

File No. 101482

Committee Item No. 6

Board Item No. 20

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee CITY OPERATIONS AND
NEIGHBORHOOD SERVICES

Date 12/13/10

Board of Supervisors Meeting

Date 1/4/10

Cmte Board

<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 Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Introduction Form (for hearings)
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Department/Agency Cover Letter and/or Report
<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"/>	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>Neighborhood Beautification and Safety Plan</u>
<input type="checkbox"/>	<input type="checkbox"/>	<u>Castro/Upper Market CBD*</u>
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<u>Castro/Upper Market CBD Annual Report (7/1/08-6/30/09)*</u>
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Gail Johnson

Date 12/9/10

Completed by: MS

Date 12/23/10

*An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document is in the file.

1 [Annual Reports - Castro/Upper Market Community Benefit District]

2
3 **Resolution regarding Castro/Upper Market Community Benefit District annual reports**
4 **to the City: receiving and approving the District's Annual Reports for Fiscal Years**
5 **2006-2007, 2007-2008, and 2008-2009, as submitted pursuant to Section 36650 of the**
6 **Business Property and Community Benefit Act of 1994 (California Streets and**
7 **Highways Code §§36600 *et seq.*) and Section 3.4 of the District's management contract**
8 **with the City.**
9

10 WHEREAS, On June 7, 2005, pursuant to the Property and Community Benefit Law of
11 1994, California Streets and Highways Code Sections 36600 *et seq.* (the "Act"), as
12 augmented by Article 15 of the San Francisco Business and Tax Regulations Code ("Article
13 15"), the Board of Supervisors adopted Resolution No. 421-05 "Resolution of Intention to form
14 the Castro/Upper Market Community Benefit District (CBD)" ("Resolution of Intention," BOS
15 File No. 050924); and,

16 WHEREAS, On August 2, 2005 the Board of Supervisors adopted Resolution
17 No. 582-05 "Resolution to Establish the Castro/Upper Market Community Benefit District"
18 (Resolution to Establish) for a period of 15 years commencing with fiscal year 2005-2006,
19 (BOS File No. 051187); and,

20 WHEREAS, On January 10, 2006 the Board of Supervisors adopted Resolution
21 No. 14-06" Contract with Owners' Association for Administration of Castro/Upper Market
22 Community Benefit District" (BOS File No. 051968); and,

23 WHEREAS, On June 19, 2007 the Castro/Upper Market Community Benefit District
24 Annual Report for 2005-2006 was approved by the Board of Supervisors in Resolution No. 344-
25 07 (BOS File No. 070733); now be it,

1 RESOLVED, that the Board of Supervisors declares as follows:

2 **Section 1. RECEIPT AND APPROVAL OF THE CASTRO/UPPER MARKET**
3 **COMMUNITY BENEFIT DISTRICT'S ANNUAL REPORTS TO THE CITY.**

4 The Board hereby receives and approves the Castro/Upper Market Community Benefit
5 District's Annual Reports for Fiscal Years 2006-2007, 2007-2008, and 2008-2009.

6 Supporting documents for these annual reports are on file with the Clerk of the Board
7 of Supervisors in File No. 101482, and include a transmittal letter and memorandum
8 report from the City's Office of Economic and Workforce Development dated November 22,
9 2010, and documentation from the owners' nonprofit corporation that is also named
10 "Castro/Upper Market Community Benefit District."

11 These annual reports are submitted pursuant to Section 36650 of the Business
12 Property and Community Benefit Act of 1994 (California Streets and Highways Code §§36600
13 *et seq.*), and pursuant to Section 3.4 of the District's Management Contract with the City (*i.e.*,
14 Section 3.4 of the City's management agreement/contract with the nonprofit property owners'
15 association which uses the name "Castro/Upper Market District Community Benefit District,"
16 for management and administration of the Castro/Upper Market Community Benefit District),
17 which is on file with the Clerk of the Board of Supervisors in File No. 051968 (re Resolution
18 No. 14-06).

November 22, 2010

Supervisor Bevan Dufty
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, Ca 94102-4689

Dear Supervisor Dufty,

We are submitting this packet on Castro/Upper Market Community Benefit District (Castro CBD) for your review. Per their contract with the City, we are requesting that you introduce a resolution to approve the annual reports and financial statements of Castro CBD for FY 2006-2007, FY 2007-2008 and FY 2008-2009. We also ask that you schedule a public hearing through the GAO committee to take testimony on the work of the Community Benefit District for the past three years.

Included in this packet:

- 1) Draft resolution from the City Attorney
- 2) Memo summarizing the accomplishments of Castro CBD
- 3) Summary and analysis of their financial statements
- 4) Annual Reports from FY 2006-2007, FY 2007-2008 and FY 2008-2009
- 5) CPA Financial Reviews from FY 2006-2007, FY 2007-2008 and FY 2008-2009

Per their contract with the City, Castro CBD is required to submit the following reports:

- 1) Mid-year report (due January 31st, on two quarters of work)
- 2) Annual Report (due July 31st, 30 days after the end of their fiscal year)
- 3) Unaudited Financial Statements and Budget for the following year (due July 31st, 30 days after the end of fiscal year)
- 4) CPA Financial Review or Audit (due October 31st, 120 days after the end of fiscal year)

Castro CBD has complied with all of these requirements. Attached please find a memo that summarizes their accomplishments for the past three years and a summary and analysis of their financial statements (based on their CPA Financial Reviews). OEWD staff, with assistance from the Controller's Office, 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 Castro CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2005.

OEWD's staff report reviewed the following budget related benchmarks for Castro CBD:

- 1) Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget of the previous fiscal year – *Castro CBD met this requirement for all years covered in this report for the budget categories Sidewalk Operations, Beautification*



& Order and Administrative Expenses. Between FY 2007-2008 and FY 2008-2009 the budget category District Identity and Streetscape Improvements was reduced beyond 10 percentage points. Castro CBD did not explicitly allocate funds towards Contingency/Reserve in their budget during FY 2007-2008, FY 2008-2009 or FY 2009-2010. Table 1 on page 7 provides a comparison of their annual budgets per service category.

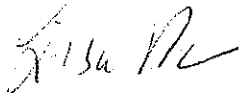
- 2) *Whether five percent of their income came from sources other than assessment revenue – While they raised other funds each year, Castro CBD did not meet this requirement during FY 06-07 when their other income totaled 3% but they did raise more than 5% in non-assessment funds in FY 2007-2008 and FY 2008-2009. Please see Table 2 on page 8.*
- 3) *Whether the variance between budget amount and actual expenses within a fiscal year was within 10 percent – This analysis is explained on pages 5-6 of the OEWD staff report.*
- 4) *Whether the annual budget indicates the amount of funds carried over from the previous fiscal year – This analysis is included in Tables 3 and 4 on pages 9 and 10 of this report based on meetings with the CBD and review of their financial reports but was not included in the CBD's budget submissions to the City.*
- 5) *Whether a spending plan for carryover funds was provided in each of the annual budgets – Castro CBD included a general plan for use of their carryover funds for all years covered in this report. However, a detailed disbursement plan has been submitted for FY 2010-2011. See Table 4 on page 10.*

The Board of Supervisors will need to vote on the attached resolution to approve FY 2006-2007, FY 2007-2008 and FY 2008-2009 Castro CBD annual reports and financial statements. Their FY 2009-2010 annual report has been submitted but not their CPA Financial Review which was due on October 31, 2010. OEWD will come back to the Board of Supervisors to request approval of Castro CBD's work in FY 2009-2010 and their organizational budget for FY 2010-2011.

Please contact me anytime at 415-554-6936 for any questions you may have about Castro CBD or the materials we have provided.

Thank you for your continuing support of Castro/Upper Market Community Benefit District. We look forward to working with you throughout this process.

Sincerely,



Lisa Pagan
Project Manager
OEWD Community Benefit District/Business Improvement District
Technical Assistance Program



MEMO

To: SF Board of Supervisors
From: Lisa Pagan & Trina Villanueva, OEWD
RE: Castro/Upper Market Community Benefit District Annual Report Review (FY 2006-2007, FY 2007-2008 and FY 2008-2009)
Date: November 22, 2010

The Castro/Upper Market Community Benefit District (Castro CBD) was formed in 2005 and includes 275 parcels. The CBD is intended to increase commerce, make Castro/Upper Market a better place to shop, beautify the neighborhood, develop public spaces and allow property and business owners to have an input in the revitalization and maintenance of the district.

Background

- On August 11, 2005, the Board of Supervisors approved the establishment of the Castro/Upper Market Community Benefit District (Resolution # 582-05).
- January 10, 2006, the Board approved the contract for the administration and management of the Castro/Upper Market Community Benefit District (Resolution # 14-06).
- On June 27, 2007, the Board of Supervisors approved the 2005 and 2006 CBD annual reports which included the annual report, budget and CPA financial review of the Castro CBD for the periods within the City's 05-06 fiscal year and half of FY 2006-07. 2006 was their first full year of operation. At that time, the Board also approved the CBD's 2007 budget (Resolution # 334-07).

Basic Info about Castro CBD

Year Established – August 2005

Assessment Collected – FY 2005-2006 to FY 2019-2020 (July 1, 2005 to June 30, 2020)

Services Start and End Date – January 1, 2006 – December 31, 2020

Initial Estimated Annual Budget -- \$413,500

Fiscal Year – July 1st – June 30th

Part-Time Executive Director – Andrea Aiello

Name of Nonprofit Entity – Castro/Upper Market Community Benefit District, Inc.

Each year the CBD is required to submit a mid-year report, an annual report and a CPA Financial Review or Audit. Castro CBD has complied with all of these requirements for FY 2006-2007, FY 2007-2008 and FY 2008-2009. Attached please find a memo that summarizes their accomplishments for the past three years and a summary and analysis of their financial statements (based on their CPA Financial Reviews). OEWD staff, with assistance from the Controller's Office, 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 Castro CBD management contract with the City; and their Management Plan approved by the Board of Supervisors in 2005.

OEWD's staff report reviewed the following budget related benchmarks for Castro CBD:

- 1) Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget of the previous fiscal year – *Castro CBD met this requirement*

for all years covered in this report for the budget categories Sidewalk Operations, Beautification & Order and Administrative Expenses. Between FY 2007-2008 and FY 2008-2009 the budget category District Identity and Streetscape Improvements was reduced beyond 10 percentage points. Castro CBD did not explicitly allocate funds towards Contingency/Reserve in their budget during FY 2007-2008, FY 2008-2009 or FY 2009-2010. Table 1 on page 7 provides a comparison of their annual budgets per service category.

- 2) Whether five percent of their income came from sources other than assessment revenue – While they raised other funds each year, Castro CBD did not meet this requirement during FY 06-07 when their other income totaled 3% but they did raise more than 5% in non-assessment funds in FY 2007-2008 and FY 2008-2009. Please see Table 2 on page 8.
- 3) Whether the variance between budget amount and actual expenses within a fiscal year was within 10 percent – This analysis is explained on pages 5-6 of this report.
- 4) Whether the annual budget indicates the amount of funds carried over from the previous fiscal year – This analysis is included in Tables 3 and 4 on pages 9 and 10 of this report based on meetings with the CBD and review of their financial reports but was not included in the CBD's budget submissions to the City.
- 5) Whether a spending plan for carryover funds was provided in each of the annual budgets – Castro CBD included a general plan for use of their carryover funds for all years covered in this report. However, a detailed disbursement plan has been submitted for FY 2010-2011. See Table 4 on page 10.

Summary of Accomplishments and Challenges 2006-2009

Public Right of Way and Sidewalk Operations

The CBD is in compliance with their Management Plan as it relates to the Public Right of Way and Sidewalk Operations service area which includes all the cleaning activities as well as security. The Management Plan allocates 63% of the budget to this service category and they have spent a majority of their resources in this service area during FY 2006-2007, FY 2007-2008 and FY 2008-2009.

Once the Castro CBD was up and running in early 2006, they focused their resources on two priorities: 1) daily cleaning, graffiti removal and abandoned property removal; and 2) security and public safety. MJM Management Group was hired for all the cleaning services while San Francisco Patrol Special was hired to provide additional security. Every year since then, the largest portion of the assessment funds of the Castro CBD has been spent on these two services.

According to the CBD Director, Andrea Aiello, even though cleaning the neighborhood remains the CBD's highest priority, there are still a lot of complaints from merchants that the district is not clean enough. Increased graffiti, illegal signage and dirty needles have been constant problems that the MJM cleaning crews have had to deal with. In addition, there have been more homeless encampments in the district, significantly adding to the work that the cleaning crews have had to do. The CBD and MJM Management Group are working with SFPD and the Homeless Outreach Team (HOT) to figure out the best way to engage with the homeless community in the neighborhood.

A summary of MJM Management Group's work in 2008-09 showed that cleaning crews dealt with the following issues: disposal of garbage/ furniture/ large items (702 incidents); graffiti removal (564 incidents); aggressive panhandling (219 incidents); sidewalk cleaning (180 incidents); shopping carts (49 incidents); and needle removal (40 incidents).

Public safety services have also been a challenging issue for the CBD since its inception. A typical month of security services include intervening with disorderly persons or behaviors on the sidewalk, breaking

up fights and responding to calls of suspicious persons. From 2006 to February 2009 the CBD contracted with SF Patrol Special for supplemental safety services during night time weekend hours to provide extra foot patrol presence during the peak bar and nightclub business hours. In February 2009, the CBD terminated security services with SF Patrol Special because of budget constraints and because the CBD needed to reassess how to better address the changing public safety priorities voiced by property owners through a survey conducted by the CBD. The CBD board continues to review new and different options to meet the evolving security needs of the district.

In FY 2009-2010, the CBD implemented new security services including a Community Guide program through MJM Management Group to perform social service and informational outreach to those in need and to be additional eyes and ears walking the neighborhood available to call crimes to the police as needed. The CBD held several meetings with bar owners to discuss the possibility of sharing the costs of hiring and managing an SFPD 10B officer to help address the security issues at night stemming from the crowds who come to the Castro for entertainment, but at this point the cost is still prohibitive.

District Identity and Streetscape Improvements (DISI)

Within in this service area, the CBD has focused their efforts on marketing and promoting the district in order to address the commercial vacancy rate and developing and implementing a long-term streetscape improvement plan at key areas of the neighborhood. The Management Plan allocates 12% of the budget to this service area. The CBD is in compliance with their Management Plan during FY 2007-2008 and FY 2008-2009. They did not however, spend any funds for DISI during FY 06-07 because they were just ramping up and had not yet developed a plan.

Business Attraction, Marketing & Promotion:

Marketing and promotion efforts for the CBD during FY 2006-2007, FY 2007-2008 and FY 2008-2009 included a partnership with the *Merchants of Upper Market and Castro (MUMC)* to promote the district during the winter holiday season. In addition to these efforts in 2008, a "Shop Local Campaign" was implemented during the winter holiday season to encourage people to do their holiday shopping in the Castro.

In July 2007, the CBD launched the Business Attraction Campaign in partnership with the Merchants of Upper Market and Castro (MUMC) and OEWD. The program was implemented through a contract with the *LGBT Center* with a budget of \$50,000. The CBD allocated \$15,000, MUMC contributed \$10,000 and the CBD received a \$25,000 grant from OEWD. During FY 08-09, the CBD continued to contribute \$15,000 to the Campaign and received a second grant from OEWD for \$25,000 to fund the Campaign. However, MUMC was forced to withdraw its financial support due to budget constraints; therefore the Campaign's budget was reduced to \$40,000.

One of the main goals of the campaign is to decrease the growing commercial vacancy rate in the district. Key strategies include providing support to property owners in finding unique and economically viable businesses and assisting them with locating in the Castro/Upper Market, building relations with brokers and neighborhood groups and providing broker tours.

By the end of FY 2008-2009, 15 new businesses were attracted to the district and six businesses were retained. Additional businesses are getting lease negotiations assistance in order for them to stay in the Castro.

As part of their Economic Development program, the LGBT Center also provides an array of technical and financial assistance services to LGBT entrepreneurs to create and grow small businesses. The CBD has allocated \$15,000 towards the Business Attraction Campaign in FY 2009-2010 and raised an

additional \$5,000 from the Wells Fargo Foundation to continue finding good businesses and reduce the vacancies in the district. However, the Business Attraction Campaign is struggling to stay alive on just \$20,000 for FY 2009-2010. Strategies are being explored to create a more stable and realistic funding base for the Business Attraction campaign moving forward.

Website:

In 2007 the CBD developed their website www.castrocbd.org to promote the Castro/Upper Market area and list the CBD activities. The site is easy to read, includes a lot of good information about the neighborhood and more importantly, about the CBD organization and structure. They have posted all meeting dates, agendas and minutes since the inception of the CBD. They also have links to their Management Plan, all of their Annual reports and the Cleaning reports from MJM Management Group so anyone can download and print them.

Streetscape Improvements:

Another top priority within this service area is streetscape improvements. In 2007, *Urban Ecology*, a nonprofit that provides planning and design services, was hired to develop a streetscape improvement plan. *The Neighborhood Beautification and Safety Plan* was completed in September 2008 (For a copy, go to <http://castrocbd.org/content/urban-planning-improvement>). Three community workshops and five focus groups were held to assess the community's concerns and desires around streetscape improvements. As a result, about 140 people participated in the process.

The Plan recommends beautification and pedestrian safety in the following six geographic areas: Octavia & Market Streets; Market, Church & 14th Streets; Market & Noe Streets; Harvey Milk Plaza; 17th, Castro & Market Streets; and Castro Street. As a result of the *Neighborhood Beautification and Safety Plan*, the CBD was awarded a Community Challenge Grant to help implement the beautification improvements at Harvey Milk Plaza. The plan also proposed a pedestrian plaza on 17th Street between Castro and Hartford Streets. This proposal inspired the Mayor's Office to create the first Pavement to Parks project at this location. The new 17th Street Plaza is now a popular meeting space, providing much needed open air sitting in the neighborhood and is also helping to bring activation and increased pedestrian traffic to the neighborhood.

The CBD should continue to spend resources on promoting the district and implementing streetscape improvement projects since there's a direct link between these activities and the other economic revitalization efforts of the CBD.

Administrative and Corporate Operations

The CBD Director, Andrea Aiello was hired in 2007 on a part-time basis. During FY 2007-2008 and FY 2008-2009, the Director's hours were increased due to the increasing amount of work that needed to be done. Andrea oversees and provides hands-on staff support for all daily operations of the CBD and long-term projects. She staffs all board committees and projects, negotiates, develops and monitors all contracts, is the public face for the CBD and represents the CBD with the City and in all community meetings. In addition, she does all the fundraising for the CBD and works closely with the board to ensure the CBD follows best practices related to financial integrity, Brown Act compliance and by-laws implementation. Andrea attends the CBD Consortium meetings for CBD directors and has been utilizing that group to learn more about available resources and best practices in this field.

The CBD has a fifteen-member Board of Directors who represent the various constituents of the District. For more info on the board, go to <http://castrocbd.org/content/about-cbd>.

CBD Annual Budget Analysis

Castro CBD has received an average of \$389,000 in assessment funds annually for the past three fiscal years. The rest of their budget comes from grants and donations. Below is a summary of their income and expenses for the last three fiscal years based on their CPA Financial Reviews.

FY 2006-2007 (First Six Months of 2007)

The Castro CBD originally followed the calendar year as their fiscal year. The Board of Supervisors approved their 2007 budget of \$535,000 when they reviewed the CBD's annual report for 2006. The CBD then amended their Bylaws in July 2007 to establish a July 1st to June 30th fiscal year to match the City. OEWD asked the CBD to submit audited financial reports for the first six months of 2007. OEWD staff reviewed the CBD's 2007 Annual Report and CPA Financial Review for the first six months of 2007.

According to their CPA financial review (Six Months Ended June 30, 2007), the CBD spent 96% of their budget on Public Right of Way and Sidewalk Operations during the first six months of 2007. The CBD however, did not spend any funds on District Identity and Streetscape Improvements, because activities related to this service area did not begin until July 2007. The CBD ended the fiscal year with net assets¹ of \$377,480. Also at this time, the CBD had \$383,764 in cash available. Castro CBD raised \$6188 (3% of their budget) in other funds.

The large difference between the budgeted amounts and actual expenses is due to the shortened fiscal year (see Table 3). The approved budget of \$535,000 is for one year while actuals reflect six months of expenses.

FY 2007-2008

The CBD submitted a revised organizational budget of \$435,920 for FY 2007-2008. Additionally, their Board of Directors decided to allocate their carryover funds (\$365,000) to three different reserve funds - \$100,000 for cash flow (3 months of operating reserves), \$140,000 for future streetscape improvements and \$125,000 for matching grants (i.e. grants that require matching funds from the CBD).

They expended \$459,364 in programmatic and administrative expenses. Of this, the CBD spent \$294,670 (64%) for Street Cleaning and Security; \$91,606 (20%) for District Identity, Business Attraction, Marketing and Streetscape Improvements; and \$73,088 (16%) on Administrative costs. The CBD spent less than budgeted for DISI because they did not implement all of their streetscape improvement projects. They spent more than budgeted for Administrative costs due to increased legal fees and printing costs of CBD materials. The CBD had net assets of \$365,218 and \$353,079 in cash available as of June 30, 2008.

The income sources for the CBD in FY 2007-2008 were from assessment funds, grants and earned revenue. Eleven percent of their income came from grants and earned revenue.

FY 2008-2009

During FY 2008-2009, the CBD's operating budget was \$434,400. They also continued to hold \$365,000 into the three reserve funds mentioned above. According to their financial statements, the CBD received total revenues of \$437,558 and expended \$426,678 in programmatic and administrative

¹ Net Assets are the difference between the organization's total assets and its total liabilities on the balance sheet indicating the net financial worth for the organization.

expenses. Of this, the CBD spent: \$262,720 (62%) for Street Cleaning and Security; \$59,377 (14%) for District Identity, Business Attraction, Marketing and Streetscape Improvements; and \$104,581 (25%) on Administrative costs. They spent more than budgeted for Administrative costs due to increased hours of the CBD Director. The CBD ended the fiscal year with net assets of \$376,098 and had \$251,174 in cash available and \$108,158 in a Certificate of Deposit account.

The income sources for the CBD in FY 2008-2009 were from assessment funds, grants, in-kind donations and earned revenues. Ten percent of the CBD's income came from sources other than assessment funds.

FY 2009-2010

The CBD's proposed budget for FY 2009-2010 is \$451,872. Of this amount, \$277,500 (61%) will be spent on street cleaning and security services; \$83,507 (18%) will be spent on district identity and streetscape improvements (this includes the Community Challenge Grant of \$58,167 for streetscape improvements); \$90,865 (20%) on administrative costs. All are consistent with their Management Plan except they have not allocated a specific amount for Contingency/Reserve.

For the third year, the board has held \$365,000 into three reserves funds -- \$100,000 for cash flow (3 months of operating reserves), \$140,000 for future streetscape improvements and \$125,000 for matching grants (i.e. grants that require matching funds from the CBD). This totals 45% of the budget.

Findings and Recommendations

Moving forward, OEWD staff recommends the following changes to the Castro CBD financial reports.

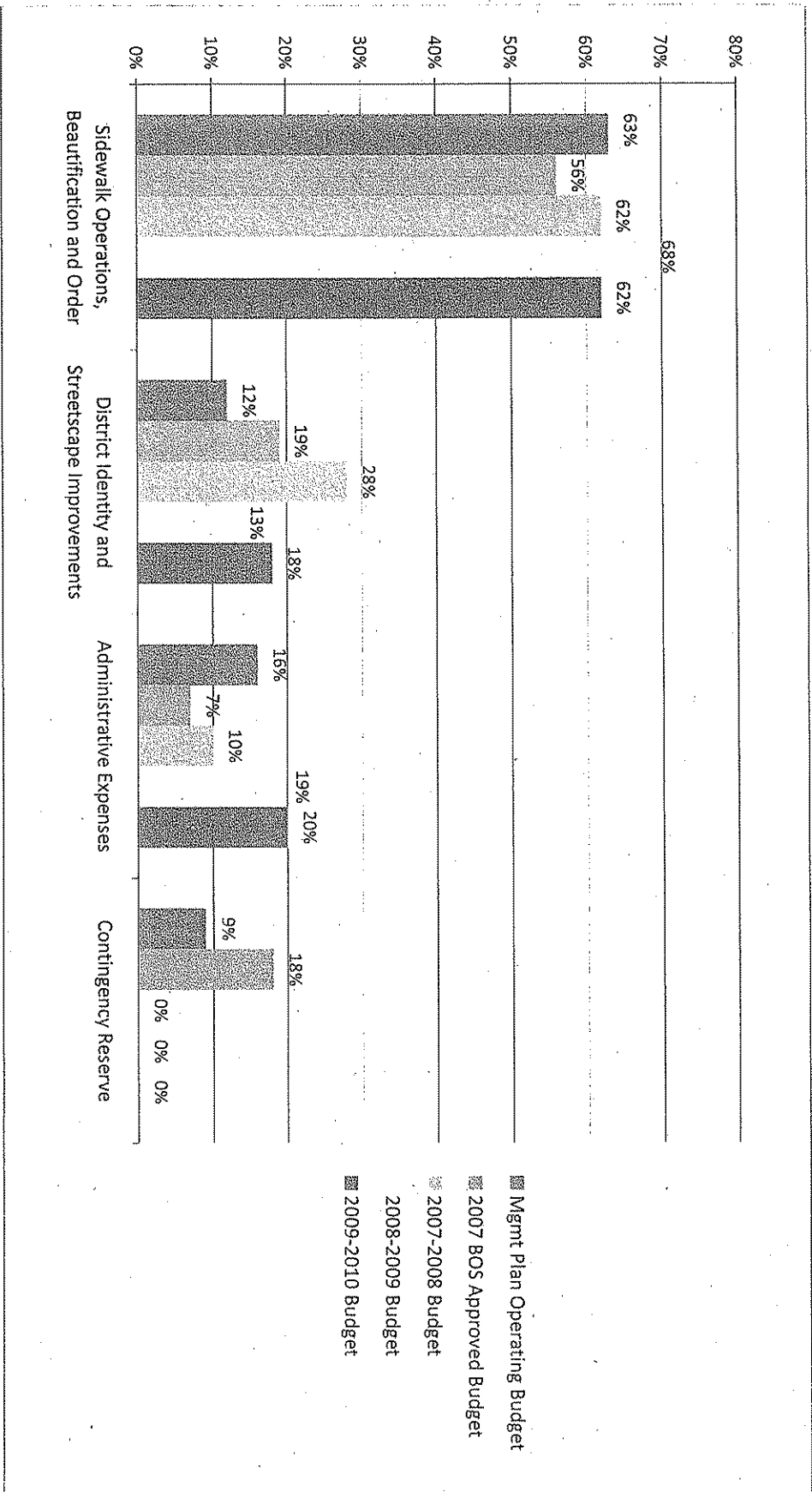
- 1) Future annual organizational budgets should include an amount for the Contingency/Reserve category. Per their Management Plan, nine percent of their budget can be allocated towards Contingency/Reserve funds each year.
- 2) While it has been good practice for the CBD to allocate carryover funds for future streetscape improvements, OEWD staff recommends the CBD add the specific projects targeted for these funds, and indicate this in the annual reports as well.
- 3) The CBD's designated reserve fund for matching grants of \$125,000 needs to be allocated towards the specific service categories approved in the management plan such as cleaning, security or future streetscape improvement projects.
- 4) The CBD should provide a plan and timeline regarding what the carryover funds of \$376,098 will be spent on. The CBD Director is preparing a spending plan for the carryover funds. A preliminary disbursement plan is included in Table 4 on page 10.

While there are a number of continuing challenges in the district, Castro CBD has been doing a great job of promoting the neighborhood, implementing major streetscape improvement projects and keeping up with the area's cleaning and maintenance and security needs. The CBD has also been able to raise other funds to supplement their assessment revenue and tackle new projects. The Business Attraction Campaign has been able to improve the vacancy rate by attracting new businesses to the neighborhood and retaining existing ones. The CBD will be implementing a number of beautification and streetscape improvements projects which will change many of the gathering places in the neighborhood. Castro CBD has brought a lot of added value to the neighborhood.

Table 1

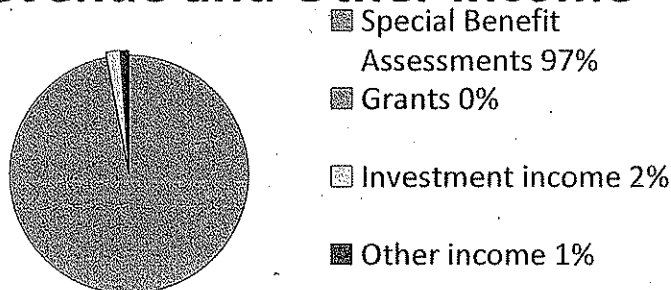
Annual Budgets compared to original Management Plan Budget

Castro / Upper Market CBD changed from a calendar year reporting period to a fiscal year reporting period beginning with the 2007-2008 budget.

