

# GREATER UNION SQUARE BUSINESS IMPROVEMENT DISTRICT MANAGEMENT PLAN

July 28, 2009

Prepared by the Union Square BID Board, Greater Union Square  
BID Steering Committee, Linda Mjellem of the Union Square  
Association and Karin Flood Eklund of MJM Management Group.

And pursuant to the State  
of California and Business  
Improvement District Law of 1994 and augmented by Article 15 of the San Francisco  
Business and Tax Regulations Code to  
reauthorize a business improvement  
district for the Union Square area in  
San Francisco, California.

*Prepared for the  
San Francisco Board of Supervisors  
And Business and Property Owners in the  
Union Square area*



## **I. The Greater Union Square Business Improvement District AT-A-GLANCE**

The Union Square Business Improvement District (BID) or “Existing BID” is a special assessment district originally established in 1999 by a group of concerned property owners and merchants to improve the cleanliness, safety and the economic vitality of the Union Square area. The Union Square BID was originally set up for a five year period. It was then renewed in 2004 for an additional five years; this current authorization expires June 30, 2009.

This Greater Union Square BID Management Plan or “Proposed BID” Plan describes the proposed reauthorization of the district for a 10-year period beginning July 1, 2009. It also proposes expansions to the current district in both the geographic area included and the services offered. The expanded district will be called the Greater Union Square Business Improvement District.

**Location:** Approximately 27 whole or partial blocks surrounding Union Square and bounded on the north by a varying boundary including Bush, Sutter, Post and Geary Streets, on the east by Kearny Street and Claude Lane, on the south by Market Street, and on the west by a varying boundary including Mason, Shannon Alley, and Taylor Streets (please see map of the Greater Union Square BID on page 10).

### Northern Boundary:

- Geary Street from Shannon Alley to Taylor (south side only);
- South side of Post Street from Taylor to Mason;
- North side of Sutter from Mason to Powell and including parcels 0284 002, 0284 003, 0284 026-064 and 0284 025 and
- South side of Bush from Powell Street to Mark Lane.

### Southern Boundary:

- North Side of Market Street from Kearny Street to Cyril Magnin including parcel 0341 013 on the West intersection of Cyril Magnin and Market Streets and
- South Side of Market Street from 4<sup>th</sup> Street to 5<sup>th</sup> Street including parcel 3706 047 on the east corner of 4<sup>th</sup> and Market Streets.

### Eastern Boundary:

- West side of Kearny Street from Market to Sutter Streets and
- The intersection of the west side of Claude Lane and north side of Sutter and the intersection of the west side of Mark Lane and Bush Streets. (Claude Lane and Mark Lane are not included in the district.)

Western Boundary:

- East side of Mason Street from Eddy Street to O'Farrell Street;
- East side of Mason from Post to Sutter including parcels 0284 012, 0284 026-064, and 0284 025;
- Taylor Street from O'Farrell Street to Post Street on the East side and two parcels on the West side of Taylor Street 0317 001 and 0317 002 and
- East side of Shannon Alley (between O'Farrell & Geary) including three parcels 0317 002, 0317 026 and 0317 027;

**Services:** The Greater Union Square BID proposes to enhance the experience of visitors to the Greater Union Square area by continuing to provide the maintenance and public safety services currently offered in the original Union Square BID. The expanded Greater Union Square BID geographic area will receive the same level of services as the existing BID receives now.

**These continued services are:**

- **Cleaning and Maintenance** which includes 8 maintenance workers providing daily sidewalk sweeping and graffiti removal between 6:00 a.m. – 9:00 p.m.; steam cleaning every two weeks; trash receptacle control including topping off and wiping down receptacles and removal of bulky items between 6:00 a.m. - 9:00 p.m.
- **Public safety** which includes a daily assignment of one uniformed 10B SFPD officer per shift during the hours of 11:00 a.m. -11:00 p.m. Thursday – Saturday and 11:00 a.m. - 7:00 pm Sunday – Wednesday; a corps of 8 uniformed Community Service Ambassadors who support police and property owners in crime prevention, assist visitors with area information and provide street population/homeless with social services information. All public safety personnel carry two-way radios that are connected to a centralized dispatch. The Ambassador hours are 9:00 a.m.-10:00 p.m. Monday-Friday and 10:00 a.m.-10:00 p.m. Saturday and Sunday.

**To maintain Union Square's standing as a premiere retail, hotel and theater district and favorite visitor destination additional services are proposed.**

**The proposed expanded services are:**

- **Marketing** for the Union Square district including the design and production of a district map, an updated website, and special events to draw visitors to the area and promotional campaigns to encourage visitors and create reasons for them to come to Union Square.
- **Advocacy** including promoting a clean, safe, and vibrant district to assure a positive experience for all visitors, workers and residents.
- **Beautification programs** including hanging additional flower baskets at certain intersections and entry points to the district, plaques on city receptacles and

maintenance carts to brand the district and seasonal décor and holiday lighting throughout the district.

- **Capital improvements** to provide for way finding signage and other public right of way enhancements to the district.

**Method of Financing:** Benefit based assessments on properties within the district.

**Budget:** Total district budget for the first year of reauthorized operation is approximately \$3.04 million.

**Management Corporation:** The Union Square Business Improvement District Corporation, a non-profit corporation, has been providing services since July 1, 1999. It is anticipated that this organization will continue to manage and provide services through the BID or contract with an outside agency for services.

**Assessment:** The first year annual assessment rate is calculated at \$70.58 per linear foot of the property sidewalk frontage for all properties for clean and safe services plus a flat marketing and advocacy fee for non-residential properties based on the property building categories as outlined below.

| Property Type   | Clean and Safe<br>(per Linear<br>Street Foot) | Marketing and<br>Advocacy (per<br>Assessor's Parcel) |
|---|---|--|
| Category 1 Property<br>(Less than 2,000 building sq. ft.) | \$70.58                                       | \$75.00  |
| Category 2 Property<br>(2,000-4,999 bldg. sq. ft.)        | 70.58   | 150.00   |
| Category 3 Property<br>(5,000-9,999 bldg. sq. ft.)        | 70.58   | 500.00   |
| Category 4 Property<br>(10,000-29,999 bldg. sq. ft.)      | 70.58   | 1,000.00   |
| Category 5 Property<br>(30,000-99,999 bldg. sq. ft.)      | 70.58   | 1,250.00   |
| Category 6 Property<br>100,000 or more bldg. sq. ft.)     | 70.58   | 5,000.00   |
| Residential Property                                      | 70.58   | 0.00   |
| Public Property   | 70.58   | 0.00   |
| Hallidie Plaza Parcels (1)                                | 3.55  | 0.00   |

(1) The Hallidie Plaza Parcels are assessed per Lot Square Footage.

