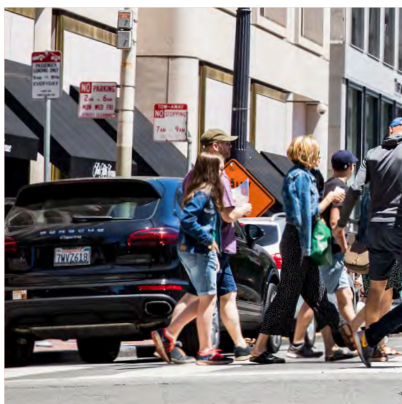
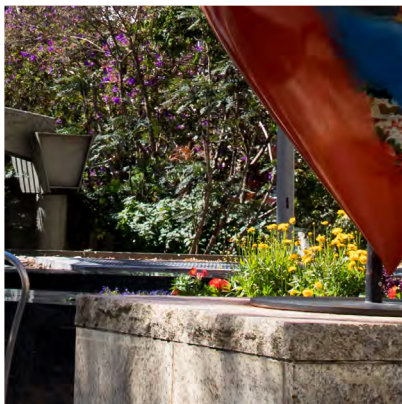
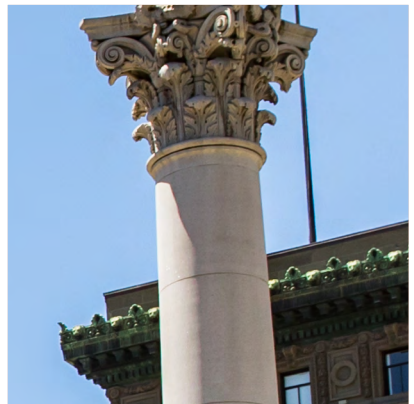
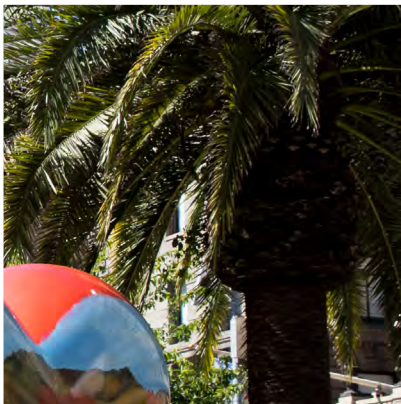


UNION SQUARE

UNION SQUARE
BUSINESS IMPROVEMENT
DISTRICT

2018–2019

ANNUAL REPORT



2018–2019

ANNUAL REPORT



1

Reflection & Prospect

A renewed sense of...

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

From landmark architecture to flagship shopping, the **heart** of San Francisco's most imaginative district is covered with Instagram-able moments and hospitality. Union Square is all about discovering the **essence** of San Francisco.

The **legacy** of our district is reliant on property owners who continue to invest in the community. *Retail is alive in Union Square!* We have welcomed Re:store, Golden Goose Deluxe Brand, Zadig & Voltaire, Anne Fontaine, Mephisto, and many more to the area this past year.

Growth of our hospitality industry continues to increase with additional multi-million dollar renovations and distinct menu offerings. Union Square was also host to world renowned musicals and performances like Dear Evan Hansen, The Jungle, and Edward Albee's Seascape.

We continue to dedicate most of our resources toward cleaning and safety enhancements. The post-renewal budget will reflect a number of new services including 24/7 Member Services/Dispatch and overnight security and camera monitoring. Our organization stands with the City and County of San Francisco to combat the homeless crisis through **compassion** and outreach to those most vulnerable living on our streets. Our partnerships with other non-profits have made national news like CNN and CBS. We will continue to find innovative

solutions by partnering with our neighbors.

Creating mini destinations by activating our alleys and streets with positive programming remains a top priority of the USBID. Winter Walk welcomed 2.2 million visitors and had an approximate economic impact of \$47M during the 2018 holiday season. Winter Walk will continue in 2019 to keep Union Square as the primary holiday destination for the Bay Area.

Finally, we are thrilled to have received a vote of **confidence** from our property owners who made an unprecedented vote to renew the USBID for another decade. As a result, additional cleaning and safety services and funds for public realm enhancements will begin in November 2019.

