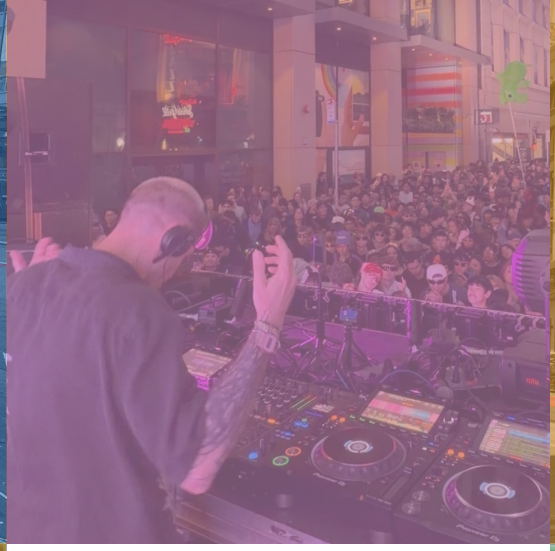





UNION SQUARE ALLIANCE







Union Square Alliance

Strategic Plan 2026-2031

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Thank you to our Contributors, Stakeholders & Partners

The Union Square Alliance extends its sincere appreciation to everyone who contributed their time, expertise, and perspective to the development of this strategic plan. In response to rapidly changing external forces shaping the needs of the district, the Alliance undertook this planning process ahead of the conclusion of its previous strategic plan.

We are especially grateful to our Steering Committee and Board members for their leadership, guidance, and commitment throughout the process. We extend particular thanks to Ned Segal; the staff of the Office of Economic and Workforce Development; Shola Olatoye of the San Francisco Downtown Development Corporation (DDC); and our Community Benefit District partners for their valuable participation and insight.

We are grateful to all who participated in the board retreat, individual interviews, focus groups, and surveys. This strategic plan reflects the collective voice of our staff, stakeholders, partners, and community, and the many individuals and organizations whose collaboration strengthened the process.

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A Special Thank You to our Staff

We also recognize our staff, who have guided Union Square through tremendous challenge and change. Their participation provided our consulting team with an essential, ground-level understanding of the district's strengths, challenges, and opportunities. Your dedication will have a lasting impact on our community.

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UNION SQUARE ALLIANCE

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UNION SQUARE ALLIANCE

The Next Chapter of Union Square

"Through challenge and change, this truth has endured: Union Square remains the iconic heart of San Francisco."



Mark Purdy



Marisa Rodriguez

Dear Union Square Community,

Today, we are at an inflection point. Over the past five years, the Union Square Alliance has boldly led the district through challenging times, rallying our partners to reclaim our place as the world-class destination for our great city.

Today, we've turned a corner and the revitalization of Union Square is clearly on the horizon with growing momentum. The next five years will require continued strong leadership, investment, and determination to preserve our resurgence and to shape what comes next.

Over the next five years, the Union Square Alliance commits to ...

- Ensuring all of San Francisco's best offerings exist in Union Square, including culture, hospitality, food & beverage, retail, education, luxury, and residential.
- Completing the ambitious Powell Street Project and elevating the public realm throughout.
- Renewing the Business Improvement District and replacing short-term clean & safe funding.
- Strengthening the Alliance with a board and staff who are positioned to maintain our momentum for the long-term.

On behalf of the Union Square Alliance, our Board of Directors, and the Union Square community, we are proud to present our 2026 – 2031 Strategic Plan. This plan is a roadmap for the next chapter: strengthening economic vitality, elevating the public realm, celebrating San Francisco's culture, and inspiring San Franciscans and visitors to fall in love with Union Square again. This carefully crafted plan sets the direction to ensure Union Square remains the cultural epicenter of San Francisco for decades to come.

Because when Union Square thrives, San Francisco thrives.

Onward, together.

UNION SQUARE ALLIANCE

Mark Purdy
President of the Board

Marisa Rodriguez
Chief Executive Officer



The Union Square Alliance **strategic planning process** has three phases: Assessment, Planning, & Implementation.

1



Assessment

Who We Are

The Assessment phase included more than 50 stakeholder interviews, an online survey, a board retreat, and review of national trends, local economic indicators, and internal documents.

- Assessment Memo
- Economic Analysis
- Retail Analysis
- Mission, Vision Values

Strategic Planning Process

February 2026 - September 2026

2



3



Planning

Where do we want to go?

The Planning phase included work groups of board, staff, and partners in each strategic priority area.

- Goals & Objectives
- Retail Strategy

Implementation

How will we get there?

The Implementation phase was primarily staff work sessions.

- Implementation Strategies
- Performance Measures
- Draft Plan

Situational Assessment

Strategic planning included an extensive assessment phase. The environment in Union Square has evolved rapidly in the past few years, from pandemic to crisis to resurgence. Fluctuations that generally occur in cities over decades were impacting Union Square in just a few short years.

With external factors rapidly shifting the district's needs, the Alliance leadership determined extensive analysis was needed to best position them to serve the district into the next phase.

The analysis consisted of stakeholder interviews, an online survey, and a review of national trends, local economic indicators, and internal documents. Three organizations with a strong reputation in the place management industry conducted these analyses: Uncommon Bridges handled process, organization, and engagement; Streetsense conducted a Retail Analysis & Strategy; and Beacon Economics produced the Union Square Economic Report. Details of these reports can be found on pages 24-27.







