

UNION SQUARE BUSINESS IMPROVEMENT DISTRICT



UNION SQUARE

ANNUAL REPORT
2012 - 2013



LETTER FROM THE INCOMING BOARD PRESIDENT



I am pleased to present the Union Square Business Improvement District's 2012-2013 Annual Report. Because of outstanding leaders like outgoing Board President David Nadelman, we have a strong foundation of existing and new programs to further enhance the safety, cleanliness, beauty and promotion of Union Square. With leaders like Treasurer J. Timothy Falvey and Secretary James Sangiacomo, and the commitment of volunteers on our board and advisory committees, Union Square will continue to be an exceptional place to visit, work and live.

This past year was one of remarkable accomplishments. As part of our Union Square Cares initiative, we completed comprehensive research to better understand panhandling in our district. Working with the Hotel Council of San Francisco, San Francisco Travel, Mayor's Office of HOPE and the Human Services Agency, this research will help us develop effective plans to assist people in need.

To bring visitors to Union Square and improve their experience, we released our mobile-enhanced website (*go to VisitUnionSquareSF.com on your mobile device*). With special features such as geo-navigation and large, easy-to-use icons, the new mobile site delivers compelling information about shops, restaurants, special events and more to visitors. BID sponsorships of events in Union Square such as SF Chefs 2012, Film Night in the Park, Union Square Live and the Holiday Ice Rink continue to draw large crowds to the neighborhood. Our engagement of consumers reached an all-time high this year with newsletter readership doubling and the number of Facebook and Twitter fans increasing four-fold.

Safety continues to be a priority. In April, we launched a security camera pilot program at Hallidie Plaza and the cable car turnaround as a tool to help ensure a safe and enjoyable experience for visitors entering the district. In the first two months of use, the cameras were instrumental in several San Francisco Police Department investigations. The BID also completed a project to map camera surveillance systems in the district to identify areas of coverage.

These efforts are delivered in addition to the core clean and safe services that we provide daily. Through our contract with MJMMG, the BID's uniformed Community Service Ambassadors and cleaning teams continue to create a welcoming environment for visitors. In just the last year, our Ambassadors engaged with more than 50,000 people and personnel responded to more than 14,000 special requests for cleaning.

In the year ahead, we will also focus on improvements in Hallidie Plaza, mitigating the impact Central Subway construction and working even closer with our membership to improve the visitor and business environment in Union Square. New staff Project Manager Claude Imbault will be dedicated to Streetscapes and Services Projects, adding to our capabilities to enhance the district.

As your incoming Board President, I am grateful for the opportunity to serve and to be part of efforts to improve a place that is so special to me. By getting involved in the BID and our district – through an advisory committee, a special project, attending events or simply by letting us know how we're doing – we will be even more successful in our work to achieve our mission to "enhance the visitor experience and business environment, making Union Square the #1 destination in the world."

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Keil".

Russell D. Keil, Jr.
2013 Incoming Board President



2012 - 2013 ACCOMPLISHMENTS

Services & Public Safety

- Launched Security Camera Pilot Project
 - Pilot launched with installation of 6 security cameras around the Cable Car Turnaround and Hallidie Plaza
 - Selected vendor through RFP process with committee
 - Coordinated with SFMTA, Dept. of Real Estate, SF Travel, SFPD and other stakeholders on project
 - Worked with vendor and property owners to get all necessary approvals for installation
 - Approved surveillance system usage policy with community and legal input
 - Developed ROI system for measuring success of pilot
 - Completed district-wide mapping of private security camera locations
- Service Provider
 - Developed new invoicing methodology to reduce risk and increase efficiency; Negotiated amended contract (12-13); and kept rate the same for 13-14FY
 - Drafted new reporting protocol and procedures for 10B Officer
- Evaluations
 - Led 4 evaluation sub-committee meetings and sidewalk evaluations, developed scoring methodology and scored and presented results
 - Pushed for numerous improvements that lead to several operational changes and streetscape improvements
 - Involved numerous board members and community members in the evaluations process
- Installed noise signage around Hallidie Plaza to help manage street performers
- Conducted member survey in fall of 2012 and achieved high marks from property owners and members
- Organized Holiday Safe Shopper Program, bringing together numerous Union Square stakeholders, members of SFPD and other safety organizations for review of Holiday season security measures
- Worked with DPW to analyze sidewalk issues in district in order to draft recommendations for property owners on proper sidewalk treatments

