

MEMO

To: Supervisor David Campos, District 9
CC: San Francisco Board of Supervisors
From: Richard Kurylo, OEWD Project Manager
RE: Mission BID Annual Report, Calendar Years 2010-2015
Date: January 11, 2016

This is a memo summarizing the performance of the Mission Miracle Mile Business Improvement District (Mission BID) and an analysis of their financial statements (based on their audit) for the period between January 1, 2010, and December 31, 2015.

Each year the BID is required to submit a mid-year report, an annual report and a CPA Financial Review or Audit. Mission BID has complied with the submission of all these requirements. 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 2500 Mission Miracle Mile Business Improvement District management contract with the City; and their Management Plan as approved by the Board of Supervisors in 2008.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. CY 2010
 - b. CY 2011
 - c. CY 2012
 - d. CY 2013
 - e. CY 2014
 - f. CY 2015
2. CPA Financial Review Reports
 - a. CY 2010
 - b. CY 2011
 - c. CY 2012
 - d. CY 2013
 - e. CY 2014
 - f. CY 2015
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Mission BID spans two blocks and contains 20 parcels.

- October 5, 2010: the Board of Supervisors approved the resolution that renewed the property-based district called the Mission Miracle Mile Business Improvement District (Resolution #473-10).
- February 15, 2011: the Board approved the contract for the administration and management of the Mission BID (Resolution # 92-11).
- The BID began receiving assessment funds in April 2009 and started providing cleaning and security services in June 2009.

Basic Info about Mission Miracle Mile BID

Year Established	October 2010
Assessment Collection Period	July 1, 2010 – June 30, 2015
Services Start and End Date	January 1, 2010 – December 31, 2015
Initial Estimated Annual Budget	\$85,861
Fiscal Year	January 1 – December 31
Executive Director	Phillip Lesser
Name of Nonprofit Entity	Mission Miracle Mile, Inc.

Summary of Service Area Goals

Beautification, Cleaning and Maintenance Program (BCMP)

The Mission BID Management Plan calls for 58% of the budget to be spent on BCMP. BCMP includes:

- Additional manual sweeping of sidewalks and curbs – twice daily, 7 days a week
- Additional removal of weeds on sidewalks, curbs, and in storm drains - 7 days a week
- Additional sidewalk steam cleaning – 12 times per year
- Rapid response graffiti removal services - 7 days a week
- Additional removal of weeds and debris around trees and maintenance of tree wells – 7 days a week
- Notifications to San Francisco Public Works (DPW) if litter receptacle requires emptying – 7 days a week
- Repair request calls into DPW to ensure rapid resolution; fixture cleaning and repainting done by BID vendor

Greening Program (GP)

The Mission BID Management Plan allocates 23% of their budget to this program area. The Greening Program funds and maintains the floral baskets.

Public Safety and Administrative Program (PSAP)

The Mission BID Management Plan calls for 18% of the budget to be spent on the Public Safety and Administrative Program. The Mission BID is staffed by a part-time Executive Director who serves as the

focal point person and advocate for the district. Community Ambassadors augment services by the San Francisco Police Department (SFPD) by providing additional “eyes and ears” on the street, increasing the safety presence, reporting illegal activities and deterring crime. Their duties are detailed below:

- Provide assistance to visitors.
- Maintain relations with merchants and property owners.
- Maintain communications with SFPD, DPW and other relevant city agencies.
- Refer street population to available city homeless services.
- Maintain and back up seven surveillance cameras. *This program area also funds the surveillance cameras.*

The Mission BID Executive Director and Board (1) create and manage programs that best respond to the needs of the property owners on the 2500 block of Mission Street, (2) find and manage programs that will augment—and not duplicate—services already provided by City agencies, (3) purchase services cost-effectively and (4) provide accountability to assessed property owners.

The Mission BID board has five (5) members: four (4) commercial property owners and one (1) commercial tenant. Board members are all required to actively participate. The full board meets two times a year, in June and December.

