

MEMO

To: Supervisor Julie Christensen, District 3

CC: San Francisco Board of Supervisors

From: Crezia Tano, OEWD Senior Project Manager

RE: Greater Union Square Business Improvement District

Date: February 26, 2015

This is a memo summarizing the performance of the Greater Union Square Business Improvement District and an analysis of its financial statements (based on their audits) for the period between July 1, 2010, and June 30, 2014.

Each year the BID is required to submit a mid-year report, an annual report, and a CPA Financial Review or Audit. Greater Union Square BID has complied with the submission of all these requirements. OEWD staff, with assistance from the Controller's Office, 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 GUSBID management contract with the City; and their Management Plan approved by the Board of Supervisors in 2009.

Also attached to this memo are the following documents:

1. Annual Reports
 - a. FY 2010-2011
 - b. FY 2011-2012
 - c. FY 2012-2013
 - d. FY 2013-2014
2. CPA Financial Review Reports
 - a. FY 2010-2011
 - b. FY 2011-2012
 - c. FY 2012-2013
 - d. FY 2013-2014
3. Draft resolution from the Office of Economic and Workforce Development



Background

The Greater USBID includes both privately and publicly owned properties. The district covers 27 blocks and includes approximately 588 parcels.

- July 28, 2009: the Board of Supervisors approved the resolution to renew and expand the Greater Union Square Business Improvement District to cover 27 blocks and nearly 3,000 parcels for 10 years. Resolution # 320-09).
- January 26, 2010: the Board approved the contract for the administration and management of the Greater Union Square Business Improvement District (Resolution # 19-10).
- November 18, 2010: the Board of Supervisors approved the FY 2009-2010 annual report and FY 2010-2011 budget (Resolution #550-10).

Basic Info about Greater Union Square BID:

| | |
|----------------------------------|--|
| Year Renewed | July 2009 |
| Assessment Collection Period | FY 2009-10 to FY 2018-19 (July 1, 2009 to June 30, 2019) |
| Services Start and End Date | January 1, 2010 – December 31, 2019 |
| Initial Estimated Annual Budget | \$3,040,061 |
| Fiscal Year | July 1 – June 30 |
| Executive Director | Karin Flood |
| Name of Nonprofit Owners' Entity | Greater Union Square Business Improvement District |

The current BID website http://www.visitunionsquaresf.com/the_bid, 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 Program Areas

Clean and Safe

Clean and Safe service includes sidewalk cleaning and maintenance, the Community Service Ambassadors and SFPD 10B officers. The Greater Union Square BID Management Plan calls for 65% of the budget to be spent in this service area. USBID contracted with MJM Management Group to provide sidewalk cleaning and maintenance as well as the Community Service Ambassador program. In addition to the daily sidewalk cleaning from 6am to 9pm a cleaning and maintenance team provides steam cleaning every two weeks, garbage removal of illegal dumped items, topping off of overflowing garbage cans and graffiti removal as needed. The cleaning and maintenance team employs 12 people.

There are 8 Community Service Ambassadors and they are easily recognizable with their red uniform jackets with the BID's logo. They walk throughout the district providing the public with information, directing them to their destinations and giving out the Map & Guide to Union Square brochure. The Ambassadors work 7 days a week from 8:30am to 11pm. The BID also runs a dispatch center from 8:30am to 10pm 7 days/week and employs 2 dispatchers. The BID hires SFPD 10B officers who provide 10 hrs/day (70 hrs/week) of extra security in the district. The officers come from the Tenderloin and Central SFPD stations.

Marketing, Advocacy, Beautification and Streetscape Improvements (MABSI)

This service area promotes the district through brochures, a website, social media outlets (i.e. Facebook and Twitter) and sponsors special events; advocates on behalf of Union Square property owners for important city services; beautifies the area with landscaping projects, seasonal décor and holiday lighting; and implements capital improvements such as additional street furniture and fixtures, way finding signage and other public right of way enhancements. The Greater Union Square BID Management Plan calls for 14% of the budget to be spent on Marketing, Advocacy, Beautification and Streetscape Improvements.