All are welcome to the international front door to San Francisco.



Wes Tyler
Board President

A handwritten signature in black ink that reads "Wes Tyler".



Karin Flood
Executive Director

A handwritten signature in black ink that reads "Karin Flood".





2

Renewal Finish Line

The USBID is renewed for another 10 years! Thank you everyone for participating in this crucial process for our community. Here's a recap of how we reached the finish line:

50.37% of the assessed properties were supportive during the petition phase; and 85% of responses received during the ballot phase were supportive of renewal.*

**: Only 30% of the assessed properties (weighted) are needed to move the process to the ballot phase of the renewal.*

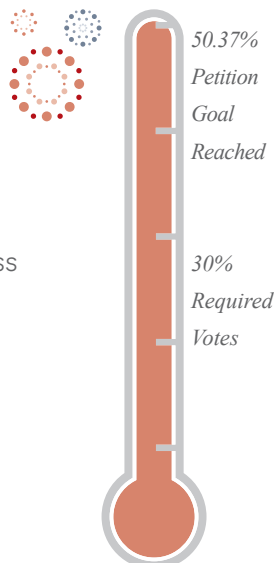


2019

Petition Phase

50.37% of the assessed properties (weighted) were supportive!

Only 30% of the assessed properties (weighted) were needed to move the process to the ballot phase of the renewal.



Ballot Phase

The City and County of San Francisco Board of Supervisors unanimously voted in support of the USBID's renewal on July 9, 2019. 85% of ballots returned were in favor of renewal. We are humbled by the immense support of our property owners. Thank you everyone for participating in this crucial process for our community.

Service Level Maintained • July

USBID Service level to be maintained from July October immediately after renewal:

- 30 FTE with budget/wages increase
- Security Camera Program to be funded by USBID assessments.



2020

First Expansion of Services ▪ November

First phase of the expansion of USBID services:

- Additional afternoon and evening ambassadors (5–6 FTE's)
- Additional evening cleaners (5–6 FTE's)
- Additional 10B's with new shift schedules:
1ST SFPD 10B from 7AM–5PM and
2ND SFPD 10B from 1PM–11PM
- 20% wage increase to cleaning and safety staff*
- Zone 1 pressure washing schedule increased from bi-weekly to weekly

Second Expansion of Services ▪ January

Second phase of the expansion of USBID services. These services will be funded by the new assessment budget received in 2020.

- 24/7 Member Services
- Overnight Security Patrol (10PM–6AM)
- Overnight Security Camera Monitoring (10 PM–6AM)



3

USBID Services



Cleaning Public Realm & Destination Advo

P I L L A R S O F

& Safety & Streetscapes Marketing Legacy

T H E U S B I D



563,125
Pounds of Trash
Removed



23,016
Hazardous Wastes
Removed



22,317
Graffiti Tags
Removed



50,516

**Quality of Life
Incidents Addressed**



11,707

**Incidents Addressed
by 10B Officers**



969

**Video Footage
Requests**

Destination Marketing

We provide connectivity that creates a seamless experience for visitors and locals alike, activating public spaces with popular events that draw crowds and reinforce Union Square's brand as an international destination.

Union Square Art+Wine Walk

We hosted a Art+Wine Walk in the Union Square Area as a way to highlight some of the district's hidden gems, including boutiques, art galleries, and restaurants!

Maps and Guides

The USBID produced a series of maps and guides to showcase businesses & offerings of Union Square.

Street Banners

The USBID launched its street banner program to demarcate the district and create a sense of place.