Summary of Accomplishments, Challenges, and Delivery of Service Areas

CY 2010

The Mission BID reports that it brought about a clean, safe, and attractive “oasis” in the midst of the Mission shopping corridor. The activities and impact are detailed below:

- graffiti removed from all buildings, public fixtures and sidewalks;
- unauthorized posters, stickers and other illegal foreign attachments removed from public and private property;
- grime routinely pressure washed from sidewalks;
- litter routinely swept;
- service providers adequately insured, trained and responsive;
- property owners and businesses within the BID have a unified voice with government departments such as DPW and SFPD, and with community-based organizations such as the Mission Merchants Association and Mission Neighborhood Centers;
- streetscape “softened” and “greened” with twenty hanging floral baskets; and
- crime on the street largely eradicated with the presence of seven conspicuous surveillance cameras.

The Mission BID believes that their programs initiated activities to improve business, property values and the quality of life for all who live, work, invest and/or come to enjoy the “Heart of the Mission.”

CY 2011-2015

In calendar years 2011-2015, the Mission BID did not adjust any programming services both in type of service provided and frequency of those services.

The Mission BID Annual Budget Analysis

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

- **BENCHMARK 1:** Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan (*Agreement for the Administration of the "Mission Miracle Mile Business Improvement District," Section 3.9 – Budget*).
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Mission Miracle Mile Business Improvement District," Section 3.4 - Annual Reports*).
- **BENCHMARK 3:** Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percent points (*Agreement for the Administration of the "Mission Miracle Mile Business Improvement District," Section 3.9 – Budget*).
- **BENCHMARK 4:** Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues (*CA Streets & Highways Code, Section 36650(B)(5)*).

CY 2010

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	CY 2010 Budget	% of Budget	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$50,000	58.2%	\$45,000	52.5%	-5.7%
Greening Program	\$20,000	23.3%	\$25,000	29.1%	+5.8%
Public Safety and Administrative Program	\$15,000	17.5%	\$15,800	18.4%	+0.9%
Contingency and Reserves	\$861	1.0%	\$0	-	-1.0%
TOTAL	\$85,861	100.0%	\$85,800	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Mission BID met this requirement. Assessment revenue was \$73,744 or 98.7% of actuals and non-assessment revenue was \$1,000 or 1.3% of actuals. See table below.*

Revenue Sources	CY 2010 Actuals	% of Actuals
Special Benefit Assessments	\$73,744	
Total assessment revenue	\$73,744	98.7%
Fundraising/In-Kind	\$1,000	
Interest Earned	\$0	
Total non-assessment revenue	\$1,000	1.3%
Total	\$74,744	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Mission BID did not meet this requirement. In this calendar year, the Mission BID incurred a tax penalty of \$4,237. Please find OEWD’s discussion of this fee in the “Findings and Recommendations” section. See table below.*

Service Category	CY 2010 Budget	% of Budget	CY 2010 Actuals	% of Actuals	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$45,000	52.5%	\$45,883	49.9%	-2.6%
Greening Program	\$25,000	29.1%	\$19,824	21.6%	-7.5%
Public Safety and Administrative Program	\$15,800	18.4%	\$26,138	28.5%	+10.1%
Contingency and Reserves	\$0	-	-	-	
TOTAL	\$85,800	100.0%	\$91,845	100.0%	

BENCHMARK 4: Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID did indicate carryforward funds but did not allocate these funds in their Annual Report or Financial Statements. See table below.*

CY 2010 Carryover Disbursement	\$12,485
Designated Projects	
Unspecified safe/clean/green programs	\$12,485
Total Designated Amount for Calendar Year 2011	\$12,485

CY 2011

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	CY 2011 Budget	% of Budget	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$50,000	58.2%	\$47,000	54.7%	-3.5%
Greening Program	\$20,000	23.3%	\$23,000	26.8%	+3.5%
Public Safety and Administrative Program	\$15,000	17.5%	\$15,850	18.5%	+1.0%
Contingency and Reserves	\$861	1.0%	\$0	-	-1.0%
TOTAL	\$85,861	100.0%	\$85,850	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Mission BID met this requirement. Assessment revenue was \$87,454 or 98.8% of actuals and non-assessment revenue was \$1,050 or 1.2% of actuals. See table below.*

Revenue Sources	CY 2011 Actuals	% of Actuals
Special Benefit Assessments	\$87,454	
Total assessment revenue	\$87,454	98.8%
Fundraising/In-Kind	\$1,000	
Tax Refund	\$50	
Total non-assessment revenue	\$1,050	1.2%
Total	\$88,504	

