

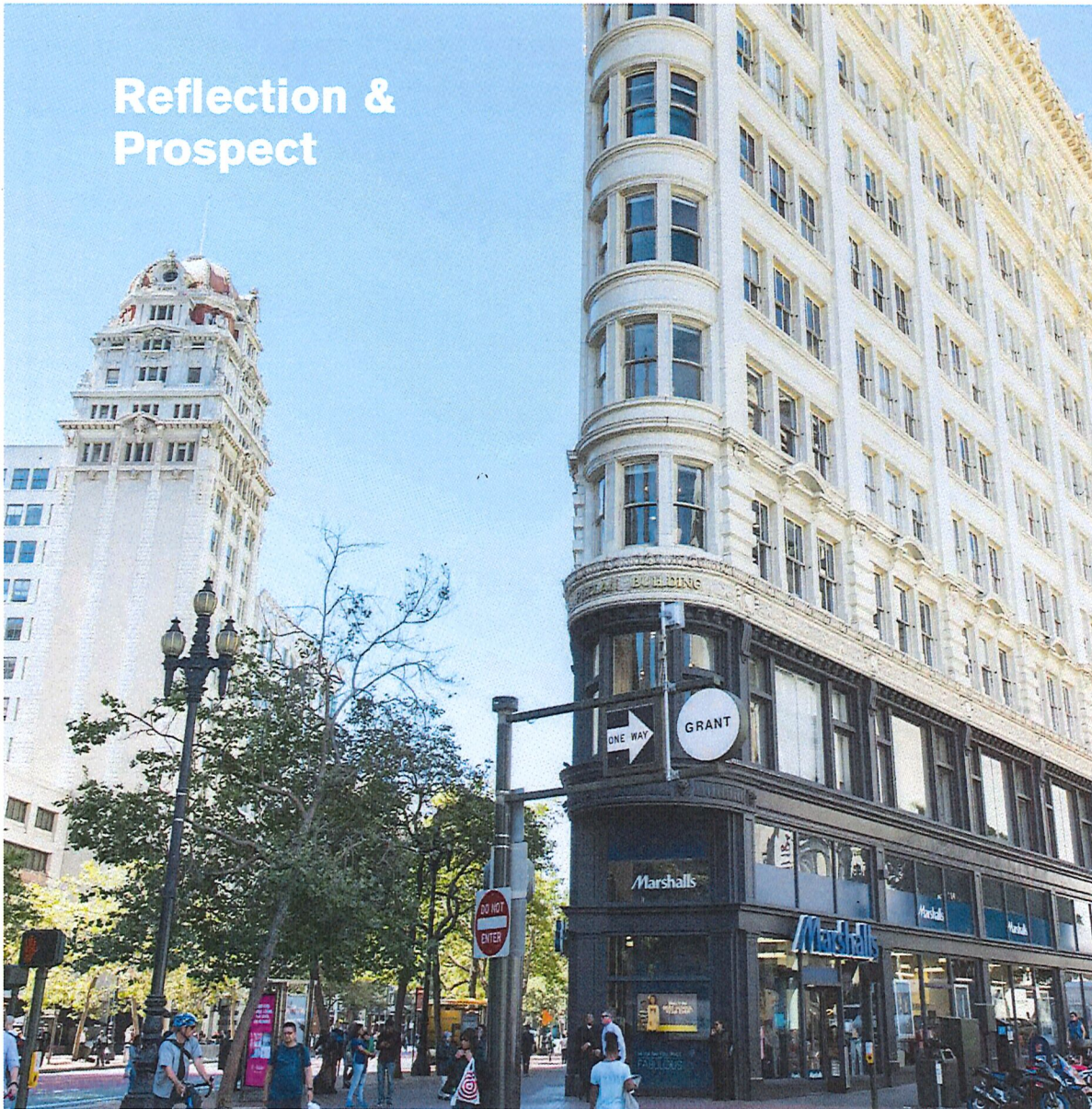


UNION SQUARE

UNION SQUARE
BUSINESS IMPROVEMENT
DISTRICT

2017–2018
ANNUAL REPORT

Reflection & Prospect



From the Board of Directors

On behalf of the Union Square Business Improvement District ("USBID"), our Board of Directors and staff, we present this Annual Report for our ninth year to all Union Square property owners, businesses, community stakeholders, and the City & County of San Francisco. The following highlights major accomplishments, fiscal health of the organization, progress on Renewal 2019, and a look ahead of what is to come.