- Led Harlan Alley community meeting bringing together all stakeholders to mitigate garbage issues due to overflowing and unlocked dumpsters; Reduced dumpster numbers and increased number of locks; Re-evaluated area and registered much improved scores
- Powell Street Promenade – Continued cleaning and improved landscaping; Repaired damaged sections after hit and run; Accommodated UNIQLO and Walgreens construction projects by removing sections for easier access for work crews and equipment and cleaned up post work; Drafted punch list of improvements moving forward

Public Affairs & Advocacy

- Selected research firm through RFP process and completed research phase of *Union Square Cares* project
- Developed strategic *Union Square Cares* partnerships with SF Travel, Hotel Council, Hospitality House, HOPE and other social service agencies as well as participating in the City's bi-Annual Homeless Count
- Conducted media training for management and some Board members
- Successfully advocated for revised legislation to better regulate Mobile Food Facilities, including the property owner notification process for new permits
- Launched *Square Affairs* newsletter to inform members of advocacy issues and legislative updates
- Facilitated meetings with SFPD, merchants and tenants on noise issues; Posted signage and advocated for SFPD training and purchase of noise meters to enforce existing noise regulations
- Successfully advocated for revised noise legislation to better regulate the use of non-permitted amplified sound in the public right-of-way through the addition of a penalty clause
- Continued to cultivate relationships with other organizations advocating for property owners and businesses in San Francisco including the SF Chamber, BOMA, SBN and other CBDs
- Stayed up-to-date on legislative issues with potential impact on members
- Ensured for and got positive media coverage of the BID's efforts to mitigate Central Subway construction, Holiday season and the BID's safety measures in response to the Rainbow Girls robberies

Finance, Audit & Administration

- Revised and updated 5-Year Strategic Plan
- Completed 11-12FY Audit and received unqualified clean opinion
- Drafted initial business plan and financial model for Hallidie Plaza master lease project
- Completed 990 Filing with IRS, 199 with California and RRF-1 with California Attorney General
- Increased assessments for 13-14 FY, generating additional \$450K of revenues over rest of BID term
- Conducted semi-annual audits and review of service provider to ensure contract compliance
- Worked with City on assessments payment reporting process, reconciled all payments and collected delinquent City assessments (\$110K)
- Managed and closed out Audi and Hallidie Plaza Grants – provided all billing, financial reports, budgets and approved new grant for 13-14FY
- Conducted search and hired new Project Manager to oversee Streetscapes and Services projects
- Reviewed space options and approved lease for superior office space at same rate
- Elected new Officers, recruited new Board Members and approved slate to be distributed to members to vote
- Held Annual Lunch and raised \$63K - 15% increase over prior year and most successful lunch to date since USBID's renewal in 2009

Streetscapes & Beautification

- Managed Central Subway meetings and advocated for numerous improvements including a more attractive construction barricade, a cleaner and neater work area and secured funding for 2013 holiday activation plans
- Successfully coordinated between property owner, merchant, Supervisor Chiu's office and Department of Public Works to re-open a flower stand at 250 Post Street that had long been inactive
- Solicited funding from property owners and obtained permits from the City to install festival lighting on the 2 blocks of Maiden Lane
- Awarded a \$25K grant from the City for activation, landscaping and a retail vendor plan for Hallidie Plaza
- Funded special décor in Union Square for the holidays and other civic celebrations including the Giants World Series championship

- Coordinated approvals with Department of Public Works and JC Decaux to repurpose the kiosk at Powell and Market as a visitor information kiosk, staffed by BID Ambassadors and Dispatch personnel. The committee continues to seek additional activation uses for other kiosks in the district, including an activation in partnership with Community Arts
- In collaboration with the Street Artists Program and the Arts Commission, amended legislation and developed a pilot program featuring a standardized artist display table to improve both the visibility of the artists and the aesthetic presentation at Hallidie Plaza
- Installed flower baskets in Hallidie Plaza