Stakeholder Interviews

Emerging Themes

Things are better, but not as good as they were.

Top marks for clean & safe; critical to keep it up.

Vacancies are top of mind; economic development is a top priority.

Need more foot traffic and activity. Events, activation, and marketing are top priorities.

Central San Francisco is in this together. Partnership makes us stronger.

- Union Square Alliance
- City
- Downtown Development Corp.
- CBDs:
  - Yerba Buena
  - Downtown
  - Mid-Market
  - Tenderloin

Retail Analysis & Strategy

From Streetsense Report

Bifurcated Environment. Union Square is a highly bifurcated retail environment with luxury and mass market retailers. Embrace both and accept it and cater to both through marketing and events.

Market Intelligence. Lack of market intelligence is a structural constraint – the district lacks consistent, district-wide data on inventory, occupancy, and performance – limiting its ability to diagnose conditions, align stakeholders, and communicate a credible leasing narrative.

Leverage San Francisco and Bay area residents. Both theatregoers and transit-connected visitors are opportunities to leverage locals. The decline in BART ridership poses a disproportionate risk to mass market offerings.

Opportunities to absorb tenants from SF Centre. Closure of the mall helped right size retail supply and offers opportunities for the district to absorb this demand. Union Square must compete for it.

Convention traffic remains critical. Heavy conference traffic reflects opportunity to further direct and capture spending within Union Square retail businesses.

Economic Report

From Beacon Economics Report

Union Square is in the middle of a **structural transition**, and the challenges **did not begin with the pandemic**.

Recovering first as a **destination**, not as an employment center.

Increased foot traffic is translating into **increased spending**, though unevenly.

Retail remains the district's most acute crisis.

Office & hotels also reflect partial recovery without full restoration.

The district is **not without investment**.

Housing is a clear exception to the broader commercial story.







Ushering in a New Chapter

Union Square Alliance's strategic plan provides a framework for advancing a vibrant downtown through meaningful programming and events, a sustained commitment to cleanliness and safety, and transformative improvements to the public realm. Together, these efforts are intended to strengthen Union Square's position as San Francisco's signature urban district and a vital cultural and economic center. Supported by a strong organizational foundation, the Alliance's work will help attract sustained investment, support a thriving economy, and reinforce Union Square's role as an iconic destination for San Franciscans and visitors alike.

Vision

Union Square is the iconic and thriving heart of San Francisco.

Mission

The Union Square Alliance delivers a world-class urban experience.

Values

As the iconic heart of San Francisco, Union Square embraces these values.

QUALITY

Union Square is the Bay Area's standard for excellence. The best of the region and the world are available in an outstanding urban environment.

AUTHENTIC

Union Square is real. The district embodies San Francisco's heritage and character, with renowned local establishments side-by-side with international trend setters.

WELCOMING

Union Square has something for everyone. Easily accessible from anywhere, Union Square offers a broad selection of cultural and commercial activities, from free public events to food, drinks, merchandise and entertainment for every taste.

Strategic Directions & Goals



Clean & Safe

Maintain Clean & Safe Levels

Goal: Union Square is clean, safe & welcoming.



Vitality

Increase Focus on Economic Initiatives

Goal: Union Square thrives, with a robust mix of destinations and activities that draw San Franciscans, regional visitors, and tourists.



Vibrancy

Increase Focus on Marketing, Events & Activation

Goal: Union Square is teeming with activity and known for its authenticity.



Public Realm

Increase Focus on Public Realm & Streetscape Improvements & Quality

Goal: Union Square's public spaces uplift San Francisco's iconic reputation.



Leadership

Renewed Emphasis on Organization's Sustainability

Goal: The Alliance is a strong and dependable convener, champion, partner, and steward for the Union Square district.

Clean & Safe

Union Square is clean, safe and welcoming.

The Alliance is widely recognized for its leadership in directly addressing the twin pandemic crises of commercial exodus and civil disorder.

The Mayor and the Alliance receive top marks for changing both the reality and the narrative.

The City and the Alliance made targeted investments in Union Square's cleanliness and safety, with impressive impact: cleanliness and safety are no longer the first thing on everyone's mind. Nevertheless, maintaining a clean and safe environment remains essential. This will be challenging as crisis interventions are inevitably replaced by long-term operations. Generous short-term grants and priority public safety deployments by the City of San Francisco made a significant difference for Union Square and the DDC. Sustaining an emphasis on, and funding for, cleanliness and safety is both essential and challenging.





Objectives

- Sustain and continue to improve the district's current level of **cleanliness and comfort**.
- Improve **perceptions** of Union Square's cleanliness, safety, and hospitality.
- Advocate to sustain a robust **police presence** and other **municipal services** throughout the Union Square district.



Action Strategies

To ensure Union Square is clean, safe and welcoming, the Alliance will:

- Hire a new clean & safe vendor.
- Sustain city advocacy and relationships.
- Prioritize downtown-wide efforts.
- Replace short-term clean & safe funding with longer-term or ongoing funding.
- Emphasize clean and safe services for special-needs hot spots (e.g., evenings, Tenderloin-adjacent, supporting culture, food and beverage, etc.).
- Improve communication with the street team (e.g., what's going on, what's coming up, etc.), including co-location and staff meeting presence.
- Deploy tools and technology to multiply impact.
- Increase visibility of services (uniforms; police; contact info; visible branding; "you're on camera" signs, digital kiosks; etc.).
- Elevate business education about services available and expectations of businesses.

