

File No. 220864

Committee Item No. 1

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: February 2, 2023

Board of Supervisors Meeting:

Date: \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU - FY2022-2024 - Clean                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU - FY2022-2024 - Redline                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract / DRAFT Mills Act Agreement         |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

- |                                     |                          |                                     |
|-------------------------------------|--------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>USBID Annual Rpt FY2020-2021</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Financial Statements 062021</u>  |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>OEWD Memo 070622</u>             |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                               |
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Prepared by: Stephanie Cabrera

Date: January 26, 2023

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

**UNION  
SQUARE**  
ALLIANCE



2020-21  
**Annual Report**



# Union Square has a rich history of rebirth and renewal.

**O**n behalf of the Union Square Alliance (our new organizational name!) and our Board of Directors, we are pleased to present this Annual Report to Union Square Alliance members, stakeholders, and the City and County of San Francisco. This report highlights our major accomplishments and financial performance from July 2020 to June 2021. We welcome your feedback, encourage you to join our efforts, and to visit the district to meet our team members.

While Covid-19 affected our normal way of doing things, the essential services we provide continued: cleaning, safety, marketing, and advocacy. Union Square Alliance staff returned to our district office in June 2020 on a part-time basis, with a full-time return June 1, 2021 after all of our administrative staff had been fully vaccinated. Throughout this pandemic, many retail and restaurant businesses remained open in our district, with reduced capacity and adherence to all city and state health department mandates.

Despite the Covid-19 pandemic we launched a number of new initiatives which are outlined in further detail in this report. We are now providing clean and safe services to Union Square Park which will allow for a more seamless experience throughout the Union Square area. In partnership with the City, safety in the district has been enhanced in a multitude of ways; with the launch of the SFPD retired Ambassador Program in November 2021, and two additional Alliance Ambassadors at night. We also organized an Economic Recovery Task Force in the fall of 2020 to develop a strategy with our stakeholders to encourage visitors and boost business at Union Square.

The renewed Stay-at-Home order in December put a damper on the holiday season for most retailers, but the Union Square district was a safe outdoor destination for those seeking festive holiday décor and shopping. Moving through the Spring, visitor traffic picked up notably around Spring Break, in pace with the ramping up of Covid-19 vaccination distribution throughout the country. And events returned to the District in the Spring with John's Grill hosting several events on Ellis Street in partnership with Smuin Ballet, and musical performances returned to Union Square Park in May.

Looking ahead to our next fiscal year 2021-22, we are excited to continue the development and roll-out of new district branding with refreshed uniforms for our clean and safe team, updated branding on their vehicles, and a refreshed website [www.visitunionsquaresf.com](http://www.visitunionsquaresf.com). In addition to completing our brand refresh, we are excited to partner with the City to make physical improvements to Hallidie Plaza, an important and underutilized gateway to the district.

The Union Square Alliance will continue to be a conduit for economic vitality, community dialogue and neighborhood vibrancy, leading the way on economic recovery and revitalization of Union Square through the post-pandemic world. We are proud of what we have achieved together this past year considering the worldwide pandemic; we invite you to support our efforts to create a best-in-class visitor experience in Union Square for all to enjoy.

**Mark Purdy**  
Board President

**Karin Flood**  
Executive Director



# Services

The Union Square Alliance provides the following services: Cleaning and Safety Services, Public Realm & Streetscapes, District Marketing, and Advocacy. Between July 2020 and June 2021, the Union Square Alliance implemented the following new programs:



# Cleaning & Safety Services



## 24/7 Member Services

Relaunched 24/7 Member Services with our in-house team. Added new District360 district management software to link Clean & Safe data and metrics to our property owner database in Salesforce.

## Legion Security and Patrol Vehicle

Added a private security shift for the Saturday music events, in addition to the existing 10 p.m. to 6 a.m. daily patrol.

## Union Square Park

Began providing Clean and Safe services to Union Square Park, including daytime attendants and cleaners, pressure washing, and Safety Ambassadors.

## SF Police Department Ambassador Program

Retired officers were hired by the city as Ambassadors to provide additional safety and a welcoming presence to the district. The Ambassadors work in pairs, with the Union Square Alliance Member Services team.

## Additional Cameras

Thirty-eight additional cameras were installed, bringing the total number of cameras in the district to 430. The Union Square Alliance thanks the Chris Larsen Fund, an advised fund of the Silicon Valley Community Foundation, for continued funding of this program.

## Additional Safety and Security Staffing

Added 2 safety ambassadors to our overnight security program.



# District Marketing



## District Rebranding

Embarked on a comprehensive rebranding project intended to elevate Union Square's identity and place within the greater community as an organization, an international destination, and a central gathering place for all.

## Music Series in Union Square Park

Brought music programming back to Union Square Park with a Saturday event series beginning in May.

## Social Media Strategy

Developed a new social media marketing strategy with a consumer focus, featuring curated content on the best places to shop, dine, and play in the Union Square area.

Since the strategy was put in place, pacing of posts on consumer facing channels ranges from 3 to 5 times per week, 65 businesses within the district have been featured in these posts, and follower engagements have increased substantially.

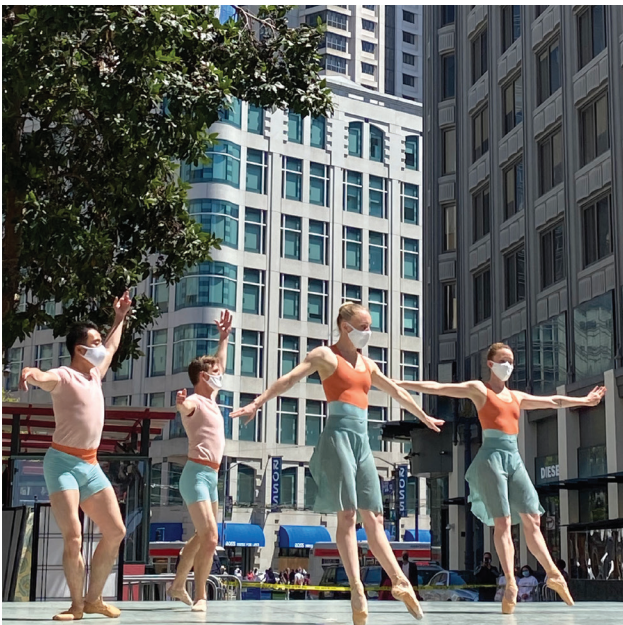
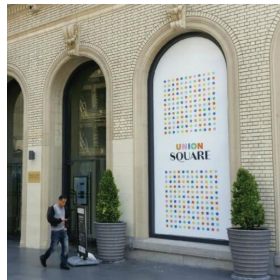
## Social Media Stats

As of June 30, Union Square has nearly 85,000 followers:

Instagram @unionsquaresf: 4,939  
Facebook @unionssquaresf: 74,952  
Twitter @unionsquaresf: 4,687  
LinkedIn @unionsquaresf: 373

## Ellis Shared Streets

Partnered with John's Grill to bring the Shared Streets Program to Union Square, offering live entertainment and programming in the street on Sundays.









# Public Realm & Streetscapes



## Mural Project and Art Walk

Collaborated with Paint the Void to bring colorful murals painted by local artists to Union Square.

## Flowers Baskets and Landscaping on Powell Street Promenade

Seasonally refreshed hanging flowers baskets throughout the district and replanted sections of the Powell Street Promenade to withstand a harsh urban environment.

## Branding Refresh including Physical Realm Elements and Signage

Brought the new brand to life by designing and installing vacant storefront signage, new banners, and Bigbelly wraps.

## Maiden Lane Gate Repair and New Furniture

Improved the Maiden Lane daily street closure with new furnishings and repaired the gate to provide a more welcoming entrance for visitors.

## Holiday Lighting

Enhanced decorative holiday lighting with projected snowflakes on buildings surrounding Union Square; continued lighting trees in Union Square Park, near Cable Car turnaround, and Maiden Lane.

## Hallidie Plaza

Began work with the City to clean up, refresh and activate Hallidie Plaza with a series of colorful improvements including a mural, café tables and seating, signage and wayfinding banners, planters and landscaping features.

# Advocacy



## Covid-19 Efforts and Economic Recovery

While we continued to provide essential services to the community on a daily basis, we addressed the economic crisis created by the pandemic through the Union Square Gives Back program, buying meals from Union Square restaurants for first responders and essential workers.

## Cable Car Return

Our historic and iconic Cable Cars were out of service for 17 months during the pandemic and returned August 2021; the return was due in part to our tireless advocacy for their return to service, serving on a working group comprised of SFMTA staff and private sector stakeholders.

## Launch of the SFPD Ambassador Program

Our ongoing advocacy around the necessity of an additional safety presence in Union Square led to Mayor London Breed and the San Francisco Police Department launching a new SFPD Community Ambassador program in the district in November 2020. Comprised of civilian retired police officers chosen for their training and experience in community engagement, SFPD's Community Ambassadors offer visitors and merchants knowledgeable assistance and coordination with city services, crisis intervention and de-escalation, healthy streets operations, and medical interventions.

