DOWNTOWN SAN DIEGO PARTNERSHIP

2023 ANNUAL REPORT

SPONSORED BY:

SAN DIEGO THEATRES
CELEBRATING 30 YEARS OF IMPACT FOR DOWNTOWN

To our members, friends, and community,

As engaged partners of the Downtown San Diego Partnership, you might be familiar with the organization as we know it today. We are the membership organization where regional perspectives help drive the vision for our urban center, the voice of Downtown advocacy and development, the enhanced service working to make Downtown more clean, safe, and vibrant, and a partner of our Downtown community through fun and exciting projects.

But what you might not know about are the deep roots that tie the Downtown Partnership to our urban neighborhoods. This year, we were honored to celebrate our 30th anniversary as the Downtown San Diego Partnership, a namesake created from the merger of San Diegans, Inc. (formed in 1959) and the Central City Association (formed in 1952).

We are proud of the work we have done alongside the Downtown community in that 30 years, including major milestones like the formation of the Downtown Property & Business Improvement District otherwise known as Clean & Safe, reconnecting more than 3,000 people with their support systems through our Family Reunification Program, millions of square feet of office and retail development, and the addition of more than 32,000 housing units to make our Downtown a true collection of neighborhoods.

And we’re looking forward to what the next 30 years will bring thanks to the work of the past year, including focusing on what the future holds for both Downtown and our organization in the development of our strategic plan, fine-tuning our enhanced services to deliver excellent value to our roleplayers, creating engaging experiences to bring life and vibrancy to our streets and sidewalks, and refreshing the value proposition for our members.

Over the past year, we have also seen the launch of our Diversity Action Committee, the committed staff and partners who put our diversity, equity, and inclusion plans into action. As we celebrate the accomplishments of our team and partners, we are dedicated to doing so as a welcoming and inclusive program that celebrates the cultural vibrancy of our region and urban neighborhoods (City Center, Columbia, Cortez, East Village, Gaslamp Quarter, Little Italy, and Marina). We hope you will join us in supporting the great work of our team.

Finally, we want to recognize that our work would not be possible without the diligence of our Clean & Safe Ambassadors, who deliver on our commitments to our Downtown community rain or shine, 365 days per year. They are the heroes who help us collectively advance Downtown’s cultural vitality and economic prosperity through the work they do each day.
**ECONOMIC DEVELOPMENT FEATURE**

**Recovery and Beyond:**
**Economic Development at the Downtown Partnership**
Over the past fiscal year, the Downtown San Diego Partnership launched a variety of initiatives and strategic investments, participated in critical projects, and helped share the story of the market to double down on its long-term commitment to the economic prosperity of Downtown San Diego. You can find a highlight of some of those efforts and some of the year’s big news here or visit createthefutures.com to learn more.

**Investing in Data**
To better understand Downtown San Diego’s resiliency, the Downtown Partnership implemented a new location analytics software called Placer.ai that studies visit trends, trade areas, and demographics. This software allows us to gather insights and identify opportunities with foot traffic analytics by aggregating data stripped of all personal identifiers and coupled with demographic, behavioral, social, environmental, and business data. All of this creates metrics that show incredible accuracy and real-time numbers to improve how we measure success in the Downtown market.

**Rapid Recovery Leads to a Revitalization Downtown**
In FY22-23, the heart of America’s Finest City was recognized by CBS News and the LA Times as having one of the best post-pandemic recoveries for a downtown urban center. The story referenced a study out of the University of Toronto’s School of Cities which look at 62 downtowns across North America from 2020-2022 to measure activity before, during, and after the pandemic. The study found that Downtown San Diego was near the top of the list as “One of the most resilient cities in North America,” recovering 99% of its pre-pandemic activity by the end of 2022.

The author points to prioritizing the return of tourism, a diverse job sector, and workers living Downtown as primary reasons for this quick recovery. Downtown San Diego’s revitalization is echoed by its highly educated workforce that prefers living downtown due to the many amenities underway and the continuous redevelopment efforts to make it a prime location for work, play, and livability.