- **Marketing & Communications** – The BID has an active Marketing Committee that includes about 50 people (including a few board members and other volunteers). This committee works on projects, promotes the district and partners with other civic and community organizations to increase the visibility of Union Square as a world-class destination. In 2013, the Marketing Committee initiated a process that resulted in a new logo and new website, www.visitunionsquaresf.com. The website includes information about both the district and the BID including all the pertinent information about the organization and their programs, a calendar of events, their Management Plan and Annual Reports and meeting schedules.
- **Streetscape Improvement and Beautification** – The BID's Streetscapes Committee includes about 18-20 people, most of whom are dedicated professionals from the design community and a few board members volunteering their time on several projects. This past year the Committee's biggest project was finally inaugurated on July 13, 2011. The Powell Street Promenade is an innovative public/private/nonprofit partnership with major funding from Audi of America.
- **Advocacy** - The BID also has a Public Affairs & Advocacy Committee that stays abreast of issues that impact the district. In 2013, the Committee informed BID members of the many issues including the Central Subway construction project, congestion pricing, mobile food facility permits, bicycle leasing at Union Square Park and other relevant local legislation.

Management and Operations

In the fall of 2010, the organization expanded from 11 to 23 board members. The expanded board represents property owners and business owners from retail, hospitality (i.e. hotel and restaurant) and entertainment industries, service providers and other commercial and residential property stakeholders. There are seven advisory committees including an Executive Committee who meets and takes action on time-sensitive matters. The organization recently updated its mission statement and developed a rolling, five-year strategic plan.

Summary of Accomplishments, Challenges, and Delivery of Services

FY 2010-2011

Clean & Safe

- BID Taggers cleaning team swept 5,000 miles of sidewalks and steam cleaned more than 183 miles.
- BID Community Ambassador's had interactions with 110,850 tourists and merchants.

Marketing, Advocacy, Beautification and Streetscape Improvements (MABSI)

- Public Affairs & Advisory Committee represented the interests of the community in various matters including the Central Subway construction and design of the Union Square/Market Street Station, bicycle leasing at Union Square Park, congestion pricing, mobile food facility permits and other relevant local legislation.

Management and Operations

- Developed a five-year strategic plan to identify long-term priorities.

FY 2011-2012

Clean and Safe

- BID Taggers cleaning team had 16,846 maintenance requests.
BID Community Ambassador's had 93,500 interactions with tourists and merchants and 17,179 calls for public assistance.
- Implemented a Security Camera Pilot Project to improve safety in certain areas of the district.

Marketing, Advocacy, Beautification, and Streetscape Improvements (MABSI)

- Opened the Powell Street Promenade. The project received \$1 million in funding from Audi of America, financial and in-kind support from the BID and the support of city agencies. Produced a promotional video for Virgin Air's in-flight REDHOT travel program, Union Square attractions to be shown on 7,800 Virgin Air flights, with over 55% of passengers flying to and from SFO.

Management and Operations

- Awarded a \$95,000 grant from OEWD for the activation and improvement of Hallidie Plaza to be used for better lighting, landscaping, signage and programming.
- Exceeded non-assessment funding requirement.

FY 2012-2013

Clean and Safe

- BID Taggers cleaning team had 14,394 maintenance requests.
- BID Community Ambassador's had 53,303 interactions with the tourists and merchants and 11,394 calls for public assistance.

Marketing, Advocacy, Beautification, and Streetscape Improvements (MABSI)

- Sponsored and helped promote events in Union Square, including SF Chefs, SF Jazz Summerfest, Union Square Live Performances, Film Night in the Park and the Safeway Holiday Ice Rink; in total the events drove tens of thousands of visitors to the district.

Management and Operations

- Awarded a \$25K grant from the City for activation, landscaping and a retail vendor plan for Hallidie Plaza.
- Increased assessments for 13-14 FY, generating additional \$450K of revenues over rest of BID term.
- Collected \$110k in delinquent assessment payments from City of San Francisco.