## Hallidie Plaza Revitalization

After years of advocating for an improved experience at one of the main gateways to the district, the City moved forward to invest significant resources in short-term cosmetic and long-term revitalization efforts at Hallidie Plaza. In addition to funding, the City assembled a team of representatives from various City Departments and led by OEWD to enact these improvements.

# Union Square Economic Recovery Task Force



In the fall of 2020, the Union Square Alliance convened an Economic Recovery Task Force, comprised of members and key public and private sector partners, to assist with the development of near-term economic recovery strategies and actions for the District and its stakeholders.

Led by Chris Beynon of MIG (Moore Iacofano Goltsman, Inc.), the Task Force held a series of meetings in the Fall 2020 and Spring 2021. A series of tactics intended to spur revitalization efforts were developed from these round table meetings.

The Task Force agreed that activating Union Square Park with a variety of near-term strategies—ranging from large-scale formal events to smaller pop-up activities—is the most critical path to attract visitors, cultivate a sense of destination, and re-invigorate the Union Square District's economy.

The recommendations coming out of the task force include:

- Activate Union Square Park with a Regular Events Series.
- Activate other Streets, Alleys and Key Gateways.
- Install Murals, Art and Signage throughout this District.
- Celebrate the Holidays; Enhance Holiday Lighting.
- Support Restaurant, Bars, and Entertainment through Marketing and Events.

Many of these recommendations have been implemented and with California's economy now fully reopened and tourists making their way back to Union Square,  
**we are on the road to recovery.**

# Cleaning

by the Numbers



---

**385,850**

Pounds of trash  
removed from street

---

**18,634**

Hazardous Waste  
Removed

---

**22,709**

Graffiti Tags  
Removed

---

**5,673**

Cleaning Requests  
Received

---

**925,700**

Feet of Block Fronts  
Pressure Washed

---

**6,343**

Overflowing  
Cans Leveled

# Safety

by the Numbers



---

43,075

Quality of Life  
Incidents Addressed

---

16,329

Incidents Addressed  
by 10B Officers

---

610

Video Footage  
Requests

---

299

Public Safety  
Request Received

---

8,345

Incidents Addressed  
by Private Security

---

38

Additional  
Cameras Installed





# Video Surveillance System Usage Policy & Procedures

Enacted by the USBID Board of Directors on November 21, 2019  
Effective January 1, 2020

## I. Purpose of System

The purpose of the Union Square Business Improvement District ("USBID") video surveillance system is to help make the USBID safer for visitors, residents, and employees by providing surveillance of key public space areas in an attempt to reduce crime and criminal activity. The primary purpose of the system is to allow for after-the-fact investigation of crimes committed within the public space or when the perpetrator has fled into the public space.

This document outlines the general policies and procedures for usage of the system.

## II. Change of Usage Policy Terms

The USBID Board of Directors reserves the right to modify or change these policies at any time.

## III. Basic System Information

A. Cameras are currently installed around the public spaces (sidewalks, plazas, parks, alleys) within the Union Square Business Improvement District boundaries. These cameras overlook the public spaces. In the future, additional cameras may be added to other public spaces in the district.

B. The following signage (or signage similar in nature) may be posted in or near areas that are under surveillance (with property owner approval) to inform the public that they may be recorded.

"THIS AREA MAY BE SUBJECT TO VIDEO RECORDING"

C. Cameras are not used to specifically protect private properties within the district and are not located around areas where the public might have an expectation of privacy (e.g., public restrooms). The USBID will not use covert cameras or "bummy" or "fake" cameras. The Union Square BID also does not record any sounds or voices.

1

Enacted by the USBID Board of Directors on November 21, 2019

D. USBID Member Services ("Member Services") operates the USBID Security Camera Program 24/7. Member Services is operated by the USBID or its designees. Block by Block ("BxB"), at 323 Geary Street, Suite 318, San Francisco, California 94102. USBID Member Services Representatives on duty are responsible for checking all cameras daily for functionality and for handling all video requests received. USBID Member Services Representatives may monitor the live feed from time to time and have ability to control some of the cameras.

From 10pm to 6am daily, the USBID operates the USBID Live Overnight Monitoring Program ("the overnight monitoring"). USBID Member Services Representatives on duty will monitor the live security cameras feeds and communicate with USBID Clearing Ambassadors and Overnight Security Teams on duty. Software may be used to assist live overnight monitoring.

E. Facial recognition technology will not be used in the system.

F. The general public (visitors) and USBID members should be aware that a USBID Member Services Representative is not watching the cameras most of the time and they should not have an expectation that they are under continuous surveillance when they are within the range of a camera. For example, if a visitor to the area or a USBID member has a crime committed against them, they should not expect someone necessarily to come to their rescue because they are in front of a camera and they should call 911 (emergency) or the SFPD immediately.

G. The general public, USBID members, and visitors should also be aware that the video surveillance system has limited coverage of the public space within the USBID and even when camera coverage exists, it may not provide the level of detail necessary to identify suspicious activity or criminals.

H. The system is managed by the USBID and its contractors, Applied Video Solutions, Inc. ("AVS") and BXB.

## IV. General Principles and Policies

A. The purpose of video surveillance and monitoring under this policy is to deter crime, assist in protecting the safety and property of persons and businesses within the district, and apprehending persons who have committed criminal activities. The use of the video surveillance and monitoring technologies for other purposes inconsistent with those identified in this policy are prohibited.

B. Video surveillance and monitoring for the purposes identified in this policy will be conducted in a professional, ethical, and legal manner.

C. Video surveillance and monitoring for the purposes identified in this policy will be conducted in a manner that does not violate reasonable expectation of privacy as defined by law.

D. To maintain an informed public community and to further this policy's goals of reducing crime and criminal activity in the district, video footage may be released from time to time, including to appropriate public safety agencies, at the discretion of the USBID to ensure that this policy's goals are continuously being met.

2

Enacted by the USBID Board of Directors on November 21, 2019

E. System Users, as defined in Section VII, will operate the system in a manner that relies on suspicious behavior or reports of specific incidents or threats, and not individual characteristics, including race, gender, ethnicity, sexual orientation, or disability.

F. System Users will not seek out or continuously view private offices, living areas, private spaces, or places of public accommodation not otherwise visible without technological assistance.

G. System Users will not seek out or continuously view people being intimate in public areas.

H. All recorded and archived video images, clips, or footage, including those referenced under Sections V.D. and V.G., are subject to all the same policies set forth under this Section IV.

I. The USBID will conduct a semi-annual review, with its contractor, AVS, of all video monitoring activities over the six months prior to the commencement of the audit. The activities to be reviewed will include compliance with the video retention policy, compliance with video request protocol and documentation, and review of authorized uses of all video/still images exported (including date/time of request and user name).

## V. Policy for Requests for Video Surveillance, Video Footage Review, and Copies of Records

All video surveillance cameras are being recorded continuously by a digital video recording system (Analog Network Video Recorder (NVR)). Recorded video is used exclusively for the investigation of security and safety-related incidents and not for other purposes. The USBID and its designees, AVS and BXB, are responsible for the management of the video surveillance system and have exclusive control of the release of the video recordings produced by this system.

A. Recorded video will be made directly available to the general public only to the extent required by law. The USBID will also comply with all provisions in its contract with the City and County of San Francisco related to USBID records. In the event of crime or security incident in the area where video surveillance coverage may be available, individuals should report the crime to the SFPD. The SFPD can then request the appropriate video from USBID Member Services. If relevant video is available, a video clip of the incident may be produced and made available to the SFPD (or other law enforcement agency) in accordance with the policies set forth herein. All requests for video recordings by law enforcement agencies shall be coordinated by USBID Member Services, BXB, and/or AVS and the correct form submitted to the USBID Member Services located at 323 Geary Street, Suite 318, San Francisco, CA (as outlined below). The USBID and its designees will cooperate fully with all court orders or subpoenas for video recordings. The USBID, BXB and AVS are not crime investigators and may not provide video or conduct searches for general non-specific inquiries. Video recordings will be provided in response to requests reasonably describing the desired recordings in accordance with the process provided under Section VI. AVS will assist and support USBID/BXB with requests for large amount of video recordings (more than 2 hours) or other complex requests in accordance with the terms and procedures of this usage policy. All other requests will be processed by BXB and the Member Services staff accordingly.

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Enacted by the USBID Board of Directors on November 21, 2019

B. All requests for real-time video surveillance, review of recorded video footage, and/or copies of recorded video footage will generally be evaluated in accordance with the following policies:

	Public Records Act Request	Request by Law Enforcement Agencies
Request to Observe Real Time Video Surveillance	Restricted and not subject to requirements set forth by the California Public Records Act.	Will be evaluated on a case-by-case basis.
Request to View Stored Recorded Video Footage and/or for Copies of Recorded Video Footage	Will be evaluated subject to requirements set forth by the California Public Records Act.	Will be evaluated subject to requirements set forth by the California Public Records Act.