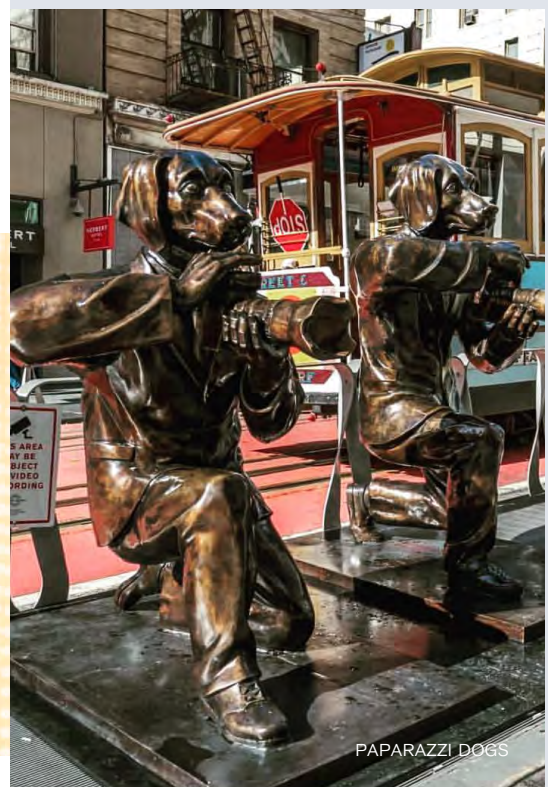
Public Realm & Streetscapes

Winter Walk 2018

Winter Walk SF offers 5 weeks of holiday decor, mobile food and craft beverages curated by Off the Grid, family friendly activities, art, community performances and entertainment, sponsored activations, and 17,000 sqft of open green space. 2.2 million visitors were recorded at Winter Walk 2018; almost 99% of the surveyed attendees would like to see Winter Walk SF every holiday season.

Public Art

The USBID partnered with Australian artists Gillie and Marc to bring Paparazzi Dogs to San Francisco, the first time on the west coast of the United States. Our growing collection of art in the public realm contributes to the dynamic and vibrant experience of visiting the Union Square area.



Advocacy

Cannabis Retail Policy

Provides District guidelines to promote a healthy "good neighbor" policy and standards to store front designs and safety measures. The Cannabis Working Group established a 'luxury zone' to preserve the integrity of flagship businesses.

Retail Environment

The USBID informed San Francisco Planning on the retail environment of Union Square and realistic use of 2nd and 3rd floor spaces through a comprehensive study in partnership with stakeholders.

Holiday Safe Shopper Program

Received \$1M grant from the Silicon Valley Community Foundation to add over 10,000+ hours of police patrols throughout the district during the holiday season.

Economic Impact

The USBID completed an economic impact study in 18-19FY, and we've discovered that Union Square is made up of less than 1% of the City's built land area, yet ***generates over one-third (34%) of citywide sales*** in general consumer goods!



4

Assessment Methodology & Financial Statements



HOW PROPERTY ASSESSMENTS ARE CALCULATED

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 USBID. Funding for the district is proportionally shared by property owners, who are self-assessed to supplement services provided by the City.

These annual assessments are based on the following variables:

- Linear (sidewalk) frontage
- Building square footage
- Lot 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 USBID. 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 will be implemented within the boundary of the USBID beginning 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 USBID's Management Plan.

Zone 1 Assessment Rate Calculation Charts 19–20FY

Land Use Type	Rate Per Lot sq ft.	Rate Per Building sq ft.	Rate Per Frontage sq ft.
Non-Residential Property	\$ 0.43727	\$ 0.06430	\$ 126.15163
Apartment Property	\$ 0.32795	\$ 0.04822	\$ 94.61372
Condominium Property	\$ 0.21864	\$ 0.03215	\$ 63.07582
Public Property	\$ 0.21864	\$ 0.03215	\$ 63.07582

Zone 2 Assessment Rate Calculation Charts 19–20FY

Land Use Type	Rate Per Lot sq ft.	Rate Per Building sq ft.	Rate Per Frontage sq ft.
Non-Residential Property	\$ 0.34982	\$ 0.05144	\$ 100.92131
Apartment Property	\$ 0.26236	\$ 0.03858	\$ 75.69098
Condominium Property	\$ 0.17491	\$ 0.02572	\$ 50.46065
Public Property	\$ 0.17491	\$ 0.02572	\$ 50.46065