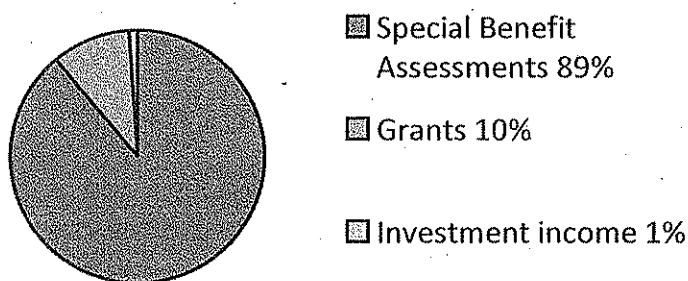


Other Income Sources (e.g. Grants, Donations, In-Kind, etc.) / 5% requirement

2006-2007 Assessment Revenue and Other Income



2007-2008 Assessment Revenue and Other Income



2008-2009 Assessment Revenue and Other Income

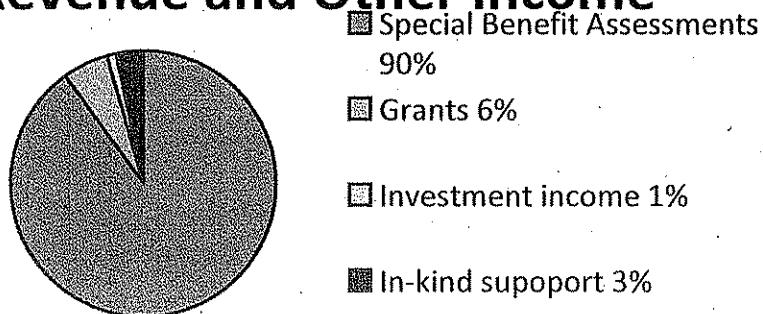


Table 3

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT
Revenue and Expenditures - Budget vs. Actual
Fiscal Years Ending 2007 through 2009

	Six Months Ended June 30, 2007**				Fiscal Year Ended June 30, 2008				Fiscal Year Ended June 30, 2009			
	Actuals	Budget	Difference	% Difference	Actuals	Budget	Difference	% Difference	Actuals	Budget	Difference	% Difference
REVENUES*												
Special Benefit Assessments	133,050	380,000			133,168	392,920			133,144	379,067		
Grants	0	0			25,000	25,000			52,333	52,333		
Investment income	1,013	5,000			5,000	5,000			3,000	3,000		
Other income	1,670	0			2,500	2,500			114,113	0		
Carryover from previous year	133,050	0			377,480	377,480			165,203	365,218		
	526,458	385,000			824,582	803,900			802,776	799,618		
EXPENDITURES												
Program services	0	99,000	-99,000	-100%	91,608	139,900	-47,694	-34%	59,577	57,000	2,377	4%
District identity and streetscape improvements	0	0			0	0			0	0		
Sidewalk operations, beautification and order	142,810	290,000	-156,190	-52%	204,670	306,898	-12,228	-4%	862,720	295,000	-32,280	-11%
General and administrative expenses	2,000,008	37,000	-30,832	-83%	2,030,858	51,222	-21,866	-43%	1,114,458	82,400	-22,181	-27%
Contingency/Reserve	0	100,000			0	0			0	0		
Carryover to next year	148,978	535,000	386,022		459,364	497,420	-38,056		426,673	434,400	-7,722	
	577,846	1,024,000			2,586,000	2,586,000			2,396,804	2,396,804		

* Budget vs actual statement includes carryover funds not spent in previous years.

** Castro / Upper Market CBD changed from a calendar year reporting period to a fiscal year reporting period

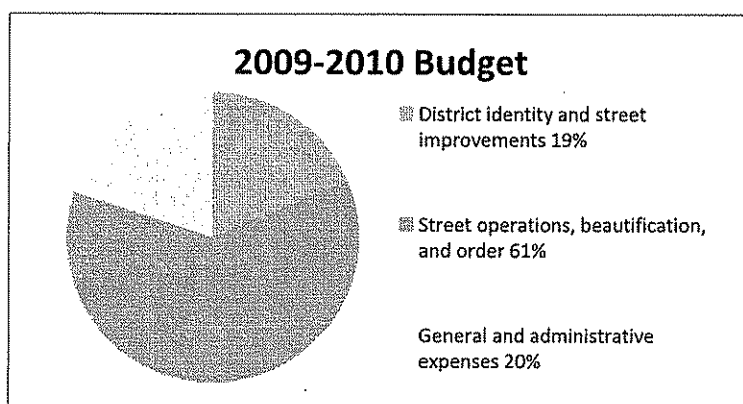
**CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT
2009-2010 Budget**
REVENUES

Special Benefit Assessments	\$ 380,000
Grants	\$ 66,872
Interest earned	\$ 5,000
Carryover from prior year	\$ 376,098
	<u>\$ 827,970</u>

EXPENDITURES

Program services	
District identity and street improvements	\$ 83,507
Street operations, beautification, and order	\$ 277,500
General and administrative expenses	\$ 90,865
	<u>\$ 451,872</u>

EXCESS OF REVENUES OVER EXPENDITURES **\$ 376,098**

**Proposed Carryover Disbursement**

Carryover Revenue (End of FY 2008-2009) **\$ 376,098**

Carryover Disbursement in FY 2009-2010 (*Based on unaudited financials for FY 09-10) **\$ 9,132**
 Balance **\$ 366,966**

Carryover Disbursement in FY 2010-2011

Reserve: 6 month Operating Expenses July 1- December 31, 2011 **\$ 165,000**
 Contingency **\$ 29,626**
 Balance **\$ 172,340**

Proposed Carryover Disbursement in FY 2011-2012

Reserve: Streetscape Improvement Projects

FY 2011-2012 Art/History Walk Upper Market St. - project plan and one permanent work of art **\$ 70,000**
 Balance **\$ 102,340**

Proposed Carryover Disbursement in FY 2012-2013

FY 2012-2013 Art/History Walk, one permanent work of art **\$ 50,000**
 FY 2010-2013 Widening Sidewalks on Castro St., Greening, Amenities **\$ 52,340**
 Balance **\$ -**



Annual Report

Fall 2007

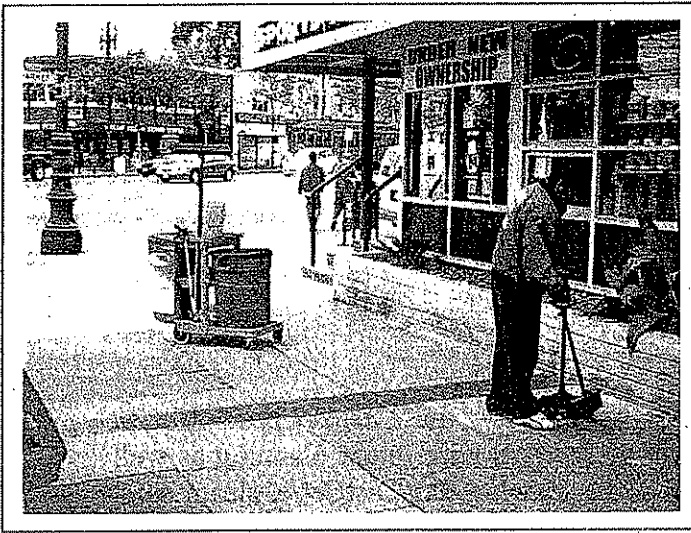
Dear Property and Business Owners,

Now in our second year, helping to revitalize the community, the *Castro/Upper Market Community Benefit District (CBD)* is successfully moving forward with future planning as well as ongoing maintenance. Our top priorities continue to be keeping our District a clean, safe, cared-for community, where residents and visitors feel secure as they walk the streets and enjoy shopping, dining and meeting with friends. We are also fostering the economic vitality of the area and encouraging businesses to view our neighborhood as a great place to set up shop.

Some of our major efforts this year include:

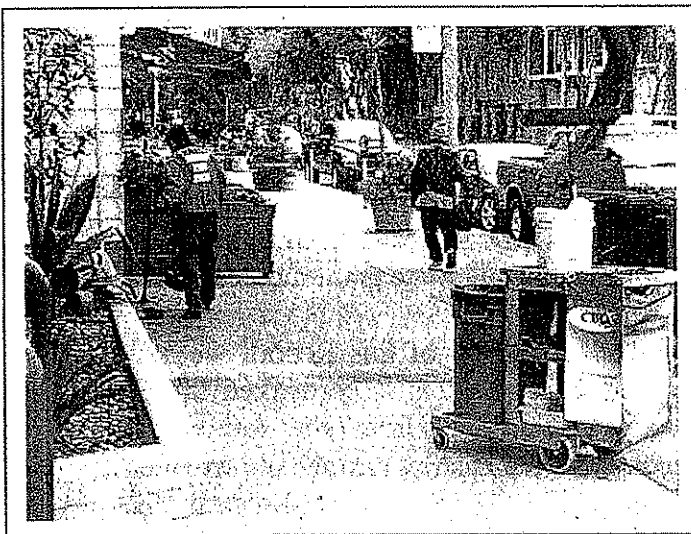
- Partnering with our local merchants' group, *Merchants of Upper Market & Castro (MUMC)* to fund a Business Attraction Campaign for the District. Together with the expertise afforded by the *S.F. LGBT Community Center*, this Campaign is proactively working to help fill commercial vacancies in the District. Due to the generosity of *MUMC* and the CBD's own in-kind funds, the Business Attraction Campaign was awarded a matching grant from the Mayor's Office. Our funding for the Campaign doubled and *The Center* has begun hiring an expert to assist property owners, finding the perfect tenant for their spaces. Any property owners who have questions about the Business Attraction Campaign can contact *The Center's* Director of Economic Development, Ken Stram, at KenS@SFCenter.org. Also, see Ken's article on page 5 of this Annual Report.
- *Urban Ecology* will be hired to work with the CBD membership and other community groups to develop a Streetscape Improvement Plan for our District. This plan will encompass potential improvements to all aspects of any public space in the District. Such improvements may include corner sidewalk bulb-outs, transit stops, sidewalk widening, and street furniture. *Urban Ecology* is a well respected firm which has effectively worked with both the *Noe Valley CBD* and the *Central Market CBD*. In addition, completing this type of plan is the first step towards qualifying for Federal and State grant monies to fund such improvements.
- As you will see in the CBD's financial statement on page 4 of this Report, we have accumulated over \$200,000 in financial reserves. Much of that is earmarked to help finance the Streetscape Improvement Plan, along with grant funds from other sources.
- On Halloween 2006 we provided additional security for the District through our excellent contractor, the *San Francisco Patrol Special Police*. We will provide added security this Halloween as well.
- The CBD Board approved the allowed-for increase in your annual assessment this year, after declining it last year. The increase amounts to 3.4% and will be reflected on your December property tax bills.

... continued on page 3



MJM Management crews maintain the *Castro CBD's* program of sweeping public sidewalks daily, 7 days a week.

Their carts have become a familiar, welcome sight for merchants, shoppers and residents. Crews also steamclean the areas regularly.



**PROPERTY OWNERS:
WE NEED YOUR INPUT
ON THE CBD BOARD!**

You can have direct input as to how your CBD dollars are spent by joining the *Castro/Upper Market CBD* Board of Directors.

The *CBD* board is composed of representatives from neighborhood groups, community members, merchants, and property owners, but (due to three recent departures of members) the Board currently is seeking more members from among the property owners in the District.

Property owners fund the Benefit District through their annual assessment, and the *CBD* has a strong commitment to property owner involvement and presence. We are actively seeking three property owners to fill the current vacancies and give their input.

The Board meets once a month. Additionally, Board members pitch in on projects as they come up. Please consider joining the *CBD* Board by contacting either our Executive Director, Andrea Aiello by email at Andrea_Aiello@Comcast.net or call her at 650/355-1294; or by calling Board President Herb Cohn at 415/621-6637.

LETTER TO PROPERTY AND BUSINESS OWNERS

... continued from page 1

- *MJM Management Group* continues to provide extraordinary service for us as our maintenance contractor, power washing sidewalks, picking up trash, and removing graffiti. Maintenance crews wear blue vests with the CBD logo on the back and can also be noted by the blue/yellow carts on the street.
- A focus group was held in response to the marked decline of the Church/Market Street area. Many concerns and suggestions for improvement were raised by board members and property owners. An immediate tangible improvement from this process was the planting of new trees on the east side of Church Street between Duboce and Market Streets. Special thanks to *Castro CBD* Board Member, *Safeway's* Kimberley Daniels, for making that possible.
- The CBD has a regular presence at the newly formed city-wide CBD/BID Consortium. This consortium is invaluable regarding issues that arise specific to CBDs.
- A part-time Executive Director, Andrea Aiello, has just been hired by the CBD. Andrea has worked with us this past year as our development contractor. Andrea will soon be calling on Board members, property owners and business owners to solicit your ideas and listen to your concerns. She also will be meeting with each of the Executive Directors for the other CBD's/BID's to learn about their successes. Two of Andrea's top objectives are to get the CBD's website up and running - the address is www.CastroCBD.org; and to send you a mid-year report in 2008. Andrea is a consummate professional; we're thrilled to have her on board! She can be reached by email at Andrea_Aiello@Comcast.net or call her at 650/355-1294.

The next Upper Market Community Planning Workshop is scheduled for Saturday, October 27 from 10:00 a.m. to 1:00 p.m. at the Harvey Milk Civil Rights Academy, 19th and Collingwood Streets. Please make every effort to attend this meeting. It is important to make your voice heard as these Workshops may affect any future development on your property. The first Workshop was held on September 11. The CBD sent out reminder postcards, to help make it one of the largest-attended community meetings the Planning Department has held. There will be three Workshop meetings in total. See the article on page 7 of this Report.

Should the Castro have a "formula retail" ban? Many community groups are beginning to talk about this. Formula retail bans prohibit branches of a store or eating establishment with 11 or more locations nationwide. Formula retail bans now exist in Hayes Valley and North Beach. The City already has certain restrictions in place for these types of stores moving into our District. This is an emerging topic and an important one. If you have an opinion on this and want to share your thoughts, please contact Andrea at Andrea_Aiello@Comcast.net or 650/355-1294. The Castro's District S.F. Supervisor, Bevan Dufty, has gone on record as opposing the proposed ban.

Finally, thank you for voting the CBD into existence last year. We are making strides in improving our neighborhood and it is all due to your generosity. It is an exciting time for the CBD, so get involved, join our Board of Directors, and let your voice be heard.

Respectfully,
Castro/Upper Market Community Benefit District
Board of Directors

Castro/Upper Market Community Benefit District
ANNUAL REPORT - Fall 2007

Castro/Upper Market Community Benefit District

STATEMENT OF FINANCIAL POSITION (Balance Sheet)
as of September 30, 2007

ASSETS	
Cash -- Checking	561
Cash -- Money Market	292,109
Total Assets	<u>\$ 292,670</u>

NET ASSETS	
Unrestricted Net Assets—Prior Yrs	151,137
Income --This Year to Date	141,533
Total Net Assets	<u>\$ 292,670</u>

STATEMENT OF ACTIVITIES (Profit or Loss)

	Jan 1-Sep 30, 2007 (This Year to Date -- 9 Months)	Jan 1 - Dec 31, 2006 (Last Year -- 12 Months)
	INCOME	
Assessment Income	375,371	374,955
Grants Received	0	10,000
Interest Earned	6,261	4,758
Total Income	<u>\$ 381,632</u>	<u>\$ 389,713</u>
	EXPENSES	
	Program Services	
Street Cleaning	162,050	175,000
Police Patrol	51,792	43,501
Economic Development	15,000	0
Public Awareness	400	1,263
	Other Expenses	
Salaries/Professional Fees	9,991	2,155
Other Operating Costs	866	1,657
Organizational Costs	0	15,000
Total Expenses	<u>\$ 240,099</u>	<u>\$238,576</u>
Excess of Income over Expenses	<u>\$ 141,533</u>	<u>\$ 151,137</u>



Crews from *Castro CBD's* Maintenance Contractor, *MJM Management*, promptly paint over graffiti on poles and other street fixtures.

The Castro/Upper Market Business Attraction Campaign

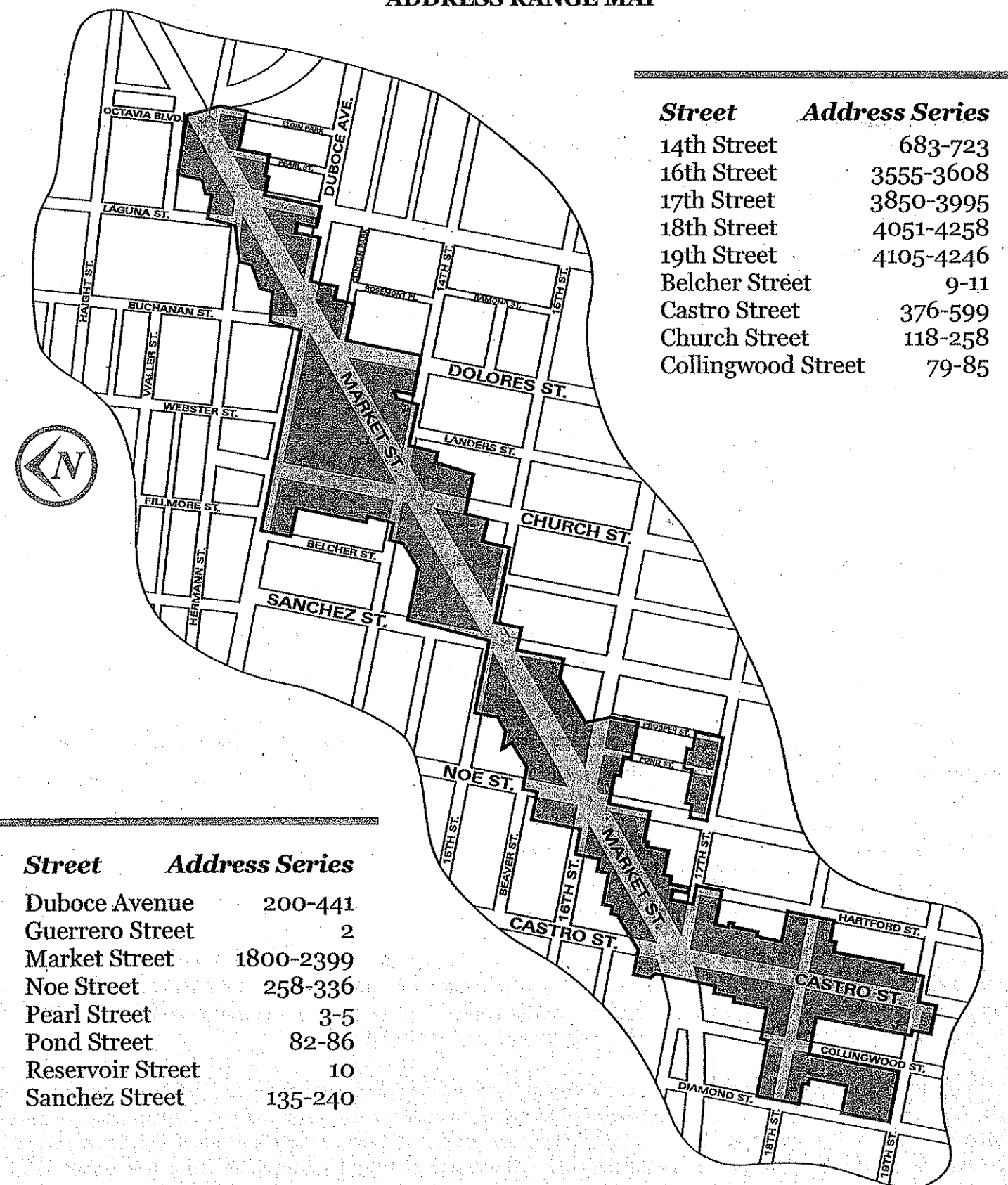
Renting out property in the Castro District has become more difficult in recent years. While the Castro District is famous for its vibrant and visible LGBT community and its small, owner-operated businesses attracting tourists and visitors, the rate of vacant commercial property is on the rise. Additionally, several infill projects will create an even more open market by adding approximately 175,000 square feet of vacant commercial space in the Castro in the years just ahead.

The CBD, the *Merchants of Upper Market & Castro (MUMC)* and the *San Francisco LGBT Community Center (The Center)* have launched a Business Attraction Campaign to ensure the Castro's future as a diverse and thriving neighborhood. This effort is also being supported by the Mayor's Office of Economic and Workforce Development. The goal of the Business Attraction Campaign is to address the increasing vacancy rate in the CBD through attracting new businesses to the Castro/Upper Market neighborhood. Key components of the Business Attraction Campaign include:

- business assistance program activities
- outreach to small business owners and community agencies
- individualized consultation for prospective business owners
- development of a database to inform business planning.

This Campaign will support property owners in finding unique and economically viable businesses by directing prospective businesses to their properties. The cooperation between the CBD, *MUMC* and *The Center* ensures a professional state-of-the-art approach to the needs of the commercial property market. We will work to keep the Castro's unique spirit and increase its profile and attractiveness.

Property owners should expect to receive a survey form intended to gather up-to-date information about all of the commercial space in the Castro. If you have any questions about the survey, if you want assistance leasing your property, or if you just want to learn more about the program, don't hesitate to contact Ken Stram, Director of the *SF LGBT Community Center's* Economic Development Program and CBD Board Member. Ken's number is 415/865-5515.

Castro/Upper Market Community Benefit District**ANNUAL REPORT - Fall 2007****ADDRESS RANGE MAP**

Thank you, Thank you !

The *Castro/Upper Market CBD* thanks *Market & Noe Center* owners Edna Jeffrey and Kent Jeffrey for generously allowing the *CBD* to use storage space in their property on Noe Street. For the past several months they have allowed the *CBD's* maintenance contractor, *MJM Management Group*, to store *MJM's* maintenance equipment - particularly those familiar yellow and blue carts. In fact, this space has even doubled as the headquarters for *MJM's* maintenance crew. These helpful property owners have been flexible, allowing access to meet the needs of the maintenance crew and have generally been great neighbors. Thanks again, for helping out the *Castro/Upper Market* neighborhood!

Upper Market Workshops

The San Francisco Planning Department is conducting a series of *Upper Market Planning Workshops* to address topics such as neighborhood character, the design and uses of public spaces including the "streetscape," and other issues that will help shape the future urban design vision for our neighborhood.

**The second Upper Market Workshop will be on
Saturday, October 27
10:00am to 1:00pm
at Harvey Milk Civil Rights Academy
19th and Collingwood Streets**

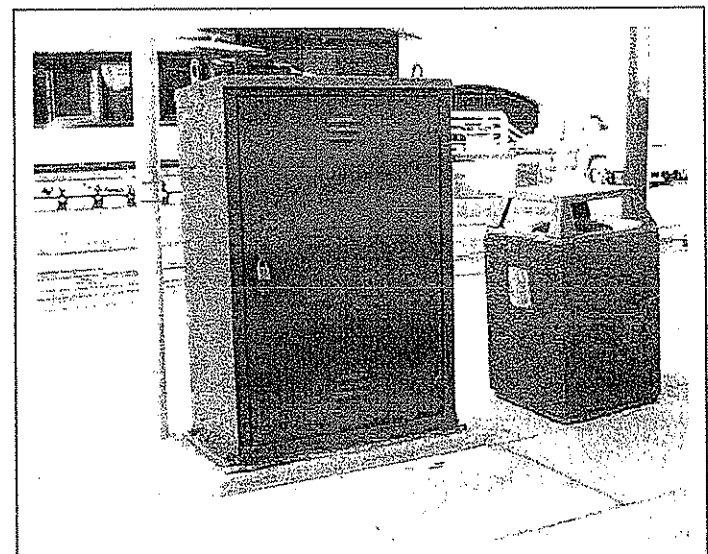
Owners of property in the area are especially urged to attend the Workshops, to help **ASSURE THAT YOUR VOICE IS HEARD.**

Information about the Upper Market Workshops is on the S. F. Planning Departments' website at http://www.sfgov.org/site/planning_index.asp?id=66778 For more information about the Workshops or to comment if you cannot attend, contact Sarah Dennis at S.F. Planning Department, by email at Sarah.Dennis@SFGov.org, or call 415/558-6314.



BEFORE

Prompt graffiti removal and repainting of utility street boxes by *MJM Management* crews help assure that streets in our District stay clean.



AFTER

Castro/Upper Market Community Benefit District

ANNUAL REPORT - Fall 2007

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT

584 Castro Street #336; San Francisco CA 94114

415/621-6637 www.CastroCBD.org

Maintenance Dispatch Office 415/559-8698

Security Patrol 415/559-9955

Board of Directors

President Herb Cohn, CPA HerbCohn@PacBell.net

Vice President Gustavo Serina GSerina@aol.com

Secretary J. Dominic Campodonico DCampodonico@GordonRees.com

Treasurer Steve Desdier Steve@Descotax.com

Kimberley Daniels 925/467-3000

Paul Moffett POPlus@aol.com

Tim Patriarca TPatriarca@MaitriSF.org

Dennis Richards DRichards@Salesforce.com

Pat Sahagun bustwo98@aol.com

Pauline Scholten shakecty@ix.netcom.com

Ken Stram KenS@SFCenter.com

Ken Wingard Ken@KennethWingard.com

Executive Director, Andrea Aiello Andrea_Aiello@Comcast.net 650/355-1294

CBD Board of Directors meetings are open to the public

and are held at 6:00pm on the second Thursday of each month,

upstairs at the Eureka Valley Recreation Center (EVRC), 100 Collingwood Street near 18th Street, San Francisco.

The Castro/Upper Market Community Benefit District is an IRS-approved 501(c)3 tax-exempt organization. The CBD can accept both unrestricted and restricted donations that are tax deductible to the donor. Donations and grants are welcomed from individuals, businesses, other tax-exempt entities, foundations, and government agencies. Checks can be sent to Castro/Upper Market Community Benefit District, 584 Castro Street #336; San Francisco CA 94114

Castro/Upper Market Community Benefit District

584 Castro Street #336

San Francisco CA 94114

150 Post Street, Ste. 350
San Francisco, CA 94108

T: 415.433.4500
F: 415.433.4765

www.SKOCPA.com

CASTRO/UPPER MARKET COMMUNITY
BENEFIT DISTRICT, INC.

FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2007

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2007

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Board of Directors of
Castro/Upper Market Community Benefit District, Inc.
San Francisco, California

We have reviewed the accompanying statement of financial position of Castro/Upper Market Community Benefit District, Inc. as of June 30, 2007, and related statements of activities, and cash flows and functional expenses for the six months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Castro/Upper Market Community Benefit District, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Sterck Kulik O'Neill

San Francisco, California
March 25, 2008

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

Assets

Current Assets

Cash	\$	383,764
Assessments receivable		<u>19,156</u>
	\$	<u>402,920</u>

Liabilities

Current Liabilities

Accounts payable	\$	25,440
------------------	----	--------

Net Assets

Unrestricted Net Asset		<u>377,480</u>
	\$	<u>402,920</u>

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF ACTIVITIES
SIX MONTHS ENDED JUNE 30, 2007

	<u>Unrestricted</u>
Public support and revenues	
Special benefit assessments	\$ 188,650
Interest earned	4,218
Other income	<u>1,970</u>
	194,838
Expenditures	
Program services	
Street operations, beautification, cleaning	108,250
Supplemental security services	<u>34,560</u>
	142,810
Fundraising	5,355
General and administrative	<u>813</u>
	<u>6,168</u>
Change in net assets	45,860
Fund Balance - beginning of year	<u>331,620</u>
Fund Balance - end of year	\$ <u><u>377,480</u></u>

Sterck

Kulik

O'Neill accounting group, inc

See Accompanying Notes and Accountants' Report

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2007

Cash Flows from Operating Activities:

Net Income \$ 45,860

Adjustments to reconcile net income to
net cash provided by operating activities:

Decrease in receivables 184,539

Increase in payables 2,228

Cash provided by operations 232,627

Net increase in cash 232,627

Cash, beginning of period 151,197

Cash, end of period \$ 383,824

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
SIX MONTHS ENDED JUNE 30, 2007

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>General and Administrative</u>	<u>Fundraising</u>	
Street cleaning	\$ 108,250	-	-	\$ 108,250
Supplemental security services	34,560	-	-	34,560
Fundraising	-	-	5,355	5,355
Office expense	<u>-</u>	<u>813</u>	<u>-</u>	<u>813</u>
	\$ <u>142,810</u>	\$ <u>813</u>	\$ <u>5,355</u>	\$ <u>148,978</u>

Sterck

Kulik

O'Neill

See Accompanying Notes and Accountants' Report

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

History and Operations

The Castro/Upper Market Community Benefit District, Inc. (the CBD) was incorporated in California on September 2, 2005 as a non-profit public benefit corporation. Its purpose is to provide services to the Castro and Upper Market Areas within the Benefit District (the District), whose members include the owners of all parcels of land subject to property tax assessments within the geographic area of the Castro and Upper Market as established via legislation adopted by the Board of Supervisors on August 2, 2005 and signed on August 8, 2005 by the Mayor of the City and County of San Francisco.

Upon formation of the District in 2005, its members were subject to multi-year special assessments imposed by the City under the Property and Business Improvement District Law of 1994. Under a contract with the City, the CBD receives these special assessments and, in exchange, provides certain services to the members of the District. These services include supplemental security services to maintain order, the cleaning and maintenance of sidewalks, the removal of graffiti, enhanced trash emptying in public rights of way, neighborhood beautification and tree-planting programs, and the organization and funding of special events. In addition to the special assessment funds, the contract with the City requires that the CBD raise an additional 5% from private donations to supplement the special assessments.

The annual special assessments imposed by the City will expire on December 31, 2020, unless the District is disestablished earlier by a majority vote of its members. The CBD's contract with the City will expire on December 31, 2020, but would also expire upon the disestablishment of the District.

Basis of Presentation

The CBD has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the CBD reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions.

Income is recognized as temporarily restricted if restrictions imposed by the donor will not be satisfied by the end of the current year. As of June 30, 2007, the CBD did not have any temporarily restricted net assets.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition

Special assessment revenue is recognized ratably over the course of the year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Internal Revenue Service has determined that the CBD qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The CBD is therefore generally exempt from income taxes. Income taxes are payable, however, on revenue from sources unrelated to its tax-exempt purpose. There were no such revenues during the period.

Note 2 - Cash

Cash at June 30, 2007 consisted of the following:

Cash in checking account	\$	498
Cash deposited in interest-bearing account		<u>383,266</u>
Total Cash	\$	<u>383,764</u>

Note 3 - Significant Concentrations of Credit Risk

The CBD maintains its cash balances in financial institutions. The Federal Deposit Insurance Corporation insures up to \$100,000 of the balances. At June 30, 2007, the CBD had uninsured cash deposits totaling \$283,764.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 4 - Risks and Uncertainties

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 98.9% of the CBD's total revenues. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the CBD fails to provide adequate services to the District or fails to perform other responsibilities. The contract expires on December 31, 2021 and could be terminated at an earlier date if the Castro/Upper Market Community Benefit District is disestablished by a vote of more than 50% of the assessed owners.

150 Post Street, Ste. 350
San Francisco, CA 94108

T: 415.433.4500
F: 415.433.4765

www.SKOCPA.com

CASTRO/UPPER MARKET COMMUNITY
BENEFIT DISTRICT, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2008

ATTACHMENT C

CPA Review

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008

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To the Board of Directors of
Castro/Upper Market Community Benefit District, Inc.

