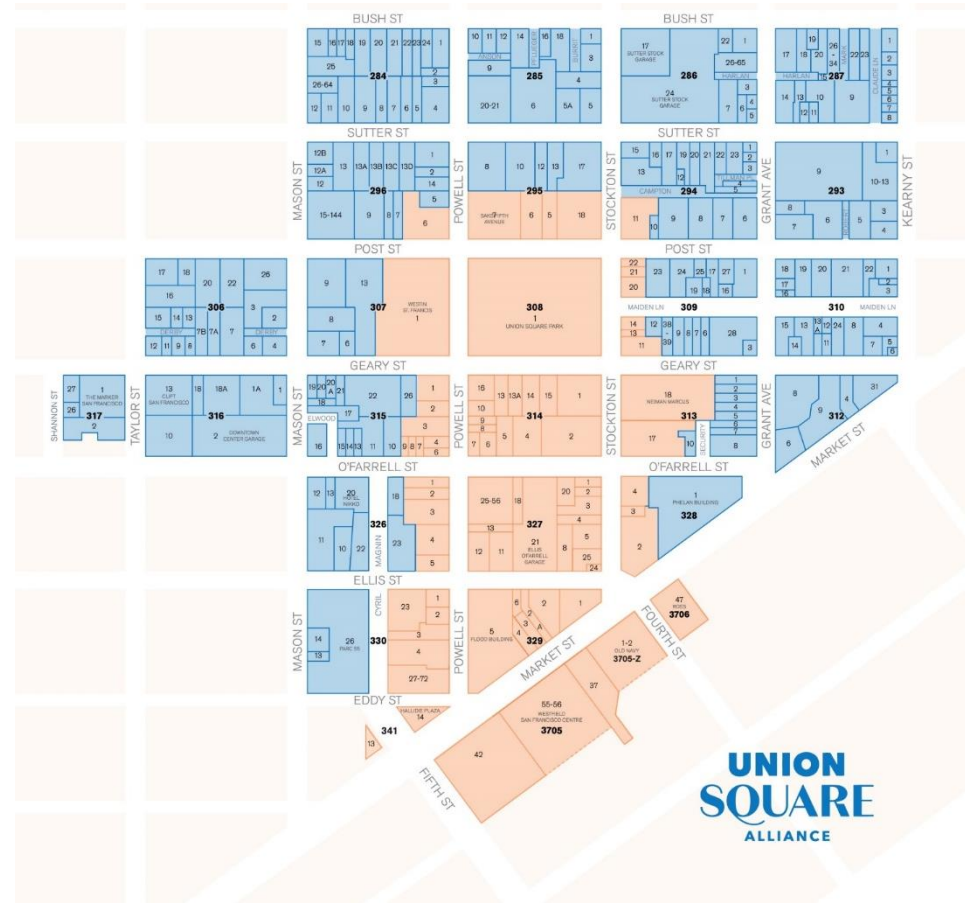
Marisa Rodriguez, Union Square Alliance

# Introduction

## Mission

The Union Square Alliance (formerly known as the Union Square Business Improvement District) serves members and creates a high visitor experience by managing and activating public spaces, attracting new investment, and advocating for the District's future success.

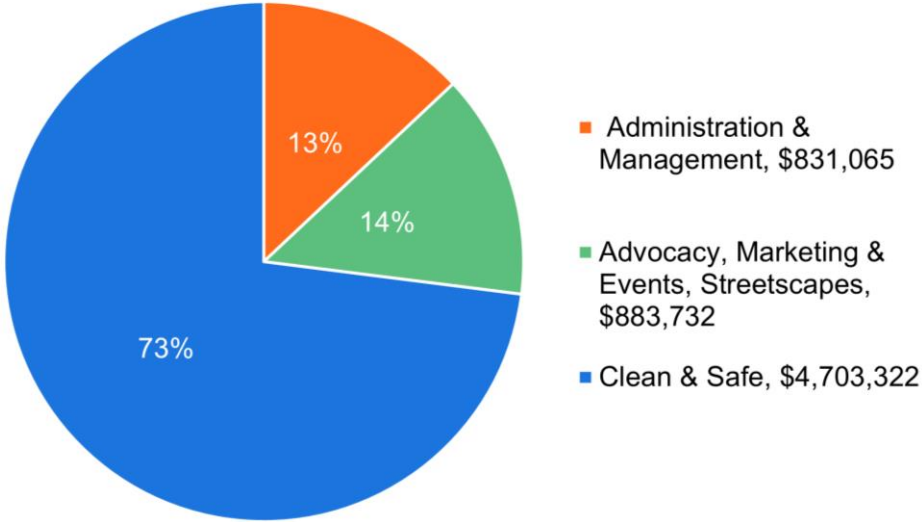
The Alliance oversees a 27-block area surrounding Union Square Park in the heart of San Francisco. It is generally boarded on the north by Bush Street, on the east by Kearny Street, on the south by Market Street and on the west by Taylor Street.