**All Assessors' Parcels except Hallidie Plaza Parcels:**

|  |   |  |   |                          |   |                                  |
|--|---|--|---|--------------------------|---|----------------------------------|
| Assessor's<br>Parcel<br>Annual<br>Assessment | = | Clean and<br>Safe<br>Assessment<br>(\$70.58) | X | Linear Street<br>Footage | + | Marketing and<br>Advocacy Amount |
|--|---|--|---|--------------------------|---|----------------------------------|

**Hallidie Plaza Parcels:**

|   |   |  |   |                       |
|---|---|--|---|-----------------------|
| Hallidie Plaza<br>Parcel Annual<br>Assessment | = | Clean and Safe<br>Assessment<br>(\$3.55) | X | Lot<br>Square Footage |
|---|---|--|---|-----------------------|

**Escalation factor:** Assessments for years 2 through 10, and may be subject to annual adjustment by the Bay Area Consumer Price Index (CPI) for all urban consumers, or a maximum of 3%, whichever is less.

**City Services:** The Board of Supervisors of the City and County of San Francisco, by reauthorizing the district, will confirm its intention to ensure a baseline level of services equivalent to the level that it provides elsewhere in similar areas of the City.

**Formation Process:** District formation or reauthorization requires submission of petitions from property owners representing at least 30% of the total proposed assessments. Administrative staff assisting the existing BID will send out these petitions. If this threshold is reached, the Board of Supervisors may adopt a Resolution of Intent to propose establishing the district and to levy the assessments for 10 years. If the Resolution of Intent is approved by the Board of Supervisors, the Department of Elections of the City and County of San Francisco will mail out assessment ballots to all owners of properties included in the proposed district. The Board of Supervisors will hold a public hearing between 45-90 days after adopting the Resolution of Intent. At this hearing, the ballots will be counted. More than fifty (50%) of the returned weighted ballots must be in support of the district for the Board of Supervisors to vote on the reauthorization and expansion of the Union Square BID. "Weight" is determined by the percentage of monetary contribution each property owner will make to the Business Improvement District based upon the assessment methodology. A majority of the Board of Supervisors must vote to approve the re-establishment of the district.

**Duration:** The reauthorized district will have a 10-year term.

**Disestablishment:** There will be a thirty day window every year beginning on the one-year anniversary of the establishment of the Greater Union Square BID, in which property owners may petition to disestablish the Greater Union Square BID. If the owners of real property who pay 50% or more of the assessments levied submit a written petition to disestablish, the Board of Supervisors will do so. Any remaining revenues derived from the assessment or sale of assets purchased with the assessment will be returned to the owners of the property proportionate to the amount that each owner paid.

## II. WHY REAUTHORIZE THE UNION SQUARE BUSINESS IMPROVEMENT DISTRICT?

While there are a number of compelling reasons for reauthorizing the existing Union Square BID, perhaps the most significant is its history of success. Through its maintenance and public safety programs over the last 10 years, the Union Square BID has proven that these supplemental services are effective in enhancing the experience of Union Square as a whole. Tourists and visitors to the area, as well as local residents, have noticed a visible difference in the safety, cleanliness, and overall friendliness of the area. These statistics testify to the effectiveness of the BID's programs:

- During FY 2007/2008 alone, the Public Safety Ambassadors documented contact and assistance to 473 transients in addition to 177 shelter referrals, logged 50 Mobil Assistance Patrol (MAP) calls, and assisted BID businesses 549 times for reasons including suspicious persons, attempted shoplifting, general questions, trash, or other assistance.

The recent redesign of Union Square Park and the redesign plans for Hallidie Plaza represent a significant public investment in the area, underscoring the importance of continually meeting the new standards for cleanliness and safety that have been established through the BID. For many visitors, Hallidie Plaza at Powell and Market is the entry point to Union Square and as such should be clean, safe and welcoming. The Greater Union Square BID will include Hallidie Plaza. Additionally, the City of San Francisco will contribute toward the maintenance, safety and activation of this important gateway to the Union Square area.

Even more compelling, the current economic crisis and recessionary business environment require a committed response in order to attract new business into the area to maintain a healthy retail and mixed use environment for existing businesses and to provide a vibrant neighborhood for visitors, workers and residents to participate in.

While continuing the BID's maintenance and public safety programs are important, implementing additional marketing and advocacy services in difficult times is essential for encouraging visitors to come to Union Square to shop, dine, visit the theater and to stay overnight in a hotel. Increasing this market awareness includes making Union Square more easily accessible through maps and signage, creating greater draw through special events and targeted marketing promotions, and positioning the area most competitively.

The BID is an effective means to achieving positive results for district property owners, businesses and residents. Reauthorizing and expanding the BID accomplishes the following:

- **Continued enhancement of the Union Square experience.** As a private/public partnership, the Union Square BID has provided visible and effective safety and maintenance services that offer visitors the opportunity to have a positive experience when visiting the area. This improved standard of safety and cleanliness makes local residents, visitors, and tourists feel more welcome. A cleaner, safer, and more vibrant atmosphere directly increases business volume and property values.
- **An opportunity to continue private sector oversight and accountability.** A Board of Directors consisting of Union Square property and business owners oversees the management of the BID. The Board develops the annual business improvement plan and budget, and it ensures that the district is directly accountable to those who pay for services. A newly constituted Board for the reauthorized district will represent the expanded district and be open to this broader constituency.
- **An equitable distribution of costs and benefits.** The Union Square BID is based on the “benefit assessment district” concept, which provides for an assessment on property to be raised within a geographic district. Proceeds are directed back to the district to provide services offering special benefit to the properties located within the district. Assessments are based upon a formula that equitably distributes costs and benefits that are tailored to fit the specific BID.

### III. WHAT IS A BUSINESS IMPROVEMENT DISTRICT?

**A BID provides essential services, such as safety, cleaning and maintenance and marketing, to supplement and complement those provided by local government.**

Hundreds of districts have been formed in recent years as local business communities respond to declining municipal budgets and services. While local governments provide a baseline level of service, property owners have realized that in order to create a truly positive and unique experience for visitors they need to invest in their business districts above and beyond what the City provides.

The Union Square BID when established in 1999 was the first BID formed in San Francisco. Now there are currently ten such special districts in the City today including Fisherman's Wharf, Yerba Buena Gardens, Central Market, the Tenderloin, the Castro/Upper Market, Noe Valley, the Mission, the Fillmore Jazz Preservation District and the Tourism Improvement District.