Marketing & Communications

- Coordinated successful launch of Mobile Website
- Grew Web traffic 135% (106,180 vs 45,256 unique visits & 128,000 vs 54,110 visits)
- Grew Facebook presence to 33,398 fans with engaging posts, promotions and social marketing techniques.
- Grew Twitter presence to 1,213 fans
- Launched Instagram, Pinterest and Mosey accounts
- Managed successful Black Friday and Fashion's Night Out Promotions
- Grew attendance and engagement for the Marketing Committee with 50-60 attendees each meeting.
- Organized well-attended Holiday, Spring Fling and SF Chefs events with media attending both
- Completed full audit of marketing program and received marketing audit with strategic suggestions
- Gained exposure and engagement through sponsorship programs including the Holiday Ice Rink, Union Square Live, SFJazz Summerfest and more



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 for 2013-2014 FY:

PROPERTY TYPE	CLEAN & SAFE *	MARKETING / ADVOCACY **
Category 1 less than 2,000 bldg sq ft	\$74.37	\$79.02
Category 2 2,000 - 4,999 bldg sq ft	\$74.37	\$158.05
Category 3 5,000 - 9,999 bldg sq ft	\$74.37	\$526.84
Category 4 10,000 - 29,999 bldg sq ft	\$74.37	\$1,053.69
Category 5 30,000 - 99,999 bldg sq ft	\$74.37	\$1,317.12
Category 6 100,000 or more bldg sq ft	\$74.37	\$5,268.48
Residential Property & Public Property	\$74.37	0
Hallidie Plaza Parcels (1)	\$3.74***	0

*per linear street foot **per assessor's parcel ***per lot square footage



2012-2013 FISCAL YEAR RESULTS

FUNDS	BUDGET	ACTUAL	VARIANCE	DETAILS
Special Assessment Funds	\$3,116,605	\$3,116,157	(448)	
Other Funds	\$291,152	\$185,621	(105,531)	Hallidie Plaza Grant (\$25K) lower than budgeted, no master lease activities
Total Funds	\$3,407,757	\$3,301,779	(105,978)	
EXPENSES	BUDGET	ACTUAL	VARIANCE	DETAILS
Clean & Safe	\$2,287,847	\$2,147,933	\$139,914	10B under budget, security cameras capitalized, no evaluations
Marketing, Advocacy & Streetscapes Improvements	\$800,516	\$544,192	\$256,324	Delays or rescheduling of streetscapes & marketing projects
Hallidie Plaza Grant & Master Lease	\$202,918	\$13,764	\$189,154	\$25K Grant received in June 2013 lower than budgeted, no master lease activities
Management & Administration	\$467,716	\$384,154	\$83,562	Less professional support needed, decrease in staffing
Powell Street Project	\$56,400	\$51,434	\$4,966	
Contingency & Reserve	\$313,997	—	\$313,997	No unexpected uses of funds
Total Expenses	\$4,129,394	\$3,141,478	\$987,916	
Net Surplus for 2012-2013 FY		\$160,301		

JULY 2012 - JUNE 2013 STATEMENT OF FINANCIAL POSITION

ASSETS

Cash	\$1,979,167
Receivable (Net)	\$140,188
Other Current Assets	\$13,597
Furniture & Equipment (Net)	\$77,196

Total Assets

\$2,210,148

JULY 2013 - JUNE 2014 BUDGET

INCOME

Assessment Revenue	\$3,188,251	96%
Fundraising & Other	\$136,080	4%
Total Income	\$3,324,331	100%

LIABILITIES & NET ASSETS

Accounts Payable & Accrued Expenses	\$323,640
Unrestricted Net Assets	\$1,793,608
Temporarily Restricted Net Assets	\$92,900
Total Liabilities & Net Assets	\$2,210,148

CARRY OVER FROM FISCAL YEAR 2012 - 2013

CARRY OVER FUNDS

Clean & Safe	\$161,431
Marketing, Advocacy, Streetscapes & Events	\$18,095
Hallidie Plaza Grant	\$25,000
Management & Administration	\$168,989
Other Restricted/Designated Funds	\$136,886
General Fund/Contingency	\$1,376,106
Total Carry Over Funds	\$1,886,508

