On behalf of the Union Square Business Improvement District ("USBID"), our Board of Directors and staff, we present this Annual Report for our ninth year 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, progress on Renewal 2019, and a look ahead of what is to come.

As the international portal to San Francisco and the Bay Area, Union Square remains an iconic district for luxury shopping, eateries, outstanding hotels, and entertainment. The many art galleries, performance venues, and retailers that line the streets of the district create a hospitable ecosystem for those who work, play, and live in San Francisco and beyond. The legacy of our community is reliant on responsible property owners who continue to invest millions of dollars by creating experiential retail and hospitality models that will drive additional visitors to Union Square. The Museum of Ice Cream, the Color Factory, and Kylie Jenner pop-up have been successful examples.

As the overall landscape of retail changes with the upcoming generations, Union Square remains resilient and has welcomed new venues like August Hall & Fifth Arrow that will be a catalyst for innovative use of spaces. Several of our world-renowned hotels completed major renovations with millions invested to include the Westin St. Frances, King George Hotel, and Hilton San Francisco Union Square.

Having a welcoming district that is clean and safe remains the top pillar of the organization. As we launched our major community outreach campaign to embark on renewing the USBID, we asked members in the form of a comprehensive survey the vision for Union Square in the next decade. Investment in the community needs to continue to ensure our streets are cleaner and safer than ever before. The Union Square area’s backstreets, alleys, and plazas must be activated as mini destinations to enhance the overall public realm experience. Our coveted security camera program must continue to serve our property owners, businesses, SF Police Department and the DA’s Office as a mechanism of zero tolerance on crime.

We know these efforts are not enough and we certainly cannot accomplish our mission alone. We’ve gone above and beyond this fiscal year by launching the Union Square Foundation, a 501(C)3 organization to enhance the public realm and provide much needed homeless workforce development opportunities and social programs. As the USBID enters its final year within the current term, staff and Board will continue to advocate for business friendly policies and lay a foundation for another 10 years as a model of private-public partnerships.

We sincerely thank Past-President, Stephen Brett for his dedication and leadership of our Board of Directors for the last three years. The torch has been passed to Wes Tyler, General Manager of the Chancellor Hotel to lead the organization to the Renewal finish line.
Road Map to Renewal
2017

- **March**
  Member survey distributed to receive feedback on current and potential services.

- **April–July**
  Conducted community presentations to retailers, hoteliers, and proposed expansion area.

- **September–October**
  Launched the renewal campaign with members, community stakeholders, and City Departments.

- **August**
  Renewal Committee voted on budget and service levels and conducted one-on-one meetings with the largest property owners.

2018

- **September**
  Board of Directors vote on budget and service levels.

- **October–November**
  District boundaries and assessment methodology determined.

2019

- **February**
  Petitions mailed to USBID members for initial round of voting.

- **May**
  45-day mailing period when USBID member receive and vote on their ballots.

- **July–December**
  Resolution voted on by SF Board of Supervisors and signed by Mayor. New assessment rates and service levels implemented.

---

Former Mayor Willie L. Brown, Jr. (Left)
USBID Board President, Wes Tyler
District 3 Supervisor Aaron Peskin

Stay informed: Head to visitunionsquaresf.com/usbid-renewal
MAJOR ACCOMPLISHMENTS

Catalyst For Innovation

LAUNCHED UNION SQUARE FOUNDATION

501C3 Status
Awarded in Jan. 2018

$408,000 raised in the first fiscal year

FIVE Funding
Priorities Identified

UNION SQUARE CARES & DOWNTOWN STREETS TEAM

21 MEMBERS permanently housed

23 MEMBERS received full-time employment to date

211,575+ LBS of debris collected since start of DST

5,467 needles removed since start of DST

WINTER WALK SAN FRANCISCO

1.7M Local & tourist visitors

NO. 1 most visited holiday attraction

5 Weeks of food, drinks, & entertainment

FOURTH Winter Walk held

BIGBELLY & TERRACYCLE PROGRAM

25 Bigbelly’s installed

164,000 LBS trash collected

14,000+ collections made

80,000 LBS of cigarette butts collected

SECURITY CAMERA PROGRAM

$200K donation received from Chris Larsen Fund*

350+ cameras installed

2,000 Requests to date

550+ Arrests to date

“HOLIDAY SAFE SHOPPER” PROGRAM

$1M GRANT from the Silicon Valley Community Foundation

22 FELONY arrests cited

10,000+ HRS of police patrolling throughout the Union Square district

12,791 Incidents and interactions were addressed
The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