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	CY 2011 Budget	% of Budget	CY 2011 Actuals	% of Actuals	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$47,000	54.7%	\$45,434	59.3%	+4.6%
Greening Program	\$23,000	26.8%	\$17,200	22.4%	-4.4%
Public Safety and Administrative Program	\$15,850	18.5%	\$14,048	18.3%	-0.2%
Contingency and Reserves	\$0	-	-	-	
TOTAL	\$85,850	100.0%	\$76,682	100.0%	

BENCHMARK 4: Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID did indicate carryforward funds but did not allocate these funds in their Annual Report or Financial Statements. See table below.*

CY 2011 Carryover Disbursement	\$18,944
Designated Projects	
Unspecified safe/clean/green programs	\$18,944
Total Designated Amount for Calendar Year 2012	\$18,944

CY 2012

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	CY 2012 Budget	% of Budget	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$50,000	58.2%	\$47,500	56.1%	-2.1%
Greening Program	\$20,000	23.3%	\$19,000	22.4%	-0.9%
Public Safety and Administrative Program	\$15,000	17.5%	\$18,200	21.5%	+4.0%
Contingency and Reserves	\$861	1.0%	\$0	-	-1.0%
TOTAL	\$85,861	100.0%	\$84,700	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Mission BID met this requirement. Assessment revenue was \$85,002 or 98.8% of actuals and non-assessment revenue was \$1,000 or 1.2% of actuals. See table below.*

Revenue Sources	CY 2012 Actuals	% of Actuals
Special Benefit Assessments	\$85,002	
Total assessment revenue	\$85,002	98.8%
Fundraising/In-Kind	\$1,000	
Interest Earned	\$0	
Total non-assessment revenue	\$1,000	1.2%
Total	\$86,002	100.0%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	CY 2012 Budget	% of Budget	CY 2012 Actuals	% of Actuals	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$47,500	56.1%	\$45,283	53.7%	-2.4%
Greening Program	\$19,000	22.4%	\$15,000	17.8%	-4.6%
Public Safety and Administrative Program	\$18,200	21.5%	\$23,985	28.5%	+7.0%
Contingency and Reserves	\$0	-	-	-	
TOTAL	\$84,700	100.0%	\$84,268	100.0%	

BENCHMARK 4: Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID did indicate carryforward funds but did not allocate these funds in their Annual Report or Financial Statements. See table below.*

CY 2012 Carryover Disbursement	\$17,470
Designated Projects	
Unspecified safe/clean/green programs	\$17,470
Total Designated Amount for Calendar Year 2013	\$17,470

CY 2013

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	Management Plan Budget	% of Budget	CY 2013 Budget	% of Budget	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$50,000	58.2%	\$47,500	59.2%	+1.0%
Greening Program	\$20,000	23.3%	\$15,000	18.7%	-4.6%
Public Safety and Administrative Program	\$15,000	17.5%	\$17,700	22.1%	+4.6%
Contingency and Reserves	\$861	1.0%	\$0	-	-1.0%
TOTAL	\$85,861	100.0%	\$80,200	100%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Mission BID met this requirement. Assessment revenue was \$85,443 or 98.8% of actuals and non-assessment revenue was \$1,000 or 1.2% of actuals. See table below.*

Revenue Sources	CY 2013 Actuals	% of Actuals
Special Benefit Assessments	\$85,443	
Total assessment revenue	\$85,443	98.8%
Fundraising/In-Kind	\$1,000	
Interest Earned	\$0	
Total non-assessment revenue	\$1,000	1.2%
Total	\$86,443	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID purchased surveillance cameras totaling \$21,619, which were included in Public Safety and Administrative Program. See table below.*

Service Category	CY 2013 Budget	% of Budget	CY 2013 Actuals	% of Actuals	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$47,500	59.2%	\$45,553	42.9%	-16.3%
Greening Program	\$15,000	18.7%	\$14,400	13.6%	-5.1%
Public Safety and Administrative Program	\$17,700	22.1%	\$46,130	43.5%	+21.4%
Contingency and Reserves	\$0	-	-	-	-
TOTAL	\$80,200	100%	\$106,083	100%	

BENCHMARK 4: Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID did indicate carryforward funds but did not allocate these funds in their Annual Report or Financial Statements. See table below.*

CY 2013 Carryover Disbursement	\$9,417
Designated Projects	
Unspecified safe/clean/green programs	\$9,417
Total Designated Amount for Calendar Year 2014	\$9,417

