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Discover Polk ANNUAL REPORT FY 2019-2020

Discover Polk Community Benefit District

www.discoverpolk.org

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Delicious TO GO

"Delicious to Go," the Discover Polk-wide art show



Discover Polk businesses utilizing the Share Spaces program



Supervisor Peskin showing off one of the new Big Belly



Interim Manager of StreetPlus, Cleveland



Damon Lew, owner of Johnson Leathers

EXECUTIVE SUMMARY

Discover Polk is a unique Community Benefit District in that seventy-eight percent (78%) of the parcels in the six-block long district are condominiums, and that there are 37 mixed-use buildings with residential rental units above the street level and two single-room occupancy hotels. There are three houses of worship and an eclectic mix of businesses, many of which have been on Polk Street for decades. Incorporated as a 501 (c)(3) in September 2018, Discover Polk CBD (“DPCBD”) was sanctioned by a City agreement on 20 November 2018, and received its first assessments in early January 2019.

Most of the Board of Directors were active in the feasibility and formation phase of DPCBD; they represent large and small property owners, business owners and other community stakeholders. Currently our Board meets bi-monthly, and convenes regular working groups focusing on cleanliness & safety, streetscape, and marketing & communications.

For much of the latter portion of FY2019/2020, DPCBD has been consumed with helping the district adapt to and manage the challenges of the COVID19 pandemic. This included but was not limited to working with StreetPlus to modify their cleaning processes to utilize PPE and social distancing protocols, partnering with local businesses to help build their outdoor “parklets” through the City’s Shared Spaces program and addressing myriad concerns and questions from residents to ensure the safety and wellbeing of everyone in the district during the pandemic.



STATUS & PROGRESS OF DISTRICT PROGRAMS

Management and Operations

Board & Staff

- DPCBD maintained the same twelve (12) Board members throughout the period of the 2019/2020 Annual Report.
- The previous executive management - contracted through LPCBD - resigned two months before the end of 2019. DPCBD finished 2019 operating two (2) months without the support of an Executive Director or District Coordinator.
- In November 2019, the Board approved a job description for Executive Director and a search was launched. A working group interviewed four (4) qualified candidates in December 2019 and January 2020, and unanimously approved the application of a local hospitality and community affairs management company, Tonic Nightlife Group; the Board ratified the choice at a special meeting on January 10, 2020 and the new Executive Management Team accepted the offer on January 20, 2020.

Operations

- From July 2019 to November 2020, DPCBD was in contract with LPCBD for clean & Safe services. The two districts agreed to terminate the management contract as of November 30, 2019.
- In the interim, DPCBD had performed due diligence, soliciting proposals from three experienced providers who deliver services elsewhere in the city. At the November 13, 2019 Board meeting, the ten (10) Board members present unanimously approved the selection of StreetPlus, who began services on December 2, 2019. StreetPlus is a national service provider for urban CBDs and BIDs, with a strong presence in the Bay Area, including a Regional Vice President based in Union Square. They came highly recommended by other San Francisco CBDs and were open to favorable contract negotiations with DPCBD.
- StreetPlus is contracted to provide 192 hours of service per week as follows:
 - Operations Supervisor: 40 hours
 - Team Leader (weekend coverage for Ops Supervisor): 16 hours
 - Cleaning Ambassadors: 96 hours
 - Special Projects: 40 hours
- The StreetPlus contract with DPCBD includes, among other provisions, appropriate training and regional supervision of staff, quarterly performance audits, and regular meetings with the DPCBD Board and Executive Management.
- In late February 2020, the Executive Management team found and leased a space in the district for the StreetPlus service team to utilize as an office, storage facility and warehouse for their supplies and equipment.

