

1 [2500 Block of Mission Street Business Improvement District Annual Reports to the City.]

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3 **Resolution regarding 2500 Block of Mission Street Business Improvement District**  
4 **annual reports to the City: modifying the "Authority to Contract" provision of the**  
5 **Resolution establishing the District (Resolution No. 539-05) to require an annual**  
6 **financial report that has been reviewed by a Certified Public Accountant who provides**  
7 **a statement of negative assurance, to change the current requirement for an annual**  
8 **CPA "independent audit" to instead require a CPA independent audit upon request of**  
9 **the City, and authorizing amendment of the District's management contract with the**  
10 **City to conform; and receiving and approving the District's Annual Report for 2005-**  
11 **2006 as submitted pursuant to Section 3.4 of the District's management contract.**

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13 WHEREAS, on June 7, 2005, pursuant to the Property and Business Improvement Law  
14 of 1994, California Streets and Highways Code Sections 36600 *et seq.* (the "Act"), as  
15 augmented by Article 15 of the San Francisco Business and Tax Regulations Code ("Article  
16 15"), the Board of Supervisors adopted Resolution No. 385-05 "Resolution of Intention to form  
17 the 2500 Block of Mission Street Business Improvement District (BID)" ("Resolution of  
18 Intention"); and,

19 WHEREAS, on July 26, 2005 the Board of Supervisors adopted Resolution No.  
20 539-05 "Resolution to Establish the 2500 Block of Mission Street Business Improvement  
21 District" (Resolution to Establish) for a period of 5 years commencing with fiscal year 2005-  
22 2006; and,

23 WHEREAS, on January 10, 2006 the Board of Supervisors adopted Resolution No. 17-06  
24 "Contract with Owners' Association for Administration of 2500 Block of Mission Street Business  
25 Improvement District;" now be it,

1 RESOLVED, that the Board of Supervisors declares as follows:

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**Section 1. MODIFICATION OF "AUTHORITY TO CONTRACT" PROVISION IN**

4 **RESOLUTION ESTABLISHING THE DISTRICT (RESOLUTION NO. 539-05).** Section 7

5 "Authority to Contract" in the Resolution to Establish (Resolution No. 539-05) is hereby

6 modified to require an annual financial report from the District that has been reviewed by a

7 Certified Public Accountant who provides a statement of negative assurance, and to change

8 the current requirement for an annual CPA "independent audit" to instead require a CPA

9 independent audit upon request of the Controller or the Mayor's Office of Economic and

10 Workforce Development (MOEWD), so that Section 7 will now provide (changed/additional

11 words are designated by broken underlining, and deleted words are designated by ~~double~~

12 ~~strikeout~~):

13 "AUTHORITY TO CONTRACT. The Board of Supervisors may contract with a

14 separate private entity to administer the improvements, services and activities set forth

15 in Section 6. Any such entity shall hold the funds it receives from the City and County

16 of San Francisco ("City") in trust for the improvements, services and activities set forth

17 in Section 6. Any entity that holds funds in trust for purposes related to the contract

18 shall, at no expense to the City, ~~provide an annual independent audit report by a~~

19 ~~Certified Public Accountant of all such funds.~~ deliver to City no later than one hundred

20 twenty (120) days following the end of any Fiscal Year, a balance sheet and the related

21 statement of income and cash flows for each fiscal year, all in reasonable detail

22 acceptable to City, reviewed by a Certified Public Accountant (CPA); this review shall

23 include a statement of negative assurance from the CPA. In addition, or alternatively,

24 the Controller or the Mayor's Office of Economic and Workforce Development may in

25 their discretion require Corporation to deliver, at no expense to the City, an annual

independent audit report by a Certified Public Accountant of all such funds. The CPA

review or audit may be funded from assessment proceeds as part of the general

administration of the District. At all times the Board of Supervisors shall reserve full

rights of accounting of these funds. The Mayor's Office of Economic and Workforce

Development shall be the City agency responsible for coordination between the City

and the District."

1           **Section 2. CONFORMING THE DISTRICT'S MANAGEMENT CONTRACT**  
2 **BETWEEN THE CITY AND THE NONPROFIT PROPERTY OWNERS' ASSOCIATION.**

3           The Mayor's Office of Economic and Workforce Development is hereby authorized to  
4 enter into an amendment of the City's agreement/contract with the nonprofit property owners'  
5 association Mission Miracle Mile, Inc. for administration and management of the district known  
6 as the 2500 Block of Mission Street Business Improvement District ("Management Contract,"  
7 see Resolution No. 17-06), that conforms the Management Contract to Section 1 of this  
8 Resolution, above.

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11           **Section 3. RECEIPT AND APPROVAL OF THE DISTRICT'S ANNUAL REPORT**  
12 **TO THE CITY.** The Board hereby receives and approves the District's Annual Report for  
13 2005-2006, as submitted pursuant to Section 3.4 of the District's Management Contract (*i.e.*,  
14 §3.4 of the City's agreement/contract with the nonprofit property owners' association Mission  
15 Miracle Mile, Inc. for management and administration of the 2500 Block of Mission Street  
16 Business Improvement District), on file with the Clerk of the Board of Supervisors in File No.  
17 \_\_\_\_\_.