

File No. 220828

Committee Item No. 4

Board Item No. 16

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight
Board of Supervisors Meeting:

Date: November 17, 2022
Date: November 29, 2022

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU - FY2022-2024 - Clean |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU - FY2022-2024 - Redline |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>TID Fin Analysis 063021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>MED Fin Analysis 063021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>TID Annual Report 20-21</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>TID Fin Statements 063021</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD Memo 070622</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>OEWD PPT 111722</u> |
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Prepared by: Stephanie Cabrera
Prepared by: Stephanie Cabrera
Prepared by:

Date: November 10, 2022
Date: November 18, 2022
Date:

1 [Tourism Improvement District and Moscone Expansion District - Annual Report - FY2020-
2021]

2
3 **Resolution receiving and approving the annual report for the Tourism Improvement**
4 **District and Moscone Expansion District for Fiscal Year (FY) 2020-2021, 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

1 WHEREAS, On December 10, 2013, the Board of Supervisors adopted Resolution No.
2 441-13 amending the Tourism Improvement District’s Management District Plan to require
3 monthly, instead of quarterly, assessment collection and distribution by the Office of the
4 Treasurer and Tax Collector; and

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

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

13 WHEREAS, On December 10, 2013, the Board of Supervisors adopted Resolution
14 427-13 amending the Moscone Expansion District’s Management District Plan to require
15 monthly, instead of quarterly, assessment collection and distribution by the Office of the
16 Treasurer and Tax Collector; and

17 WHEREAS, On November 16, 2021, the Board of Supervisors approved the Tourism
18 Improvement District’s and Moscone Expansion District’s annual report for FY2019-2020 in
19 Resolution No. 529-21; and

20 WHEREAS, The Tourism Improvement District and Moscone Expansion District have
21 submitted for the Board’s receipt and approval the Tourism Improvement District and
22 Moscone Expansion District annual reports for FY2020-2021 as required by Section 36650 of
23 the Act and Section 3.4 of the Management Contract; and

24 WHEREAS, The Annual Report is on file with the Clerk of the Board of Supervisors in
25 File No. 220828, and are incorporated herein by reference as though fully set forth; and

1 WHEREAS, Supporting documents, including, but not limited to, a transmittal letter and
2 memorandum report from the City's Office of Economic and Workforce Development, dated
3 July 6, 2022, and documentation from the Tourism Improvement District and Moscone
4 Expansion District for the Annual Report on file with the Clerk of the Board of Supervisors in
5 File No. 220828; now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby receives and approves the annual
7 report for the Tourism Improvement District and Moscone Expansion District for FY 2020-
8 2021.

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TOURISM IMPROVEMENT DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine the percentage of budgeted dollars allocated to each expenditure category and to compare to the management plan allocation for each category

Comparison of Management Plan Budget to Budget for FY Ended 6/30/2021

Expenditure Category^a	Management Plan Budget^b	% of Total Budget	FY 2020-21 Budget^c	% of Total Budget	Variance Between Plan and Annual Budget
Marketing and Promotions	\$ 58,154,892	69.4%	\$ 8,744,000	95.4%	26.0%
Administration and Personnel	18,609,586	22.2%	422,000	4.6%	-17.6%
Contingency/Reserves/Administration and City Administration Costs of the TID	6,978,587	8.3%	-	0.0%	-8.3%
TOTAL	\$ 83,743,065	100.0%	\$ 9,166,000	100.0%	

Notes:

^a Expenditure categories on the Management Plan and Annual Report do not match exactly. Marketing and Promotions in the Management Plan is SFTA Marketing and Operations in the Annual Report. Administration and Personnel in the Management Plan is SFTIDMC Administration in the Annual Report.

^b Per Appendix 3 of the Management Plan (Year 12)

^c Per Annual Report - 2019-20

TOURISM IMPROVEMENT DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine the percentage of budgeted dollars allocated to each service category and to compare to the actual allocation to each category

Determining Whether Percentage of Actual Expenses Allocated to Each Category Were Within 10 Percent of Budgeted Allocations

Service Category	FY 2020-21 Budget^a	% of Total Budget	FY 2020-21 Actual^b	% of Total Actual Expenses	Variance Between Budget and Actual
Marketing and Promotions	\$ 8,744,000	95.4%	\$ 2,638,500	86.4%	-9.0%
Convention Sales/Marketing Fund	\$ -	0.0%	\$ -	0.0%	0.0%
Administration and Personnel	422,000	4.6%	416,545	13.6%	9.0%
Contingency/Reserves/Administration and City Administration Costs of the	-	0.0%	-	0.0%	0.0%
TOTAL	\$ 9,166,000	100.0%	\$ 3,055,045	100.0%	

Notes:

^a Per Annual Report - 2019-20

^b Per Annual Report - 2020-21

TOURISM IMPROVEMENT DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine whether CBD carryover funds are identified in the annual report

Did the CBD meet this requirement? YES

Carryover in Annual Report^a	Carryover in Financial Statements^b	Difference
\$867,786	\$867,786	\$0

Notes:

^a Per Annual Report FY 2020-21

^b Per Combined Financial Statements as of and for the Year Ended 6/30/21

TOURISM IMPROVEMENT DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine whether the CBD indicates the amount of funds carried over from the current fiscal year and designates the projects on which the funds will be spent in the upcoming fiscal year

Did the CBD meet this requirement? YES

Carryover From FY 2020-21	Projected Carryover - Annual Report*
SFTA Marketing & Operations	\$ 106,834
Capital Fund	186,003
Incentive Fund	14,962
Convention Sales & Marketing Fund	-
Contingency/Reserve	559,987
TOTAL	\$ 867,786

Note:

* Per FY 2020-21 Annual Report

TOURISM IMPROVEMENT DISTRICT

PURPOSE: As requested by OEWD, historical functional expenses are provided for presentation purposes.

SOURCES: Audited financial statements for fiscal years ended 6/30/2019, 6/30/2020, and 6/30/2021

	FY 2018-19	FY 2019-20	FY 2020-21
PROGRAM SERVICES			
Marketing and Promotion	28,075,000	21,535,500	2,638,500
Moscone Center			
Expansion	2,335,512	17,264	-
Sales incentive	-	-	-
Repairs and improvements	-	-	-
	2,335,512	17,264	-
Subtotal: Program Services	\$ 30,410,512	\$ 21,552,764	\$ 2,638,500
MANAGEMENT & GENERAL			
Contractual Services			
Treasurer fees	246,512	244,844	206,972
San Francisco Travel Association fees	136,500	127,107	133,463
Professional fees	16,106	120,917	72,279
	399,118	492,868	412,714
Insurance and Taxes	2,477	2,522	2,427
Interest Expense	-	-	-
Office Expenses	1,741	636	1,404
Subtotal: Management & General	403,336	496,026	416,545
Total Functional Expenses	\$ 30,813,848	\$ 22,048,790	\$ 3,055,045

MOSCONE EXPANSION DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine the percentage of budgeted dollars allocated to each expenditure category and compare to the management plan allocation for each category

Comparison of Management Plan Budget to Budget for FY Ended 6/30/2021

Expenditure Category	% of Total Budget in Management Plan^a	FY 2020-21 Budget^b	% of Total Budget in Annual Budget	Variance Between Plan and Annual Budget
Expansion/Development Activities	86.5%	\$ -	0.0%	-86.5%
Capital Reserve for Future Renovation and Improvements	1.0%	92,700	1.0%	0.0%
Incentive Fund	9.0%	834,400	8.8%	-0.2%
Sales and Marketing Fund	1.0%	92,700	1.0%	0.0%
Debt Service and Stabilization Fund ^d	0.0%	7,802,300	81.9%	81.9%
Administration of the MED and Operating Contingency Reserves ^c	2.5%	699,000	7.3%	4.8%
TOTAL	100.0%	\$ 9,521,100	100.0%	

Notes:

^a Per Moscone Expansion District Management District Plan, amended as of January 1, 2014

^b Per Annual Report - 2019-20

^c Expenditure categories in the Management Plan and Annual Report do not match exactly. The Management Plan combines Administration, Contingency, and Reserve Allocation in one category, whereas the Annual Report separates Administration from Contingency/Reserve.

^d Debt Service and Stabilization Fund expense category was not included in the Moscone Expansion District Management District Plan in 2014.

MOSCONE EXPANSION DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine the percentage of budgeted dollars allocated to each service category and to compare to the actual allocation to each category

Determining Whether Percentage of Actual Expenses Allocated to Each Category Was Within 10 Percent of Budgeted Allocations

Service Category	FY 2020-21 Budget^a	% of Total Budget	FY 2020-21 Actual Expenses^b	% of Total Actual Expenses	Variance Between Budget and Actual
Expansion/Development Activities	\$ -	0.0%	\$ -	0.0%	0.0%
Capital Reserve for Future Renovation and Improvements	92,700	1.0%	-	0.0%	-1.0%
Incentive Fund	834,400	8.8%	-	0.0%	-8.8%
Sales and Marketing Fund	92,700	1.0%	20,600	0.8%	-0.2%
Debt Service and Stabilization Fund	7,802,300	81.9%	1,917,882	73.9%	-8.1%
Administration of the MED and Operating Contingency Reserves	699,000	7.3%	657,243	25.3%	18.0%
TOTAL	\$ 9,521,100	100.0%	\$ 2,595,725	100.0%	

Notes:

^a Per Annual Report - 2019-20

^b Per Annual Report - 2020-21

MOSCONE EXPANSION DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine whether the CBD carryover funds are identified in the annual report

Did the CBD meet this requirement? YES

Carryover in Annual Report^a	Carryover in Financial Statements^b	Difference
\$2,585,683	\$2,585,683	\$0

Notes:

^a Per Annual Report FY 2020-21

^b Per Combined Financial Statements as of and for the Year Ended 6/30/21

MOSCONE EXPANSION DISTRICT
Financial Analysis for Fiscal Year Ended 6/30/2021

PURPOSE: To determine whether the CBD indicates the amount of funds carried over from the current fiscal year and designates the projects on which the funds will be spent in the upcoming fiscal year

Did the CBD meet this requirement? **YES**

Carryover From FY 2020-21	Projected Carryover - Annual Report*
Marketing & Operations	\$ 1,572
Development and Expansion	\$ 1,009,127
Capital Fund	261,536
Incentive Fund	582,179
Contingency/Reserve	731,269
TOTAL	\$ 2,585,683

Note:

* Per FY 2020-21 Annual Report

MOSCONE EXPANSION DISTRICT

PURPOSE: As requested by OEWD, historical functional expenses are provided for presentation purposes.

SOURCES: Audited financial statements for fiscal years ended 6/30/2019, 6/30/2020 and 6/30/2021.

	FY 2018-19	FY 2019-20	FY 2020-21
PROGRAM SERVICES			
Marketing and Promotion	319,000	215,083	20,600
Moscone Center			
Expansion	24,068,077	1,191,638	-
Debt service and stabilization fund	27,626,631	14,891,570	1,917,882
Sales incentive	3,234,533	3,148,421	-
Capital projects	-	-	-
	54,929,241	19,231,629	1,917,882
Subtotal: Program Services	\$ 55,248,241	\$ 19,446,712	\$ 1,938,482
MANAGEMENT & GENERAL			
Contractual Services			
Treasurer fees	254,700	222,678	223,303
San Francisco Travel Association fees	161,456	127,107	133,463
Professional fees	634	37,828	31,682
	416,790	387,613	388,448
Insurance and Taxes	2,340	2,212	2,649
Interest Expense	39,375	247,493	266,146
Office Expenses	258	3,511	-
Subtotal: Management & General	458,763	640,829	657,243
Total Functional Expenses	\$ 55,707,004	\$ 20,087,541	\$ 2,595,725



Annual Report | 2020-2021

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, 2020 to December 31, 2020:

Convention and Meeting Sales

- 485,000 room nights booked
Over 355 meetings held in San Francisco
- Attended over 20 virtual events and 12 in person events

485,000

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. Leisure visitors comprise 91% 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)

- 2,000 visitors to Moscone location in 2020
- 12 languages spoken by staff and volunteers
- MYSF has trained over 770 people in the visitor industry

www.sftravel.com

- 2.9 million unique visitors to the website
- \$82,687,507.89 million in economic impact

Social Media

- Facebook @onlyinSF 610k followers
- Twitter @onlyinSF 201k followers
- Instagram @onlyinsf 285k followers

**11.8 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 16,427,801 million international travelers in 2020
- Represented in 14 international offices in 13 countries (2019)
- Attended International and Domestic virtual trade shows
- San Francisco hosted 900+ journalists (2019)
- Media Coverage (2019)
 - 8.7 billion impressions
 - \$394+ million value

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



MOSCONE EXPANSION DISTRICT



- Project completed on time, on budget, as of December 31, 2018
- Hosted PCMA (Professional Convention Management Association) 2020. Over 4,800 attendees who focus on booking meetings in destination around the US, including San Francisco.
- Tremendously positive feedback from our meeting planners and attendees
- Over \$800,000 was utilized to provide convention customers with rental incentives to attract conventions to San Francisco