FY 2013-2014

Clean and Safe

- BID Taggers completed 14,399 beautification projects.
- BID Community Ambassador's had 32,396 interactions with the tourists and merchants and 14,306 calls for public assistance.

Marketing, Advocacy, Beautification, and Streetscape Improvements (MABSI)

- Worked with SFMTA to install a custom-designed construction barrier with decorative, back-light panels and security lighting for a cleaner and safer work area.
- Worked with Powell Street Promenade vendor to complete extensive repairs and completed significant improvements resulting in a more attractive Promenade.
- Collaborated with the SF Planning Department "Market Street Prototype Festival" to discuss public space installations along Market Street.

Management and Operations

- Organized and executed a strategic retreat for the San Francisco CBD Consortium to explore advocating as one voice.
- Drafted an MOU with the Department of Public Health for Union Square Cares dedicated outreach worker scheduled to begin in August, 2014.
- Further developed strategic Union Square Cares partnerships with SF Travel, Hotel Council, HOPE, Project Homeless Connect, and other social service agencies.

USBID Annual Budget Analysis

OEWD's staff reviewed the following budget related benchmarks for USBID:

- **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 3.9 – Budget*)
- **BENCHMARK 2:** Whether one percent (1%) of actuals came from sources other than assessment revenue (*CA Streets & Highways Code, Section 36650(B)(6); Agreement for the Administration of the "Greater 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 "Greater Union Square Business Improvement District", Section 3.9 – Budget*)
- **BENCHMARK 4:** Whether USBID 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 2010-2011

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: USBID met this requirement. See table below.

| Service Category | Management Plan Budget | % of Budget | FY 2010-2011 Budget | % of Budget | Variance Percentage Points |
|--|------------------------|---------------|---------------------|---------------|----------------------------|
| Clean & Safe | \$1,995,400 | 65.0% | \$2,278,404 | 63.1% | -1.9 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$291,675 | 9.5% | \$499,042 | 13.8% | +4.3 |
| Management and Operations | \$460,488 | 15.0% | \$521,048 | 14.4% | -0.6 |
| Contingency & Reserves | \$323,328 | 10.5% | \$309,733 | 8.6% | -1.9 |
| TOTAL | \$3,070,891 | 100.0% | \$3,608,227 | 100.0% | |

BENCHMARK 2: Whether one percent (1%) of USBID’s actuals came from sources other than assessment revenue

ANALYSIS: USBID met this requirement. Assessment revenue was \$3,035,872 or 72.7% of actuals and non-assessment revenue was \$1,141,884 or 27.3% of actuals. See table below.

| Revenue Sources | FY 2010-2011 Actuals | % of Actuals |
|-------------------------------------|----------------------|--------------|
| Special Benefit Assessments | \$3,035,872 | |
| Total assessment revenue | \$3,035,872 | 72.7% |
| Contributions and Sponsorships | \$155,496 | |
| City Contracts | - | |
| Grants | \$985,000 | |
| Interest Earned | \$1,388 | |
| Total non-assessment revenue | \$1,141,884 | 27.3% |
| Total | \$4,177,756 | 100% |

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points

ANALYSIS: USBID met this requirement. See table below.

| Service Category | FY 2010-2011 Budget | % of Budget | FY 2010-2011 Actuals | % of Actuals | Variance Percentage Points |
|--|---------------------|---------------|----------------------|---------------|----------------------------|
| Clean & Safe | \$2,278,404 | 63.1% | \$2,049,971 | 65.5% | +2.4 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$499,042 | 13.8% | \$509,007 | 16.3% | +2.5 |
| Management and Operations | \$521,048 | 14.4% | \$570,662 | 18.2% | +3.8 |
| Contingency Reserve | \$309,733 | 8.6% | \$0 | | |
| TOTAL | \$3,608,227 | 100.0% | \$3,129,640 | 100.0% | |