EXPENSES

Clean & Safe	\$2,423,183	61%
Marketing, Advocacy, Streetscapes & Events	\$622,160	16%
Hallidie Plaza Grant Expenses	\$25,651	1%
Powell Street Promenade Project Expenses	\$56,400	1%
Management & Administration	\$511,179	13%
Contingency & Reserves	\$318,825	8%
Total Expenses	\$3,957,398	100%

INTERACTIONS REPORTED BY MJM MANAGEMENT GROUP

JULY 2012 — JUNE 2013 TOTALS

	JULY 2012	AUG 2012	SEPT 2012	OCT 2012	NOV 2012	DEC 2012	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	Totals
TOURIST & MERCHANT INTERACTIONS													
Directions	502	579	457	454	345	431	529	241	332	651	1175	969	6665
Maps Distributed	219	43	411	223	138	123	297	336	344	668	460	432	3694
Referrals to Shops & Restaurants	82	114	98	79	97	65	68	21	57	90	110	120	1001
Assisted Merchants Directly	231	24	196	311	183	277	305	179	195	232	275	232	2640
Meet & Greets	258	582	519	492	551	525	1074	616	804	1022	954	1038	8435
Totals	1292	1342	1681	1559	1314	1421	2273	1393	1732	2663	2974	2791	22435

PUBLIC ASSISTANCE

Aggressive Panhandlers	353	488	278	259	242	191	202	85	159	208	203	236	2904
Campers, Trespassers & Loiterers	90	234	598	632	642	549	742	385	573	648	677	780	6570
Drunk & Disorderly	35	38	45	47	52	41	85	9	24	62	70	83	591
Illegal Vendors	12	38	11	11	16	45	32	6	0	16	8	13	208
Noise Complaints & Street Musicians	61	82	106	70	37	42	59	22	43	30	46	58	656
Mentally Disturbed	17	30	23	28	24	30	42	28	16	42	51	71	402
Indecent Exposure	0	4	1	1	1	2	0	2	1	2	1	5	20
Demonstrations	11	5	4	3	7	0	4	1	3	1	3	1	43
Totals	579	939	1066	1051	1021	900	1166	538	819	1009	1059	1274	11394

CITY BEAUTIFICATION

Graffiti Removal	318	257	171	181	258	272	279	147	168	159	162	138	2510
Stickers & Flyers Removed	63	20	20	11	29	20	29	36	42	32	30	25	357
Overflowing Trashcans Leveled	303	310	272	208	158	94	64	51	64	95	87	83	1789
Repainted Public Property	23	21	6	15	11	55	12	12	5	0	15	6	181
Cardboard Pickup (Tagger)	59	60	77	28	77	78	65	34	34	33	27	36	608
Sweep Requests	577	539	432	356	430	564	399	267	251	549	690	421	5475
Scrub Requests	401	415	366	244	235	256	290	251	243	230	266	277	3474
Totals	1744	1622	1344	1043	1198	1339	1138	798	807	1098	1277	986	14394

JULY 2012 — JUNE 2013 TOTALS

	JULY 2012	AUG 2012	SEPT 2012	OCT 2012	NOV 2012	DEC 2012	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013	Totals
CONSTRUCTION & DPW ISSUES													
311 Called	31	158	50	32	48	41	59	31	29	31	35	21	566
Shopping Carts	10	4	12	7	10	22	9	4	4	7	11	3	103
Illegal Dumping	29	59	70	40	52	53	102	19	34	59	56	30	603
Safety Hazards & Extreme Vandalism	63	11	20	89	102	97	347	79	82	85	87	95	1157
Construction	5	2	1	3	3	0	4	0	5	7	3	1	34
Cardboard & Pallets (City)	69	60	77	12	0	0	0	0	0	33	28	0	279
Totals	207	294	230	183	215	213	521	133	154	222	220	150	2742

