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**Mission Statement**
The Center for Architecture + Design aims to create positive change in communities throughout the San Francisco Bay Area by offering public programs that encourage about the design industry both locally and internationally.

**Contributors**

**MISSION: AIA San Francisco** is committed to enhancing the quality of life in the Bay Area by promoting excellence in architecture, design and the built environment.

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**CENTER FOR ARCHITECTURE + DESIGN**
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EXECUTIVE SUMMARY

The San Francisco Chapter of the American Institute of Architects (AIASF), in its 138th year, is entering a period of transition, growth and transformation. A member based non-profit, AIASF seeks to expand and strengthen value for its members by promoting the practice of architecture in furtherance of its stated mission:

Enhancing the quality of life in the Bay Area by promoting excellence in architecture, design and the built environment.

The Center for Architecture + Design (the Center) was created in 2005 with a mission to educate, engage and create positive dialogue with the Bay Area community, using programs, publications and advocacy focused on design and the built environment. With annual marquee programs and outreach events such as the Architecture + the City festival, the Center has a robustly interactive presence in the community.

The development of this Strategic Business Plan for AIASF and the Center is a critical step in aligning the organizations with their respective missions and charting a path to reach their strategic goals. The Strategic Business Plan articulates and establishes: a) value to AIASF membership; b) opportunities for increased public/community impact; and c) a strategic relationship between AIASF and the Center. Together these three elements comprise a strengthened and renewed foundation for the pair of organizations, poised to expand and accelerate diverse, equitable and educational opportunities for members, partners, our immediate community and the San Francisco public at large.

This Strategic business Plan for AIASF and the Center establishes a vision for both organizations, representing the input from many stakeholders including AIASF members, the AIASF board, the Center board, allied partners, non-profit organizations, community members, the City of San Francisco Planning Department, consultants and other interested parties. We hope you find the Strategic Business Plan informative and inspiring as an articulation of guiding principles and a roadmap to an exciting and impactful future for AIASF and the Center for Architecture + Design.
STRATEGIC GOALS

Mission for AIASF
AIA San Francisco is a 501(c)6 not-for-profit organization, the mission of which is to enhance the quality of life in the Bay Area by promoting excellence in architecture, design, and the built environment. AIASF represents members practicing architecture, as well as allied community professionals in San Francisco and Marin counties. As a resource for our members and the public, AIA San Francisco strives to improve the quality of life in the Bay Area through community involvement, education, advocacy, public outreach, and member services.

Mission for the Center
The Center for Architecture + Design is a 501(c)3 not-for-profit organization, the mission of which is dedicated to creating a public-focused dialogue on architecture, design, and the built environment in the San Francisco Bay Area. Established in 2005, the Center enhances public appreciation for architecture and design through exhibitions, lectures, tours, film series, and other programs including the annual Architecture + the City festival and San Francisco Living: Home Tours.

Strategic goals of AIASF

Collaborate
Work with AIASF membership and allied partners to strengthen connections with the built community by creating accessible, inclusive and engaging content. Broaden engagement with diverse allied stakeholders including individuals, organizations and communities. Promote meaningful connections between AIASF members.

Advocate
Communicate the value of architecture through increased government relations and pro-active engagement with public policy. Ensure AIASF members have an active role and voice in public policy proceedings by facilitating leadership opportunities and leveraging citizen architects’ impact on policy.

Advance
Advance the profession of architecture by delivering increased value to its membership and the public. Foster an environment that is supportive of young professionals and emerging leaders in the practice of architecture. Position AIASF as a valuable resource for consultation, information and education. Advance the equitable practice of architecture.

Lead
Establish AIASF as a model member based non-profit by maintaining professional staffing, developing leaders for sustained, impactful chapter governance, and enhancing the chapter’s financial capabilities to achieve its strategic goals.

Strategic goals of the Center

Engage
Engage the public with thoughtful, intriguing, playful and informative topics related to design. Provide opportunities for engagement through programming and outreach to create awareness and dialogue around the built environment for the general public.

Promote
Illustrate the value of great design at all scales, and promote this value to the community. Create robust communication channels with media, partners and community organizers to promote events and programs.

Educate
Develop diverse outlets for public education for architecture and design. Create educational opportunities that are inclusive and equitable which that respond to a broad range of topics and issues relevant to the community. Foster environments and opportunities that encourage safe, interactive and honest public discourse that enrich the sharing of information and diverse perspectives.