BENCHMARK 4: Whether USBID 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: USBID met this requirement. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has 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 2010-2011 Carryover Disbursement | \$2,568,841 |
| Designated Projects for FY 2011-12 | |
| Clean and Safe | \$337,370 |
| Marketing, Advocacy, Beautification, Streetscape Improvements | \$333,135 |
| Hallidie Plaza Programming | \$70,000 |
| Management and Operations | \$101,601 |
| Grant – Powell Street Promenade | \$890,000 |
| Contingency | \$836,735 |
| Total Designated amount for FY 2011-12 | \$2,568,841 |

FY 2011-2012

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: USBID did not meet this requirement. *The 14.0% variance in MABSI is explained by the grant USBID received from Audi for the Powell Street Promenade and a grant received for Halladie Plaza. See table below.*

| Service Category | Management Plan Budget | % of Budget | FY 2011-2012 Budget | % of Budget | Variance Percentage Points |
|--|------------------------|---------------|---------------------|---------------|----------------------------|
| Clean & Safe | \$1,995,400 | 65.0% | \$2,290,974 | 55.4% | -9.6 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$291,675 | 9.5% | \$972,043 | 23.5% | +14.0 |
| Management & Operations | \$460,488 | 15.0% | \$562,543 | 13.6% | -1.4 |
| Contingency Reserves | \$323,328 | 10.5% | \$307,214 | 7.4% | -3.1 |
| TOTAL | \$3,070,891 | 100.0% | \$4,132,774 | 100.0% | |

BENCHMARK 2: Whether one percent (1%) of USBID’s actuals came from sources other than assessment revenue

ANALYSIS: USBID met this requirement. *Assessment revenue was \$3,034,250 or 96.1% of actuals and non-assessment revenue was \$123,140 or 3.9% of actuals. See table below.*

| Revenue Sources | FY 2011-2012 Actuals | % of Actuals |
|-------------------------------------|----------------------|--------------|
| Special Benefit Assessments | \$3,034,250 | |
| Total assessment revenue | \$3,034,250 | 96.1% |
| Contributions and Sponsorships | \$37,174 | |
| City Contracts | - | |
| Special Events | \$57,411 | |
| Grants | \$33,000 | |
| Interest Earned | \$1,015 | |
| Total non-assessment revenue | \$123,140 | 3.9% |
| Total | \$3,157,390 | 100% |

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points.

ANALYSIS: USBID did not meet this requirement. *The 11.9% variance in MABSI is explained by the Powell Street Promenade project expense and Halladie Plaza project expense. These projects are being funded by non-assessment monies. See table below.*

| Service Category | FY 2011-2012 Budget | % of Budget | FY 2011-2012 Actuals | % of Actuals | Variance Percentage Points |
|--|---------------------|---------------|----------------------|---------------|----------------------------|
| Clean & Safe | \$2,290,974 | 55.4% | \$2,068,513 | 51.7% | -3.7 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$972,043 | 23.5% | \$1,417,361 | 35.4% | +11.9 |
| Management & Administration | \$562,543 | 13.6% | \$514,149 | 12.9% | -0.7 |
| Contingency Reserve | \$307,214 | 7.4% | \$0 | | |
| TOTAL | \$4,132,774 | 100.0% | \$4,000,023 | 100.0% | |

BENCHMARK 4: Whether USBID 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: USBID met this requirement. *Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has 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 2011-2012 Carryover Disbursement | \$1,723,939 |
| Designated Projects for FY 2012-13 | |
| Clean & Safe | \$259,911 |
| Marketing, Advocacy, Streetscape & Events | \$309,094 |
| Hallidie Plaza Grant | \$50,000 |
| Management & Administration | \$60,250 |
| Contingency | \$1,080,920 |
| Total Designated amount for FY 2012-13 | \$1,723,939 |