In a broader view, the International Downtown Association estimates that more than 950 downtown business improvement districts currently operate throughout the United States and Canada. BIDs have proven their value by providing services that improve the overall viability of central business districts with the result measured in increased property values and retail sales.

The Union Square BID was originally formed under the provisions of California's Streets and Highways Code 36600 et seq. Property and Business Improvement District Law of 1994", a piece of legislation that ushered in a new generation of BIDs in California by allowing for a greater range of services and assuring independence from government. San Francisco augmented the Property and Business Improvement District Law of 1994 with the passage of Article 15 of the San Francisco Business and Tax Regulations Code in 2004.

These laws include provisions that in San Francisco:

- Allow BIDs to undertake services including safety, maintenance, marketing, capital improvements, economic development, and special events.
- Allow revenue for services to be raised from assessments on property.
- Require petition support from private property owners paying more than 30% of proposed private property assessments to form a BID and ballots representing more than 50% support of the ballots returned.
- Provide for up to a 15-year life for a BID and require a new petition process to reauthorize a district.

Since the passage of the Property and Business Improvement District Law of 1994, new BIDs have been formed as well as older BIDs reauthorized in dozens of California communities. As a result of the clear successes of established BIDs, more districts are currently being formed in San Francisco as well as throughout California and the United States.

As BIDs have proliferated, a national organization has been formed called the International Downtown Association for the purpose of sharing resources and promoting best practices throughout the country. Such growth is a strong testament to the effectiveness and positive results demonstrated by BIDs in communities everywhere. San Francisco has also



organized an informal consortium of Community Benefit Districts or (CBDs) the more common name for these special assessment districts in San Francisco that meets regularly to share ideas, resources, information about vendors etc.

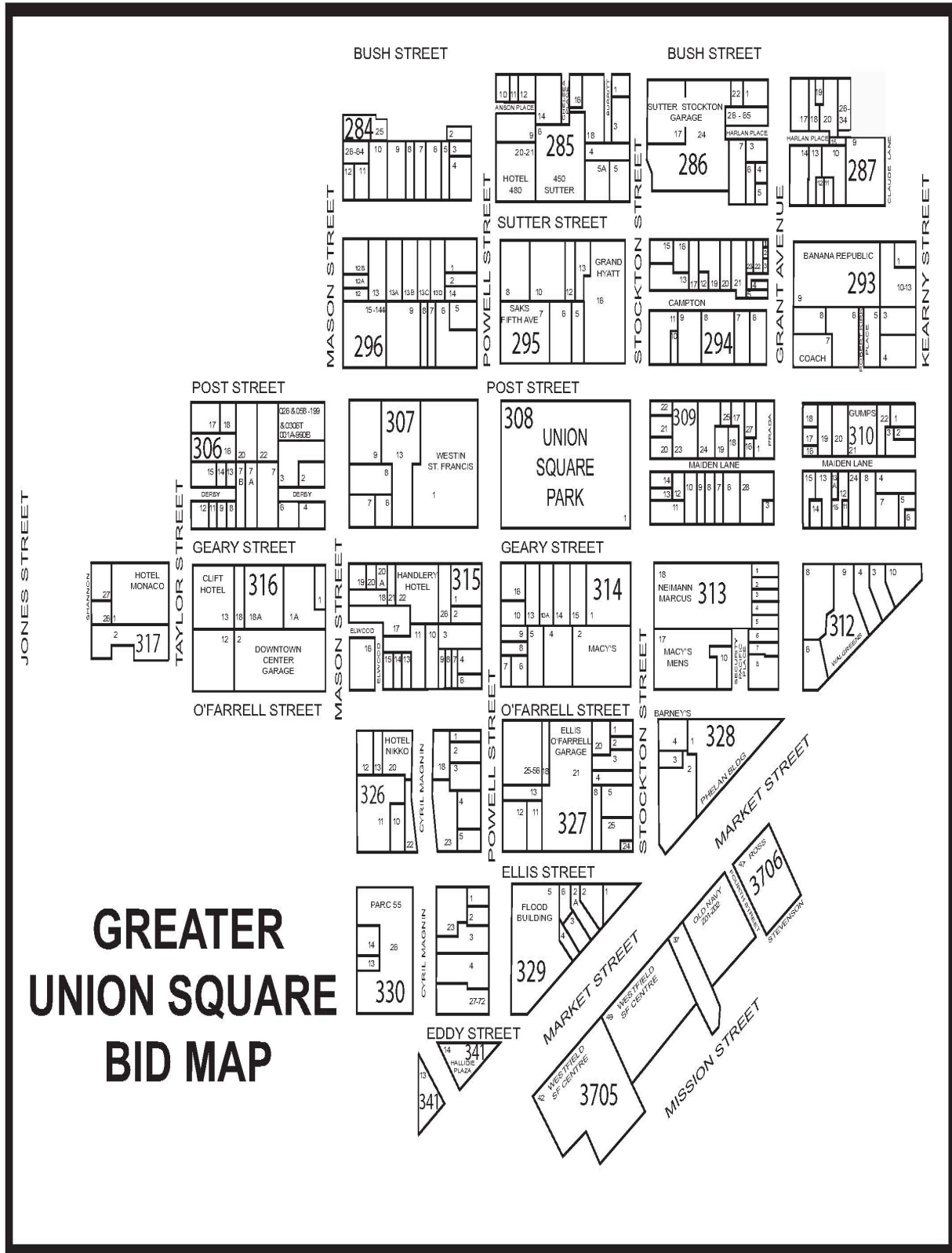
#### **IV. UNION SQUARE BUSINESS IMPROVEMENT DISTRICT BOUNDARY**

The expanded Union Square BID consists of an approximately 27 block area surrounding Union Square and representing the heart of San Francisco's retail district. It includes the center of the city's theater district and a large share of the downtown hotel concentration that supports the city's crucial tourism industry.

The district is bounded on the north by a varying boundary including Bush, Sutter, Post and Geary Streets, on the east by a varying boundary including Kearny Street, Claude Lane and Mark Lane, on the south by Market Street, and on the west by a varying boundary including Mason, Shannon Alley, and Taylor Streets.

The map on the following page illustrates the expanded district and defines its boundaries. Within this service area there are 2980 parcels which include both public and private ownership.

Property that is zoned solely for residential use will be subject to assessment based on a proportion of the linear frontage of the building for the clean and safe services. Residential properties will not be charged for the marketing and advocacy portion of the budget or the portion of the administration that is required for marketing and advocacy which added together is approximately twelve percent (12%). Please see section on assessment formula.