As the international portal to San Francisco and the Bay Area, Union Square remains an iconic district for luxury shopping, eateries, outstanding hotels, and entertainment. The many art galleries, performance venues, and retailers that line the streets of the district create a hospitable ecosystem for those who work, play, and live in San Francisco and beyond. The legacy of our community is reliant on responsible property owners who continue to invest millions of dollars by creating experiential retail and hospitality models that will drive additional visitors to Union Square. The Museum of Ice Cream, the Color Factory, and Kylie Jenner pop-up have been successful examples.

As the overall landscape of retail changes with the upcoming generations, Union Square remains resilient and has welcomed new venues like August Hall & Fifth Arrow that will be a catalyst for innovative use of spaces. Several of our world-renowned hotels completed major renovations with millions invested to include the Westin St. Francis, King George Hotel, and Hilton San Francisco Union Square.

Having a welcoming district that is clean and safe remains the top pillar of the organization. As we launched our major community outreach campaign to embark on renewing the USBID, we asked members in the form of a comprehensive survey the vision for Union Square in the next decade. Investment in the

community needs to continue to ensure our streets are cleaner and safer than ever before. The Union Square area's backstreets, alleys, and plazas must be activated as mini destinations to enhance the overall public realm experience. Our coveted security camera program must continue to serve our property owners, businesses, SF Police Department and the DA's Office as a mechanism of zero tolerance on crime.

We know these efforts are not enough and we certainly cannot accomplish our mission alone. We've gone above and beyond this fiscal year by launching the Union Square Foundation, a 501(C)3 organization to enhance the public realm and provide much needed homeless workforce development opportunities and social programs. As the USBID enters its final year within the current term, staff and Board will continue to advocate for business friendly policies and lay a foundation for another 10 years as a model of private-public partnerships.

We sincerely thank Past-President, Stephen Brett for his dedication and leadership of our Board of Directors for the last three years. The torch has been passed to Wes Tyler, General Manager of the Chancellor Hotel to lead the organization to the Renewal finish line.



Wes Tyler
Board President



Karin Flood
Executive Director

Road Map to Renewal

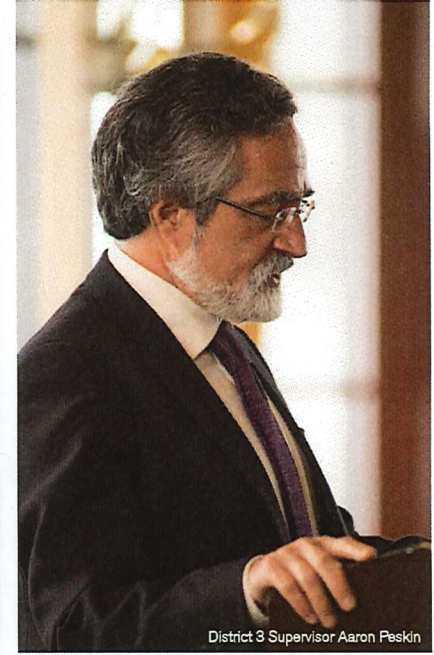




Former Mayor Willie Lewis Brown, Jr. (Left)



USBID Board President, Was Tyler



District 3 Supervisor Aaron Peskin

2017

2018

2019



March
Member survey distributed to receive feedback on current and potential services.



April–July
Conducted community presentations to retailers, hoteliers, and proposed expansion area.



September–October
Launched the renewal campaign with members, community stakeholders, and City Departments.



August
Renewal Committee voted on budget and service levels and conducted one-on-one meetings with the largest property owners.



September
Board of Directors vote on budget and service levels.



October–November
District boundaries and assessment methodology determined.



November–December
Draft management plan & engineers report.



February
Petitions mailed to USBID members for initial round of voting.