We have reviewed the accompanying statement of financial position of Castro/Upper Market Community Benefit District, Inc., a nonprofit organization, as of June 30, 2008, and related statements of activities, and cash flows and functional expenses for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Castro/Upper Market Community Benefit District, Inc.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Sterck Kulik O'Neill

San Francisco, California
November 14, 2008

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

Assets

Current Assets

Cash	\$	353,079
Assessments receivable		32,995
Grants receivable		<u>10,172</u>
	\$	<u>396,246</u>

Liabilities

Current Liabilities

Accounts payable	\$	31,028
------------------	----	--------

Net Assets

Unrestricted Net Asset		<u>365,218</u>
	\$	<u>396,246</u>

Sterck
Kulik

See Accompanying Notes and Accountants' Report

-2-

O'Neill accounting group, inc

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

	<u>Unrestricted</u>
Public support and revenues	
Special benefit assessments	\$ 397,066
Grants	45,000
Interest earned	<u>5,036</u>
	447,102
Expenditures	
Program services	427,739
Fundraising	5,518
General and Administrative	<u>26,107</u>
Total expenditures	<u>459,364</u>
Change in net assets	(12,262)
Fund Balance - beginning of year	<u>377,480</u>
Fund Balance - end of year	\$ <u><u>365,218</u></u>

Sterck

Kulik

O'Neill

See Accompanying Notes and Accountants' Report

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008

Cash flows from operating activities:	
Decrease in net assets	\$ 12,262
Adjustments to reconcile net income to net cash provided by operating activities:	
Increase in receivables	24,011
Increase in payables	<u>(5,588)</u>
Cash used by operations	<u>30,685</u>
Net decrease in cash	<u>30,685</u>
Cash, beginning of period	<u>383,764</u>
Cash, end of period	\$ <u><u>353,079</u></u>

Sterck

Kulik

O'Neill accounting group, inc

See Accompanying Notes and Accountants' Report

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>General and Administrative</u>	<u>Fundraising</u>	
Street cleaning	\$ 219,550	\$ -	\$ -	\$ 219,550
Supplemental security services	75,120	-	-	75,120
District ID/Streetscape Improvements	44,000	-	-	44,000
Economic development	40,000	-	-	40,000
Consultants	23,329	9,193	5,518	38,040
Accounting fees	-	3,760	-	3,760
Administrative services	-	3,081	-	3,081
Advertising and promotion	3,247	249	-	3,496
Board meeting expense	-	1,554	-	1,554
Booth rental	625	-	-	625
Conferences and conventions	115	-	-	115
Dues and subscriptions	-	216	-	216
Legal and professional	13,197	-	-	13,197
Office supplies and materials	789	665	-	1,454
Parking and tolls	236	184	-	420
Postage and shipping	584	802	-	1,386
Printing and copying	6,947	102	-	7,049
Travel	-	1,709	-	1,709
Website/Internet expense	-	4,110	-	4,110
Other office expense	-	482	-	482
	<u>\$ 427,739</u>	<u>\$ 26,107</u>	<u>\$ 5,518</u>	<u>\$ 459,364</u>

Sterck

Kulik

O'Neill

See Accompanying Notes and Accountants' Report

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

History and Operations

The Castro/Upper Market Community Benefit District, Inc. (the CBD) was incorporated in California on September 2, 2005 as a non-profit public benefit corporation. Its purpose is to provide services to the Castro and Upper Market Areas within the Benefit District (the District), whose members include the owners of all parcels of land subject to property tax assessments within the geographic area of the Castro and Upper Market as established via legislation adopted by the Board of Supervisors on August 2, 2005 and signed on August 8, 2005 by the Mayor of the City and County of San Francisco.

Upon formation of the District in 2005, its members were subject to multi-year special assessments imposed by the City under the Property and Business Improvement District Law of 1994. Under a contract with the City, the CBD receives these special assessments and, in exchange, provides certain services to the members of the District. These services include supplemental security services to maintain order, the cleaning and maintenance of sidewalks, the removal of graffiti, enhanced trash emptying in public rights of way, neighborhood beautification and tree-planting programs, and the organization and funding of special events. In addition to the special assessment funds, the contract with the City requires that the CBD raise an additional 5% from private donations to supplement the special assessments.

The annual special assessments imposed by the City will expire on December 31, 2020, unless the District is disestablished earlier by a majority vote of its members. The CBD's contract with the City will expire on December 31, 2020, but would also expire upon the disestablishment of the District.

Basis of Presentation

The CBD has adopted Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the CBD reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions.

Income is recognized as temporarily restricted if restrictions imposed by the donor will not be satisfied by the end of the current year. As of June 30, 2008, the CBD did not have any temporarily restricted net assets.

Sterck

Kulik

O'Neill accounting group, inc

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Revenue Recognition

Special assessment revenue is recognized ratably over the course of the year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax Status

The Internal Revenue Service has determined that the CBD qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The CBD is therefore generally exempt from income taxes. Income taxes are payable, however, on revenue from sources unrelated to its tax-exempt purpose. There were no such revenues during the period.

Note 2 - Cash

Cash at June 30, 2008 consisted of the following:

Cash in checking account	\$ 5,977
Cash deposited in interest-bearing account	<u>347,102</u>
Total Cash	\$ <u>353,079</u>

Note 3 - Significant Concentrations of Credit Risk

The CBD maintains its cash balances in financial institutions. At June 30, 2008, the Federal Deposit Insurance Corporation insures up to \$100,000 of the balances. Accordingly, the CBD had uninsured cash deposits totaling \$253,079. The Federal Deposit Insurance Corporation has subsequently raised its insurance limits to \$250,000.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 4 - Risks and Uncertainties

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 88.8% of the CBD's total revenues. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the CBD fails to provide adequate services to the District or fails to perform other responsibilities. The contract expires on December 31, 2020 and could be terminated at an earlier date if the Castro/Upper Market Community Benefit District is disestablished by a vote of more than 50% of the assessed owners.

FY 07-08



Lisa Pagan
Project Manager
Mayor's Office of Economic and Workforce Development
City Hall, Room 448
San Francisco, CA 94102

March 12, 2008

Dear Lisa:

Enclosed please find the mid-year report for the Castro/Upper Market Community Benefit District. This report includes a narrative update of the services provided between July 2007 – December 2007, and a mid-year un-audited Income and Expense Statement.

If you have any questions, please do not hesitate to contact me at 650-355-1294.

Sincerely,

Andrea Aiello
Executive Director

Enclosures

cc: CBD Board of Directors

**Castro/Upper Market Community Benefit District
Services Provided and Update on Plan FY 2007-2008
Mid-Year Report
July 1, 2007 – December 31, 2007**

Public Rights of Way and Sidewalk Operations Plus Public Safety

- In January 2008, renew contract with MJM Management Group to provide cleaning and maintenance services.
- Develop contract with San Francisco Police Special Patrol to provide security services.

Cleaning and Maintenance Services Provided

Contract with MJM Management Services to provide routine and emergent cleaning/property management services to the public right of way in the CBD boundaries.

Routine services include:

- Daily sweeping of sidewalks
- Spot pressure washing performed weekly or as needed
- Steam clean monthly
- Signage cleaned weekly
- Weeding and general landscaping (pruning low vines)
- Graffiti or postings removed daily. Paint out of graffiti is weekly
 - 108 graffiti taggings were removed
- Sticker removal (40)
- Furniture, fixtures and equipment are maintained weekly. This includes wiping down newsracks, cleaning paint and removing stickers.

Emergent services include, but are not limited to:

- Shopping cart removal
- Special requests for steam cleaning (9)
- Small garbage removal (15)

MJM also works closely with a variety of City agencies through calling 311 for a variety of issues including large garbage/furniture pick-up to quality of life issues. Some examples of this type of service includes:

- Notifying DPW of large garbage/furniture pick-up (78 instances)
- Notifying DPW of safety hazards (fallen tree, large tree limbs) (6 instances)
- Contact with Mobile Assistance/Homeless Outreach Team/SFPD non-emergency (17 instances)

Security Services Provided through San Francisco Patrol Special

Contract with San Francisco Patrol Special Police for 30 hours a week of officer coverage in the public right of way. The SF Patrol Special Police cover the entire district with foot patrols, exact times and location of foot patrols varies with the changing needs of the neighborhood. A large percentage of the security services are focused on, and around Church and Market Streets. Provided added security services for Halloween

District Identity and Streetscape Improvements

- The CBD rented and staffed a booth at the Castro Street Fair. The goal for this booth was to educate people in the neighborhood about the CBD and how to contact us for services.
- The CBD contracted with Urban Ecology to develop a Streetscape Improvement Plan for the district. The first community workshops will be held in January with the CBD Board members. Community workshops will be held with property owners, merchants and members of community groups.
- The CBD collaborated with MUMC on holiday decorations for the district.
- In October 2007, the Business Attraction Campaign hired a half-time Economic Development Specialist. The Business Attraction campaign has accomplished the following:
 - has set up a database and has begun collecting data on the commercial properties within the boundaries of the District;
 - assisted the Pilates Studio at 2168 Market relocate to a larger empty space at 16th and Sanchez;
 - assisted John Francis Spa in relocating from one place in the neighborhood to a 2nd location;
 - they are working closely with Supervisor Bevan Dufty and Kent Jeffrey, the owner of the now empty Tower Records space;
 - assisted Miguel Lopez in expanding his store, SuiGENERIS, into a new space at 2265 Market Street.;
 - drafted a survey to identify potential businesses that might thrive in the district;
 - began building a website to feature vacant properties and become an on-line resource for commercial real estate specifically in the Castro.

Administrative and Corporate Operations

- In September 2007, hired a part-time Executive Director for the CBD.
- The CBD continues to fund administrative services.
- An Executive Committee has been formed to make Board meetings more efficient, and to review and flush out ideas/projects before discussing with the full Board. Minutes of Executive Committee meetings are kept and are distributed to the full Board.
- A retreat will be held in early 2008 during which the CBD Board will begin working on developing a mission statement, vision statement and a 3-5 year plan.
- 3 bids have been received from web designers, decision on web designer will be made early in the new year.
- Increase communication between CBD Board and property owners, a property owner survey will be developed and mailed to all property owners.
- Fall CBD Newsletter has been published, a Spring CBD Newsletter is forthcoming in 2008.
- The CBD continue to be an active member of CBD/BID Consortium.
- The CBD attended a CBD/BID Consortium meeting where representatives from the City discussed resources available to assist with homeless individuals in the neighborhood.

Castro/Upper Market Community Benefit District, Inc.
Statement of Financial Position
 As of December 31, 2007

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
1020 Cash in Bank--WFB Ckg	3,415.75
1030 Cash in Bank--WFB MM	185,888.87
Total Bank Accounts	<u>\$189,304.62</u>
Accounts Receivable	
1060 Grants Receivable	25,000.00
Total Accounts Receivable	<u>\$25,000.00</u>
Other Current Assets	
1095 Prepaid Expenses	55,000.00
Total Other Current Assets	<u>\$55,000.00</u>
Total Current Assets	<u>\$269,304.62</u>
TOTAL ASSETS	<u><u>\$269,304.62</u></u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	47,000.00
Total Accounts Payable	<u>\$47,000.00</u>
Other Current Liabilities	
2080 Deferred Grants--Restricted by Use	25,000.00
2090 Loan Payable--Board Members	0.00
Total Other Current Liabilities	<u>\$25,000.00</u>
Total Current Liabilities	<u>\$72,000.00</u>
Total Liabilities	<u>\$72,000.00</u>
Equity	
3800 Unrestricted Net Assets - Prior Years	383,763.84
Net Income	(186,459.22)
Total Equity	<u>\$197,304.62</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$269,304.62</u></u>

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Castro/Upper Market Community Benefit District, Inc.
Statement of Activities
 December 2007

	Total		
	Dec 2007	Dec 2006 (PY)	Jul - Dec, 2007 (YTD)
Income			
4000 Contributed Support			
4010 Special Benefit Assessments			
4011 Special Benefit Assessment Income			211.41
Total 4010 Special Benefit Assessments	0.00	0.00	211.41
Total 4000 Contributed Support	0.00	0.00	211.41
5000 Earned Revenues			
5310 Interest Earned	372.87	381.49	3,322.91
Total 5000 Earned Revenues	372.87	381.49	3,322.91
Total Income	\$372.87	\$381.49	\$3,534.32
Expenses			
7000 Program Services Expense			
7010 Contracts--Street Cleaning	18,150.00	17,500.00	108,900.00
7020 Contracts--Police Patrol Services	5,760.00	5,664.00	40,560.00
7040 Contracts--Economic Development			15,000.00
Total 7000 Program Services Expense	23,910.00	23,164.00	164,460.00
7200 Salaries & Wages			
7210 Officer & Director Salaries	3,000.00		12,000.00
Total 7200 Salaries & Wages	3,000.00	0.00	12,000.00
7500 Other Personnel Expenses			
7510 Fundraising Fees			2,890.00
7560 Administrative Services	1,649.00	2,155.25	1,649.00
Total 7500 Other Personnel Expenses	1,649.00	2,155.25	4,539.00
8100 Non-Personnel Expenses			
8105 Bank Service Charges			11.03
8120 Booth Rental			400.00
8130 Equipment/PO Box Rental	300.00		300.00
8145 Licenses, Permits, Fees			95.00
8155 Office Supplies	35.14	240.18	35.14
8160 Postage and Shipping	786.09	390.00	786.09
8170 Printing and Copying			1,616.87
8180 Supplies & Materials			1,270.72
Total 8100 Non-Personnel Expenses	1,121.23	630.18	4,514.85
8300 Travel & Meeting Expenses			
8320 Travel/Transportation	883.34		883.34
8330 Parking/Tolls	124.35		124.35
Total 8300 Travel & Meeting Expenses	1,007.69	0.00	1,007.69
8500 Miscellaneous Expenses			
8505 Advertising/Promotional	3,472.00		3,472.00
Total 8500 Miscellaneous Expenses	3,472.00	0.00	3,472.00
Total Expenses	\$34,159.92	\$25,949.43	\$189,993.54
Net Operating Income	\$ (33,787.05)	\$ (25,567.94)	\$ (186,459.22)
Net Income	\$ (33,787.05)	\$ (25,567.94)	\$ (186,459.22)

Castro/Upper Market Community Benefit District, Inc.
Statement of Cash Flows
July - December, 2007

	<u>Total</u>
OPERATING ACTIVITIES	
Net Income	(186,459.22)
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1060 Grants Receivable	(25,000.00)
1095 Prepaid Expenses	(55,000.00)
2000 Accounts Payable	47,000.00
2080 Deferred Grants--Restricted by Use	25,000.00
Net cash provided by operating activities	<u>\$ (194,459.22)</u>
Net cash increase for period	<u>\$ (194,459.22)</u>
Cash at beginning of period	383,763.84
Cash at end of period	<u><u>\$189,304.62</u></u>

Thursday, Jan 03, 2008 01:56:32 PM GMT-8



August 12, 2008

Lisa Pagan
Project Manager
Office of Economic and Workforce Development
City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
S.F., CA 94102

Dear Lisa:

Enclosed please find the Castro/Upper Market CBD Annual Report for the July 1, 2007 – June 30, 2008 fiscal year. As requested, this report includes:

- 1) Report on Services Provided FY 2007-08.
- 2) Un-audited Budget v.s. Actuals and Statement of Financial Position for the fiscal year.
- 3) Annual budget for fiscal year beginning on July 1, 2008 and ending on June 30, 2009.
- 4) Services Plan for the new fiscal year (July 1, 2008-June 30, 2009).
- 5) Description of changes to the district boundaries, parcels or assessment calculations.
- 6) List of assessments for new fiscal year by parcel.

This past fiscal year has been an exciting one. The Castro CBD hired a part-time Executive Director, Andrea Aiello, in September 2008. Ms. Aiello was hired, on contract, for 15 hours per week. In June 2008, the board of directors voted to increase Ms. Aiello's time to 30 hours per week.

This spring, the Castro CBD launched its website, www.castrocdb.org, the website is complete with a description of the CBD, a history of the neighborhood, description of our services, the ability for visitors to report an issue to the CBD, calendar of upcoming neighborhood events and CBD news/meetings.

The Castro CBD contracted with Urban Ecology to develop a Streetscape/Pedestrian Safety Improvement Plan. Three community meetings were held with a little over 100 people participating in all. The Streetscape/Pedestrian Safety Improvement Plan will be

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www.castrocdb.org

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completed in August 2008. As part of the Streetscape/Pedestrian Safety Improvement Plan, the Castro CBD has been working closely with MTA and the Duboce Triangle Neighborhood Association (DTNA) to develop streetscape improvements along the 100 block of Church St. We are working to include streetscape improvements to be incorporated into the Duboce/Church Rail Replacement Project.

The Castro CBD continues to provide high quality cleaning and public safety services throughout the district.

If you have any questions about this past fiscal year or about the materials enclosed, please do not hesitate to contact me.

Thank you for the help and support you have provided this past year. I look forward to another successful year and our continued working relationship.

Sincerely,

A handwritten signature in cursive script, appearing to read "Andrea Aiello".

Andrea Aiello
Executive Director

enclosures

cc: Castro CBD Board of Directors

**CASTRO/UPPER MARKET
COMMUNITY BENEFIT DISTRICT
SERVICES PROVIDED JULY 2007 – JUNE 2008**

Cleaning and Maintenance Services

Contract with MJM Management Group to provide routine and emergent cleaning/property management services to the public right of way in the CBD boundaries.

Routine services include:

- Daily sweeping of sidewalks
- Spot pressure washing performed weekly or as needed
- Steam clean monthly
- Signage cleaned weekly
- Graffiti or postings removed daily. Paint out of graffiti is weekly
- Furniture, fixtures and equipment are maintained weekly. This includes wiping down newsracks, cleaning paint and removing stickers.
- Maintains dispatch service seven days a week 9:00 a.m. – 6:00 p.m.

MJM also works closely with City agencies through calling 311 for a variety of issues including large garbage/furniture pick-up to quality of life issues.

Throughout the year, additional cleaning services, particularly steam cleaning, has been provided weekly. During the month of June, to prepare for the influx of people into the neighborhood for the Film Festival and Gay Pride, MJM worked hard on Castro Street between 17th Street and 19th and on 17th, 18th and Collingwood Streets providing additional steam cleaning and maintenance services. On Saturday night June 28th, 2 additional workers were assigned to assist with cleaning and garbage removal.

Security Services through San Francisco Patrol Special Police

San Francisco Patrol Special Police provides Patrol Special coverage, in the public right of way, 30 hours a week for the CBD. The SF Patrol Special Police cover the entire district with foot/car patrols, exact times and location of patrols varies with the changing needs of the neighborhood. Additional Patrol Special services were provided during Halloween 2007.

Streetscape Improvements

In October 2007, the Castro CBD contracted with Urban Ecology to develop a streetscape implementation plan. In February 2008, the Castro CBD was awarded a pedestrian safety grant. The core objective of this grant was to provide a comprehensive pedestrian safety plan for the entire district. This effort was rolled in to the streetscape plan. Through this process three community meetings were held to gather input from the community on their ideas/concerns around both, pedestrian safety and greening/beautification. Additionally, focus groups and meetings were held with targeted members of the community. Specific focus groups were held for: Visually Impaired, Seniors, and Parents with Young Children. Meetings were held with targeted merchants in the District. The CBD also incorporated the feedback from the Upper Market Community Design process.

As part of the CBD's streetscape planning process, the CBD also began collaborating with the Duboce Triangle Neighborhood Association (DTNA) to make recommendations which could potentially be incorporated into MTA's Church and Duboce Track Replacement Project. The CBD, DTNA and MTA have been meeting monthly to ensure that the recommended pedestrian safety and streetscape improvements are incorporated into the Track Replacement Project to the greatest extent possible. Recently, DPW has joined these meetings in an effort to develop a comprehensive plan which meets the needs of the City, the residents, merchants, and property owners.

As the streetscape/pedestrian safety recommendations were finalized, the CBD and Urban Ecology met with the various City agencies to ensure the recommendations were feasible and in general alignment with City policy and future plans. The CBD met with Planning, DPW, MTA, and SFCTA. Additionally, the Planning Department and the Castro CBD collaborated closely to ensure agreement between the Upper Market Community Design Plan and the CBD's Streetscape/Pedestrian Safety Plan. The pedestrian safety portion of the plan has been completed. The entire streetscape plan will be completed by August 30, 2008.

Greening

In collaboration with FUF, 4 trees were planted on the east side of the 100 block of Church Street.

Business Attraction and Vacancy Reduction

Through a partnership between the Castro/Upper Market CBD, the Merchants of Upper Market & Castro (MUMC), the Mayor's Office of Economic and Workforce Development and the LGBT Community Center, the Business Attraction Campaign was initiated to address the increasing vacancy rate in the Castro/Upper Market neighborhood.

The Castro/Upper Market Business Attraction Campaign was launched in July 2007. Funding was provided through a grant to the CBD from the Mayor's Office of Economic and Workforce Development (\$25,000); additionally, the CBD contributed \$15,000 and MUMC contributed \$10,000, for a total project budget of \$50,000. The LGBT Community Center runs the Business Attraction Campaign through a sub-contract with the Castro CBD.

The overall goal of the Castro/Upper Market Business Attraction Campaign (Business Attraction Campaign) is to address the increasing vacancy rate in the CBD through attracting new businesses to the Castro/Upper Market neighborhood. The Business Attraction Campaign is changing the vacancy trend by attracting new businesses to the Castro/Upper Market neighborhood from Market and Octavia upwards to Castro & 19th. After its first year of operation, the Business Attraction Campaign is beginning to have some successes. As vacancies fill, the Campaign will work hard to increase the flow of businesses desiring to come to the CBD. This effort will ensure the future of the Castro/Upper Market Community Benefit District as a diverse and thriving neighborhood.

Some of the major accomplishments of the Business Attraction Campaign during its first year were;

- Hiring a half-time Business Assistance Specialist to work under the supervision of the San Francisco LGBT Community Center's Economic Development Director.
 - Tracey R. Williams, M.S., was hired and began working on the project in early October 2007.
- Monitoring and providing feedback regarding specific barriers to attracting and maintaining businesses to the District.
 - A comprehensive, online "Castro and Upper Market Business Vision Survey" was conducted in late 2007/early 2008 regarding barriers to attracting business in the Castro. Information was also gathered throughout the year via one-on-one conversations with brokers, community leaders, and small business owners.
- Reaching out to Castro residents, visitors, and shoppers to develop a list of businesses to attract to the neighborhood.
 - The "Castro and Upper Market Business Vision Survey" yielded an exciting list of specific businesses that residents, visitors, and shoppers want in the district.
- Developing a low-cost marketing plan to attract new businesses to the Castro.
 - The marketing plan included public relations, online marketing, e-mail campaigns, and outreach to brokers, property owners, leasing agents, and small business owners.
- Developing a comprehensive list of vacant properties including specifications and contact information.
 - The list of first-floor retail spaces is solid and it is updated regularly.
- Posting the vacancies on relevant websites (The Center, Craig's List, etc.) and keeping it updated.
 - Ongoing.
- Holding group broker tours and reaching out to San Francisco retail brokers and leasing agents and show the properties where the brokers are not willing or available to show the property.

In May 2008, the Castro CBD submitted a successful grant application to the Mayor's Office of Economic and Workforce Development for \$25,000 to continue the Business Attraction Campaign for a second year. The Castro CBD also submitted a grant to US Bank for \$12,000 to help fund this program. A decision on this request will be made in mid to late August 2008.

Overall Administration

In September 2007, the Castro CBD hired Andrea Aiello, on contract, as the part-time Executive Director for fifteen hours a week. In June the Board of Directors increased the Executive Director's time to thirty hours a week. Some of the administrative accomplishments achieved since September 2007 are:

- Publication of second Annual Report.
- Development of mission statement.

- Launching of website, www.castrocbd.org
- Grant writing: submitted 4 grant applications; 2 have been funded, 2 are awaiting decisions.
- Securing general liability insurance and automobile insurance as required in the CBD's contract with the City.
- Implementing and managing the streetscape/pedestrian safety contracts.

Castro/Upper Market Community Benefit District, Inc.
Budget vs. Actuals: Jul 2007 - Jun 2008 - FY08 P&L
 July 2007 - June 2008

	Total			
	Actual	Budget	\$ Over Budget	% of Budget
Income				
4000 Contributed Support				
4010 Special Benefit Assessments				
4011 Special Benefit Assessment Income	403,702.06	392,920.00	10,782.06	102.74409%
Total 4010 Special Benefit Assessments	403,702.06	392,920.00	10,782.06	102.74409%
4250 Nonprofit Organization Grants	20,000.00	2,500.00	17,500.00	800.00%
4550 Local Government Grants	25,000.00	25,000.00	0.00	100.00%
Total 4000 Contributed Support	448,702.06	420,420.00	28,282.06	106.7271%
5000 Earned Revenues				
5310 Interest Earned	5,035.96	6,000.00	(964.04)	83.93267%
Total 5000 Earned Revenues	5,035.96	6,000.00	(964.04)	83.93267%
Total Income	\$453,738.02	\$426,420.00	\$27,318.02	106.40636%
Expenses				
7000 Program Services Expense				
7010 Contracts--Street Cleaning	219,550.00	230,050.00	(10,500.00)	95.43577%
7020 Contracts--Police Patrol Services	75,120.00	76,848.00	(1,728.00)	97.75141%
7030 District ID/Streetscape Improvements	44,000.00	94,550.00	(50,550.00)	46.53622%
7040 Contracts--Economic Development	40,000.00	40,000.00	0.00	100.00%
Total 7000 Program Services Expense	378,670.00	441,448.00	(62,778.00)	85.77907%
7200 Salaries & Wages				
7210 Officer & Director Salaries	36,680.00	30,000.00	6,680.00	122.26667%
Total 7200 Salaries & Wages	36,680.00	30,000.00	6,680.00	122.26667%
7500 Other Personnel Expenses				
7510 Fundraising Fees	1,360.00	2,500.00	(1,140.00)	54.40%
7520 Accounting Fees	3,760.00	4,000.00	(240.00)	94.00%
7530 Legal & Professional Fees	13,197.00	5,000.00	8,197.00	263.94%
7560 Administrative Services	3,081.25	2,400.00	681.25	128.38542%
Total 7500 Other Personnel Expenses	21,398.25	13,900.00	7,498.25	153.94424%
8100 Non-Personnel Expenses				
8105 Bank Service Charges	11.03		11.03	
8120 Booth Rental	625.00	250.00	375.00	250.00%
8130 Equipment/PO Box Rental	300.00	250.00	50.00	120.00%
8145 Licenses, Permits, Fees	170.00	75.00	95.00	226.66667%
8155 Office Supplies	183.40		183.40	
8160 Postage and Shipping	1,386.19	1,200.00	186.19	115.51583%
8170 Printing and Copying	7,049.42	3,044.00	4,005.42	231.5841%
8180 Supplies & Materials	1,270.72	1,000.00	270.72	127.072%
8190 Website/Internet Expense	4,110.00	4,750.00	(640.00)	86.52632%
Total 8100 Non-Personnel Expenses	15,105.76	10,569.00	4,536.76	142.92516%
8200 Occupancy Expenses				
8210 Rent, Parking or Other Occupancy	226.54		226.54	
Total 8200 Occupancy Expenses	226.54	0.00	226.54	0.00
8300 Travel & Meeting Expenses				
8320 Travel/Transportation	1,708.70	650.00	1,058.70	262.87692%
8330 Parking/Tolls	194.60	135.00	59.60	144.14815%

	Total			
	Actual	Budget	\$ Over Budget	% of Budget
8340 Conferences, Meetings, Conventions	114.99		114.99	
Total 8300 Travel & Meeting Expenses	2,018.29	785.00	1,233.29	257.10701%
8500 Miscellaneous Expenses				
8505 Advertising/Promotional	3,496.42		3,496.42	
8510 Board Meeting Expense	1,554.15	500.00	1,054.15	310.83%
8540 Dues & Subscriptions	215.56	218.00	(2.44)	98.88073%
Total 8500 Miscellaneous Expenses	5,266.13	718.00	4,548.13	733.44429%
Total Expenses	\$459,364.97	\$497,420.00	\$ (38,055.03)	92.34952%
Net Operating Income	\$ (5,626.95)	\$ (71,000.00)	\$65,373.05	7.92528%
Net Income	\$ (5,626.95)	\$ (71,000.00)	\$65,373.05	7.92528%

Monday, Jul 07, 2008 01:24:27 PM GMT-7 - Accrual Basis

Castro/Upper Market Community Benefit District, Inc.
Statement of Financial Position
 As of June 30, 2008

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
1020 Cash in Bank--WFB Ckg	5,977.15
1030 Cash in Bank--WFB MM	347,101.92
Total Bank Accounts	<u>\$353,079.07</u>
Accounts Receivable	
1040 Assessments Receivable	20,977.53
1060 Grants Receivable	
1061 MOEWD Grant	0.00
1062 Pedestrian Safety Grant	10,171.81
Total 1060 Grants Receivable	<u>10,171.81</u>
Total Accounts Receivable	<u>\$31,149.34</u>
Other Current Assets	
1095 Prepaid Expenses	11,000.00
Total Other Current Assets	<u>\$11,000.00</u>
Total Current Assets	<u>\$395,228.41</u>
TOTAL ASSETS	<u><u>\$395,228.41</u></u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	42,028.00
Total Accounts Payable	<u>\$42,028.00</u>
Other Current Liabilities	
2040 Deferred Assessments	0.00
2080 Deferred Grant Income--Restricted by Use	
2081 MOEWD Grant	0.00
2082 Pedestrian Safety Grant	0.00
Total 2080 Deferred Grant Income--Restricted by Use	<u>0.00</u>
2098 Loan Payable--Board Members	0.00
Total Other Current Liabilities	<u>\$0.00</u>
Total Current Liabilities	<u>\$42,028.00</u>
Total Liabilities	<u>\$42,028.00</u>
Equity	
3800 Unrestricted Net Assets - Prior Years	358,827.36
Net Income	(5,626.95)
Total Equity	<u>\$353,200.41</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$395,228.41</u></u>

Monday, Jul 07, 2008 01:12:50 PM GMT-7 - Accrual Basis

Castro/Upper Market Community Benefit District, Inc.

Proposed Budget

2008-2009

OPERATING BUDGET

INCOME

Property Assessments	\$397,067
Less Potential Uncollected	-\$18,000
Grants	25,000
New Grant Funding	27,333
Interest Earned	3,000
Total Income	\$434,400

No Increase budgeted

11,515 if max 2.9% increase

EXPENSES

Maintenance Contract	225,000
Security	70,000
District ID/Streetscape	5,000
Development/Fundraising	500
Economic Development (MOEWD)	40,000
Public Information & Awareness	12,000
Administrative Personnel Costs	74,400
Other Administrative Costs	7,500
Total Expenses	434,400

6 mos at 18500 plus 6 mos at 19000 -- 2.7% incr (RFP in Fall 2008)

(RFP in 2009)

\$5k Xmas

Fundraising/RFP expenses

15k + 25 MOEWD

2 semiannual newsletters, website, postcards, Castro Fair & other promo

12 mos at 6k, plus RM @ 2400

Filing Fees, bank charges, CPA review, supplies, PO Box, Bd Mtgs, etc.