Neighborhood Cleanliness

- In December 2019, DPCBD conducted a rubbish audit with rubbish.love and the results were surprising. The bulk of sidewalk soil is gum stains (64%) and cigarette butts (19%). The data from this audit has helped DPCBD prioritize cleaning efforts.
- StreetPlus ramped up to near full levels by Q1 2020 (COVID19 challenges notwithstanding), including regular power washing and steam cleaning of every sidewalk in the district at a minimum of once per every two (2) weeks.
- DPCBD was notified in December 2019 that it had received a grant from OEWD for five (5) Big Belly trash bins. DPCBD worked with OEWD to identify ideal locations for the cans and contracted with a designer for the artwork that would “wrap” the cans in order to provide additional branding for the DPCBD.
- The Big Belly trash cans were installed and operational by June 2020; including a socially distanced press conference with D3 Supervisor Peskin as the main speaker.
- **Statistical Summary of Services Provided by LPCBD February 2019 to November 2019 and StreetPlus December 2019 to July 2020***

Pounds of trash removed	73,163
Hazardous waste (needles) disposed	1,182
Graffiti abated (number of instances)	373
Linear frontage steam cleaned (sq ft)	115,000
Calls addressed for cleaning (direct calls are rare)	7
Call addressed for public safety	3

Branding, Activation & Marketing

- The Executive Management Team commenced regular meetings of the Marketing & Communications Working Group with the board.
- Emails were gathered of local residents, merchants, and fans of DPCBD, and put into a main database for use through Mailchimp and regular email. DPCBD began sending out bi-monthly newsletters with updates on the district to these groups, as well as sending out ad hoc updates to merchants and residents with more time sensitive updates, such as COVID19 PSA's.
- Through an anonymous donor, DPCBD helped offset the costs of DPCBD restaurants “parklets” built to accommodate outdoor seating for patrons during the COVID19 pandemic.

Commercial vacancies as of June 30, 2020: 31 (see attached as Exhibit A)

- Eight (8) of these have been vacant for between one and six years. Five (5) of these eight (8) units are owned by two (2) property owners, neither of whom appears to be motivated to lease their properties.
- Five (5) storefronts became vacant in 2019; three (3) of these were restaurants, one a gym and one a retail store in a building scheduled for seismic retrofit.
- Two (2) of the thirty-one (31) vacancies have submitted applications to planning and are awaiting initial hearings

FINANCIAL DATA*

Statement of Operations (Actual vs. Budget)

For the fiscal year ended June 30, 2020

	Actual	Budget	Variance Positive/(Negative)
REVENUE AND SUPPORT			
Assessments	630,940	628,327	2,614
Fundraising/In-Kind	22,605	37,000	(14,395)
Interest Income	0	0	0
TOTAL REVENUE AND SUPPORT	653,546	665,327	(11,781)
EXPENSES			
Clean & Safe Program	280,668	349,181	68,512
Beautification & Placemaking	13,998	21,864	7,866
Marketing, Business Support, Etc	36,172	28,768	(7,404)
Administration & Reserve	93,115	76,521	(16,594)
TOTAL EXPENSES	423,953	476,334	52,381
Change in Net Assets	229,592	188,992	64,162
Prior Year Net Assets (Carryover)	424,195	424,195	0
TOTAL NET ASSETS	653,787	613,187	64,162

Statement of Financial Position

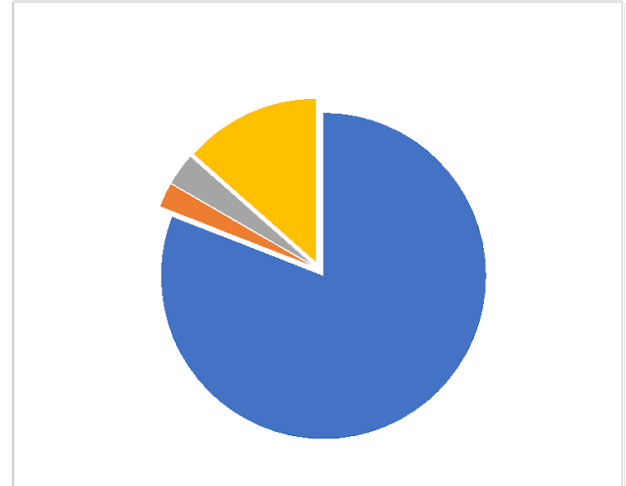
As of June 30, 2020

ASSETS	
Cash and Cash Equivalents	654,681
Assessment and Other Receivables	7,320
Prepaid Expenses	308
Equipment, net	1,679
TOTAL ASSETS	663,988
LIABILITIES & NET ASSETS	
LIABILITIES	
Accounts Payable	10,200
TOTAL LIABILITIES	10,200
NET ASSETS	
Without Donor Restrictions	646,468
With Donor Restrictions	7,320
TOTAL NET ASSETS (CARRYOVER)	653,788
TOTAL LIABILITIES & NET ASSETS	663,988

Budget FY 2020-2021

REVENUE AND SUPPORT	
Assessments	654,820
Fundraising/In-Kind	37,000
Interest Income	0
TOTAL REVENUE AND SUPPORT	691,820
EXPENSES	
Clean & Safe Program	432,713
Beautification & Placemaking	12,882
Marketing, Business Support, Etc	16,950
Administration & Reserve	72,235
TOTAL EXPENSES	534,779

* Financial data from the audited financial statements.



