

# MEMORANDUM

**TO:** Supervisor Aaron Peskin, District 3 Supervisor

**CC:** San Francisco Board of Supervisors  
Chris Corgas; Program Director, OEWD

**FROM:** Mimi Hiraki; Project Specialist, OEWD

**DATE:** July 6, 2022

**SUBJECT:** Union Square Alliance (formerly known as Union Square Business Improvement District); FY 2020-2021 Annual Report

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This is a memo summarizing the performance of the Union Square Alliance (USBID; the Alliance) doing business as the Union Square Alliance and an analysis of its financial statements (based on their audits) for the period between July 1, 2020 and June 30, 2021.

Each year the Union Square Alliance is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. The Union Square Alliance has complied with the submission of all these requirements. OEWD staff 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 USBID management contract with the City; and their Management Plan approved by the Board of Supervisors in 2019.

Also attached to this memo are the following documents:

1. Annual Report
  - a. FY 2020-2021
2. CPA Financial Audit Report
  - a. FY 2020-2021
3. Draft resolution from the Office of Economic and Workforce Development



**Background**

The Union Square Alliance includes both privately and publicly owned properties. The district covers 27 whole or partial blocks and includes approximately 621 parcels.

- July 28, 2009: the Board of Supervisors approved the resolution to renew and expand the Union Square Business Improvement District to cover 27 blocks for 10 years. Resolution # 320-09).
- January 26, 2010: the Board approved the contract for the administration and management of the Union Square Business Improvement District (Resolution # 19-10).
- February 23, 2016: the Board of Supervisors approved the FY 2014 - 2015 annual report (Resolution # 068-16).
- March 14, 2017: the Board of Supervisors approved the FY 2015 – 2016 annual report (Resolution # 078-17).
- April 10, 2018: the Board of Supervisors approved the FY 2016 – 2017 annual report (Resolution # 096-18).
- June 18, 2019: the Board of Supervisors approved the FY 2017 – 2018 annual report (Resolution # 288-19).
- July 9, 2019: the Board of Supervisors approved a resolution to establish (renew and expand) the property-based business improvement district known as the “Union Square Business Improvement District,” ordering the levy and collection of assessments against property located in that district for ten years commencing with FY2019-2020, subject to conditions as specified; and making environmental findings (Resolution #: 309-19).
- November 19, 2019: the Board of Supervisors approved an agreement with the nonprofit Owners' Association for administration/management of the established property-based Community Benefit District known as the “Union Square Business Improvement District,” pursuant to California Streets and Highways Code, Section 36651, for a period commencing upon Board approval, through June 30, 2029 (Resolution # 509-19).
- September 15, 2020: the Board of Supervisors approved the FY 2018-2019 annual report (Resolution # 392-20).
- November 2, 2021: the Board of Supervisors approved the FY 2019-2020 annual report (Resolution # 514-21).

**USBID Summary and Highlights**

Year Renewed	July 2019
Assessment Collection Period	FY 2019-20 to FY 2028-29 (July 1, 2019 to June 30, 2029)
Services Start and End Date	January 1, 2020 – December 31, 2029
Initial Estimated Annual Budget	\$6,036,111.00
FY 2020-21 Assessment Roll	\$6,019,719.24
Fiscal Year	July 1 – June 30
Executive Director	Karin Flood (through October 2021) Marisa Rodriguez (October 2021 – Present)
Name of Nonprofit Owners’ Entity	Union Square Alliance



The current Union Square Alliance website <https://www.visitunionsquaresf.com/>, includes all the pertinent information about the organization and their programs, a calendar of events, their Management Plan, Mid-Year Report, Annual Report, and meeting schedules.

### **Summary of Union Square Alliance Program Areas**

#### **Clean and Safe**

Union Square Alliance’s cleaning program is a comprehensive program that aims to ensure the cleanliness of sidewalks, alleys, curbs, fixtures, and buildings throughout the Union Square Alliance. The Union Square Alliance cleaning program includes daily sidewalk cleanings, on call scrubs and cleaning, scheduled pressure washing, graffiti removal, excessive trash removal, and illegal dumping abatement.

Union Square Alliance’s safety program works with property owners, managers, businesses, residents, stakeholders, and public safety officials on a variety of safety programs and strategies to prevent crime and increase pedestrian safety throughout the Union Square area. Union Square Alliance provides Safety Ambassadors and overnight security to help respond to safety issues and concerns. Additionally, the Alliance hires 10B officers and private security to address escalated safety incidents and maintain an overall safety presence in the district. The Union Square Alliance also deploys a camera network throughout the district.