Play
Design is fun! Develop programs that are fun that are also educational and engaging. Collaborate with affiliates, partners and allied stakeholders to generate events for individuals, organizations and communities.
The building design industry is increasingly complex; professional practice work requires sustained and deliberative collaborations to ensure efficiency and beneficial impacts. The process of design service delivery is particularly challenging when industry disruptors parse our normally holistic discipline into discretely selected offerings traditionally provided by architects. Amid this industry transformation, AIAASF serves as a uniquely stable forum, where the leadership of our diverse stakeholders can advocate for architects’ continuing role in the vanguard of design for the built environment.

Town Hall Presentation Summary

At two meetings in September 2019, AIAASF and Center for Architecture + Design invited AIAASF membership and neighbors of 130 Sutter Street to participate in a Town Hall discussing the opportunity, strategy, plan for implementation and next steps towards moving into a new headquarters.

During the presentation, the results of the 2018 member survey were reviewed. Members identified the following key attributes valued for the future culture of the AIAASF and the future home of AIAASF: For the future of our culture, members want an organization that is engaged, provides education and acts as an advocate for the profession. For the future home of AIAASF, members want a space that is street-level, accessible to all, in a desirable location, near transit, and demonstrates a commitment to good design. Subsequent Visioning Sessions with chapter leaders and members further clarified aspects of the current working environment that fit into four identified categories: aspects that should be kept; elements that are obsolete, or could be modified; and new ideas or aspirations for a new work environment.

In the context of the 2020 Strategic Plan, precedents for a consolidated Center for Architecture + Design were presented, including examples in Boston, New York, Philadelphia, and Seattle. The current facilities plan and costs associated were reviewed, as was the rent burden of the existing space. In 2019, a sub-committee of the AIAASF Board of Directors conducted a market scan and a series of site visits to evaluate opportunities that met the criteria identified in the member survey and visioning sessions. A preferred site was identified and compared to the existing facilities. Three scenarios for rent were presented assuming the context of the current finance structure as well as a projection of 2025. Following a review of the next steps, outlined in the schedule, the town hall was opened for questions.
OPPORTUNITY

**Member Stakeholders**

First and foremost, AIASF serves its membership and it is paramount that we create a place for member use, interaction, dialogue, and professional growth. Membership extends from students and emerging professionals to emeritus architects. The current services are focused primarily on continuing education, networking between member firms and functioning as a liaison with AIA National. While many take advantage of these valuable services, there is a continuing need to engage a greater part of our membership.

Targeted programming, an environment that stimulates dialogue and collegial interaction, education and networking are and will continue to be cornerstones of support AIASF provides its members. Expanding AIASF’s core member offerings will increase member engagement, enhance value and strengthen relationships at the local, state and national levels of AIA.

**Non-Member Stakeholders**

AIASF is focused on engaging in, and elevating, the dialogue around architecture and design, and we conscientiously extend this conversation to include the larger building design and construction community. Our members in the allied Architecture Engineering and Construction (AEC) professions include those working in Interior Design, Landscape Architecture, Planning, Engineering, General Contracting and Real Estate. Our chapter offers a forum from which this expanded membership can reach even further into the community at large, to engage non-members, including policy-makers, members of the media, the lay-public and visitors to the city. A strategic goal shall be to build upon our networking and exhibit programming to more fully leverage the energy of this expanded group of community stakeholders to promote architects’ potential to improve the quality of life in the Bay Area through design.

**Community Stakeholders**

Creating, establishing and maintaining value for AIASF’s extended community is key to the Chapter’s continued relevance. At present the lay-public in the communities AIASF serves are, in our opinion, only marginally aware of the roles architects play in contributing to the quality of life in the city. Architects are known, however, to be strong and vocal advocates for their profession and the AIASF. A core goal of the Strategic plan is to extend our advocacy beyond our traditional service-provider boundaries, and to collaborate with members of our communities, to offer insight, guidance and tangible examples of how we provide value to the general public.

Non-members in the Public sphere beyond the building industry, including Tourists, Policy Makers, and the Media are also community stakeholders that we believe can benefit from opportunities to interact with our Members and Allied Members. Opportunities for meaningful interaction with members of the public include organized events such as lectures, tours, symposia and exhibit programming. Although there are currently opportunities for such engagement, there is unrealized potential to feature the Architects’ presence and to highlight our mission to improve all the City’s communities in thoughtful and meaningful ways.
OPPORTUNITY

Existing Services

AIASF constitutes a long-standing foundation of support for architects in San Francisco and Marin County. The chapter is also a hub for an extended community of industry professionals and community stakeholders. A current strategy to engage this community involves identifying opportunities among the network of markets represented in AIASF membership, and designing programming that addresses their needs.