18–19FY FINANCIAL RESULTS—ASSESSMENT AND CORE OPERATIONS*

Revenue	Budget	Actual	Variance
Special Assessment Revenue	\$ 3,658,079	\$ 3,670,175	\$ 12,096
Other Revenue	\$ 246,524	\$ 768,029	\$ 521,505
Total Funds	\$ 3,904,603	\$ 4,438,204	\$ 533,601
Expenses	Budget	Actual	Variance
Clean & Safe	\$ 2,733,945	\$ 2,840,645	\$ (106,700)
Streetscape, Advocacy, Marketing & Events	\$ 600,267	\$ 817,452	\$ (217,185)
Management & Administration	\$ 722,948	\$ 620,676	\$ 102,272
Total Assessment Expenses	\$ 4,057,160	\$ 4,278,773	\$ (221,613)
Surplus (Deficit) for Assessment Operations	\$ (152,557)	\$ 159,431	\$ 311,988

18–19FY FINANCIAL RESULTS TOTAL OPERATIONS (INCLUDING GRANTS)

Revenue	Budget	Actual	Variance
Special Assessment Revenue	\$ 3,658,079	\$ 3,670,175	\$ 12,096
Other Revenue	\$ 709,304	\$ 2,097,482	\$ 1,388,178
Total Funds	\$ 4,367,383	\$ 5,765,657	\$ 1,400,274
Expenses	Budget	Actual	Variance
Clean & Safe	\$ 2,733,945	\$ 2,840,645	\$ (106,700)
Streetscape, Advocacy, Marketing & Events	\$ 600,267	\$ 817,452	\$ (217,185)
Management & Administration	\$ 722,948	\$ 620,676	\$ 102,272
Total Assessment Expenses	\$ 4,057,160	\$ 4,278,773	\$ (221,613)
Grant and Funds	Budget	Actual	Variance
SVCF Grants & Other ◀	\$ 469,214	\$ 1,438,101	\$ (968,887)
Other Grants & Non-Assessment Funds	\$ 426,936	\$ 297,674	\$ 129,262
Total Expenses	\$ 4,953,310	\$ 6,014,548	\$ 1,061,238
Change Net Assets—Surplus (Deficit)	\$ (585,927)	\$ (246,891)	\$ 339,036



JULY '18–JUNE '19 STATEMENT OF FINANCIAL POSITION*

Assets

Cash	\$ 1,805,601
Receivables (Net)	\$ 76,695
Other Current Assets	\$ 114,447
Furniture & Equipment (Net)	\$ 146,278
Total Assets	\$ 2,143,021

Liabilities

Accounts Payable & Accrued Expenses	\$ 328,656
Deferred Revenue	\$ 23,675
Total Liabilities	\$ 352,331

Net Assets

Without Donor Restrictions	\$ 1,731,437
With Donor Restrictions	\$ 59,253
Total Net Assets	\$ 1,790,690
Total Liabilities & Net Assets	\$ 2,143,021

*. Audited financial reports available upon request. Contact Deputy Director Ben Horne at Ben@UnionSquareBID.com for more information.

JULY '19–JUNE '20 BUDGET

Income	Amount	Income (%)
Assessment Revenue	\$ 6,015,354	89%
Fundraising & Other	\$ 710,427	11%
Total Income	\$ 6,725,781	100%

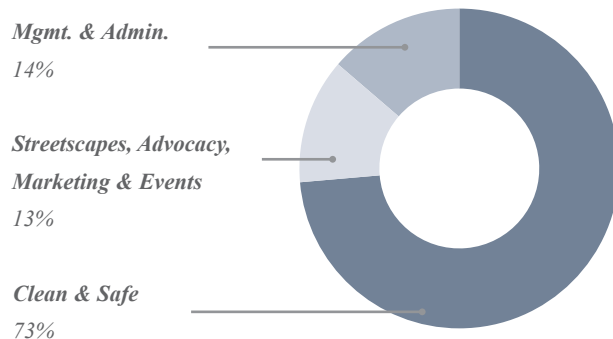
Expenses	Assessments	As. Exp. (%)	Tot. Exp. (%)
Clean & Safe	\$ 4,430,206	73%	69%
Streetscapes, Advocacy, Marketing & Events	\$ 762,638	13%	12%
Management & Administration	\$ 824,595	14%	13%
Total Assessment Expenses	\$ 6,017,439	100%	
Other Grants & Funds	\$ 379,622		6%
Total Expenses	\$ 6,397,061		100%