NON-EMERGENCY & EMERGENCY SITUATIONS

Arrests	5	8	5	7	2	1	5	0	3	4	5	5	50
Non-Emergency & 10B Officer	196	38	200	112	115	130	134	77	107	112	155	229	1605
Mobile Assistance Patrol (MAP)	3	4	3	7	8	1	3	1	5	15	6	11	67
911 Calls	7	2	3	9	14	2	2	15	6	19	16	10	105
Fights & Assaults	8	2	5	1	3	1	8	1	6	3	7	6	51
Theft & Shoplifting	6	9	6	4	3	6	6	3	8	5	12	9	77
Vehicular Accidents	4	1	2	1	1	6	11	4	4	0	1	4	39
Fires & Fire Alarms	0	0	5	2	4	7	13	2	4	0	5	2	44
Totals	229	64	229	143	150	154	182	103	143	158	207	276	2038

GRAND TOTALS	4051	4261	4550	3979	3898	4027	5280	2965	3655	5150	5737	5450	53,303
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2013 BOARD OF DIRECTORS

OFFICERS

— PRESIDENT —
RUSSELL D. KEIL, JR. - THE KEIL COMPANIES

— TREASURER —
J. TIMOTHY FALVEY - HANFORD • FREUND & COMPANY

— SECRETARY —
JAMES SANGIACOMO - TRINITY PROPERTIES

DIRECTORS

STEPHEN BRETT - BRETT & COMPANY
KEVIN CARROLL - HOTEL COUNCIL OF SAN FRANCISCO
THOMAS CARROLL - TIFFANY & CO
JAMES CHAPPELL - PLANNING CONSULTANT
JAMES C. FLOOD - FLOOD CORPORATION
SHIRLEY HOWARD-JOHNSON - ENTERTAINMENT & ARTS CONSULTANT
MICHAEL JOKOVICH - GRAND HYATT SAN FRANCISCO
MAN J. KIM - LORI'S DINER INTERNATIONAL
JON KIMBALL - THE WESTIN ST. FRANCIS
ELLEN MAGNIN NEWMAN - ELLEN NEWMAN ASSOCIATES
LOUIS MEUNIER - RETAIL CONSULTANT
TAD MOORE - 250 POST STREET LP
ALAN MORRELL - NEIMAN MARCUS
BETSY NELSON - MACY'S
MAURICE QUILLEN - RECOLOGY
ELLEN RICHARD - A.C.T.
SHELLY SCHEMBRE - WESTFIELD SAN FRANCISCO CENTRE
SPENCER SECHLER - CITY PARK
DON THOMAS - CLUB DONATELLO HOMEOWNERS
WES TYLER - CHANCELLOR HOTEL ON UNION SQUARE

ADVISORY COMMITTEE CHAIRS

— AUDIT —
LOUIS MEUNIER - RETAIL CONSULTANT

— FINANCE —
J. TIMOTHY FALVEY - HANFORD • FREUND & COMPANY

— MARKETING & COMMUNICATIONS —
TODD SOTKIEWICZ - MCEVOY MEDIA / 7 X 7, CALIFORNIA HOME + DESIGN

— PUBLIC AFFAIRS & ADVOCACY —
STEPHEN BRETT - BRETT & COMPANY

— SERVICES & PUBLIC SAFETY —
WES TYLER - CHANCELLOR HOTEL ON UNION SQUARE

—STREETSCAPES & BEAUTIFICATION —
MANUELA ANNE KING - ROYSTON, HANAMOTO, ALLEY & ABEY

2013 MANAGEMENT

— EXECUTIVE DIRECTOR —
KARIN FLOOD

— MARKETING & COMMUNICATIONS MANAGER —
JEANI HUNT-GIBBON

— STREETSCAPES & SERVICES PROJECT MANAGER —
CLAUDE IMBAULT

— EXECUTIVE ASSISTANT & PROJECT COORDINATOR —
CALLY HARDY

— CONTRACT FINANCE MANAGER —
BENJAMIN W. HORNE

— 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

STEAM CLEANING
All properties - twice monthly

SIDEWALK SWEEPING & 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
To represent district on clean, safe, quality of life and business issues

STREETSCAPES & BEAUTIFICATION
To revitalize the urban environment throughout the district



UNION SQUARE BUSINESS IMPROVEMENT DISTRICT

(Please note new suite number as of October 1, 2013)

323 GEARY STREET, SUITE 203 SAN FRANCISCO, CA 94102

TEL (415) 781-7880 FAX (415) 781-0258 FOR DISPATCH SERVICES CALL (415) 781-4456

VISITUNIONSQUARESF.COM