This year we welcomed a new Director of Economic Development, Nathan Bishop, to the Downtown San Diego Partnership. He leads the organization's efforts to cultivate the economic vitality and growth of Downtown San Diego. He actively promotes investment and real estate development in Downtown through tenant recruitment strategies and market analysis. Prior to joining the DSDP team, Nathan served as Economic Development Director at the Denver South Economic Development Partnership in Colorado and has over a decade of experience in the public, private, and non-profit sectors.

In September 2022, Mayor Todd Gloria appointed The Civic Center Revitalization Committee and charged the group with gathering public input and presenting a vision for revitalizing the Civic Center properties. Downtown Partnership President & CEO, Betsy Brennan, and City Center Business Improvement District Director, Joel Hermosillo, served on the Downtown working group focused on how a future project could incorporate best practices for urban areas and further strengthen Downtown San Diego’s civic core.

San Diego Theatres is proud to support the Downtown San Diego Partnership. As the nonprofit arts organization that operates both Balboa Theatre and San Diego Civic Theatre, we believe unity and support throughout our downtown community is key to creating a vibrant and accessible place to enjoy the arts.

Our venues host over 300 performances per year, and we invite you to learn more about the variety of events we host throughout the year. We hope to see you at the theatre!
STATE OF DOWNTOWN FY22-23

MAJOR INVESTMENTS
26 Projects Proposed
17 Projects Under Construction
5 Projects Completed

HOUSING & RESIDENTS
5.5% Residential Vacancy Rate
All Units:
- 801 units completed
- 3,044 under construction
- 3,748 proposed
Affordable Units:
- 109 completed
- 355 under construction
- 460 proposed

EMPLOYMENT & OFFICE
25.6% Office Vacancy Rate
1,821,100 SF Office Under construction
363,700 SF Office proposed (under review)
169 leases signed totaling 780,000 sq. ft

HOSPITALITY & ATTRACTIONS
73% Hotel Occupancy Rate
San Diego Airport:
- 22 Million (2022) Total Passengers Travelled
- 175,000 total passenger flights Domestic and International

RETAIL
8.8% Retail Vacancy Rate
Retail Construction:
- 80,150 Sq. Ft. Proposed (Under Review)
- 562,600 Sq. Ft. Under Construction

PUBLIC SPACE AMENITIES IN PROGRESS

East Village Green
2.6-acre community park in East Village; including community center, dog park, public art, playground and interactive water feature, underground parking and more.

Waterfront Park Active Recreation Expansion
Renovation of 1.5-acre portion of the park to include a dog park, basketball court, pickleball courts, and outdoor exercise station.

Freedom Park on Navy Pier
Converting Navy Pier’s 5 acres of land into a new public park surrounding the Midway to create the largest veterans park on the West Coast.

Gallagher Square Upgrades
To honor Petco Park’s 20th anniversary, the San Diego Padres are enhancing community amenities to include a dog park, playground, and more.

Gaslamp Promenade
Creating a dynamic gathering space in Downtown San Diego with pedestrian-friendly ‘Slow Streets’.

14th Street Promenade
A series of linear parks designated as green streets connecting existing and proposed public parks that will run along 11 city blocks of 14th Street when fully implemented.

Harbor & Park Railroad Crossing
The at-grade crossing will provide a better connection between Downtown and the Waterfront.

IQHQ Park
A world-class, multi-purpose outdoor green space as part of the RaDD development.

Childrens Park
Overhaul of 2-acre park to provide an iconic urban park with a large civic pond, urban forest, playground, dog park, and future park café.
Coming Soon

The Rady Center
A Long Term Solution to Homelessness in San Diego

Services
Provided by The Salvation Army to onsite residents and the surrounding community including:

Onsite Resident Services
- Dedicated case management and social services
- Education Center and Workforce Development
- Sober living program
- Community Health Center

Community Services
- Food Pantry and Community Kitchen
- Homeless Outreach
- Worship Center and Community Center

Housing

- At least 220 housing opportunities in a mix of transitional interim housing and permanent rental homes designed to help people move upward on the path to secure housing and achieve higher levels of economic and personal stability
- Ample common areas and gathering spaces to host beneficial programs and provide a campus-like environment for both residents and neighbors
- Onsite property management to maintain quality building operations