FY 2012-2013

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: USBID did not meet this requirement. *The 16.2% variance in MABSI is explained by the Halladie Plaza Grant and Master Lease Expenses and the Powell Street Promenade Project Expenses. These projects are being funded by non-assessment monies. See table below.*

| Service Category | Management Plan Budget | % of Budget | FY 2012-2013 Budget | % of Budget | Variance Percentage Points |
|--|-------------------------------|--------------------|----------------------------|--------------------|-----------------------------------|
| Clean & Safe | \$1,995,400 | 65.0% | \$2,287,847 | 55.4% | -9.6 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$291,675 | 9.5% | \$1,059,834 | 25.7% | +16.2 |
| Management and Administration | \$460,488 | 15.0% | \$467,716 | 11.3% | -3.7 |
| Contingency & Reserves | \$323,328 | 10.5% | \$313,997 | 7.6% | -2.9 |
| TOTAL | \$3,070,891 | 100.0% | \$4,129,394 | 100.0% | |

BENCHMARK 2: Whether one percent (1%) of USBID’s actuals came from sources other than assessment revenue

ANALYSIS: USBID met this requirement. *Assessment revenue was \$3,116,158 or 94.4% of actuals and non-assessment revenue was \$185,622 or 5.6% of actuals. See table below.*

| Revenue Sources | FY 2012-2013 Actuals | % of Actuals |
|-------------------------------------|-----------------------------|---------------------|
| Special Benefit Assessments | \$3,116,158 | |
| Total assessment revenue | \$3,116,158 | 94.4% |
| Contributions and Sponsorships | \$62,198 | |
| City Contracts | - | |
| Special Events | \$64,850 | |
| Grants | \$58,001 | |
| Interest Earned | \$573 | |
| Total non-assessment revenue | \$185,622 | 5.6% |
| Total | \$3,301,780 | 100% |

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points.

ANALYSIS: USBID did not meet this requirement. *This variance of 13.0% in Clean and Safe is explained by an overall decrease in the budget, i.e. the contingency and reserve fund (\$313,997) was not deployed and the Hallidie Plaza Grant and Master Lease Program budget was not fully expended. See table below.*

| Service Category | FY 2012-2013 Budget | % of Budget | FY 2012-2013 Actuals | % of Actuals | Variance Percentage Points |
|--|---------------------|---------------|----------------------|---------------|----------------------------|
| Clean & Safe | \$2,287,847 | 55.4% | \$2,147,933 | 68.4% | +13.0 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$1,059,834 | 25.7% | \$609,390 | 19.4% | -6.3 |
| Management and Administration | \$467,716 | 11.3% | \$384,155 | 12.2% | +0.9 |
| Contingency & Reserves | \$313,997 | 7.6% | \$0 | | |
| TOTAL | \$4,129,394 | 100.0% | \$3,141,478 | 100.0% | |

BENCHMARK 4: Whether USBID 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: USBID met this requirement. *Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has 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 2012-2013 Carryover Disbursement | \$1,886,508 |
| Designated Projects for FY 2013-14 | |
| Clean & Safe | \$161,431 |
| Marketing, Advocacy, Streetscape & Events | \$18,095 |
| Hallidie Plaza Grant | \$25,000 |
| Management & Administration | \$168,989 |
| Other Restricted/Designated Funds | \$136,886 |
| Contingency | \$1,376,106 |
| Total Designated amount for FY 2013-14 | \$1,886,508 |

FY 2013-2014

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: USBID met this requirement. See table below.

| Service Category | Management Plan Budget | % of Budget | FY 2013-2014 Budget | % of Budget | Variance Percentage Points |
|--|-------------------------------|--------------------|----------------------------|--------------------|-----------------------------------|
| Clean & Safe | \$1,995,400 | 65.0% | \$2,423,183 | 61.2% | -3.8 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$291,675 | 9.5% | \$704,211 | 17.8% | +8.3 |
| Management and Administration | \$460,488 | 15.0% | \$511,179 | 12.9% | -2.1 |
| Contingency & Reserves | \$323,328 | 10.5% | \$318,825 | 8.1% | -2.4 |
| TOTAL | \$3,070,891 | 100.0% | \$3,957,398 | 100.0% | |

BENCHMARK 2: Whether one percent (1%) of USBID's actuals came from sources other than assessment revenue