As such, AIASF’s offerings reflect its core mission to connect, educate, and advocate locally and nationally for our licensed professional members. An equally critical service provided by AIASF is promoting the value of architects’ work to the public. The chapter is configured to celebrate exemplary architecture, host events of interest to an interested audience, build excitement about design, and serve as a trusted community resource on architecture, planning and related civic issues. These existing services help our architects to be effective in their work, and as community members, by helping them make meaningful connections with allied professionals, policy-makers, local leaders and the public.

Timeline

The Center for Architecture + Design is focused on public programming, and is therefore well positioned to further expand its capacity to communicate the value of good design well beyond the traditional limits of architecture. While the Center currently focuses on amplifying the work of AIASF, its experience with public outreach can be harnessed to more consistently engage allied design disciplines, advancing the broader cause of design. While we see architects as the key design professionals in the built environment, we seek to promote the Center as a ‘tent’ under which the diversity of environmental design disciplines can entertain a wide range of public interests.

Expanded and New Capacity

AIASF will explore several different avenues for expanded programming that serve the chapter’s mission and function as successful revenue streams for the Chapter.
Programs + Events

Recognition: The AIASF Design Awards recognize individuals and organizations for their outstanding achievements in architecture and design. The Center’s Community Alliance Awards program honors the individuals, firms, and organizations whose overall work, leadership, and dedication shape the character and vibrancy of our communities and the future of our built environment. These programs elevate public awareness of the value of design to society and the communities we serve.

Continuing Education: Programming that supports the training of AIASF Members is core to its tenants, unmatched in the regional marketplace, and should be expanded further. Programming is developed by the Chapter Staff and the Committees. There is an opportunity to locate more Committee programming in the AIASF Event Space, rather than individual offices or third party venues to represent a unified front in this critical Chapter function.

Tours: From modern skyscrapers to venerable Victorians, San Francisco is home to many architecturally significant structures, but there are limited organized tours of these places. Considering the success of other AIA Chapter’s Architectural Tours, there is an opportunity to leverage the AIASF expertise of our multi-generational membership for the Center to offer new Public Walking Tours of famous buildings.

Lectures: Historically, the AIASF was known for its design-focused Lecture Series in a joint venture with SFMOMA. Other Bay Area lectures, such as Commonwealth Club, SPUR, and Universities, only tangentially address ideas related to the built environment. There is a need and a strong desire by the Center for Architecture and Design to reinvent this engaging and popular dialogue. This also has the potential to be linked to architectural-focused films and podcasts that leverage the power of digital storytelling to spark discussion and civic engagement.

Gallery / Exhibit: San Francisco has a blend of major art museums and small trendy galleries each that capture the depth and breadth of the City’s unique art scene. Currently, there is only the Museum of Craft and Design that is specifically devoted to exhibiting built design. At the same time, one of the strongest art ecosystems in the city is the Union Square area, adjacent to both organizations’ offices. This location is a unique opportunity to expand the current exhibit functions of AIASF to showcase our member’s work and for the Center to engage the Public in a dialogue for the value of design.

Retail: An art and design focused retail space offers an opportunity for the Center to promote the value of good design, educating visitors, and to engage foot traffic along the street front. When paired with a Gallery exhibit, it can also complement the featured work and name recognition to build the brand of AIA. Store offerings can help to elevate the main points of design excellence to the public and increase exposure to the profession. Design retail has the potential to enhance the visitor’s experience to both organizations’ offices, provide a tangible takeaway and develop a long term relationship with visitors.
Introduction: Setting Expectations

We engage the AEC community through programming that includes participation and sponsorship by strategically allied organizations and individuals. The Strategic Business Plan proposes to both expand the capacity of these existing activities and to develop new means by which AIASF and the Center collaborate to promote the value of architecture and design.

The Center serves as the public face for both organizations. Outreach to members is conducted in many forms, such as direct surveys, announcements, social media campaigns, and print publications. Success is principally measured through surveys, which generally have a 20-25% response rate.

Accountability and measuring success depend upon transparent communication with the membership, and with the Center’s anticipated elevation in profile and mission – the wider AEC industry and the general public. Outreach promotes the programming executed by the Chapter and the Center, while feedback enables us to chart our lessons and successes.