May
45-day mailing period when USBID member receive and vote on their ballots.



July–December
Resolution voted on by SF Board of Supervisors and signed by Mayor. New assessment rates and service levels implemented.

MAJOR ACCOMPLISHMENTS

Catalyst For Innovation

LAUNCHED UNION SQUARE FOUNDATION



501C3 Status
Awarded in Jan. 2018

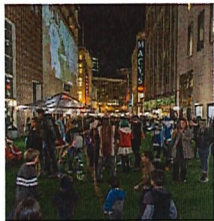


\$408,000
raised in the first
fiscal year



FIVE Funding
Priorities Identified

WINTER WALK SAN FRANCISCO



1.7M Local &
tourist visitors



5 Weeks of
food, drinks, &
entertainment



NO. 1
most visited
holiday attraction



FOURTH
Winter Walk held

SECURITY CAMERA PROGRAM



\$200K donation
received from
Chris Larsen Fund*



2,000
Requests to date



350+
cameras installed



550+
Arrests to date

*: An advised fund of the Silicon Valley Community Foundation

UNION SQUARE CARES & DOWNTOWN STREETS TEAM



21 MEMBERS
permanently housed



23 MEMBERS
received full-time
employment to date



211,575+LBS
of debris collected
since start of DST



5,467
needles removed
since start of DST

BIGBELLY & TERRACYCLE PROGRAM



25
Bigbelly's installed



164,000LBS
trash collected



14,000+
collections made



80,000LBS
of cigarette butts
collected

"HOLIDAY SAFE SHOPPER" PROGRAM



\$1M GRANT
from the Silicon Valley
Community Foundation



22 FELONY
arrests cited



10,000+HRS
of police patrolling
throughout the Union
Square district



12,791
Incidents and
interactions were
addressed

Assessment Methodology Financial Statements

Assessment Methodology

HOW PROPERTY ASSESSMENTS ARE CALCULATED

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco's 16 existing property based BID's and CBD's. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. Funding for the district is proportionally shared by property owners, who are self-assessed to supplement services provided by the City.

These annual assessments are based on the following variables:

- Linear (sidewalk) frontage
- Building square footage of non-residential properties
- Property usage

Each property owner's assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

ASSESSMENT RATE CALCULATION CHART 18-19FY

Property Type	*Clean & Safe	**Marketing, Advocacy & Public Realm
Category 1: Less than 2,000 bldg sqft	\$ 85.30	\$ 90.63
Category 2: 2,000-4,999 bldg sqft	\$ 85.30	\$ 181.27
Category 3: 5,000-9,999 bldg sqft	\$ 85.30	\$ 604.25
Category 4: 10,000-29,999 bldg sqft	\$ 85.30	\$ 1,208.51
Category 5: 30,000-99,999 bldg sqft	\$ 85.30	\$ 1,510.63
Category 6: 100,000 or more bldg sqft	\$ 85.30	\$ 6,042.55
Residential & Public	\$ 85.30	\$ 0.00
Hallidie Plaza Parcels***	\$ 4.29	\$ 0.00

*per linear street foot **per building ***per lot square footage

Financial Statements*

17-18FY ASSESSMENT & CORE OPERATIONS

	Budgeted	Actual	Variance
Revenue			
Special Assessment Revenue	\$ 3,554,176	\$ 3,559,433	\$ 5,257
Other Revenue	\$ 325,002	\$ 369,978	\$ 44,976
Total Funds	\$ 3,879,178	\$ 3,929,411	\$ 50,233
Expenses			
Clean & Safe	\$ 2,647,645	\$ 2,683,937	\$ (36,292)
Streetscape Improvement, Advocay, Marketing & Events	\$ 652,688	\$ 561,054	\$ 91,634
Management & Administration	\$ 673,910	\$ 622,898	\$ 51,012
Other Projects	\$ 100,933	\$ 111,408	\$ (10,475)
Total Assessment Expenses	\$ 4,075,176	\$ 3,979,297	\$ 95,879
Surplus (Deficit) for Assessment Operations	\$ (195,998)	\$ (49,886)	\$ 146,112

