

THE FUTURE OF UNION SQUARE

LAND USE + TRANSPORTATION COMMITTEE



San Francisco
Planning

 SAN FRANCISCO
OFFICE OF ECONOMIC &
WORKFORCE DEVELOPMENT

May 13, 2024

Agenda

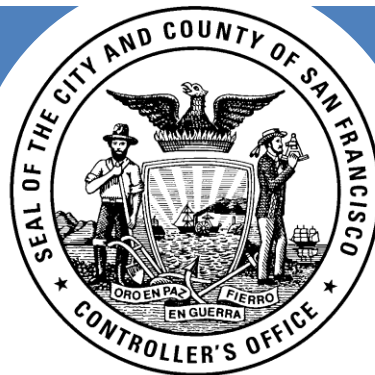
1. Current State of Union Square
2. Macy's
3. City Initiatives Underway
4. Conclusions



CURRENT STATE OF UNION SQUARE



Current State of Union Square: Key Data Indicators



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller

Office of Economic Analysis

May 13, 2024

Land Use and Transportation Committee

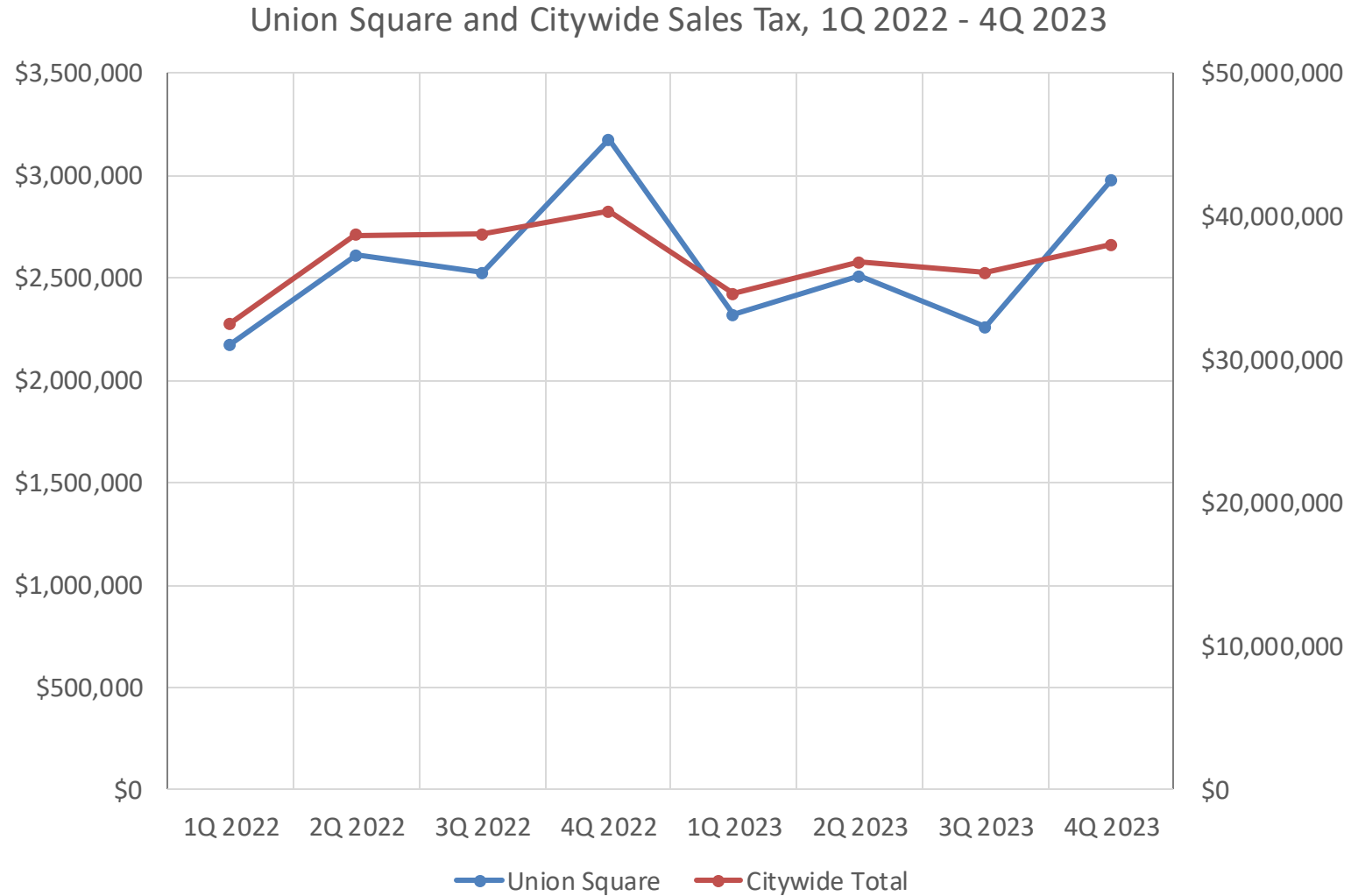
Outline

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- Union Square and Citywide Sales Tax Trends
- Union Square Retail Vacancy Trends, with Regional Competitors
- Hotel Occupancy and Rate Trends
- Retail Employment Recovery by Industry – SF Metro Division

Union Square Sales Tax and Citywide, 2022-2023

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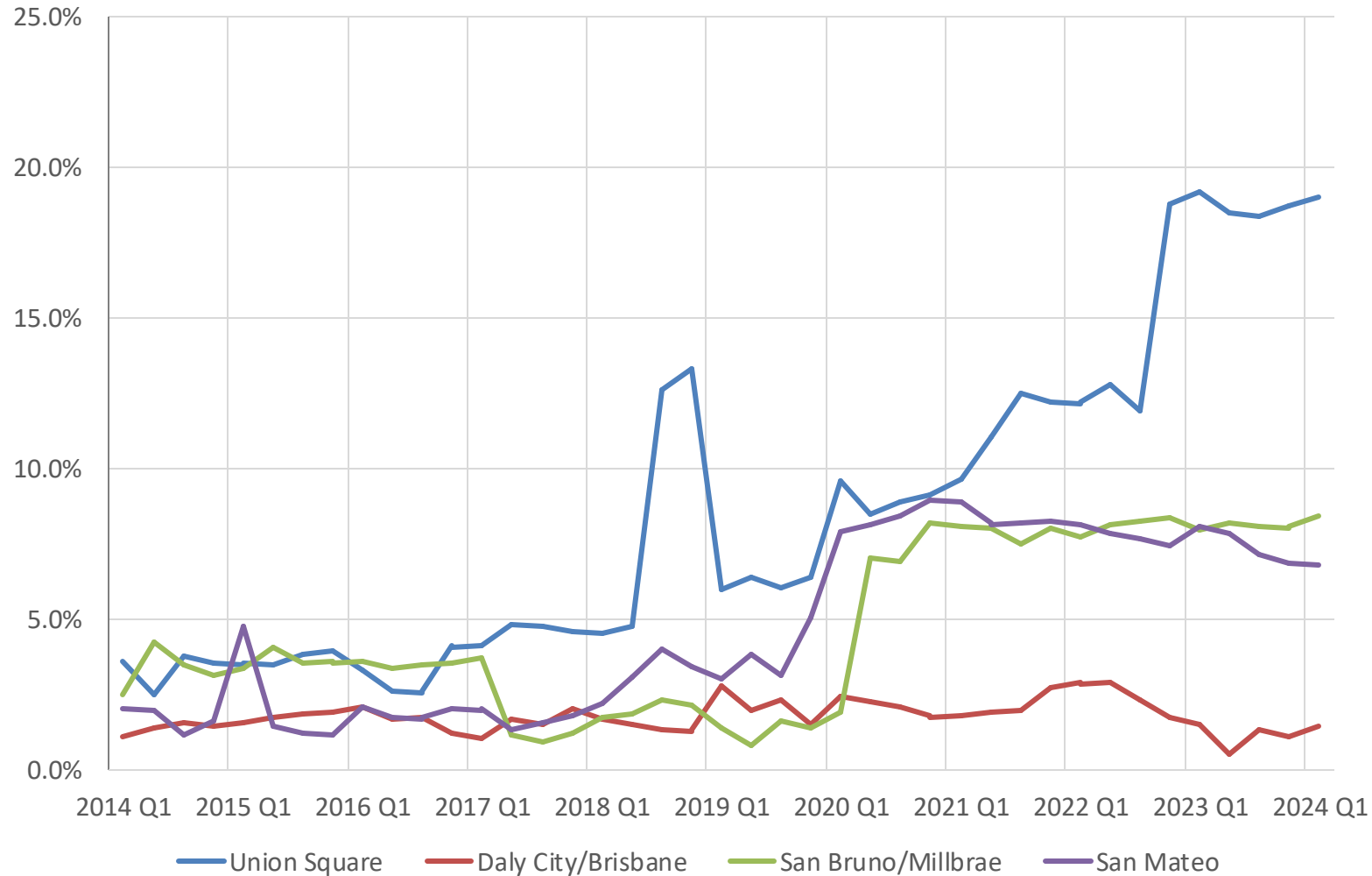