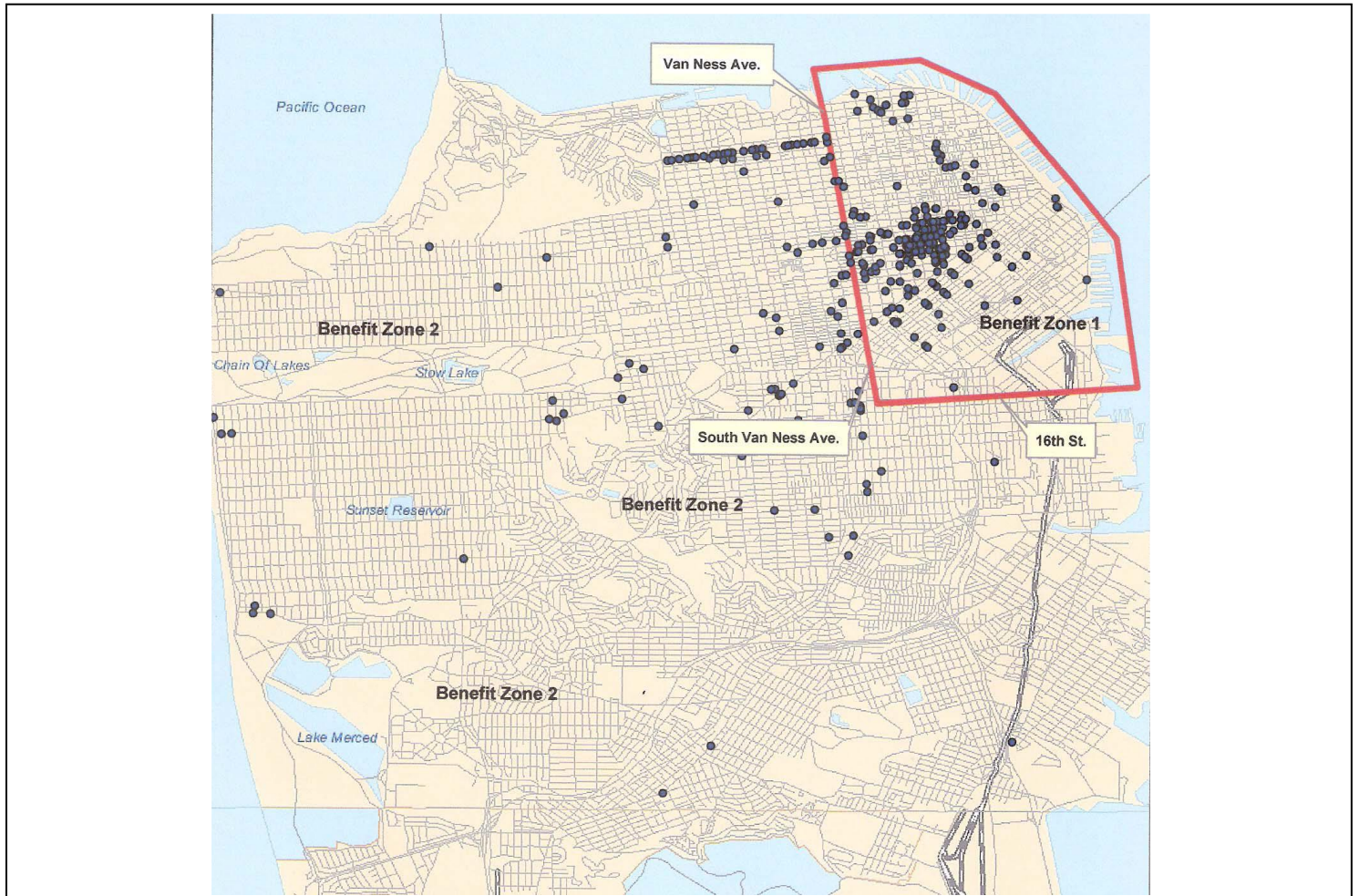


TID and MED COLLECTION METHODOLOGY

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 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: All tourist hotels with addresses west of Van Ness Avenue and South Van Ness Avenue, and all tourist hotels south of 16th Street.





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

JULY 2020-JUNE 2021 ACTUAL	TID	MED	TOTAL
INCOME			
Assessment Fee	\$2,165,160	\$2,440,507	\$4,605,667
Interest Income	\$228	\$246	\$474
TOTAL INCOME	\$2,165,388	\$2,440,753	\$4,606,141
EXPENSES			
SFTA Marketing & Operations	\$2,638,500	\$0	\$2,638,500
Moscone Convention Center Development and Expansion	\$0	\$0	\$0
Moscone Convention Center Capital Fund	\$0	\$0	\$0
Moscone Convention Center Incentive Fund	\$0	\$0	\$0
Convention Sales/Marketing Fund	\$0	\$20,600	\$20,600
Debt Service and Stabilization Fund	\$0	\$1,917,882	\$1,917,882
SFTIDMC Administration and Operating Expenses	\$416,545	\$657,243	\$1,073,788
TOTAL EXPENSES	\$3,055,045	\$2,595,725	\$5,650,770
NET INCOME	(\$889,657)	(\$154,972)	(\$1,044,629)
JULY 2020-JUNE 2021 BALANCE SHEET			
ASSETS			
Cash	\$867,786	\$2,585,683	\$3,453,469
Accounts Receivable, Net	\$0	\$0	\$0
TOTAL ASSETS	\$867,786	\$2,585,683	\$3,453,469
LIABILITIES			
Accounts Payable	\$3,567	\$1,203,665	\$1,207,232
Line of Credit	\$0	\$5,000,000	\$5,000,000
Long-Term Liabilities - Construction Retention	\$0	\$34,271	\$34,271
TOTAL LIABILITIES	\$3,567	\$6,237,936	\$6,241,503
TOTAL NET ASSETS (CARRYOVER)	\$864,219	(\$3,652,253)	(\$2,788,034)
TOTAL LIABILITIES & NET ASSETS	\$867,786	\$2,585,683	\$3,453,469



JULY 2021- JUNE 2022 BUDGET	TID	MED	TOTAL
INCOME			
Assessment Fee	\$15,323,000	\$18,540,800	\$33,863,800
Interest Income	\$0	\$0	\$0
TOTAL INCOME	\$15,323,000	\$18,540,800	\$33,863,800
EXPENSES			
SFTA Marketing & Operations	\$14,910,000	\$183,100	\$15,093,100
Moscone Convention Center Capital Fund	\$0	\$183,100	\$183,100
Moscone Convention Center Incentive Fund	\$0	\$1,648,300	\$1,648,300
Convention Sales & Marketing Fund	\$0	\$273,800	\$273,800
Debt Service and Stabilization Fund	\$0	\$15,842,300	\$15,842,300
SFTIDMC Administration	\$413,000	\$410,200	\$823,200
TOTAL EXPENSES	\$15,323,000	\$18,540,800	\$33,863,800
NET INCOME	\$0	\$0	\$0

PROJECTED CARRYOVER DISBURSEMENT	TID	MED	TOTAL	TO BE USED IN FY 2021-2022	TO BE USED IN FUTURE YEARS
SFTA Marketing & Operations	\$106,834	\$1,572	\$108,406	(\$108,406)	\$0
Moscone Convention Center Development and Expansion	\$0	\$1,009,127	\$1,009,127	(\$1,009,127)	\$0
Moscone Convention Center Capital Fund	\$186,003	\$261,536	\$447,539	\$0	\$447,539
Moscone Convention Center Incentive Fund	\$14,962	\$582,179	\$597,141	(\$75,000)	\$522,141
Contingency/Reserve	\$559,987	\$731,269	\$1,291,256	(\$580,380)	\$710,876
TOTAL CARRYOVER DISBURSEMENT	\$867,786	\$2,585,683	\$3,453,469	(\$1,772,913)	\$1,680,556



SFTIDMC Board of Directors | FY 2020-2021

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

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San Francisco, CA 94111
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www.sftid.com

**SAN FRANCISCO TOURISM IMPROVEMENT
DISTRICT MANAGEMENT CORPORATION**

Financial Statements

June 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
San Francisco Tourism Improvement District
Management Corporation

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Francisco Tourism Improvement District Management Corporation as of June 30, 2021, 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.

Emphasis of Matter Regarding Going Concern

The accompanying financial statements have been prepared assuming that SFTIDMC will continue as a going concern. As discussed in Note 4 to the financial statements, SFTIDMC has negative working capital and net deficit as of June 30, 2021 and 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 to mitigate these matters are also described in Note 4. 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.

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, 2020, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 12, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

BAKER TILLY US, LLP

San Francisco, California

October 27, 2021

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
June 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF JUNE 30, 2020)

	<u>ASSETS</u>		<u>Totals</u>	
	<u>TID FUND</u>	<u>MED FUND</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 867,786	\$ 2,585,683	\$ 3,453,469	\$ 5,976,872
Total assets	<u>\$ 867,786</u>	<u>\$ 2,585,683</u>	<u>\$ 3,453,469</u>	<u>\$ 5,976,872</u>
 <u>LIABILITIES AND NET ASSETS (DEFICIT)</u>				
CURRENT LIABILITIES				
Accounts payable	\$ 3,567	\$ 1,203,665	\$ 1,207,232	\$ 2,686,388
Loan payable	-	5,000,000	5,000,000	5,000,000
Accrued liabilities	-	34,271	34,271	33,889
Total current liabilities	<u>3,567</u>	<u>6,237,936</u>	<u>6,241,503</u>	<u>7,720,277</u>
NET ASSETS (DEFICIT)				
Without donor restrictions				
Designated	864,219	1,540,259	2,404,478	3,493,445
Undesignated	-	(5,192,512)	(5,192,512)	(5,236,850)
Total net assets (deficit)	<u>864,219</u>	<u>(3,652,253)</u>	<u>(2,788,034)</u>	<u>(1,743,405)</u>
Total liabilities and net assets (deficit)	<u>\$ 867,786</u>	<u>\$ 2,585,683</u>	<u>\$ 3,453,469</u>	<u>\$ 5,976,872</u>

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)

	Without Donor Restriction		Totals	
	TID FUND	MED FUND	2021	2020
SUPPORT AND REVENUES				
Assessments (Note 5)	\$ 2,165,160	\$ 2,440,507	\$ 4,605,667	\$ 38,616,304
Interest and dividends	228	246	474	21,731
Total support and revenues	<u>2,165,388</u>	<u>2,440,753</u>	<u>4,606,141</u>	<u>38,638,035</u>
EXPENSES				
Program services -				
Marketing and promotion	2,638,500	20,600	2,659,100	21,750,583
Moscone Center	-	1,917,882	1,917,882	19,248,893
Total program services	<u>2,638,500</u>	<u>1,938,482</u>	<u>4,576,982</u>	<u>40,999,476</u>
Management and general	<u>416,545</u>	<u>657,243</u>	<u>1,073,788</u>	<u>1,136,855</u>
Total expenses	<u>3,055,045</u>	<u>2,595,725</u>	<u>5,650,770</u>	<u>42,136,331</u>
CHANGE IN NET ASSETS (DEFICIT)	(889,657)	(154,972)	(1,044,629)	(3,498,296)
NET ASSETS (DEFICIT) - BEGINNING OF YEAR	<u>1,753,876</u>	<u>(3,497,281)</u>	<u>(1,743,405)</u>	<u>1,754,891</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ 864,219</u>	<u>\$ (3,652,253)</u>	<u>\$ (2,788,034)</u>	<u>\$ (1,743,405)</u>

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)

	TID FUND		MED FUND		Totals	
	Program Services	Management and General	Program Services	Management and General	2021	2020
Marketing and promotion	\$ 2,638,500	\$ -	\$ 20,600	\$ -	\$ 2,659,100	\$ 21,750,583
Moscone Center -						
Debt service and stabilization fund	-	-	1,917,882	-	1,917,882	14,891,570
Expansion	-	-	-	-	-	1,208,902
Sales incentive	-	-	-	-	-	3,148,421
Contractual services -						
Treasurer fees	-	206,972	-	223,303	430,275	467,522
San Francisco Travel Association fees	-	133,463	-	133,463	266,926	254,214
Professional fees	-	72,279	-	31,682	103,961	158,745
Interest expense	-	-	-	266,146	266,146	247,493
Insurance and taxes	-	2,427	-	2,649	5,076	4,734
Office expenses	-	1,404	-	-	1,404	4,147
	<u>\$ 2,638,500</u>	<u>\$ 416,545</u>	<u>\$ 1,938,482</u>	<u>\$ 657,243</u>	<u>\$ 5,650,770</u>	<u>\$ 42,136,331</u>

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2021
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2020)

	TID FUND	MED FUND	Totals	
			2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets (deficit)	\$ (889,657)	\$ (154,972)	\$ (1,044,629)	\$ (3,498,296)
Adjustments to reconcile change in net assets (deficit) to net cash used in operating activities:				
Accounts receivable	-	-	-	8,808,128
Accounts payable	(18,457)	(1,460,699)	(1,479,156)	(6,746,190)
Accrued liabilities	-	382	382	33,889
Retention payable	-	-	-	(190,241)
Total adjustments	(18,457)	(1,460,317)	(1,478,774)	1,905,586
Net cash used in operating activities	(908,114)	(1,615,289)	(2,523,403)	(1,592,710)
CASH FLOWS FROM FINANCING ACTIVITY				
Proceeds from line of credit	-	-	-	2,000,000
Net cash provided by financing activity	-	-	-	2,000,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(908,114)	(1,615,289)	(2,523,403)	407,290
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,775,900	4,200,972	5,976,872	5,569,582
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 867,786	\$ 2,585,683	\$ 3,453,469	\$ 5,976,872
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid during the year for interest	\$ -	\$ 266,146	\$ 266,146	\$ 247,493

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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. 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”) and Moscone Expansion District Fund (“MED Fund”).