17-18FY TOTAL RESULTS (INCLUDING GRANTS)

	Budgeted	Actual	Variance
Revenue			
Special Assessment Revenue	\$ 3,551,533	\$ 3,559,433	\$ 7,900
Other Revenue	\$ 420,933	\$ 1,481,151	\$ 1,060,218
Total Funds	\$ 3,972,466	\$ 5,040,584	\$ 1,068,118

Expenses			
Clean & Safe	\$ 2,467,645	\$ 2,683,937	\$ (36,292)
Streetscape Improvements, Advocacy, Marketing & Events	\$ 652,688	\$ 561,054	\$ 91,634
Management & Administration	\$ 673,910	\$ 622,898	\$ 51,012
Other	\$ 100,933	\$ 111,408	\$ (10,475)
Total Assessment Expenses	\$ 4,075,176	\$ 3,979,297	\$ 95,879

Grants and Funds			
SVCF Grants (Safe Shopper 2017 & Security Cameras)	\$ 883,900	\$ 1,638,197	\$ (754,297)
Other Grants & Non-Assessment Funds	\$ 235,083	\$ 213,509	\$ 21,574
Total Expenses	\$ 5,194,159	\$ 5,831,003	\$ 636,844
Change Net Assets for 17-18FY	\$(1,221,693)	\$ (790,419)	\$ 431,274

17-18FY STATEMENT OF FINANCIAL POSITION

Assets	
Cash	\$ 1,882,584
Net Receivables	\$ 271,389
Other Current Assets	\$ 135,480
Net Furniture & Equipment	\$ 233,036
Total Net Assets	\$ 2,462,489

Liabilities	
Accounts Payable & Accrued Expenses	\$ 385,849
Deferred Revenue	\$ 39,060
Total Liabilities	\$ 424,909

Net Assets	
Unrestricted	\$ 1,629,255
Restricted Temporarily	\$ 408,325
Total Net Assets	\$ 2,037,580
Total Liabilities & Net Assets	\$ 2,462,489

* Audited Financial Reports available upon request. Contact Deputy Director Benjamin Horne at Ben@UnionSquareBID.com for more information.

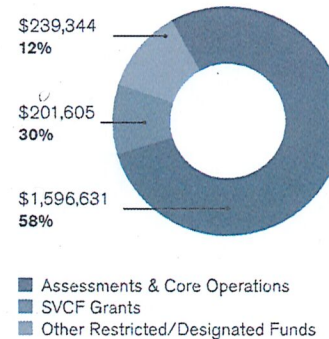
JULY 2018-JUNE 2019 BUDGET

	Amount	Income (%)		Amount	As. Exp. (%)	Tot. Exp. (%)
Income						
Assessment Revenue	\$ 3,658,079	84%				
Fundraising & Others	\$ 709,304	16%				
Total Income	\$ 4,367,383	100%				
Expenses						
Clean & Safe	\$ 2,733,945	67%	55%			
Streetscape Improvement, Advocay, Marketing & Events	\$ 600,267	15%	12%			
Management & Administration	\$ 722,948	18%	15%			
Total Assessment Expenses	\$ 4,057,160	100%				
SVCF Grant Expenses	\$ 469,214					9%
Other Grants & Funds	\$ 426,936					9%
Total Expenses	\$ 4,953,310					100%

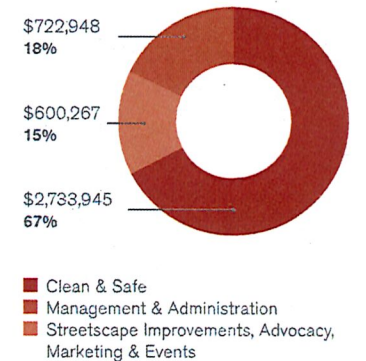
CARRY OVER FUNDS FROM 17-18FY

General Fund/Contingency	\$ 1,596,631
Total Assessment & Service Area Funds	\$ 1,596,631
SVCF Grants	\$ 201,605
Other Restricted/Designated Funds	\$ 239,344
Total Carry Over Funds	\$ 2,037,580