Performance Measures

The Alliance will track the following:

- Consistent customer intercept surveys
- Quarterly clean & safe field audits
- Operations metrics (i.e., amount of trash, graffiti removed, sidewalks washed, cameras and drones in operation, etc.)
- Menu of services in the approved BID Management Plan
- Healthy police presence (offices, command van, substation, etc.)

Vitality

Union Square thrives with a robust mix of destinations and activities that draw San Franciscans, regional visitors, and tourists.

The economic environment in Union Square is far better today than it was a few short years ago.

Foot traffic is up. Crime and street disorder are down. Leasing and interest are up, while vacancies are decreasing. Local and national publicity has taken a strong turn for the better.

Union Square's core advantages remain real: centrality, walkability, transit access, and proximity to jobs and culture. Union Square today exhibits robust activity favorable to most urban districts around the world. But all of this is good only if we are comparing 2026 to three or four years ago. Union Square must continue its progress if it is to match its earlier prosperity. This is a particular challenge with current regional and global trends, including online shopping, working from home, and regional competition. Nevertheless, Union Square must continue to embrace its role as San Francisco's economic and cultural bellwether.



Objectives

- Union Square embodies San Francisco's dynamic, **world-class identity**.
- Union Square strengthens its economic foundation with a strong mix of **businesses, cultural facilities, schools, and residential** uses, drawing local, regional, and global patronage.
- The Alliance encourages **investment** in the district through advocacy and assistance.
- The Alliance is a consistent and trusted source of **information** about the district's economic health.



Action Strategies

To ensure Union Square has a strong economic foundation, the Alliance will:

- Add a lead position for economic initiatives.
- Add a data analyst position.
- Produce an economic Vision and an Economic Vitality white paper. Vision: culture; food & beverage; more retail; residential (where appropriate). Roles: Alliance; DDC; OEWD; brokers; owners; developers.
- Increase economic storytelling.
- Track internal and external data to tell the good story.
- Support investment in the district, emphasizing diverse uses such as culture, experience, food and beverage, and residential.
- Advocate for streamlined permitting for signage, painting, and routine maintenance.
- Create a new tenant welcome package.
- Host retail broker and office engagement/ symposium.
- Increase flexibility in ground floor uses.

Performance Measures

The Alliance will track the following:

- New Businesses, reduced vacancy
- Permits/investment
- Speed of permitting and resolution of issues (survey)
- Sales and sales taxes
- Foot traffic (w/demographics)
- BART traffic, Cable car riders, parking
- Hotel occupancy
- Residences
- Mix of uses

Vibrancy

Union Square is teeming with activity and known for its authenticity.

Union Square is experiencing a resurgence, evidenced by increased foot traffic, leasing interest, and positive media coverage – but it still lags behind levels from ten years ago.

Union Square needs more visitors, tenants, residents, and overall activity to support its businesses and venues. The Alliance must continue collaborating with the city to boost daily engagement and organize major events in Union Square Plaza.

There is untapped potential for increased activity in the Square, as well as in the district's secondary streets and public spaces. Enhancing activation, hosting events, and effective marketing will draw more people, support leasing and business growth while helping to address visible safety and cleanliness concerns.





Objectives

- Curate and leverage a robust year-round calendar of **events, upcoming conventions, promotions, and activations**, as coordinator, champion, supporter, and/or manager as appropriate.
- Substantially increase **foot traffic** throughout the district, especially at targeted times and with specific audiences, supporting local businesses and venues.
- Increase the **benefits** to Union Square businesses and venues from events and activations with communications, support, and managed expectations.

Action Strategies

To ensure Union Square is vibrant, the Alliance will:

- Add a lead staff position in marketing and add personnel for events (i.e., intern).
- Implement an intentional plan to increase foot traffic at specific times and in specific places.
- Develop & publish calendar of events, including events by others.
- Complete website redesign.
- Increase intentionality and focus of Alliance's marketing, events, and activation activities (specific outcomes).
- Targeted media emphasizing activities throughout the district and unique assets.
- Amplify Union Square attractions and amenities differentiated by retail type (luxury retail, dentists, salons, bars, etc.).
- Implement strategies to increase dwell time.
- Activations of Union Square Plaza, Maiden Lane, and Entertainment Zones.
- Increase event revenues.
- Promote Alliance services to members (renewal focus).
- Leverage theatre & cultural anchors.

Performance Measures

The Alliance will track the following:

- Business & venue feedback (via surveys)
- Customer intercept surveys
- Periodic activity counts in Union Square Plaza, Maiden Lane, entertainment zones & other locations
- Media impressions
- Event attendance
- Non-assessment funding for events staffing & support



Public Realm

Union Square's public spaces uplift San Francisco's iconic reputation.

The Powell Street Improvement Project represents a major investment in the future of Union Square.

Transforming the three-block corridor from Market Street to Union Square, the project will strengthen one of the city's most important gateways and preserve its status as the pre-eminent gateway to Union Square, Downtown, and all of San Francisco.

A giant overhead starburst chandelier will mark San Francisco's most important intersection and frame views of the cable cars, while art nouveau-inspired lanterns spanning all three blocks will echo the street's turn-of-the-century architecture. Widened sidewalks will create opportunities for outdoor dining and invite visitors to experience the street's energy and the famous "ding-ding" of the cable cars.