C. Like other requests by the public, media requests for video records will be evaluated on a case-by-case basis and subject to the requirements of the Public Records Act. The requester will generally receive a response within 10 calendar days. The USBID may withhold the requested video records if the public's interest in disclosure is outweighed by the public's interest in non-disclosure, including certain instances when releasing the video records would compromise a police investigation.

D. Recorded video is generally stored for a period of 30 days. On the 31<sup>st</sup> day, recorded video footage is generally deleted, erased, or destroyed unless a copy has been made in accordance with a request related to a security or safety incident. Any video associated with a specific security incident or event is generally converted into a permanent video clip and stored for one year. Video clips that could become evidence in a civil or criminal proceeding may be retained until the conclusion of legal proceedings.

## VI. Procedure for Requests for Video Surveillance, Video Footage Review, and Copies of Records

A. This USBID policy does not guarantee provision of records upon request.

B. All internal and external requests for footage review and copies of records are to be documented using the USBID Request for Video Retrieval Form, attached as Exhibit B. The form is also to be used to document progress of the video retrieval process and is designed to help measure and improve system performance and operating procedures.

C. Video requests should be submitted to USBID Member Services located at 323 Geary Street, Suite 318, San Francisco, CA 94102 to the USBID Member Services Representative on duty during normal business hours, from 9:00 a.m. -- 5:30 p.m. Monday-Friday, via email at [VideoRequests@UnionSquareBID.org](mailto:VideoRequests@UnionSquareBID.org), or by phone at (415) 781-7880. The USBID or its designees will typically provide the video or respond to the request within 10 calendar days. When the video request is completed, all video footage must be picked up at the USBID office at 323 Geary, Suite 203, San Francisco, CA 94102.

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Enacted by the USBID Board of Directors on November 21, 2019

D. USBID staff or its designees will provide assistance to persons making Public Records Act requests as required by law, and may fill in and submit the Request for Video Retrieval Form (Exhibit B) if the person does not wish to do so. Although preferable, the Request for Video Retrieval Form need not be fully completed in order to initiate the request. USBID shall respond to all requests for footage review and copies of records in the timeframes required by applicable laws and regulations.

E. All video footage review is to be carried out by and/or under direct supervision of authorized System User(s).

F. All copies of video records are to be made by authorized System User(s) only.

G. Copies of all video records and images are to be made on USBID or BXB premises only. Copies of all video records and images provided are to be retained by USBID (or its designees) on premises for period of one year. USBID (or its designees) may retain a copy of any video record or image provided to a third party beyond one year or until all legal proceedings are concluded.

H. Copies of all request forms may be retained by USBID or their designees.

I. The USBID reserves the right to assess fees for requests for recorded video footage, including personnel costs for conducting a search for recorded video footage and/or images, and the actual costs of CDs, DVDs, or other media devices.

## VII. Authorized System Users

### A. System Users

I. System Users are defined as those individuals and groups of individuals who have been authorized to have direct or remote access to live and/or archived video footage captured by USBID cameras. Attached as Exhibit A is a User Rights Groups chart, identifying the four main user groups and each group's access rights within the system.

II. All System Users are to have their own unique login name and password. All credentials are to be kept securely on file by USBID or its designees.

### B. System Administrators

System Administrators possess full administrative rights in the system permitting performance of any system function including all authorized System User functions. System Administrators have access to system settings and are able to add, modify, and delete System Users. System Administrator passwords are to be kept separately from the System Users credentials.

### C. Individuals Authorized to Request Technical Support

All individuals who are authorized to request technical support assistance (all System Users) must attend user training and follow standard service request protocol per terms of support.

### D. Real Time Video Viewing and Monitoring

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Enacted by the USBID Board of Directors on November 21, 2019

I. All System Users are to use their own personal username/password when accessing video surveillance system and it is their responsibility to protect their username/password and not to share it with other individuals.

II. USBID Member Services users are to login at the beginning of their monitoring session and log out at the end of the session.

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Enacted by the USBID Board of Directors on November 21, 2019

## EXHIBIT A

### User Rights Groups

Group	Group Rights	User Description
Group A	Live Video Access Archive Video Access Video and Still Export of Recorded Footage PTZ Control Camera setup, naming and image control	Applied Video Solutions designees as system administrators USBID Director of Services
Group B	Live Video Access Remote Access to Live Video Archive Video Access On-Site Only Video Export On-Site Only PTZ Control Only	USBID Member Services Authorized System Users (Member Services Representatives) USBID Executive Staff (Executive Director & Deputy Director) BIB Director of Operations and BIB Operations Supervisor
Group C	Live Video Access Remote Access to Live Video	USBID Executive Staff USBID Services Committee Chair
Group D	Remote Mobile Access	Determined on case-by-case basis and limited to the individuals listed in other groups with approval of Executive Director of the USBID.
Group E	Live Video On-Site Access Live Video Remote Access Recorded Video Access	Designee of property owner where cameras are located. Designee of tenant (where applicable) where cameras are located.

7

Enacted by the USBID Board of Directors on November 21, 2019

## EXHIBIT B

### Union Square Business Improvement District Request for Video Retrieval Form

REQUESTOR PROVIDED INFORMATION	
Requestor Name	
Company/Organization	
Daytime Phone Number	
Date and Time of Video Requested	
Location and/or Cameras Requested	
CASE/FILE # (if applicable)	
Footage Retrieval Method (Flash drive issued, other, etc.)	
Print Name	
Requestor signature verifying information provided above is correct	
USBID STAFF USE ONLY	
Camera(s) Exported (If's)	
Export Start Date/Time ACTUAL	
Export End Date/Time ACTUAL	
Name of Authorized System User	
Video export procedure successful [Y/N]	
Time expended on THIS search/export:	
Copy of video footage archived	
Date	Time Submitted

8

Enacted by the USBID Board of Directors on November 21, 2019

Date	Time USBID Received
Date	Time USBID Completed
Date	Time retrieved from USBID
Quick Notes:	

9

Enacted by the USBID Board of Directors on November 21, 2019

LEFT

# Alliance Security Camera Program Policy

BELOW

## Alliance Surveillance Technology Report



### Surveillance Technology Report September 1, 2021

1. A list of the Surveillance Technology that the district either owns or licenses for ongoing use:

*Avigilon and Axis cameras and ACC 7 software.*

2. A brief description of those technologies:

*Avigilon H4 Multi-sensor camera and Avigilon H5A Camera line combines Avigilon self-learning video analytics with exceptional coverage, featuring up to 4 individually configurable camera sensors that can be positioned to monitor virtually any area.*

3. The names of all organizations or individuals who accessed information from the surveillance technology

*Names of individual crime victims requesting to access surveillance technology are not listed due to privacy, associational and safety concerns and interests.*

167 Powell LP	Kering Americas, Inc.
420 Taylor St	L Brands (Victoria's Secret)
Apple	Law Office of Nikolaus W. Reed
Arc'teryx	Law Offices of Leonard S. Becker, APC
Bank of America	Lids
Block by Block	Litchmann & Company
Bottega Veneta	Louis Vuitton
Bulgari	Macy's
Burberry	Oakley
Bush St Apartments	Old Navy
CB2	Progressive
Chancellor Hotel	Pure 710 SF, Inc.
Citizen	Saint Laurent
CK Contemporary	Saks Fifth Ave
Colliers International	Salvatore Ferragamo
Colma City Police Department	San Francisco District Attorney
Cushman & Wakefield	San Francisco Downtown Hostel
Department of Police Accountability	San Francisco Police Department
Diesel	San Francisco Public Defender's Office
Farmers Insurance	San Francisco Recreation and Parks
Fendi	Sephora
Gap	Sunglass Hut

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Geico	Taj Campton Place
Goyard	The Club Donatello
Handlery Hotels	Union Square Alliance
Hermes	Union Square Flowers
Hilton Hotel	Uniqlo
Iron Horse Cocktails	Uomo San Francisco
Johnny Foley's	Varlow LLC
Journey's	VSA Investments, LLC

4. The purpose for the use of any Surveillance Technology:

*The purpose of the Union Square Business Improvement District ("USBID") video surveillance system is to help make the district safer for visitors, residents, and employees by providing surveillance of key public space areas in an attempt to reduce crime and criminal activity. The primary purpose of the system is to allow for after-the-fact investigation of crimes committed within the public space or when the perpetrator has fled into the public space.*

5. All policies, internal or otherwise, that the organization has regarding the surveillance technology and access to outside organizations or individuals:

*Union Square BID Video Surveillance System Usage Policy & Procedures attached.*

291 Geary Street, Suite 200, San Francisco, CA 94102 • 415-781-7880 • [visitionsquaresf.com](http://visitionsquaresf.com)

Security Camera Policy available for download at [www.visitionsquaresf.com/security-camera-project](http://www.visitionsquaresf.com/security-camera-project) or you can request a copy at [info@unionsquarealliance.com](mailto:info@unionsquarealliance.com)



# Assessments & Financials



# Property Assessment Calculations

## Property Assessment Method

The levy and collection of annual assessments upon property within the Union Square area provides the primary funding source for the improvements, maintenance, and activities carried out by the Union Square Alliance (aka Union Square Business Improvement District). 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
- Lot square footage
- Building square footage
- Type of land use

Each property owner's assessment is calculated according to the special benefit received from the services provided by the Union Square Alliance. Accordingly, each property is assessed with their proportional special benefit based upon the various property characteristics and land use type compared to other properties within the district.