Assessment Methodology

**How Property Assessments are Calculated**

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

Assessment Methodology

**How Property Assessments Are Calculated**

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

Assessment Methodology

**How Property Assessments Are Calculated**

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

Assessment Methodology

**How Property Assessments Are Calculated**

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

Assessment Methodology

**How Property Assessments Are Calculated**

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)

Assessment Methodology

**How Property Assessments Are Calculated**

The USBID is a 501(C)4 nonprofit organization and currently the largest of San Francisco’s 16 existing property based BID’s and CBD’s. The Union Square district covers 27 blocks and includes nearly 600 parcels, both publicly and privately owned. 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 of non-residential properties
- Property usage

Each property owner’s assessment is calculated according to the special benefit received from the services provided by the USBID. Accordingly, each property owner is assessed for their proportional special benefit for the following services:

- Cleaning, maintenance and safety services
- Marketing, beautification and streetscape improvements & advocacy (non-residential properties only)
Financial Statements*

17–18FY ASSESSMENT & CORE OPERATIONS

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Assessment Revenue</td>
<td>$3,554,176</td>
<td>$3,559,433</td>
<td>$5,257</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$325,002</td>
<td>$369,978</td>
<td>$44,976</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$3,879,178</strong></td>
<td><strong>$3,929,411</strong></td>
<td><strong>$50,233</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean &amp; Safe</td>
<td>$2,647,645</td>
<td>$2,683,937</td>
<td>$(36,292)</td>
</tr>
<tr>
<td>Streetscape Improvement, Advocacy, Marketing &amp; Events</td>
<td>$652,688</td>
<td>$561,054</td>
<td>$91,634</td>
</tr>
<tr>
<td>Management &amp; Administration</td>
<td>$673,910</td>
<td>$622,898</td>
<td>$51,012</td>
</tr>
<tr>
<td>Other Projects</td>
<td>$100,943</td>
<td>$111,408</td>
<td>$(10,476)</td>
</tr>
<tr>
<td><strong>Total Assessment Expenses</strong></td>
<td><strong>$4,075,176</strong></td>
<td><strong>$4,019,237</strong></td>
<td><strong>$55,939</strong></td>
</tr>
<tr>
<td>Surplus (Deficit) for Assessment Operations</td>
<td>$(195,946)</td>
<td>$(41,946)</td>
<td><strong>141,102</strong></td>
</tr>
</tbody>
</table>

17–18FY TOTAL RESULTS (INCLUDING GRANTS)

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special Assessment Revenue</td>
<td>$3,551,533</td>
<td>$3,559,433</td>
<td>$5,900</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>$420,933</td>
<td>$1,481,151</td>
<td>$1,060,218</td>
</tr>
<tr>
<td><strong>Total Funds</strong></td>
<td><strong>$3,972,466</strong></td>
<td><strong>$5,040,584</strong></td>
<td><strong>$1,068,118</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean &amp; Safe</td>
<td>$2,467,645</td>
<td>$2,683,937</td>
<td>$(36,292)</td>
</tr>
<tr>
<td>Streetscape Improvement, Advocacy, Marketing &amp; Events</td>
<td>$652,688</td>
<td>$561,054</td>
<td>$91,634</td>
</tr>
<tr>
<td>Management &amp; Administration</td>
<td>$673,910</td>
<td>$622,898</td>
<td>$51,012</td>
</tr>
<tr>
<td>Other</td>
<td>$100,943</td>
<td>$111,408</td>
<td>$(10,475)</td>
</tr>
<tr>
<td><strong>Total Assessment Expenses</strong></td>
<td><strong>$4,075,176</strong></td>
<td><strong>$3,979,297</strong></td>
<td><strong>$95,879</strong></td>
</tr>
<tr>
<td><strong>Surplus (Deficit) for Assessment Operations</strong></td>
<td><strong>$(195,946)</strong></td>
<td><strong>$(41,946)</strong></td>
<td><strong>$141,102</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grants and Funds</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SVCF Grants (Safe Shopper 2017 &amp; Security Cameras)</td>
<td>$883,900</td>
<td>$1,638,197</td>
<td>$(754,297)</td>
</tr>
<tr>
<td>Other Grants &amp; Non-Assessment Funds</td>
<td>$223,080</td>
<td>$213,509</td>
<td>$(9,571)</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$5,194,159</strong></td>
<td><strong>$6,831,003</strong></td>
<td><strong>$636,844</strong></td>
</tr>
<tr>
<td><strong>Change Net Assets for 17–18FY</strong></td>
<td><strong>$(1,221,693)</strong></td>
<td><strong>$(790,419)</strong></td>
<td><strong>$431,274</strong></td>
</tr>
</tbody>
</table>

17–18FY STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Assets</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,882,584</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Receivables</td>
<td>$271,389</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>$135,480</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Furniture &amp; Equipment</td>
<td>$333,036</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$2,462,489</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable &amp; Accrued Expenses</td>
<td>$385,849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>$39,060</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$424,909</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th>Budgeted</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$1,609,265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted Temporarily</td>
<td>$408,325</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$2,037,580</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>$2,462,489</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Audited Financial Reports available upon request. Contact Deputy Director Benjamin Horne at Ben@UnionSquareBID.com for more information.