Net of Income over expenses

0

RESERVES SUMMARY

Carryover of unallocated cash/assets from FYE 6/30/06	280,077
Carryover of unallocated cash/assets from FYE 6/30/07	78,750
Cash/assets allocated/committed for use in FYE 6/30/08	-5,627

NET AVAILABLE/UNCOMMITTED CASH RESERVES

\$353,200

**Castro/Upper Market Community Benefit District
Services Plan FY 2008-2009**

Public Rights of Way and Sidewalk Operations; Public Safety

- Provide cleaning and management services within the district boundaries. This includes sweeping and steam cleaning sidewalks in the entire district, spot pressure washing, removing graffiti, illegal signage/postings, weeding and general landscaping, wiping down street furniture, general alerting DPW of large item pick up needs and maintenance issues, providing dispatch service 7 days a week.
- Public safety services includes providing 30 hours a week of security/patrol services. This includes walking the streets in the District and intervening as is appropriate with problems which arise.

District Identity and Streetscape Improvements

- Complete Streetscape/Pedestrian Safety Improvement Plan.
- Review and approve Streetscape/Pedestrian Safety Improvement Plan prepared by Urban Ecology and develop a prioritized implementation plan.
- Begin to work on top priority streetscape improvements.
- Participate in promotional activities.
- Subcontract with the LGBT Center to implement the Business Attraction Campaign.
- Work with Business Attraction Campaign on developing future funding options.
- Other district identity projects.

Administrative and Corporate Operations

- Issue a Request for Proposals for District Cleaning and Maintenance.
- Research options for providing Public Safety services in the District and possibly issue a Request for Proposals for Public Safety.
- Review proposals and select contractors, negotiate contracts.
- Monitor contracts and services. Assist contractors in problem solving as is necessary.
- Ensure functioning of CBD and compliance with City contract and management plan, including develop contract for CPA review.
- Work on organizational development issues including developing a 5 year plan for the CBD.
- Engage in fundraising activities to support the 5 year plan.
- Continue to update website.
- Increase and improve upon communication between CBD Board and property owners.
- Publish Fall CBD Annual Report and Spring CBD Newsletter.
- Continue as active member of CBD/BID Consortium.
- Explore opportunities to work with the City on quality of life issues.
- Explore inviting adjoining property owners (outside of the District boundaries) to contract with the CBD for CBD services.

**Castro/Upper Market Community Benefit District
FY 2007-08 Annual Report**

Description of Changes

Budget Changes: The Administrative Personnel line item increased more than 10% from the previous year's budget due to the hiring of an Executive Director for the CBD. The Executive Director was hired, on contract, in September 2007 for fifteen hours a week and in June 2007, this position was increased to 30 hours/week.

District Boundaries/Parcels or Assessment Calculations: There have been no changes in district boundaries and no increase in assessment for the new fiscal year.

Castro CBD Parcel Assessment Database FY 07-08

APN 07-08	PROPERTY LOCATION	PROPERTY OWNER NAME	ADDRESS	CITY	STA TE	ZIP	FRONTAGE (LINEAR FT.)	ASSESSME NT CALCULATI ON PER LINEAR FT.
0871-004	1870 MARKET ST	RISDEN DALE	3424 CRANE WAY	OAKLAND	CA	94602	31	\$ 275.79
0871-005	1874 - 1878 MARKET ST	DORNINGE FAMILY LYG TRUST	1321 ACTON STREET	BERKELEY	CA	94706	36	\$ 320.27
0871-006	1884 - 1886 MARKET ST	GTT TRUST	1884 MARKET ST	SAN FRANCISCO	CA	94102	26	\$ 231.30
0871-007	1890 - 1892 MARKET ST	KHAYAM-BASHI HASSAN & TOORAN	P.O. BOX 27263	SAN FRANCISCO	CA	94127	25	\$ 222.41
0871-008	1896 - 1918 MARKET ST	WU HERBERT M & JANNIE C	4 LAGUNA ST	SAN FRANCISCO	CA	94102	23	\$ 204.61
0871-014	1800 - 1806 MARKET ST	COMMUNITY CENTER PROJECT OF SA	1748 MARKET ST #204	SAN FRANCISCO	CA	94102	175	\$ 1,556.85
0871-016	1844 MARKET ST	Upper Market Place LLC	671 Illinois Street	SAN FRANCISCO	CA	94107	198	\$ 1,761.47
0872-001	1900 - 1920 MARKET ST	HERMANN STREET LLC	2101 MARKET ST	SAN FRANCISCO	CA	94114	146	\$ 1,298.86
0872-002	1930 MARKET ST	MILTON D & EVELYN SCHLESINGER RV	2535 SUMMIT DR	HILLSBOROUGH	CA	94010	100	\$ 869.63
0872-004	1942 - 1950 MARKET ST	HUNDAHL VICTOR A&CRYSTAL	1942 MARKET ST	SAN FRANCISCO	CA	94102	50	\$ 444.82
0872-005	1960 MARKET ST	CLOVER TRUST 1997-1	P.O. BOX 1539	PASO ROBLES	CA	93447	50	\$ 444.82
0872-006	1970V MARKET ST	CLOVER TRUST 1997-1	P.O. BOX 1539	PASO ROBLES	CA	93447	50	\$ 444.82
0872-007	1898 MARKET ST	CLOVER TRUST 1997-1	P.O. BOX 1539	PASO ROBLES	CA	93447	197	\$ 1,752.57
2623-006	376 CASTRO ST	NAZ Auto Services, Inc.	471 JOOST AVE	SAN FRANCISCO	CA	94127	164	\$ 1,458.99
2647-002B	420 - 426 CASTRO ST	CANATA-HAPP FAMILY PARTNERS LP	1645 CORONADO WAY	BURLINGAME	CA	94010	42	\$ 373.64
2647-003	430 - 432 CASTRO ST	430 CASTRO STREET LLC	1234 CASTRO STREET	SAN FRANCISCO	CA	94114	25	\$ 222.41
2647-004	434 - 436 CASTRO ST	430 CASTRO STREET LLC	1234 CASTRO STREET	SAN FRANCISCO	CA	94114	25	\$ 222.41
2647-005	438 - 440 CASTRO ST	SURVIVORS TRUST	4630 GEARY BLVD STE 202	SAN FRANCISCO	CA	94118	25	\$ 222.41
2647-006	444 CASTRO ST	CITIBANK WEST FSB, ATTN: MICHAEL WEITZMAN	1 SANSOME ST., 21st Fl.	SAN FRANCISCO	CA	94104	30	\$ 266.89
2647-007	450 - 452 CASTRO ST	STRAIN INVESTMENTS	11 CYPRESS AVENUE	KENTFIELD	CA	94904	25	\$ 222.41
2647-008	454 - 456 CASTRO ST	STRAIN GEORGE J	P.O. CYPRESS AVE	KENTFIELD	CA	94904	25	\$ 222.41
2647-009	458 - 460 CASTRO ST	KUNG, PETER	P.O. BOX 591866	SAN FRANCISCO	CA	94159	24	\$ 213.51
2647-010	462 - 464 CASTRO ST	FERGUSON ARTHUR L & RUTH H TRS	500 DAVEY GLEN RD	BELMONT	CA	94002	24	\$ 213.51
2647-011	466 - 468 CASTRO ST	MICHAEL GLENN VERDONE TRUST	815 Athington Rd	REDWOOD CITY	CA	94062	24	\$ 213.51
2647-012	470 - 476 CASTRO ST	George Antonio Maurer Revit	2201 SACRAMENTO STREET	SAN FRANCISCO	CA	94115	45	\$ 400.33
2647-014	4122 - 4124 18TH ST	RAGGIO MARK C	229 WILL SHIRE AVE.	DALY CITY	CA	94015	25	\$ 222.41
2647-015	4126 - 4130 18TH ST	LATHAM JOHN T REVOC LIVING TR	PO BOX 31306	SAN FRANCISCO	CA	94131	25	\$ 222.41
2647-016	4144 - 4150 18TH ST	TOMKINS, MILLICENT	P.O. BOX 885	KENTFIELD	CA	94904	150	\$ 1,324.45
2647-017	79 - 85 COLLINGWOOD ST	CITY PROPERTY	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94102	37	\$ 329.16

2647-033	480 - 498 CASTRO ST	CLAIRE INVESTMENTS, INC. C/O WALLGREEN	151 E 3RD AVE	SAN MATEO	CA	94401	192	\$	1,708.09
2647-034	4116 - 4120 18TH ST	ATTN: MARK CAMPANA CITY PROPERTY	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94102	37	\$	329.16
2647-035	400 - 418 CASTRO ST	LURIE MANAGEMENT, LLC SAN FRANCISCO INC ATTN: SHARON SLATER	555 CALIFORNIA ST #5100	SAN FRANCISCO	CA	94104	148	\$	1,316.65
2648-016	4214 - 4216 Castro St	Murray A Gordon	4214 18th St	SAN FRANCISCO	CA	94114	25	\$	222.41
2648-017	4220 - 4222 18th St	Bolton James Edward & Sherrine	286 Turk St	SAN FRANCISCO	CA	94102	25	\$	222.41
2648-018	4226 - 4228 18th St	Giannini Living Trust The	786 Union St	SAN FRANCISCO	CA	94127	25	\$	222.41
2648-019	4230 18th St	Westleski Mark	4230 18th St	SAN FRANCISCO	CA	94114	25	\$	222.41
2648-020	4240 18th St	Bastaracea Trust	22 Carleton Ave	DALY CITY	CA	94115	25	\$	222.41
2648-022a	4254 - 4256 18th St	Shimmon Kenneth Revoc Trust	280 Roosevelt Way	SAN FRANCISCO	CA	94114	100	\$	889.63
2648-043	4248 18th St	Thongyichit 2002 Trust	375 Hazelwood Ave.	SAN FRANCISCO	CA	94127	50	\$	444.82
2648-052	4200 18TH ST	Jesamine Mak	1718 - 16th Avenue	SAN FRANCISCO	CA	94122	125	\$	1,112.04
2694-001	4201 - 4225 18TH ST	LINNENBACH DORIS CITY PROPERTY	26500 CORPORATE AVE	HAYWARD	CA	94545	200	\$	1,779.28
2694-002	4244 - 4246 19TH ST	JOHNSON ANNA M 96 REVOC TR	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94102	250	\$	2,224.08
2694-036	4249 - 4251 18th St	Rogers Family Living Trust	1237 Buckeye Ter	CLAYTON	CA	94517	25	\$	222.41
2694-037	4241 - 4243 18th St	Lau Yik Hee & NG Chu Yen	36 Soledad Ave	SAN FRANCISCO	CA	94116	25	\$	222.41
2694-038	4231 - 4233 18th St	Lau Yik Hee & NG Chu Yen	4231 18th St #4	SAN FRANCISCO	CA	94114	25	\$	222.41
2694-039	4227 - 4229 18th St	Lau Yik Hee & NG Chu Yen	589 Castro St	SAN FRANCISCO	CA	94114	25	\$	222.41
2695-001	4109 - 4111 18TH ST	CASTRO LLC	P.O. BOX 14517	SAN FRANCISCO	CA	94114	150	\$	1,354.45
2695-002	514 - 520 CASTRO ST	SIRHEB BASSEM R 2001 TRUST ATTN: BASSEM SIRHEB	PO BOX 626	BURLINGAME	CA	94011	50	\$	444.82
2695-003	524 - 528 CASTRO ST	CHIAN LUKE L & NANCY K LIV TR	1614 14TH AVE	SAN FRANCISCO	CA	94122	24	\$	213.51
2695-004	530 - 532 CASTRO ST	ERNEST C & BERNICE E AYALA REVOC	4402 20TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
2695-005	534 - 536 CASTRO ST	LAU ALAN & LELAND	95 DUNCAN ST	SAN FRANCISCO	CA	94110	25	\$	222.41
2695-006	538 - 542 CASTRO ST	LATHAM JOHN T REVOC LIVING TR	P.O. BOX 31306	SAN FRANCISCO	CA	94131	25	\$	222.41
2695-007	544 - 546 CASTRO ST	SANDRINGHAM TRUST	300 HILLSIDE AVE	PIEDMONT	CA	94611	25	\$	222.41
2695-008	548 - 550 CASTRO ST	BOTHE KARL-HEINZ R	3271 16TH ST	SAN FRANCISCO	CA	94103	24	\$	213.51
2695-009	556 CASTRO ST	BANSEMER-ZIMMER LYG TR	100 PALO ALTO	SAN FRANCISCO	CA	94114	25	\$	222.41
2695-010	558 - 564 CASTRO ST	HSU ARTHUR C S & HSU GLENDY M	2371 32ND AVE	SAN FRANCISCO	CA	94116	37	\$	329.16
2695-011	566 - 570 CASTRO ST	BRAUN FRED JR	1170 SACRAMENTO ST	SAN FRANCISCO	CA	94108	37	\$	329.16
2695-012	572 - 574 CASTRO ST	Georg & Patricia Albuschkat Trust	3406 LODGE DR	BELMONT	CA	94002	26	\$	231.30
2695-013	582 CASTRO ST	LORD GEORGE W REVOCABLE LIVING TRUST	1615 HURLBUT LN	SEBASTOPOL	CA	95472	25	\$	222.41
2695-013A	584 CASTRO ST	BANSEMER-ZIMMER LIVING TRUST	100 PALO ALTO AVE	SAN FRANCISCO	CA	94114	25	\$	222.41
2695-014	586 CASTRO ST	OLCESE SUSANA	586A CASTRO ST	SAN FRANCISCO	CA	94114	22	\$	195.72
2695-015	588 CASTRO ST	EDWARD A & MARY B MOELLER 1990	588 CASTRO ST	SAN FRANCISCO	CA	94114	23	\$	204.61

2695-016	590 - 598 CASTRO ST	SETO LIVING TRUST 1984	137 17TH AVE	SAN FRANCISCO	CA	94121	111	\$	987.48
2695-017	4106 19TH ST	BRIGHT M PFAU TRUST	227 DORLAND ST	SAN FRANCISCO	CA	94114	22	\$	195.72
2695-018	4108 19TH ST	PARKER, STEVEN D	4108 19TH ST	SAN FRANCISCO	CA	94114	22	\$	195.72
2695-036	4133 18TH ST	4133 18TH LLC	262 STONECREST DR	SAN FRANCISCO	CA	94114	25	\$	222.41
2695-036	4125 - 4131 18TH ST	GILROY-HALEY 1991 REVOC TR	4711 18TH ST	SAN FRANCISCO	CA	94114	50	\$	444.82
2695-041	4141 - 4149 18TH ST	ONG DICK TRUSTEE	255 28TH AVE	SAN FRANCISCO	CA	94121	125	\$	1,112.04
2695-042	4117 - 4121 18TH ST	NATAU LESLIE A C/O NATALI INC.	4121 18TH ST	SAN FRANCISCO	CA	94114	50	\$	444.82
2696-001	4101 - 4123 19th St	Swartz & Chavez Lvg Trust	121 Alpine Ter	San Francisco	CA	94117	147	\$	1,307.76
3501-001	2 GUERRERO ST	TROPHY PROPERTIES I LLC	2101 MARKET ST	SAN FRANCISCO	CA	94114	147	\$	1,307.76
3501-002	1925 MARKET ST	BRITTON PATRICIA A REVOCABLE I	1811 EL CAMINO REAL	BURLINGAME	CA	94010	51	\$	453.71
3501-003	200 DUBOCE AVE	HARMAN CAFES EMPLOYEES PROFIT	199 1ST ST STE 212	LOS ALTOS	CA	94022	140	\$	1,245.48
3501-005	1927 MARKET ST	BRITTON PATRICIA A REVOCABLE I	1811 EL CAMINO REAL	BURLINGAME	CA	94010	88	\$	782.87
3501-006	1939 MARKET ST	SF METAL JOINT APPRENTICE & JO ATTN:	1700 MARINA BLVD	SAN LEANDRO	CA	94577	150	\$	1,334.45
3501-007	1959 MARKET ST	SF METAL JOINT APPRENTICE & JO ATTN:	1700 MARINA BLVD	SAN LEANDRO	CA	94577	99	\$	880.73
3502-040	1869 MARKET ST	ZANELLO 1998 TRUST ATTN: BREDA CONNEELY	1869 MARKET ST	SAN FRANCISCO	CA	94103	87	\$	773.98
3502-041	1859 - 1861 MARKET ST	KIM YOUNG KYU & SOON AE	1439 33RD AVE	SAN FRANCISCO	CA	94122	25	\$	222.41
3502-042	1853 - 1857 MARKET ST	CHARLES H FULLER REVOC TRUST	P.O. BOX 5629	PALM SPRINGS	CA	92263	25	\$	222.41
3502-043	1845 - 1851 MARKET ST	FUNG JAMES YET KAY	2044 KIRKHAM ST	SAN FRANCISCO	CA	94122	25	\$	222.41
3502-044	1841 MARKET ST	RUSH, WILLIAM & HUTSON KAREN	44 MONTGOMERY ST #1288	SAN FRANCISCO	CA	94104	25	\$	222.41
3502-068	3 - 5 PEARL ST	HO HAN-TING	P.O. BOX 590206	SAN FRANCISCO	CA	94159	92	\$	818.46
3502-070	1801 - 1805 MARKET ST	SCHOLTEN PAULINE	134 ARLINGTON ST	SAN FRANCISCO	CA	94131	131	\$	1,165.42
3502-114	1829 MARKET ST 1	DELMONICO WILLIAM	1829 MARKET ST 1	SAN FRANCISCO	CA	94103	19	\$	169.03
3534-057	1975 - 1977 MARKET ST	GIRAUDO JOSEPH J & BEVERLY J P	2300 BRIDGEWAY	SAUSALITO	CA	94965	199	\$	1,770.36
3534-058	291 - 293 DUBOCE AVE	Duboce Development LLC	901 Bayshore Blvd.	SAN FRANCISCO	CA	94124	120	\$	1,057.56
3535-001	2001 MARKET ST	Greenidge SF LLC, c/o Prado Group	150 Post St. #320	SAN FRANCISCO	CA	94108	147	\$	1,307.76
3535-008	2041 - 2049 MARKET ST	LOW-HONG FMY TR	4331 ARROWWOOD CIR	CONCORD	CA	94521	25	\$	222.41
3535-012	2055 - 2057 MARKET ST	MILLER 1999 TRUST c/o Cecile B. Michael	3120 MARGARITA AVE	BURLINGAME	CA	94010	25	\$	222.41
3535-013	2059 MARKET ST	SHAIN HAROLD & MIRIAM G LIV TR	254 EDGEWOOD AVE	SAN FRANCISCO	CA	94117	113	\$	1,005.28
3535-015	2061 MARKET ST	JAY HARPER TOBIN REVOC TR	423 ROBERTS RD	PACIFICA	CA	94044	50	\$	444.82
3535-016	2027 MARKET ST	LUK ANNA TRUSTEE	55 ROBINHOOD DR	SAN FRANCISCO	CA	94127	50	\$	444.82
3536-001	2030 MARKET ST	Agnes Quigley Rev Tr c/o SAFEWAY, Steve Gouig, RE Att.	5918 STONERIDGE MALL RD	PLEASANTON	CA	94588	607	\$	5,400.05
3536-002	2046V MARKET ST	CALIFORNIA SCHOOL OF MECHANICAL A	755 OCEAN AVENUE	SAN FRANCISCO	CA	94112	87	\$	773.98
3536-003	2066V MARKET ST	CHARLES H & ROBIN A E QUAST SURVIVOR TRUS	32445 LAKE BERRYESSA DR	FREMONT	CA	94555	30	\$	266.89

3536-004	2060V MARKET ST	SAFEWAY STORES INC c/o Jennifer Webber Director of Public Affairs Northern California Division	RD	5918 STONERIDGE MALL	PLEASANTON	CA	94588	25	\$	222.41
3536-005	2068V MARKET ST	WILEY LIVING TRUST THE HIERS V	5918 STONEMALL RD		PLEASANTON	CA	94588	50	\$	444.82
3536-007	2088V MARKET ST	WILFERT MARLETTE R	727 3RD AVE		SAN FRANCISCO	CA	94118	75	\$	667.22
3536-010	2080 MARKET ST	WILFERT MARLETTE R	727 3RD AVE		SAN FRANCISCO	CA	94118	202	\$	1,797.05
3536-012	2086V MARKET ST	WILEY LIVING TRUST THE HIERS V	5918 STONEMALL RD		PLEASANTON	CA	94588	241	\$	2,144.01
3536-013	10V RESERVOIR ST	WILFERT MARLETTE R	727 3RD AVE		SAN FRANCISCO	CA	94118	89	\$	791.77
3537-001	401 DUBOCE AVE	MATRI AIDS HOSPICE	401 DUBOCE AVE		SAN FRANCISCO	CA	94117	200	\$	1,779.26
3537-005	118 CHURCH ST	Marjorie C. Geneve Trust	2163 34TH AVE		SAN FRANCISCO	CA	94116	25	\$	222.41
3537-006	122 CHURCH ST	MEYER TINA E	120 CHURCH ST		SAN FRANCISCO	CA	94114	24	\$	213.51
3537-007	124 - 130 CHURCH ST	CHEA WATTHIKA	1731 EARL AVENUE		SAN BRUNO	CA	94086	48	\$	427.02
3537-009	140 - 142 CHURCH ST	ST FRANCIS LUTHERAN CHURCH	152 CHURCH ST		SAN FRANCISCO	CA	94114	60	\$	533.76
3537-010	152 CHURCH ST	ST FRANCIS LUTHERAN CH	152 CHURCH ST		SAN FRANCISCO	CA	94127	50	\$	444.82
3537-013	160 CHURCH ST	HARAMIS PETER & MARIA P	90 SANTA PAULA AVE		SAN FRANCISCO	CA	94127	25	\$	222.41
3537-014	172 - 174 CHURCH ST	HIERS VERNIA M LIVING TRUST THE	37 SANTA PAULA AVE		SAN FRANCISCO	CA	94127	25	\$	222.41
3537-015	178 - 180 CHURCH ST	178-80 Church Street LLC	27 Maiden Lane #250		San Francisco	CA	94108	25	\$	222.41
3537-016	194 CHURCH ST	DUDLEY TRUST THE	340 URBANO DR		SAN FRANCISCO	CA	94127	125	\$	1,112.04
3537-017	702 - 706 14TH ST	JABER JIMMIE S & ROSE TRUSTEES	2831 ARGUELLO DR		BURLINGAME	CA	94010	25	\$	222.41
3537-018	708 - 710 14TH ST	KAZANJIAN VARD RESIDUAL TR	2166 MARKET ST #A		SAN FRANCISCO	CA	94114	25	\$	222.41
3537-019	716 - 718 14TH ST	R L L INC	3140 MISSION ST		SAN FRANCISCO	CA	94110	25	\$	222.41
3537-085	9 - 11 BELCHER ST	ARLAN L WENDLAND LVG TR	449 DUBOCE AVE		SAN FRANCISCO	CA	94117	25	\$	222.41
3537-086	437 - 441 DUBOCE AVE	EVANGELISTA REYNATO R & MILAGROA A	2221 BEGONIA CT		PITTSBURG	CA	94565	25	\$	222.41
3537-087	435 DUBOCE AVE	ST BELLAH CH OF GOD IN CHRIST	435 DUBOCE AVE		SAN FRANCISCO	CA	94117	50	\$	444.82
3537-088	425 - 429 DUBOCE AVE	LAU AM M	422 DUBOCE AVE		SAN FRANCISCO	CA	94117	25	\$	222.41
3537-089	421 - 423 DUBOCE AVE	WOOD, ALLEN	422 DUBOCE AVE		SAN FRANCISCO	CA	94117	25	\$	222.41
3537-091	158V CHURCH ST	WILEY LIVING TRUST THE HIERS V	37 SANTA PAULA AVE		SAN FRANCISCO	CA	94127	55	\$	469.30
3542-004	2120 - 2122 MARKET ST	ANGELO E CAMPANA TRUST	320 MARKET ST STE 107		SAN FRANCISCO	CA	94114	25	\$	222.41
3542-005	2124 MARKET ST	WOOD RICHARD A	325 EUREKA ST		SAN FRANCISCO	CA	94114	25	\$	222.41
3542-006	2128 - 2130 MARKET ST	FIREMAN KAREN B	1740 MARKET ST		SAN FRANCISCO	CA	94102	50	\$	444.82
3542-007	2134 - 2136 MARKET ST	Sharnock Properties Hlgs LLC SF	630 TARAVAL ST		SAN FRANCISCO	CA	94116	25	\$	222.41
3542-008	2140 MARKET ST	MULTIVENTURES LLC	5 MARIALINDA COURT		HILLSBOROUGH	CA	94010	25	\$	222.41
3542-009	2144 MARKET ST	MULTIVENTURES LLC	5 MARIALINDA COURT		HILLSBOROUGH	CA	94010	50	\$	444.82
3542-011	2148 - 2150 MARKET ST	CAMPANA REVOCABLE TR	2148-A MARKET STREET		SAN FRANCISCO	CA	94114	25	\$	222.41
3542-012	2152 - 2154 MARKET ST	YORK, MICHAEL O & SWITZLER RICH	2800 VAN NESS AVE		SAN FRANCISCO	CA	94109	25	\$	222.41
3542-013	2156 - 2158 MARKET ST	Barista Properties LLC	715 HARRISON ST		SAN FRANCISCO	CA	94107	25	\$	222.41
3542-014	2160 MARKET ST	PATEL LALUBHAISITABEN LIV TR	2160 MARKET ST		SAN FRANCISCO	CA	94114	25	\$	222.41
3542-015	2162 - 2164 MARKET ST	LAUTAUD AUGUSTA TRUSTEE	1515 30TH AVE		SAN FRANCISCO	CA	94122	25	\$	222.41

3542-016	2166 MARKET ST	LEBOVITZ DAVID	2166 MARKET ST #A	SAN FRANCISCO	CA	94114	25	\$	222.41
3542-017	2168 - 2174 MARKET ST	SWEDISH SOCY OF S F	2174 MARKET ST	SAN FRANCISCO	CA	94114	50	\$	444.82
3542-024A	145 - 147 SANCHEZ ST	DATOC FELICITO A & PACITA J	147 SANCHEZ ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3542-025	135 SANCHEZ ST	CITY PROPERTY	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94102	100	\$	889.63
3542-038A	719 - 723 14TH ST	HABEEB MARILYN TRUSTEE	1317 MILLBRAE AVE	MILLBRAE	CA	94030	59	\$	524.88
3542-039	2198 MARKET ST	Tom Fong Credit Shelter TR	1720 9TH AVE	SAN FRANCISCO	CA	94122	404	\$	3,594.11
3542-041	2100 - 2114 MARKET ST	KENNETH & CHRISTINA C WALDECK LVG	875 AUTOMN LANE	MILL VALLEY	CA	94941	288	\$	2,592.13
3542-049	151 SANCHEZ ST	BUBECK JOEL A	151 SANCHEZ ST	SAN FRANCISCO	CA	94114	13	\$	115.65
3542-050	153 SANCHEZ ST	BENTON TIMOTHY R	153 SANCHEZ ST	SAN FRANCISCO	CA	94114	13	\$	115.65
3543-001	210 CHURCH ST	SKYLINE ENTERPRISES DE LLC	2101 MARKET ST	SAN FRANCISCO	CA	94114	209	\$	1,899.33
3543-003	240-250 CHURCH ST	Enterprises De Lic Skyline	2101 MARKET ST	SAN FRANCISCO	CA	94114	82	\$	729.50
3543-003A	2135 MARKET ST	OPEN BIBLE CHURCH OF S F	217 Glenview Drive	SAN FRANCISCO	CA	94131	58	\$	515.99
3543-003B	2145 MARKET ST	LYONS MARKET STREET LLC ATTN: DAVID	500 WASHINGTON ST #700	SAN FRANCISCO	CA	94111	37	\$	329.16
3543-004	252-258 CHURCH ST	DeVENENCENZI	2099 Market Street	SAN FRANCISCO	CA	94114	25	\$	222.41
3543-010	2145 MARKET ST	LYONS MARKET STREET LLC ATTN: DAVID	500 WASHINGTON ST #700	SAN FRANCISCO	CA	94111	75	\$	657.22
3543-011	2175 MARKET ST	VENENCENZI	P O BOX 52085	PHOENIX	AZ	85072	452	\$	4,021.13
3543-012	2117 - 2123 MARKET ST	OPEN BIBLE CHURCH OF S F	217 Glenview Drive	SAN FRANCISCO	CA	94131	50	\$	444.82
3544-059	245 CHURCH ST	Wu Yan Nan & Selina SA	2118 27th Ave	SAN FRANCISCO	CA	94116	25	\$	222.41
3544-060	233-241 CHURCH ST	FEL PROPERTIES B14 DE LLC	2099 Market St	SAN FRANCISCO	CA	94114	50	\$	444.82
3544-062	227-229 CHURCH ST	John J Ageson Anne Hadreas	3687 Wyndemere Cir	SANTA ROSA	CA	95403	25	\$	222.41
3544-063	221-225 CHURCH ST	Patrick Conlon	227 Romlin St	SAN FRANCISCO	CA	94131	25	\$	222.41
3544-064	215-219 CHURCH ST	Ents De Lic Skyline	2099 Market St	SAN FRANCISCO	CA	94114	25	\$	222.41
3544-065	2099 MARKET ST	FEL PROPERTIES B14 de LLC	2099 MARKET ST	SAN FRANCISCO	CA	94114	122	\$	1,085.35
3544-067	2075 - 2083 MARKET ST	FEL PROPERTIES B14 de LLC	2099 MARKET ST	SAN FRANCISCO	CA	94114	125	\$	1,112.04
3544-070	689 - 691 14TH ST	LAY MEE TUNG WONG REVOC TRUST	689 14TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3544-071	683 - 685 14TH ST	CHEUNG SHAI YING & LI KWOK FAI	683 14TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3558-036	201 - 207 SANCHEZ ST	CARDAD GRAYTT TRUST C/O WILLIAM A	2261 MARKET ST # 119	SAN FRANCISCO	CA	94114	49	\$	435.92
3558-147	2193 MARKET ST #1	CARDAD GRAYTT TRUST C/O WILLIAM A	203 Sanchez Street	SAN FRANCISCO	CA	94114	39.8	\$	354.07
3559-001	2201 - 2207 MARKET ST	GRAVITT TRUSTEE	2201 Market ST	SAN FRANCISCO	CA	94114	83	\$	736.39
3559-002	230 - 240 SANCHEZ ST	STJURE DONALD	2089 Market Street	SAN FRANCISCO	CA	94114	179	\$	1,592.44
3559-013	2275 MARKET ST	Trophy Properties VIII LLC	3060 KERNER BLVD #A	SAN FRANCISCO	CA	94901	55	\$	489.30
3559-013A	2279 - 2281 MARKET ST	ASIA-YUNG INC&W'S GAN PARTSHIP	1818 15TH AVE	SAN FRANCISCO	CA	94122	26	\$	231.30
3559-014	2283 - 2297 MARKET ST	SHAMLIAN MARGARET E LIV TR	1435 LAKEVIEW DR	HILLSBOROUGH	CA	94010	231	\$	2,055.05