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, 2021.

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenue Recognition

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*.

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, 2021

2. 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, 2020, from which the summarized information was derived.

Subsequent Events

SFTIDMC has evaluated subsequent events through October 27, 2021, the date which the financial statements were available to be issued.

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION**NOTES TO FINANCIAL STATEMENTS****June 30, 2021**

3. 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, 2021 available for general expenditures within the following 12 months:

	<u>TID FUND</u>	<u>MED FUND</u>	<u>Totals</u>
Financial assets at year-end:			
Cash and cash equivalents	\$ 867,786	\$ 2,585,683	\$ 3,453,469
Total financial assets	<u>867,786</u>	<u>2,585,683</u>	<u>3,453,469</u>
Less - amounts designated for the following purpose in accordance with the Management Plans:			
Contingency/Reserve	558,022	694,972	1,252,994
Moscone Center Incentive Fund	14,962	582,179	597,141
Moscone Center Capital Fund	186,003	261,536	447,539
SF Travel Association Marketing & Operations	105,232	1,572	106,804
	<u>864,219</u>	<u>1,540,259</u>	<u>2,404,478</u>
Financial assets available for general expenditures as of June 30, 2021	<u>\$ 3,567</u>	<u>\$ 1,045,424</u>	<u>\$ 1,048,991</u>

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

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

4. GOING CONCERN

Pursuant to Accounting Standards Update No. 2014-15, *Presentation of Financial Statements - Going Concern* (Subtopic 205-40), management evaluates SFTIDMC's ability to continue as a going concern for one year after the date of the financial statements are available for issuance.

The financial statements have been prepared on a going concern basis, which assumes that SFTIDMC will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations, including its ability to meet the repayment terms of the note payable (refer to Note 6).

The outbreak of COVID-19 pandemic in March 2020 has impacted the hotel industry and resulting assessments revenue of SFTIDMC (refer to Note 9). As of and for the year ended June 30, 2021, SFTIDMC has net assets (deficit) of \$2,788,034 and negative cash flows from operating activities of \$2,523,403. As of June 30, 2021, SFTIDMC has a note payable of \$5,000,000 due on October 15, 2021, which resulted in negative working capital of \$2,788,034. 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 MED management district plan, the MED assessment funds will be used to pay for developmental activities which includes the following:

- Planning, design, engineering, entitlement, project management and related development services for the Moscone Center expansion capital project ("the Project").
- Construction costs for the expansion of the Moscone Center as noted above.
- Financing costs related to the Project, including those associated with the payments of any bond, financing lease (including certificates of participation), or other similar obligations of the City.

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. 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.

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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:

Periods	Zone 1	Zone 2
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:

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

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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.

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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, 2021, the City Treasurer and Tax Collector's Office ("TTX") withheld 86.5% of MED assessments amounting to \$1,917,882 from the TTX's cash collections from July 2020 through June 2021.

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, 2021.

6. NOTE PAYABLE

On May 26, 2020, SFTIDMC entered into a business loan agreement with the same bank to convert the outstanding line of credit of \$5,000,000 to a term loan which matured on May 15, 2021. The loan is secured by the assets of SFTIDMC.

The note payable bears a variable interest rate, set by the bank, based on changes in the prime rate less 0.25%, but under no circumstances be less than 5.25% per annum. The loan payable has an outstanding balance of \$5,000,000 as of June 30, 2021.

On August 6, 2021, SFTIDMC entered into a modification agreement with the bank to change the maturity date of the loan to October 15, 2021. SFTIDMC is in the process of finalizing the modification agreement with the bank to extend the maturity of the loan to December 31, 2022.

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.

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

7. RELATED PARTY TRANSACTIONS (continued)

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 \$2,659,100 and \$266,926, respectively, during the year ended June 30, 2021. There is no payable to the Association for these services as of June 30, 2021.

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 \$5,594 payable to the Association for these advances as of June 30, 2021.

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 \$430,275 during the year ended June 30, 2021. These fees are recorded under Contractual Services – Treasurer fees in the statement of functional expenses.

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT MANAGEMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

9. RISK FACTORS

The majority of SFTIDMC's revenues are from TID and MED assessments. As such, SFTIDMC's ability to generate resources is dependent upon the assessments collected by hotels from gross hotel room revenues in the City and County of San Francisco (refer to Note 4).

In March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. In addition, in March 2020, the California State Governor ordered the closure of the physical location of every business, except those identified in the "critical infrastructure sectors", for a limited period of time. The outbreak has led to severe disruptions and uncertainty to economic conditions and credit and capital markets and the hotel and tourism industries. SFTIDMC has responded to the outbreak and has developed contingency plans for operations depending on future developments. The duration and economic impact of the outbreak is uncertain but it is more than likely that operations may be negatively impacted. SFTIDMC will continue to monitor the situation closely, but given the uncertainty about the situation, management cannot estimate the impact to the financial statements.

Financial instruments, which potentially subject SFTIDMC to concentrations of credit risk, consist principally of cash in bank accounts greater than the federally insured \$250,000 with each financial institution. SFTIDMC periodically reviews its cash and believes that any potential loss is not material to the financial statements.

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. The City did not fund any shortfall as of June 30, 2021.

MEMORANDUM

TO: Supervisor Aaron Peskin, District 3 Supervisor

CC: San Francisco Board of Supervisors
Chris Corgas; Program Director, OEWD

FROM: Mimi Hiraki; Project Specialist, OEWD

DATE: July 6, 2022

SUBJECT: Tourism Improvement District and Moscone Expansion Districts; FY 2020-2021 Annual Report

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, 2020 and June 30, 2021.

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 2020-2021
2. CPA Independent Auditors' Report
 - a. FY 2020-2021



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).

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, 2020 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

- 485,000 room nights booked
- Over 355 meetings held in San Francisco
- Attended over 20 virtual events and 12 in person events
- 11.8 million visitors to San Francisco
- 2,000 visitors to Moscone location
- 12 languages spoken by staff and volunteers
- MYSF trained over 770 people in the visitor industry
- Sfravel.com had 2.9+ million unique visitors worth \$82,687,507.89 in economic impact

MED

- Hosted Professional Convention Management Association 2020 with over 4,800 attendees

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 2020-2021

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

ANALYSIS: TID met this requirement. See table below.



Expenditure Category	Management Plan Budget	% of Budget	FY 2020-21 Budget	% of FY 2020-21 Budget	Variance
Marketing and Promotions	\$58,154,892.00	69.4%	\$8,744,000.00	95.4%	+26.0%
Administration and Personnel	\$18,609,586.00	22.2%	\$422,000.00	4.6%	-17.6%
Contingency/Reserves/ Administration and City Administration Costs of the TID	\$6,978,587.00	8.3%	\$0.00	0.0%	-8.3%
TOTAL	\$83,743,065.00	100.0%	\$9,166,000.00	100.0%	

ANALYSIS: MED met this requirement. See table below.

Expenditure Category	Management Plan Budget	% of Management Plan Budget	FY 2020-21 Budget	% of FY 2020-2021 Budget	Variance
Expansion/Development Activities		86.5%	\$0.00	0.0%	-86.5%
Capital Reserve for Future Renovation and Improvements		1.0%	\$92,700.00	1.0%	0.0%
Incentive Fund		9.0%	\$834,400.00	8.8%	-0.2%
Sales and Marketing Fund		1.0%	\$92,700.00	1.0%	0.0%
Debt Service and Stabilization Fund		0.0%	\$7,802,300.00	81.9%	+81.9%
Administration of the MED and Operating Contingency Reserves		2.5%	\$699,000.00	7.3%	+4.8%
TOTAL		100.0%	\$9,521,100.00	100.0%	

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 2020-21 Budget	% of Total Budget	FY 2020-21 Actual	% of Actual	Variance
Marketing and Promotions	\$8,744,000.00	95.4%	\$2,638,500.00	86.4%	-9.0%
Convention Sales/Marketing Fund	\$0.00	0.0%	\$0.00	0.0%	0.0%
Administration and Personnel	\$422,000.00	4.6%	\$416,545.00	13.6%	+9.0%



Contingency/Reserves/ Administration and City Administration Costs of the TID	\$0.00	0.0%	\$0.00	0.0%	0.0%
TOTAL	\$9,166,000.00	100.0%	\$3,055,045.00	100.0%	

ANALYSIS: MED met this requirement. See table below.

Service Category	FY 2020-21 Budget	% of FY2020-21 Budget	FY 2020-21 Actual	% of FY 2020-21 Actual	Variance
Expansion/Development Activities	\$0.00	0.0%	\$0.00	0.0%	0.0%
Capital Reserve for Future Renovation and Improvements	\$92,700.00	1.0%	\$0.00	0.0%	-1.0%
Incentive Fund	\$834,400.00	8.8%	\$0.00	0.0%	-8.8%
Sales and Marketing Fund	\$92,700.00	1.0%	\$20,600.00	0.8%	-0.2%
Debt Service and Stabilization Fund	\$7,802,300.00	81.9%	\$1,917,882.00	73.9%	-8.1%
Administration of the MED and Operating Contingency Reserves	\$699,000.00	7.3%	\$657,243.00	25.3%	+18.0%
TOTAL	\$9,521,100.00	100.0%	\$2,595,725.00	100.0%	

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.

Carryover From FY 2020-21	Projected Carryover - Annual Report
SFTA Marketing & Operations	\$106,834.00
Capital Fund	\$186,003.00
Incentive Fund	\$14,962.00
Convention Sales & Marketing Fund	\$0.00
Contingency/Reserve	\$559,987.00
TOTAL	\$867,786.00

ANALYSIS: MED met this requirement. See table below.



Carryover From FY 2020-21	Projected Carryover - Annual Report
Marketing & Operations	\$1,572.00
Development and Expansion	\$1,009,127.00
Capital Fund	\$261,536.00
Incentive Fund	\$582,179.00
Contingency/Reserve	\$731,269.00
TOTAL	\$2,585,683.00

Findings and Recommendations

The Tourism Improvement District and Moscone Expansion District met their reporting requirements, mentioned on page 4 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 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. The lack of assessment revenue forced the Moscone Expansion District to tap its Debt Service and Stabilization fund which was designed to be drawn upon in any year when lower than expected MED collections caused MED contributions toward debt service to be lower than the sum set forth in cash flow projections. This fund was utilized this year as the Covid-19 pandemic caused such conditions to occur. Due to the pandemic’s impact on assessment revenue TID assessment fees were less than anticipated resulting in the district expending approximately \$890,000 more than what it collected in the FY. This amount was covered through the TID’s Contingency/Reserve fund.

The TID is set to expire in 2023. The TIDMC and SF Travel followed OEWD’s recommendation to begin the renewal process in FY 2019-20. A Management District Plan was submitted to the City in spring 2020. The original plan was to complete the renewal process in late 2020/early 2021 with an implementation date of January 1, 2024. Due to the Covid-19 global pandemic renewal and expansion proponents, TID and OEWD mutually agreed to delay the process. OEWD and project proponents have been working since winter 2020 through summer 2021 on the renewal and expansion Management District Plan. Project proponents have hosted and continue to host informational meetings for rate payers. OEWD anticipates the renewal and expansion process will be completed in July 2022.

In May 2020, SFTIDMC took out a line of credit of \$5,000,000 which was supposed to come to term in 2021. In August 2021, SFTIDMC worked with the lending agency to extend the term to December 2022 and is in process of finalizing the agreement..



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 2020-2021

- Tourism Improvement District
- Moscone Expansion District
- Yerba Buena
- The East Cut
- Castro/Upper Market
- Ocean Avenue
- Discover Polk
- Lower Polk

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	FY20-21 Assessment Roll Submission	Year(s) Formed and Renewed	Expires
Tourism Improvement District	Business-based	\$27,000,000.00	-	2008	2023
Moscone Expansion District	Business-based	\$19,332,000.00	-	2013	2045
Yerba Buena	Property-based	\$2,991,722.82	\$3,151,269.00	2008, 2015	2030
The East Cut	Property-based	\$2,474,194.00	\$4,466,696.68	2015	2030
Castro/Upper Market	Property-based	\$866,991.62	\$818,991.62	2005, 2020	2035
Ocean Avenue	Property-based	\$239,578.00	\$339,580.72	2010	2025
Discover Polk	Property-based	\$622,784.00	\$635,238.70	2018	2029
Lower Polk	Property-based	\$799,093.00	\$903,012.06	2014	2029

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.