#### **Public Realm, Marketing, Events, and Advocacy**

These Union Square Alliance services work to develop and promote Union Square as a world-class district to visitors, workers, and residents through multiple programs and initiatives, such as the Union Square Alliance website ([visitunionsquaresf.com](http://visitunionsquaresf.com)), social media platforms (i.e. Facebook, Instagram, and Twitter), monthly and weekly newsletters, a Visitor Map & Guide, media and public affairs services, public policy advocacy, public realm improvements, and annual events such as Winter Walk SF and holiday décor.

#### **Management and Administration**

To achieve the services outlined in its Management District Plan, the Union Square Alliance employs a staff to carry out regular activities, initiatives, and resources to include but not limited to office expenses including accounting, rent, utilities, office supplies, insurance, legal, and other professional services related to organizational activities.

#### **Union Square Foundation**

In July 2017, the Union Square Alliance launched a 501C3 charitable organization to help raise funds for public realm initiatives as well as the Union Square Cares (homeless) programs. The Union Square Foundation’s ([www.unionsquarefoundation.org](http://www.unionsquarefoundation.org)) mission is to establish a renewed ‘sense of place’ for the Union Square Area by supporting diverse artistic, cultural, and culinary programs and projects – and by cultivating a welcoming, caring community for all humankind.



## Summary of Delivery of Services and Accomplishments

**FY 2020-2021**

### **Clean and Safe**

- Picked up and removed approximately 385,850 lbs. of trash
- Removed 18,634 instances of hazardous waste
- Removed 22,709 instances of graffiti
- Addressed 6,343 instances of overflowing trash cans
- Responded to 5,673 requests for cleaning service
- 925,700 feet of block fronts pressure washed
- 43,075 quality of life incidents addressed
- 16,329 incidents addressed by USBID 10B officers
- 8,345 incidents addressed by private security
- 610 requests for video footage
- 38 new cameras installed

### **Public Realm, Marketing, Events, and Advocacy**

- Collaborated with Paint the Void to bring murals painted by local artists to Union Square.
- Maintained hanging flower baskets throughout the district and updated sections of the Powell Street Promenade to withstand outdoor conditions.
- Designed and installed vacant storefront signage, new banners and Bigbelly wraps.
- Brought new furnishings and repaired the gate in Maiden Lane.
- Enhanced holiday lightings with projected snowflakes on buildings surrounding Union Square and continued to light trees in Union Square Park, near Cable Car turnaround and Maiden Lane.
- Worked with the City to clean and activate Hallidie Plaza with a mural, café tables and seating, signage and wayfinding banners, planters and landscaping features.
- Convened an Economic Recovery Task Force, comprised of key public and private sector partners to develop a list of recommendations to activate Union Square Park and re-invigorate the Union Square district's economy.
- Brought music programming back and partnered with John's Grill to bring the Shared Streets Program offering live entertainment and programming to Union Square Park.
- Rebranded the District and developed a new social media marketing strategy to post 3 to 5 times per week to increase follower engagements and bringing the number of Union Square social media followers to 85,000. 65 businesses have been publicized within the district.

## USBID Annual Budget Analysis

**OEWD's staff reviewed the following budget related benchmarks for Union Square Alliance:**

- **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 "Union Square Business Improvement District", Section 5 – Budget*)



- **BENCHMARK 2:** Whether eight percent (8%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the “Union Square 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 percentage points (*Agreement for the Administration of the “Union Square Business Improvement District”, Section 5 – Budget*)
- **BENCHMARK 4:** Whether Union Square Alliance is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year (*CA Streets & Highways Code, Section 36650(B)(5)*).

**FY 2020-2021 Budget Analysis**

**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:** Union Square Alliance met this requirement. *See table below.*

Service Category	Management Plan Budget	% of Budget	FY2020-2021 Budget	% of Budget	Variance Percentage Points
Clean and Safe	\$4,479,002.52	74.20%	\$4,941,336.00	74.48%	+0.28%
Public Realm, Marketing Events, and Advocacy	\$694,232.92	11.50%	\$818,289.00	12.33%	+0.83%
Management and Administration	\$862,875.36	14.30%	\$874,421.00	13.18%	-1.11%
<b>TOTAL</b>	<b>\$6,036,110.80</b>	<b>100.00%</b>	<b>\$6,634,046.00</b>	<b>100.00%</b>	

**BENCHMARK 2:** Whether eight percent (8%) of Union Square Alliance’s actuals came from sources other than assessment revenue

**ANALYSIS:** Union Square Alliance met this requirement. *Assessment revenue was \$6,022,492 or 86.25% of actuals and non-assessment revenue was \$960,267 or 13.75% of actuals. See table below.*

Revenue Sources	FY 2020-21 Actuals	% of Actuals
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$6,022,492.00</b>	<b>86.25%</b>
Contributions & Sponsorships	\$38,787.00	0.56%
Grants	\$56,866.00	0.81%
Interest Earned	\$899.00	0.01%
Earned Revenue	\$379,434.00	5.43%