3569-015	2267 - 2269 MARKET ST	BANSEMER-ZIMMER LIVING TRUST	2267 - 2269 MARKET ST	SAN FRANCISCO	CA	94114	16	\$	142.34
3569-016	2261 - 2265 MARKET ST	Richard A. Solitto	223 Upper Terrace	SAN FRANCISCO	CA	94117	32	\$	284.58
3569-017	2253 - 2257 MARKET ST	Sam Mazza Foundation	414 HEARST AVE	SAN FRANCISCO	CA	94112	50	\$	444.82
3569-018	2251 MARKET ST	Leticia Luna	3140 MISSION ST	SAN FRANCISCO	CA	94110	25	\$	222.41
3569-019	2243 MARKET ST	Leticia Luna (P)	350 Alberta Way	Hillsborough	CA	94010	27	\$	240.20
3560-001	2200 MARKET ST	Leticia Luna	350 Alberta Way	Hillsborough	CA	94010	140	\$	1,245.48
3560-005	2238 MARKET ST	SULLIVAN ARTHUR III	2455 22ND AVENUE	SAN FRANCISCO	CA	94116	25	\$	222.41
3560-006	2240 MARKET ST	Frank B & Dervin Rosemary 2003 Trust	2455 22ND AVENUE	SAN FRANCISCO	CA	94116	50	\$	444.82
3560-007	2248 - 2250 MARKET ST	SULLIVAN JAMES J	2455 22ND AVENUE	SAN FRANCISCO	CA	94116	25	\$	222.41
3560-008	2254 MARKET ST	FRANK B DERVIN & ROSEMARY 2003 TRU & Arthur J	2455 22ND AVENUE	SAN FRANCISCO	CA	94116	25	\$	222.41
3560-009	2256 - 2258 MARKET ST	Sullivan Jr. Testamentary Trust	P O BOX 927	GEYSERVILLE	CA	95441	25	\$	222.41
3560-010	2260 MARKET ST	STEPHEN ALLEN ROAKE REVOC TRUST	P.O. BOX 927	GEYSERVILLE	CA	95441	36	\$	320.27
3560-011	2264 - 2268 MARKET ST	WU VAN NAN & SELINA	2118 27TH AVE	SAN FRANCISCO	CA	94116	36	\$	320.27
3560-012	2270 MARKET ST	VLAHIOTIS NICK & SOPHIA	67 CAMINO ALTO	MILBRAE	CA	94030	28	\$	248.10
3560-013	2276 - 2282 MARKET ST	MARKET AND NOE CENTER ATTN:KENT JEFFREY	36 ORANGE AVE	LARKSPUR	CA	94939	225	\$	2,001.67
3560-015	2298 MARKET ST	JON DAVID PETRAS REVOC TRUST	451 BURNETT AVENUE	SAN FRANCISCO	CA	94131	152	\$	1,352.24
3560-031	2222 MARKET ST	BECK EDWARD W	1221 S EL CAMINO REAL	SAN MATEO	CA	94402	125	\$	1,112.04
3561-009	258 - 260 NOE ST	PETRAS JON DAVID	451 BURNETT AVENUE	SAN FRANCISCO	CA	94131	28	\$	248.10
3561-010	262 - 266 NOE ST	LAPPOS C & E LIVING TRUST	1518 LA MESA	BURLINGAME	CA	94010	28	\$	248.10
3561-011	270 - 272 NOE ST	NG ANTHONY H & ELAINE	270 NOE ST	SAN FRANCISCO	CA	94114	28	\$	249.10
3561-012	276 - 278 NOE ST	BENITO, RUSS	278 NOE ST	SAN FRANCISCO	CA	94114	23	\$	204.61
3561-013	280 - 284 NOE ST	GHAI MAHMOOD 1994 TRUST THE G	280 NOE ST	SAN FRANCISCO	CA	94114	23	\$	204.61
3561-014	286 - 288 NOE ST	DER BEDROSSIAN LEYON REVOC	288 NOE ST	SAN FRANCISCO	CA	94114	23	\$	204.61
3561-015	292 NOE ST	BENNETT LAWRENCE REVOC TRUST	110 PALO ALTO AVE	SAN FRANCISCO	CA	94114	131	\$	1,166.42
3561-016	3608 16TH ST	WONG RONNIE D	3608 16TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3562-001	2300 - 2312 MARKET ST	ARIKAT SAMIH & NAILA A TRS	2392 31ST AVE	SAN FRANCISCO	CA	94116	274	\$	2,437.59
3562-003	2330 - 2334 MARKET ST	SOHN FAMILY TRUST 2000	39 SAN ANSELMO AVE	SAN FRANCISCO	CA	94127	33	\$	293.58
3562-004	2324 MARKET ST	Audrey Dean Jenkins Trust	2324 MARKET ST. #2	SAN FRANCISCO	CA	94114	59	\$	524.88
3562-006	2336 - 2338 MARKET ST	BAYCHESTER SHOPPING CTR INC	P O BOX 424129	SAN FRANCISCO	CA	94142	33	\$	293.58
3562-007	2342 - 2348 MARKET ST	KAFKA RICKEY A & ROBERT G & KA	10 EDGEMAR WAY	CORTE MADERA	CA	94925	50	\$	444.82
3562-008	2350 MARKET ST	FALLON ROBERT D	3979 24TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3562-009	2352 - 2356 MARKET ST	DOWD GERALD K F&M LIV REV TR	345 CALIFORNIA DR	BURLINGAME	CA	94010	25	\$	222.41
3562-010	2358 - 2360 MARKET ST	DOWD GERALD K F&M LIV REV TR	345 CALIFORNIA DR	BURLINGAME	CA	94010	25	\$	222.41
3562-011	2362 MARKET ST	DOWD GERALD K F&M LIV REV TR	345 CALIFORNIA DR	BURLINGAME	CA	94010	38	\$	338.06
3562-014	2378 - 2380 MARKET ST	BRITTON PATRICIA A REVOCABLE I	1811 EL CAMINO REAL	BURLINGAME	CA	94010	25	\$	222.41

3562-015	2390 MARKET ST	J & V SAN FRANCISCO LLC ATTN: DANA BUTCHER	1690 W SHAW AVE SUITE 21	FRESNO	CA	93711	107	\$	851.90
3562-035	2370 MARKET ST	PETER CASTRO TRUST	3345 FOLSOM ST	SAN FRANCISCO	CA	94110	63	\$	560.47
3563-003	334 - 336 NOE ST	SCARABOSIO FAMILY REVOCABLE TRUST	1305 BOSWORTH ST	SAN FRANCISCO	CA	94131	25	\$	222.41
3563-044	2355 MARKET ST	GRAVITCH MIGNON TRUSTEE C/O MONROE ROTHSCHILD	555 LAUREL AVE APT 612	SAN MATEO	CA	94401	90	\$	800.67
3563-023	2395 - 2399 MARKET ST	SAHAGUN PROPERTIES LLC ATTN: PAT SAHAGUN	2500 CALIFORNIA ST	SAN FRANCISCO	CA	94115	253	\$	2,250.76
3563-026	2351 MARKET ST	BANSEMER-ZIMMER LIVING TRUST	100 PALO ALTO AVE	SAN FRANCISCO	CA	94114	33	\$	293.58
3563-027	2347 - 2349 MARKET ST	BANSEMER-ZIMMER LIVING TRUST	1740 MARKET ST	SAN FRANCISCO	CA	94102	33	\$	293.58
3563-028	2341 - 2345 MARKET ST	CROWE FAMILY TRUST	7830 MEADOW VISTA DR	RENO	NV	89511	33	\$	293.58
3563-029	2337 - 2339 MARKET ST	SKYLINE ENTERPRISES DE LLC	2101 MARKET ST	SAN FRANCISCO	CA	94114	33	\$	293.58
3563-030	2317 - 2335 MARKET ST	2317-2335 MARKET LLC	422 CORBETT AVE	SAN FRANCISCO	CA	94114	132	\$	1,174.31
3563-034	2301 MARKET ST	2301 MARKET ASSOCIATES LLC	2 FIFER AVE STE 250	CORTE MADERA	CA	94925	262	\$	2,330.83
3563-036	2367 - 2375 MARKET ST	HUTACHINDA REVOCABLE TRUST	1257 ULLOA ST	SAN FRANCISCO	CA	94116	90	\$	800.67
3564-049	3850 17th St	CITY PROPERTY	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94118	116	\$	1,031.97
3564-074	82 - 86 POND ST	CHIN YOKE SEIN&NELLY D 94 FAM TR	762 10TH AVE	SAN FRANCISCO	CA	94114	25	\$	222.41
3564-075	3874 17TH ST	ANDERSON KATHY	3874 17TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3564-076	3878 17TH ST	OWEN ROBERT L	3878 17TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3564-077	3882 - 3884 17TH ST	GRAVES DONALD A & ZIMMERER-GRA	PO BOX 482	OCCIDENTAL	CA	95465	25	\$	222.41
3564-078	3886 - 3888 17TH ST	BAUER LOU ANN	83 FARNSWORTH LN	SAN FRANCISCO	CA	94117	25	\$	222.41
3564-079	3890 17TH ST	LEE SUE K	3890 17TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3564-080	3894 - 3898 17TH ST	AVEDIAN ARA	72 SANTA MONICA WAY	SAN FRANCISCO	CA	94127	88	\$	782.87
3564-091	2299V MARKET ST	2299 Market St. LLC	45 CHILTON AVE	SAN FRANCISCO	CA	94131	166	\$	1,476.79
3564-092	3583 16TH ST	MAH ANN T	2090 16TH AVE	SAN FRANCISCO	CA	94116	30	\$	266.89
3564-093	3571 16TH ST	SHAMLIAN MARGARET E LIVING TR	1816 15TH AVE	SAN FRANCISCO	CA	94122	154	\$	1,370.03
3564-095	3555 16TH ST	CITY PROPERTY	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94102	274	\$	2,437.59
3582-051	4052 - 4056 18TH ST	RENT TECH L L C	4052 18TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3582-052	4058 - 4060 18TH ST	GERARD JIAN TRUST	464 NOE ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3582-053	4064 - 4066 18TH ST	TAM DING YUN & ELEANOR S	111 SUNHAVEN RD	DANVILLE	CA	94506	25	\$	222.41
3582-054	4072 18TH ST	SPEERS SEPARATE TRUST ATTN: ROBERT SPEER	1966 EDDY STREET	SAN FRANCISCO	CA	94115	25	\$	222.41
3582-055	4078 - 4080 18TH ST	EDGAR WALTER M	24 HENRY ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3582-056	4084 - 4086 18TH ST	RICKENBACHER FAMILY TRUST	4630 GEARY BLVD STE 202	SAN FRANCISCO	CA	94118	25	\$	222.41
3582-057	4092 - 4096 18TH ST	4096-18th Street LLC	1450 Castle Road	Sonoma	CA	95476	173	\$	1,539.06
3582-058	489 - 491 CASTRO ST	LASH RICHARD E TRUSTEE	P.O. BOX 51130	PACIFIC GROVE	CA	93960	24	\$	213.51

3582-061	465 - 469 CASTRO ST	SIRHED BASSEM R 2001 TRUST ATTN: BASSEM	PO BOX 626	BURLINGAME	CA	94011	25	\$	222.41
3582-062	461 - 463 CASTRO ST	TAM FAMILY 1980 TRUST	111 SUNHAVEN RD	DANVILLE	CA	94506	25	\$	222.41
3582-066	441 - 443 CASTRO ST	U S BANK NA	2800 EAST LAKE ST	MINNEAPOLIS	MIN	55406	27	\$	240.20
3582-071	401 - 419 CASTRO ST	KHOURY HAIFA TRUST	1712 CHULA VISTA DR	BELMONT	CA	94002	125	\$	1,112.04
3582-072	3991 - 3995 17TH ST	PAKOS IRENE TRUSTEE	1431 18TH AVE	SAN FRANCISCO	CA	94122	25	\$	222.41
3582-073	3987 - 3989 17TH ST	PARR PHILIP C & JOHN PARR	3987 - 3989 17TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3582-074	3983 - 3985 17TH ST	BARRONS INVESTMENTS	PO BOX 26117	SAN FRANCISCO	CA	94126	25	\$	222.41
3582-075	3979 - 3981 17TH ST	RASTELLI EZIO	2140 BAY ST	SAN FRANCISCO	CA	94123	25	\$	222.41
3582-076	3975 - 3977 17TH ST	THOMAS A KARABIN & SEAM P PHUONG REV TR	19 BELGRAVE AVE	SAN FRANCISCO	CA	94117	23	\$	204.51
3582-085	429 CASTRO ST	CENTRAL CALIFORNIA THEATRES CO	851 BURLWAY RD STE 627	BURLINGAME	CA	94010	99	\$	880.73
3582-087	455 - 459 CASTRO ST	ATTN:THEODORE D. NASSER	25 VAN NESS AVE #400	SAN FRANCISCO	CA	94102	25	\$	222.41
3582-103	479 CASTRO ST	Asten Ernest L & Martha J	479 CASTRO ST	SAN FRANCISCO	CA	94114	74	\$	658.33
3582-104	445 CASTRO ST	RONALD V PINTO TRUST THE	PO BOX 471120	SAN FRANCISCO	CA	94147	16	\$	142.34
3582-105	449 CASTRO ST	RONALD V PINTO TRUST THE	PO BOX 471120	SAN FRANCISCO	CA	94147	16	\$	142.34
3582-106	451 CASTRO ST	RONALD V PINTO TRUST THE	PO BOX 471120	SAN FRANCISCO	CA	94147	16	\$	142.34
3583-056	597 - 599 CASTRO ST	ROBERT HSI REVOC LVG TR	29 DIGBY ST	SAN FRANCISCO	CA	94131	120	\$	1,067.55
3583-057	593 - 595 CASTRO ST	ROBERT HSI REVOC LVG TR	1530 ULLOA ST	SAN FRANCISCO	CA	94116	25	\$	222.41
3583-058	587 - 589 CASTRO ST	LAU YUK SEE & CHU YUEN NG	589 CASTRO ST	SAN FRANCISCO	CA	94114	25	\$	222.41
3583-059	577 CASTRO ST	TESSLER STEVEN D TRUST	584 CASTRO ST	SAN FRANCISCO	CA	94114	49	\$	435.52
3583-061	573 - 575 CASTRO ST	BANSEMER-ZIMMER LIVING TRUST	100 PALO ALTO AVE	SAN FRANCISCO	CA	94114	25	\$	222.41
3583-062	563 - 565 CASTRO ST	BANSEMER-ZIMMER LIVING TRUST	100 PALO ALTO AVE	SAN FRANCISCO	CA	94114	25	\$	222.41
3583-063	557 - 561 CASTRO ST	MADSEN COY D TRUSTEE	100 PALO ALTO AVE	SAN FRANCISCO	CA	94114	37	\$	329.16
3583-064	553 - 555 CASTRO ST	LARRY STEBBINS REVOC LVG TR	4445 CLIPPER DR	BYRON	CA	94514	37	\$	329.16
3583-065	549 - 551 CASTRO ST	BANSEMER-ZIMMER LIVING TRUST	771 DOLORES ST #B	SAN FRANCISCO	CA	94110	24	\$	213.51
3583-066	543 - 547 CASTRO ST	MCCLURE HELEN Z	100 PALO ALTO AVE	SAN FRANCISCO	CA	94114	25	\$	222.41
3583-067	535 - 541 CASTRO ST	NATAL INC	11410 MADERA CR	LAKEWOOD	WA	98489	25	\$	222.41
3583-068	527 - 533 CASTRO ST	NATAL INC	4121 18TH ST	SAN FRANCISCO	CA	94114	37	\$	329.16
3583-069	521 - 525 CASTRO ST	LEE FAMILY LIVING TRUST	100 FLEETWOOD DR	SAN CARLOS	CA	94070	25	\$	222.41
3583-070	517 - 519 CASTRO ST	AZZOLINO TRUST THE	612 SANCHEZ ST	SAN FRANCISCO	CA	94114	24	\$	213.51
3583-071	501 CASTRO ST	LURIE CO THE CO/ BANK OF AMERICA ATTN: KAREN FUKUMURA	1455 Market Street, 12th Floor SF CA 94103	SAN FRANCISCO	CA	94103	60	\$	533.78
3583-072	501 CASTRO ST	LURIE CO THE CO/ BANK OF AMERICA ATTN: KAREN FUKUMURA	1455 Market Street, 12th Floor SF CA 94103	SAN FRANCISCO	CA	94103	115	\$	1,023.07

3583-073	501 CASTRO ST	LURIE CO THE CO/ BANK OF AMERICA ATTN: KAREN FUKUMURA	1455 Market Street, 12th Floor SF CA 94103	SAN FRANCISCO	CA	94103	25	\$	222.41
3583-074	4077 - 4079 18TH ST	LATHAM JOHN THOMAS REVOCABLE TRUST C/O BANK OF AMERICA ATTN: KAREN FUKUMURA	1455 Market Street, 12th Floor SF CA 94103	SAN FRANCISCO	CA	94103	25	\$	222.41

3583-076	4067 18TH ST	ALLAN C & MAY C HONG 1990 REVOC T	481 30TH AVE	SAN FRANCISCO	CA	94121	25	\$	222.41
3583-077	4061 - 4063 18TH ST	KADRI HY-YUN	343 HEARST AV	SAN FRANCISCO	CA	94112	25	\$	222.41
3583-078	4055 - 4057 18TH ST	KEUSKY FAMILY TRUST	70 SAN ANDREAS WAY	SAN FRANCISCO	CA	94127	25	\$	222.41
3583-079	4051 - 4053 18TH ST	KIM HYUN SOO & HUI SOOK	4051 18TH ST	SAN FRANCISCO	CA	94114	25	\$	222.41

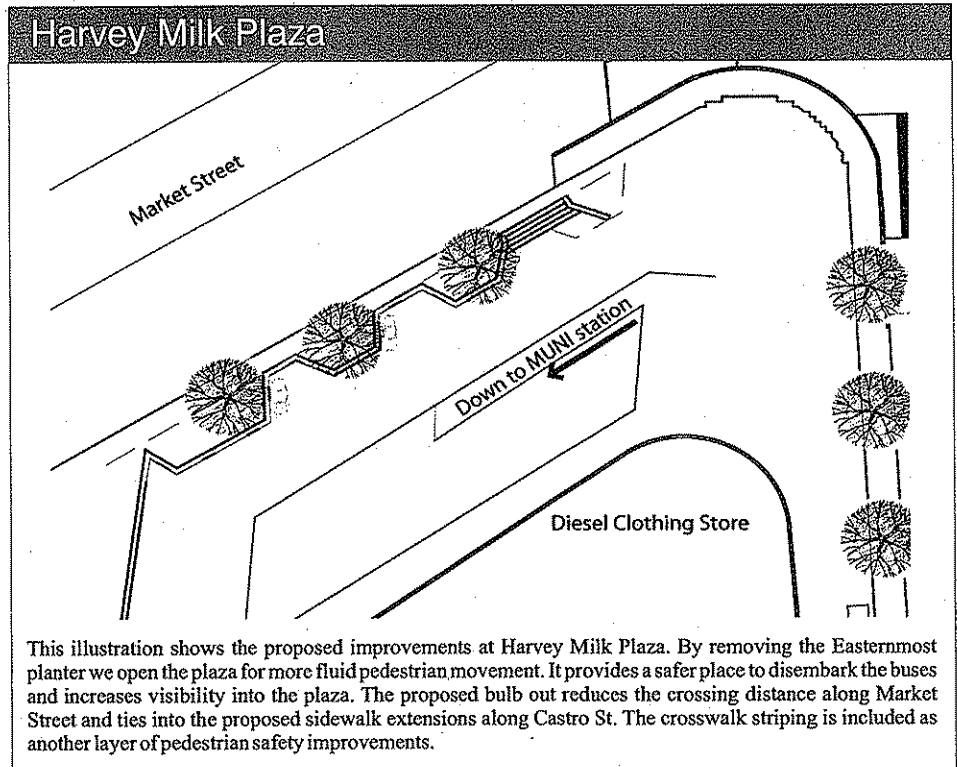


Annual Report Fall 2008

Looking Towards The Future: Beautification and Pedestrian Safety

The Castro/Upper Market CBD will soon be bringing major streetscape and beautification changes to the district. The Castro CBD is proud to announce that its Neighborhood Beautification and Safety Plan has been finalized, approved by the board, and is hard at work implementing the recommendations. The Plan, available on the CBD's website at www.castrocdb.org was developed with significant input from community members and approved, conceptually, by the various City agencies. As the CBD moves forward, this Plan will guide the CBD's priorities as outlined in the management plan.

Three lively and interactive community workshops and five focus groups were held to assess the community's concerns and desires around streetscape improvements and pedestrian safety. In all, approximately 140 people participated in this process, with neighborhood organizations such as the Eureka Valley Promotional Association (EVPA), Duboce Triangle Neighborhood Association (DTNA), and the Merchants of Upper Market and Castro (MUMC) fully represented.



Participants were asked to identify hot spots, great spots, ideas for increased beautification, public art, safety and economic vitality.

Together with these comments and guided by the Castro CBD's mission statement and goals for the streetscape project, our beautification and safety plan was brought to fruition.

Continued on page 2.

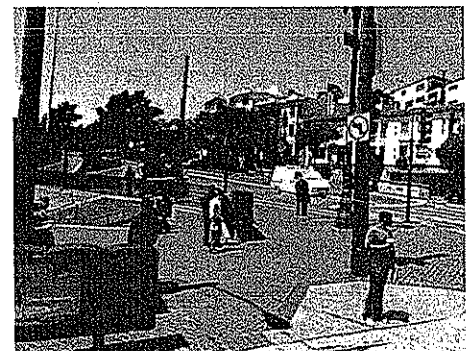
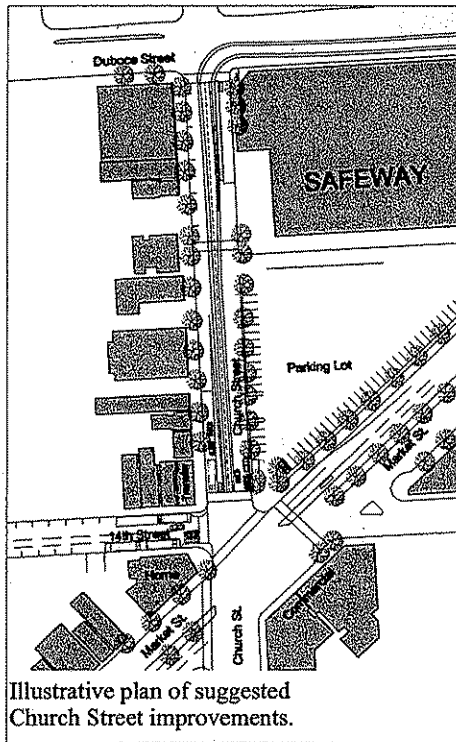


Photo simulation of Harvey Milk Plaza with the partial removal of the planter.

Looking Towards The Future: Beautification and Pedestrian Safety

continued from page 1

Church Street to Duboce



ANALYSIS:

This corner has very low visibility due to building mass and utility boxes in the sidewalk. Drug use and homeless are concerns in the area. The complex transit system limits improvement options and coordination with city agencies will be critical.

PROBLEM:

Pedestrian and user safety, visibility both pedestrian and vehicle, illegal pedestrian crossings. Narrow sidewalks and complicated transit networks conflict with cars. Infrastructure (mechanical/electrical boxes, light switches for transit, overhead cables, power poles and fire hydrants) crowds the sidewalk and obstructs movement and views of pedestrians.

RECOMMENDATIONS:

- Activate corner with street plantings and transit users by relocating transit stops.
- Relocate bus shelter to north end of street.
- Propose mid-block cross walk on north side of Reservoir Road (alternative: extend pedestrian island to Reservoir Road).
- Relocate electrical boxes out of pedestrian zone-against buildings or clustered in a single location where possible.
- Improve lighting by adding pedestrian lights similar to those existing on Church north of Duboce.

Recommendations of the Beautification and Pedestrian Safety Plan:

- **Octavia and Market Street:** Improve the gateway to the neighborhood by installing public art, way finding signage, and greening.
- **Market, Church and 14th Streets:** Improve this major transit hub by increasing pedestrian safety for the large number of people using this space and through additional greening.
- **Market and Noe Streets:** Improve the pedestrian safety via traffic calming, bulb outs to narrow crossing distances, and through more greening.
- **Harvey Milk Plaza:** Beautify this space by redesigning planters, adding seating, and

containers for plants and flowers. Improve pedestrian safety and redesign areas for passengers getting on and off MUNI vehicles.

- **17th, Castro and Market Streets:** Pedestrian safety and beautification improvements. Close 17th Street at Castro/Market Streets to cars/private vehicles. Leave open for pedestrians, transit, bicycles and delivery trucks.
- **Castro Street:** Enhance economic vitality by widening sidewalks to accommodate more foot traffic and permit sidewalk café seating. Bulb out the intersection of Castro and 18th Streets to enhance pedestrian safety.

The plan includes conceptual diagrams for each of the recommendations and provides examples of greening and beautification which can be adapted to benefit the district. The plan also has rough cost estimates for the recommendations and a timeline for construction.

Improvements To The Neighborhood

With the support of property owners, merchants and residents the Castro/Upper Market Community Benefit District (Castro CBD) is making improvements in the neighborhood...

Cleaning the neighborhood:

The CBD's highest priority continues to be maintaining clean sidewalks and other public places. The CBD provides cleaning services 7 days a week, from 7:00 a.m. – 6:00 p.m. (Hours may vary.) Dispatch is available 7 days a week from 9:00 a.m. – 5:00 p.m., call 415-559-8698. In addition to regular steam cleaning, daily sweeping and spot power washing, the CBD:

- Removes graffiti and illegal stickers,
- Calls 311, and tracks the removal, for large items left on the street,
- Cleans after accidents or other dangerous situations,
- Coordinates with DTW.

Sidewalk/Plaza Improvements:

Castro CBD works to ensure the City keeps its commitment to the neighborhood:

- Tree stump at 450 Castro St. removed, new trees planted,
- Pigeon abatement installed at Harvey Milk Plaza,
- Tree wells filled on Castro Street.

Public Safety:

Security services provided on weekend nights. Services also available by calling 415-559-9955. On call by phone: Sunday - Wednesday 3pm to 11pm; Thursday, Friday, Saturday 6pm to 2am 415-559-9955. A typical month of security services provided by S.F. Patrol Special:

- Intervening with homeless on the street,
- Breaking up fights on street,
- Intervening with drunk/disorderly persons on street,
- Responding to calls of suspicious persons.

Fundraising:

\$45,000 in grants raised in fiscal year 2007-08.

- \$25,000 to fund Business Attraction Campaign
- \$20,000 to create Pedestrian Safety Plan

\$58,167 in grants raised so far for fiscal year 2008-09.

- \$58,167 grant received to make improvements at Harvey Milk Plaza
- \$45,000 grant denied to fund pedestrian safety improvements at Harvey Milk Plaza

Business Attraction:

- Two new businesses opened in the Castro, in large part due to the Business Attraction Campaign
- 500 Bay Area Brokers contacted regarding vacancies and opportunities in the District.

Website:

Our website has been launched! Come visit us at www.castrocdbd.org

Business Turnaround on the Horizon as Business Attraction Campaign Yields Results

One of the cornerstones of a healthy community is a strong business corridor featuring a diversity of businesses. To ensure the Castro's future as a thriving neighborhood, the CBD, the Merchants of Upper Market & Castro, and The San Francisco LGBT Community Center (The Center) are leading a sophisticated Business Attraction Campaign focused on attracting new business while also working to keep the Castro's unique spirit. The Business Attraction Campaign, which is funded in part by the City's Office of Economic and Workforce Development, is beginning to yield results.

The Business Attraction Campaign team's efforts to date include the following:

- Two new businesses and one relocation due to expansion in the Castro, credit, in large part, goes to Business Attraction Campaign for assistance in finding the right space, and the right tenants.
- 26 vacant properties have been featured on the tours.
- Outreach to 500 Bay Area-based brokers and dozens of independent small business owners.

In addition to reducing the current number of vacancies in the district, the Business Attraction Campaign is focused on positioning the CBD to prepare for several new infill development projects that will add approximately 175,000 square feet of commercial space.

If you have any questions about the Business Attraction Campaign, if you want assistance renting your property, or if you just want to learn more about the program, contact Ken Stram, Director of the SF LGBT Community Center's Economic Development Program and CBD Board Member at 415-865-5515.

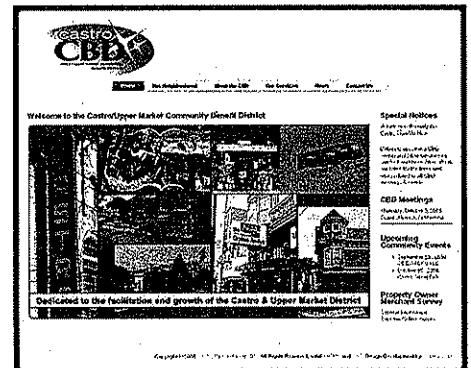
Join the CBD Board of Directors!

The Castro CBD's priorities are determined by its management plan, approved by property owners and the San Francisco Board of Supervisors. By joining the Board, you can have a say in how the funds within each specific priority area are spent. Please consider joining the CBD Board by contacting Andrea Aiello, Executive Director, at execdirector@castrocbd.org or by phone 650-355-1294.

Do You Have a Question About the Castro CBD or the Neighborhood?