Professional Support: Enhancing Engagement

The Chapter ensures the cultivation of the membership in relation to regular communications about AIASF activities like educational programs, networking events, awards platforms, and other engagement and professional development opportunities.

Bringing value to members is an ongoing mission that starts with new member engagement. New members are sent a welcome package with orientation materials and links to key pages on the website. This outreach will be further enhanced with the addition of event invitations specifically addressed to new members through various media.

Online metrics analysis tracks member engagement. Staff gathers feedback from surveys after each event to inform programming improvements. The bi-annual membership survey has been refined and reshaped into an annual survey starting in 2019.

We launched a new social media campaign to raise awareness around AIASF’s activities on a weekly basis and to highlight how our members and staff engage with the community. Thematic social media posts, emails, and website updates notify members of events each week. The Chapter’s means of engagement will be enhanced by improving design, functionality, and user experience of the website and event calendar, and through the better integration of social media. The success of this campaign will correlate with the number of attendees at our events.

VISION TO REALITY
Vision to Reality

Public Recognition: Raising our Profile and Social Media

To foster the Chapter’s growing success, the Center will raise AIASF’s profile through the public at large. The Chapter successfully advocates for the wider community through its public programming throughout the year; the Strategic Business Plan advances this public exposure, leveraging the Chapter’s alliance with the Center to expand the reach of its programs.

Increased media coverage will be integral to raising awareness of the Chapter brand. Press releases and media alerts are sent to customized press lists for all AIASF major programs, exhibitions, and specific partner events. This is amplified with features in the business press, arts-directed press, popular or general interest press, and on social media. An expanded press outreach will include cultivating new relationships with key members of the media locally and nationally.

Marketing: Ambassadors for the Value of Good Design

AIASF will continue to be a leading forum for architects in the San Francisco. Growth is in part dependent upon enhancing the Chapter’s public profile through the Center. One key step to achieve this will be occupying a ground-floor space with public access. A storefront presence affords the Chapter a means to place the AIA brand – and all it represents – directly before the general public, while also providing a public identity for our members. From the logo upward, the brand is positioned to become a symbol of value for the design and built environment industries.

News from the AIASF community is now regularly shared in newsletters and on social media. To better highlight local architectural work of note, AIASF is identifying new communication channels and technologies that will complement expanded programming, such as developing apps for walking tours and other forms of outreach to professional and popular media sources focused on design and architecture.

Digital strategic initiatives may include a website blog with features on important architecture topics; and in a “brick and mortar” vein, a storefront plaque with a QR code linking to a tour app could be developed. The City has a legacy of exceptional, nationally recognized firms, which can be featured and elevated by these and other methods.
ORGANIZATION

Headquarters
AIA San Francisco and its leadership incorporated, organized, and financed the creation of the Center for Architecture + Design in 2005. AIASF and the Center for Architecture + Design are co-located in the historic Hallidie Building and also share its home with AIGASF, The Professional Association for Design. AIA San Francisco leased and renovated the current headquarters to serve as the Center for Architecture + Design, serving as the primary guarantor of the lease agreement.

Partners in Promoting Good Design
The Center and AIASF are separate legal entities, and the Center’s Board of Directors is independent of the AIASF Board of Directors. The Center contracts with AIASF to provide services, as an independent contractor, that are fundamental to the Center. The current Memorandum of Understand (MOU) and Services Agreement are currently structured with 80% of joint program income going to AIASF and 20% to The Center. The two organizations share an Executive Director whose responsibilities are established in the bylaws of each entity. AIA San Francisco employs a staff to support its mission and operations. The AIASF staff commits a portion of their time to support The Center’s operations which are covered by the profit-sharing outlined in the Services Agreement.

In an effort to foster and ensure a transparent relationship between the AIASF and The Center, both Boards support the mission of each, promoting, interacting, and attending activities of each, complementing and mutually supporting their respective missions and encouraging financial growth collectively and independently. AIASF and Center Board of Directors have identified representatives to be present at each other’s board meetings.

AIASF, The Center, and all subtenants pay an annual rent for use of the space in the Hallidie Building for general operations, events, and meetings.
FINANCIAL PLAN
FINANCIAL PLAN

Introduction

The financial section of the business plan describes existing financial revenue and costs, identifies gaps and opportunities, and outlines the financial backbone of AIASF’s and the Center’s future capacity growth. Historically, AIASF’s 501(c)6 Professional Membership Organization structure was reflected in its financial structure; income was derived predominantly from member dues, and supported the educational programs, member services and events that form the core of the organization’s service to architects. The Center is established as a public benefit, 501(c)3 non-profit organization primarily working to educate the community at large about the value of design with income derived from programming events, and grants.