Architects - M. W. Steele Group and Joseph Wong Design Associates

Timeline

<table>
<thead>
<tr>
<th>Service</th>
<th>Date</th>
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<tbody>
<tr>
<td>Community Outreach</td>
<td>Spring 2023</td>
</tr>
<tr>
<td>Construction</td>
<td>Early 2025 - Mid 2027</td>
</tr>
<tr>
<td>Rady Center Opens</td>
<td>Early 2027</td>
</tr>
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</table>

Fast, reliable internet without complications.

Google Fiber Webpass | Speeds up to 1 Gig

Scan for details.

gfiber.com/webpass/cities/san-diego
1-800-WEBPASS
Celebrating the Downtown San Diego Partnership:

At the heart of Downtown San Diego’s vibrancy is the Downtown San Diego Partnership – champions of economic growth and cultural vitality. The San Diego Tourism Authority applauds its unwavering commitment to fostering prosperity, advocacy, and community investment that have elevated our city to new heights.

We celebrate the synergy between our organizations and our collaborative spirit that has fortified Downtown’s reputation as a must-visit destination, drawing travelers near and far to experience our innovative venues, bustling streets, artistic expressions, culinary treasures, and the genuine warmth of our people.

We Bring Life Sciences to Life.

Hospitals, specialized laboratories, research facilities, clean room spaces and clinics are highly specialized businesses, each with their own sets of operations, maintenance standards, regulations, and requirements.

Dynalectric’s team offers complete electrical, automation, telecom, fire alarm, and AV services to keep you powered and compliant.

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Keeping you connected to what matters most

FLEET WEEK SAN DIEGO

WOUuld LIKE TO SAy

Thank You

FOR MAKING FLEET WEEK 2023 A SUCCESS!

WE STILL NEED YOUR SUPPORT! END OF YEAR DONATIONS STILL BEING ACCEPTED!

AS A NON-PROFIT ORGANIZATION, WE RELY SOLELY ON FUNDING FROM PUBLIC DONATIONS AND CORPORATE SPONSORS. YOUR ASSISTANCE IS STILL NEEDED. A DONATION TO FWSD CAN HELP US CONTINUE TO HONOR AND SUPPORT THE MEN AND WOMEN OF OUR ARMED FORCES.

For more information and how you can support, please visit us online at WWW.FLEETWEEKSANDIEGO.ORG
ECONOMIC PROSPERITY

Exploring Best Practices at “Discovering Downtowns”

In May 2023, the Downtown San Diego Partnership led an eclectic mix of local public and private sector leaders on its Second Annual Discovering Downtowns trip to Nashville sponsored by Clark Construction, Rath Public Affairs, Intesa Communications Group, and Cox Communications. For the second consecutive year, Nashville was ranked as the top market to watch for overall real estate prospects and is consistently ranked in the top five for economic strength and jobs.

Trip delegates explored the culturally vibrant city on foot, met with their leaders on sports and waterfront activation, toured intentional mixed-use developments attracting large corporate headquarters, and experienced first-hand how their branding investments are attracting tourists, conventions, and talent to Downtown. As placemakers, we know that one of the best ways to build economic prosperity and cultural vitality is by seeking inspiration and learning best practices that result in significant urban core advancements. This study tour provided a wonderful opportunity for our city and business leaders to network (over Nashville Hot Chicken) and immerse themselves in a downtown-focused educational setting.

Promoting Downtown for Investment

As the managing organization for the Commercial Enhancement Program, the Downtown Partnership works alongside commercial office properties of more than 50,000 square feet to tell the story of the Downtown market for investment, tenant attraction, and tenant retention. Over the past year, this work has included a comprehensive campaign that has secured results above industry averages. This strong performance demonstrates the continued interest in Downtown as a place for investment, growth, and exciting happenings.