CY 2014

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID proposed to fund new surveillance cameras under the Public Safety and Administrative Program. This explains the 12.9% variance. See table below.*

Service Category	Management Plan Budget	% of Budget	CY 2014 Budget	% of Budget	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$50,000	58.2%	\$47,500	52.9%	-5.3%
Greening Program	\$20,000	23.3%	\$15,000	16.7%	-6.6%
Public Safety and Administrative Program	\$15,000	17.5%	\$27,350	30.4%	+12.9%
Contingency and Reserves	\$861	1.0%	\$0	-	-1.0%
TOTAL	\$85,861	100.0%	\$89,850	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Mission BID met this requirement. Assessment revenue was \$83,445 or 98.8% of actuals and non-assessment revenue was \$1,000 or 1.2% of actuals. See table below.*

Revenue Sources	CY 2014 Actuals	% of Actuals
Special Benefit Assessments	\$83,445	
Total assessment revenue	\$83,445	98.8%
Fundraising/In-Kind	\$1,000	
Interest Earned	\$0	
Total non-assessment revenue	\$1,000	1.2%
Total	\$84,445	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	CY 2014 Budget	% of Budget	CY 2014 Actuals	% of Actuals	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$47,500	52.9%	\$45,322	56.0%	+3.1%
Greening Program	\$15,000	16.7%	\$14,400	17.8%	+1.1%
Public Safety and Administrative Program	\$27,350	30.4%	\$21,175	26.2%	-4.2%
Contingency and Reserves	\$0	-	-	-	-
TOTAL	\$89,850	100.0%	\$80,897	100%	

BENCHMARK 4: Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID did indicate carryforward funds but did not allocate these funds in their Annual Report or Financial Statements. See table below.*

CY 2014 Carryover Disbursement	\$15,442
Designated Projects	
Unspecified safe/clean/green programs	\$15,442
Total Designated Amount for Calendar Year 2015	\$15,442

CY 2015

BENCHMARK 1: Whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan

ANALYSIS: *The Mission BID did not meet this requirement. The Mission BID proposed to fund new surveillance cameras under the Public Safety and Administrative Program. This explains the 13.2% variance. See table below.*

Service Category	Management Plan Budget	% of Budget	CY 2015 Budget	% of Budget	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$50,000	58.2%	\$47,500	53.2%	-5.0%
Greening Program	\$20,000	23.3%	\$14,400	16.1%	-7.2%
Public Safety and Administrative Program	\$15,000	17.5%	\$27,350	30.7%	+13.2%
Contingency and Reserves	\$861	1.0%	\$0	-	-1.0%
TOTAL	\$85,861	100.0%	\$89,250	100.0%	

BENCHMARK 2: Whether one percent (1%) of actuals came from sources other than assessment revenue

ANALYSIS: *The Mission BID met this requirement. Assessment revenue was \$70,471 or 98.6% of actuals and non-assessment revenue was \$1,000 or 1.4% of actuals. See table below.*

Revenue Sources	CY 2015 Actuals	% of Actuals
Special Benefit Assessments	\$70,471	
Total assessment revenue	\$70,471	98.6%
Fundraising/In-Kind	\$1,000	
Interest Earned	\$0	
Total non-assessment revenue	\$1,000	1.4%
Total	\$71,471	100%

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: *The Mission BID met this requirement. See table below.*

Service Category	CY 2015 Budget	% of Budget	CY 2015 Actuals	% of Actuals	Variance Percentage Points
Beautification, Cleaning and Maintenance Program	\$47,500	53.2%	\$45,301	49.0%	-4.2%
Greening Program	\$14,400	16.1%	\$13,700	14.8%	-1.3%
Public Safety and Administrative Program	\$27,350	30.7%	\$33,536	36.2%	+5.5%
Contingency and Reserves	\$0	-	-	-	-
TOTAL	\$89,250	100.0%	\$92,537	100%	

BENCHMARK 4: Whether the Mission BID is indicating the amount of any surplus or deficit revenues to be carried forward into the next fiscal year and designating the projects to be funded by any surplus revenues

ANALYSIS: *The Mission BID met this requirement. The Mission BID will wind down its operations and dissolve its current funds by the end of CY 2015. See table below.*

CY 2015 Carryover Disbursement	\$0
Designated Projects	
Safe/clean/green programs	\$0
Total Designated Amount for Calendar Year 2016	\$0

Findings and Recommendations

The Mission BID has generally met all of the benchmarks as defined on page 4 of this memo with the following exceptions:

Benchmark 1

CY 2014 and CY 2015 due to the purchase of surveillance cameras.