Source: HDL Companies. Union Square refers to the area bounded by Mason, Bush, Kearny and Market Streets, along with Market Street businesses between 5th and 6th Street.

Retail Vacancy Rate: Union Square and Suburban Centers

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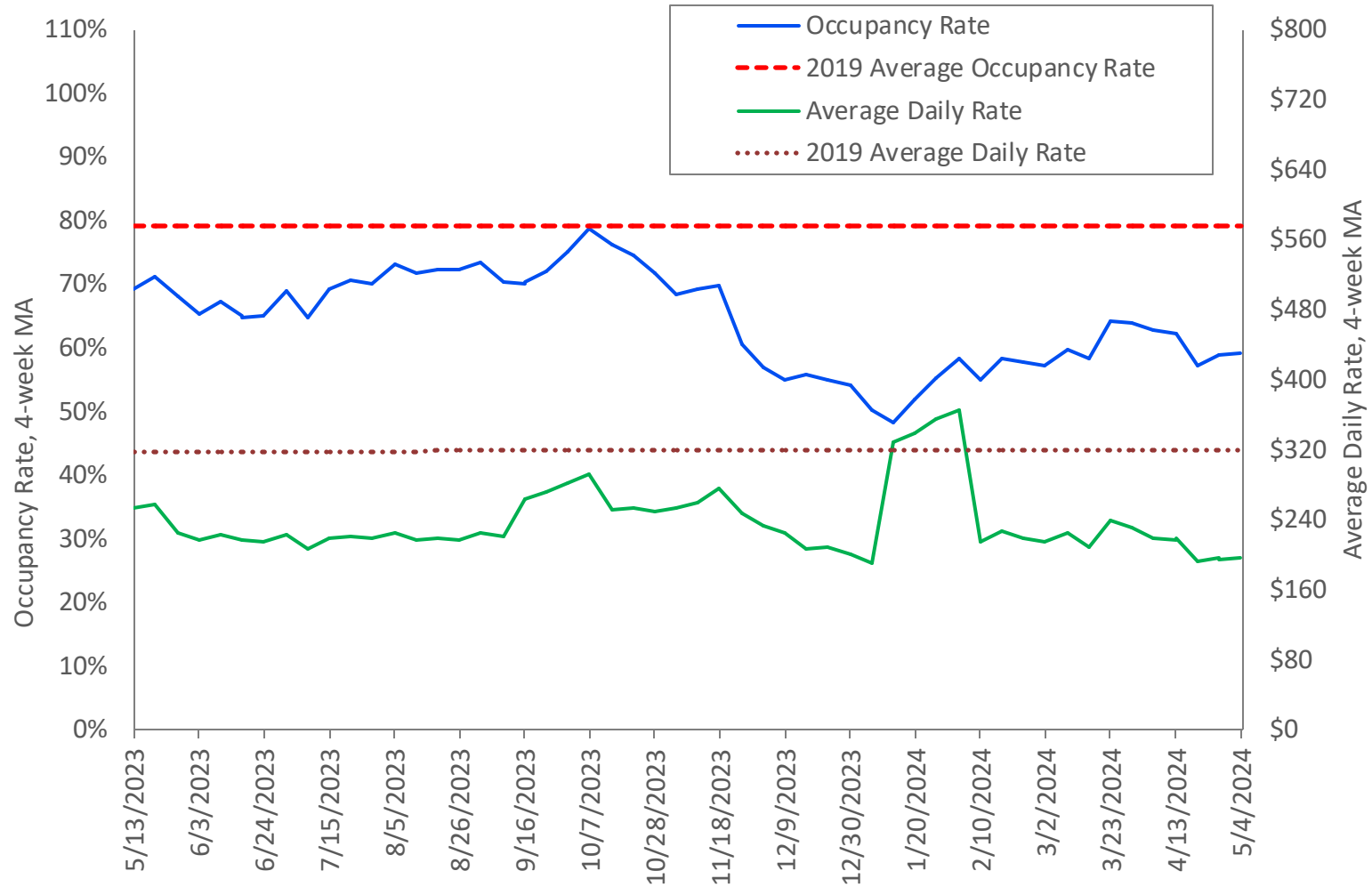
Retail Vacancy Rate in Union Square and Selected Suburban Submarkets, 2014Q1 -2024Q1