Key Takeaways:

- One of the Top Recovering Downtowns in the Nation for Foot Traffic
- Strong Foundation of Tourism Driving Recovery
- The Power of a Strong, Nationally Unique Central Brand

Business Improvement District Reactivates Downtown

To provide even greater storytelling, support, and strategic investment in Downtown’s urban neighborhoods, the Downtown San Diego Partnership also serves as the managing organization for the City Center Business Improvement District. This year the BID introduced a series of projects focused on street-level activation and improvements in a corridor that serves an important role not only for the City Center neighborhood, but all of Downtown – C Street. The C Street Coalition was formed alongside the Downtown Partnership to unlock C Street’s full potential as a central hub and make the area a primary testing ground for enhancement projects and innovation in Downtown. This initiative has already seen results including an Earth Day celebration with vendors, food, and live music and a Live After 5 community event series that spotlighted local musicians, artists, and local businesses to boost economic activity for Downtown businesses on Thursdays throughout the month of December.

Cleaner Streets with Bigbelly Trash Cans

In FY22-23, the Downtown San Diego Partnership Clean & Safe program began to roll out an innovative new solution to one of our daily challenges – keeping our streets and sidewalks clean. We noticed that the original intersection trash can models that were installed more than 20 years ago were creating challenges not only for our staff, but for everyone who wanted to enjoy our public realm. We worked with nationally known manufacturer Bigbelly to create a model of their famous trash can that would be unique to Downtown San Diego’s needs when complete. These new models prioritize features that have helped reduce litter on our streets and sidewalks, while also providing a better user experience and neighborhood identification. We’re proud to share we were the first market in the nation to launch these new models that are now sought after in downtowns across the country. Keep an eye out as we pursue future phases of replacement throughout Downtown.

Our Goal:

Full Downtown Replacement

- 92 New Trash Cans Installed
- ~$230,000 FY22-23 Investment
- ~18% Replaced
CULTURAL VITALITY

Launch of the Clean & Safe App
In October 2022, we introduced the Clean & Safe app to report non-emergency maintenance and public safety concerns in Downtown. Our primary goal for the development of the app was to create a system that was easy to use for our Downtown stakeholders and where they could see their issues resolved quickly and efficiently. Enhanced services through the Property and Business Improvement District are available 24 hours a day, seven days a week, 365 days a year, to make our urban neighborhoods more clean, more safe, and more vibrant.

- 10,400 Requests since launch
- Nearly 90% Responded to Within 30 Minutes
- 61% Issues Resolved Within 1 Hour

Unhoused Care Team
The Downtown Partnership’s Unhoused Care Team is committed to reducing Downtown homelessness through connections to helpful resources. The work of the Unhoused Care Team includes engaging with clients one-on-one to understand their unique situation and seeking solutions such as reuniting clients with their support systems through the Family Reunification Program, referrals to essential services such as shelter, food, clothing, street-based care management, and more.

For more highlights about the work of the Unhoused Care Team, see their organizational performance statistics on page 17.

FY22-23 FRP Clients Served

GOAL: 450
TOTAL CLIENTS SERVED: 506
- 12% Above Goal
- 33% Increase in Clients Served YTY

Success Story
The Unhoused Care Team met Juli in September of 2022. When they learned she needed surgical intervention for a healthcare issue, they jumped into action alongside a care team member from PATH. Together, they made sure Juli got the appropriate doctor’s appointments booked and that those appointments would be covered by her insurance, all while navigating her application for an emergency housing voucher. With the help of several partners, Juli received the keys to her first home in more than 20 years just in time to have a safe place of her own to recover after her surgery.

Creating Community & Vibrancy Through Activation
We know that nothing creates the kind of street-level energy and community pride that is common in the country’s best Downtowns quite like community events and activations. That’s why the Downtown Partnership continues to invest in opportunities to connect with our neighbors and explore our urban neighborhoods. Here’s a highlight of some of the past year’s activities.

Dogs of Downtown
We invited the downtown community, local pet businesses, and more to spend a day in the park with their favorite furry friends. We distributed goodie bags, found two dogs their new forever homes, gifted some doggy headshots, and made personalized engraved tags. With more than 50% of Downtown residents owning a dog, we encourage you to stay tuned for our next pawsome event!