In addition to parcel characteristics and land use types, two zones were implemented within the boundary of the Union Square Alliance since November 2019. The following charts provide a summary of the assessment rate calculations for both **Zone 1** and **Zone 2**. For more information on assessment calculations, please refer to the Union Square Alliance Management Plan.

## 21-22 Assessment Rates

### Zone 1

LAND USE TYPE	RATE/	LOT SQ FT	BUILDING SQ FT	FRONTAGE SQ FT
Non-Residential Property	\$	0.45914	\$ 0.06751	\$ 132.45921
Apartment Property	\$	0.34435	\$ 0.05063	\$ 99.34441
Condominium Property	\$	0.22957	\$ 0.03376	\$ 66.22961
Public Property	\$	0.22957	\$ 0.03376	\$ 66.22961

### Zone 2

LAND USE TYPE	RATE/	LOT SQ FT	BUILDING SQ FT	FRONTAGE SQ FT
Non-Residential Property	\$	0.36731	\$ 0.05401	\$ 105.96737
Apartment Property	\$	0.27548	\$ 0.04051	\$ 79.47553
Condominium Property	\$	0.18365	\$ 0.02700	\$ 52.98369
Public Property	\$	0.18365	\$ 0.02700	\$ 52.98369

## July 2020 - June 2021 Statement of Financial Position

### Assets

Cash	\$	2,460,574
Receivables (Net)	\$	197,809
Other Current Assets	\$	165,146
Furniture & Equipment (Net)	\$	439,497
<b>Total Assets</b>	<b>\$</b>	<b>3,263,027</b>

### Liabilities & Net Assets

<b>LIABILITIES</b>		
Accounts Payable & Accrued Expenses	\$	723,379
Deferred Revenue	\$	3,000
Deferred Rent	\$	11,730
Notes Payable (PPP Loan and EIDL)	\$	300,629
<b>Total Liabilities</b>	<b>\$</b>	<b>1,038,738</b>
<b>NET ASSETS</b>		
Without Donor Restrictions	\$	2,224,289
With Donor Restrictions	\$	-
<b>Total Net Assets</b>	<b>\$</b>	<b>2,224,289</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$</b>	<b>3,263,027</b>

## Management Plan Budget

SERVICE CATEGORY	DOLLAR AMOUNT	PERCENTAGE
Clean & Safe	\$ 4,868,481	74.20%
Public Realm, Marketing Events & Advocacy	\$ 754,601	11.50%
Management & Administration	\$ 937,908	14.30%
<b>Total</b>	<b>\$ 6,560,990</b>	<b>100.00%</b>
Assessment Revenue	\$ 6,036,111	92.00%
Non-Assessment Revenue	\$ 524,879	8.00%
<b>Total</b>	<b>\$ 6,560,990</b>	<b>100.00%</b>



## FY 2020-21 Budget

### Dollar Amounts

SERVICE CATEGORY	ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean & Safe	\$ 4,941,336	\$ 207,156	\$ 5,148,492
Public Realm, Marketing Events & Advocacy	\$ 818,289	\$ 95,000	\$ 913,289
Management & Administration	\$ 874,421	\$ 76,182	\$ 950,603
<b>Total</b>	<b>\$ 6,634,046</b>	<b>\$ 378,338</b>	<b>\$ 7,012,384</b>

### Percentages

SERVICE CATEGORY	ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean & Safe	74%	55%	73%
Public Realm, Marketing Events & Advocacy	13%	25%	13%
Management & Administration	13%	20%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## FY 2020-21 Actuals

### Dollar Amounts

SERVICE CATEGORY	ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean & Safe	\$ 4,703,322	\$ 463,050	\$ 5,166,372
Public Realm, Marketing Events & Advocacy	\$ 883,723	\$ 80,673	\$ 964,396
Management & Administration	\$ 831,065	\$ 76,198	\$ 907,263
<b>Total</b>	<b>\$ 6,418,110</b>	<b>\$ 619,921</b>	<b>\$ 7,038,031.00</b>

### Percentages

SERVICE CATEGORY	ASSESSMENT	NON-ASSESSMENT	TOTAL
Clean & Safe	73%	75%	73%
Public Realm, Marketing Events & Advocacy	14%	13%	14%
Management & Administration	13%	12%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Audited financial statement available upon request

## FY 20-21 Revenue Sources

ASSESSMENTS	FY 20-21 ACTUALS	% OF ACTUALS
FY Assessment Revenue	\$ 6,019,719	100%
Penalties	\$ 1,299	0%
Redemption + Redemption Penalties	\$ 1,474	0%
<b>Total Assessment (Special Benefit) Revenue</b>	<b>\$ 6,022,492</b>	<b>100.00%</b>
NON-ASSESSMENTS		
Contributions and Sponsorships	\$ 38,787	0.56%
Grants	\$ 56,886	0.81%
Donations	\$ -	0.00%
Interest Earned	\$ 899	0.01%
Earned Revenue	\$ 379,434	5.43%
Other (In-Kind & Misc - includes PPP forgiveness)	\$ 484,281	6.94%
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$ 960,287</b>	<b>13.75%</b>
<b>Total</b>	<b>\$ 6,982,779</b>	<b>100.00%</b>

## FY 20-21 Carry Forward

FY 20-21 ASSESSMENT CARRY FORWARD DISBURSEMENT	DOLLAR AMOUNT	SPENDOWN TIMELINE
Clean & Safe	\$ 608,638	July-August 2021
Public Realm, Marketing Events, & Advocacy	\$ -	-
Management & Administration	\$ 49,822	July-August 2021
General Fund	\$ 1,549,695	July-October 2021
<b>Special Assessment Total</b>	<b>\$ 2,208,155</b>	
FY 20-21 NON-ASSESSMENT CARRY FORWARD DISBURSEMENT		
Non-Assessment Advocacy	\$ 16,134	Unknown
<b>Total Non-Assessment (General Benefit) Revenue</b>	<b>\$ 16,134</b>	

## FY 20-21 Donors \$1,000 and Over

The Union Square Alliance (the “Alliance”) disputes that the City may require the Alliance, a private nonprofit organization, to disclose its donors publicly and/or to the City with this Annual Report and that the Alliance has any obligation to do so. Nevertheless, in the spirit of cooperation, the Alliance is voluntarily submitting the names of its donors of over \$1,000.00 within the past reporting period:

DONOR NAME & ADDRESS	DATE OF DONATION	TOTAL AMOUNT OF DONATION WITHIN REPORTING PERIOD	GIFT	ESTIMATED VALUE OF GIFT	IDENTIFIED RESTRICTED USES	FINANCIAL INTEREST OF DONOR
420 Taylor Ventures, LLC	10/07/20	\$ 9,249	0	-	0	Property owner in District
Katz & Associates Civic Edge Consulting	01/01/21	\$ 6,000	0	-	0	Consultant for MTA for Geary Improvement Project
<b>Total</b>		<b>\$ 15,249</b>				

Please note, however, that this voluntary disclosure should in no way be considered to be an admission as to the enforceability of the City's donor disclosure requirement, an agreement to disclose other donors (future or otherwise) or related information, or a waiver of any rights or claims.

# Our Partners, Board Members & Staff



## Union Square Alliance Subcontractors

### Allbay Landscaping

Responsible for maintaining landscaping on Powell Street Promenade and hanging baskets on Powell and Stockton Streets and Maiden Lane

### Applied Video Solutions (AVS)

Installs/maintains security camera network.

### Bigbelly

Produces, installs, and services 37 smart trash receptacles in the area.

### Block by Block

Provides Union Square Alliance core services, including but not limited to cleaning, safety, pressure washing, and Member Services dispatch prior to being brought in-house.

### The Christmas Light Pros of SF

Oversees holiday lighting design, implementation, and maintenance on lighting display and trees in Union Square Park and trees on Powell Street.

### Cube 84

Salesforce consultants provide managed services and built our customized database (District 360) to track status of service calls.

### David Perry & Associates, Inc.

Provides strategic communication and public relations support.

### District Works

Provide supplemental staffing to support special projects and public realm improvements for business improvement districts including installation, maintenance, and repairs.

### J2

Branding firm that is leading the brand refresh project including initial research and findings

### Legion Security

Provides overnight security services.

### SFPD 10B Program

Provides uniformed police officers 20 hours daily.

### Wiline

Provides high speed internet services to support security camera network.

### We are the Kind

Music and event producers organize music performances in Union Square Park and other parts of the district.