Over the last decade, the cost of doing business in San Francisco has far outpaced what could reasonably be supported by dues increases, galvanizing AIASF and the Center to develop new revenue streams, improve efficiency, and deliver what members truly value. Both organizations have worked to expand offerings to meet changing needs and above all to provide services that are relevant and worth their cost. Today, the result of this diversification is greater financial stability and flexibility, with a wealth of services and offerings that have made AIASF one of the most vibrant, active and well-loved chapters in the country providing the Center unprecedented potential to achieve its goals.

While AIASF and the Center are legally separate organizations with independent budgets, AIASF is significantly larger and currently provides staff time and overhead resources to support the Center. The Center has maintained a modest budget focused on the annual Architecture and the City festival, as well as one-time events. To assist with significant capacity growth over the next five years, AIASF will allocate more staff resources toward the development of programs, services and fundraising that the Center will eventually undertake as efforts more closely aligned with its mission. Moving forward, the Center will incrementally match those costs with independent revenue sources. The 10-year operating budget, current P&L, and detailed commentary on income and revenue sources are available upon request.

As the current lease expires in 2021, cost-cutting or revenue-bolstering modifications that would normally respond to incremental increases in expenses are insufficient to cover the dramatic increase in market-rate rent. To maintain relevance and high value for AIASF’s membership and the Center’s stakeholders, both organizations must react accordingly by focusing on their missions and strategic plans to ensure that financial resources are allocated in direct alignment with member value and public need.
FINANCIAL PLAN

Overview

The need to stay relevant and deliver value for the cost of membership is the driver pushing AIASF to become one of the most vibrant, active and well-loved chapters in the country. AIASF has worked over the last five years to diversify revenue sources beyond the dues income that historically supported the organization, but also limited the breadth of its services. Today, the result of this diversification is greater financial stability and flexibility, with a wealth of services and offerings that have made AIASF a recognized leader among AIA chapters.

Major Current Revenue Sources and Growth Potential

Dues: Dues revenue is currently the largest income category for AIASF. Minimizing local dues increases is a priority for AIASF, so the organization’s growth has relied on developing other revenue streams. While annual growth in dues income is minimal, it is a very stable income source. Currently the Center does not have member dues.

Member Services: This includes resource allocation from AIA National, such as document services and other profit sharing. It also includes revenue from the online Job Board, which has grown steadily over the past several years. Growth is modest, but it is another very steady income source. The Center does not currently provide member services.

Sponsorship: AIASF leverages Board and Committee members’ fundraising abilities during an annual sponsorship drive. Donations from member firms and allied businesses are distributed as needed across events and programs to keep registration fees low and provide visibility and recognition to sponsors. Established in 2014, the sponsorship program has grown quickly, and is projected to continue growing at a moderate pace, as AIASF becomes more visible and more attractive for sponsor recognition. The Center’s sponsorship income is derived from the AIASF-Center MOU that establishes an agreed upon sharing of revenue.

Programs: This broad category includes educational programs, lectures, mixers, committee events, symposia, and conferences. Programs are a direct demonstration of member value. Budget projections assume an expansion of robust programs and events, while remaining cost neutral. The Center’s primary program is the annual Architecture + the City festival.

Grants, significant contributions and in-kind support: As a 501(c)6 non-profit, AIASF does not often qualify for grant support. The Center (a 501(c)3 organization) is eligible for grants but this has not been a major income source. AIASF has been successful at leveraging the resources and professional expertise of members and supporters in the form of in-kind donations. This has been an important source of support for previous renovations, as well as event venues, materials, professional consulting, and program expenses.

Current Revenue Sources

AIASF
- Dues
- Member Services
- Sponsorships
- Programs

THE CENTER FOR A+D
- Sponsorships
- Programs

Income 2019

48% Dues
12% Member Services
15% Sponsorships
19% Programs
5% THE CENTER FOR A+D
FINANCIAL PLAN

Current Expense Categories

Historically, programs and member services counted for a great majority of AIASF’s expenses. As the cost of doing business in San Francisco has escalated over the past five to eight years, overhead expenses have grown significantly, galvanizing AIASF to develop new revenue streams, improve efficiency, and above all to provide services that are worth their cost. The need to stay relevant and deliver value for the cost of membership has driven AIASF to become one of the most vibrant, active and well-loved chapters in the country.