# Assessment Methodology 21-22

## Assessments based on the following variables

- Linear (sidewalk) frontage
- Lot square footage
- Building square footage
- Type of land use
- Zone
- Total Assessments in 21-22 FY  
\$6.3million



# Cleaning & Safety Services

Clean and Safe services include a 24/7 staffed dispatch hotline, round the clock cleaning staff, ambassadors and overnight security

New services programs:

- New Leadership
- 24/7 Member Services
- Union Square Plaza Services
- Additional Security Cameras
- Legion Security and Patrol Vehicle
- Miracle Messages
- SFPD Community Ambassador Program





## Cleaning

by the Numbers

---

**453,075** Pounds of trash removed from street

---

**21,740** Hazardous Waste Removed

---

**18,741** Graffiti Tags Removed

---

**8,969** Cleaning Requests Received

---

**910,052** Feet of Block Fronts Pressure Washed

---

**9,765** Overflowing Cans Leveled

## Safety

by the Numbers

---

**39,913** Quality of Life Incidents Addressed

---

**9,357** Incidents Addressed by 10B Officers

---

**421** Video Footage Requests

---

**472** Public Safety Request Received

---

**8,168** Incidents Addressed by Private Security

---

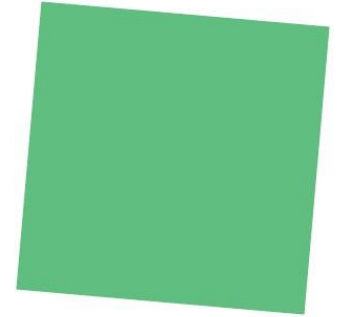
**29** Additional Cameras Installed

# District Marketing

We educate the community about the Alliance and promote Union Square as a world class destination

- New Leadership
- Website redesign
- Union Square Dance & Music Series
- Union Square in Bloom
- Ad Campaigns
- Social Media Strategy

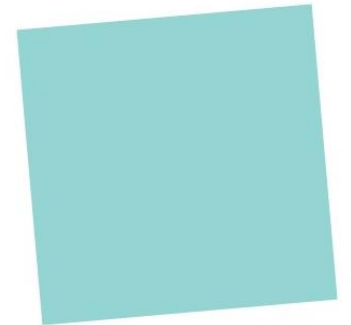
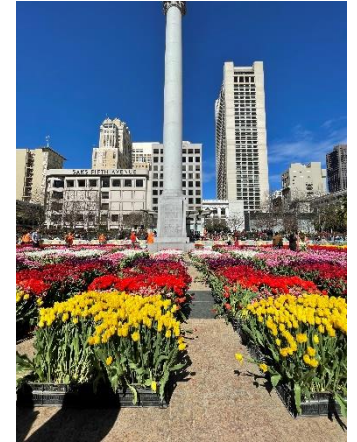
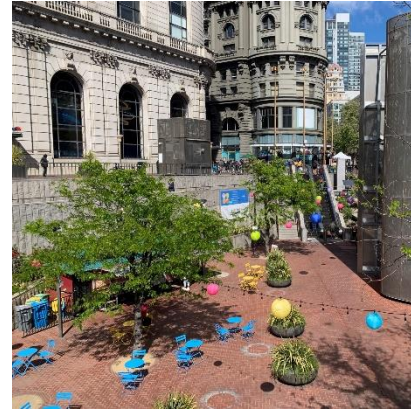
Accounts are @UnionSquareSF on Facebook, Instagram, Twitter and LinkedIn



# Public Realm & Streetscapes

We create an active and attractive public realm by activating public spaces with food, art, entertainment