## Union Square Alliance Staff

### Karin Flood

Executive Director

### Benjamin Horne

Deputy Director

### Chris Boss

Director of Services

### Lisa Frisch

Director of Marketing & Events

### Joshua Chan

Senior Project Coordinator

### Zarrina Yousufzai

Administrative Coordinator

### Karen Gagarin

Member Services Lead

### Eva Schouten

Intern

### Kelvin Burt

Member Services Representative

### Rachel Lewis

Member Services Representative

### Brittany Mitchell

Member Services Representative

### Jasmine Montgomery-Allen

Member Services Representative

## Board Officers

### Mark Purdy

PRESIDENT

Senior VP & GM  
Grosvenor Americas

### Don R. Thomas

VICE PRESIDENT

Board of Directors  
Club Donatello

### Corinna Luebke

SECRETARY

General Manager  
Taj Campton Place

### Julie Taylor

TREASURER

Executive VP  
Colliers International

## Board of Directors

### Mark Sullivan

VP, Market General  
Manager  
Neiman Marcus

### Judith Shahvar

Assistant General Manager  
Westfield San Francisco  
Centre

### Cammy Blackstone

Director - External Affairs  
AT&T

### Stephen Brett

Principal  
Brett & Company

### Jordan Buckley

VP of Operations  
Paramount Hotels, Inc.

### Erik Murray

Managing Partner  
Oak Investment Funds

### J. Timothy Falvey

Hanford-Freund Company

### Phil Ginsburg

General Manager  
SF Recreation & Parks

### Shirley

### Howard-Johnson

Arts Consultant

### Evan J. Kaizer

President & CEO  
Sieroty Company Inc.

### Russell D. Keil, Jr.

Principal  
The Keil Companies

### David Lewin

General Manager  
Grand Hyatt

### Terry Lewis

Complex General Manager  
Hilton SF Union Square  
& Parc 55 San Francisco

### Corinna Luebke

General Manager  
Taj Campton Place

### Marcus Mirt

Senior Operations Manager  
Recology Golden Gate

### Maxine A. Papadakis, MD

150 Powell St HOA

### Michael G. Petricca

VP of Campus Safety  
Academy of Art University

### Kelly Powers

Director  
Hotel Council of San  
Francisco

### Mark Purdy

Senior VP & GM  
Grosvenor Americas

### James Sangiacomo

Principal  
Trinity Properties

### Julie Taylor

Executive VP  
Colliers International

### Don R. Thomas

Board of Directors  
The Club Donatello

### Wes Tyler

General Manager  
Chancellor Hotel  
on Union Square

## Advisory Committee Chairs

### Mark Sullivan

MARKETING  
COMMITTEE CHAIR

VP Market General  
Manager  
Neiman Marcus

### Manuela Anne King

STREETSCAPES & PUBLIC REALM  
COMMITTEE CHAIR

Principal  
RHAA Landscape  
Architects

### Erik Murray

PUBLIC AFFAIRS  
COMMITTEE CHAIR

Managing Partner  
Oak Investment Funds

### Russell D. Keil, Jr.

AUDIT  
COMMITTEE CHAIR

President  
The Keil Companies

### James Sangiacomo

FINANCE  
COMMITTEE CHAIR

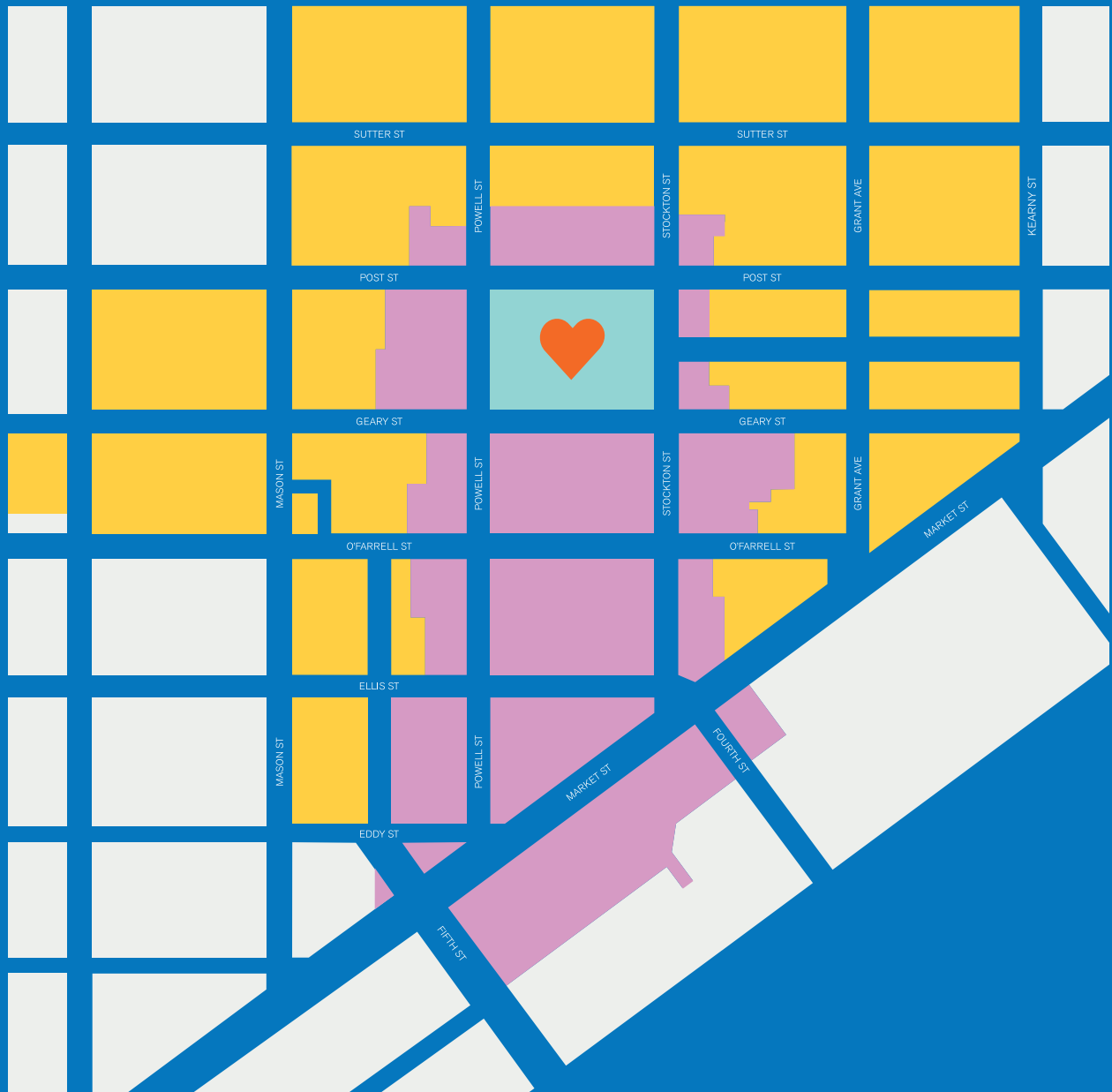
Principal  
Trinity Properties

### Don R. Thomas

SERVICES & PUBLIC SAFETY  
COMMITTEE CHAIR

Board of Directors  
The Club Donatello





# UNION SQUARE

ALLIANCE



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**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2021  
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

# UNION SQUARE ALLIANCE

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Union Square Business Improvement District  
(dba Union Square Alliance)

***Report on the Financial Statements***

We have audited the accompanying financial statements of Union Square Business Improvement District (dba Union Square Alliance) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Union Square Business Improvement District (dba Union Square Alliance) as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Report on Summarized Comparative Information***

We have previously audited the Union Square Business Improvement District's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Marcum LLP*

Washington, DC  
September 29, 2021

**UNION SQUARE ALLIANCE**  
**STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 1,960,087	\$ 1,354,805
Assessments receivable, net	66,293	54,664
Other receivables	132,017	62,705
Prepaid expenses and deposits	165,146	277,645
Investments	499,988	1,000,185
Furniture and equipment, net	439,497	312,758
<b>Total Assets</b>	<u>\$ 3,263,028</u>	<u>\$ 3,062,762</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 638,695	\$ 585,045
Accrued payroll and accrued vacation	84,684	56,284
Notes payable	300,629	133,590
Contract liabilities	3,000	8,305
Deferred rent	11,730	--
<b>Total Liabilities</b>	<u>1,038,738</u>	<u>783,224</u>
<b>Net Assets</b>		
Without donor restrictions	2,224,290	2,200,303
With donor restrictions	--	79,235
<b>Total Net Assets</b>	<u>2,224,290</u>	<u>2,279,538</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 3,263,028</u>	<u>\$ 3,062,762</u>