Source: CoStar

Hotel Occupancy and Daily Rates Compared to 2019

Weekly San Francisco Hotel Occupancy Rate and Average Daily Room Rate, 4-week Moving Average, Through May 4, 2024

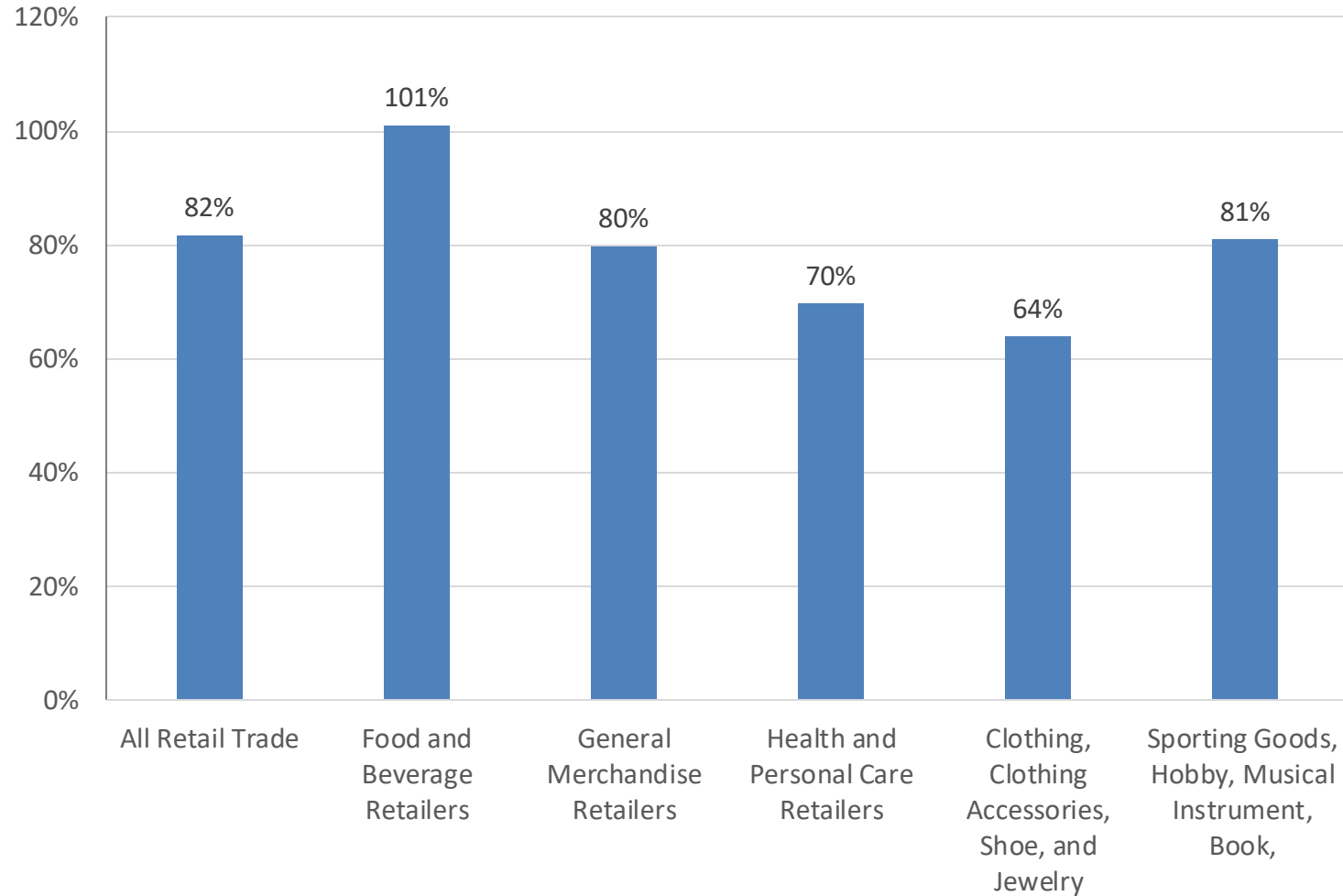


Source: STR

Retail Employment Compared to 2019

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March 2024 Employment as a Percent of March 2019 Employment: All Retail Trade and Select Retail Sub-Industries, San Francisco Metro Division



Source: EDD

Staff Contact

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Current State of Union Square Business Trends





MACY'S

macys

macys

LOUIS VUITTON

FLOOD BUILDING

FRUITED BY
SUN & SOY FERRO

DWSPOR

AGUA

Advertisement for a fashion brand featuring a woman in a red dress.

Advertisement for a fashion brand featuring three women in colorful outfits.

OHY

BUS

RENOVATE



SAKS FIFTH AVENUE

WILLIAMS-SONOMA

TIFANY & CO.

CITY INITIATIVES

UNDERWAY

City Initiatives **Clean + Safe**

- SFPD mobile command unit + increased presence
- Safe Shopper initiative
- Organized retail theft campaign
- Enhanced parking garage security
- Downtown Welcome Ambassadors



City Initiatives **Programming + Public Realm**

Programming and Events

- Winter Walk
- Union Square in Bloom
- SF Live!



Public Realm Investments

- Public space improvements
- Powell Street Improvement Project
- Maiden Lane Public Realm



City Initiatives **Regulatory Incentives**

Downtown Legislation (BF 230371 July 2023)

- Flexible Zoning
- Commercial to Residential Adaptive Reuse Program
- Streamlined and simplified planning entitlement process including signage and approval process