## **V. SERVICE PLAN**

### **Service Plan Development Process**

Under the leadership of the BID's non-profit Operating Board of Directors, the existing Union Square BID has implemented two principal programs since the BID's formation in 1999. These have been the Cleaning and Maintenance Program and the Public Safety Program. As a direct result of these services, the quality of life and the business as well as residential environment have demonstrated real improvement in the cleanliness and safety of the area. The public sector has also benefited from cleaner, safer and a more welcoming environment.

Recognizing the value of these programs' impact and the need for ongoing and increasing improvement, the Board has elected to continue these services in a reauthorized district. In addition, recognizing the challenges inherent in an urban business setting, the Board concluded that the addition of new services would be important in maintaining the awareness of the unique business environment – especially during a severe economic downturn.

Thus, the Board has proposed to expand the district services to include programs for marketing and promotion, advocacy, beautification, and capital improvements. This expanded package of services is intended to ensure both the continuity of existing services as well as new initiatives designed to promote both stability and growth.

### **Enhanced Service Plan for the Expanded Union Square BID**

The service plan development process began with a survey of Union Square property owners to identify stakeholders' concerns. The survey results revealed a continuing commitment to support programs that enhance the experience of the Union Square area and contribute to a safer and more vibrant community. The service priorities that the district stakeholders support are the two existing programs for Maintenance and Public Safety; they also support the addition of services for Marketing, Advocacy, Beautification, and Capital Improvements. Each program is outlined below.

#### **1. Cleaning and Maintenance Program**

##### Objectives

The reauthorized Union Square BID plans to continue supplementing those services provided by the Department of Public Works (DPW) throughout the expanded district with a comprehensive program ensuring maximum possible cleanliness of sidewalks, curbs, street fixtures and buildings within the boundaries of the district. Using teams of daily workers and other managed programs, this program is designed to strive for litter-free sidewalks that are absent of graffiti or other signs of decay. The goal is for property owners, merchants, and visitors alike to maintain pride in the area and for important perceptions of cleanliness and increased safety to contribute to a vibrant community.

##### Service Outline

The Union Square BID's managed programs include continuous daily sidewalk sweeping, refuse removal, gum removal, regular steam cleaning, pressure washing on an as needed basis, systematic graffiti removal, and a paint crew. The district will continue to be continuously cleaned by a team of maintenance workers, seven days per week, from 6:00 a.m. until 9:00 p.m. In addition, project crews, working 5 days per

week, will target problem areas, remove graffiti where appropriate, and undertake painting projects. Maintenance supervisors will continue the campaign of graffiti removal, through direct contact with individual property owners, to supplement the City's general graffiti program.

The BID office maintains a hotline enabling community members to report problems and request service or actions in support of the area's improvement. This will be supplemented by the addition of new technology solutions now being developed to provide enhanced communication between the community and BID dispatch center. A digitally enhanced Daily Activity Report (DAR) system will allow for such options as sending text messages and photos of problem conditions directly to the dispatch center. The goal is to expand the range of options for communicating area needs so they can be most efficiently addressed.

#### Operations and Strategy

The Greater Union Square BID's maintenance program will continue to operate from a central facility within close proximity of the district. The Management Corporation will research the cost effectiveness of either continuing to contract out for services or operating an in-house program. The contractor, reporting directly to the BID Executive Director, will continue to be responsible for the overall sanitation effort, scheduling and shift management, and other activities supporting the program.

Maintenance workers will continue to be assigned to patrol sectors and will ensure equal coverage throughout the district. In addition to regular patrols, the supervisor will review a daily report from the central office summarizing calls on the hotline and through the new digital system summarizing calls and other messages requesting service for the special projects team. The supervisor then coordinates these requests within the current schedule to provide rapid response based on the priority of each problem.

In order to provide a clear and distinct identity for BID maintenance workers that support the image of Union Square, workers will continue to be issued colorful uniforms that include the BID logo. They will continue to receive training that includes an understanding of the mission of the BID as well as information about the area that enables them to be knowledgeable and helpful to the public. BID management will continue to focus efforts on fostering positive worker attitude and enthusiasm. The need for ongoing training and monitoring of worker performance is clearly understood and remains a priority.

The BID is committed to continue efforts to hire sanitation workers through a referral program that benefits the City's homeless community. Efforts will also be made to hire formerly homeless individuals through existing programs designed to help them transition from living on the street to becoming a productive community member through employment.

## 2. Public Safety Program

### Objectives

The Union Square BID continues to view the goal of its public safety efforts as producing an environment in which citizens, visitors and merchants feel comfortable and secure. A key objective remains to improve the quality of life for persons living, working or visiting the district and continually improving the experience of visitors by providing a safe and welcoming presence throughout the area.

### Community Service Ambassadors

The BID's team of Community Service Ambassadors (CSAs) is a key element of the program's success. Their primary function is to assist the public with information and to direct them to destinations within the area, drawing on their extensive knowledge of local geography, area businesses, transportation systems, and other useful information. They are provided with hand held GPS devices that are useful in directing people to their destinations. CSAs are good will ambassadors who assist the public in navigating the district with a welcoming and informed presence.

They also play an important role in promoting the Union Square area as safe and friendly. They are easily visible and identifiable by their red uniform jackets. Their presence is a deterrent to misdemeanor crime, and they carry hand held radios that enable them to report conditions or observations of criminal activity immediately through dispatch to the San Francisco Police Department (SFPD). It is important to recognize, however, that their role is one of deterrence, not of enforcement.

The CSA's training includes extensive knowledge of the area, local businesses, and transportation systems. It also focuses on observation and reporting protocols. Most importantly, it provides information and techniques that enable them to assist anyone on the street in need of social service programs, shelters, and places to eat. It also emphasizes sensitivity to individuals with special needs and includes training in handling emergency situations.

The CSAs also play an important role in interfacing with SFPD. In this way, they perform a valuable function in contributing to public safety in the BID. They receive extensive training in understanding the laws governing quality of life offenses and public nuisances, as well as procedural guidelines essential to their relationship with the SFPD. CSAs and the BID's dispatch work diligently to employ excellent communication procedures that enable prompt response from the SFPD when an incident occurs. It is this partnership between the BID's CSA team and the SFPD that provides greater public safety and acts as an efficient crime deterrent.

CSAs are a visible but unarmed presence and have no special police powers. Each CSA carries a radio allowing for continual contact both with other CSAs on duty, as well as with the BID's central dispatch. While the CSAs are the "eyes and ears" for the district, the focus for the program is on information and public assistance. The dispatch handles direct contact with police and requests assistance as necessary using standard emergency procedures.