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

Benchmark	Question	TID: Was This Met in FY2021?	MED: Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is X < 10%?	Yes	Yes
Benchmark 2	Variance between fiscal year budget and fiscal year actuals is X < 10%	Yes	Yes
Benchmark 3	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes	Yes

Tourism Improvement District & Moscone Expanding District - Findings and Recommendations

- 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.
 - The lack of assessment revenue forced the Moscone Expansion District to tap its Debt Service and Stabilization fund. The fund was designed to be drawn upon in any year when lower than expected MED collections caused MED contributions toward debt service to be lower than the sum set forth in cash flow projections.
 - Due to the pandemic's impact on assessment revenue TID assessment fees were less than anticipated resulting in the district expending approximately \$890,000 more than what it collected in the FY. This amount was covered through the TID's Contingency/Reserve fund.
- The TID is set to expire in 2023 and the renewal and expansion process will be completed in Fall 2022.
 - The San Francisco Tourism Improvement District Management Corporation (SFTIDMC) and SF Travel followed OEWD's recommendation to begin the renewal process in FY 2019-20.
 - A Management District Plan was submitted to the City in spring 2020 but the TID and OEWD mutually agreed to pause the renewal process due to the Covid-19 pandemic and expansion proponents.
 - OEWD and project proponents resumed the renewal and expansion Management District Plan from winter 2020 through summer 2021. Project proponents have hosted and continue to host informational meetings for rate payers.
- In May 2020, SFTIDMC took out a line of credit of \$5,000,000 which was supposed to come to term in 2021. In August 2021, SFTIDMC worked with the lending agency to extend the term to December 2022 and is in process of finalizing the agreement.

Yerba Buena - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.08\%$	No
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

Yerba Buena - Findings and Recommendations

- Recommendation: The CBD should quantify the dollar value of in-kind donations and volunteer hours and include the amount in their non-assessment revenue.
- Pivoted programs and services well in response to the economic and health impacts of the pandemic. Select highlights:
 - Provided total of \$130,000 to small businesses and non-profits through Yerba Buena Community Benefit Fund
 - Adjusted focus for Community Guides to check in with neighborhood merchants and businesses during the incremental reopening of the economy as well as assist the Clean Team
 - Funded the Yerba Buena Gardens Lawn Art project to create space for safe, art filled social distancing
 - Hosted Yerba Buena Day in summer 2021 to highlight and promote the district's businesses as people started coming back to the district
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

The East Cut CBD - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue for each service category: Public Safety is $X \geq 1.4\%$, Cleaning and Maintenance is $X \geq 1.4\%$, Parks and Greenspace is $X \geq 6.79\%$, and Salesforce Park is $X \geq 20.8\%$.	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

The East Cut CBD - Findings and Recommendations

- Pandemic significantly impacted the CBD's ability to provide programming for its parks resulting in large carryover amounts
- Partnered with 13 restaurants for the East Cut Eats program where staff and volunteers delivered meals from local restaurants to residents free of charge
- Launched the East Cut Seats program to provide outdoor table and chair sets to local businesses to expand their public realm
- Administered its first merchant survey in March 2021 to build a better relationship with merchants and understand their needs
 - Recommendation: incorporate merchant survey feedback where possible as the CBD plans spending down their carryover amounts
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

Castro/Upper Market - Benchmarks

Benchmark	Question	Was this met in July – December 2020?	Was this met in January – June 2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	No	Yes
Benchmark 2	July-December 2020: Non-assessment revenue is $X \geq 5.00\%$ January-June 2021: Non-assessment revenue is $X \geq 5.41\%$	Yes	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes	Yes

Castro/Upper Market - Findings and Recommendations

- Successfully renewed on May 19, 2020 and began operating under a new management plan mid-year.
- Adjusted services to respond to the pandemic:
 - Received and responded to 60% increased hot spot/scrub requests compared to last year
- Continued to partner with the City and County of San Francisco to implement the Castro Cares Grant and Jane Warner Plaza Grant
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

Ocean Avenue - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 1.00\%$	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	No

Ocean Avenue - Findings and Recommendations (Pt 1 of 3)

- 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
- Partnered with city agencies to help provide some business technical assistance and facade improvement to some of the businesses along the corridor
 - Recommendation: Perform weekly merchant walks and host weekly office hours to listen to concerns of all the district's businesses as the organization does not have a physical office to interact with stakeholders
 - Recommendation: Ensure outreach materials are culturally competent when translated into Chinese and Spanish as the corridor is comprised of a large number of monolingual business owners
- Continued to perform core cleaning services well
 - Recommendation: Collect quantifiable metrics for its cleaning services so as to demonstrate to the community and city stakeholders the CBD's impact as well as ensure accountability
- Recommendation: Prioritize the implementation of the Ocean Avenue Association Strategic Plan developed in September 2020.

Ocean Avenue - Findings and Recommendations (Pt 2 of 3)

- **Select findings from the Ocean Avenue Association Strategic Plan:**
 - The Board is undereducated on its legal and moral responsibilities to the assessment payers and the City. There is a lack of a Board Handbook or document that defines the Board role, its legal responsibility and the organization's expectations of Board Members
 - The Board is not adequately meeting fiduciary responsibilities either organizational or financial. There is a lack of participation by Board members with 2-3 members controlling the meetings and strongly influencing board decisions. There is a lack of understanding and questioning of programs, finances and the Executive Director's Performance
 - There are communications challenges between the Board and the Executive Director. The Board is not clearly informed or kept up to date on the operations and programs of the CBD
 - There is a lack of a consistent distribution of timely financial reports to the Board: The Board does not receive an operation report or balance sheet or a cash flow projection on a consistent monthly basis. Contracts for services, grant funding and grant funds receivable are not consistently reviewed and approved by the Board. The fiscal year 2020-2021 budget which began July 1, 2020 was not reviewed and approved by the Board until January 2021

Ocean Avenue - Findings and Recommendations (Pt 3 of 3)

- **Continued select findings from the Strategic Plan:**
 - There is no clear focus or Board unity on the organization's purpose, vision and its relationship with other community organizations
 - The CBD has limited relationships with the property owners that pay the assessments to the district. There is inconsistent communication to the property owners, businesses and residents of the district
 - There is neither a consistent communication strategy nor marketing strategy to attract customers and investors to the district
 - There is a lack of staff capacity to execute projects and programs beyond the CBD's core cleaning program
- The Strategic Plan includes a list of recommendations (page 7-13 of the plan) to address these findings.
- OEWD requested the Office of the Controller to perform an audit of the organization in FY22-23 to gauge the progress the organization is making at implementing the strategic plan's recommendation, ensure the organization is spending funding properly and the overall effectiveness and efficiency of the organization.
- Complied with OEWD's memo regarding surveillance technology reporting requirements

Discover Polk - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 3.36\%$	No
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

Discover Polk - Findings and Recommendations

- District saw an increase in trash and waste littered during this review period. Despite the cleaning staff shortage, the overall cleanliness of the streets did not decline due to increased staff efforts and the installment of new Big Belly trash cans.
- Launched Discover Polks Delivers program where volunteers delivered food and beverages from local businesses to customers
- Installed lights on Polk Street and projected holiday images to activate the public realm during the holidays
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Active board and committee members
- Well positioned to carry on its mission

Lower Polk - Benchmarks

Benchmark	Question	Was This Met in FY2021?
Benchmark 1	Variance between management plan budget and fiscal year budget is $X < 10\%$?	Yes
Benchmark 2	Non-assessment revenue is $X \geq 5.55\%$	Yes
Benchmark 3	Variance between fiscal year budget and fiscal year actuals is $X < 10\%$	Yes
Benchmark 4	Were carryforward fund indicated from current fiscal year to the next fiscal and were projects designated to be spent on?	Yes

Lower Polk - Findings and Recommendations

- Performed well in delivering core cleaning services to the community
- Supported district businesses disproportionately impacted by the pandemic with their Tenant Landlord Clinic
- Recommendation: strengthen administrative capacity
 - Increase Board engagement with fixed board meetings to ensure stakeholders are kept abreast of the latest developments and to help ensure the board is complying with its governance role
 - Prioritize the submission of annual reports and necessary financial documents to maintain in full compliance with state law as this is the third consecutive year the CBD struggles to submit the required documents to OEWD in a timely manner
- CBD reported they will be working with a consultant to improve Board engagement.
 - OEWD will continue to monitor the situation
- No reported violations of Brown Act within reporting period
- Complied with OEWD's memo regarding surveillance technology reporting requirements
- Well positioned to carry on its mission

CITY & COUNTY OF SAN FRANCISCO GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

NOVEMBER 17, 2022



TOURISM IMPROVEMENT DISTRICT 2020 – 2021

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 comprised 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
 - 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 2019 – 2020

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. 1,500 to 2,000 planner and suppliers are expected to attend this prestigious event.



MOSCONE EXPANSION DISTRICT

Moscone Expansion Incentive Fund Balance as of June 30, 2021 | \$597,141

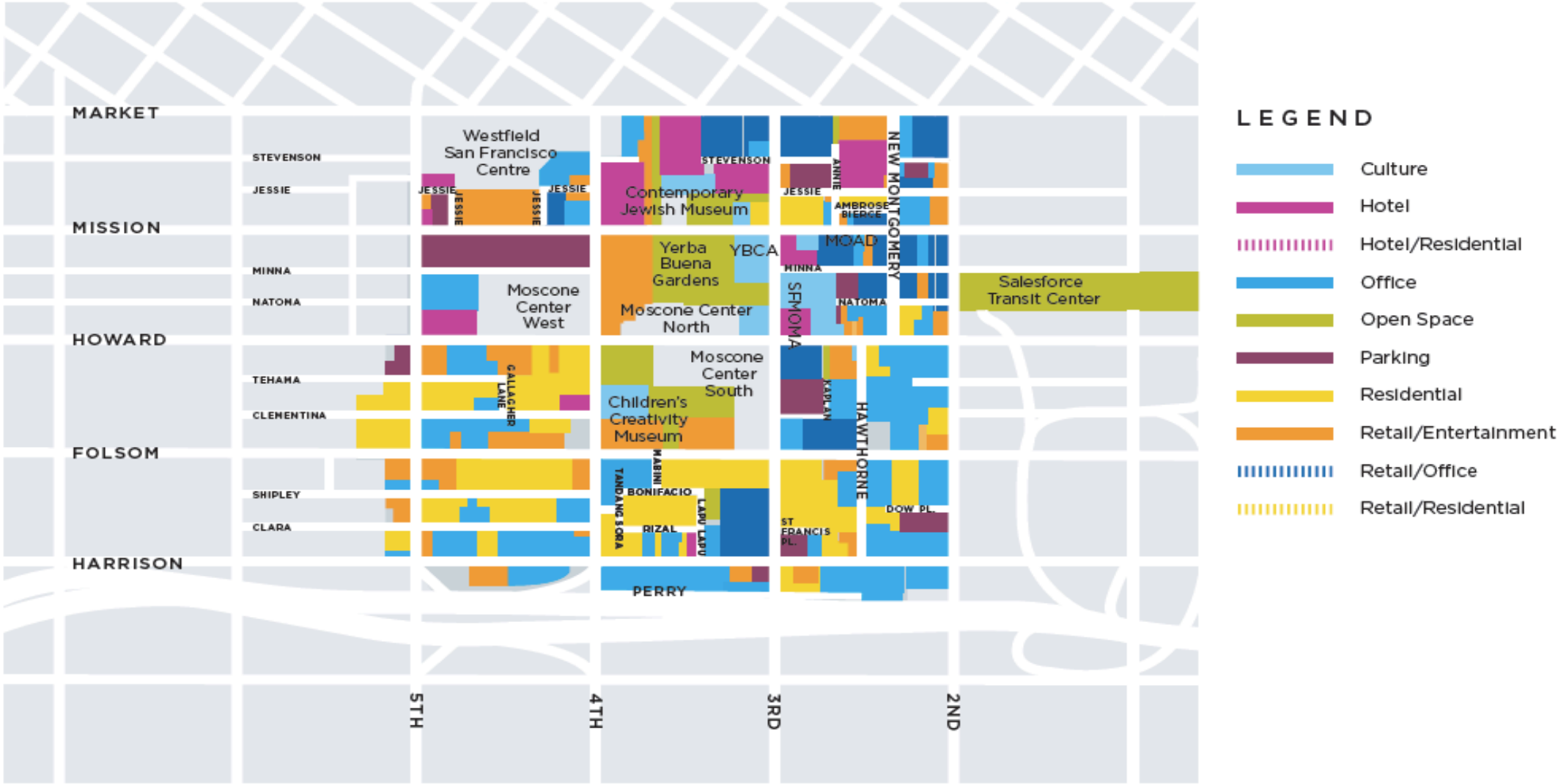
- Used to attract new clients
- Retain current clients during Moscone shut-down due to Covid-19 and into the future





Presentation to the San Francisco Board of Supervisors
Government Audit and Oversight Committee
November 17, 2022

What is the Yerba Buena District?



What does the YBCBD do?

YBCBD Mission Statement:

Advance the **quality of life** for residents and visitors in the Yerba Buena Neighborhood and San Francisco on an ongoing basis by fostering a **safer and more secure community**, enhancing **environmental quality and beauty**, and reinforcing the **viability of our economic base**.