FINANCIAL NOTES

Revenue

- Assessment revenues followed very closely to plan for the fiscal year. The District's non-assessment revenues (General Benefit) is below plan by \$14,395 but above the mandatory \$20,000 requirement.

Expense

- Overall expenses for the fiscal year are under budget by \$52,381 relative to plan.

Clean & Safe

- Clean & Safe expenses are significantly under the budget due to understaffing issues at StreetPlus mostly related to the COVID19 crisis.

Beautification & Placemaking

- Beautification & Placemaking expenses are \$7,866 under the budget due to the COVID19 crisis.

Marketing & Business Support

- Marketing & Business Support expenses are \$7,404 over the budgeted plan due to the transition phase between Executive Management teams, additional spend related to communication campaigns and funds utilized for DPCBD branding on the BigBelly Trash cans.

Admin & Reserve

- Admin & Reserve expenses are \$16,594 over the budgeted plan due to rent expense for StreetPlus equipment along with additional professional service expenses.

Carryover Status

- DPCBD has a carryover of \$653,788.

Other Notable Items

- DPCBD District elected to change its fiscal year end to go from calendar year end of 12.31 to a fiscal year end of 6.30 to match that of the City and County of San Francisco's year end convention. DPCBD is retaining greater than average reserve funds due to the uncertainty in the following year(s) due to the COVID19 crisis.

DESCRIPTION AND STATUS OF EACH CONTRACT TO PROVIDE PROGRAMS/SERVICES

StreetPlus

DPCBD entered into a three (3) year Maintenance and Hospitality Services agreement on December 1, 2019 with StreetPlus. StreetPlus will handle all of the Clean & Safe activities for DPCBD which include but is not limited to trash pick-up, graffiti abatement, needle pick-up, feces clean-up, power washing, gum removal, weed abatement, hospitality services, etc. Services are provided from 07:00am to 3:30pm, seven (7) days a week except for six (6) Federally recognized holidays. DPCBD meets monthly with the StreetPlus team to discuss the previous months operations and talk about how to optimize service to DPCBD.

Executive Management Team (Tonic Nightlife Group)

DPCBD entered into a six (6) month contract with Tonic Nightlife Group to provide services as the Executive Management Team on January 20, 2020 with automatic renewal for successive one (1) year terms and sixty (60) day termination clauses for both parties. The scope of services includes: accomplishing DPCBD's goals; serving as the principal resource to and primary advocate for the Board; developing and maintaining effective communications with the Board, working groups, and community members; ensuring DPCBD compliance with the Management Plan, DPCBD policies, federal, state, and local regulations, and assure its fiscal health; promoting and supporting local business through marketing programs and city liaison role; directing the administrative work of DPCBD. The Executive Management Team presents at the bi-monthly board meetings, hosts regular meetings of board working groups, and works closely with Board leadership to accomplish DPCBD goals.

Preview of FY 2020/2021

The district is consumed with the challenges of the COVID19 pandemic. Fortunately, the Executive Management Team and StreetPlus cleaning services have been functioning at a high level and meeting their respective goals.

The merchant community has been devastated by the forced closures, reductions of operating hours, and lack of customers. The residents and visitors to DPCBD are also adapting to the health regulations and socially distanced activities. The Executive Management Team will continue to work closely with merchants and residents to help them weather this unprecedented time.