The expanded district will be organized into sectors, as has been the case with the original district. Each sector is monitored by its own CSAs between 9:00 a.m. and 10:00 p.m. five days a week and 10:00 a.m. to 10:00 p.m. on Saturday and Sunday. Consistent assignment of the same CSAs to the same sector is effective in maximizing relationship-building with the merchants and businesses in the area and supports the relevant knowledge base each CSA brings to their role.

The CSA program goals can be summarized as follows:

- Public awareness and “crime watch”-style programs to involve merchants and citizens.
- Reduction of criminal activities, public intoxication, and public nuisance crimes through the persuasive efforts of the CSAs and the coordinated enforcement back-up provided by SFPD.
- Continuing development of relationships between CSAs and each sector’s merchants, greeting them regularly and offering assistance.
- Continued development of strong, supportive relationships between CSAs and SFPD officers.
- Continued maintenance of a centralized database used for monitoring progress and allocating resources.
- Ongoing assistance to the homeless by providing useful information and referral to social services.

#### CSA Training:

Rigorous training and careful management are critical to the success of the BID’s CSA program. Special attention is paid to the CSA’s mannerisms, language and attire in order to best influence the public’s perception. A non-confrontational approach is maintained throughout the process as the most effective in achieving results. A detailed operations and training manual has been developed that reflects the knowledge and best practices of BID programs throughout the country. This has served as a substantial asset in providing effective solutions throughout the Union Square community.

#### 10B Police Officer

The Union Square BID employs a 10B SFPD officer to provide a uniformed presence and provide the enforcement element of the Public Safety Program. A 10B officer is a regular uniformed SFPD officer who is assigned directly to and paid for by the BID. The 10B officer has a direct communication link via radio to the CSAs, as well as to SFPD dispatch. The expanded BID includes a larger geographic area and will require the assignment of a second 10B officer to provide continuous and adequate coverage for the larger district eight hours daily Sunday – Wednesday and for 12 hours daily Thursday – Saturday. These officers patrol the entire BID area, responding to calls from within the district boundaries. The CSAs work closely with the officer in their area in order to communicate problems as well as ongoing public safety concerns in the district.

### 3. Community Relations

#### Objectives and Strategy

The Union Square BID's effectiveness in forming and maintaining its relationships to the community is critical to the organization's success. This is clearly recognized by the BID's leadership, and it is central to this plan that effective and productive community relations programs will sit at the center of the reauthorized district. A strong effort will emphasize the importance of positive relationships with citizens and the business community in an atmosphere of maximum community involvement.

#### Communication and Public Relations

The BID's executive director plays a central communications role and spends considerable time addressing community meetings, working one-on-one as a problem solver, and in speaking to the media in representing the BID and its objectives for community betterment.

Regular activities and initiatives that support this task include:

- Newsletter provided regularly to district merchants, property owners, and members of the media.
- Ongoing media relations.
- Coordination services among merchants and the public sector.
- Utilization of neighborhood social services to help problem areas.
- Union Square BID website with useful and important links.
- Regular attendance at community and city meetings.
- Participation on committees of neighborhood organizations.
- Issuing press releases on the BIDs programs and the positive results attributable to them.

#### New and Expanded Programs

##### Marketing

The Union Square BID Board of Directors has concluded that new programs that enhance the district's image, appeal, and visibility will contribute important value to the expanded and reauthorized BID. These are seen as especially useful and necessary at a time of serious economic downturn as is currently the case. These marketing programs will promote the district and its properties and businesses through special targeted programs and initiatives.

The first initiative will include the production of a map and guide to Union Square that will be distributed by the Ambassadors as well as the Convention and Visitors Bureau, hotels and other venues in the area. The map will call out the important retail shops, hotels, theaters, restaurants and other points of interest throughout the district.

The second initiative will include the creation and production of special events that draw residents and visitors into the area as a means of additional exposure. Some of the successful events in the past organized or supported by the Union Square Association have included the Cable Car Bell Ringing, SF Jazz Summerfest, Crab Cracking at Union Square, Holiday Ice Rink in Union Square, Macy's Flower Show Sale and Holiday Stroll.

Other specific promotional campaigns with the goal of creating interest and attracting activity to the area's businesses would also be organized. For example after 9/11 retailers were

encouraged to display American Flag decals in their windows to encourage visitors to shop and support the United States.

Other elements of the marketing program will include branding campaigns such as placing plaques with the Greater Union Square BID logo on the city garbage receptacles throughout the district as well as on the maintenance carts of the maintenance workers. This branding campaign can be effective in creating a unique look and identity that ties the area together through thematic elements such as color, icons, and logos.

Other marketing initiatives can be undertaken as appropriate and as budget resources allow.

#### Advocacy

The purpose of advocacy is to promote Union Square as a clean, safe, and vibrant district. This goes well beyond the marketing programs that create image and visibility and, in fact, advocate for services and resources that increase the area's perceptions as a friendly, clean, and exciting place for dining, shopping, entertainment, and investing in business opportunities and properties. It is intended to support business growth and property values and can be especially advantageous in a recessionary economic environment.

#### Beautification

Adding beauty to a community can often add value and often consists of simple touches. One of the most effective is a program of providing and maintaining hanging flower baskets at key intersections and entry points of the district. This has been done with great effectiveness in various neighborhoods around the city. It adds a special liveliness through colorful seasonal plant materials and acts as a thematic element that defines a community and visibly ties it together. Seasonal decorations are another option for adding to the look and draw of the area.

#### Streetscape Improvements

The BID can serve as an effective vehicle for planning and implementing a program of capital improvements that can become considerable community assets. Design and installation of way finding signage for example is an effective means of improving access and promoting the locations of area businesses and amenities.

### **C. Services Plan 2009- 2010 through 2018-2019 Operating Budgets**

The Union Square BID will continue to operate under its existing authorization through June 30, 2009, which is the expiration of the second 5-year life of the original formation authorized by the Board of Supervisors. Any remaining funds from the existing BID will be used to continue clean and safe operations in the existing BID area after the June 30, 2009 expiration date but before the proposed BID anticipates starting services in the expanded area in January, 2010. The BID Board has elected to proceed with a reauthorization of 10 years which is allowed under the BID legislation.