1. Cleaning

Clean Team
Steam Cleaning
Bigbelly Program



2. Safety

Community Guides
SFPD Bike Patrol
Social Services Specialist



3. Streetscape

Public Art
Open Space Enhancement
Streetscape Projects



4. Marketing

Events & Activations
Marketing Campaigns
Social Media



5. Community Benefit Grants

Public Art
Pedestrian Safety
Community Spaces & Events



MoAD is temporarily closed. All on-site visits, tours, and events are postponed or canceled until further notice. [See our online programs here.](#)

Community Support: Grants

Non-Profit Grants

American Bookbinder's Museum
California Historical Society
Children's Creativity Museum
Museum of African Diaspora
Renaissance Entrepreneurship Center
Yerba Buena Arts & Events

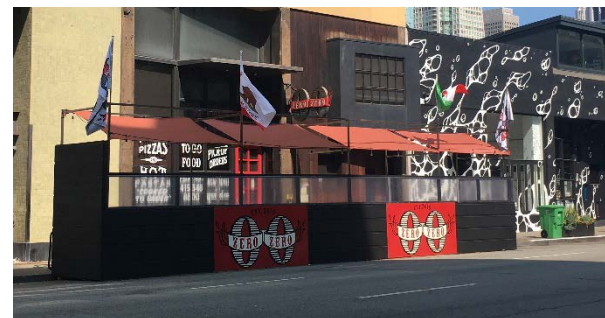


Small Business Grants

Thirsty Bear
Zero Zero
Pazzia
111 Minna Gallery
Kaisen Sushi
Wine Down
Eden Plaza Café
Thi Spa & Nails
Executive Order Bar

Pink Elephant
Nora Nail Spa
City's Choice Deli & Market
Moscone Cleaners
Les Gourmands
Novela
The Rafael's Boutique
Hotel Zetta
Copy Central

SoMa Eats
SoMa Restaurant
VSC Sports
Sunrise Deli
Flytrap Restaurant
Carlos Shoe Repair
City Wine & Spirits
Samovar
Luke's Lobster



Community Support: Safety

YERBA BUENA
COMMUNITY
BENEFIT
DISTRICT

YBCBD



District 6 Supervisor
Matt Haney



SFPD Southern Station
Police Captain, Tim Falvey

YBCBD RESIDENTIAL TOWN HALL

February 18th, 5pm

The YBCBD will be hosting a virtual meeting for neighborhood residents with District 6 Supervisor Matt Haney and SFPD Southern Station Captain Tim Falvey. The Supervisor and Police Captain will be sharing timely information as it relates to our neighborhood and answering questions from our community.

Please send any questions you have for Supervisor Haney or Captain Falvey to info@ybcbd.org by Monday, February 15.

To register go to:
[YBCBD.org/news/townhall](https://www.ybcbd.org/news/townhall)

Recent News & Events



TAKE THE
SURVEY

[EventsNews](#)

January 19, 2021

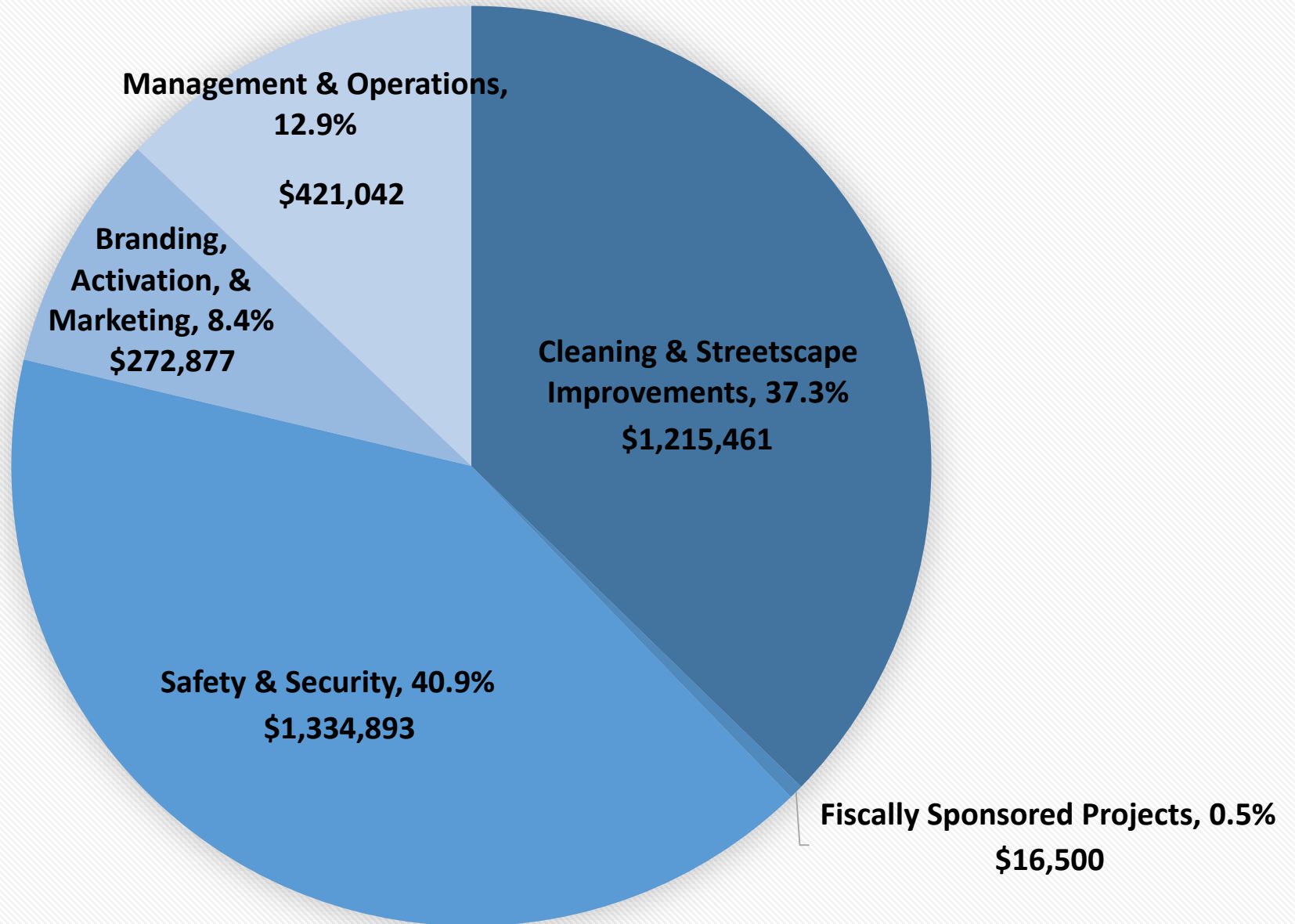
YBCBD Safety and Security Survey 2021

The YBCBD Services Committee is seeking your feedback regarding safety and security in the neighborhood! Community members are invited to share their thoughts and experiences by taking a brief survey at the link below. The survey is completely anonymous and should take around 5-10 minutes to complete. Please share the survey link with anyone you...

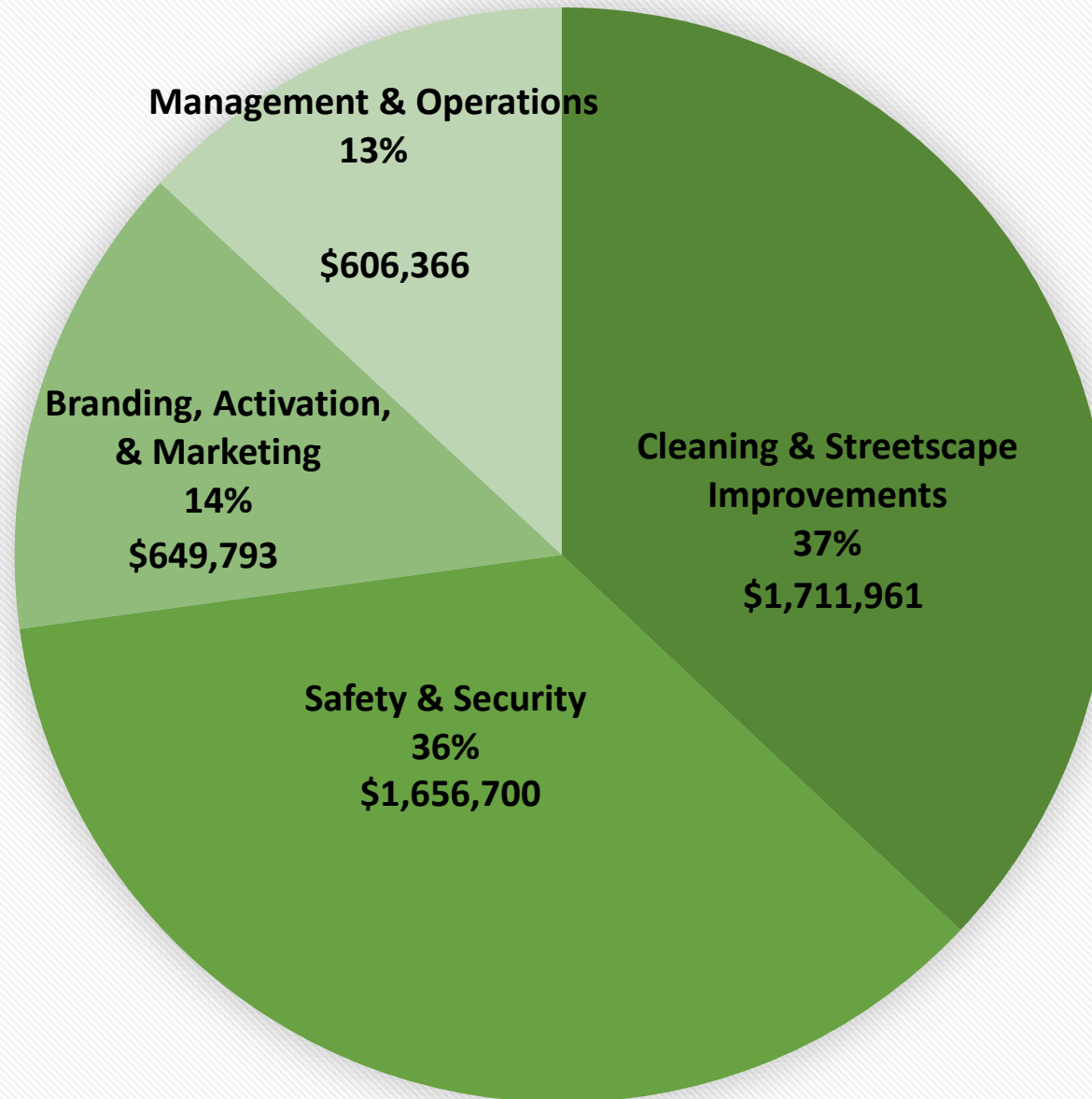
Community Support: Art & Joy



FY20-21 Actuals



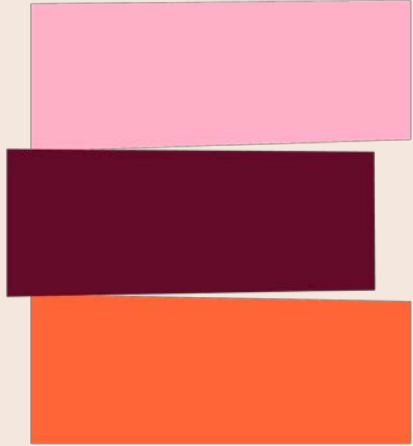
FY21-22 Budget





ybcbd.org
visityerbabuena.org





THE EAST CUT

Annual Report
Fiscal Year 20-21

Andrew Robinson
Executive Director



The East Cut CBD spans from the east side of Second Street to Steuart Street and from north of Mission to Bryant.