Other (In-Kind & Misc - includes PPP forgiveness)	\$484,281.00	6.94%
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$960,267.00</b>	<b>13.75%</b>
<b>Total (Assessment and Non-Assessment) Revenue</b>	<b>\$6,982,759.00</b>	<b>100.00%</b>

**BENCHMARK 3:** Whether the variance between the budget amount and actual expenses (for assessment funds) within a fiscal year was within 10 percentage points

**ANALYSIS:** Union Square Alliance met this requirement. See table below.

Service Category	FY2020-2021 Budget	% of Budget	FY2020-2021 Actuals	% of Actuals	Variance Percentage Points
Clean and Safe	\$4,941,336.00	74.48%	\$4,703,322.00	73.28%	-1.20%
Public Realm, Marketing, Events and Advocacy	\$818,289.00	12.33%	\$883,723.00	13.77%	+1.43%
Management and Administration	\$874,421.00	13.18%	\$831,065.00	12.95%	-0.23%
<b>TOTAL</b>	<b>\$6,634,046.00</b>	<b>100.00%</b>	<b>\$6,418,110.00</b>	<b>100.00%</b>	

**BENCHMARK 4:** Whether the Union Square Alliance is indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in current fiscal year

**ANALYSIS:** Union Square Alliance met this requirement. Please note: There is a period between when the City collects the assessment payment and when the City disburses the funds to the USBID. As a result, BIDs/CBDs typically have a fund balance at the end of the fiscal year that is equal to about 6 months of their annual budget. See table below.

FY 2020-2021 Carryover Disbursement	Amount	Spenddown Timeline
<b>Total Assessment (Special Benefit) Carry Forward</b>	<b>\$2,208,155.00</b>	
Clean & Safe	\$608,638.00	July-August 2021
Management & Administration	\$49,822.00	July-August 2021
General Fund	\$1,549,695.00	July-October 2021
<b>Total Non-Assessment (General Benefit) Carry Forward</b>	<b>\$16,134.00</b>	<b>Unknown</b>



## **Findings and Recommendations**

The Union Square Alliance (Alliance) has met all benchmarks as defined on pages 4 and 5 of this memo as set by the California Street and Highways Code Section 36650-36651; and the Agreement for the Administration of the Union Square Business Improvement District. The Union Square Alliance has a strong history of meeting each of these benchmarks since its inception.

During this review period, the Alliance has performed well pivoting to the emerging health and economic impacts of the COVID-19 global pandemic that started in March 2020 and continued through this review period. During this review period, the Alliance adjusted to the continuous changes of health orders issued by the San Francisco Health Officer, including the renewed shelter-in-place health order in December 2021.

In Fall 2020, the BID organized an Economic Recovery Taskforce, the Alliance worked with stakeholders to develop and implement a strategy to increase visitors and promote businesses. Strategies included activating Union Square Park with a regular music series, activate other streets, alleys and key gateways, install murals, art and signage throughout the District, enhance holiday lighting and support local businesses through marketing and events. During this review period, the Alliance implemented many of these strategies including collaborating with Paint the Void to bring murals to Union Square; refreshing the hanging flower baskets and replanting sections of the Powell Street Promenade; designing and installing vacant storefront signage, new banners and Bigbelly wraps; repairing Maiden Lane Gate and installing new furnishings; projecting snowflakes on the buildings surrounding Union Square; and lighting trees throughout the District in Union Square Park, near the Cable Car turnaround and Maiden Lane. The Alliance started working with the City to activate Hallidie Plaza by installing a mural, café tables and seating, signage, wayfinding banners, planters and other landscaping features. In addition to implementing their COVID-19 economic recovery strategy, the Alliance created the Union Square Gives Back program, buying meals from Union Square restaurants for first responders and essential workers.

Despite the challenges the pandemic created, the City and County of San Francisco, in partnership with the Union Square Alliance, started a new initiative called the SFPD retired Ambassador Program in November 2021, the Alliance relaunched its 24/7 Member Services program with a new District 360 management software that links Clean & Safe data to their property owner database in Salesforce, and increased the number of Alliance Ambassadors at night by two.

In Spring 2021, the district saw an increase in visitor traffic and events returned to the District with John's Grill hosting several events in partnership with Smuin Ballet on Ellis Street and musical performances to Union Square Park.

The Union Square Alliance continues to identify needs and solutions to bring both local and international visitors and customers back to the area to support local businesses.

## **Conclusion**

The Union Square Alliance has performed well in implementing the services outlined in their management plan and addressing emerging issues caused by the Covid-19 global pandemic. Union Square Alliance has continued to successfully sponsor and help promote events in Union Square. Union Square Alliance has done an outstanding job in partnering with community stakeholders and numerous municipal agencies for the activation and improvement of public spaces. Union Square Alliance is a well-run organization with an



active Board, committee members and will continue to successfully carry out its mission as a business improvement district.