*The accompanying notes are an integral part of these financial statements.*

**UNION SQUARE ALLIANCE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	Without Donor Restrictions	With Donor Restrictions	2021	2020
<b>Revenue and Support</b>				
Assessment revenue	\$ 6,022,492	\$ --	\$ 6,022,492	\$ 6,025,030
In kind donations	351,736	--	351,736	395,644
Contributions	270,249	66,134	336,383	72,620
Payroll Protection Program loan forgiveness	134,479	--	134,479	--
Contract revenue	115,185	--	115,185	274,147
Sponsorships	23,538	--	23,538	29,125
Interest income	473	--	473	18,337
Net assets released from restrictions				
Satisfaction of purpose restrictions	<u>145,369</u>	<u>(145,369)</u>	<u>--</u>	<u>--</u>
<b>Total Revenue and Support</b>	<u>7,063,521</u>	<u>(79,235)</u>	<u>6,984,286</u>	<u>6,814,903</u>
<b>Expenses</b>				
Program Services:				
Clean and Safe	4,603,905	--	4,603,905	4,335,872
Marketing, Public Realm and Advocacy	1,000,047	--	1,000,047	922,298
Security Camera	349,678	--	349,678	273,024
Union Square Park	<u>248,443</u>	<u>--</u>	<u>248,443</u>	<u>--</u>
Total Program Services	6,202,073	--	6,202,073	5,531,194
Management and general	761,263	--	761,263	705,005
Fundraising	<u>76,198</u>	<u>--</u>	<u>76,198</u>	<u>89,856</u>
<b>Total Expenses</b>	<u>7,039,534</u>	<u>--</u>	<u>7,039,534</u>	<u>6,326,055</u>
<b>Change in Net Assets</b>	23,987	(79,235)	(55,248)	488,848
<b>Net Assets, Beginning of Year</b>	<u>2,200,303</u>	<u>79,235</u>	<u>2,279,538</u>	<u>1,790,690</u>
<b>Net Assets, End of Year</b>	<u>\$ 2,224,290</u>	<u>\$ --</u>	<u>\$ 2,224,290</u>	<u>\$ 2,279,538</u>

*The accompanying notes are an integral part of these financial statements.*

**UNION SQUARE ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	Program Services					Supporting Services						
	Clean and Safe	Marketing, Public Realm and Advocacy	Security Camera	Union Square Park	Total Program Services	Management and General	Fundraising	Total Supporting Services	2021 Total	2020 Total		
Maintenance and cleaning	\$ 1,387,963	\$ --	\$ --	\$ 175,324	\$ 1,563,287	\$ --	\$ --	\$ --	\$ 1,563,287	\$ 1,598,100		
Ambassadors and dispatch	1,286,613	--	--	21,123	1,307,736	--	--	--	1,307,736	1,134,705		
Salaries and benefits	207,311	360,095	69,104	8,459	644,969	461,947	60,734	522,681	1,167,650	1,128,332		
10B Police services and private security	807,840	--	--	1,176	809,016	--	--	--	809,016	695,634		
Professional services	336,911	11,573	71,471	30,648	450,603	95,901	6,000	101,901	552,504	538,043		
Operations management and supervision	327,064	--	--	420	327,484	--	--	--	327,484	246,243		
Improvement projects	--	294,148	--	4,442	298,590	--	--	--	298,590	130,488		
Rent and utilities	91,921	--	64,899	--	156,820	71,777	5,040	76,817	233,637	230,203		
Depreciation	14,513	15,966	144,204	2,452	177,135	4,431	360	4,791	181,926	104,188		
Marketing and promotion	--	181,312	--	--	181,312	--	--	--	181,312	37,714		
Accounting, legal and support	24,943	24,943	--	--	49,886	49,887	120	50,007	99,893	138,702		
Insurance, permits and fees	10,774	30	--	221	11,025	54,390	2,500	56,890	67,915	68,118		
Trash related projects and supplies	67,633	--	--	--	67,633	--	--	--	67,633	54,246		
Meetings, travel, conferences and office expenses	27,919	10,707	--	26	38,652	21,423	1,444	22,867	61,519	59,998		
Public relations, sponsorships and donations	12,500	36,634	--	--	49,134	--	--	--	49,134	27,461		
Bad debt expense	--	40,000	--	--	40,000	--	--	--	40,000	--		
Special events and activation	--	24,639	--	4,152	28,791	--	--	--	28,791	115,063		
Loss on disposition of assets	--	--	--	--	--	1,507	--	1,507	1,507	18,817		
<b>Total</b>	<u>\$ 4,603,905</u>	<u>\$ 1,000,047</u>	<u>\$ 349,678</u>	<u>\$ 248,443</u>	<u>\$ 6,202,073</u>	<u>\$ 761,263</u>	<u>\$ 76,198</u>	<u>\$ 837,461</u>	<u>\$ 7,039,534</u>	<u>\$ 6,326,055</u>		

*The accompanying notes are an integral part of these financial statements.*



**UNION SQUARE ALLIANCE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2020)**

	2021	2020
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (55,248)	\$ 488,848
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Payroll Protection Program loan forgiveness	(133,590)	--
Depreciation	181,926	104,188
Loss on disposition of assets	1,507	18,817
Unrealized loss (gain) on investments	(427)	883
Changes in assets and liabilities:		
Assessments receivable	(11,629)	(49,383)
Other receivables	(69,312)	8,709
Prepaid expenses and deposits	112,499	(163,198)
Accounts payable and accrued expenses	53,650	290,726
Accrued payroll and accrued vacation	28,400	21,947
Contract liabilities	(5,305)	--
Deferred rent	11,730	(15,370)
<b>Net Cash Provided By Operating Activities</b>	<u>114,201</u>	<u>706,167</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds on sales and maturities of investments	3,500,427	4,283,864
Purchases of investments	(3,500,000)	(4,151,157)
Purchases of furniture and equipment	(310,172)	(289,485)
<b>Net Cash Used In Investing Activities</b>	<u>(309,745)</u>	<u>(156,778)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from notes payable	300,629	133,590
Proceeds from borrowings under line of credit	750,000	500,000
Payments made on borrowings under line of credit	(750,000)	(500,000)
<b>Net Cash Provided By Financing Activities</b>	<u>300,629</u>	<u>133,590</u>
<b>Net Increase In Cash and Cash Equivalents</b>	105,085	549,389
<b>Cash and Cash Equivalents – Beginning</b>	<u>2,354,990</u>	<u>1,805,601</u>
<b>Cash and Cash Equivalents – Ending</b>	<u>\$ 2,460,075</u>	<u>\$ 2,354,990</u>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents	1,960,087	1,354,805
Investments	<u>499,988</u>	<u>1,000,185</u>
<b>Total Cash and Cash Equivalents</b>	<u>\$ 2,460,075</u>	<u>\$ 2,354,990</u>
<b>Supplemental Information</b>		
Cash payments for interest	<u>\$ 3,776</u>	<u>\$ 2,083</u>

*The accompanying notes are an integral part of these financial statements.*

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *PURPOSE AND ORGANIZATION*

The Union Square Business Improvement District (dba Union Square Alliance) (the Alliance) was formed in 1999 by property owners and merchants to improve the image and economic vitality of the Union Square area by providing cleaning and maintenance and public safety programs to a 10 block area (the District). The Alliance aims to provide services to assure a positive visitor experience so that Union Square will maintain its ranking as one of the top destinations in the world, that the District will be equally enjoyed by residents and workers, and that this experience will enhance the District's economic base and be reflected in positive property values for the Alliance's members.

The Alliance has a contract with the City and County of San Francisco (the City) which was renewed in July 2019 for a 10 year term. The Alliance provides services for 27 whole or partial blocks, representing 621 parcels in the District. The Alliance also expanded services and added marketing, advocacy, beautification and capital improvement programs. The most recent renewal also increased budget by approximately 60% to greatly expand clean and safe services and become a 24/7/365 operation.

The Alliance's mission statement is as follows:

The Alliance serves members and creates a high quality visitor experience by managing and activating public spaces, attracting new investment and advocating for the District's future success.

Major programs and services provided by the Alliance are:

Clean and Safe:

- Safety and Hospitality Ambassadors – Ambassadors walk throughout the District to greet and assist the public with information and directions, and guide those in need of social services to appropriate resources. Ambassadors are on duty 6:00 am to 11:00 pm daily.
- 10B Police Officers – 10B Police Officers are on patrol in the District from 7:00 am to 11:00 pm daily to respond to members' needs and manage other quality of life issues in the District.
- Overnight Security Patrols – security patrols the district every night from 10:00 pm to 6:00 am to be the eyes and ears for the police department and advise on quality of life issues.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *PURPOSE AND ORGANIZATION (CONTINUED)*

- Cleaning and Graffiti Removal – Maintenance staff are on duty daily to clean litter from sidewalks and to remove graffiti. The District also is patrolled by an All-Terrain Litter Vehicle that patrols the District at night to pick up litter and trash. Each sidewalk in the District is steam cleaned on a regular basis (either weekly or bi-weekly depending on location).
- Union Square Cares program to provide homeless services and outreach and member education to help alleviate homelessness in Union Square.

#### Marketing, Public Realm and Advocacy

- Promoting the Union Square area and its interests through events, digital and traditional marketing programs and public relations, public realm improvements, décor and other programs to beautify the area. Advocating public policy and services to ensure the economic vitality of the District.