Yet, this ambitious improvement will also bring significant disruption to the district's busiest pedestrian corridor during construction. Maintaining activity and ensuring people continue to visit Union Square throughout the project will be essential. At the same time, all of the district's streetscapes must continue to reflect the quality, character, and style of San Francisco's signature retail core.



Objectives

- **The Powell Street project** is completed without undue disruption or delays, to become San Francisco's next urban design masterpiece.
- Union Square Plaza, Maiden Lane, the Cable Car turnaround, and entertainment zones thrive with **delightful and well-managed activity**.
- **Convention Corridor project** (i.e., Stockton Street) capital improvements are funded and underway.
- All of Union Square's **streetscapes** exemplify the district's place as the regional standard for urban excellence.

Performance Measures

The Alliance will track the following:

- Construction performance
- Owner / business retention
- Owner / business satisfaction (survey)
- Media acclaim for Powell St.
- Projects completed (time/budget)
- Advocate for convention corridor funding & construction launch where relevant to district needs
- Maintenance of furnishings (inventory; quality)



What **is** the Alliance's role in the Public Realm?

- Community engagement
- Stewardship
- Advocate & champion
- Problem solver
- Advocate for construction mitigation
- Targeted installations (public & private)

What **is not** the Alliance's role in the Public Realm?

- Funder
- Construction entity
- Owner (of the public realm)

Action Strategies

To ensure Union Square's public realm remains iconic, the Alliance will:

- Complete the Powell Street project within 3 years.
- Add a lead position focused on the public realm.
- Ongoing: tables and chairs; banners; flower baskets; wayfinding.
- Install and Maintain:
  - Decorative lighting: Maiden Lane, alleys (within 5 years)
  - Additional murals (within 5 years, if funded)
  - Additional opportunities (if funded): bollards; new digital signs; theater district improvements.

Leadership

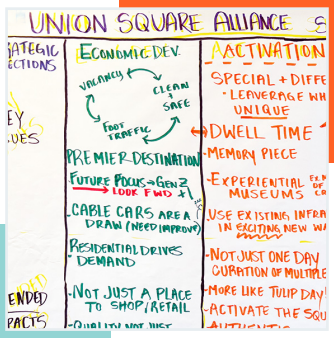
The Alliance is a strong and dependable convener, champion, partner, and steward for the Union Square district.

Union Square is rooted in San Francisco's history while also attracting new investment and new ideas.

The district's historic buildings include properties held by the same families for generations, even as many properties change hands and new capital brings fresh investment, businesses, and opportunities. The Alliance's leadership reflects this same evolution, bringing longtime property and business interests together with new investors.

The Alliance must balance tradition with innovation to remain a leader in the district and throughout the city. Their staff are proud, passionate professionals who care deeply about their work and accomplish a great deal with a lean team. But a lean team can also be stretched too thin. Sustaining the Alliance's effectiveness, and ensuring it can meet the opportunities and challenges ahead, requires a strong, well-supported staff team with the capacity to lead at every level.





Objectives

The Union Square Business Improvement District is **reauthorized** at an appropriate level.

Alliance **staff** are an effective, happy, and well- supported team of place management professionals, with excellent opportunities for career growth and development.

The Alliance **board of directors** is engaged, impactful, and representative of the district, reflecting Union Square's status as a bellwether for all of San Francisco.

The Alliance is respected for its **regional leadership** as an active and supportive member of downtown's community of districts.

Action Strategies

To ensure that Union Square is an effective champion of the district, the Alliance will:

- Reauthorize the Union Square Business Improvement District.
- Maintain comprehensive and up-to-date data on property owners.
- Strengthen intentional board curation and succession planning (composition matrix; bylaws; training).
- Reinstate a governance and nominating committee.
- Elevate board orientation, training, and handbook; including place management.
- Increase board member leadership and visibility.
- Add mid-tier staff positions as described herein.
- Update organizational chart and reporting structure for long term success.
- Elevate intentional staff development; cross-training on office functions; individual attention & support; informal coaching & pairing.
- Support growth & development of the S.F. Benefit Districts Alliance.
- Sustain & grow personal relationships with staff and board members from adjoining districts.

Performance Measures

The Alliance will track the following:

- Board representation
- Board attendance & engagement
- Board & staff self-evaluations
- Staff turnover & engagement (via surveys)
- Collaborations/touchpoints with other CBDs







Impact Dashboard

The Union Square Alliance envisions Union Square as the iconic and thriving heart of San Francisco. To deliver a world-class urban experience, the Alliance works hard every day to create a clean, safe, vibrant district that embodies San Francisco's iconic culture and sense of place.

We measure our impact as follows.

Clean

User satisfaction

Cleanliness score

Operations metrics (trash & graffiti removed; sidewalks pressure washed; etc.)

Safe

User satisfaction

Safety score

Police presence

Vibrant

Sales & sales taxes

Foot traffic

Mix of uses

Culture

Attendance at arts & cultural offerings

Iconic San Francisco events located in Union Square + attendance

Consistency of arts & cultural offerings in Union Square

Sense of Place

Number & quality of visible unique markers of Union Square's identity

Streetscape quality index

Activity in key public areas (Union Square Plaza, Maiden Lane, Cable Car Turnaround, etc.)


