

2010-2011 ANNUAL REPORT



UNION SQUARE

UNION SQUARE BUSINESS IMPROVEMENT DISTRICT

BOARD OF DIRECTORS

OFFICERS

— PRESIDENT —

DAVID NADELMAN, GRAND HYATT SAN FRANCISCO

— SECRETARY —

J. TIMOTHY FALVEY, HANFORD-FREUND & COMPANY

— TREASURER —

JAMES C. FLOOD, FLOOD CORPORATION

DIRECTORS

HEATHER ALMOND, WESTFIELD SAN FRANCISCO CENTRE

STEPHEN BRETT, BRETT & COMPANY

JOHN CAPIZZI, NEIMAN MARCUS

JIM CHAPPELL, PLANNING CONSULTANT

JIM GERNEY, LARKSPUR HOTELS & RESTAURANTS

DIANA HOLLAND-CRAMER, GUMP'S

CONNIE HARTGRAVES, SAKS FIFTH AVENUE

RUSSELL D. KEIL JR., THE KEIL COMPANIES

MAN J. KIM, LORI'S DINER INTERNATIONAL

JON KIMBALL, THE WESTIN ST. FRANCIS

ANSON LEE, UPTOWN PARKING CORPORATION

LOUIS MEUNIER, MACY'S

ELLEN MAGNIN NEWMAN, ELLEN NEWMAN ASSOCIATES

MAURICE QUILLEN, RECOLOGY

ELLEN RICHARD, A.C.T.

JIM SANGIACOMO, TRINITY PROPERTIES

SPENCER SECHLER, CITY PARK

DON THOMAS, CLUB DONATELLO HOMEOWNERS

WES TYLER, CHANCELLOR HOTEL ON UNION SQUARE

ADVISORY COMMITTEE CHAIRS

— MARKETING & COMMUNICATIONS —

DAWN DZEDZY, SAKS FIFTH AVENUE

— PUBLIC AFFAIRS & ADVOCACY —

J. TIMOTHY FALVEY, HANFORD-FREUND & COMPANY

— FINANCE COMMITTEE —

JAMES C. FLOOD, FLOOD BUILDING

RUSSELL D. KEIL JR., THE KEIL COMPANIES

— STREETSCAPES & BEAUTIFICATION —

MANUELA ANNE KING, ROYSTON, HANAMOTO, ALLEY & ABEY

— AUDIT COMMITTEE —

LOUIS MEUNIER, MACY'S

DAVID NADELMAN, GRAND HYATT SAN FRANCISCO

— SERVICES & PUBLIC SAFETY —

WES TYLER, THE CHANCELLOR HOTEL ON UNION SQUARE

LETTER FROM THE BOARD PRESIDENT



I am pleased to present the Union Square Business Improvement District's 2010-2011 Annual Report. A lot has happened during the past fiscal year including the election of new officers. I am honored to serve as your new Board President and grateful to be joined by Treasurer, James C. Flood and Secretary, J. Timothy Falvey.

Under Jim Flood's leadership, during the first half of the year, the BID implemented the policies and procedures needed to serve our expanded 27 block district. The Board of Directors was increased from 11 to 23 directors and seven advisory committees were formed to give BID members a greater voice in the BID's operations. This past January an Executive Committee was formed to allow us to take action on time-sensitive issues in an expedient manner.

The BID's expansion triggered a need to rebrand the district and to reinvigorate communication to BID members and the public. The Marketing Committee initiated an internal process to that end, resulting in a new logo and a dynamic new website www.visitunionsquaresf.com. In addition, we created and implemented a social media strategy giving us a presence on Facebook, Twitter, Flickr and our new blog to help us promote Union Square and its many exciting businesses. *Around the Square* premiered as the BID's informative weekly e-newsletter with greater capability and reach to BID members and stakeholders.

After years of planning, the *Powell Street Promenade* was inaugurated on July 13, 2011. This innovative project was developed by the BID's Streetscapes Committee and made possible through a unique public/private/nonprofit partnership with generous funding by Audi of America. Already, there is new interest in creating other pedestrian improvement projects within the district, encouraging us to do what our name says: Improve business in the district.

In partnership with City agencies, the Services and Public Safety Committee works to ensure that Union Square maintains the level of service appropriate to the City's #1 visitor destination. Through the BID's contract with MJM Management Group, the BID Taggers steam cleaned more than 183 miles and swept 5,000 miles of sidewalks. And, the BID's Ambassadors had interactions with 110,850 tourists and merchants. During the year the Committee kept its fingers on the pulse of membership satisfaction through an annual survey and member outreach. The BID's latest survey indicates that 87% are very or somewhat satisfied with the BID's cleaning and maintenance service.

Over the past year, the Public Affairs & Advocacy Committee represented the interests of the community in myriad matters including the Central Subway construction and design of the Union Square/Market Street station, bicycle leasing at Union Square Park, congestion pricing, mobile food facility permits and other relevant local legislation. Through issue-based community outreach, the Committee made it a priority to keep members and others in the district well informed on issues like the Central Subway construction project, disability access compliance requirements and holiday profitability and safety measures.

Looking to the future, I intend to take the organization to the next level. We have just updated our mission statement and developed a rolling, five-year strategic plan. Our goal is to identify long-term priorities, allowing us to take actions that will benefit us in the future...in terms of advocacy...in terms of marketing...in terms of beautification...in terms of keeping the area clean and safe... and in creating new programs that will make Union Square an even more attractive destination for people from all over the world.

I also intend to increase the engagement with our members. It's through increased engagement and partnership that we're able to do things like the *Powell Street Promenade*. Toward that end, we are undertaking development of a new database for which soon we will reach out to each of you for current contact information.