Our website is complete with:

- Contact information for CBD.
- Description of our services.
- Contact information for our cleaning services and public safety services.
- Property owner information: complying with City policies. Links and phone numbers to important City agencies.
- Board of Director's meeting notices, minutes, agendas.
- History of the neighborhood.
- Neighborhood Beautification and Safety Plan.
- CBD documents.
- Report an issue.
- Special neighborhood events.



**Come Visit Our Website
WWW.CASTROCBD.ORG**

Flower Baskets

Do you want to work to bring flower baskets to the neighborhood? The CBD has formed a committee to research and develop a plan for funding and maintaining flower baskets. This committee welcomes new members. The committee will be developing a fundraising plan which will include donations from local merchants/property owners, other local businesses, and grant writing.

If you are interested in making a donation for flower baskets and/or joining the committee please contact Andrea Aiello, Executive Director, at execdirector@castrocbd.org or by phone 650-355-1294.

Property Owners Helping The Community

Castro CBD Board of Director's extends a big Thank You to:

- Edna and Kent Jeffrey for once again generously allowing the CBD's cleaning and maintenance contractor, MJM Management Group to use storage space in their property on Noe Street.
- John and Philip Parr, owners of Wild Card, for allowing MJM Management to use their water for steam cleaning the sidewalks.
- A.G. Ferrari for installing pigeon abatement.
- All those property owners, merchants, and residents who attended our beautification and safety community workshops.

Email Addresses Needed!

We are collecting email addresses to better communicate with you! Please go on line to www.castrocbd.org and sign-up to receive electronic communication from the CBD.

Your Information will be kept Confidential. We will NOT Share any electronic or phone contact information with any other organizations, agencies, or individuals.

Castro CBD Board of Director's Meetings

OPEN TO ALL*

Castro Community Room
501 Castro St., 2nd Floor,
Second Thursday of the month,
6:00-7:30 p.m

Meeting Schedule:

October 9, 2008
November 13, 2008
December 11, 2008
January 8, 2009
February 12, 2009
March 12, 2009
April 9, 2008
May 14, 2009
June 11, 2009

* All Board meetings have time allocated for public comment. The Board of Directors thanks all those who have attended our Board meetings, particularly those who have provided us with feedback on important CBD/community related issues.

Services Survey

Thank you to all the property owners and merchants for completing the survey. We had a great response! The results of this survey will guide the CBD Board in designing future cleaning and security services.

CBD Mission Statement

The mission of the Castro/Upper Market Community Benefit District is to provide services that improve the quality of life in the neighborhood, emphasizing clean, safe, beautiful streets. It also promotes the area's economic vitality, fosters the Castro's unique district identity, and honors its diverse history.

Cleaning The Neighborhood

Hours of Operation:

Hours may vary, particularly as the seasons change.

Sidewalk Maintenance Services:

7:00 a.m. – 6:00 p.m. 7 days a week.

Dispatch Services:

9:00 a.m. – 5:00 p.m.
7 days a week, 415-559-8698.



Special Issues for the District:

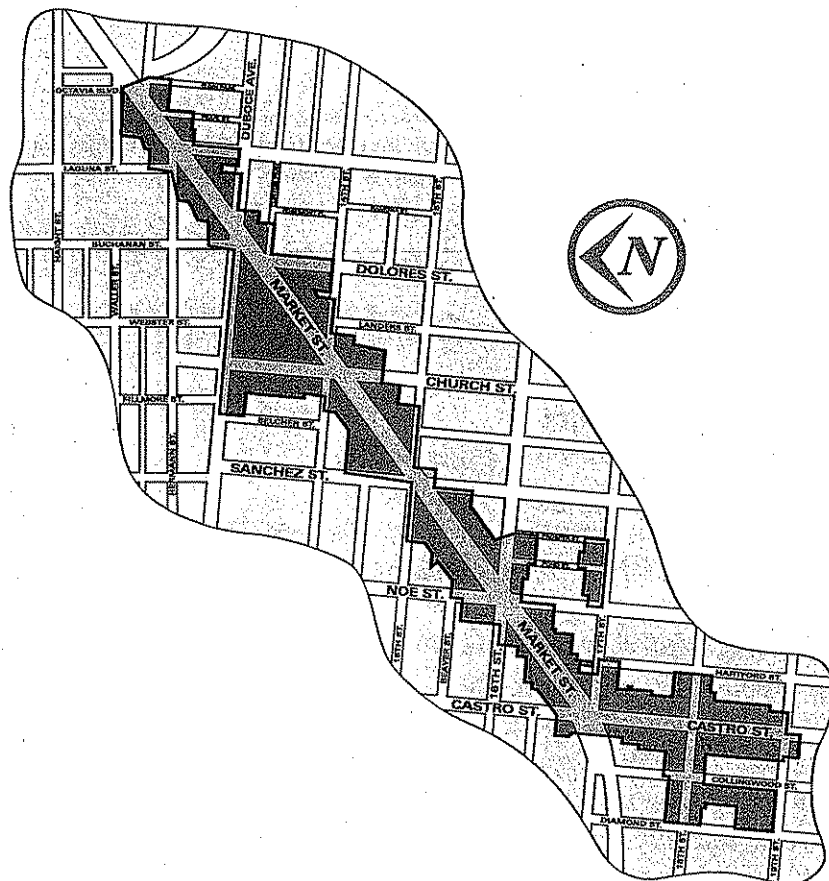
Hoses draped up and down the sidewalk: The Castro CBD is a mixed use neighborhood, it is residential and commercial. For this reason it is difficult to steam clean the sidewalks in the early morning hours as is done in other parts of the City. Because it is a busy commercial district with limited parking, it is also very difficult to park large vehicles with cleaning equipment and water on them.

Property owners and merchants can help:

Allow the cleaning crew to attach their hose to your external water spigot. If you are interested in helping out, please contact the CBD Executive Director.

Andrea Aiello
Executive Director
execdirector@castrocbd.org or
(650)355-1294.





Address Range Map

Street	Address Series
14th Street	683-723
16th Street	3555-3608
17th Street	3850-3995
18th Street	4051-4258
19th Street	4105-4246
Belcher Street	9-11
Castro Street	376-599
Church Street	118-258
Collingwood Street	79-85

Street	Address Series
Duboce Avenue	200-441
Guerrero Street	2
Market Street	1800-2399
Noe Street	258-336
Pearl Street	3-5
Pond Street	82-86
Reservoir Street	10
Sanchez Street	135-240

STATEMENT OF FINANCIAL POSITION

June 30, 2008

ASSETS

Cash – Checking	\$ 5,977
Cash – Money Market	347,102
Assessments Receivable	20,977
Grants Receivable	10,172
Prepaid Expense	11,000
Total Current Assets	\$ 395,228

LIABILITIES AND EQUITY

Accounts Payable	\$ 42,028
Total Liabilities	42,028
Unrestricted Net Assets	358,827*
Net Income	(5,627)
Total Equity	353,200
Total Liabilities & Equity	\$ 395,228

***Subsequent Events**

The Board of Directors authorized a set aside of the following amounts for the following purposes:

Reserves from previous years earmarked as follows:

- \$100,000 Operating Revenue Reserve (3 months)
- \$125,000 Matching Grants Reserve
- \$140,000 Mandated Streetscape/District Identity (12% of gross revenues per management plan)

STATEMENT OF ACTIVITIES

For the year ended June 30, 2008

INCOME

Assessment Income	\$ 403,702
Grants (restricted use)	45,000
Interest	5,036
Total Income	\$ 453,738

EXPENSES

Program Services	
Street Cleaning	\$ 219,550
Security	75,120
District Identity	44,000
Economic Development	40,000
Other Expenses	
Officer & Director Salaries	36,680
Other Personnel Expenses	21,398
Non-personnel Expenses	15,106
Other Organizational Costs	7,511
Total Expenses	459,365
Net Income	\$ (\$5,627)

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT

584 Castro Street #336; San Francisco CA 94114

650/355-1294

www.CastroCBD.org

Maintenance Dispatch Office 415/559-8698

Security Patrol 415/559-9955

Board of Directors

President Herb Cohn, CPA herbcohn@pacbell.net

Vice President Gustavo Serina gserina@aol.com

Secretary Dominic Campodonico dcampodonico@gordonrees.com

Interim Treasurer Herb Cohn, CPA herbcohn@pacbell.net

Kimberley Daniels kimberely.daniels@safeway.com

Brian Greene brian@plco.net

Tim Patriarca tpatriarca@maitrisf.org

Pat Sahagun bustwo98@aol.com

Pauline Scholten shakecty@ix.netcom.com

Ken Stram kens@sfcenter.com

Ken Wingard ken@kennethwingard.com

Executive Director Andrea Aiello execdirector@castrocbd.org

Castro CBD Board of Directors meetings are open to the public and are held at 6:00 pm on the second Thursday of each month, at 501 Castro Street, 2nd floor above the Bank of America at 18th and Castro Streets.

The Castro/Upper Market Community Benefit District is an IRS-approved 501(c)3 tax-exempt organization. The CBD can accept both unrestricted and restricted donations that are tax deductible to the donor. Donations and grants are welcomed from individuals, businesses, other tax-exempt entities, foundations, and government agencies. Checks can be sent to Castro/Upper Market Community Benefit District, 584 Castro Street #336; San Francisco CA 94114

Castro/Upper Market Community Benefit District

584 Castro Street #336

San Francisco CA 94114



Castro/Upper Market Community Benefit District

Mid-Year Report

July 1, 2008 – December 31, 2008

Castro/Upper Market Community Benefit District, Inc.
Balance Sheet
As of December 31, 2008

	<u>Total</u>
ASSETS	
Current Assets	
Bank Accounts	
1020 Checking Accounts	
1021 Cash in Bank--WFB Ckg	207,776.23
1022 Cash in Bank--SB&T Ckg	1,000.00
1023 Cash in Bank--BA Ckg	1,000.00
Total 1020 Checking Accounts	<u>209,776.23</u>
1030 Cash in MM/CDs	
1031 Cash in Bank--WFB MM	30,007.98
1032 Cash in Bank--SB&T MM	14,183.61
1033 Cash in Bank--BA CD	96,662.62
Total 1030 Cash in MM/CDs	<u>140,854.21</u>
Total Bank Accounts	<u>\$350,630.44</u>
Accounts Receivable	
1040 Assessments Receivable	30,961.85
1060 Grants Receivable	
1061 MOEWD Grant	25,000.00
1063 SF Study Center Ped Safety Grant	0.00
Total 1060 Grants Receivable	<u>25,000.00</u>
Total Accounts Receivable	<u>\$55,961.85</u>
Other Current Assets	
1095 Prepaid Expenses	0.00
1096 Prepaid Insurance	450.00
Total Other Current Assets	<u>\$450.00</u>
Total Current Assets	<u>\$407,042.29</u>
TOTAL ASSETS	<u><u>\$407,042.29</u></u>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	30,694.30
Total Accounts Payable	<u>\$30,694.30</u>
Other Current Liabilities	
2040 Deferred Assessments	0.00
2080 Deferred Grant Income--Restricted by Use	
2081 MOEWD Grant	20,687.80
2083 Pedestrian Safety Grant	0.00
Total 2080 Deferred Grant Income--Restricted by Use	<u>20,687.80</u>
2098 Loan Payable--Board Members	0.00
Total Other Current Liabilities	<u>\$20,687.80</u>
Total Current Liabilities	<u>\$51,382.10</u>
Total Liabilities	<u>\$51,382.10</u>
Equity	

	Total
3800 Unrestricted Net Assets - Prior Years	365,217.71
Net Income	-9,557.52
Total Equity	\$355,660.19
TOTAL LIABILITIES AND EQUITY	\$407,042.29

Wednesday, Jan 28, 2009 07:13:46 PM GMT-8 - Accrual Basis

Castro/Upper Market Community Benefit District, Inc.
Profit & Loss
 July - December, 2008

	<u>Total</u>
Income	
4000 Contributed Support	
4010 Special Benefit Assessments	
4011 Special Benefit Assessment Income	207,644.14
Total 4010 Special Benefit Assessments	207,644.14
4550 Local Government Grants	2,279.79
Total 4000 Contributed Support	209,923.93
5000 Earned Revenues	
5310 Interest Earned	3,019.18
Total 5000 Earned Revenues	3,019.18
Total Income	\$212,943.11
Expenses	
7000 Program Services Expense	
7010 Contracts--Street Cleaning	111,400.00
7020 Contracts--Police Patrol Services	34,560.00
7030 District ID/Streetscape Improvements	10,842.50
7040 Contracts--Economic Development	10,718.39
Total 7000 Program Services Expense	167,520.89
7200 Salaries & Wages	
7210 Officer & Director Salaries	36,000.00
Total 7200 Salaries & Wages	36,000.00
7500 Other Personnel Expenses	
7530 Legal & Professional Fees	6,710.00
7560 Administrative Services	1,266.50
Total 7500 Other Personnel Expenses	7,976.50
8100 Non-Personnel Expenses	
8105 Bank Service Charges	0.00
8130 Equipment/PO Box Rental	210.00
8140 Insurance--General Liability	450.00
8160 Postage and Shipping	673.18
8170 Printing and Copying	5,381.70
8180 Supplies & Materials	210.81
8190 Website/Internet Expense	1,316.25
Total 8100 Non-Personnel Expenses	8,241.94
8300 Travel & Meeting Expenses	
8320 Travel/Transportation	957.30
8330 Parking/Tolls	104.00
Total 8300 Travel & Meeting Expenses	1,061.30
8500 Miscellaneous Expenses	
8505 Advertising/Promotional	1,550.00
8510 Board Meeting Expense	150.00
Total 8500 Miscellaneous Expenses	1,700.00
Total Expenses	\$222,500.63
Net Operating Income	\$ -9,557.52
Net Income	

Total

\$ -9,557.52

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**Castro/Upper Market Community Benefit District
Mid-Year Report Narrative July 2008 – December 2008**

Public Rights of Way and Sidewalk Operations Including Public Safety

Objective I: Provide cleaning and maintenance services within the district boundaries. This includes sweeping and steam cleaning sidewalks in the entire district, spot pressure washing, removing graffiti, illegal signage/postings, weeding and general landscaping, wiping down street furniture, general alerting DPW of large item pick up needs and maintenance issues, providing dispatch service seven (7) days a week.

Mid-year Update: MJM Management Group provides cleaning and maintenance services throughout the entire district seven (7) days a week. All sidewalks in the district are steam cleaned monthly and swept daily, spot pressure washing is provided as needed. Graffiti and illegal signage are removed as soon as possible after notification and 311 calls are made routinely for large items left on the sidewalk and for safety issues. SFPD has also been engaged to address concerns with aggressive panhandling.

Top concerns for the district include:

- aggressive panhandling
- people camping and sleeping on the streets
- graffiti
- illegal signage
- dirty needles left in the public right of way

Aggressive panhandling and the large number of people living on the street, in the district are huge problems which pose both public safety problems and cleaning/maintenance problems. Graffiti is an issue which never seems to abate. A significant percentage of the cleaning/maintenance dollars are spent on graffiti removal and removal of illegal signs and stickers, particularly in the heart of the Castro. Graffiti is removed as soon as it is noticed, areas which tend to be 'graffiti hot spots' include:

- Harvey Milk Plaza,
- Bus shelters throughout the district,
- 2300 block of Market St.,
- 2100 block of Market St.,
- Phone booths
- MUNI railings, particularly at the Market/Church Station
- 16th Street between Market and Prosper – east and west sides of 16th Street

Another vexing problem is the illegal posting of flyers and stickers. Multiple times during the week, the heart of the Castro is, overnight, plastered with illegal signage. The MAC workers (MJM's street cleaners) often spend a good portion of the morning tearing down this illegal signage.

The Castro/Upper Market district spans a large geographic area. The challenges in keeping this district clean are significant. MJM and the CBD management have worked hard over the past six (6) months to improve the services provided and to ensure that the district appears to be "well-cared for". As we enter our fourth year, we have a much better understanding of what needs to be done to keep this large district clean. (See Attachment A for data report and photos depicting the cleaning and maintenance issues the CBD addresses on a daily basis.)

Objective II: Public safety services includes providing 30 hours a week of security/patrol services. This includes walking the streets in the District and intervening as is appropriate with problems which arise.

Mid-year Update: *The CBD continued to fund the San Francisco Patrol Special to provide patrol services through-out the district. The San Francisco Patrol Special pools the resources provided by the CBD and individual merchants to provide "community policing" during the evening hours. Public safety continues to be concern among board members and in the community, there is a need in the day time and in the late night hours that is not currently being met. The new schedule implemented by MJM Management will assist in having eyes and ears on the community in each section of the district. In an effort to ensure that our security dollars are being spent in the most efficient manner to benefit the entire district, the CBD held a community meeting in December to begin identifying the pockets of unmet need in the community. These meetings will continue through 2009 with the goal of developing improved security/public safety services for the entire district.*

District Identity and Streetscape Improvements

Objective I: Complete Streetscape/Pedestrian Safety Improvement Plan; Review and approve Streetscape/Pedestrian Safety Improvement Plan prepared by Urban Ecology and develop a prioritized implementation plan; Begin to work on top priority streetscape improvements.

Mid-year Update: The CBD's Neighborhood Beautification and Safety Plan, was completed and approved by the Board. This plan is enclosed. The Plan identifies 4 zones to focus improvements. These zones are: Zone 1: Market and Castro Streets (including Harvey Milk Plaza, 17th Street, Castro Street); Zone 2: Market and Noe Streets; Zone 3: Market and Church Streets (Market-14th-Church intersections, Church to Duboce); Zone 4: Market and Octavia Streets. Top priorities for the CBD for 2009 include improvements at Harvey Milk Plaza (a Community Challenge Grant was received to make improvements at Harvey Milk Plaza), and the 17th Street closure.

Objective II: Participate in promotional activities.

Mid-year Update: The Castro CBD participated in MUMC's Holiday Campaign by providing financial support for the holiday tree on Castro St. and ribbons on the parking meters and the palm trees on Market St.

Objective III: Implement other district identity projects.

Mid-year Update: The Castro CBD developed its own "Shop Local Campaign" which included a Shop In the Castro poster (enclosed) which was displayed in local businesses and a map which customers could take with them. The objective of this campaign was to encourage residents to shop in their neighborhood, in the Castro, for the holidays and to also promote the Castro/Upper Market CBD. The CBD has participated in meetings with Astrid Haryati, Mayor's Office, Director of Greening to plan programming for Market Street.

Objective IV: Continue efforts to reduce vacancies in the district through the Business Attraction Campaign. Provide funding and support for the Business Attraction Campaign through the LGBT Center. Work with Business Attraction Campaign on developing future funding options.

Mid-year Update: The Castro/Upper Market CBD continues to provide \$40,000 in funding to the LGBT Community Center for the Business Attraction Campaign. \$25,00 of this is from a grant provided to the CBD from MOEWD, \$15,000 is contributed from the CBD directly to The Center. The Business Attraction Campaign continues to have success in engaging brokers and property owners and in helping to fill vacancies in the district. Two (2) new businesses have opened recently in the Castro, due in large part to the CBD's Business Attraction Campaign: Outfit at 4079 18th Street and Mom's Pharmacy at 4071 18th Street. There is also one relocation/expansion that was made possible as a result of the Campaign. (See Attachment B for complete updated information.) The Development Committee for the CBD has

been reconstituted and will focus efforts in 2009 on seeking funding for the Business Attraction Campaign.

Administrative and Corporate Operations

Objective I: Issue a Request for Proposals for District Cleaning and Maintenance. Review proposals, select contractor and negotiate contract.

Mid-year Update: *In preparation for developing the cleaning/maintenance RFP, the CBD mailed a survey out to all property owners and merchants. The survey resulted in a 15% response rate and the results provided helpful information for the CBD in shaping the RFP. A request for proposals for cleaning and maintenance services was released in October 2008. A vendor was selected and approved at the December Board of Directors meeting. The Board approved to continue contracting with MJM Management Group. The CBD administration continues to work with MJM Management in addressing problems that arise in the district and in advocating with City agencies for additional, episodic, support and or problem solving.*

Objective II: Research options for providing Public Safety services in the District and possibly issue a Request for Proposals for Public Safety.

Mid-year Update: *The Castro CBD currently contracts with San Francisco Patrol Special for additional security services, above and beyond the services provided by SFPD. There is strong support for SF Patrol Special in the community, particularly among the merchant groups. The CBD and the merchant groups recognize the valuable service Patrol Special provides to the district. In an effort to determine if this is the best option for the district, the CBD began researching available options. The CBD has initiated a community committee on public safety/security to explore ways to improve the public safety services in the district. These meetings will be on-going through 2009.*

Objective III: Ensure functioning of CBD and compliance with City contract and management plan, including develop contract for CPA review.

Mid-year Update: *Administrative services continue to be provided, ensuring compliance with the CBD's management plan and the contract with CCSF. A CPA review is attached. (See Attachment C).*

Objective IV: Publish Fall CBD Annual Report and Spring CBD Newsletter.

Mid-year Update: *The CBD's 2008 Annual Report (enclosed) was prepared and mailed to all property owners within the CBD. The CBD is making an effort to collect email addresses from property owners to improve communication and is hoping to be able to send out a spring newsletter electronically to maintain communication, but stay within the approved budget.*

Objective V: Continue as active member of CBD/BID Consortium.

Mid-year Update: *The CBD continues to play an active role in the CBD/BID consortium.*

In addition to continue working on the objectives discussed above, the following priorities will be addressed in the second half of the fiscal year, between January 1 – June 30, 2009.

- Work on organizational development issues including developing a 5 year plan for the CBD.
- Engage in fundraising activities to support the 5 year plan.
- Continue to update website.
- Explore opportunities to work with the City on quality of life issues.
- Explore inviting adjoining property owners (outside of the District boundaries) to contract with the CBD for CBD services.

ATTACHMENT A

Cleaning/Maintenance Data Report 7/08-12/08

Photos of Cleaning/Maintenance Services and samples of daily issues addressed by the Castro/Upper Market CBD

Castro/Upper Market Community Benefit District
Public Rights of Way and Sidewalk Operations: Cleaning and Maintenance Report July 1, 2008 - December 31, 2008
 (Documented Incidents)

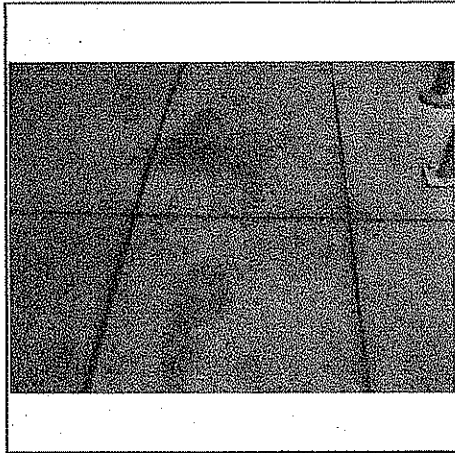
	July	August	Sept.	Oct.	Nov.	Dec.	6 Month Total
Garbage/Furniture/Large Items*	62	67	25	37	45	104	340
Transient/Aggressive Panhandling	14	8	16	8	4	25	75
Graffiti Removal	45	18	43	29	37	23	195
Cardboard	9	9	2	6	16	19	61
Needle Removal	0	0	0	3	1	9	13
Shopping Carts	2	3	1	3	2	5	16
Police Non-Emergency Calls	16	8	16	6	2	17	65

All of these incidents represent documented incidents only, in many cases, the numbers are thought to underestimate the actual numbers. The increase in numbers in December, particularly needle exchange and large items left on the sidewalk is mostly due to better documentation. However, there has been an increase in dirty needles found in the Castro St. area. Previously a great majority of the dirty needles found in the district were in the 100 block of Church St. area.

* The disposal of large items left on the sidewalk is a huge problem in the district. Tenants leave furniture and other items when they move out, some merchants do the same or when they are renovating their space, and then others dump their unwanted debris on sidewalks in the district.

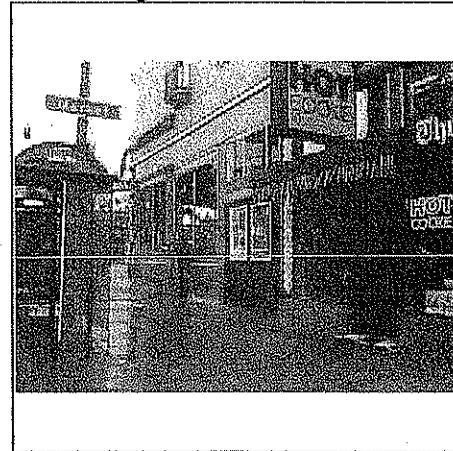
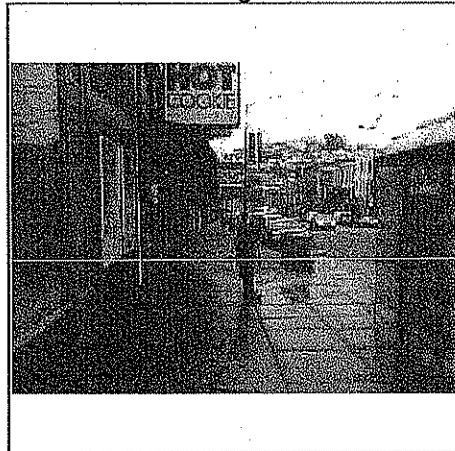
July 14, 2008

Add-crew steam cleaned at 2257 Market Street



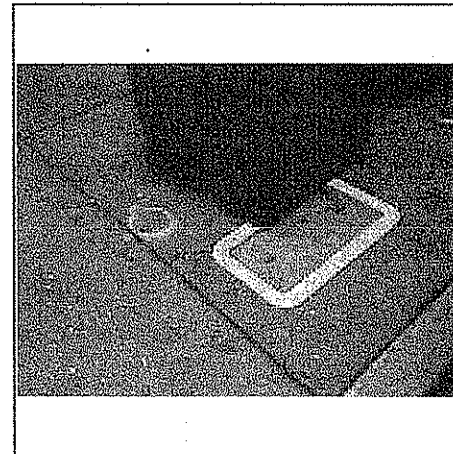
July 15, 2008

Add-crew steam cleaning the 400 block of Castro Street, including Hot Cookies



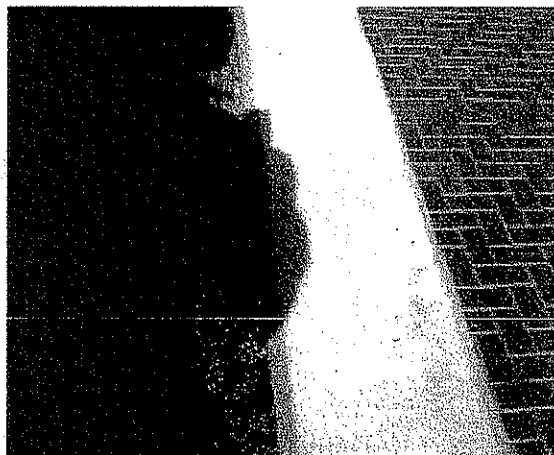
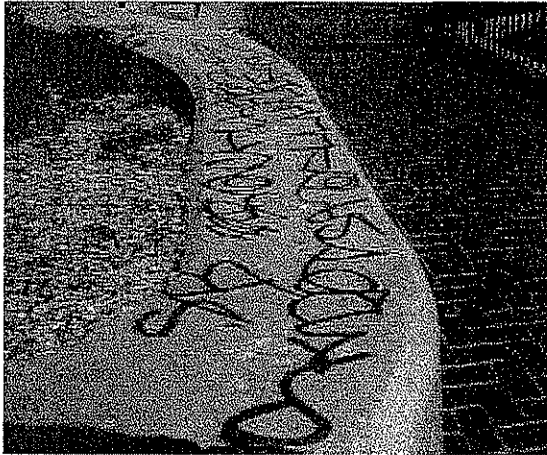
July 15, 2008

Add-crew steam cleaned sidewalk at 598 Castro Street



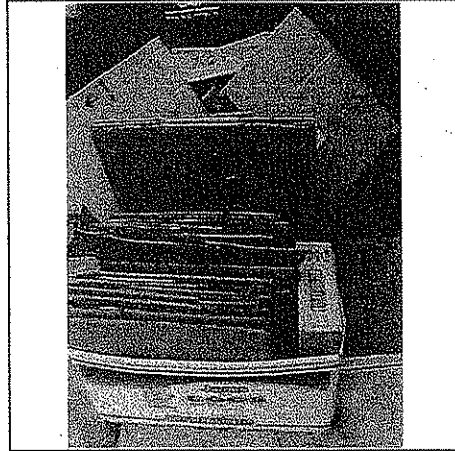
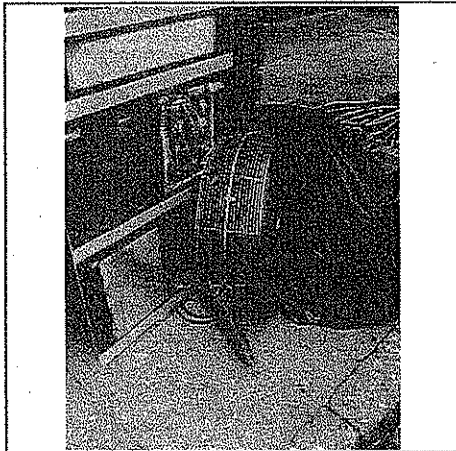
September 11, 2008

Graffiti removed from wall at Castro & Market Street – Muni Station



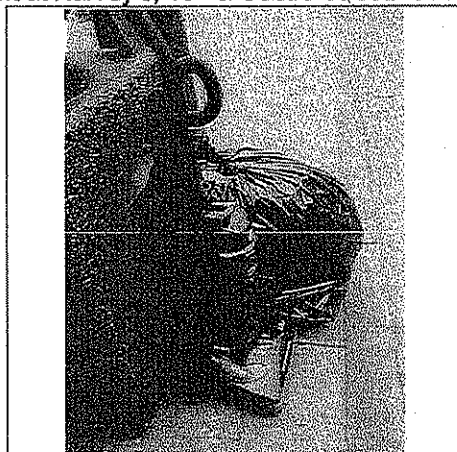
November 12, 2008

Cardboard, flower pot, metal fan, and other misc debris left out at 495 Castro Street. 311 was notified.