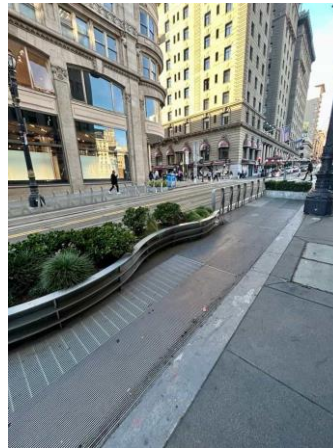
- Lantern Project
- Maiden Lane
- Permanent Lighting
- BloomSF
- Hallidie Plaza
- Ornament Project



# Advocacy

We advocate for clean, safe, attractive, and vibrant Union Square to City officials and stakeholders

- Retail Summits
- Mobile Command Center
- Powell Street Promenade
- Economic Recovery Grant



Marisa Rodriguez  
named the new  
Executive Director,  
Union Square Alliance  
October 2021

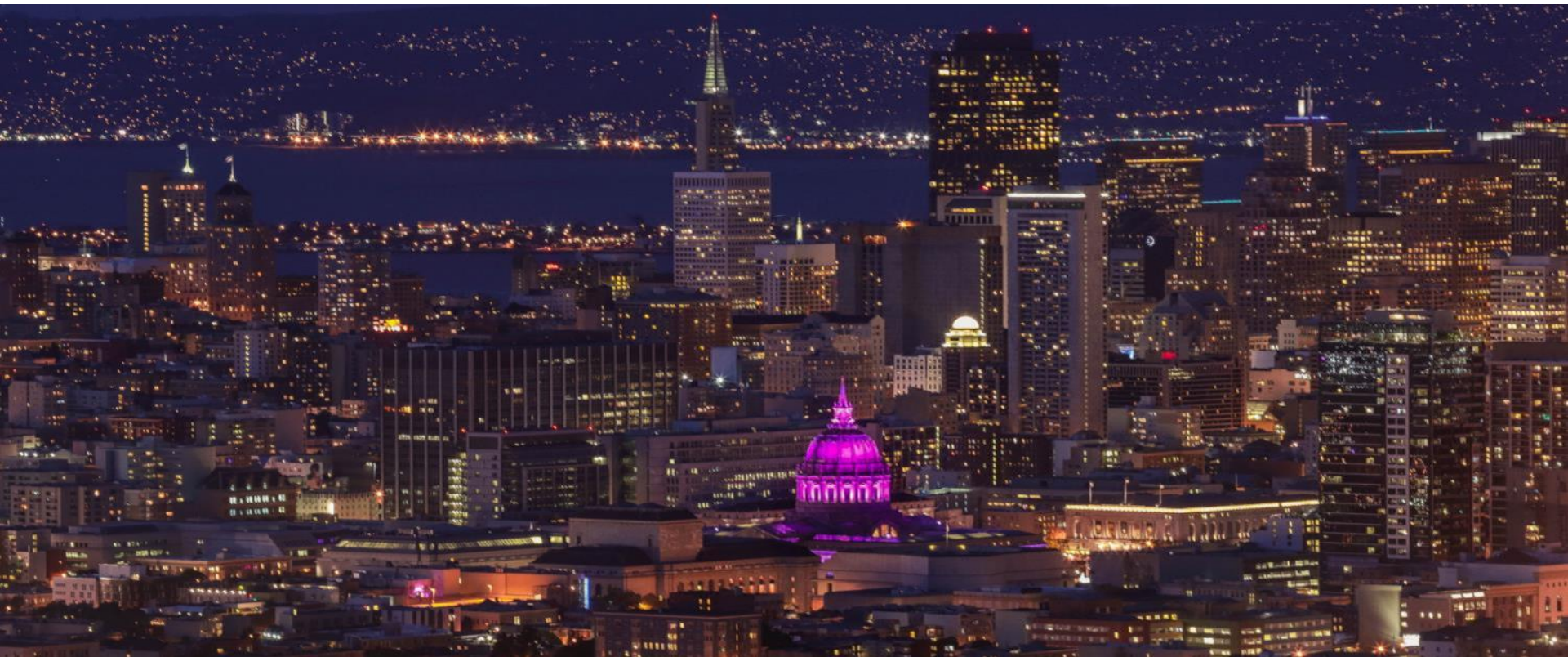




Thank You

# CITY & COUNTY OF SAN FRANCISCO GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

FEBRUARY 1, 2024



# TOURISM IMPROVEMENT DISTRICT 2021 – 2022



## TOURISM IMPROVEMENT DISTRICT

### Convention Sales

- Meetings and Conventions generated over 850 meetings (7 Moscone Events) with \$222.2 million in direct spending
- Sales team booked over 641,700 rooms nights in 2021 for all future years
- Attended 72 virtual meetings and 18 in-person meetings

### Marketing and Promotion

- Leisure visitors compromised 81% of all visitors
- The Visitor Information Center is closed due to lack of funding.