The bottom line for me in all of this is simple: With your help, I want to ensure that we can live up to our new updated mission statement: "*We enhance the visitor experience and business environment, making Union Square the #1 destination in the world.*"

Sincerely,

David Nadelman
Board President



The Union Square Business Improvement District (USBID) is a 501 (C) 4 non-profit organization and currently the largest of San Francisco's 11 existing property-based business improvement districts. Well known for its unique mix of world-class shopping, hotels, theatre and restaurants, the Union Square district covers 27 blocks and includes nearly 3,000 parcels, both publicly and privately owned.

Funding for the district is proportionally shared by property owners, who are self-assessed to provide services to supplement those 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 and advocacy (non-residential only)

The following are the property type categories and related assessment calculations:

PROPERTY TYPE	CLEAN & SAFE *	MARKETING / ADVOCACY **
Category 1 less than 2,000 bldg sq ft	\$70.58	\$75.00
Category 2 2,000 – 4,999 bldg sq ft	\$70.58	\$150.00
Category 3 5,000 – 9,999 bldg sq ft	\$70.58	\$500.00
Category 4 10,000 – 29,999 bldg sq ft	\$70.58	\$1000.00
Category 5 30,000 – 99,999 bldg sq ft	\$70.58	\$1250.00
Category 6 100,000 or more bldg sq ft	\$70.58	\$5000.00
Residential Property and Public Property	\$70.58	0
Hallidie Plaza Parcels (1)	\$3.55	0

* per linear street foot ** per assessor's parcel

For the second year in a row, the BID Board of Directors voted against an increase in assessment fees



BUDGET 2010–2011 FISCAL YEAR

FUNDS	BUDGET	ACTUAL	VARIANCE	DETAILS
Special Assessment Funds	\$3,026,330	\$3,035,872	\$9,542	Interest and penalties collected
Other Funds	\$71,001	\$1,141,884	\$1,070,883	Grant for Powell Street Promenade, Hallidie Plaza funds and in-kind
Total Funds	\$3,097,331	\$4,177,756	\$1,080,425	

EXPENSES	BUDGET	ACTUAL	VARIANCE	DETAILS
Clean & Safe	\$2,278,404	\$2,049,971	\$228,433	Security camera pilot rescheduled to 2011-2012 FY
Marketing / Streetscapes	\$433,150	\$351,614	\$81,536	Streetscapes projects moved to 2011-2012 FY
Hallidie Plaza Grant	\$65,892	\$117,212	\$ (51,320)	Additional grant and donation received for Hallidie Plaza
Management & Administration	\$521,048	\$570,663	\$ (49,615)	Additional in-kind services received and increased management needs
Contingency & Reserve	\$309,733	\$40,180	\$269,553	Most expenses budgeted except Powell Street Promenade
Total Expenses	\$3,608,227	\$3,129,641	\$478,586	
Change in Net Assets		\$1,048,115		

2010 – 2011 STATEMENT OF FINANCIAL POSITION

ASSETS	
Cash	\$1,535,111
Accounts Receivable (Net)	\$798,766
Other Current Assets	\$34,281
Powell Street Promenade	\$658,315
Furniture & Equipment (Net)	\$14,630
Total Assets	\$3,041,103

LIABILITIES & NET ASSETS	
Accounts Payable & Accrued Expenses	\$472,262
Unrestricted Net Assets	\$1,526,912
Temporarily Restricted Net Assets	\$1,041,929
Total Liabilities & Net Assets	\$3,041,103

JULY 2011 – JUNE 2012 BUDGET

INCOME			EXPENSES		
Assessment Revenue	\$3,025,830	96%	Clean & Safe	\$2,290,974	55%
Fundraising & Other	\$133,310	4%	Marketing, Advocacy, Streetscapes & Events	\$590,043	14%
Total Income	\$3,159,140	100%	Hallidie Plaza Grant Expenses	\$70,000	2%
			Powell Street Promenade Project Expenses	\$312,000	8%
			Management & Administration	\$562,543	14%
			Contingency & Reserves	\$307,214	7%
			Total Expenses	\$4,132,774	100%

MANAGEMENT

— EXECUTIVE DIRECTOR —
LINDA MJELLEM

— DEPUTY DIRECTOR —
DONNA N. FICARROTTA

— FINANCE MANAGER —
BENJAMIN W. HORNE

— MARKETING & ADMINISTRATIVE COORDINATOR —
JEANI HUNT-GIBBON

— CONTRACT SERVICE PROVIDER —
MJM MANAGEMENT GROUP

SERVICES OVERVIEW

COMMUNITY SERVICE AMBASSADORS
Seven days a week, 8:30 a.m. – 11:00 p.m.

DISPATCH SERVICES
Seven days a week, 8:30 a.m. – 10:00 p.m.

10-B POLICE OFFICERS
Ten hours daily

STEAMCLEANING
All properties – every two weeks

SIDEWALK SWEEPING AND GENERAL MAINTENANCE
Seven days a week, 6:00 a.m. – 9:00 p.m.

GRAFFITI REMOVAL
As needed, with property owner's authorization

MARKETING & COMMUNICATIONS
To ensure Union Square's standing as a dynamic, world-class destination

ADVOCACY
For business district improvements

STREETSCAPES & BEAUTIFICATION
To revitalize the urban environment throughout the district

Front cover photograph of the Dewey Monument was taken by Flickr member Ron Gonzalez.
Back cover photograph of the Powell Street Promenade was taken by George Nikitin.
Aerial photograph by Steve Proehl (page two) was supplied by the Landscape Architecture Office of Michael Fotheringham .

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