ANALYSIS: USBID met this requirement. Assessment revenue was \$3,202,318 or 95.0% of actuals and non-assessment revenue was \$168,508 or 5.0% of actuals. See table below.

| Revenue Sources | FY 2013-2014 Actuals | % of Actuals |
|-------------------------------------|-----------------------------|---------------------|
| Special Benefit Assessments | \$3,202,318 | |
| Total assessment revenue | \$3,202,318 | 95.0% |
| Contributions and Sponsorships | \$49,340 | |
| City Contracts | - | |
| Special Events | \$85,875 | |
| Grants | \$33,000 | |
| Interest Earned | \$293 | |
| Total non-assessment revenue | \$168,508 | 5.0% |
| Total | \$3,370,826 | 100% |

BENCHMARK 3: Whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points.

ANALYSIS: USBID met this requirement. See table below.

| Service Category | FY 2013-2014 Budget | % of Budget | FY 2013-2014 Actuals | % of Actuals | Variance Percentage Points |
|--|---------------------|---------------|----------------------|---------------|----------------------------|
| Clean & Safe | \$2,423,183 | 61.2% | \$2,238,347 | 67.3% | +6.1 |
| Marketing, Advocacy, Beautification and Streetscape Improvements | \$704,211 | 17.8% | \$655,732 | 19.7% | +1.9 |
| Management and Administration | \$511,179 | 12.9% | \$429,427 | 12.9% | 0.0 |
| Contingency & Reserves | \$318,825 | 8.1% | \$0 | | |
| TOTAL | \$3,957,398 | 100.0% | \$3,323,506 | 100.0% | |

BENCHMARK 4: Whether USBID 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: USBID met this requirement. Please note: There is a period between when the City collects assessment payment and when the City disburses the funds to the CBD. As a result, a CBD typically has 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 2013-2014 Carryover Disbursement | \$1,886,508 |
| Designated Projects for FY 2014-15 | |
| Clean & Safe | \$161,431 |
| Marketing, Advocacy, Streetscape & Events | \$18,095 |
| Hallidie Plaza Grant | \$25,000 |
| Management & Administration | \$168,989 |
| Other Restricted/Designated Funds | \$136,886 |
| Contingency | \$1,376,106 |
| Total Designated amount for FY 2014-15 | \$1,886,508 |

Findings and Recommendations

USBID has generally met all of the benchmarks as defined on page 5 of this memo. Of the four fiscal years in review, the USBID did not meet the all the benchmarks in the 2011-12 and 2012-13 fiscal years; specifically with benchmarks one and three.

With respect to benchmark one (whether the variance between the budget amounts for each service category was within 10 percentage points from the budget identified in the Management Plan) and benchmark three (whether the variance between the budget amount and actual expenses within a fiscal year was within 10 percentage points), the USBID did not meet these requirements.

While these percentage points exceed the allowable variance, further research shows that the variance in program area allocations is explained by their high performance in raising non-assessment revenue. For all of the years in review, Union Square BID has well exceeded its general benefit requirement of one percent (1%). The USBID was successful in acquiring grant dollars for streetscape and physical improvement projects. As a result of these high non-assessment revenues, the percentages do not provide an accurate assessment of fund allocation. Separating the non-assessment dollars from the review of those benchmarks, the amount allocated to each program year is in fact appropriate, and meet the benchmarks.

Moving forward OEWD will work with Union Square BID to develop a framework that identifies assessment fund allocation and non-assessment expenditures.

Conclusion

USBID has performed well in implementing the services outlined in their management plan. USBID has continued to successfully sponsor and help promote events in Union Square, including SF Chefs, SF Jazz Summerfest, Union Square Live Performances, Film Night in the Park and the Safeway Holiday Ice Rink, driving tens of thousands of visitors to the district. USBID has done an outstanding job in partnering with the community stakeholders and numerous municipal agencies for the activation and improvement of Hallidie Plaza. USBID is a well-run organization with active board and committee members and will continue to successfully carryout its mission as a business improvement district.