Programs: As the most visible and well-utilized benefit to members and the public alike, programs and events are crucial for AIASF and the Center to achieve both of their organizational missions. Program costs include staff wages for program work, marketing related to programs, workshops and symposia, ADA & CSE classes, Committee expenses, CES, and Gallery & Exhibit costs.

Member services: AIASF strives to ensure that members are able to make the most of their membership fees by connecting them with resources and chapter offerings, and by recognizing member work. Member services costs include staff wages for member services work, marketing, member expenses, costs to host the Annual Business Meeting, and Awards and Competitions.

Overhead operations: Operational overhead expenses include administrative wages, staff benefits, office supplies, office travel expenses, board and staff meeting expenses, and consultant services. AIASF has worked to ensure that overhead expenses provide meaningful support to staff and the board, balanced with the need for economy and efficiency.

Overhead facilities: Facility overhead includes rent, maintenance, equipment costs, operating costs, and utilities. With the high cost of space rental in San Francisco, AIASF hosts a great number of events and programs itself, and its current capacity to offer more programs is limited by this. AIASF also leverages partnerships with other organizations to secure discounts on venue costs for symposia and special events, however this is costly in terms of staff time.

Fundraising: Fundraising costs include staff wages and marketing costs related to fundraising and sponsorships. Fundraising is currently a minor proportion of this category, as AIASF’s tax status does not lend itself to tax-deductible donations.

AIASF

- Programs
- Member Services
- Overhead Operations
- Overhead Facilities
- Fundraising

THE CENTER FOR A+D

- Programs
Capital Structure

AIASF aligns its fiscal year with the calendar year, assessing financial performance and drafting new budgets for the coming year in the fall, and reconciling our accounting at each year end. Currently, AIASF’s bylaws preclude it from carrying debt, so it has been a priority for AIASF to create stability in its fiscal planning, as well as building flexibility to respond to unforeseen expenses and shortfalls. As discussed above, sponsorships and new revenue streams have helped diversify and stabilize AIASF’s finances, while detailed budget tracking helps hone annual budgets and easily identify discrepancies.

Reserves

Another key aspect of AIASF’s financial health is its robust reserves policy. AIASF bylaws call for an annual surplus to be directed toward Reserves, and requires that it maintain long-term reserves of at least 30% of the operating budget. Above this threshold any annual surplus is split evenly between short- and long-term reserve funds. While long-term reserves are used for catastrophic and unavoidable expenses, AIASF also saves into short-term reserves, which are used for atypical one-time expenses, such as new equipment or consultant expenses that are not recurring. Allocating these expenses to short-term reserves effectively contains some of the variability of the budget, allowing year-to-year line items to track much more consistently.

AIASF’s goal is to carry long-term reserves at 100% of the operating budget, and currently holds reserves at approximately 50% of the budget.
FINANCIAL PLAN

Prospects

Public programs, public support: While AIASF has successfully captured the market for licensed architects in the city (75% are members, a very high percentage for a professional association), AIASF members have called for an increase in diverse, outward-facing public programming that will both elevate the visibility of architecture and bring in greater revenue from programs and events. The success of current public-oriented programs such as the Home Tours indicates that this is an untapped market, which the AIASF and the Center are uniquely positioned to develop by leveraging the expertise, projects and offerings of both members and allied supporters. While programs such as lectures and symposia may net little profit, they increase the visibility of the organization and put AIASF and the Center at the heart of the Bay Area’s architecture and urban scene.

Membership expansion: Increasing public programming creates an opportunity for the Center to offer membership similar to a museum, that is tied to discounted tickets and priority access to events and programs appealing to a broad public. AIA has long struggled to attract younger members because of the average seven years it takes to attain licensure, and often with it, employer sponsorship of AIA membership. A membership to the Center can help support younger and more diverse designers join the design conversation, participate in their community, and become active future AIASF members. This will be critical to continuing AIASF’s membership and remaining relevant and responsive to new demands.

Sponsorship: Broader appeal and greater visibility will increase the appeal of sponsorships, donations and offerings from corporate supporters who want to access architects and the design-curious public.

Donations and grants: Where AIASF is able to draw some support from allied professions, both its tax status and its necessary focus on professional members effectively limit its appeal as a charitable cause. However as the Center grows its capacity, it has the potential to become a vital presence and voice in design, planning and the built environment of our region, and will be an organization with wide reach that donors will be proud to support.