The services' plan budget has been developed to provide services identified as top priorities by the Union Square area's stakeholders. The amount collected in assessments for the Greater Union Square BID for the first fiscal year 2009-2010 will be \$3,040,061. For subsequent fiscal years 2010-2011 through 2018-2019 the budget will increase with annual assessment adjustments of the Bay Area consumer Price Index (CPI) for all urban consumers, or 3%, whichever is less. (Operating budget detail is provided on page 19.)



There are four major activity centers within the BID budget:

### **CONTRACT SERVICES**

• **Cleaning and Maintenance Services:** The maintenance services budget provides eight (8) sidewalk litter personnel seven days per week from 9 a.m. to 9 p.m. Sidewalk litter service will be provided 365 days per year. There will also continue to be a special projects crew to provide graffiti removal, special painting and on call maintenance, five days per week, eight hours a day. The entire district will continue to receive steam cleaning approximately every two weeks.

• **Public Safety:** The public safety services budget provides eight (8) Community Service Ambassadors providing services from 9 a.m. to 10 p.m., 5 days per week and 10:00 a.m. to 10:00 p.m. on Saturday and Sunday. Specific time schedules will vary depending upon needs. Program support expenses include supplies, insurance, payroll, taxes and benefits.

• **10B Police Officer:** The 10B Police Officer budget provides for consistent daily SFPD Officer(s) to be assigned to the BID by either the Southern, Tenderloin, or Central Police Station. Program support expenses include payroll, insurance, taxes, and benefits.

### **MANAGEMENT & OPERATIONS**

• **Clean & Safe Services:** These core programs are estimated at \$1,995,400 or 65% of the total budget.

• **Marketing, Advocacy, Beautification and Streetscape Improvements:** These additional programs are estimated at \$291,675 or approximately 9.5% of the total budget. In this budget category please note that while there is a cost to organize and produce many of the promotional events the income that they generate can make them cost neutral. The map and guide can also pay for itself if sponsorship is secured.

• **Management & Operations:** A support budget is to be allocated to administrative and support personnel, rent, office supplies, and utilities, office insurance and legal fees. Administration is estimated at \$460,488 or 15% of the total budget.

• **Contingency & Reserves:** This is estimated at \$323,328 or approximately 10.5% of the total budget. Examples of these special benefit services and costs related to the provision of these services include but are not limited to:

- Late or non-payment of assessments;
- Long term capital improvement projects such as public right of way enhancements such as way finding signage throughout the district, improved street lighting etc.
- Replacement of maintenance equipment for steam cleaning.
- Unallocated reserves and
- Repayment of District formation costs – during the first year of operation, up to \$50,000 in formation costs may be repaid to the businesses, property owners, individuals, or organizations that funded the formation efforts of the district.

These formation costs may include actual expenditures for the cost of preparing this plan and the engineer's report consistent with Section 1511(d) of the San Francisco Business and Tax Regulations Code.

**TOTAL BUDGET \$ 3,070,891**

## Union Square Business Improvement District 2009 - 2010 Operating Budget

| Greater Union Square Business Improvement District<br>Budget - Year 2009-2010 |                      |             |
|---|----------------------|-------------|
|   |                      |             |
| <b>FUNDS</b>  | <b><u>Annual</u></b> |             |
| Special Assessment Funds  | \$ 3,040,061         | 99%         |
|   |                      |             |
| Other Funds*  | \$ 30,830            | 1%          |
|   |                      |             |
| <b>Total Funds</b>  | <b>\$ 3,070,891</b>  | <b>100%</b> |
|   |                      |             |
| <b>EXPENSES</b>   |                      |             |
|   |                      |             |
| Clean & Safe  | \$ 1,995,400         | 65%         |
|   |                      |             |
| Marketing, Advocacy, Beautification,<br>Streetscape Improvements              | \$ 291,675           | 9.5%        |
|   |                      |             |
| Management &<br>Operations  | \$ 460,488           | 15%         |
|   |                      |             |
| Contingency & Reserves  | \$ 323,328           | 10.5%       |
|   |                      |             |
| <b>Total<br/>Expenses</b>   | <b>\$ 3,070,891</b>  | <b>100%</b> |

\*Other funds are funds that are generated from sources other than special assessments on properties within the Greater Union Square BID. These funds may include grants, donations, fees for service contracts and in kind donations. It is anticipated that these funds will be raised through fundraising events such as continuation of the annual Union Square luncheon, sponsorship of the Union Square Map and Guide as well as contracted services with properties outside yet near the proposed BID boundaries.

A 1% figure has been used as the amount that will be raised from other sources. This figure was arrived at by the results of a Union Square Visitor survey conducted by David Binder Research on April 23-26 2009. This survey determined that less than 1% of individuals visiting the Greater Union Square area were not engaged in purchasing goods and services.

## **VI. ASSESSMENTS**

### **A. Assessment Methodology**

The assessment methodology included in this BID Management Plan is endorsed by the BID Board Members and Steering Committee as the most simple yet fair and equitable for apportionment of assessments to parcels included in the district.

For the past ten years the existing BID has used a simple linear frontage formula multiplied by a factor to pay for primarily “clean and safe services”. Since these services are aimed at providing enhanced public safety and maintenance at the street level, using linear street frontage is a reasonable method for assigning service costs based on the relative benefit each parcel receives from the services. Only those parcels whose primary use is or is intended for business on the street level will receive benefit from these services, and therefore will pay for their fair share through an assessment.

With the addition of marketing and advocacy services however, it is determined that building square area for non-residential properties serves as a relevant factor in apportioning the cost of these activities. This is because it is determined that the larger the size of the building, the proportionally greater benefit from the marketing campaign will be received. Since only non-residential property will receive a special benefit from these activities only non-residential properties will be assessed for the marketing portion of the budget.

The Building Square Area for a Non-Residential Property serves as the relevant factor in apportioning the cost of these activities, since the larger the size of the building, the proportionally greater benefit from the marketing campaign will be received. Large buildings that are used for retail purposes will receive a greater level of benefit from the costs associated with marketing and advocacy than a smaller office condo. Therefore, developed Non-Residential Property is assessed an annual flat amount per Assessor's Parcel based upon the assigned parcel category. Each Developed Non- Residential Property is classified as either; Category 1, 2, 3, 4, 5, or 6 Property, based upon Building Square Area.

Non-residential parcels where the primary structure is utilized as a parking garage will be charged their category rate up to a maximum of Category 3 for Marketing and Advocacy. Non-residential garages that contain both retail services and parking services will be assigned to a higher category if the Building Square Area for the retail component exceeds the Category 3 maximum of 10,000 square feet.