Fall-ing into the Playoffs
Picture this: it’s Fall 2022 and the San Diego Padres have just made the playoffs! The streets of Downtown San Diego were flooded with energy and civic pride, so you know the Downtown Partnership was ready to join in on the fun. Through 3 separate activations, we provided ways for residents and visitors to celebrate including a new mural of local favorite Joe Musgrove with Ground Floor Murals and WestBrew.

Columbia District Parklet
Say hello to your friendly neighborhood parklet. To enhance the livability and sense of place for residents and workers in the Columbia District, the Downtown San Diego Partnership opened Downtown’s only public parklet conveniently located next to Two Columbia Place tower and the Mudbar Cafe. Don’t hesitate to check it out as we work to pursue more projects like this one for all Downtown San Diego neighborhoods.

Streetlight Repairs
One of our most important roles as an organization is serving as the voice of the Downtown community to advance change. After receiving concerns from our residents and neighbors regarding safety in Downtown because our streets and sidewalks were too dark, the Downtown Partnership Clean & Safe team conducted an audit of all the streetlights within the PBID. The audit found that at that time there were more than 500 streetlights out in Downtown. The Downtown Partnership team then used that data to communicate the need for action to the City of San Diego. The City heard Downtown’s concerns and launched a project to repair or replace more than 700 streetlights and install tamper-proof latches as part of a safety initiative to prioritize the security of residents and property owners. We were proud to work alongside the city to see these repairs completed all in the span of three months to make our streets safer for pedestrians and drivers alike and discourage vandalism and other criminal activities.

Achieving Results for the Downtown Community
>700 Streetlights Repaired-Replaced
MEMBERSHIP

There’s never a dull moment when you’re surrounded by members of the Downtown San Diego Partnership. Here are some highlights of the opportunities we provided this year for our members to connect, share ideas, identify new strategic partners, and grow their businesses.

September 2022 saw our latest innovation for our Installation Celebration featuring a game show highlighting the impact of the Downtown San Diego Partnership and the leaders, headlines, and quirks unique to the heart of San Diego. This was followed by our March 2023 Create the Future Awards which once again recognized the people, projects and initiatives that promoted an economically prosperous and culturally vibrant Downtown. The Downtown Partnership team also hosted mixers, socials, and professional development sessions for our members to connect and grow.

Other Event Highlights:
End of the Year Social, Convos over Coffee, Golf Invitational, Developers Roundtable, State of the City Happy Hour

By The Numbers

90% Membership Retention
15.02% Membership Growth Rate
67 New Members

Welcoming 8 New Underrepresented Business Enterprise Members

The Downtown San Diego Partnership values inclusivity and the intentional development of culturally diverse perspectives. In an effort to foster even greater economic inclusion within our membership, we developed our Underrepresented Business Enterprise membership. This additional level of membership provides individuals and businesses with opportunities to engage with and develop their leadership in the Downtown community at a discounted rate.

Testimonials

Exclusive Collections:
At Exclusive Collections (EC) located in the Gaslamp Quarter, we are thankful for the Downtown Partnership’s activations that have led us to feel welcomed and allowed us to become more interconnected as we opened our second location in Downtown. As a Native American Woman owned business we are committed to unforgettable experiences through uplifting indigenous works, so we are thankful that the Downtown San Diego Partnership values maintaining the cultural vitality of Downtown, as do we.

SR Insurance Services:
Being a small Woman-Owned business means that I take pride in working closely with my clients. I am grateful that the Downtown San Diego Partnership shares a similar work ethic through the one-on-one communication to members that are small business owners like me.

First-time members can reference this report and get a 10% discount on your qualified UBE (or general) membership – Contact us at dsdp@downtownsandiego.org

FINANCIAL STATEMENT

FY22-23 Financial Overview

During the 2022-2023 fiscal year, the organization focused on expanding its growing network of members through an aggressive outreach campaign, resulting in a 25% growth rate in new members. This effort led to the most members ever recruited in a single year by the Downtown Partnership, bringing in new and emerging markets of companies. Efforts to focus on recruiting under-represented businesses also began and yielded positive results to further broaden the perspectives and experiences of our membership base.