Assumptions

AIASF assumes that current revenue from dues and member services will hold steady for at least the next 5-10 years. Even in times of economic decline, these revenue sources have not suffered great losses, as members rely more heavily on the services and community of support that AIASF provides. In fact, many programs see an uptick in participation and revenue as billable work slows.

AIASF assumes that program revenue will continue to be minimal and somewhat unpredictable, for this reason AIASF does not rely on program revenue as a significant revenue source. AIASF should continue to be a preferred channel through which sponsors and supporters such as vendors, consultants, manufacturers and product representatives gain access to architects and the design community. As the Center develops its public offerings and visibility, AIASF should see an increase in sponsorship, and the Center should begin to generate donations and grants.

It is safe to assume that costs to do business will continue to be high in San Francisco, affecting everything from wages to rent. AIASF must continue to balance competitive wage and benefit compensation with reasonable limits for non-profit sector employment, recognizing that retaining talented staff with contacts and institutional knowledge is a priority. AIASF has planned for these costs in its operating model projections.

Unknowns — Risk Management

While an economic downturn may not hurt membership or program revenue, it can impact other revenue streams such as space rental and charitable giving. For this reason, AIASF has projected conservatively in these areas.

Interestingly, the current strong economy takes a toll on participation in programming, with many members finding themselves too busy at work. While this is a good problem for members to have, direct registration fee revenue and sponsorships may suffer.

Lastly, the rapid and significant increase in rent cost has proved to be a significant and unpredictable expense that AIASF’s financial planning cannot completely anticipate. As AIASF’s lease draws to a close in 2021, conversations with the landlord reveal that rent for our space is expected to nearly double, to align with market rate for commercial office space. The single largest risk to AIASF and the Center is the threat of being priced entirely out of the City that they serve.
Future Growth - Introduction

The Executive Committee and the Board of Directors of the Center identified significant opportunities where AIASF and the Center could better meet their individual missions and serve members and the public by expanding offerings and services. The Visioning Study conducted in 2018 and Strategic Planning in 2019 informed several key principles for the future growth plan and the revenue projections below:

1. AIASF and the Center will continue to operate in a centrally located, safe and vibrant pedestrian area, and will occupy a ground floor space with direct street frontage welcoming passers-by.

2. AIASF and the Center will grow in size from approximately 5,700 SF currently, to a space between 8,000 and 11,000 SF. This increase is necessary to house the programs, events, partners and services that will be key to the organizations’ success.

3. AIASF and the Center will expand their relationship wherein AIASF infuses staff and space resources into the Center to jump-start growth, while the Center takes on public-focused programs and services and begins to grow its ability to support itself with grants, donations and program revenue.

Projecting Future Opportunities and Costs

AIASF and the Center conducted a rigorous review of existing revenue and income, and built a Ten-Year Projected Operating Budget based on historic data, information from sister AIA chapters, consultation with brokers and financial analysts, and market research. The Operating Budget was created both to track the trajectory of expenses and revenue growth to determine a realistic pace for development, and to show the model is financially sustainable long-term. This plan describes the projected revenue and expenses at year five, by which time finances are expected to normalize.

Operating and Capital Campaign Funding

AIASF will track and finance all expenses directly related to relocation separately from ongoing operating expenses. This includes not only the direct capital expenditures for tenant improvements of a new space, but also fundraising expenses and staff time, soft costs such as permits, design fees and overhead costs directly related to the relocation. The Capital Campaign budget and financing are beyond the scope of this document, however AIASF is in consultation with a Fundraising Feasibility consultant to guide fundraising efforts, and the organization expects to be able to secure bridge financing for costs incurred prior realizing campaign revenue.
FINANCIAL PLAN

Future Revenue Sources

**Dues/Membership:** The Center will offer a membership program to design-enthusiast members of the public, as well as young/unlicensed designers, similar to a museum membership. Revenue assumptions are conservative. Offerings will be designed to complement AIA SF membership.

**Member Services:** Both the Job Board and AIAU classes may become more popular as a result of AIA SF’s increased capacity and visibility, while consistent although the extent of potential growth is difficult to predict.

**Programs:** While AIA SF has successfully captured the market for licensed architects in the city (75% are members, a very high percentage for a professional association), AIA SF members have called for an increase in diverse, outward-facing public programs. Most programs such as educational classes and symposia are highly visible although they are not expected to provide a significant source of profit. The quality of programs also directly support the Center’s ability to draw funding from grants and donors. Gallery receptions and architecture tours are anticipated to be moderately more lucrative. Tours are potentially a significant source of revenue as they require little overhead and represent a clear gap in architecture-related offerings to the public.