#### Security Camera Program

- The Alliance maintains and operates a large network of approximately 430 security cameras in the public realm and to provide after the fact video retrieval services for law enforcement and others. The cameras are monitored during the overnight hours to help with crime prevention

#### Union Square Park

- The Alliance began providing services to Union Square Park in September 2020. These services include dedicated daily cleaning, maintenance and security services as well as pressure washing of the entire park. The Alliance is also responsible for putting out tables and chairs in the main plaza area and sanitization and removal at end of day. In addition, the Alliance provides event support for signature Union Square Park events such as the Macy's Great (Holiday) Tree and Bill Graham Menorah Lighting as well as smaller performances and cultural events.

#### *BASIS OF ACCOUNTING*

The Alliance prepares its financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred regardless of the timing of cash flows.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *CLASSIFICATION OF NET ASSETS*

U.S. GAAP requires that the Alliance report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, the net assets of the Alliance are classified and reported as described below:

*Without Donor Restrictions:* Net assets representing the portion of expendable funds that are available to support the Alliance's operations. A portion of these net assets may be designated by the Board of Directors for specific purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

*With Donor Restrictions:* Net assets representing funds that are specifically restricted by donors for use in various programs and/or specific periods of time. These donor restrictions can be temporary in nature in that they will be met by actions of the Alliance or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

#### *ESTIMATES*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *CASH AND CASH EQUIVALENTS*

The Alliance considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

#### *ASSESSMENTS RECEIVABLE*

Assessments receivable represent obligations of local property owners due to the Alliance. Unpaid receivables do not accrue interest.

The Alliance uses the allowance method to account for uncollectible assessments. The allowance for uncollectible assessments receivable reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at the end of the year. As of June 30, 2021, the allowance for uncollectible assessments was approximately \$6,000.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *INVESTMENTS*

The Alliance's investments consist of certificates of deposit with maturities greater than three months when purchased, and are recorded at cost, plus accrued interest.

#### *FURNITURE AND EQUIPMENT*

The Alliance capitalizes acquisitions of furniture and equipment with a cost or value in excess of \$1,000 and with estimated useful lives beyond one year. Purchased assets are recorded at cost; donated assets are recorded at estimated fair value at the date of acquisition. Depreciation is calculated using the straight-line method based upon estimated useful lives ranging from 3 to 7 years. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation of assets sold or retired are removed from the respective accounts and any gain or loss is reflected in the statement of activities and changes in net assets. The Alliance reviews its furniture and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. As of June 30, 2021 the Alliance had not recognized an impairment loss.

#### *ACCRUED VACATION*

Full-time employees may accrue up to 12.31 hours per bi-weekly pay period depending on the number of years employed. Part-time employees who are scheduled to work at least 25 hours per week accrue vacation on a prorated basis. Employees can accrue a maximum of 150% of their annual vacation accrual.

#### *REVENUE RECOGNITION*

##### *Assessment Revenue*

The Alliance receives its revenue primarily from a special assessment levied by the City on properties located within the District in accordance with City Ordinance. The assessment is recorded by the Alliance when assessed by the City. The City remits the assessment to the Alliance as the assessments are collected from the property owners. Interest is not charged on late assessments; however, late penalties are charged in accordance with the City's policy.

##### *Contributed Goods and Services*

Donated material and equipment are recorded as contributions at their estimated fair value on the date of receipt. Such donations are reported as net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as net assets with donor restrictions. The Alliance reclassifies net assets with donor restrictions to net assets without donor restrictions when the stipulated time restriction ends or the purpose of the restriction is met.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REVENUE RECOGNITION (CONTINUED)*

##### *Contributed Goods and Services (continued)*

For the year ended June 30, 2021, the Alliance recognized contributions for donated material and equipment in the amount of \$420 used in the Marketing, Public Realm and Advocacy program. This amount is included in in kind donations in the accompanying statement of activities.

The Alliance records contribution revenue for certain services received at the fair value of those services, if the services (a) create or enhance nonfinancial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would be purchased if not donated.

For the year ended June 30, 2021, the Alliance recognized contributed services in the amount of \$351,316 for the Marketing, Public Realm and Advocacy and Clean and Safe programs. This amount is included in in kind donations in the accompanying statement of activities.

##### *Contributions*

The Alliance recognizes all unconditional contributions when they are received or unconditionally promised. Donor-restricted contributions are reported as with donor restrictions, depending on the nature of the restrictions.

The satisfaction of a donor-imposed restriction on a contribution is recognized when the corresponding expenditures are incurred or when the time restriction expires. This occurs by increasing net assets without donor restrictions and decreasing net assets with donor restrictions in the statement of activities. Such transactions are recorded as net assets released from restrictions. The Alliance has elected to reflect donor-restricted contributions whose restrictions are met in the same reporting period in which they are promised as support without donor restrictions in the accompanying statement of activities.

The Alliance receives government grants, which are conditional upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Revenue recognized on these grants for which billings have not been presented to the grantor, or cash has not been received from the grantor, is reflected as other receivables in the accompanying statement of financial position. During the year ended June 30, 2021, the Alliance had a grant totaling \$227,356, which was deemed to be conditional. As such, \$56,886 has been recognized in the accompanying financial statements.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *REVENUE RECOGNITION (CONTINUED)*

##### *Contract Revenue*

Contract revenue includes affiliate member fees and administrative fees charged for the Big Belly program and management fees charged to the Union Square Foundation. Contract revenue is recognized as the performance obligations are satisfied. The performance obligations are satisfied as the Alliance provides services over the terms of the contracts.

##### *Sponsorships*

Sponsorships are considered conditional upon certain events being held. Amounts received are recognized as support when the events are held.

#### *INCOME TAXES*

The Alliance is a qualified organization exempt from federal and state income taxes under §501(c)(4) of the Internal Revenue Code and §23701d of the California Revenue and Taxation Code.

The Alliance recognizes a threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return and requires the affirmative evaluation that is more-likely-than-not, based on the technical merits of a tax position, that an organization is entitled to economic benefits resulting from tax positions taken in income tax returns. For tax-exempt entities, favorable tax status itself is deemed to be an uncertainty, as events could potentially occur to jeopardize their tax-exempt status. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. The Alliance's evaluation on June 30, 2021, revealed no tax positions that would have a material impact on the financial statements. As of June 30, 2021, there was no accrual for interest or penalties.

The Alliance's tax returns are subject to examination by federal and state taxing authorities. However, management is unaware of any pending examinations nor are there any in progress.

#### *FUNCTIONAL ALLOCATION OF EXPENSES*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses directly attributed to specific functional areas of the Alliance are reported as expenses of those functional areas. Shared costs that benefit multiple functional areas have been allocated among the various functional areas. The expenses that are allocated include salaries and benefits and rent and utilities, which are allocated on the basis of estimates of time and effort. Accounting, legal, and support and meetings, travel, conferences and office expenses are allocated approximately 25% Clean and Safe, 25% Marketing, Public Realm, and Advocacy, and 50% Management and General.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *NEW ACCOUNTING PRONOUNCEMENTS TO BE ADOPTED*

In 2016, Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. The new standard applies to capital or operating leases entered into after the standard was issued. The guidance will be effective for the fiscal year beginning after December 15, 2022, including interim periods within that year. The Alliance is currently evaluating the impact this ASU will have on its financial statements.

In September 2020, FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributions Nonfinancial Assets*. This ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The guidance will be effective for the fiscal year beginning after June 15, 2021, including interim periods within that year. The Alliance is currently evaluating the impact this ASU will have on its financial statements.

### NOTE 2 – FURNITURE AND EQUIPMENT

Furniture and equipment at June 30, 2021, consisted of the following:

Security camera equipment	\$ 1,915,407
Furniture and miscellaneous equipment	<u>187,563</u>
	2,102,970
Less: accumulated depreciation	<u>(1,663,473)</u>
<b>Total</b>	<u><b>\$ 439,497</b></u>

### NOTE 3 – LINES OF CREDIT

The Alliance had a revolving line of credit with Wells Fargo Bank that expired on February 5, 2021, and had a maximum borrowing amount of \$1,000,000. On February 21, 2021, the line of credit was renewed through March 5, 2022. Amounts drawn on the lines of credit accrue interest at the greater of the prime rate plus 1.25% (3.25% at June 30, 2021) or the floor rate of 5.00%. The lines of credit are secured by the Alliance's receivables and equipment. There is no outstanding balance on the lines of credit as of June 30, 2021. Interest expense incurred on this line of credit totaled \$3,776 for the year ended June 30, 2021.



# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 4 – NOTES PAYABLE

In April 2020, the Alliance received Small Business Administration (SBA) loan proceeds in the amount of \$133,590 from a financial institution. The loan had a fixed interest rate of 1% per annum and payments of principal and interest were deferred during the first six months of the loan. The loan amount was eligible for forgiveness, pursuant to the Paycheck Protection Program (PPP). On January 12, 2021, SBA approved the Alliance's application for forgiveness of the PPP loan of \$133,590 and accrued interest of \$889. The Alliance recognized \$134,479 as Payroll Protection loan forgiveness in the accompanying statement of activities.