CARRY OVER FUNDS FROM 18–19FY

General Fund/Contingency (Jul–Oct '19 Operations)	\$ 1,731,437
Total Assessment & Service Area Funds	\$ 1,731,437
Other Restricted/Designated Funds	\$ 59,253
Total Carry Over Funds	\$ 1,790,690

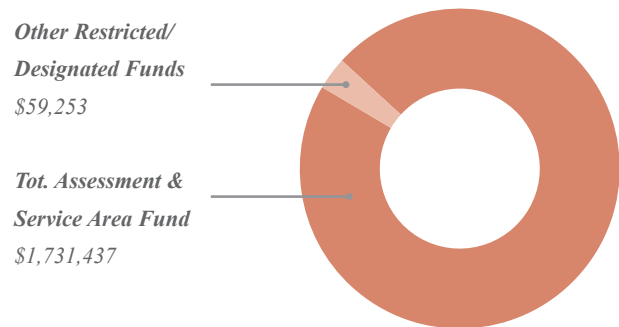
TOTAL ASSESSMENT EXPENSES

19–20FY



USBID RESERVES

June 30, 2019



The background of the slide features a soft-focus photograph. In the foreground, there are branches of cherry blossoms with pink and red flowers and green leaves. In the background, a statue of a figure holding a torch is visible, standing on a pedestal. The overall scene is bright and airy, with a light blue sky.