In FY20-21 there were 4,511 properties

Public Space Stewardship



24 HOURS

SERVICES

Cleaning & Maintenance

5:30am - 10:00pm

Community Guides

5:30am - 10:00pm

Security

24 Hours

Dispatch Service

24 Hours

Telephone: 415-543-8223 Email:

dispatch@theeastcut.org

THE EAST CUT
COMMUNITY
BENEFIT
DISTRICT

dispatch@
theeastcut.org

415 543 8223



theeastcut.org

FY20-21 SERVICES STATS

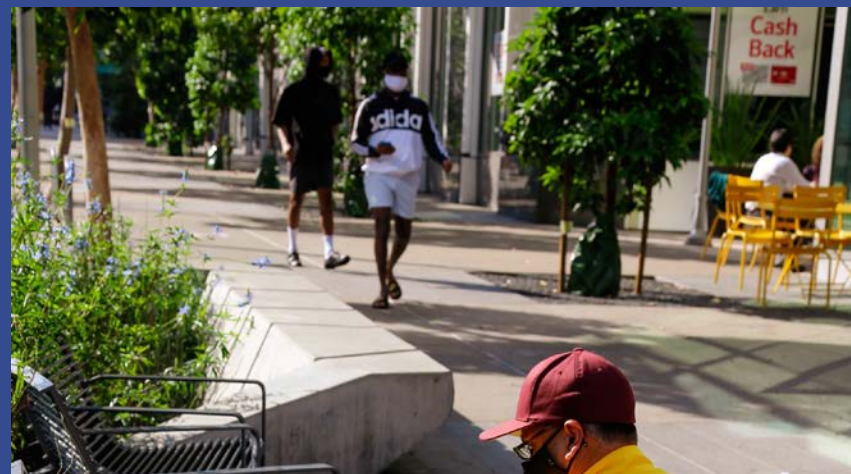
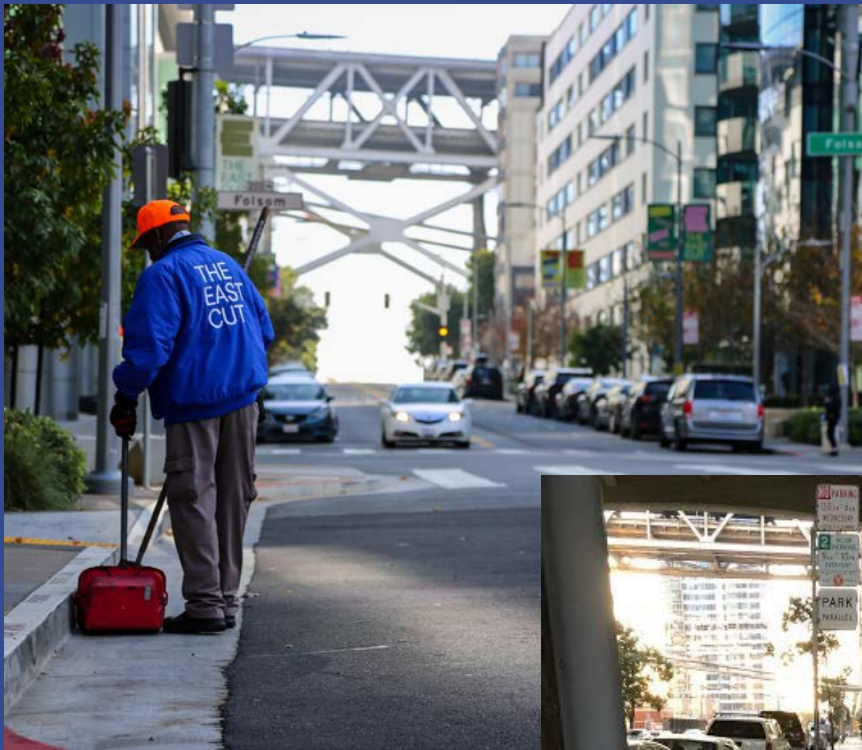
2,997 graffiti tags removed

1,101 needles collected

145,460 pounds of garbage removed

3,449 city trash cans topped off

3,187 instances of homeless outreach



Before

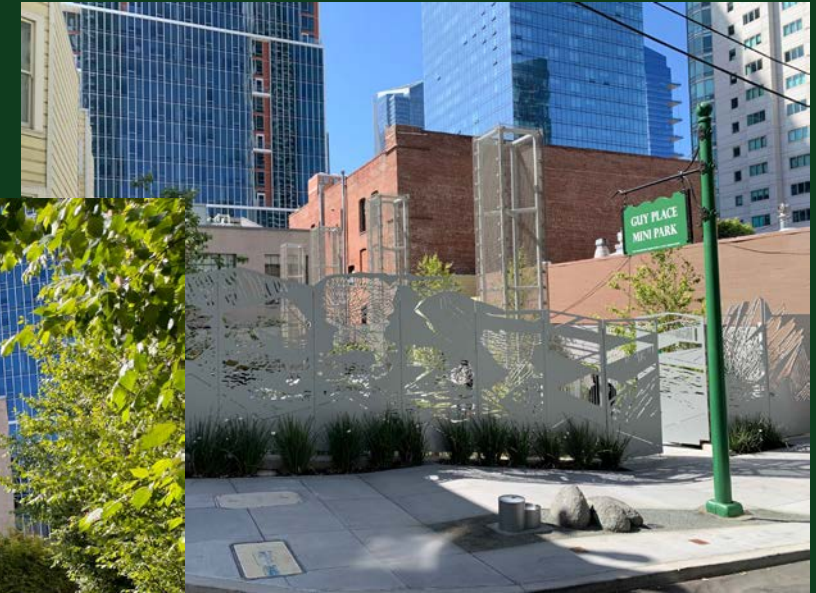
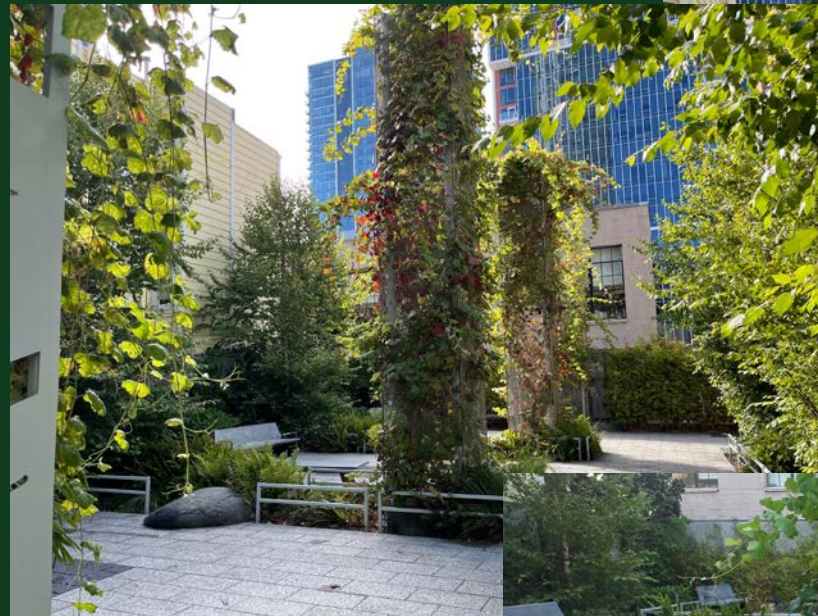
After

Neighborhood Parks & Open Spaces

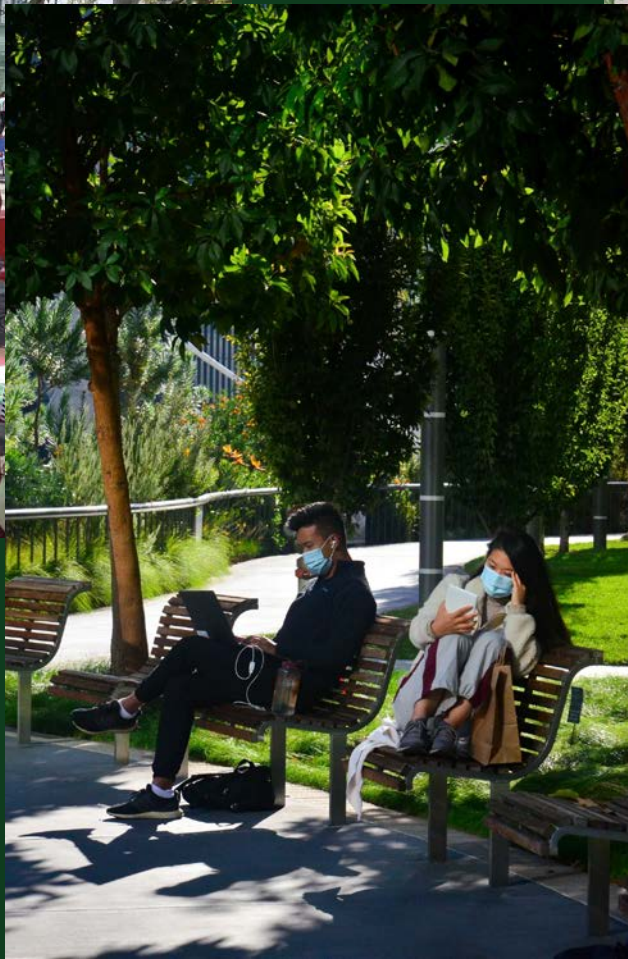
The East Cut CBD will maintain 5 parks and open spaces (current and upcoming)

Emerald Park

Guy Place Mini Park



Salesforce Park



Future Parks:

Block 3 Park

CURRENT SITE PLAN

LEGEND

- A Flexible Tables & Chairs
- B Benches/Seating
- C Seatwalls
- D Boulders
- E Permeable Paving
- F Paving
- G Planting Areas

0' 5' 10' 30'

True North

SOMA North



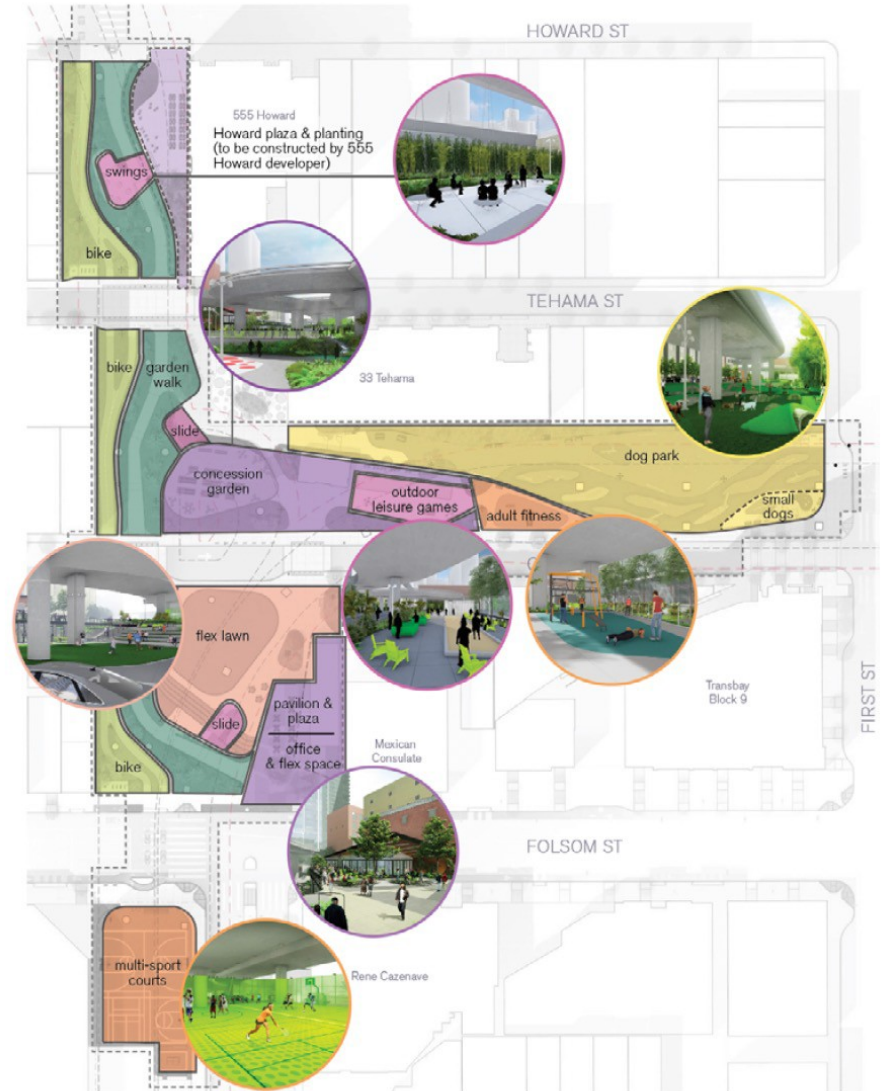
SITE DESIGN

-9-

BLOCK 3 PARK

CDR PHASE II | OCTOBER 2022

East Cut Sports & Dog Park



Community Building & Communications

The Crossing – an interim activation

Fitness & Recreation

- Outdoor gym
- Soccer

Food & Beverage

- Food Kiosks
- Beer Garden

Entertainment

- Outdoor cinema
- Events



Light Pole Banners



Newletters

THE EAST CUT LOCAL BUSINESS HIGHLIGHTS & UPDATES

Proper Food Now Delivers 3 Days a Week in The East Cut

Get prepared meals, groceries, and other essential items delivered every Tuesday, Wednesday, and Friday (11am—12pm)! Orders must be placed by Monday 6pm.

[Order Now!](#)

La Fromagerie is Back!

Exciting news! La Fromagerie, your neighborhood cheese shop located at 100 1st St. has reopened yesterday!

Open Monday to Friday, 7am — 4pm.
[Order online](#)

Support Neighborhood Businesses

Neighborhood small businesses need your patronage now more than ever. Please take a moment to browse the list of businesses operating during the shelter-in-place order.