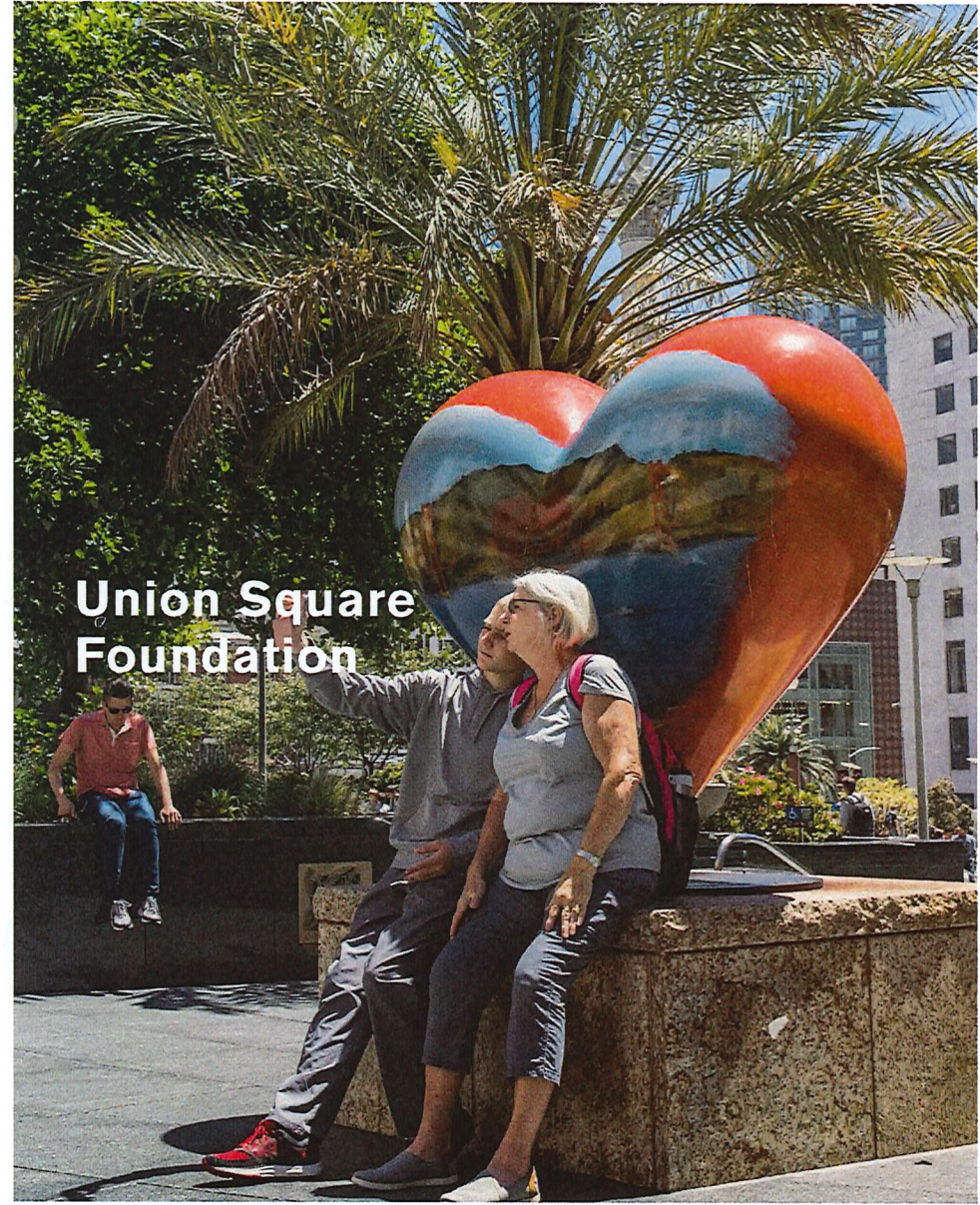
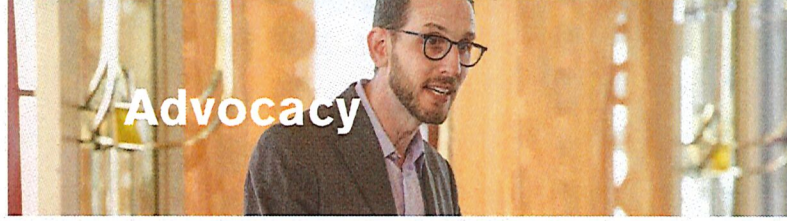
USBID Reserves JUNE 30, 2018



Budgeted Expenses (Assessments) 18-19FY



Pillars of the USBID



The USBID & The Foundation



Public Realm and Streetscapes projects and improvements by funding priorities on the right.