## TOURISM IMPROVEMENT DISTRICT

### MARKETING EFFORTS

- 17.0 Million Visitors
- 1.2 billion media impressions which equates to more than \$96+ million in value
- [www.sftravel.com](http://www.sftravel.com)
  - 3.1 million unique visitors
  - \$106.9 million in economic impact
- Instagram @onlyinSF 295,000 followers
- Twitter @onlyinSF 201,000 followers
- Facebook @onyinSF 698,000 followers



# MOSCONE EXPANSION DISTRICT 2021 – 2022

## MOSCONE EXPANSION DISTRICT

- \$551+ million-dollar expansion and renovation continues to be front and center for attracting new and repeat business to San Francisco. The center is much more competitive in total space and meeting planner accommodations related to set-up and configuration
- Moscone Center preparing for the upcoming MPI (Meeting Professionals International) Western Conference in June 2022. Over 2000 planners and suppliers attended this prestigious event.



## MOSCONE EXPANSION DISTRICT

Moscone Expansion Incentive Fund Balance as of June 30, 2022 | \$1,047,743

- Used to attract new clients
- Retain current clients during Moscone shut-down due to Covid-19 and into the future



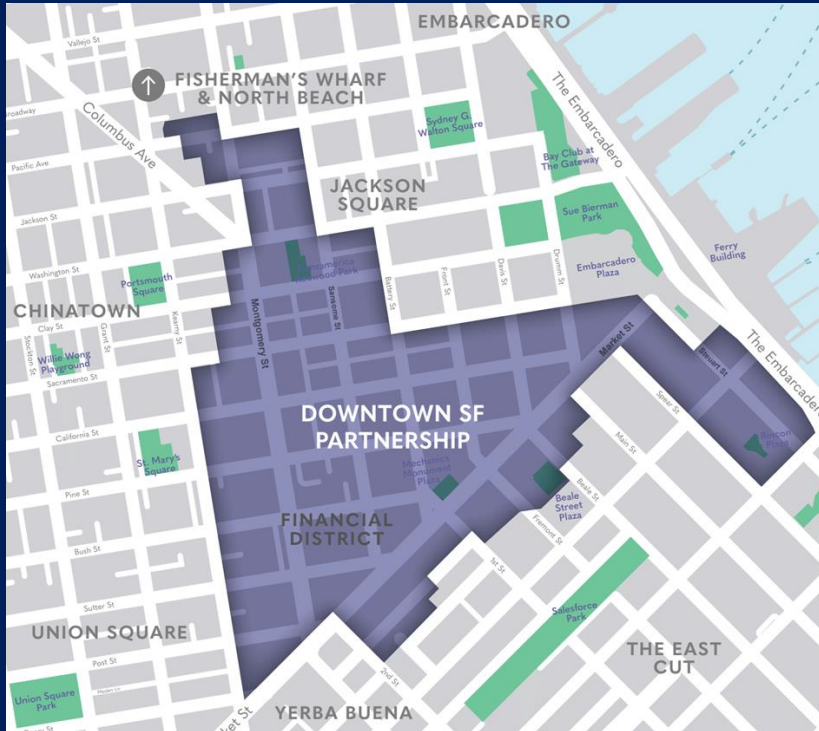
SF GAO: 2/1/24 for FY 21-22



DOWNTOWN SF   
PARTNERSHIP

# DISTRICT MAP

43-blocks serving the Financial District & Jackson Square



MISSION: We lead the way in building a thriving downtown where business gets done, people feel welcome, come to explore, and make memories.

DOWNTOWN SF  
PARTNERSHIP

# ABOUT US (DSFP)

Our Vision: Downtown San Francisco is an economic powerhouse and historic core, redefining what makes our city vibrant, resilient, and welcoming.