POWELL & HYDE Sts.
POWELL ST. RAILWAY CO.

Major Moves

In the years since its last strategic planning process, the Union Square Alliance has led a remarkable turnaround in the iconic heart of San Francisco. By any measure, the district is cleaner, safer, more vital, and more vibrant. These efforts need to continue for the district to keep improving and to proudly deliver a world-class urban experience.

Meaningful investments must be made to increase emphasis on Economic Initiatives, Marketing, Events & Activation, and Public Realm & Streetscape Quality, while sustaining Clean and Safe services and Leadership. The district's remarkable turnaround has been accelerated by short-term grants that are unlikely to continue. They have also stretched Alliance personnel beyond a sustainable capacity. The following outlines future investments implied by this strategic plan.

Clean & Safe

Sustained cleaning and safety efforts means sustaining or replacing $2.5 million in grants.

Sustaining police and other city services implies strong ongoing advocacy.

Marketing, Events, & Activation

Increasing foot traffic throughout the district means adding a strong lead position.

Curating a robust annual calendar of events means adding an events intern.

Upgrading activation of Union Square Plaza and other public areas means sustained advocacy and partnership with the City of San Francisco.

Economic Initiatives

More emphasis on economic initiatives means adding a strong lead position.

Being a consistent and trusted source of information about the district means adding a data analyst position.

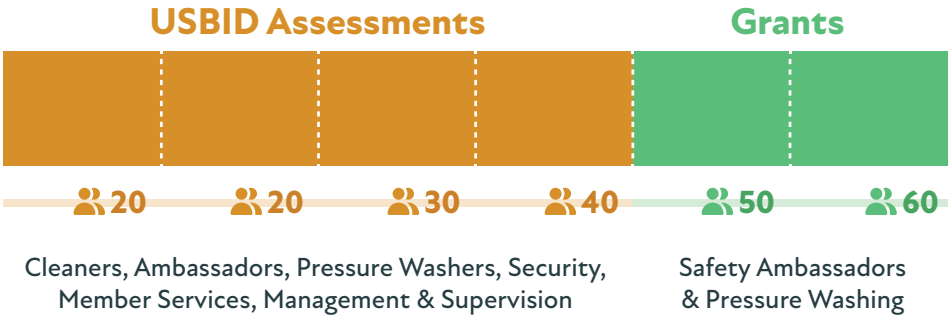
Organization

Sustaining organizational leadership means board curation and succession planning, as well as staff development and adding strategic new positions outlined above.

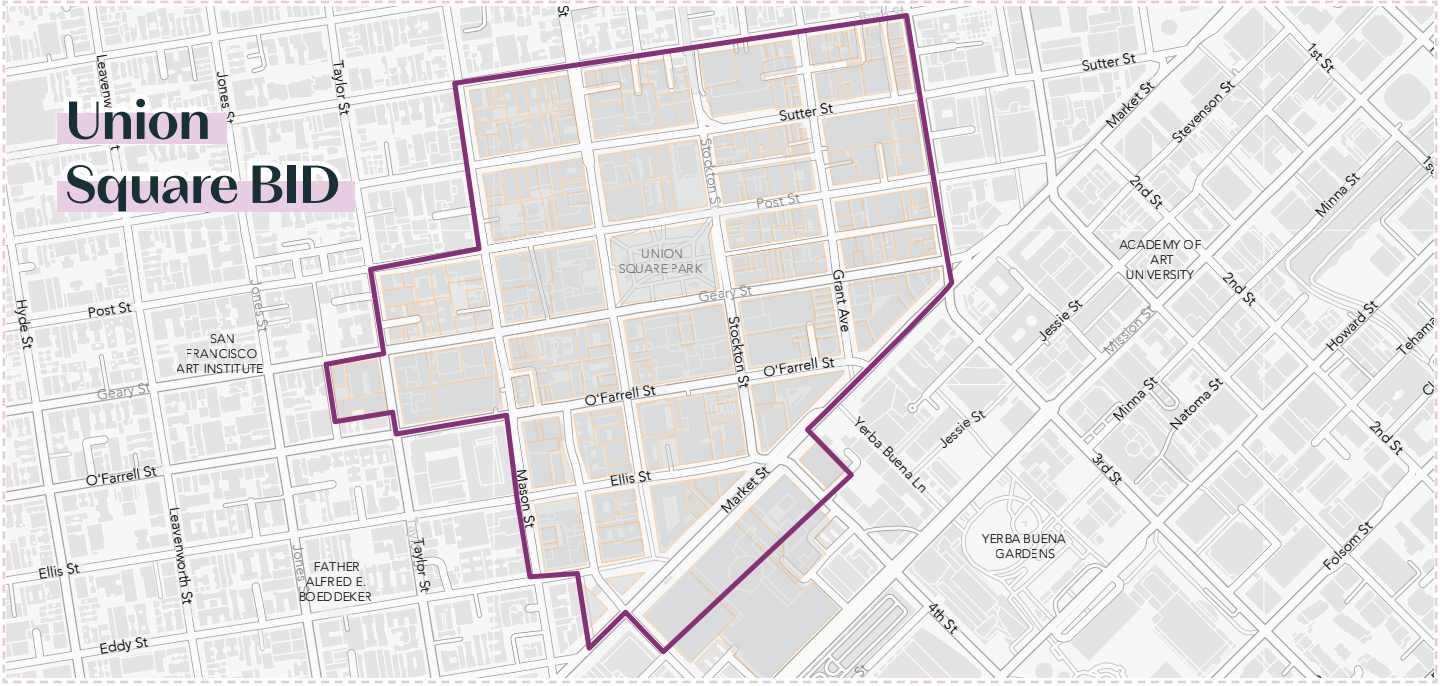
Public Realm

Advocate for the Powell Street project without undue disruption while sustaining existing public realm beautification efforts means adding a lead position in the Public Realm.