Formed in July 2017



Union Square Cares: Homeless workforce development & social services



Cleaning and Maintenance



Safety and Security



Advocacy



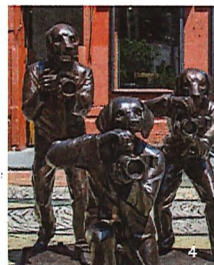
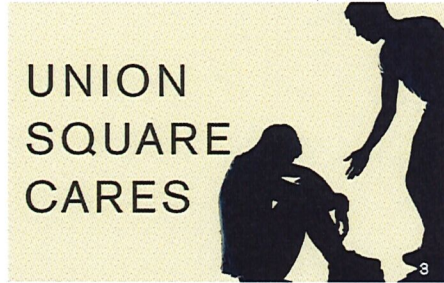
Destination Marketing

Last renewed in 2009



Foundation Projects and Priorities (From p.16)

1. Powell Street Promenade Improvements
2. Backstreet & Alley Activations
3. Union Square Cares Program
4. Public Art Programs
5. Maiden Lane Beautification
6. Campton Place Improvements
7. Hallidie Plaza Improvements



MISSION OF THE FOUNDATION

The Union Square Foundation recognizes Union Square's importance as the heart of the retail, hospitality and entertainment districts of San Francisco. The Union Square Foundation is dedicated to enhancing the unique qualities of Union Square and its surrounding public realm. We provide critical support to both creating and maintaining a clean, safe, and beautiful environment that serves to enrich its public spaces for the enjoyment of San Francisco's residents and visitors.

BOARD OFFICERS OF THE FOUNDATION

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Principal, 250 Post Street, LP

Darcy Brown, Treasurer
Executive Director, SF Beautiful

Shirley Howard-Johnson, Secretary
Arts Consultant

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Founder & President
Mosaic Financial Partners

J. Timothy Falvey
SVP, Hanford-Freund Company

Moe Jamil
Community Member & Advocate

Man J. Kim
President, Lori's Diner International

Manuela Anne King
President, RHAA Landscape Architects

Rick Laubscher
President, Market Street Railway

Ken Mancuso
SVP, Leasing, San Francisco Centre
Unibail-Rodamco-Westfield

Kelly Powers
Associate Director, Hotel Council SF

Ron Yen
Principal, BuildGroup



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GM, Chancellor Hotel on Union Square

Julie Taylor, Treasurer
Executive VP, Colliers International

Mark Purdy, Secretary
SVP & GM, Grosvenor Americas

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Audit Committee
President, The Keil Companies

Corinna Luebbe
Public Affairs Committee
GM, Taj Campton Place

Julie Taylor
Finance Committee
Executive VP, Colliers International

Don Thomas
Services & Public Safety Committee
VP, Board of Directors, Club Donatello

Phillip Coston
Marketing Committee
Sr. Store Manger, Brooks Brothers

Manuela King
Streetscapes & Public Realm Committee
President, RHAA Landscape Architects

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Operations Manager, Macy's

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GM, Hilton Union Square SF

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SVP, Hanford-Freud & Company

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VP, Board of Directors, Club Donatello