Started: January 2020  
Term: 15 years (2034)  
Budget: \$4.4M  
Staff: 7 FTEs  
Clean & Safe Team: 30  
Board of Directors: 15





DAY ONE  
ON THE JOB



Front Street & Halleck Alley

# RESULTS MATTER



**53%**

Decrease in Quality-of-Life  
Issues



**85%**

Reduction in the Number  
of Graffiti Incidents



**78%**

Reduction in the Amount  
of Hazardous Waste



**94%**

Reduction of Litter on  
the Streets

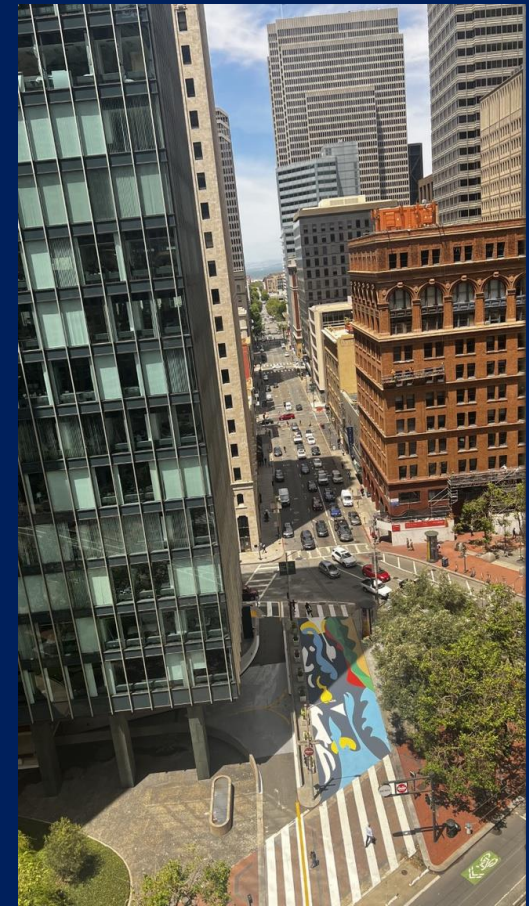
Clean & Safe Metrics

# PUBLIC REALM ACTION PLAN



Fast Company's Pandemic Innovation Award

# “BATTERY BRIDGE”



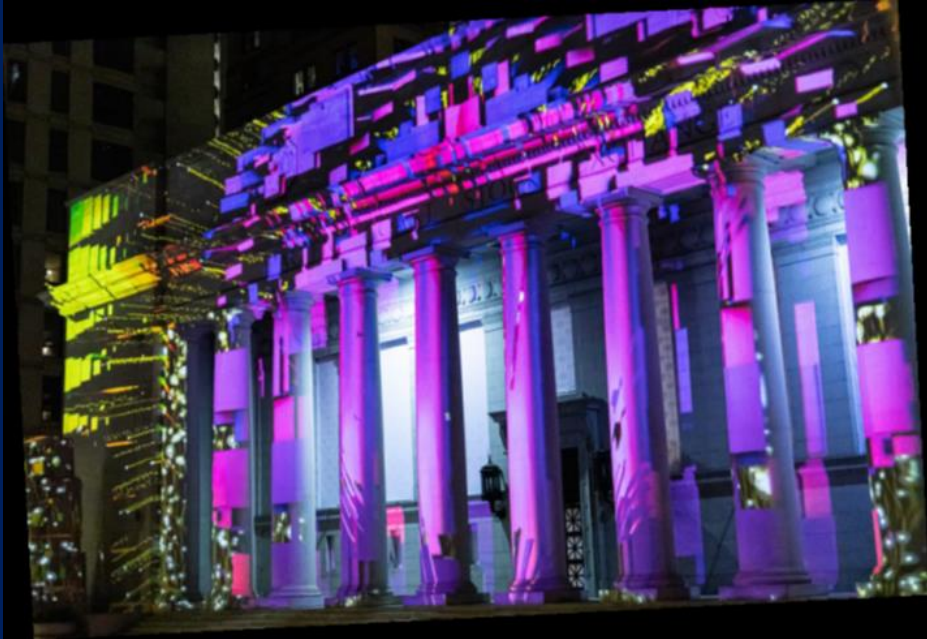
1,900 sq ft mural by Claudio Talavera Ballon

# BELDEN PLACE



Bastille on Belden increased business by 20%

# LET'S GLOW SF



The largest projection arts festival in the U.S.

# WHERE ARE WE HEADING

- Implementation of the Public Realm Action Plan
- Additional Events & Activations
- Enhanced Cleaning & Safety Services
- Economic Development Program





THANK YOU!

Robbie Silver | [rsilver@downtownsf.org](mailto:rsilver@downtownsf.org)  
Executive Director, Downtown SF Partnership