

May 29, 2020

The Honorable Mayor Breed and Board of Supervisors
San Francisco City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA

Re: Live Music Venues Relief and Recovery

Dear Honorable Mayor and Supervisors,

On behalf of live music venues across the City, we thank you for your continued efforts to flatten the COVID-19 curve and work with the business community to develop relief and recovery initiatives. Today, we are reaching out to provide some perspective and suggestions from the City's live music venues, an industry that not only drives tourism and generates significant additional commerce in our neighborhoods by local audiences, but is also a core of the appeal and culture of San Francisco.

Every music venue is part of the cultural fabric of live music, a gift that is a big part of what makes San Francisco such a great city. Right now our City's music venues are facing an existential crisis. We were some of the first businesses forced to close their doors, and due to social distancing protocol, will be one of the last to open. Unlike other industries who have been able to pivot their business models around delivery and take out, the music venue industry is unique in that we rely on full capacity physical attendance to their productions in order to make ends meet.

Music venues have to book shows out months in advance, and even if we are able to open their doors again, this industry will be months behind. Currently, this industry has already lost revenue and the ability to book through the end of June. To open their doors and make a profit, there needs to be enough attendees to generate alcohol sales high enough to cover payroll, artist fees, show costs, city taxes, insurance and rent. With reduced capacity in the future, it will be a struggle for this industry to even break even for months after the pandemic ends.

The reality of the situation is that it could take over a year for venues to open their doors even close to full physical capacity. Unless relief is given to this industry, San Francisco's live music venues will not be able to sustain themselves with no income until the time we are able to safely reopen.

To help sustain our live music venues in San Francisco, we urge you to consider tax relief in the forms listed below for this industry, whose sole revenue stream has been decimated.

Sales Tax:

- With no incoming revenue, and a long runway to re-opening, we suggest **a return of Q4 2019 and Q1 2020 alcohol sales taxes to live music venues**. This would allow employers to pay employee wages, continue paying their rent and fees, and prepare for re-opening.

Property Tax:

- We urge you to consider **a property tax waiver for live music venues** to ensure that we have the cash flow to cover basic costs and eventually re-open. Some live music venues own their properties and property tax payments are looming. These costs have forced layoffs to cover

costs. This waiver would benefit live music venues who own their property, and those who rent. The majority of live music venues who rent are in triple net leases, so property taxes become the tenants responsibility to pay. With the recent announcement of reopening the Tax Collector's office, these deadlines are quickly approaching.

As Shelter in Place extends, new capacity restrictions develop, and relief programs are allocated, we urge the City to communicate to the business community potential new realities. In the live music venue industry especially, it is imperative that we can plan ahead. Business owners need to be aligned with the City and potential restrictions in order to prepare for the future of re-opening.

The live music industry is not classified essential, but it is truly essential to beginning in tourism dollars, generating local spending, and maintaining the heart of San Francisco.

Sincerely,

August Hall
Bimbo's 365 Club
Boom Boom Room
Bottom of the Hill
Brick & Mortar
Café Du Nord
Great American Music Hall
Rickshaw Stop
Swedish American Hall
The Chapel
The Independent
1015 Folsom
San Francisco Chamber of Commerce