17–18FY STATEMENT OF BUDGET & OPERATIONS

<table>
<thead>
<tr>
<th>Income</th>
<th>Amount</th>
<th>Income (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment Revenue</td>
<td>$3,658,079</td>
<td>84%</td>
</tr>
<tr>
<td>Fundraising &amp; Others</td>
<td>$709,304</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td><strong>$4,367,383</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
<th>As. Exp. (%)</th>
<th>Tot. Exp. (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clean &amp; Safe</td>
<td>$2,733,945</td>
<td>67%</td>
<td>55%</td>
</tr>
<tr>
<td>Streetscape Improvement, Advocacy, Marketing &amp; Events</td>
<td>$600,267</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Management &amp; Administration</td>
<td>$722,948</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total Assessment Expenses</strong></td>
<td><strong>$4,051,160</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
<tr>
<td>SVCF Grant Expenses</td>
<td>$469,214</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Other Grants &amp; Funds</td>
<td>$426,936</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$4,953,310</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CARRY OVER FUNDS FROM 17–18FY

| General Fund/Contingency  | $1,596,631 |
| Total Assessment & Service Area Funds | $1,596,631 |
| SVCF Grants               | $201,605   |
| Other Restricted/Designated Funds | $239,344  |
| **Total Carry Over Funds** | **$2,037,580** |

USBID Reserves

<table>
<thead>
<tr>
<th>JUNE 30, 2018</th>
<th>Budgeted Expenses (Assessments)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>17–18FY</td>
</tr>
<tr>
<td>$239,344</td>
<td>12%</td>
</tr>
<tr>
<td>$201,605</td>
<td>30%</td>
</tr>
<tr>
<td>$1,596,631</td>
<td>58%</td>
</tr>
</tbody>
</table>

* Audited Financial Reports available upon request. Contact Deputy Director Benjamin Horne at Ben@UnionSquareBID.com for more information.
Pillars of the USBID

- Cleaning
- Safety
- Destination Marketing
- Public Realm
- Advocacy
The Union Square Foundation recognizes Union Square’s importance as the heart of the retail, hospitality and entertainment districts of San Francisco. The Union Square Foundation is dedicated to enhancing the unique qualities of Union Square and its surrounding public realm. We provide critical support to both creating and maintaining a clean, safe, and beautiful environment that serves to enrich its public spaces for the enjoyment of San Francisco’s residents and visitors.

MISSION OF THE FOUNDATION

BOARD OFFICERS OF THE FOUNDATION

Tad Moore, Board President
Principal, 250 Post Street, LP.

Darcy Brown, Treasurer
Executive Director, SF Beautiful

Shirley Howard-Johnson, Secretary
Arts Consultant

BOARD OF DIRECTORS OF THE FOUNDATION

Norm Boone
Founder & President
Mosaic Financial Partners

Rick Laubscher
President, Market Street Railway

J. Timothy Falvey
SVP, Hanford-Freund Company

Ken Mancuso
SVP, Leasing, San Francisco Centre
Unibail-Rodamco-Westfield

Moe Jamil
Community Member & Advocate

Kelly Powers
Associate Director, Hotel Council SF

Man J. Kim
President, Lori’s Diner International

Ron Yen
Principal, BuildGroup

Manuela Anne King
President, RHAA Landscape Architects

Foundation Projects and Priorities (From p.16)
1. Powell Street Promenade Improvements
2. Backstreet & Alley Activations
3. Union Square Cares Program
4. Public Art Programs
5. Maiden Lane Beautification
6. Campton Place Improvements
7. Hallidie Plaza Improvements

The USBID & The Foundation

Union Square Cares: Homeless workforce development & social services

Cleaning and Maintenance

Safety and Security

Advocacy

Destination Marketing

Formed in July 2017

Last renewed in 2009
STAFF OF THE USBID

Karin Flood
Executive Director

Benjamin Home
Deputy Director

Robbie Silver
Director of Marketing & Events

Randall Scott
Director of Services

Joshua C.W. Chan
Project Coordinator

Brianna Caspersen
Project Coordinator

CLEAN & SAFE SERVICES PROVIDED BY BLOCK BY BLOCK

Chris Boss
Operations Director

Karl Bijan
Operations Supervisor