This period also saw the many years of planning for a new business venture, entitled Urban Strategy Services, come to fruition with the onboarding of its first customer. This social venture enterprise will deliver the same great services our Clean & Safe program offers but to private property within Downtown and companies outside of the Property and Business Improvement District’s boundaries.

FY22-23 Highlights

The top-line assessment revenue number of $11,328,447 includes an increase to assessments of 5%, with a blended delinquency rate of 4%. The DSDP was also a recipient of the Employee Retention Tax Credit, a portion of which was previously received and pending credits of $955,634 are included in total revenue.

Inflationary impacts were the primary challenge, especially within our Clean & Safe program, as expenses continued to rise at a greater rate than increases in assessment revenues. To maintain service levels as consistently as possible despite these challenges, a portion of the accumulated fund balance was used to reinvest in the Downtown neighborhoods.

Year Ahead FY23-24

Downtown San Diego Partnership Budget FY23-24

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<td>Ticket Sales</td>
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<td>Sponsorships &amp; Other Operating</td>
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Clean & Safe Budget FY23-24

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<td>Beautification</td>
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<td>CEP</td>
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<tr>
<td>Total</td>
<td>$5,350,184</td>
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Total: $171 Million
Total: $13.3 Million
ORGANIZATIONAL PERFORMANCE

CLEAN & SAFE
Maintenance
Trees Trimmed - 13,000 - 53% Increase YTY
Graffiti removed - 15,000 - 50% Increase YTY
Pounds of Trash Picked Up - 2 million - 11% Increase YTY
Sidewalks Pressure Washed - 41,000

Safety
Hospitality Checks - 73,000 - 143% Increase YTY
Directional Assistance - 4,000 - 172% Increase YTY
Security Checks - 134,000 - 2% Increase YTY

 Beautification
Murals Installed - 3
Planters Maintained - 50+
Projects Completed - 13+

Unhoused Care Services
Individuals Reconnected with Support Systems - 480 - 26% Increase YTY
Client Referrals - 1,338
(Shelter + People Housed + Emergency Hotel + DV)

Commercial Enhancement Program
Downtown Advertising Impressions - >2 million
Downtown Promotion Website Users - >10,000 - 190% increase
Demographics Survey Respondents - >300

DOWNTOWN PARTNERSHIP

Diversity Action Committee
• 7% of Contracts awarded to UBE
• 72.7% Growth of UBE Members

Policy
Policy Milestones Achieved:
Unsafe Camping Ordinance Passed
City Budget
IKE Agreement Passed

City Center Business Improvement District
Business Outreach Contacts - >500
Community Events - 4*
*Plus Padres Game Bike Valets for every Sunday & Wednesday Home Games

Marketing & Communications
Average Email Open Rate - 35% - 10% Above Industry Average
Average Monthly Website Visitors - 6,300 - 8% Increase YTY
Media Mentions - >80

MAJOR CONTRIBUTORS

OUR MAJOR INVESTORS
Thank you to all our Founder Enterprise members who have invested in the mission of the Downtown San Diego Partnership and our vision of a vibrant, thriving, and dynamic Downtown that inspires innovation, creativity, and a sense of belonging.

Ace Parking
Birdi Systems, Inc.
CBRE
Cox Communications
Cushman & Wakefield
Dentons US LLP
Dynanet San Diego
Flocke & Avoyer Commercial Real Estate
1HWY1
Gensler
Hensel Phelps
HP Investors, LLC
Inter-Con Security
Irvine Company Office Properties
IQHQ, Inc.
Lankford & Associates, Inc.
ReproHAUS/sgnHAUS
Rick Engineering Company
San Diego Gas & Electric
San Diego Padres
Sheppard Mullin Richter & Hampton LLP
Sycuan Band of the Kumeyaay Nation
The Michaels Organization
The San Diego Union-Tribune
Trust & Will
Turner Construction
Webcor Builders

For a full roster of our members, visit downturnsandiego.org/roster

12,200 Followers - 30% Increase
28,000 Followers - 30% Increase
16,000 Followers - 4% Increase
5,000 Followers - 26% Increase