5

USBID Board of Directors & Staff

BOARD OFFICERS

Wes Tyler ▪ Board President
GM, Chancellor Hotel on Union Square

Julie Taylor ▪ Treasurer
Executive VP, Colliers International

Mark Purdy ▪ Secretary
SVP & GM, Grosvenor Americas

ADVISORY COMMITTEE CHAIRS

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

Matthew Coleman ▪ Marketing
Salon Manger, Harry Winston

Don Thomas ▪ Services
VP, Board of Directors, Club Donatello

James Sangiacomo ▪ Finance
Principal, 233 Post Street LP

Corinna Luebbe ▪ Public Affairs
GM, Taj Campton Place

Manuela King ▪ Streetscapes
President, RHAA Landscape Architects

BOARD OF DIRECTORS

Cammy Blackstone
Director, External Affairs, AT&T

Leah Fuhrman Heil
VP, Westfield San Francisco Centre

Kelly Powers
Director, Hotel Council SF

Stephen Brett
Principal, Brett & Company

Shirley Howard-Johnson
Arts Consultant

James Sangiacomo
Principal, 233 Post Street LP

Matthew Coleman
Salon Manager, Harry Winston

Jon Kimball
GM, Westin St. Francis Hotel

Spencer Sechler
*Director, Business Development
Imperial Parking, LLC.*

J. Timothy Falvey
SVP, Hanford-Freud & Company

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

Minna Tao
GM, Recology

James C. Flood
President, Flood Corporation

Richard Leider
Chief Financial Officer, Anvil Builders

Don Thomas
VP, Board of Directors, Club Donatello

Phil Ginsburg
GM, SF Recreation & Parks

Terry Lewis
GM, Hilton SF Union Square & Parc55

Rodrick Graham
VP, Store Manager, Macy's

Tad Moore
Principal, 250 Post Street LP

STAFF OF THE USBID



Karin Flood
Executive Director



Benjamin Horne
Deputy Director



Robbie Silver
Director of Marketing &
Public Realm



Chris Boss
Director of Services



Joshua C.W. Chan
Project Coordinator

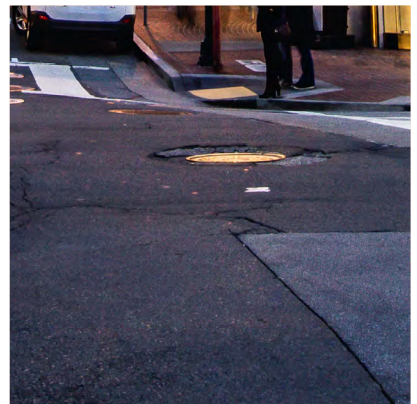
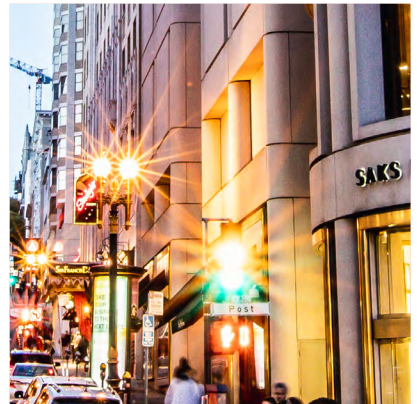
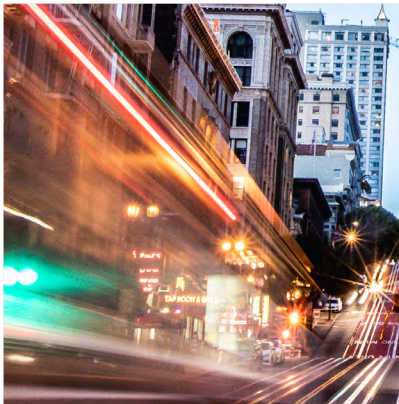
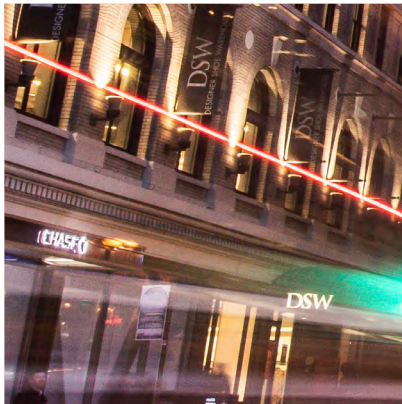
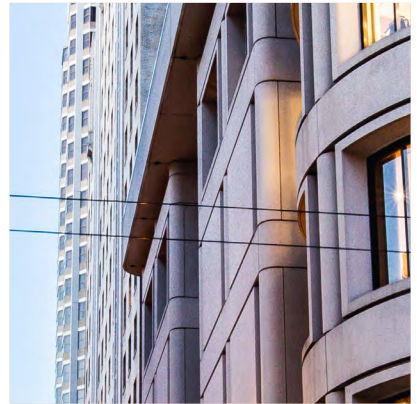
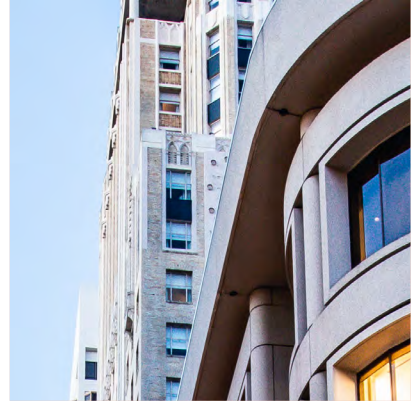
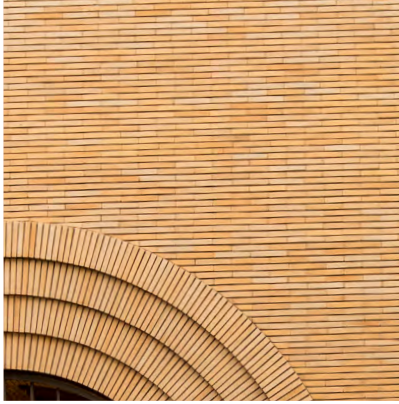