Food & Groceries

PURCHASE GIFT CARDS & SUPPORT

Neighborhood Info

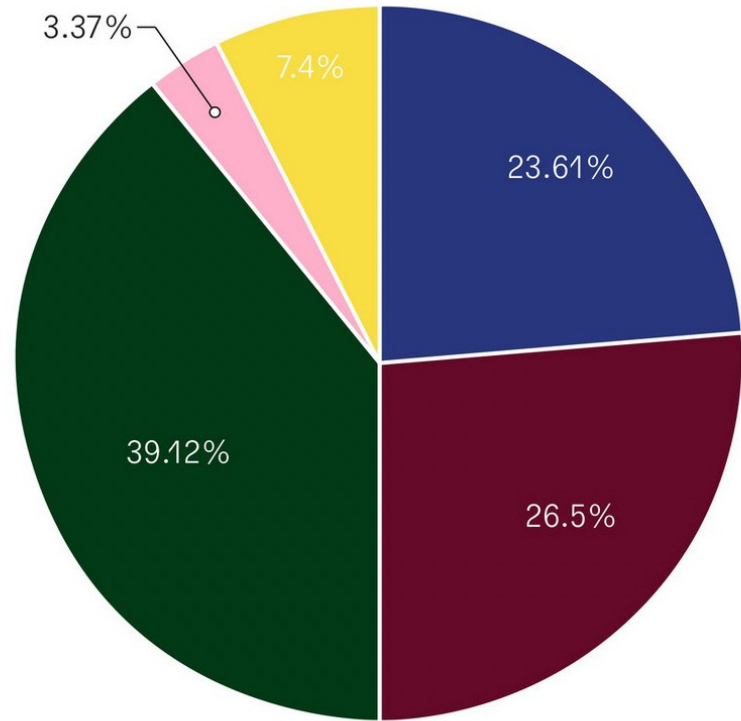




EAST
CUT
EATS



FY2020-2021 Budget



← FIG. 01

Public Safety	23.61%
Cleaning & Maintenance	26.5%
Parks & Greenspace	39.12%
Communications & Development	3.37%
Management & Operations	7.4%

Thank You!

Castro Community Benefit District July 2020 - June 2021

San Francisco Board of Supervisors Government & Oversight
Committee



CASTRO / UPPER MARKET
COMMUNITY BENEFIT DISTRICT

DISTRICT MAP



CBD Renewal July 2020

- Approved on July 14, 2020 with 72% of weighted assessments.
- 15 year life; services stop December 2035 if not renewed
- Focus of renewed CBD - CLEANING; added power washing and cleaning ambassador capacity with assessment dollars.
- Established zones to better align special benefit need with special assessment.
- Renewed CBD rolled out services January 1, 2021.

Priorities During the Pandemic

- Hub for distributing PPE to merchants across the district
- Litter, trash, graffiti, hazardous waste removal
- Wiping down high use street furniture
- Learning how to clean and power wash with businesses on sidewalk and then parklets
- Power washing
- Working with those living on the sidewalk

ACTIVE COMMITTEES

- ◆ Executive Committee
- ◆ Finance Committee
- ◆ District Identity & Streetscape Committee
- ◆ Services Committee
- ◆ Land Use Committee
- ◆ Retail Strategy Committee
- ◆ Castro Cares Leadership Team
- ◆ Renewal Committee


GRANTS

- ◆ OEWD Castro Cares
- ◆ OEWD Jane Warner Plaza Improvement
- ◆ OEWD Castro Corridor Manager

Cleaning Services



CLEANING UP IN FY 2020-21

- TRASH 91,435 pounds of trash removed
- GRAFFITI 10,224 incidences of graffiti abated - 31% 
- NEEDLES 4,652 dirty/hazardous needles collected
- CARDBOARD 25,676 yards of flattened cardboard
- HUMAN FECES 10,970 incidences human feces removed - 57% 

PUBLIC SAFETY – Patrol Special Police

- 5 Nights, 2 Days/Week (July 2020-December 2020)
 - Foot patrol and vehicle patrol
 - Assist merchants with public safety concerns
 - Refer unhoused to services, assist when in need
 - Call Ambulance for emergencies (generally quality of life related)
 - Respond to calls for service
 - Extra set of eyes and ears on the street

PUBLIC SAFETY/OUTREACH – Community Ambassadors

- Unarmed Foot Patrols 7 Days/Week
 - Assist with Farmer's Market
 - Check on those in need, offer support
 - Provide water, socks to those in need
 - Work closely with HSOC
 - Work with merchants, help merchants open up in morning
 - Respond to calls for service from merchants
 - Stand by for Cleaning Ambassadors when needed
 - Administer Narcan
 - Extra set of eyes and ears on the street

COMMUNITY AMBASSADORS AT WORK



THANK YOU!

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.



OCEAN AVENUE
ASSOCIATION

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%
Total Budget	\$426,660	100%	\$201,988	100%	\$628,648	100%

o Comparing Totals FY 21/22 Actual

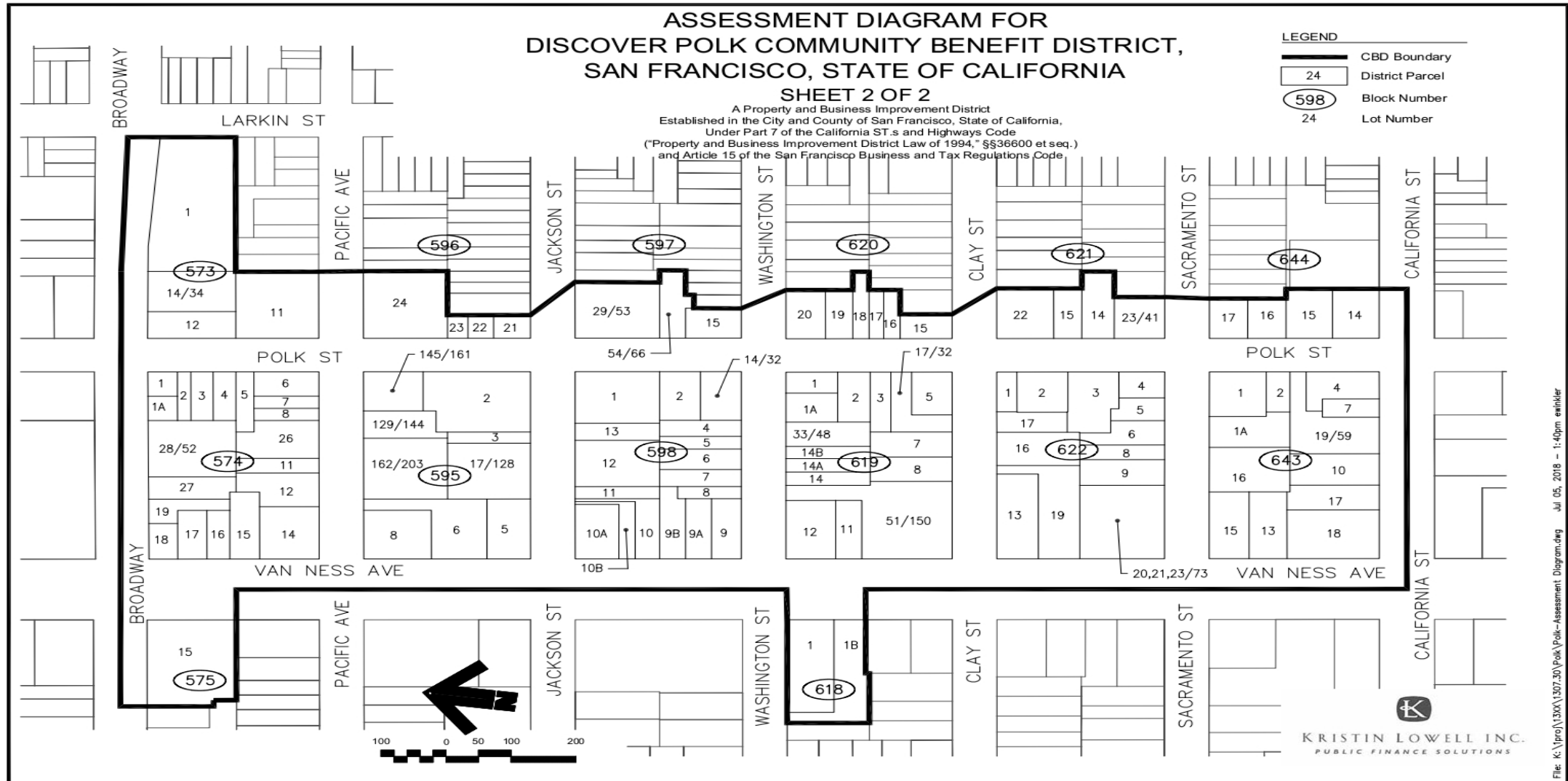
Service Category	Assessment \$	% of Budget from Assessment	Non-Assessment \$	% of Budget from Non-Assessment	Total Amount \$	% of Total Budget
Cleaning, Maintenance & Safety Program	\$190,882	55.56%	-	-	\$190,882	40.68%
Marketing, Streetscape Improvements & Beautification Program	\$41,380	12.05%	\$11,968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



Annual Report Highlights – FY 20/21



District Map - 535 total parcels



Executive Summary

- Due to COVID-19, DPCBD dedicated much of its time and resources toward helping the district weather the pandemic's impacts, and FY 20/21 very much fits that description. Mainly this entailed supporting our StreetPlus cleaning crews, addressing the myriad needs and questions from the merchant community, and continuing to respond to the concerns of residents and property owners.
- Overall, FY 20/21 was an opportunity for the value of DPCBD to be shown in full effect to local stakeholders, and we believe that we emerged from this FY stronger, better organized, and ready to take on the challenges of the next year.

- **Neighborhood Cleanliness**

- The COVID-19 pandemic caused an increase in homelessness activity as well as a decrease in the presence of the public on the streets which both led to moderately larger amounts of trash and waste littered throughout the district.
- Simultaneously, StreetPlus was forced to manage pandemic-related staffing shortages, which meant a smaller core group of workers were forced to complete more cleaning in less time with fewer numbers.
- Despite these circumstances, the StreetPlus team managed to accomplish their cleaning, graffiti abatement, and steam cleaning/power washing goals consistently as is evidenced by the report below.
- The brand-new Big Belly trash cans (installed in June '20) were in full effect throughout FY 20/21 and helped to stem the issues caused previously by overflowing public waste receptacles.

Month	Animal Feces	Graffiti removed	Needles (# needles removed)	Sidewalk Sweeping	Pressure Washing-block faces cleaned
20-Jul	77	49	10	826	0
20-Aug	13	18	14	135	0
20-Sep	94	57	35	1906	28
20-Oct	27	31	14	574	86
20-Nov	77	77	11	722	64
20-Dec	110	24	17	1117	69
21-Jan	139	247	13	1404	47
21-Feb	157	13	7	969	38
21-Mar	106	10	2	687	50
21-Apr	142	27	14	1051	27
21-May	43	46	0	329	46
21-Jun	100	42	7	936	42
Total	1085	641	144	10656	497

Budget

FY 2020-21

REVENUE AND SUPPORT

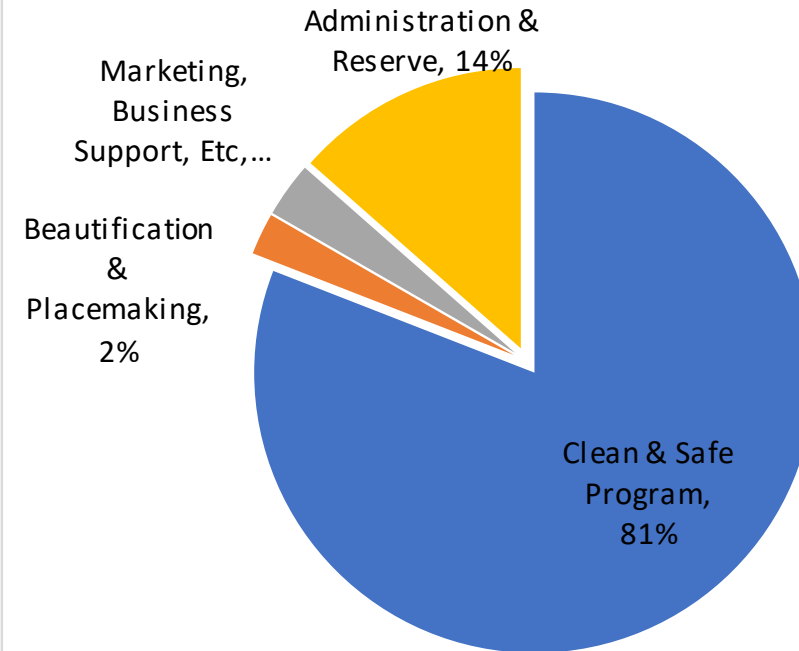
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820

EXPENSES

Clean & Safe Program	432,713
Beautification & Placemaking	12,882
Marketing, Business Support, Etc	16,950
Administration & Reserve	72,235
TOTAL EXPENSES	534,779

* Financial data from the audited financial statements.

FY 2020-2021 budget



Statement of Operations (Actual vs. Budget)

for the fiscal year ended June 30, 2021

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	636,322	654,820	(18,498)
Fundraising/In-Kind	18,745	37,000	(18,255)
Interest Income	0	0	0
TOTAL REVENUE AND SUPPORT	655,067	691,820	(36,753)
EXPENSES			
Clean & Safe Program	341,853	416,713	74,860
Beautification & Placemaking	44,564	12,882	(31,682)
Marketing, Business Support, Etc	27,260	16,950	(10,310)
Administration & Reserve	88,812	72,235	(16,577)
TOTAL EXPENSES	502,488	518,779	16,291
Change in Net Assets	152,579	173,041	(20,462)
Prior Year Net Assets (Carryover)	653,788	653,788	0
TOTAL NET ASSETS	806,367	826,830	(20,462)

Statement of Financial Position	
As of 06/30/2021	
ASSETS	
Cash and Cash Equivalents	815,733
Assessment and Other Receivables	16,907
Prepaid Expenses	3,000
Equipment, net	8,467
TOTAL ASSETS	844,107
LIABILITIES & NET ASSETS	
LIABILITIES	
Accounts Payable	37,740
TOTAL LIABILITIES	37,740
NET ASSETS	
Without Donor Restrictions	794,704
With Donor Restrictions	11,663
TOTAL NET ASSETS (CARRYOVER)	806,367
TOTAL LIABILITIES & NET ASSETS	844,107

Financial Notes

Benchmark 1 – Budget Vs Management Variance

- Revenues and expenses followed very closely to plan for the fiscal year. Assessment revenues were lower than expected due to the COVID-19 crisis but were offset partially by lower-than-expected expenses.