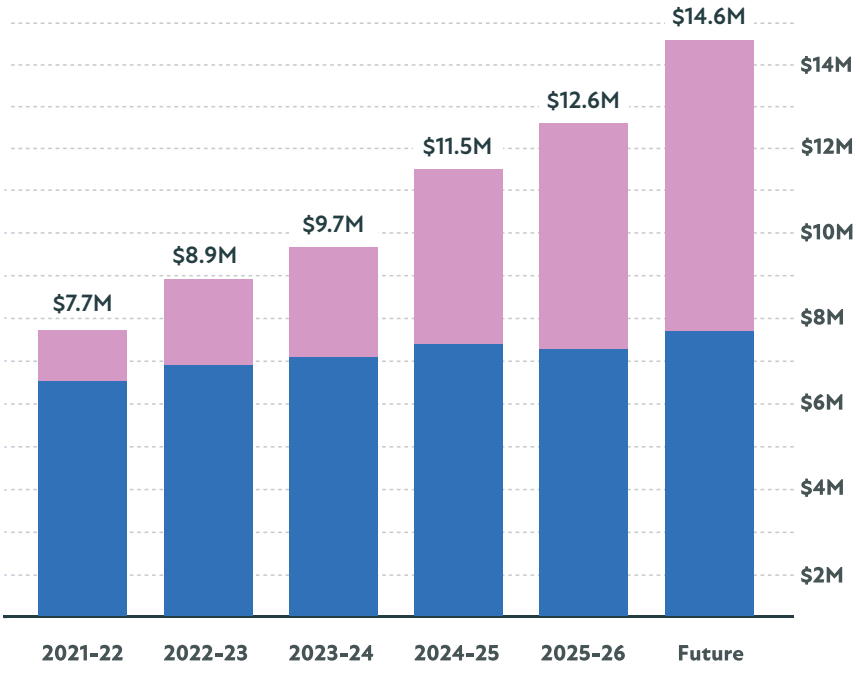
Clean & Safe Personnel



Union Square BID



Revenue 2021-2028



Detailed Assessment

The Alliance played a leading role in addressing Union Square's pandemic-era challenges, helping improve both conditions and perceptions through targeted investments in cleanliness, safety, and public safety.

As the district transitions from crisis response to long-term operations, sustaining these gains and the resources required to support them remains essential.

Recognizing this pivotal transition, Alliance leadership determined a comprehensive assessment was needed to best position the organization to serve the district's evolving needs and opportunities. The assessment incorporated stakeholder interviews, an online survey, a review of national trends and local economic indicators, and an analysis of relevant internal documents.

Three organizations with strong reputations in the place management industry contributed specialized expertise: Uncommon Bridges led the process, organizational, and stakeholder engagement analysis; Streetsense conducted the Retail Analysis & Strategy; and Beacon Economics prepared the Union Square Economic Report.

Together, these efforts provide a multidimensional view of the district and the Alliance, establishing an evidence-based foundation for the strategic priorities and recommendations that follow.





Top Level Takeaways

Excerpt from Strategic Plan Assessment Summary

Uncommon Bridges. April 2026

Things are better ... But not as good as they were.

The environment in Union Square is significantly better than it was a few years ago. Foot traffic is increasing, crime and street disorder have declined, leasing activity and interest are growing, vacancies are beginning to decrease, and local and national perceptions have improved. The district's core advantages remain strong: centrality, walkability, transit access, and proximity to jobs, culture, and other destinations.

By many measures, Union Square today demonstrates activity that compares favorably with urban districts around the world. However, measured against Union Square's own performance a decade ago, the district remains challenged, with higher retail and office vacancies, lower foot traffic, more visible disorder, and lingering negative perceptions despite recent improvements.

Top marks on clean and safe ... Need to keep it up.

The Alliance is broadly recognized for its leadership in directly addressing the twin pandemic crises of commercial exodus and civil disorder. Everyone consulted had high praise for the mayor and the

Alliance CEO in changing both the reality and the narrative. In fact, clean and safe issues are not the first thing on everyone's mind, but rather vacancies, foot traffic, and perceptions. Nevertheless, maintaining a clean and safe environment remains essential.

Vacancies are top of mind … Economic development is a top priority.

Retail and office vacancies have replaced clean and safe as the most pressing issues for the Union Square area. Union Square has far to go to fill vacancies and regain its own standard of vibrancy and excitement. Global changes in the retail environment mean Union Square is unlikely to ever be the same as it was. Stakeholders believe the district needs to evolve to attract local patrons with stores, food, arts, entertainment, and residences appealing to San Franciscans first while understanding this will also attract regional visitors and tourists. Demand exists for this transformation, and recent city code adjustments are helping, but change is hard. Property owners, investors, and brokers need information, encouragement, and assistance.

Need for more foot traffic and activity … Events, activation and marketing are top priorities.