Benchmark 3

CY 2010 due to a tax penalty and CY 2013 due to the purchase of surveillance cameras.

Benchmark 4

CY 2010 through CY 2014 because carryforward funds were not allocated to specific service categories in the Mission BID's Annual Reports or Financial Statements.

Per their management plan, the Mission BID's non-assessment revenue must be at least one percent (1%) of their total revenue. For all the years in review, it was noted that the Mission BID receives in-kind donations from a property owner. OEWD requested the Mission BID prepare a memo addressed to OEWD that outlined the value of these donations. Per this memo, the Mission BID itemized donated office space, storage space, walls and roofs for camera placements, and use of electricity and office equipment.

It came to light that the Mission BID circulated its agendas and minutes to property owners and other stakeholders via e-mail. This method of communication is not compliant with Section 54956 (A) of the Brown Act. When discovered, OEWD requested that the Mission BID address this non-compliance immediately and recommended that the Mission BID utilize methods of notification that are compliant with the Brown Act.

In CY 2013, the Mission BID budgeted \$17,700 to be allocated to the Public Safety and Administrative Program. However expenditures for this program totaled \$46,130. In CY 2014, the Mission BID budgeted \$27,350 to be allocated to the Public Safety and Administrative Program. The management plan calls for \$15,000 or 17.5% of the total budget to be spent on this program area. The Mission BID reports that these variances in allocations are funds proposed and expended for new surveillance cameras. While this expense may satisfy the needs of the district, budget allocations should not compromise the original budget outlined in the management plan.

In CY 2010, penalties by the IRS and Franchise Tax Board in the amount of \$4,237 were levied against the Mission BID for the late filing of tax-exempt returns in 2008 and 2009. The Mission BID paid the penalties in full in 2010.

Conclusion

The Mission BID has implemented its core programs: (1) Beautification, Cleaning and Maintenance; (2) Greening; and (3) Public Safety and Administrative from calendar year 2010 through calendar year 2015.

At this time, the Mission BID will not be renewed beyond calendar year 2015. The corporation will wind down its operations and dissolve its current funds by the end of 2015, and the BID will cease operations.

**Mission Miracle Mile BID
2501 Mission Street
San Francisco, CA 94110**

December 8, 2015

Richard Kurylo
City and County of San Francisco
Office of Economic and Workforce Development
1 Dr. Carlton B. Goodlett Place, Room 448
San Francisco, CA 94102

RE: BID Annual Report to the Board of Supervisors for CY 2010-2015

Dear Rick:

Please note the following clarifications regarding the BID annual report to the Board of Supervisors for calendar years 2010-2015.

BENCHMARK 1

The budget for calendar year 2010 was as follows:

Service Category	CY 2010 Budget
Beautification, Cleaning and Maintenance Program	\$45,000
Greening Program	\$25,000
Public Safety and Administrative Program	\$15,800
Contingency and Reserves	\$0
TOTAL	\$85,800

The budget for calendar year 2011 was as follows:

Service Category	CY 2010 Budget
Beautification, Cleaning and Maintenance Program	\$47,000
Greening Program	\$23,000
Public Safety and Administrative Program	\$15,850
Contingency and Reserves	\$0
TOTAL	\$85,850

BENCHMARK 2

Mr. James Nunemacher, president of the Mission Miracle Mile BID, has been gracious enough to provide the BID office space, a secure place for its surveillance camera router, rooftop locations to place surveillance cameras and electricity to operate those cameras. I have imputed his in-kind donation at \$1,000 per year for calendar years 2010-2015, which is a little over one percent of our annual assessment revenues.

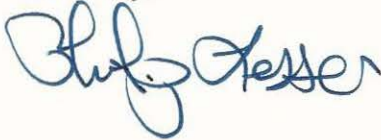
BENCHMARK 4

For calendar year 2014, the cash on hand (i.e., carryforward funds) at the end of the year totaled \$15,441.70. These funds were used for BID reauthorization costs in calendar year 2015.

Please let me know if you have any questions or need further clarification.

Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Philip Lesser". The signature is written in a cursive, flowing style.

Philip Lesser