Due to parcel and/or business location configuration issues, a Single Use Entity status provides an exception to the Non-Residential Property category assignment for each Assessor's Parcel involved. An approved Single Use Entity will only be subject to the marketing and advocacy assessment up to their category (based upon the combined Building Square Area of each associated Assessor's Parcel), with the assigned category charge being spread evenly to each of the existing Single Use Entity Assessor's parcels. Any requests for Single Use Entity classification are to be made by petition to the BID Board. The BID Board retains full authority to either grant or deny Single Use Entity requests.

## Exemptions

Consistent with Article XIID of the State Constitution (1996 Proposition 218), it has been determined that all parcels within the proposed district will derive special benefits from assessments. Therefore, no parcels will be exempted from payment of assessments, regardless of use or ownership. However, the following building uses have been excluded from paying the marketing and advocacy component of the assessment formulas because it is determined that they will not receive a special benefit from these services:

- Residential Properties – Assessor's parcels used for residential purposes only
- Public Property – Property owned by or dedicated to the City and County of San Francisco, the State of California, the Federal Government.

## B. Calculation of Assessments

Calculation of individual assessments is determined by several factors. Those factors being: property data received from the San Francisco Assessors Office, the Greater Union Square BID budget, presented on page 19 and the assessment formula.

The assessment formula is calculated as follows:

| Property Type   | Clean and Safe<br>(per Linear<br>Street Foot) | Marketing and<br>Advocacy (per<br>Assessor's Parcel) |
|---|---|--|
| Category 1 Property<br>(Less than 2,000 building sq. ft.) | \$70.58                                       | \$75.00  |
| Category 2 Property<br>(2,000-4,999 bldg. sq. ft.)        | 70.58   | 150.00   |
| Category 3 Property<br>(5,000-9,999 bldg. sq. ft.)        | 70.58   | 500.00   |
| Category 4 Property<br>(10,000-29,999 bldg. sq. ft.)      | 70.58   | 1,000.00   |
| Category 5 Property<br>(30,000-99,999 bldg. sq. ft.)      | 70.58   | 1,250.00   |
| Category 6 Property<br>100,000 or more bldg. sq. ft.)     | 70.58   | 5,000.00   |
| Residential Property                                      | 70.58   | 0.00   |
| Public Property   | 70.58   | 0.00   |
| Hallidie Plaza Parcels (1)                                | 3.55  | 0.00   |

(2) The Hallidie Plaza Parcels are assessed per Lot Square Footage.

**All Assessors' Parcels except Hallidie Plaza Parcels:**

|  |   |  |   |                          |   |                                  |
|--|---|--|---|--------------------------|---|----------------------------------|
| Assessor's<br>Parcel<br>Annual<br>Assessment | = | Clean and<br>Safe<br>Assessment<br>\$70.58 | X | Linear Street<br>Footage | + | Marketing and<br>Advocacy Amount |
|--|---|--|---|--------------------------|---|----------------------------------|

**Hallidie Plaza Parcels:**

|   |   |  |   |                       |
|---|---|--|---|-----------------------|
| Hallidie Plaza<br>Parcel Annual<br>Assessment | = | Clean and Safe<br>Assessment<br>\$3.55 | X | Lot<br>Square Footage |
|---|---|--|---|-----------------------|

The Linear Street Footage for each Assessor's Parcel is obtained and calculated from County Assessor Parcel Maps and is to be confirmed by the parcel owner as this information will be included in the assessment notices to be provided to each parcel owner. Assessor's Parcels that do not have direct street frontage, as a result of being located on a floor other than the ground floor, will be assigned Linear Street Footage based upon their portion of the entire building's assigned Linear Street Footage and land use.

The total Linear Street Footage for the Greater Union Square BID, excluding the Hallidie Plaza Parcels is 37,187.25 based upon 2008/09 County secured roll information.

The Hallidie Plaza Parcels will receive clean and safe services throughout the area of each Assessor's Parcel and not just along the frontage of the Assessor's Parcel. Therefore, in order to proportionally assess the additional services and activities, the clean and safe assessment is based upon each Hallidie Plaza Parcel's individual Lot Size.

An assessment notice will be sent to owners of each property in the Greater Union Square BID. The assessment notice provides an estimated assessment based upon the linear footage of each individual property. The individual assessment for an individual property may change, up or down, if the linear footage allocations differ from those found on the assessment notice.

Appendix 1 provides a list of properties to be included in the Greater Union Square BID as well as a breakdown of the Linear Street Footage and Building Square Footage for each Assessor's Parcel.

**Amount Collected through Assessments \$ 3,040,061**  
**Revenue from grants, special events and other non assessment**  
**funding sources \$ 30,830**  
**Estimated Budget \$ 3,070,891**  
**Total Linear Footage in District: 37,187,25**

### C. Annual Assessment Adjustments

**CPI Adjustments:** For the ten years of the Greater Union Square BID, annual assessments and the City and County of San Francisco's contribution may be adjusted annually by the Business Improvement District's Board by the annual changes in the Bay Area Consumer Price Index (CPI) for all urban consumers, or a maximum of 3%, whichever is less.

The annual budgets below assume a 3% maximum increase in overall assessment revenue collected each year. This is the maximum allowable assessments to be levied annually for the 10 year term proposed in this plan.

| <b>Fiscal Year of Operation</b> | <b>Maximum Total Annual Assessment, Adjusted with Maximum Annual CPI Increase of 3%</b> |
|---------------------------------|---|
| 2009/10                         | \$ 3,040,061  |
| 2010/11                         | \$ 3,131,263  |
| 2011/12                         | \$ 3,225,201  |
| 2012/13                         | \$ 3,321,957  |
| 2013/14                         | \$ 3,421,616  |
| 2014/15                         | \$ 3,524,264  |
| 2015/16                         | \$ 3,629,992  |
| 2016/17                         | \$ 3,738,892  |
| 2017/18                         | \$ 3,851,059  |
| 2018/19                         | \$ 3,966,591  |

**Budget Adjustments:** Any annual budget surplus or deficit will be rolled into the following year's BID budget. At the end of the existing Union Square BID on June 30, 2009, as stated earlier, funds will be used to continue to provide clean and safe services within the existing BID boundaries until funds are used up but before the proposed Greater Union Square BID would commence services in January, 2010.

### D. Time and Manner for Collecting Assessments

As provided by the Property and Business Improvement District Law of 1994, the BID's assessment shall appear as a separate line item on annual property tax bills prepared by the City and County of San Francisco. Payment of Property Taxes is due on November 1 and February 1, with the bill becoming delinquent at the close of business December 10 and April 10 respectively. The total bill may be paid with the first Installment.