Foot traffic, leasing interest, and positive press are growing rapidly, but are still far from what they were ten years ago. Union Square still needs more visitors, more tenants, more residents, more action. The Alliance has worked with the city to increase draw and activation of Union Square, engaging a private operator for day-to-day programming, new commercial tenants, and major events, but there is potential for much more.

Simultaneously, the Powell Street Project is a critical public area improvement and a looming disruption to the district's busiest pedestrian corridor, necessitating efforts to keep people coming and having fun during construction. Physical improvements, more events, activation, and marketing throughout the district will attract people, supporting leasing and commerce while minimizing the visibility of cleanliness and safety issues.

Central San Francisco is in this together … Interorganizational dynamics is also a top priority.

As the iconic heart of San Francisco, Union Square also gets painted with the whole city's improving but still tarnished reputation. Visible homelessness and drug abuse, vacancy, traffic congestion, crime and other challenges in the Tenderloin, Chinatown, Market Street, Yerba Buena, and other nearby districts impact people's experiences of Union Square.

San Francisco's mayor is having considerable success with a high-profile campaign to lead and highlight positive changes, including support for the Union Square Alliance and other nearby districts. The DDC and Partnership for San Francisco was created to raise and channel financial support to central San Francisco districts. The adjacency of these areas and their place management organizations creates opportunities for synergy and collaboration, as well as inevitable risks of competition or conflict.





Assessment Observations

UNION SQUARE AREA

Heart of San Francisco.

Union Square is widely recognized as the heart of San Francisco. It is a bellwether for the city's overall vitality, yet it exists within a larger urban ecosystem of neighborhoods, industries, institutions, and organizations.

Things are vastly better than they were a few years ago.

And are improving rapidly, but reverting to an earlier reality is not an option. The Alliance is broadly recognized for its leadership in directly addressing the twin pandemic crises of commercial exodus and civil disorder. Nevertheless, Union Square has far to go: the district needs to evolve toward attracting local patrons first while understanding that this will also attract regional visitors and tourists.

Retail and office vacancies are top of mind...

...with clean and safe issues receding but still mentioned regularly. Compared to most urban districts, however, Union Square looks very good. Litter and vandalism are limited; homelessness and drug issues are overshadowed by sidewalks bustling with visitors. Nevertheless, the pleasant and lively street environment is fragile. Retail offerings and foot traffic in the district are nothing like they were a decade ago, and the changing retail landscape means Union Square can't necessarily count on major national brands to carry the district forward.

The Powell Street Project...

...presents a major opportunity to create a marvelous urban environment, but it is yet to be fully funded, is uncertain in many minds, and will create substantial disruption for several years. Despite many years of planning, a high-profile design team, a successful bond measure, and many champions, the project is not yet a reality, with many issues still in debate. Some wonder if the project will break ground anytime soon, and few appear to be facing the reality of the coming disruption.

Retail

Excerpt from Union Square Retail Analysis & Strategy

Streetsense. April 2026

Bifurcated Environment. Union Square is a highly bifurcated retail environment with luxury and mass market retailers. Embrace and accept it and cater to both through BID marketing and events.

Market Intelligence. Lack of market intelligence is a structural constraint – the district lacks consistent, district-wide data on inventory, occupancy, and performance – limiting its ability to diagnose conditions, align stakeholders, and communicate a credible leasing narrative.

Leverage San Francisco & Bay Area residents. Reflected in both theatergoers and transit-connected visitors are opportunities to leverage locals. Declining BART ridership poses a disproportionate risk to mass-market offerings.

Opportunities to absorb tenants from San Francisco Center. The closure of the mall helped right-size retail supply and offers the opportunity for the district to absorb this demand. Union Square must actively compete for it.

Convention traffic remains critical. Heavy conference traffic reflects opportunity to direct and capture spending within Union Square retail businesses.



Economics

Excerpt from Union Square Economic Report

Beacon Economics. April 2026

Union Square is in the middle of a structural transition.

San Francisco's economy has begun to expand, largely due to AI-driven office leasing, a rebound in tourism, and improving citywide sales tax collections. Union Square has shared in that recovery, somewhat unevenly. The district still has brand value, transit access, a sizable hotel base, and a valuable central location. What it no longer has is the dense mix of office workers, shoppers, hotel guests, and restaurant patrons that once made Union Square San Francisco's premier commercial district.

Union Square's challenges did not begin with the pandemic.

The pandemic restrictions accelerated already-weakening trends in the traditional retail model. What followed was not a clean recovery, but a tepid one. Hybrid work reduced the weekday office demand that once sustained the district, while e-commerce and changing shopping patterns continued to erode the traditional brick-and-mortar shopping model that had anchored Union Square for decades.

Union Square is recovering first as a destination, not as an employment center,

and that distinction matters. The result is a district that can feel busier than it did a year ago, yet remains economically underpowered relative to what it was built to support.

Increased foot traffic has translated into uneven increases in spending.

Retail receipts grew 6% in 2025, food and beverage receipts rose 10%, and hotel/motel receipts rose 17%. Yet, the categories most central to Union Square's historic identity continue to weaken. Department store receipts dropped by 17% in 2025 to just under $2.0 million. Women's apparel, shoes, and specialty stores also remained weak. Spending is returning first in food, hospitality, and a narrower group of categories, not in the department store and apparel economy that once defined Union Square. More people are coming back, but they are not spending in the same way.