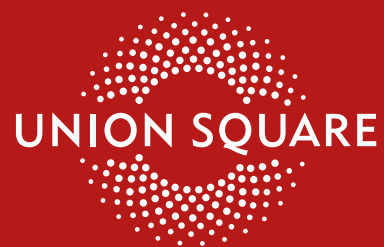
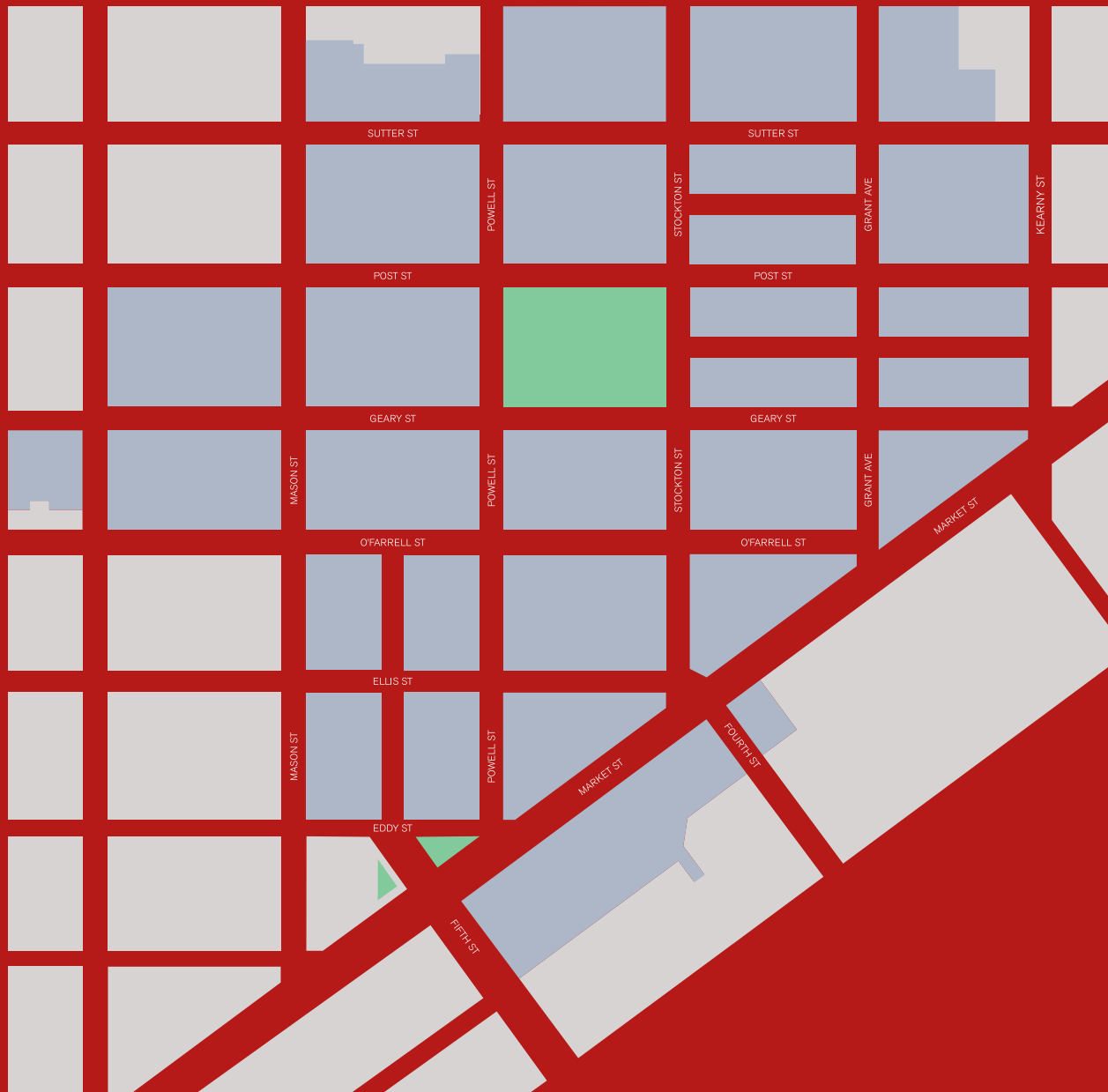
Brianna Caspersen
Project Coordinator

CLEAN AND SAFE SERVICES PROVIDED BY **BLOCK BY BLOCK**

Karl Bijan
Operations Director

Freddy "Raven" Anderson
Operations Supervisor





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BUSINESS IMPROVEMENT
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info@unionsquarebid.com • (415) 781-7880 • www.visitunionsquaresf.com