### **E. There will be no bonds issued**

As per the CA Streets and Highways Code 36622 (f) there will be no bonds issued by the Greater Union Square BID.

## **VII. UNION SQUARE BUSINESS IMPROVEMENT DISTRICT GOVERNANCE Management Corporation**

**Union Square BID, Inc.**, is a 501(c) (4) non-profit organization whose responsibility is to manage programs for the Union Square BID. Consistent with the vision expressed by downtown stakeholders throughout the service plan development process, Union Square BID, Inc., is guided by the following organizational mission:

*Union Square BID, Inc., is the non-profit organization that represents the owners in order to provide leadership, services and programs to improve the experience and economic vitality for the Union Square area in San Francisco.*

Greater Union Square BID, Inc., will continue to aim to meet the following operational objectives for the BID:

- Create and manage programs that best respond to the top priorities of Union Square BID stakeholders;
- Maximize coordination with the City and County of San Francisco and the San Francisco Board of Supervisors to avoid duplication of services and leverage resources;
- Deliver services through a cost-effective non-bureaucratic and easy to assess organizational structure;
- Provide for accountability to those who pay.

Property owners that are assessed within the BID will elect future members of the Board of Directors.

The Board of Directors will oversee the management and operations of the Union Square BID, Inc.

To ensure broad representation and accountability, the 11-member Board of Directors will consist of the following representatives:

- (4) district property and/or business owners representing the retail stakeholders of the district,
- (4) district property and/or business owners representing the hotel stakeholders of the district,
- (3) district property and/or business owners representing the other stakeholders of the district (theater, parking, nightclub, social organizations, restaurant, gallery, etc.),

Of the recommended 11- member Board of Directors, at least 20% or three (3) members of the board must be business owners who do not own property within the proposed BID boundaries.

A mix of large and small property and/or business owners will be sought within the composition guidelines described above.



The Operating Board of Directors will prepare the required annual report as called for in Streets & Highways Code Section 36650.

### **VIII. CONTINUATION OF CITY SERVICES**

Throughout the process to establish the Greater Union Square BID, business and property owners voiced concerns that the City of San Francisco maintains existing services at verifiable “baseline” service levels. A formal base level of service policy ensures that existing City services are enhanced, not replaced. By adopting this plan, the Board of Supervisors will confirm and guarantee a baseline level of service equivalent to that being provided in similar areas of the City.

| <b>City of San Francisco<br/>Cleaning and Maintenance Services</b>  |  | <b>Enhanced BID<br/>Cleaning &amp;<br/>Maintenance Services</b>    |                      |
|---|--|--|----------------------|
| <b>Services</b>   | <b>Frequency</b>                           | <b>Services</b>  | <b>Frequency</b>     |
| Mechanical Street Sweep   | 2-7 days/week                              | Manual Sidewalk Sweeping, 8 people                                 | 6am-9pm, 7 days/week |
| Street Flushing (supplemental service per health need)  | 2-3 days/week                              |  |                      |
| Graffiti Removal Services   | By inspection or request                   | Special Teams: graffiti removal, painting, and on-call maintenance | 6am-9pm, 7 days/week |
| Street Tree Maintenance   | Every few years                            |  |                      |
| Manual Sweeping Workfare Crew   | Once/day, 3-6 days/week                    |  |                      |
| Public Litter Receptacles:  | Emptying 1-2/day, 7 days/week              | Topping off and wiping down of litter receptacles                  | 6am-9pm, 7 days/week |
| Litter Receptacles  | Emptying every day, as needed              |  |                      |
| <ul style="list-style-type: none"> <li>- Repairs/maintenance as needed</li> <li>- Cleaning/washing 1/week or as needed</li> </ul> | 2-7 days/week                              |  |                      |
| Code Enforcement (environmental, safety, cleanliness, and litter laws)  | 4-6 people, city wide, ongoing as required |  |                      |
| Market Street Sidewalk Steam Cleaning   | 4x/year when available                     |  |                      |
| Power Wash Sidewalks (entire district)  | As needed                                  | Sidewalk Steam Cleaning of all sidewalks in district               | Every two weeks      |

| City of San Francisco Safety Services  |  | Enhanced BID Safety Services                         |  |
|--|--|--|--|
| Services   | Frequency  | Services   | Frequency                                  |
| <b>Tenderloin Police Station Boundary: Entire District</b>   |  |  |  |
| Boundaries: Geary to Ellis, Powell to Stockton   |  | 1 10B Police Officer                                 | 11am-7pm Sun.-Wed. & 11am-11pm Thurs.-Sat. |
|  |  | 8 Community Service Ambassadors equipped with radios | 9am-10pm Mon-Fri & 10am-10pm Sat. & Sun.   |
| - 1-2 beat officers  | 6am to 9pm, 4-7 days/week  |  |  |
| - 2 beat officers  | 9pm to 2am, 7 days/week  |  |  |
| - 3 District patrolling zones  | 9am to 9pm   |  |  |
| - 1 radio car (1-2 officers)   | 24 hrs/day, 7 days/week  |  |  |
| - Additional Police officer  |  |  |  |
| <b>Central Station</b>   |  |  |  |
| Boundaries: Sutter to Geary, Powell to Stockton  | 3pm to 9pm   |  |  |
|  | 5 days/week  |  |  |
| - 1-2 plain clothed units  | 6am to 6pm, 7 days/week  |  |  |
| - 1 beat officer   | 8am to 6pm, 7 days/week  |  |  |
| - 2 park patrol officers   | 7am to 9pm, 7 days/week (responsible for all of the parks in Central District) |  |  |
| - 2 radio cars (1-2 officers each)   | 24 hrs/day   |  |  |
| <b>Southern Station</b>  |  |  |  |
| Boundaries: Hallidie Plaza, Powell Street Turnaround, Unit block of Powell, Market, Grant to Powell. | 6am to 9pm, 4-7 days/week  |  |  |
| - 1 beat officer   | 8am to 6pm, 4 days/week  |  |  |
| - 2 beat officers (bike/foot)  | 11am to 9pm on Market St. from 4 <sup>th</sup> – 8 <sup>th</sup>               |  |  |
| - 1-2 beat officers  | 4pm to 2am, 1-2 nights/week on Market Street                                   |  |  |
| - 2 officered radio cars   | 24 hrs/day from 4 <sup>th</sup> – 6 <sup>th</sup> & Market - Harrison          |  |  |

**APPENDIX 1:**

**LIST OF PROPERTIES WITHIN THE GREATER UNION SQUARE BID AND THEIR  
ASSESSMENTS FOR YEAR ONE (1):**