Management & Operations

- StreetPlus
 - Work to achieve and maintain full staffing levels
 - Compile statistically significant data on cleanliness issues to better inform decisions by the Board and Executive Management Team on allocation of resources and advocacy
- Finance and Fund Development (Budget for next fiscal year)

Clean & Safe

- Increase the number of graffiti abatement authorizations for private properties
- Utilize StreetPlus cleaning data to better target cleanliness “hotspots” and direct resources/advocate, accordingly
- Build relationships with new police Captain Yep to address safety concerns and increase police presence in the district

Marketing & Communications

- Activate social media presence including Facebook, Twitter, LinkedIn, Instagram & Nextdoor
- Grow communications list across all channels
- Build “historical archive” of written, photographed, and filmed material of district for use in further communications

StreetScape & Events

- Organize three socially distanced events for the district: Discover Polk Delivers to benefit local restaurants; Delicious To Go, a free outdoor art walk for residents and visitors; and a TBD holiday event which will also be free and outdoors.
- Design and codify an official DPCBD board policy for review of proposed development or business projects in the district

APPENDIX

Exhibit A – Summary of Commercial Vacancies

APN	Address	Use	SQFT	Former Use	Owner
0573-012	2044 Polk St	Residential Hotel (Mixed Use)	950	Molte Cose (Retail)	Raymond G & Lorraine Choy
0573-011	2030 Polk St	Commercial	700	Manicurist (merry manicures)	Karen Quan Revoc Tr
0573-012	2056 Polk St	Residential Hotel (Mixed Use)	800	Retail	Raymond G & Lorraine Choy
0574-011	1648 Pacific Ave	Office Building	3,000	Retail	1648 Pacific LLC
0574-012	1650 Pacific Ave	Commercial	7,762	TRX Gym/Corp	Griffith 1995 Credit Shelter
0574-018	1548 Broadway	Residential (Mixed Use)	2,500	SignoGraphics	David Lipshultz
0574-005	2023 Polk St	Residential (mixed Use)	1,400	n/a	Rose Wing Properties
0595-005	2000 Van Ness Ave	Office Building	1,965	Retail	H E I R Property Holdings LLC
0595-008	2050 Van Ness Ave	Commercial	12,242	Restaurant	2050 Van Ness LLC
0596-021	1906 Polk St	Commercial	1,030	Optometrist (Posinelli)	Peter Gumina
0597-015	1800 Polk St	Residential (mixed Use)	1,900	It's a Grind (coffee Shop)	Raymond Li Tom
0597-015	1804 Polk St	Residential (mixed Use)	800	Fregosi Paints	Raymond Li Tom
0597-029	1850 Polk St	Commercial Condo	2,000	Town School Closet	1850 Polk Street Properties
0597-054	1812 Polk St	Commercial Condo		Escape Room	Karina Vaysman
0598-010A	1946 Van Ness Ave	Industrial	7,405	Bakery	1946 Van Ness Avenue LLC
0598-010B	1940 Van Ness Ave	Commercial	3,130	Cross Fit Gym	Stephen Honnert
0598-014/015	1801 Polk St	Commercial Condo	2,100	Dry Cleaners	Polk/Washington Association LLC
0619-002	1735 Polk St	Mix Flat & Store	5,227	Restaurant	Nguyen Venture LLC
0619-005	1701 Polk St	Residential (mixed Use)	650	Retail (Smith)	Wai-Man Lee
0619-005	1713 Polk St	Residential (mixed Use)	1,103	Florist	Wai-Man Lee
0619-012	1860 Van Ness Ave	Residential (mixed Use)	1,179	n/a	WVN Association
0619-150 ?	1810 Van Ness Ave	Commercial Condo	2,583	Gym	Channers Inc
0620-019	1742 Polk St	Residential (mixed Use)	1,680	Retail (Terrasol)	Devpac LLC

0620-019	1738 Polk St	Residential (mixed Use)	1,680	Modern Design	Devpac LLC
0621-013	1608 Polk St	Residential (mixed Use)	5,600	Restaurant	1688 Sacramento Street LLC
0621-013	1610 Polk St	Residential (mixed Use)	1,000	Salon	1688 Sacramento Street LLC
0621-022	1640 Polk St	Commercial	8,330	Grocery (Big Apple)	Joe & Annie Eng
0622-002	1639 Polk St	Residential (mixed Use)	1,400	Restaurant (Panchos)	Tooran G Khayam-Bashi
0643-001	1553 Polk St	Commercial	950	Retail	Housser Family Trust
0643-002	1541 Polk St	commercial	3,300	Church	Moskowitz Family Trust
0644-016	1538 Polk St	Residential Hotel (Mixed Use)	900	Dry cleaner (Anytime)	Wai-Man Lee