Russell D. Keil, Jr.
President, The Keil Companies

STAFF OF THE USBID



Karin Flood
Executive Director



Benjamin Horne
Deputy Director



Robbie Silver
Director of Marketing & Events



Randall Scott
Director of Services



Joshua C.W. Chan
Project Coordinator

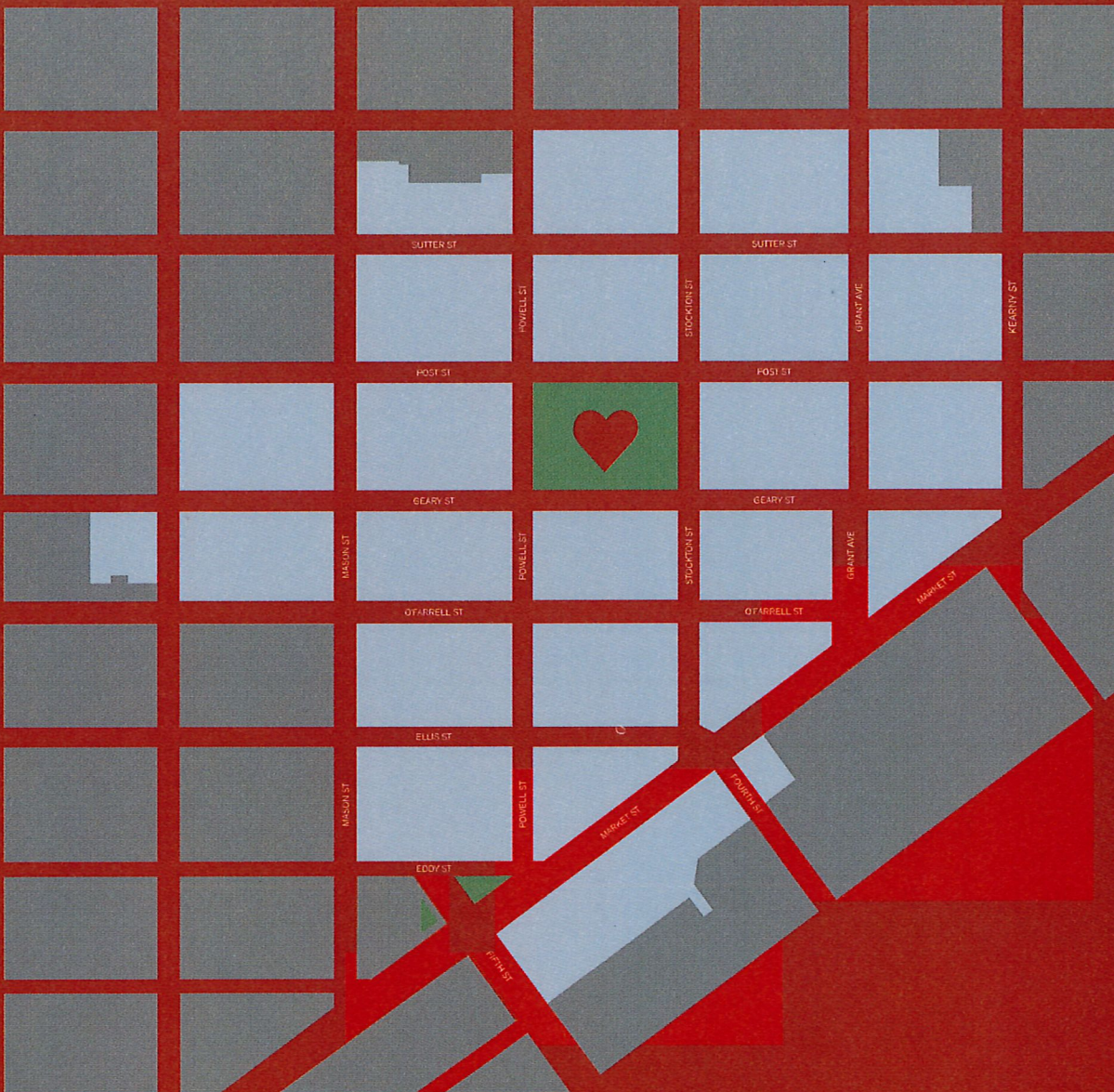


Brianna Caspersen
Project Coordinator

CLEAN & SAFE SERVICES PROVIDED BY BLOCK BY BLOCK

Chris Boss
Operations Director

Karl Bijan
Operations Supervisor



UNION SQUARE
BUSINESS IMPROVEMENT
DISTRICT

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