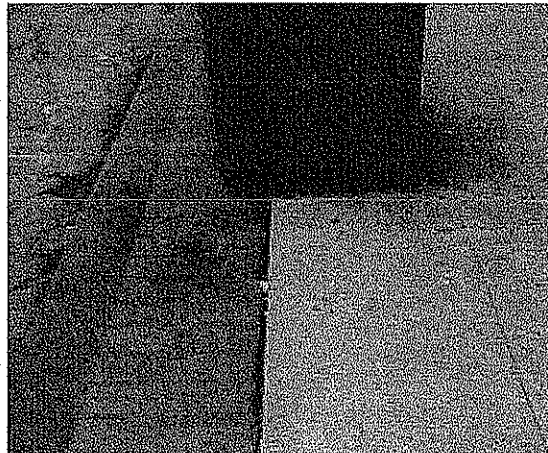
November 12, 2008

Vacuum and garbage bag left at Harvey's, 18th & Castro Street. 311 was notified.



November 12, 2008

Transient debris removed at 2300 Market Street.



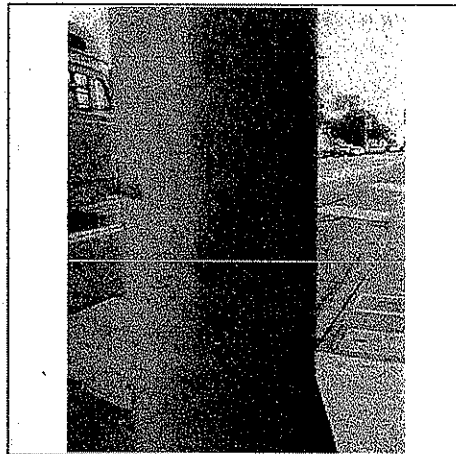
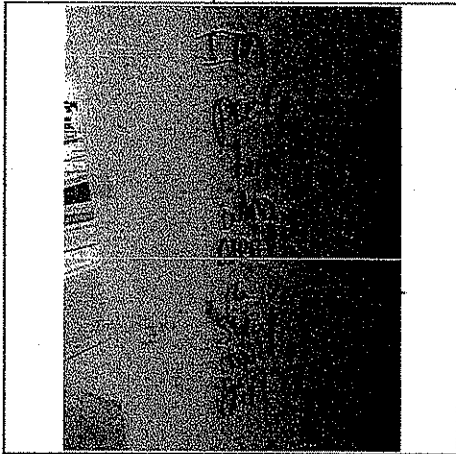
November 25, 2008

Graffiti removed from pole at 3878 17th Street.



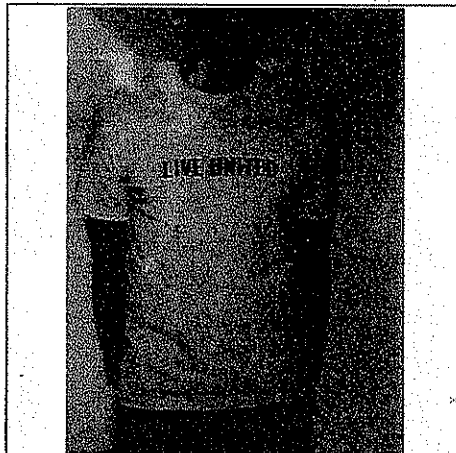
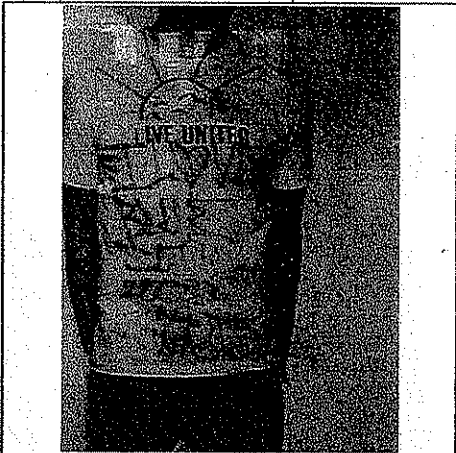
November 28, 2008

Graffiti removed from pole at 3985 17th Street.



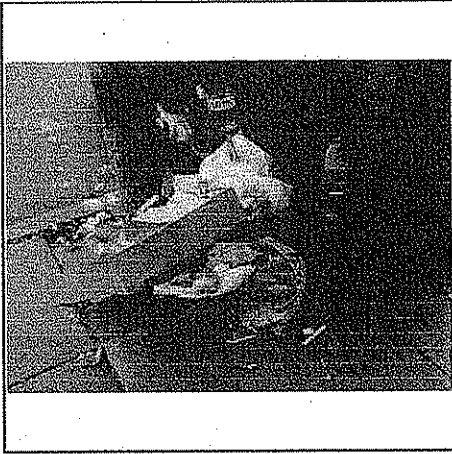
November 29, 2008

Graffiti removed from bus stop in front of Harvey's on Castro Street.



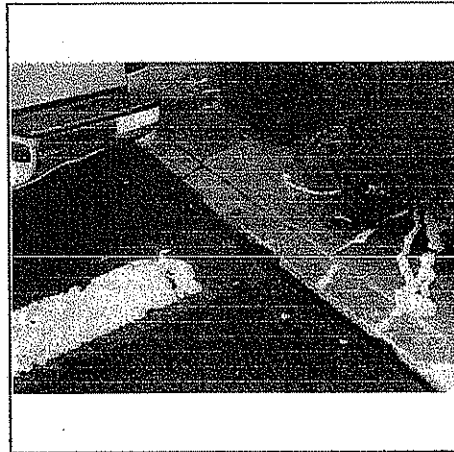
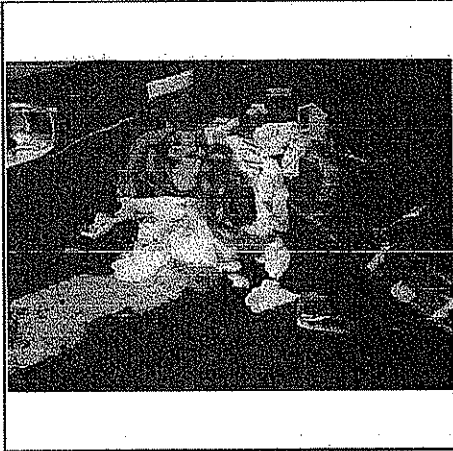
December 24, 2008

Debris removed at 34 Pearl Street.



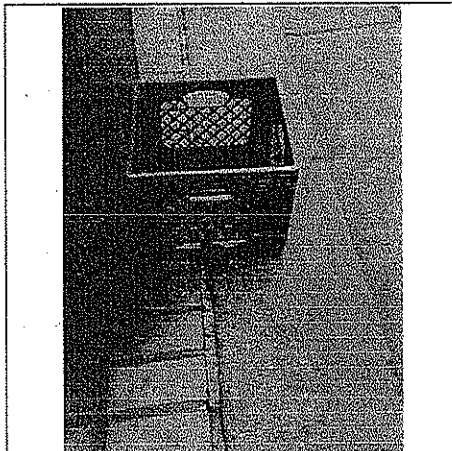
December 24, 2008

Debris removed at Dolores Street & Clinton Park.



December 24, 2008

Milk crate discarded at 400 Castro Street. DPW was notified.



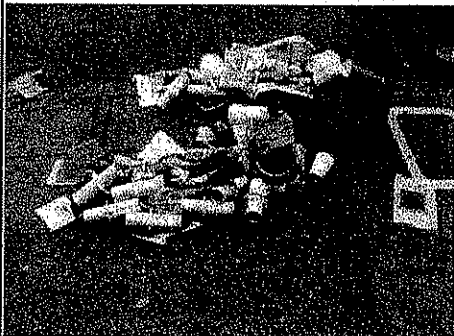
December 20, 2008
Debris removed at 2200 Market Street.



December 20, 2008
Chair discarded at 4100 18th Street. DPW was notified.

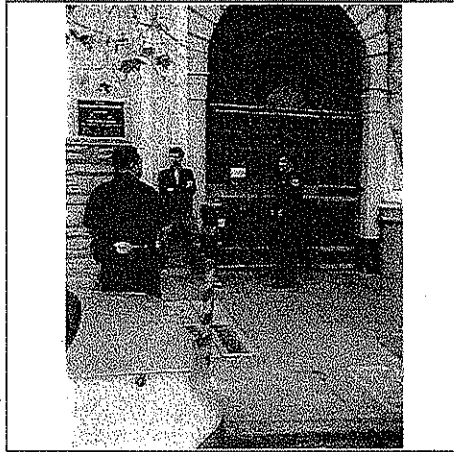


December 21, 2008
Debris removed at 273 Church Street.



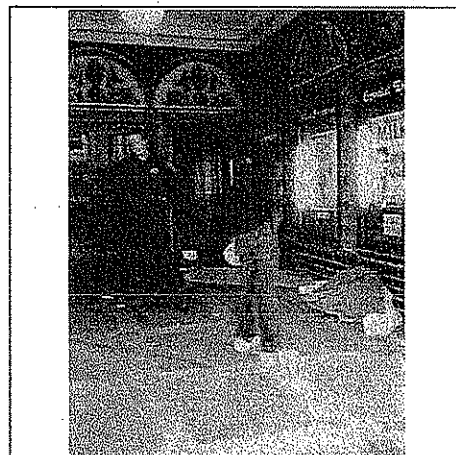
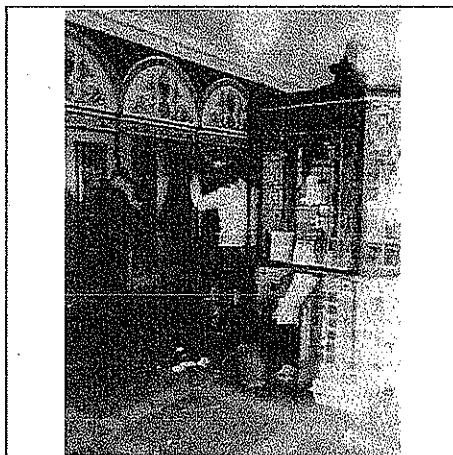
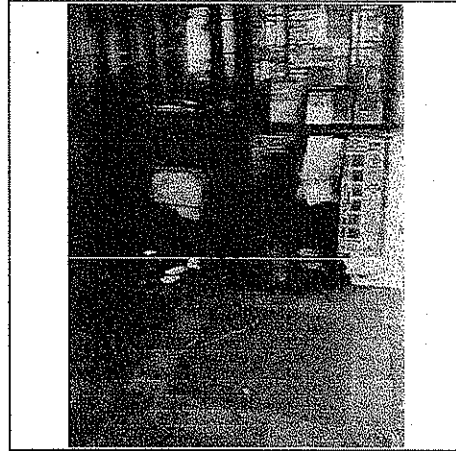
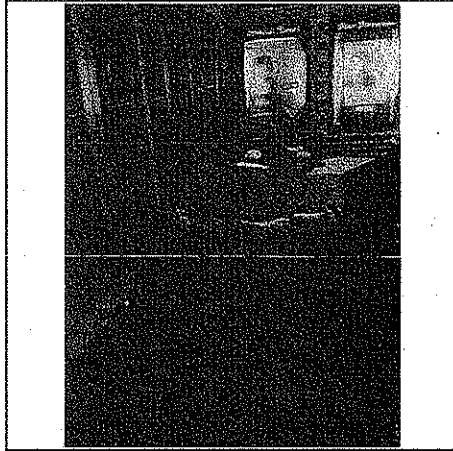
December 18, 2008

Intoxicated transient at 4098 Castro Street. MAC was able to flag down SFPD.



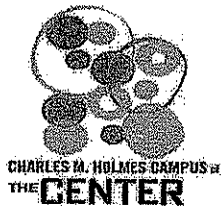
December 19, 2008

Transient encampment at the Castro Theater. Non Emergency was notified.



ATTACHMENT B

Business Attraction Campaign



Castro/Upper Market Business Attraction update!

Sponsored by the Castro/Upper Market Community Benefit District, the Merchants of Upper Market and Castro, the Mayor's Office of Economic and Workforce Development, and the San Francisco LGBT Community Center's Economic Development Department.



Dear Brokers:

Welcome to the Castro/Upper Market Business Attraction update!

We are very excited about the prospect of your clients relocating and to the Castro/Upper Market Community Benefit District (Castro CBD). The following list contains a variety of recent vacancies. For a full list of Castro CBD vacancies, contact Tracey Williams, M.S., at 415-865-5515 or traceyw@sfccenter.org.

These highlighted properties range from 300-2,500 square feet and they are primarily suitable for retail, however some of the properties are permitted for coffee shops and other uses.

Highlighted Vacancies:

218 Church Street

This space, formerly Sui GENERIS Vintage men's clothing (and before that, a chocolate shop), is currently occupied by monthly tenant. About 300 square feet, asking approximately \$3.60/square ft. The space features plumbing for 3 small sinks.

Contact: Antoinette M. Dicio, 415-516-4149

2193 Market Street

One of the newest vacancies in the Castro CBD, 2193 was formerly occupied by Patelco Credit Union, and it is currently occupied by a monthly tenant. About 1,800 square feet, asking \$3.00/square ft. NNN. Estimated rent plus CAMS, taxes, etc. may total \$3.75 /square ft.

Contact: Bill Gravitt at 415-621-3574

2279 Market Street

This is one of the most beautiful and spacious spaces in the Castro CBD, formerly occupied by PlantIt Earth. First floor retail space approximately 2,400 square feet. There is also a 1,000 square foot basement storage area with a separate, rear garage entrance.

Contact: David, Levy, Levy & Co, 415-864-3050

2380 Market Street

This space was most recently occupied by Taste of Leather, a retail store. Prior to that, the space was occupied by a hair and tanning salon. The first floor retail space is approximately 1,400 square feet, and it is being offered at \$5.00/square ft.

Contact: John Britton, 650-697-1151

1853 Market Street

This space was former the New Leaf space, 7,300 square feet, the building is new, and it includes 2-4 parking spaces. The first floor is about 2250 square feet of space, and the second floor has about 2500 square feet of space. Contact: David Taylor, 415-215-0168

461 Castro Street

Located next to the world-famous Castro Theatre, and formerly occupied by All American Boy, this space is ideal for a retail outlet, and it is also permitted to be a coffee shop. The storefront space is approximately 1,000 square feet.

Contact: Owner, Ms. Tam Ding, 925-837-1989, BskTam@yahoo.com

541 Castro Street

Located in the heart of the Castro, and formerly occupied by "Don't Panic," as specialty retail shop, this space has been newly built out. The ground floor retail space is approximately 1,500 square feet. The asking price has not been set.

Contact: Les Natali 415-626-5017

338 Castro Street (@ States Street)

Retail space, \$7500, 950 square feet. Contact: Kevin Strain 415-440-4044

4052 18th Street (@ Hartford)

Formerly the "Heart of the Castro Wedding Chapel," this full floor 6 room flat is permitted for commercial space and has a variety of amenities including a kitchen area and a separate storage space. Asking price is \$4,000/month with utilities paid by tenant.

Contact: Vince Beaudet, 415-760-6254

For Sale:

2367 Market Street (@ Castro)

Frisee Restaurant for Sale. Asking price \$395,000.00, exquisite interior design, newly renovated, rent: \$6000 per month, fully equipped (2 years old), beer and wine license included, catering list available, ±2,500 Sq. Ft., Contact: Colleen Meharry 415-477-8455

Merchants Groups and Neighborhood Associations in the Castro:

There are a variety of neighborhood groups and associations committed to promoting and maintaining the Castro/Upper Market neighborhood as an internationally known symbol of gay freedom; as a top tourist destination full of stylish shops and popular entertainment spots; and as a thriving residential area that thousands of San Franciscans call home.

- The Merchants of Upper Market Castro (MUMC) Steve Adams
- Castro/Upper Market Community Benefit District (CBD) J. Dominic Campodonico, President
- Duboce Triangle Neighborhood Association (DTNA)
- Castro Area Action & Planning (CAPA)
- Eureka Valley Promotion Association (EVPA)
- Upper Market Alliance (UMA)

Brokers, please let us know if you want to reach out to any or all of these organizations.

About the Business Attraction Campaign

The Castro/Upper Market Business Attraction Campaign help businesses, small and large, find the perfect location in the Castro through the following services:

- 1) Property Showings are available for key vacancies to business owners and agents on an individual basis.
- 2) Information is available on consumer attitudes, trends, and spending habits to help inform your decision making process.
- 3) Individualized consultations are available for small business owners. The Center is the one-stop source for assistance with small business start-up and growth needs including:
 - a. Business plan development
 - b. Loan packaging
 - c. Financial statement development and review
 - d. Help determining the loan amount
 - e. Help identifying and accessing the appropriate lender

The Castro/Upper Market Business Attraction Campaign is a unique collaboration between the CBD, Merchants of Upper Market and Castro (MUMC), the City's Office of Economic and Workforce Development, and the S.F. LGBT Community Center (The Center).

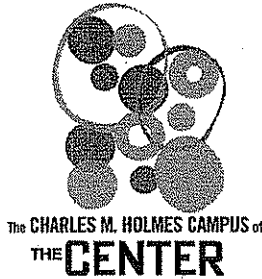
Business Attraction Contacts:

Tracey Williams, M.S., Business Assistance Specialist
San Francisco LGBT Community Center
415-865-5611

Ken Stram, Economic Development Director
San Francisco LGBT Community Center
415-865-5515

About the Castro/Upper Market Community Benefit District:

Recognizing the need to strengthen and sustain this unique neighborhood, local community leaders and property owners formed the Castro/Upper Market Community Benefit District (CBD) in 2005. The CBD believes that a clean, safe, cared-for neighborhood with stable, vibrant businesses and beautiful public spaces will advance the quality of life in our district and our city. The CBD is working collaboratively to honor the Castro's important past, enhance its present quality of life, and secure its future. Visit www.castrocbd.org for further information.



MEMORANDUM

DATE: November 11, 2008

TO: Andrea Aiello
Castro/Upper Market Community Benefit District

FR: Ken Stram/Tracey Williams
San Francisco LGBT Community Center

RE: Castro/Upper Market CBD Business Attraction Update

Overview:

We are pleased to announce that there are 2 new businesses that have opened recently the Castro, due in large part to the CBD's Business Attraction Campaign. There is also one relocation/expansion that was made possible as a result of the Campaign.

New businesses:

- Outfit @ 4079 18th Street (formerly Something Rainbow)
 - The owner's name is Ryan Hill, a young successful entrepreneur with a clothing store in the Upper Haight called Ruby. At Outfit, Ryan will sell men's clothing and accessories. He will also sell some of his own designs. Ryan and his partner attended three broker tours. During our most recent tour, we gave Ryan a personal showing of the 4079 18th Street space.
 - Ryan has already opened his store, but he will have a formal opening celebration in about a month.
- MOMSPharmacy @ 4071 18th Street (formerly Citizen Body)
 - MOMSPharmacy relocated from California Pacific Medical Center to the former Citizen Body space. We were not directly involved in identifying MOMS as a business attraction target, but we did show the property on several of our broker tours.

Relocations

- Joe's Barbershop @ 2150 Market Street (formerly Open Mind Music)
 - Joe's Barbershop is moving from 4102 19th Street to 2150 Market Street. Joe found his new space as a direct result of the Business Attraction

Team's efforts. He wasn't able to attend our broker tours, but he did receive information about the vacancy at 4102 Market, and he was able to work with the information we provided to identify the new site and to reach the broker.

Other Developments

- Mystic Café @ 464 Castro Street opening soon!
- Levis @ 525 Castro Street opened on November 10th.

Next Broker Tour

- November 24, 2008 @ 2:00 – 4:00 p.m.
 - Highlights of Tour:
 - Retail Space:
 - *2380 Market Street (formerly A Taste of Leather)
 - *565 Castro Street (formerly First American Title Co.)
 - 531 Castro (formerly Patio Restaurant)
 - 1853 Market Street (formerly New Leaf)
 - 1874 Market Street (formerly West Coast Growers)
 - Office Space:
 - *4053 18th Street (formerly SF Gay Men's Chorus)
 - *4054 18th Street (formerly Rent Tech)
 - *565 Castro Street (formerly First American Title Co. second floor)
 - *1827 Market Street (Integrated Mortgage)

Business Prospecting:

- Business targets appropriate for current vacancies:
 - Technology
 - Apple Store
 - Clothing & Accessories
 - Gap Kids
 - J Lindenberg
 - Nida Boutique
 - OTSU (vegan gift shop/clothing/shoe store)
 - Ted Baker
 - Wilkes Bashford
 - Kitson
 - LuLuLemon
 - ZARA
 - Paper Goods
 - Paper Source
 - Papyrus
 - Home and Garden
 - Jonathan Adler
 - West Elm
 - Z Gallery

- Bed Bath & Beyond
 - Sloat Garden Center
- Pets
 - Veterinarian
- Beauty
 - Kheils
- Sports and Sporting Goods
 - LuLuLemon
 - Lombardi Sports
 - Sports Basement
 - Running Stores

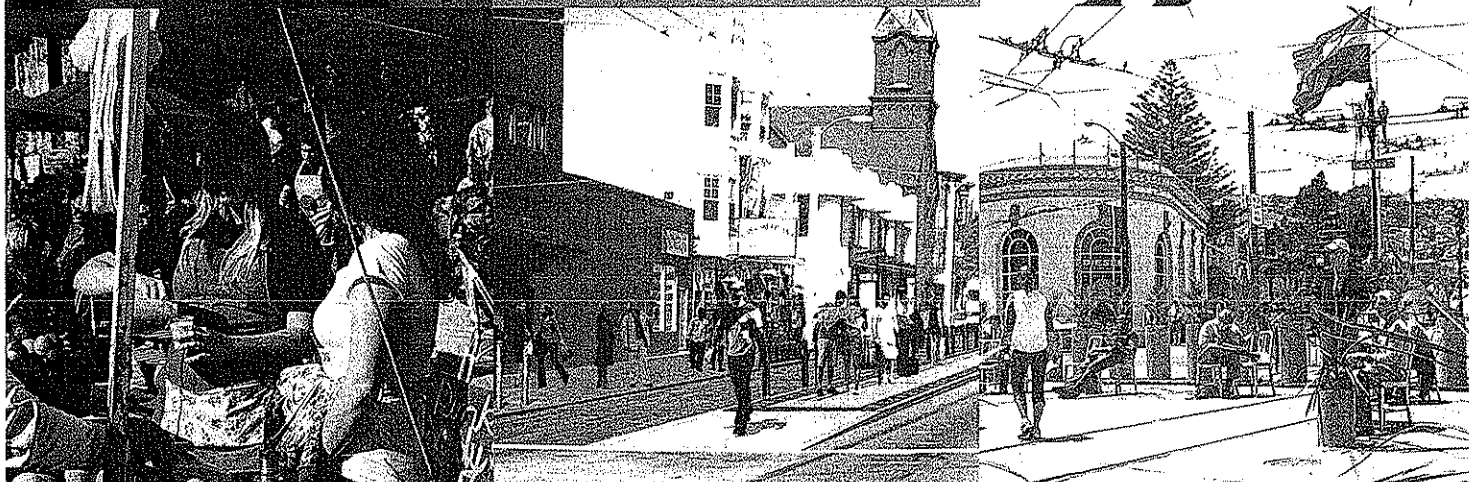
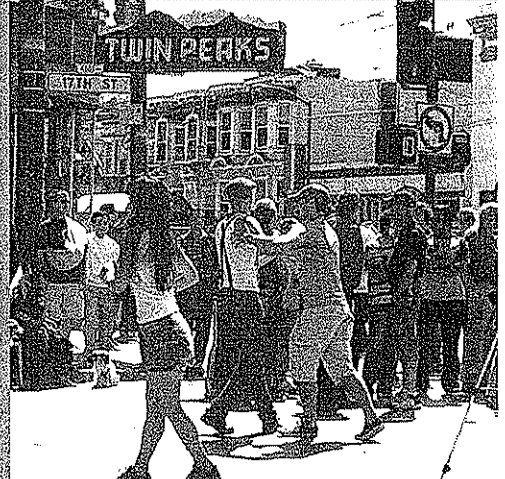
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Castro / Upper Market Community Benefit District



ANNUAL REPORT — Winter 2010 —



Exciting Happenings in the Castro/Upper Market, see Inside for details.

New Castro District Plaza Kicks-off S.F.'s "Pavement to Parks" Project

A New Pedestrian Plaza at 17th and Market Streets was inaugurated May 13th 2009 by Mayor Gavin Newsom, who announced it was the first of three pilot "Pavement to Parks" projects in the city. Proposed in the CBD's Neighborhood Beautification and Safety Plan, the new public square, which includes greenery and café chairs and tables, was a joint effort of the CBD, Supervisor Bevan Dufty, and the City's Planning and Public Works departments. CBD Board Member Pat Sahagun and his family also played a role in the plaza's creation by graciously allowing the new plaza to block one of the entrances to their Chevron service station. The pedestrian-friendly plaza quickly has become a popular Castro gathering place for meeting friends, sipping coffee, and enjoying the sun. The CBD continues to be involved in the plaza, providing maintenance services and working with the city as they develop plans to make the stretch of 17th Street a more permanent park-like space.

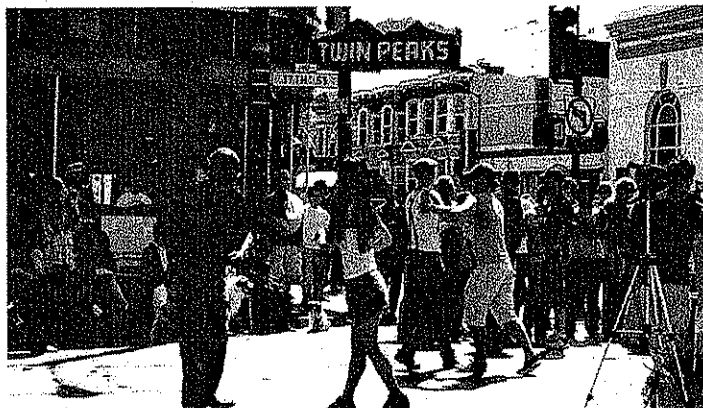


Award Winning Movie Showcases The Castro

Two Academy Awards for the movie "Milk" in 2009, drew worldwide attention to the Castro neighborhood, which starred in the film. The movie, depicting the life of gay rights leader Harvey Milk, was largely filmed in the Castro district in early 2008. Recognizable locations included the exterior of the Castro Theatre (repainted to match its 1970s look), shots of stores along Castro Street, a protest scene at the entrance to the Castro MUNI station (now Harvey Milk Plaza), and many shots featuring both the interior and exterior of Milk's former camera shop on Castro. "Milk," which premiered at the Castro Theatre in October 2008, garnered eight Academy Award nominations and won two Oscars: Sean Penn for best actor and Dustin Lance Black for best original screenplay.

CBD Sponsors Outdoor Concerts

The CBD funded three outdoor concerts in 2009. Held on the first Saturdays in July, August and September at the Castro's new 17th and Market Streets pedestrian plaza, the concerts were enjoyed by neighborhood residents and tourists. The final concert, on a sunny Labor Day weekend Saturday, featured a salsa band whose lively rhythms entertained over 100 spectators as well as passersby, and prompted several couples to dance.



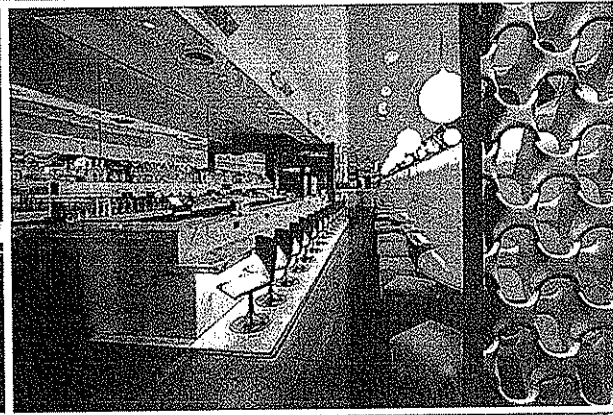
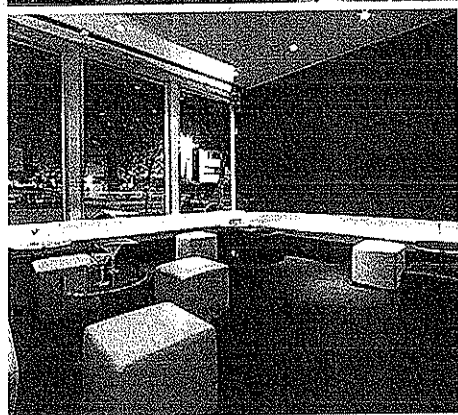
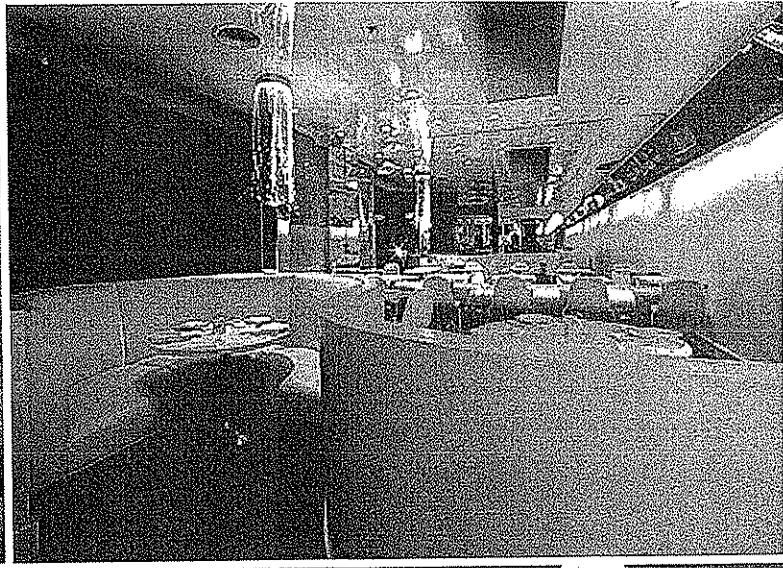
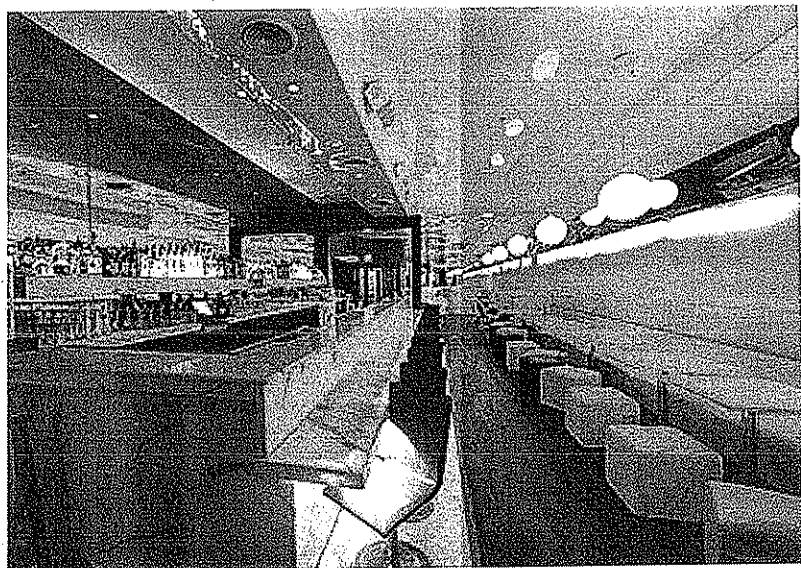
District Library Reopens After \$5.5 Million Renovation

A renovated Eureka Valley/Harvey Milk Memorial Branch Library reopened on October 24th 2009, after being closed for almost 20 months of major upgrades. The \$5.5 million renovation included a small addition, enlarging the teens and children section, seismic upgrades, adding handicap accessible bathrooms, more computers, and new furnishings, shelving, and flooring throughout. The opening day event included celebratory words by State Senator Mark Leno, district Supervisor Bevan Dufty, and the Sisters of Perpetual Indulgence. The Castro neighborhood's public library offers a larger than average selection of LGBT books.