Expense

- Overall expenses for the fiscal year are under budget by \$16,285.

Clean & Safe

- Clean & Safe expenses are significantly under the budget by \$74,860 due to understaffing issues at StreetPlus mostly related to the COVID-19 crisis.

Beautification & Placemaking

- Beautification & Placemaking expenses are \$31,682 higher than budgeted. This is a result of paying the lighting company to install tree lights throughout the district. A large portion of this expense will be offset by a grant which was awarded to DPCBD by SF OEWD, but will not be reimbursed until FY 2021-2022.

Marketing & Business Support

- Marketing & Business Support expenses are \$10,310 over the budgeted plan due to hiring a social media manager.

Admin & Reserve

- Admin & Reserve expenses are \$16,577 over the budgeted plan due to a renegotiation of the Executive Management contract to include additional funds to cover healthcare for Executive Management Team.

Carryover Status

- DPCBD has a carryover of \$806,367

Other Notable Items

- DPCBD proceeded with fiscal caution throughout the COVID-19 crisis due to uncertainty on the impact of the pandemic on assessment revenues. Thankfully, the crisis did not impact assessment revenues significantly. The Board of Directors and Executive Management team plan to allocate more of the reserve funds toward meeting the district's objectives in FY2021-2022.

Conclusion

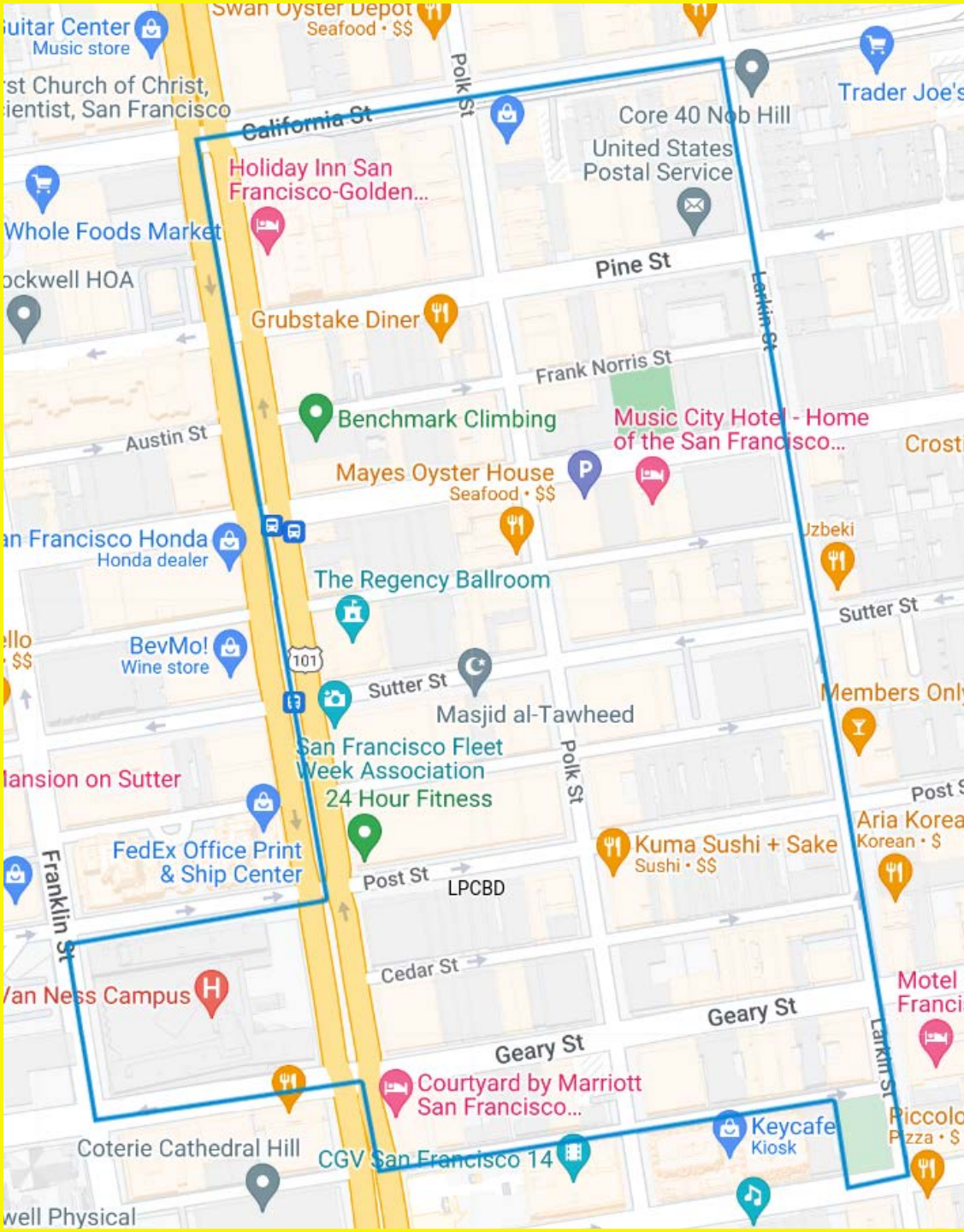
2020/2021 was the FY where Discover Polk fully came into its own. We were extremely fortunate that our assessments came in at (or very near to) budget. We managed to stay within budget while still keeping ample reserves due to COVID related risks.



• **LOWER POLK** •

COMMUNITY BENEFIT DISTRICT

2020-2021 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.

Yet, even during a continued period of great challenge and change, 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 2020-2021:

We lessened the effects of COVID-19 on our District and constituents by continuing to increase District cleaning and sanitizing public fixtures.

We maintained the health and safety of our team by training people to use personal protective equipment and seeing to it that they use it.

We helped merchants hurt by the pandemic through additional business support services and our award-winning Lower Polk Tenant Landlord Clinic.

We helped renters affected by the pandemic through our Lower Polk Tenant Landlord Clinic.



We elected new board members, new officers and community chairs, and renewed the terms of current board members.

We kept up with new developments in the Lower Polk District and their effect on vitality, community, and other issues.

We stayed involved in leadership positions with many community and City organizations, including Lower Polk Neighbors



With respect to finance and fund development:

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

We received a PPP Loan to assist in operations.

We reviewed organizational investments.

We reviewed organizational insurance.

We prepared budget projections.

We continued to:

Sweep and steam clean District sidewalks. Address graffiti.

Clean and weed tree wells.

Monitor public trash receptacles and report large items to the City for removal.

Add more members of the LPCBD Clean Team and conduct training sessions.

Carry out performance measures and goals for neighborhood cleanliness.

Analyze service trends over time to better understand the geographic distribution

We continued to:

Work with the San Francisco Police Dept. to address issues around safety.

Work with the Department of Homelessness and Supportive Housing.

Use ambassador staff to report areas that need to be cleaned, provide directions and information about the neighborhood and serve as an additional set of eyes to report safety issues.

Participate in multiple neighborhood safety and security groups to discuss and take action on issues and trends, with a special focus on our Lower Polk alleyways.

Work with the City on potential policies concerning empty storefronts.



And we continued to:

Collaborate with the Dept. of Public Health to address the unhoused and the neighborhood street population.

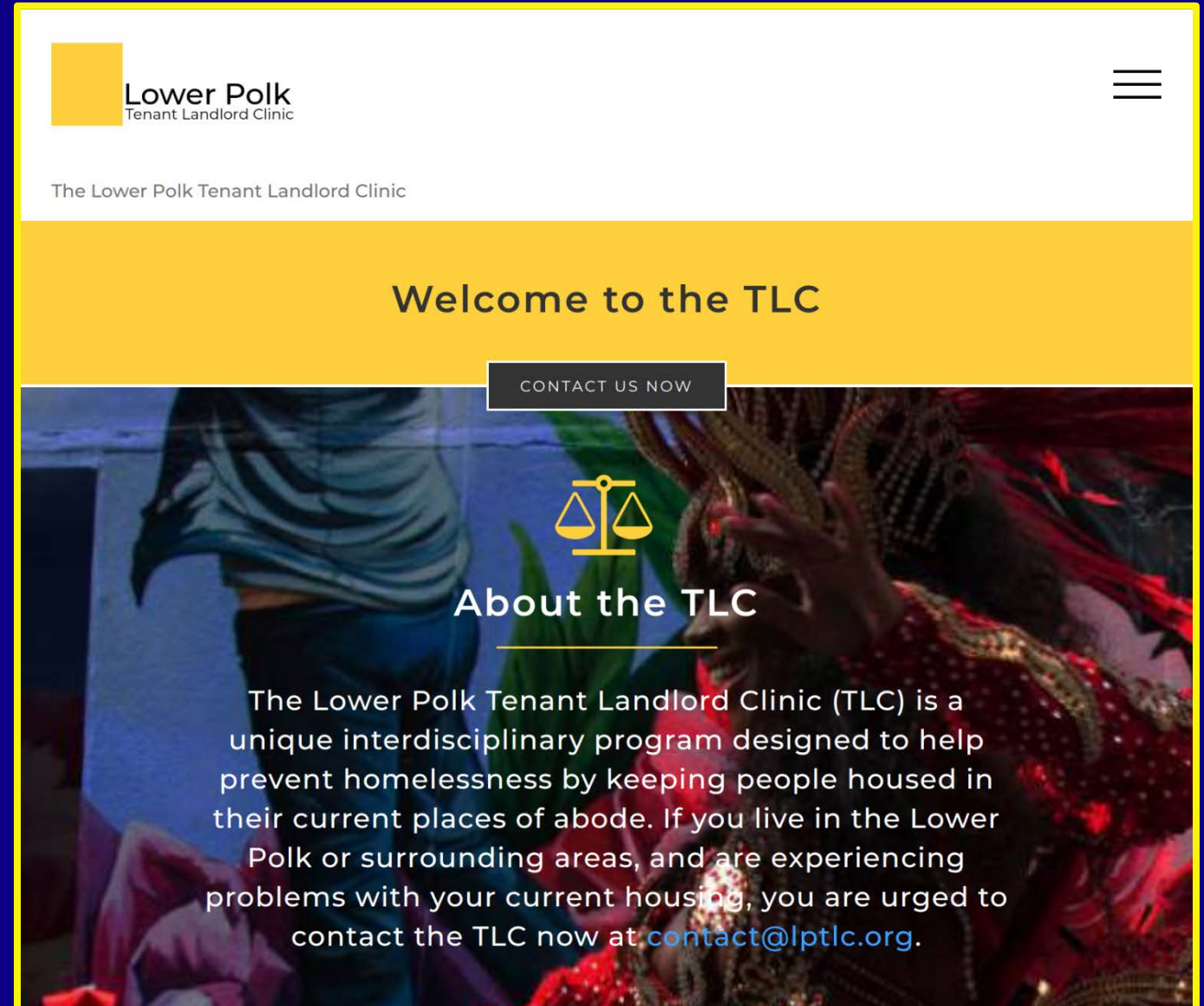
Attend numerous neighborhood association meetings and coordinate additional constituent meetings to discuss LPCBD outreach services, address specific concerns and create action plans.

Operate the award-winning Lower Polk Tenant Landlord Clinic.



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.

Budget

FY 2021-22

REVENUE AND SUPPORT

Assessments	982,784
Grants	173,102
Contributions	57,199
Interest	0
TOTAL REVENUE AND SUPPORT	1,213,085

EXPENSES

Cleaning, Maintenance, and Safety	666,154
Marketing, Streetscape, and Beautification	290,782
Management and Operations	217,527
TOTAL EXPENSES	1,174,463

DEFICIT	38,622
----------------	---------------

Statement of Financial Position

As of 06/30/2021

ASSETS

Cash and Cash Equivalents	971,211
Grants Receivables	156,497
Assessment and Other Receivables	26,519
Prepaid Expenses	34,269
Equipment, net	128,090
TOTAL ASSETS	1,316,586

LIABILITIES & NET ASSETS

LIABILITIES

Accounts Payable	141,197
Accrued Liabilities	56,810
Unearned Revenue	18,750
CARES Act PPP Loan	366,834
TOTAL LIABILITIES	583,591

NET ASSETS

Without Donor Restrictions	706,226
With Donor Restrictions	26,769
TOTAL NET ASSETS (CARRYOVER)	732,995
TOTAL LIABILITIES & NET ASSETS	1,316,586



Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

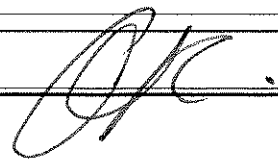
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:



For Clerk's Use Only