**Retail:** Design-related retail at AIA SF is not assumed to be a significant new source of revenue, as comparable models vary along a spectrum depending on merchandise and location. Nevertheless, retail supports the success of the organization by increasing foot traffic and visibility, pairs with tourist-oriented tours, and provides an “entry point” for visitors.

**Sponsorships and donations:** AIA SF projects an increased interest in sponsorships as AIA SF hosts more events and provides exposure to more members. However, sponsorships are projected to grow only at the rate of inflation, for a conservative outlook on revenue.

**Grants and Donations:** Where AIA SF is able to draw some support from allied professions, both its tax status and its necessary focus on professional members limit its appeal as a charitable cause. However, as the Center develops into a vital voice communicating the importance of design, planning and the built environment of our region, it is anticipated that charitable donations will grow. The Center will develop a tax deductible donation program as a new revenue source.

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**Projected 2025 Income**

**AIA SF**
- Dues
- Member Services
- Programs
- Retail
- Sponsorships

**THE CENTER FOR A+D**
- Dues
- Programs
- Sponsorship
- Concession
- Other
FINANCIAL PLAN

Projected Expenses

As AIASF and the Center undertake this exciting expansion in capacity and reach, costs will also grow. In order to avoid dipping into reserves, AIASF and the Center must increase income before bringing on new expenses. The increase in revenue from space rental, donations and programs will all occur as a condition of being in a new space. Projections show that the organizations are well within profitability starting in 2023.

The following compares current costs to new.

**Programs:** Programs continue to be a main anticipated cost, but at a similar rate to what is current. Program costs will grow proportionally with overall organizational capacity, reflecting an increase in quantity and attendance. Program costs will continue to include all of the expenses detailed for Current Expenses above, with the added benefit that space rental costs will decrease as AIASF will be able to host more and larger events in its own space.

**Member Services:** This category is likely to grow modestly as the Center takes on member programs and increases outreach and service efforts. Marketing costs are also likely to increase as AIASF and the Center seek to increase their visibility and reach. Offsetting these costs to some degree are the savings realized by hosting some Awards ceremonies and the Annual Business Meeting in-house.

**Overhead Operations:** Moving forward, overhead operation costs will grow steadily for the first 1-5 years as the growing organization takes on a more robust support structure. Fundamentally, the shift from the mostly-passive dues and member services model to the mostly-active programs model means a greater investment in administration, benefits, board and consultant expenses is needed. Added cost for security and administration of the public-facing spaces and services also require more time and investment. These include not only managing the event and gathering spaces, but orchestrating catering, the public, retail vendors, tour vendors, rental space users, janitors, AV/tech support, and AIASF staff and program needs. Longer term, this cost is anticipated to level out to standard cost-of-living increases.

**Overhead Facilities:** AIASF and the Center have engaged a broker and are in the process of evaluating a number of potential sites. Rent costs will be significantly higher than currently: a doubling in rent cost from 17% of the current budget to approximately 30% of the budget is anticipated. This is the single largest jump in expenses. Under most lease structures, rent costs increase by a small percentage annually. Other costs include the higher cost of utilities in the larger space, cleaning, A/V, a larger volume of furnishings and equipment to maintain, and insurance.

**Fundraising/Donations:** Costs with this effort will ramp up within the first few years as AIASF leverages skills learned, and connections made, during the Capital Campaign. The Center will build a tax-exempt charitable donation program under its own budget, so AIASF is unlikely to realize significant costs after an initial investment of staff time towards the Center.

**Capital Structure**

AIASF and the Center will continue with current structures in place for fiscal year accounting, separate budgets and reserves. AIASF is investigating a modification to budget tracking which aligns more closely with IRS standard cost and revenue categories, and also provides more direct comparison of income and expenses.

After investigation with legal counsel, AIASF has ascertained that it is legal and financially reasonable to modify the by-laws to allow the organization to take on debt as part of a capital campaign for a new headquarters. Neither AIASF nor the Center will take on long-term debt for ongoing operational expenses.

**Future Expenses (2025)**

**AIASF**
- Programs
- Membership Services
- Overhead Operations
- Overhead Facilities
- Retail
- Fundraising
- Staff Wages

**THE CENTER FOR A+D**
- Programs
- Staff Wages
- Other