CBD Annual Report Winter 2010

Editor: Andrea Aiello, Executive Director, Castro/Upper Market CBD
Writer: Pauline Scholten, Secretary, Castro/Upper Market CBD
Design/layout: www.clubcardprinting.com



THE CASTRO/UPPER MARKET
COMMUNITY BENEFIT DISTRICT (CBD)
BOARD OF DIRECTORS

INVITES YOU TO THE CBD'S ANNUAL
SOCIAL EVENT

RSVP by March 17th :

Andrea Aiello, Executive Director 650-355-1294
or via email at: execdirector@castrocdb.org



WWW.CASTROCBD.ORG

MONDAY
MARCH 22, 2010
6:00 P.M. – 8:00 P.M.

LIME Restaurant, 2247 Market ST.

No Host Bar
Complimentary Appetizers

Meet the Board of Directors and Learn
of all the Exciting Improvements the
CBD has Planned for the District!

Afterwards make plans to stay for dinner
at Lime Attend the event and receive
20% discount off your meal
For reservations please call 415-621-5256

Local Support Garnered for Rainbow Honor Walk

A proposal for a Rainbow Honor Walk, which would celebrate historical LGBT figures via sidewalk plaques throughout the Castro district, received unanimous approval from the CBD's board at their April meeting and garnered a positive response from several other community groups and local leaders during spring 2009. Long-time Castro antique shop owner Isak Lindenauer proposed the walk which, like Hollywood's Walk of Fame and Boston's Freedom Trail, would serve as both a tourist attraction and a means of educating the public. The CBD is currently working on the project with Lindenauer, who, together with David Perry, is co-chairing the effort to raise funds for the creation and installation of 150 to 200 rainbow-colored plaques. Lindenauer has a prototype plaque on display in the window of his shop at 4143-19th Street.



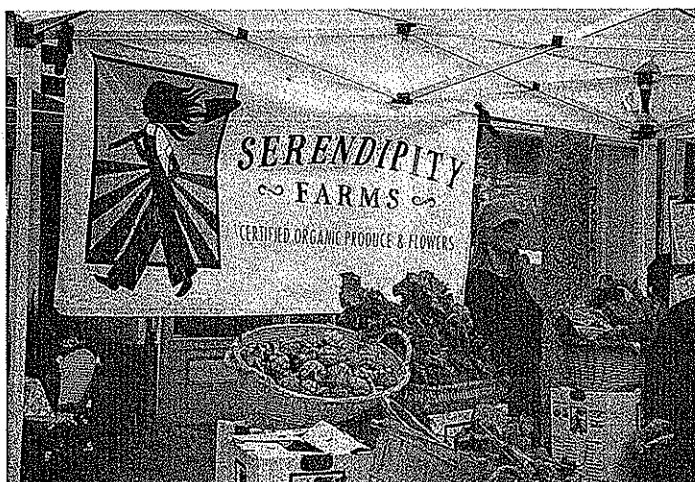
New Elementary School Launched in the Castro

A new private elementary school opened in the Castro in September 2009, with two teachers, 11 kindergarten students, and plans for growth. Marin Preparatory School, located at 117 Diamond Street (the old Holy Redeemer Elementary building) anticipates growing to 54 students in September 2010 and plans to eventually have 240 students (kindergarten through 8th grade). Currently most of their students live outside the Castro neighborhood but the school's administrators are encouraging local enrollment.

Community Cleaning Day

A Community Cleaning Day held on April 18th 2009 brought out dozens of neighborhood volunteers who spent the morning painting out graffiti on city poles and trash receptacles, cleaning sidewalk tree wells, and performing other maintenance work in the Castro/Upper Market area. Organized by the S.F. Department of Public Works, the event was sponsored by a number of local groups including the CBD, and volunteers included several CBD Board Members.

Castro Farmer's Market Brings Fresh, Local Food to the District



The Castro Farmer's Market was enthusiastically welcomed by the CBD and neighborhood residents when it debuted on April 29th 2009. Located on Noe Street between Market and Beaver Streets, the market drew crowds every Wednesday (4 PM to 8 PM) through October and will be reopening at the same location on Wednesday April 7, 2010 (4 PM to 8 PM). The farmer's market offers shoppers farm fresh California-grown seasonal produce, as well as items such as locally baked goods, fresh flowers, and plants. It was initiated by the Merchants of Upper Market & Castro (MUMC), with strong support from Supervisor Bevan Dufty, and is run by the Pacific Coast Farmers' Market Association,

Opening April 7, 2010

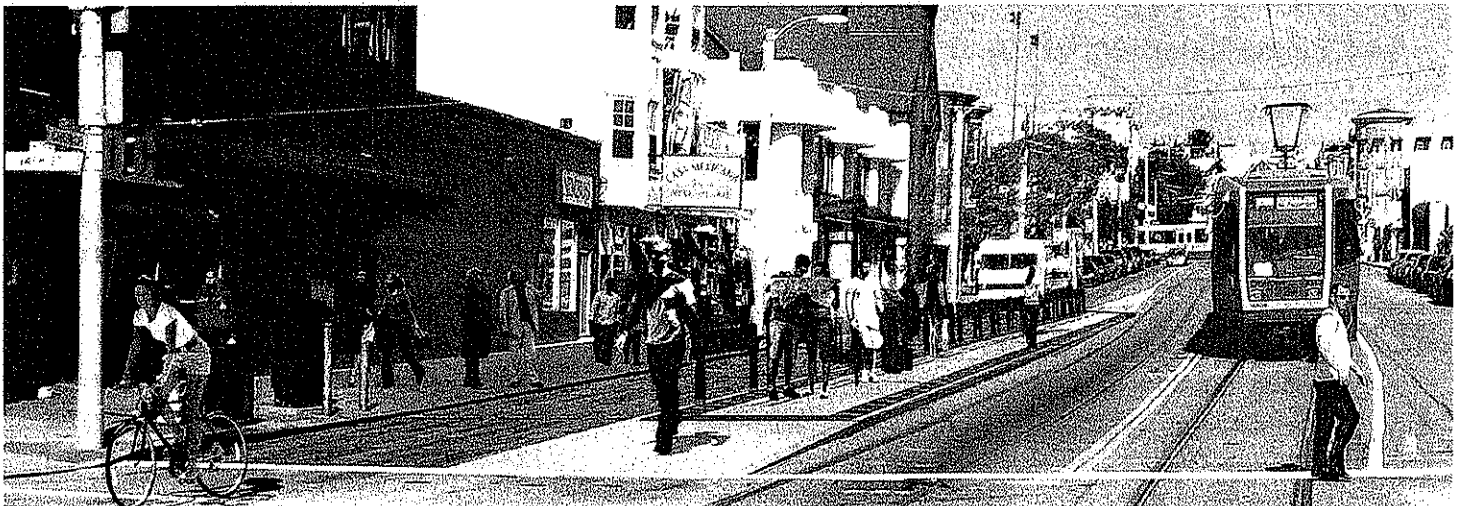
Church/Duboce Rail Improvement Project Moves Forward

Planning for the Church/Duboce Rail Improvement Project moved ahead significantly in 2009. Groundbreaking is scheduled for December 2010. The CBD and the Duboce Triangle Neighborhood Association have been working collaboratively with the MTA (Municipal Transportation Agency) for almost two years to ensure that the community's vision of a safe, people-friendly transit hub is incorporated into the rebuilding of this major transfer corridor.

The thousands of daily users of this transit hub will soon experience safer boarding areas for buses and streetcars, improved pedestrian zones to promote

safety, seating for those waiting for public transit, reduced clutter, and a more green, unified streetscape. Supervisor Bevan Dufty identified funding for public art at this location, the CBD spearheaded the effort to turn this public art funding into a functional art project, providing seating in this busy transit corridor. Last fall the SF Arts Commission selected the artwork to be installed.

A community meeting to provide more input on the artwork is scheduled for April 15, 2010 at 6:30pm at the Harvey Milk Recreation Center. For more information visit the CBD website at www.CASTROCBD.org.

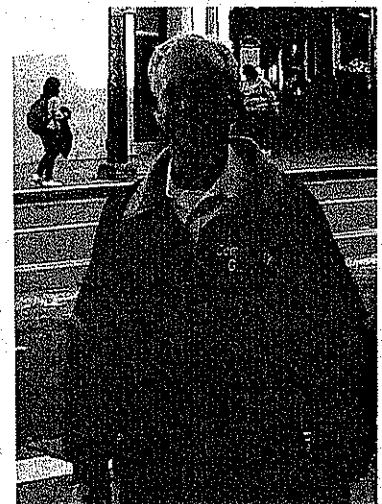


Harvey Milk Plaza Beautification Slated

Beautifying Harvey Milk Plaza remains a priority for the CBD. CMG Landscape Architecture graciously provided pro bono support to the CBD board in their 2009 efforts to beautify Harvey Milk Plaza. CMG drew up plans that included new landscaping and seating. After several revisions as requested by the S.F. Arts Commission, on February 8, 2010, the CBD received approval from the Arts Commission to move forward with the proposed Plaza upgrades. Look for improvements this spring.

CBD Pilots Community Guide Program

A new Castro District Community Guide Program was launched by the CBD in November 2009 to provide outreach to the neighborhood's homeless as well as assistance to visitors and tourists. The CBD is funding a six-month pilot of the Community Guide Program in the hopes that helping the homeless connect with existing assistance programs will reduce panhandling, sleeping in doorways, and similar activities that impact quality of life. A similar program has been successful in San Francisco's Central Market and Union Square areas. The Community Guide can be reached by calling the **CBD's dispatch number at 415-559-8492.**



Business Turnaround on the Horizon as Business Attraction Campaign Yields Results

The *San Francisco Examiner* reported in July 2009 that, although there was a huge spike in San Francisco's retail vacancy rate from 3 or 4 percent to 12 or 13 percent citywide, "some of the strongest and most vibrant retail markets can be found along Chestnut and Castro streets and in Hayes Valley."

The strength of the Castro's retail market is due in part to the CBD's Business Attraction Campaign, which was initiated in July 2007 by the Castro CBD, the Merchants of Upper Market and Castro (MUMC), the Office of Economic and Workforce Development, and the S.F. LGBT Community Center. The Campaign helps businesses, small and large, find the perfect location in the Castro. The Campaign works collaboratively with brokers, business owners, and property owners.

The Business Attraction Campaign's objectives are to attract and retain a good mix of businesses to the CBD by: maintaining an up-to-date list of vacancies, providing a quick response to alert prospective tenants about the newest vacancies, holding broker tours and maintaining strong relations with retail brokers, prospecting for new businesses, giving leverage to commercial property owners by helping them market and show their properties, and helping potential new businesses build strong neighborhood relations to ensure a smooth entry to the neighborhood.

Success Story: Ryan Hill, owner of Outfit and Outfit Additions

Ryan Hill is a young, successful entrepreneur and part owner of a clothing store in the Upper Haight called Ruby. Ryan was interested in opening a new store in the Castro to sell men's clothing and accessories. He also wanted to sell some of his own designer clothing. Ryan attended three broker tours, so the Business Attraction Campaign team understood his requirements and knew the best place for him based on his budget and business model.

After six months of working with Ryan, he saw the ideal space, quickly signed the lease, and opened Outfit at 4079 18th Street. Ryan's first business in the district was so successful, he decided to expand. Once again, the Business Attraction Campaign Team helped Ryan by arranging a tour of the former All American Boy space. Ryan took one look at the space and was sold. He recently opened his new store, Outfit Additions at 463 Castro Street.

If you have questions about the Business Attraction Campaign, want assistance renting your property, or want to learn more about the program, contact Tracey Williams, M.S., Business Specialist at the SF LGBT Community Center's Economic Development Program, at 415-865-5611.

Email Addresses Needed!

Help us communicate with you more often.

The Castro CBD is collecting email addresses to enable us to send out an e-newsletter and other communication to you. Please go to www.castrocdb.org and sign-up to receive electronic communication from the CBD.

Your information will be kept confidential. The CBD will **NOT** share any electronic or phone contact information with any other organizations, agencies or individuals.

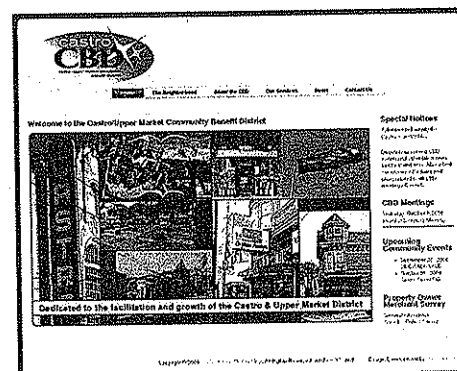
Do You Have Questions About the Castro CBD or the Neighborhood?

The CBD's website can answer them!

Our website is complete with:

- Contact information for CBD.
- Description of our services.
- Contact information for our cleaning services.
- Property owner information: complying with City policies. Links and phone numbers to important City agencies.
- Board of Director's meeting notices, minutes, agendas.
- History of the neighborhood.
- Neighborhood Beautification and Safety Plan.
- CBD documents.
- Report an issue.
- Special neighborhood events.

Visit our website
WWW.CASTROCBD.ORG

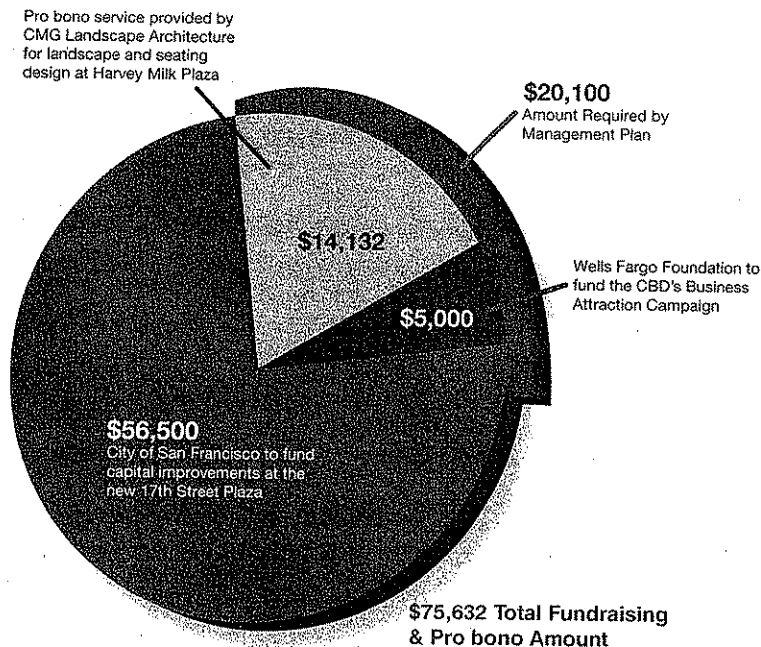


Business Attraction Campaign Brings in Businesses!

- John Francis Spa, 4200 18th Street
- Sui Generis, 2265 Market Street
- Sessions Gym, 1874 Market Street
- Outfit, 4079, 18th Street
- Outfit Additions, 463 Castro Street
- MOMS Pharmacy, 4071 18th Street
- Veo Optics, 2101 Market Street)

CBD Fundraising Successes

- \$5,000 from Wells Fargo Foundation to fund the CBD's Business Attraction Campaign
- \$56,500 from the City of San Francisco to fund capital improvements at the new 17th Street Plaza
- Pro bono service provided by CMG Landscape Architecture for landscape and seating design at Harvey Milk Plaza (\$14,132 value).

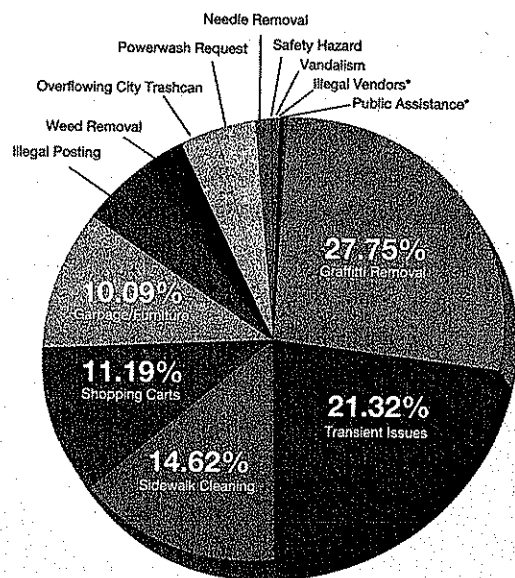


THANK YOU!

Castro CBD's Board of Director's extends a big Thank You to:

- Kent and Edna Jeffrey for generously donating space to the CBD for its cleaning supplies and equipment.
- John and Philip Par, owners of Wild Card, for allowing the CBD to use their water for steam cleaning and watering the plants at the 17th Street Plaza.
- Pat and Dave Sahagun, Castro Chevron, for giving the community their driveway on 17th Street, without which, the 17th Street Plaza would not exist.
- Orphan Andy's for volunteering to help maintain the 17th Street Plaza.

2009 Cleaning Services



CASTRO CBD DISPATCH SERVICE

415-559-8492

(Monday – Sunday
9:00 a.m – 6:00 p.m.)

You can help.

Call the CBD's Dispatch Service if you notice:

- Debris dumped on the sidewalk
- City trash receptacles emptied on sidewalk
- Other garbage, bad spills on the sidewalk
- Unsafe conditions on the sidewalk
- Dirty needles (don't pick up dirty needles yourself!)
- People in need of City services

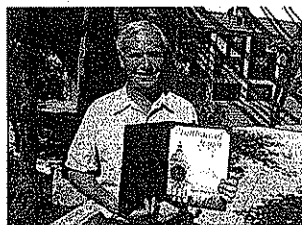


CBD clean team workers keep the district sparkling

Community Recognition



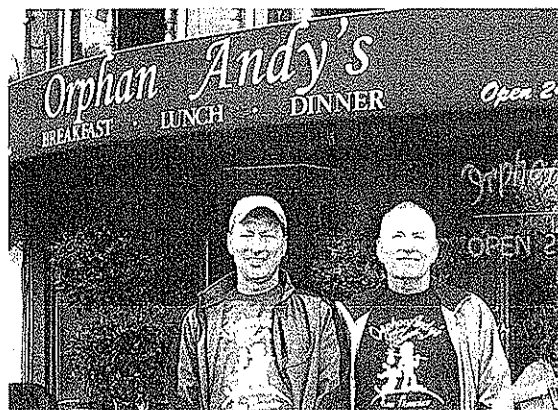
Sergeant Chuck Limbert, SFPD receiving American Red Cross Act of Courage Hero Award from Harold Brooks, CEO, American Red Cross, Bay Area Chapter.



David Lewis, Castro CBD Clean Team worker, received award for alerting SFPD of scam artist fraudulently soliciting community member donations for the No On 8 campaign.

CBD Community Partner Award

Throughout the year, the CBD will present its Community Partner Award to exemplary businesses/individuals/organizations in the district. The intent of the Castro/Upper Market CBD's Community Partners Award is to provide special recognition for people or organizations/businesses that through their exemplary actions or exceptional service to fellow citizens have made a positive impact on the Castro/Upper Market community. The award will include an advertisement in the Bay Area Reporter and a certificate. The first Community Partner Awardee is Orphan Andy's Restaurant. Dennis Ziebel and Bill Pung, co-owners of Orphan Andy's received the award for their volunteer service in helping the CBD maintain the 17th Street Plaza. Orphan Andy's staff lock up the tables and chairs every night and generally are the eyes and ears on the Plaza, 24 hours a day!



STATEMENT OF FINANCIAL POSITION

June 30, 2009

ASSETS

Cash and cash equivalents	\$ 251,174
Certificate of deposit	108,158
Assessments receivable	32,913
Grants receivable	1,572
Prepaid expenses	900
Total Current Assets	\$ 394,717

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable and accrued expenses	\$ 18,619
Total Liabilities	18,619

Contingencies*

Unrestricted Net Assets	
**Board designated	365,000
Other unrestricted	11,098
Total Net Assets	376,098
Total Liabilities & Net Assets	\$ 394,717

* **Contingencies**- Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 93% of the Organization's total revenues. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the District or fails to perform other responsibilities. The contract expires on December 31, 2020 and could be terminated at an earlier date if the Castro/Upper Market Community Benefit District is disestablished by a vote of more than 50% of the assessed owners.

** **Board designated net assets** - Board designated net assets represent unrestricted net assets allocated by the Board of Directors for the following purposes at June 30, 2009:

General reserve for cash flow	\$ 100,000
Matching grant reserve	125,000
Streetscape Improvements	140,000
Total	\$ 365,000

STATEMENT OF ACTIVITIES

For the year ended June 30, 2009

Support and Revenue

Support	
Government Grants	\$25,000
In-kind support	\$14,133
Total Support	\$39,133

Revenue

Assessment revenue	\$393,543
Interest income	\$4,882
Total Revenue	\$398,425
Total Support and Revenue	\$437,558

EXPENSES

Program Services	\$377,196
General and administrative	\$45,441
Fund-raising	\$4,041
Total Expenses	\$426,678

Change in Net Assets	\$10,880
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Net Assets, beginning of year	\$365,218
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Net Assets, end of year	\$376,098
--------------------------------	------------------

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT

584 Castro Street #336; San Francisco CA 94114
650-355-1294 www.CastroCBD.org

Maintenance Dispatch Office 415/559-8492

Board of Directors

President Dominic Campodonico, JD dcampodonico@gordonrees.com

Vice President Gustavo Serina gserina@aol.com

Secretary Pauline Scholten shakecty@ix.netcom.com

Treasurer Herb Cohn, CPA herbcohn@pacbell.net

Greg Bronstein gregbronstein@aol.com

DeJuana Joseph deejayzz@gmail.com

Tim Patriarca tpatriarca@maitrisf.org

Pat Sahagun bustwo98@aol.com

Richard Sollitto, MD richard.sollitto@radiology.ucsf.edu

Kenneth Wingard ken@kennethwingard.com

Executive Director Andrea Aiello execdirector@castrocdb.org

Castro CBD Board of Directors meetings are open to the public and are held at 6:00 pm on the second Thursday of each month, at 2112 15th Street, Chase Bank Community Room (corner of 15th, Sanchez and Market).

The Castro/Upper Market Community Benefit District is an IRS-approved 501(c)3 tax-exempt organization. The CBD can accept both unrestricted and restricted donations that are tax deductible to the donor. Donations and grants are welcomed from individuals, businesses, other tax-exempt entities, foundations, and government agencies. Checks can be sent to Castro/Upper Market Community Benefit District, 584 Castro Street #336; San Francisco CA 94114

Castro/Upper Market Community Benefit District

**584 Castro Street #336
San Francisco CA 94114**

**CASTRO/UPPER MARKET COMMUNITY
BENEFIT DISTRICT, INC.**

FINANCIAL STATEMENTS

June 30, 2009

CROSBY & KANEDA
Certified Public Accountants

Dedicated to Nonprofit Organizations

Castro/Upper Market Community Benefit District, Inc.

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Statement of Cash Flows	4
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CROSBY & KANEDA

Certified Public Accountants

Dedicated to Nonprofit Organizations

Latham Square Building
1611 Telegraph Ave. Suite 318
Oakland, CA 94612-2151
Tel: 510 · 835 · CPAS (2727)
Fax: 510 · 835 · 5711
e-mail: info@ckcpa.biz

INDEPENDENT AUDITORS' REPORT

Board of Directors
Castro/Upper Market Community Benefit District, Inc.
San Francisco, California

We have reviewed the accompanying statements of financial position of Castro/Upper Market Community Benefit District, Inc. (a nonprofit organization) as of June 30, 2009, and the related statements of activities, cash flows and functional expenses for the year then ended, in accordance with Statements of Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Castro/Upper Market Community Benefit District, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Crosby & Kaneda
Certified Public Accountants
Oakland, California
January 29, 2010

Castro/Upper Market Community Benefit District, Inc.

Statement of Financial Position

June 30, 2009

Assets

Current Assets

Cash and cash equivalents	\$	251,174
Certificate of deposit		108,158
Assessments receivable		32,913
Grants receivable		1,572
Prepaid expenses		900

Total Assets	\$	394,717
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Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued expenses	\$	18,619
Total Liabilities		18,619

Contingencies (Notes 3)

Unrestricted Net Assets

Board designated (Note 4)		365,000
Other unrestricted		11,098
Total Net Assets		376,098

Total Liabilities and Net Assets	\$	394,717
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See Accountants' Review Report and
Notes to the Financial Statements

Castro/Upper Market Community Benefit District, Inc.

Statement of Activities
Year Ended June 30, 2009

	<u>Unrestricted</u>
Support and Revenue	
Support	
Government grants	\$ 25,000
In-kind support	14,133
Total Support	<u>39,133</u>
Revenue	
Assessment revenue	393,543
Interest income	4,882
Total Revenue	<u>398,425</u>
 Total Support and Revenue	 <u>437,558</u>
 Expenses	
Program	377,196
General and administrative	45,441
Fundraising	4,041
Total Expenses	<u>426,678</u>
 Change in Net Assets	 10,880
 Net Assets, beginning of year	 <u>365,218</u>
 Net Assets, end of year	 <u>\$ 376,098</u>

See Accountants' Review Report and
Notes to the Financial Statements

Castro/Upper Market Community Benefit District, Inc.

Statement of Cash Flows
Year Ended June 30, 2009

Cash flows from operating activities:

Change in net assets	\$ 10,880
Adjustments to reconcile change in net assets to cash (used) provided by operating activities:	
Change in assets and liabilities:	
Assessments receivable	82
Grants receivable	8,600
Prepaid expenses	(900)
Accounts payable and accrued expenses	(12,409)
Net cash provided by operating activities	<u>6,253</u> ✓

Cash flows from investing activities

Purchase of certificate of deposit	<u>(108,158)</u>
Net cash used by investing activities	<u>(108,158)</u>
Net change in cash and cash equivalents	<u>(101,905)</u>
Cash and cash equivalents, beginning of year	<u>353,079</u>
Cash and cash equivalents, end of year	<u>\$ 251,174</u>

Castro/Upper Market Community Benefit District, Inc.

Statement of Functional Expenses
Year Ended June 30, 2009

	Program	General and Administrative	Fundraising	Total
Accounting fees	\$	\$ 6,744	\$	\$ 6,744
Website	2,863			2,863
Supplies	150	261		411
Postage	1,144		200	1,344
Advertising and promotion	3,800			3,800
Equipment rental and maintenance	510			510
Printing and publication	5,800			5,800
Travel, meals, and entertainment	1,050	382		1,432
Insurance	756	144		900
Dues, licenses, service fees		20		20
Meeting expenses	537	2,175		2,712
Other professional services	360,586	35,715	3,841	400,142
	<u>\$ 377,196</u>	<u>\$ 45,441</u>	<u>\$ 4,041</u>	<u>\$ 426,678</u>

See Accountants' Review Report and
Notes to the Financial Statements

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1: NATURE OF ACTIVITIES

The Castro/Upper Market Community Benefit District, Inc. (the Organization) was incorporated in California on September 2, 2008 as a non-profit public benefit corporation. Its purpose is to provide services to the Castro and Upper Market Areas within the Benefit District (the District), whose members include the owners of all parcels of land subject to property tax assessments within the geographic area of the Castro and Upper Market as established via legislation adopted by the Board of Supervisors on August 2, 2005 and signed on August 8, 2005 by the Mayor of the City and County of San Francisco (the City).

Upon formation of the district in 2005, its members were subject to multi-year special assessments imposed by the City under the Property and Business Improvement District Law of 1994. Under a contract with the City, the Organization receives these special assessments and, in exchange provides certain services to the members of the District. These services include supplemental security services to maintain order, the clearing and maintenance of sidewalks, the removal of graffiti, enhanced trash emptying in public rights of way, neighborhood beautification and tree-planting programs, and the organization and funding of special events. In addition to the special assessment funds, the contract with the City requires that the Organization raise an additional 5% from private donations to supplement the special assessments.

The annual special assessments imposed by the City will expire on December 31, 2020, unless the District is disestablished earlier by a majority vote of its members. The Organization's contract with the City will expire on December 31, 2020, but would also expire upon the disestablishment of the District.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Revenue Recognition

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

CASTRO/UPPER MARKET COMMUNITY BENEFIT DISTRICT, INC.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

Special assessment revenue is recognized ratably over the course of the year.

Income Taxes

The Internal Revenue Service and the California Franchise Tax Board have determined that the Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the California Revenue and Taxation Code Section 23701(d).

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly liquid investments with maturities of three months or less to be cash equivalents.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3: CONTINGENCIES

Special benefit assessments are received under a contract with the City and County of San Francisco and represent approximately 93% of the Organization's total revenues. Under the terms of the contract, the City and County can suspend distributions and ultimately terminate the contract if the Organization fails to provide adequate services to the District or fails to perform other responsibilities. The contract expires on December 31, 2020 and could be terminated at an earlier date if the Castro/Upper Market Community Benefit District is disestablished by a vote of more than 50% of the assessed owners.

NOTE 4: BOARD DESIGNATED NET ASSETS

Board designated net assets represent unrestricted net assets allocated by the Board of Directors for the following purposes at June 30, 2009:

General reserve for cash flow	\$ 100,000
Matching grant reserve	125,000
Streetscape improvements	<u>140,000</u>
Total	<u>\$ 365,000</u>