In May 2021, the Alliance entered into an agreement for a second draw PPP loan with the same financial institution in the amount of \$146,300. The loan will mature on May 6, 2026, with a fixed interest rate of 1% per annum. Similar to the first draw PPP loan, all or a portion of the loan is eligible of forgiveness pursuant to the PPP requirements, which established minimum amounts of the loan to be used to cover payroll costs and the remainder for mortgage interest and rent and utility costs over a specified period of time after the loan is made, assuming the number of employees and compensation levels are maintained. In the event the loan is not forgiven in full, consecutive monthly payments of principal plus interest of 1% will commence one month after the earlier of the following dates: (1) the date the financial institution receives the applicable forgiveness amount from the SBA; or (2) the date that is 10 months after the end of the forgiveness covered period, through the maturity date. As of June 30, 2021, the amount outstanding of the loan plus accrued interest was \$146,504.

The Alliance also applied for a SBA loan through the Economic Injury Disaster Loan Program (EIDL). On June 30, 2020, the Alliance's EIDL loan application for \$150,000 was approved by the SBA and the funds were received on July 2, 2020. The loan will mature in June 2050 and accrues interest at a fixed rate of 2.75% per annum. Payments of principal and interest are deferred during the first 12 months of the loan. As of June 30, 2021, the amount outstanding of the loan plus accrued interest was \$154,125. Commencing in July 2021, the loan will be paid in equal monthly installments through the maturity date. The collateral in which this security interest is granted includes all property the Alliance owns or shall acquire or create.

### NOTE 5 – RETIREMENT PLAN

On January 1, 2020, the Alliance adopted a defined contribution retirement plan which is operated under Section 401(k) of the Internal Revenue Code (the IRC), covering all eligible employees. All employees over the age of 21 are eligible to participate in the plan after completion of one year of eligibility service, except union employees and non-resident aliens. Participants of the plan can make voluntary tax-deferred contributions into the plan within specified limits. The plan allows for the Alliance to make a profit sharing contribution, however, no contribution was made for the year ended June 30, 2021.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 6 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions at June 30, 2021, consisted of the following:

Undesignated	\$ 1,110,199
Board designated for Clean and Safe	608,638
Net investment in furniture and miscellaneous equipment	439,497
Board designated for Administrative	49,822
Board designated for Advocacy	<u>16,134</u>
<b>Total</b>	<b><u>\$ 2,224,290</u></b>

The Alliance does not receive the first assessment payment for its fiscal year until January of each year. Thus, it is incumbent on the Alliance to maintain approximately six months of operating capital at the end of each fiscal year to support operations until the first payment is received in the next fiscal year.

### NOTE 7 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from restrictions during the year ended June 30, 2021, by incurring expenses which satisfied the restricted purposes, as follows:

Security cameras	\$ 46,763
Campton Place	40,000
Bigbelly	27,606
Vacancy study	25,000
Other	<u>6,000</u>
<b>Total</b>	<b><u>\$ 145,369</u></b>

### NOTE 8 – CONTINGENCIES, COMMITMENTS AND RISKS

#### *Concentrations of Risk*

Financial instruments which potentially subject the Alliance to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Alliance maintains its cash in various bank deposit accounts. The Alliance has a policy requiring all funds be fully insured. As of June 30, 2021, the cash and cash equivalents balance exceeding the \$250,000 per depositor per institution Federal Deposit Insurance Corporation limit totaled approximately \$10,000. Management believes that the Alliance is not exposed to any significant credit risk related to concentrations and has not suffered any losses in connection with its banking activity.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 8 – CONTINGENCIES, COMMITMENTS AND RISKS (CONTINUED)

#### *Office Leases*

In August 2019, the Alliance entered into a non-cancelable lease agreement for equipment requiring monthly payments of \$461 through October 31, 2022.

In August 2020, the Alliance entered into an operating lease for new operations office space that commenced on September 15, 2020, and expires on June 30, 2029. The new lease required a deposit of \$7,057 and monthly rental payments starting at \$6,023, with a 2% escalation effective each year on November 1 through the term of the lease.

In October 2020, the Alliance also entered into an operating lease for new administrative office space that commenced on June 1, 2021, and expires on May 1, 2031. The new lease required a deposit of \$17,222 and monthly rental payments starting at \$8,611, with a 2.5% escalation effective for each of the first two years. After the third year, rent will be determined based on 90% of the fair market rental but not less than \$9,047 or more than \$11,960.

The following is a schedule of minimum lease commitments:

<u>For the Years Ending June 30,</u>	<u>Amount</u>
2022	\$ 182,315
2023	182,216
2024	187,677
2025	221,539
2026	226,690
Thereafter	<u>1,027,462</u>
<b>Total</b>	<b><u>\$ 2,027,899</u></b>

Rent expense for the year ended June 30, 2021, totaled \$144,859 and is included in rent and utilities in the accompanying statement of functional expenses.

#### *COVID 19*

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic that continues to spread throughout the United States and international communities. The Alliance is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread, in addition to the impact on its employees. Due to the rapid development and fluidity of this situation, the magnitude and duration of the pandemic and its impact on the Alliance's operations and liquidity is uncertain as of the date of this report. To date, there has not been a significant or material financial impact on the organization due to the pandemic. While there could ultimately be a material impact on operations and liquidity of the Alliance, at the time of issuance, the impact could not be determined.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 9 – RELATED PARTY TRANSACTIONS

The Alliance has a written conflict of interest policy that requires, among other things, that no member of the Board of Directors may participate in any decision in which he or she (or an immediate family member) has a material financial interest. Each Board member is required to certify compliance with the conflict of interest policy on an annual basis and indicate whether the Alliance does business with an entity in which a Board member has a material financial interest.

When such relationships exist, measures are taken to appropriately manage the actual or perceived conflict in the best interests of the Alliance. When a conflict of interest does exist, all affected parties (Board members or staff) must refrain from the decision-making process and abstain from the voting process.

The Executive Director has an ownership interest in the building where the Alliance signed a lease commencing in September 2020 which was paid approximately \$52,000 during the year ended June 30, 2021.

A member of the Alliance's Board of Directors has an ownership interest in the building where the Alliance signed a lease commencing in June 2021 which was paid approximately \$9,000 during the year ended June 30, 2021.

A member of the Alliance's Board of Directors is associated with a company that contributed services to the Alliance totaling \$330,816 during the year ended June 30, 2021.

#### ***Union Square Foundation***

The Union Square Foundation (USF), a separate entity exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code, is an affiliate organization of the alliance. USF was formed to raise funds and devote resources to public realm improvement programs and homeless programs to benefit the area and greater community. The Alliance's and USF's exempt purposes are closely aligned. Four members of the Alliance's Board of Directors are also Board members of USF.

The Alliance and USF have entered into a service agreement which is renewed annually for a term of one year in which USF pays for administration and management of programmatic services conducted by the Alliance, including the security camera program. During the year ended June 30, 2021, the Alliance waived the monthly management fee but provided additional services of \$114,270 to USF which is included in contract revenue in the accompanying statement of activities. At June 30, 2021, \$27,252 is due from USF and is included in other receivables in the accompanying statement of financial position.

# UNION SQUARE ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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### NOTE 10 – LIQUIDITY AND AVAILABILITY

The following represents the Alliance's financial assets at June 30, 2021:

Financial assets at year end:	
Cash and cash equivalents	\$ 1,960,087
Assessments receivable, net	66,793
Other receivables	131,517
Investments	<u>499,988</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,658,385</u>

The Alliance's primary source of revenue is assessments. The Alliance's cash flows have variations during the year as the assessments collected and paid to the Alliance by the City are primarily paid in two payments in January and May. It has been the policy of the Alliance to maintain at least six months of operating reserves at the end of each fiscal year. To help manage liquidity and as a safeguard, the Alliance maintains a \$1,000,000 line of credit that can be drawn upon if needed to manage cash flow. See Note 3 for further description of this line of credit.

### NOTE 11 – COMPARATIVE FINANCIAL INFORMATION

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Alliance's financial statements as of June 30, 2020, and for the year then ended, from which the summarized information was derived.

### NOTE 12 – SUBSEQUENT EVENTS

In preparing the financial statements, the Alliance has evaluated all subsequent events and transactions for potential recognition or disclosure through September 29, 2021, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in these financial statements.

# 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.



**Introduction Form**

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- ☒ 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- ☐ 2. Request for next printed agenda Without Reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning : "Supervisor  inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No.  from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission      ☐ Youth Commission      ☐ Ethics Commission
- ☐ Planning Commission      ☐ Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Subject:

The text is listed:

Resolution receiving and approving annual report for the Greater Union Square Business Improvement District for fiscal year 2020-2021, submitted as required by the Property and Business Improvement District Law of 1994 (California Streets and Highways Code, Sections 36600, et seq.), Section 36650, and the District's management agreement with the City, Section 3.4.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only