Financial Reporting

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

SA 57 - Union Square		FY 2018-2019								
Service Category/Budget Line	Management Plan Budget	General Benefit Dollars	Management Plan Assessment Budget	% of Budget	FY 2018-19 Budget	General Benefit Dollars	FY 2018-19 Assessment Budget	% of Budget	Variance	Source
Clean and Safe	\$ 1,995,400.00	\$ 19,954.00	\$ 1,975,446.00	64.98%	\$ 2,733,945.00	\$ -	\$ 2,733,945.00	67.39%	2.41%	
Marketing, Advocacy, Beautification, and Streetscape Improvements	\$ 291,675.00	\$ 2,916.75	\$ 288,758.25	9.50%	\$ 600,267.00	\$ -	\$ 600,267.00	14.80%	5.30%	
Management and Operations	\$ 460,488.00	\$ 4,604.88	\$ 455,883.12	15.00%	\$ 686,208.00	\$ -	\$ 686,208.00	16.91%	1.92%	
Contingency and Reserve	\$ 323,328.00	\$ 3,233.28	\$ 320,094.72	10.53%	\$ 36,740.00	\$ -	\$ 36,740.00	0.91%	-9.62%	
TOTAL	\$ 3,070,891.00	\$ 30,708.91	\$ 3,040,182.09	100.00%	\$ 4,057,160.00	\$ -	\$ 4,057,160.00	100.00%		

BENCHMARK 2: General Benefit Requirement

Revenue Sources		FY 2017-2018 Actuals	% of actuals	Source
Assessment Revenue	\$ 3,670,175.00			PAGE 4; CBD Financial Statements
Total Assessment (Special Benefit) Revenue	\$ 3,670,175.00	63.63%		
Contributions	\$ 1,420,004.00	24.62%		PAGE 4; CBD Financial Statements
Sponsorships	\$ 331,759.00	5.75%		PAGE 4; CBD Financial Statements
Contract Revenue	\$ 327,263.00	5.67%		PAGE 4; CBD Financial Statements
Interest Earned	\$ 18,456.00	0.32%		PAGE 4; CBD Financial Statements
Total Non-Assessment (General Benefit) Revenue	\$ 2,097,482.00	36.37%		
Total	\$ 5,767,657.00	100.00%		

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

SA 57 - Union Square		FY 2018-2019											
Service Category/Budget Line	FY 2017-18 Budget	Amount from Assessment	Amount from General Benefit	% of Budget (Assessment)	% Budget (Total Budget)	Actuals	Amount from Assessment	Amount from General Benefit	% of Actuals (Assessment)	% of Actuals (Total Budget)	Variance (Assessment)	Variance (Total Budget)	Source
Clean and Safe	\$ 2,733,945.00	\$ 2,733,945.00	\$ -	67.39%	67.39%	\$ 2,840,645.00	\$ 2,840,645.00	\$ -	66.39%	66.39%	-1.00%	-1.00%	
Marketing, Advocacy, Beautification, and Streetscape Improvements	\$ 600,267.00	\$ 600,267.00	\$ -	14.80%	14.80%	\$ 817,452.00	\$ 817,452.00	\$ -	19.10%	19.10%	4.31%	4.31%	
Mangement and Operations	\$ 686,208.00	\$ 686,208.00	\$ -	16.91%	16.91%	\$ 596,482.00	\$ 596,482.00	\$ -	13.94%	13.94%	-2.97%	-2.97%	
Contingency and Reserve	\$ 36,740.00	\$ 36,740.00	\$ -	0.91%	0.91%	\$ 24,194.00	\$ 24,194.00	\$ -	0.57%	0.57%	-0.34%	-0.34%	
TOTAL	\$ 4,057,160.00	\$ 4,057,160.00	\$ -	100.00%	100.00%	\$ 4,278,773.00	\$ 4,278,773.00	\$ -	100.00%	100.00%			

BENCHMARK 4: Whether CBD 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

FY 2018-2019 Carryover Disbursement	\$ 1,790,690.00	Spenddown Timeline
Special Assessment Project		
Projects and Administration	\$ 1,731,437.00	
Designated Funds	\$ 59,253.00	
Total Designated Amount for FY 2018-19	\$ 1,790,690.00	