Retail remains the district's most acute crisis.

Retail vacancy jumped from roughly 11% in late 2022 to 34% by early 2024, following Nordstrom's departure and the collapse of the San Francisco Centre. And yet, a retail void analysis draws an opposite conclusion on



the demand side: Union Square still aligns strongly with premium grocery, dining, and luxury fashion brands. The issue is not whether the district can attract the right customer. It is whether it can restore enough consistency, coherence, and confidence for tenants to commit. There are signs of improvement, with several retailers returning and others expressing interest in the area.

Offices and hotels tell a similar story of partial recovery without full restoration.

The Union Square office market is no longer in free fall, but it remains deeply diminished, with elevated vacancy, no new construction, and rents still well below pre-pandemic norms. Hotels have improved more visibly than other commercial segments. There is meaningful progress, but the district is below both citywide hotel performance and its own pre-pandemic benchmark. Visitors are back, but not at the level needed to fully replenish the district's commercial base.

The district is not without investment.

Alterations and additions permit values surged to $68.0 million in the first quarter of 2026 alone, and new business registrations have accelerated to their highest level in more than a decade. That combination is important: Union Square is not without demand or capital. It's a district where both are returning.

From a "Doom Loop" to a "Mismatch Loop"

Union Square's challenges are no longer best understood through the "doom loop" narrative, but rather as a "mismatch loop." The growing base of visitors, hotel guests, weekend shoppers, and residents does not align neatly with a built environment and tenant mix shaped by department stores, weekday office workers, and regional shopping. Addressing this disconnect will require more than increased foot traffic—it will depend on residential growth, adaptive reuse, local-serving businesses, and a stronger street-level environment to support the district's long-term vitality.

The one clear exception to the broader commercial story is housing.

Multifamily vacancy fell to 3.3% in the first quarter of 2026, implying roughly 96.7% occupancy, and rents continue to rise. Housing is clearly the district's bright spot. People still want to live in Union Square, even as they are less likely to work and shop there as they once did. That matters because it suggests Union Square's core advantages — centrality, walkability, transit access, and proximity to jobs and culture — remain real.

Multifamily does not solve the district's commercial problems on its own, but it points to the most credible long-term pivot: adaptive reuse, a larger residential base, and a stronger mix of local-serving retail and food and beverage.



CENTRAL SAN FRANCISCO

Adjacent neighborhoods often shape the reputation of Union Square itself.

As the iconic heart of San Francisco, Union Square also reflects the whole city's improving yet still tarnished reputation. Visible homelessness and drug abuse, vacancy, traffic congestion, crime, and other challenges in the Tenderloin, Chinatown, Market Street, Yerba Buena, and other nearby districts all affect people's experiences of Union Square.

Union Square Alliance is a recognized leader, but it represents only a portion of the city's central business district.

Among the oldest and most robust Community Benefit Districts in San Francisco, the Alliance has a strong track record and significant economic and civic influence. Nevertheless, any discussion of downtown revitalization and vitality necessarily encompasses neighboring districts and organizations. The proximity of these areas and their place management organizations creates important opportunities for greater coordination and shared impact, while also requiring thoughtful attention to differing priorities and perspectives. Stakeholder perspectives on the Alliance vary: some view it as a strong and effective partner, while others see opportunities to build greater trust, collaboration, and alignment across central San Francisco.

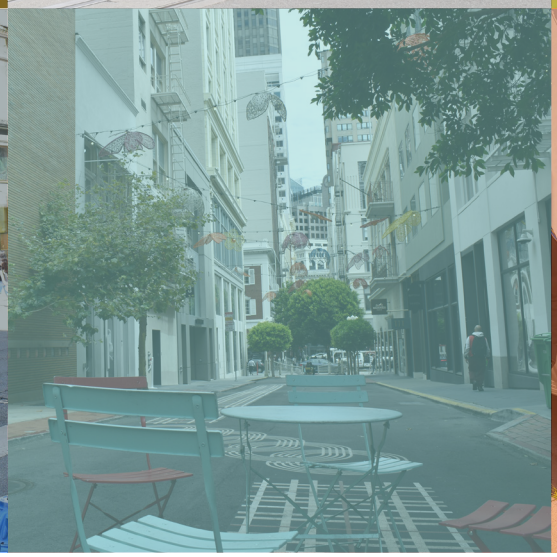
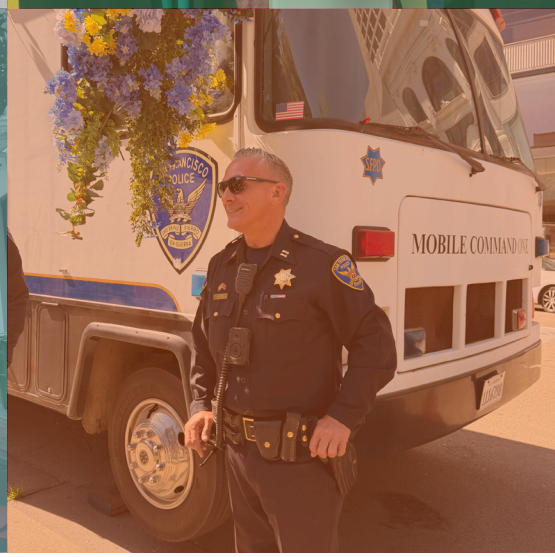










UNION SQUARE

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