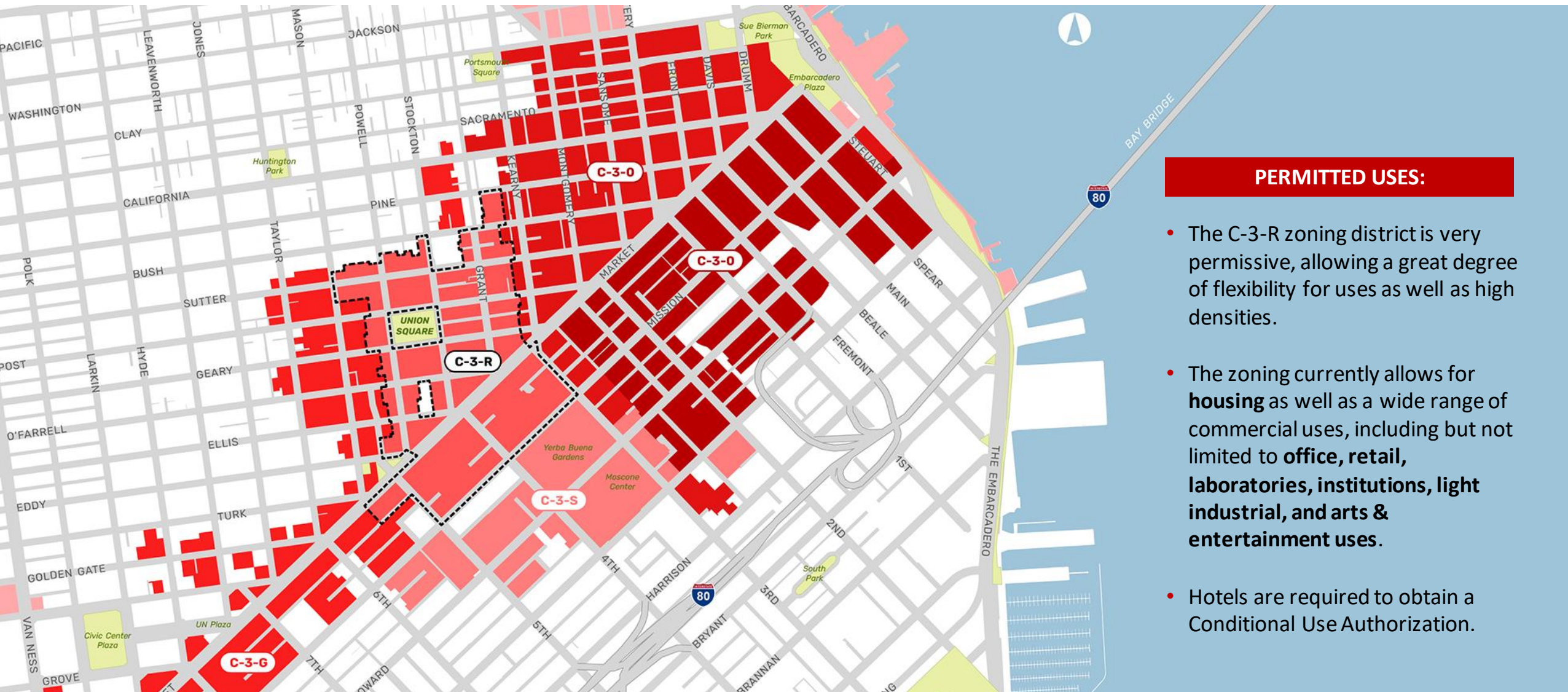


Citywide Legislation

- Lower Inclusionary Housing (BF 230769 September 2023)
- Impact Fees Waiver and Deferral (BF 230764 September 2023)
- Transfer Tax Waiver (Prop C passed March 2024)



Flexible Zoning



PERMITTED USES:

- The C-3-R zoning district is very permissive, allowing a great degree of flexibility for uses as well as high densities.
- The zoning currently allows for **housing** as well as a wide range of commercial uses, including but not limited to **office, retail, laboratories, institutions, light industrial, and arts & entertainment uses.**
- Hotels are required to obtain a Conditional Use Authorization.

Commercial to Residential Adaptive Reuse Program



NEW PLANNING CODE SECTION 210.5

Commercial to Residential Adaptive Reuse Program

Commercial to Residential Adaptive Reuse is defined as *to change the use of existing Gross Floor Area from a non-residential use, other than a hotel use, to a residential use.*

- Projects which meet the eligibility criteria can receive **zoning modifications (or waivers)** from some Planning Code requirements.
- An application has to be **filed on or before December 31, 2028.**
- DBI and Fire are creating an **administrative bulletin/procedures manual** that outlines Standards for Adaptive Reuse Projects.
- **Two projects** have been approved under this program.



THANK YOU



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