

Attachment A

**Excelsior
Community Benefit District**

Engineer's Report



**San Francisco, California
March 2023**

***Prepared by:*
Kristin Lowell Inc.**

Prepared under Article XIID of the California State Constitution and the State of California Property and Business Improvement District Law of 1994 as augmented by Article 15 of the San Francisco Business and Tax Regulations Code to authorize a Community Benefit District

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ENGINEER'S STATEMENT

This Report is prepared pursuant to Article XIID of the California State Constitution (Proposition 218) and the State of California Property and Business Improvement District Law of 1994 as augmented by Article 15 of the San Francisco Business and Tax Regulations Code.

The Excelsior Community Benefit District ("Excelsior CBD") will provide activities that are either currently not provided or are above and beyond what the City of San Francisco provides. These activities will specially benefit each individual assessable parcel in the Excelsior CBD. Every individual assessed parcel within the Excelsior CBD receives special benefit from the activities identified under Section B of this Report. Only those individual assessed parcels within the Excelsior CBD receive the special benefit of these proposed activities; parcels contiguous to and outside the Excelsior CBD and the public at large may receive a general benefit, as outlined in Section E. The cost to provide general benefits, if any, will be funded from sources other than special assessments.

The duration of the proposed Excelsior CBD is ten (10) years, commencing January 1, 2024. An estimated budget for the Excelsior CBD improvements and activities is set forth in Section D. Assessments will be subject to an annual increase per year not to exceed that year's increase in the San Francisco, Oakland, and San Jose area Consumer Price Index (CPI). Any increase will be determined by the Owners' Association. Funding for the Excelsior CBD improvements and activities shall be derived from a property-based assessment levied on each specially benefitted parcel in the Excelsior CBD. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section G.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the Excelsior CBD will receive a special benefit over and above the benefits conferred to those parcels outside of the Excelsior CBD boundary and to the public at large and that no parcel's assessment will exceed the reasonable cost of the proportional special benefits conferred on that parcel.



Respectfully submitted,

Terrance E. Lowell, P.E.

SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

Property and Business Improvement District Law of 1994

Streets and Highways Code Section 36600 et seq. (the "1994 Act"), as augmented by Article 15 of the San Francisco Business and Tax Regulations Code, authorizes the City to levy assessments upon real property for the purposes of providing improvements and activities that specially benefit each individual assessed parcel in the Excelsior CBD. The purpose of the Excelsior CBD is to encourage commerce, investment, business activities and improve residential serving uses. In order to meet these goals, CBDs typically fund activities and improvements such as enhanced safety and cleaning and neighborhood beautification. Unlike other assessment districts which fund the construction of public capital improvements or maintenance thereof, CBDs provide activities and improvements "to promote the economic revitalization and physical maintenance of the business districts of their cities in order to create jobs, attract new businesses, and prevent the erosion of the business districts." (Streets and Highways Code Section 36601(b)). The improvements and activities funded through the Excelsior CBD are over and above those already provided by the City within the Excelsior CBD's boundaries. Each of the Excelsior CBD activities or improvements is intended to increase building occupancy and lease rates, to encourage new business development, attract residential serving businesses and services, and improve the quality of life for its residents.

Specifically, the 1994 Act defines "Improvements" and "Activities" as follows:

"Improvement" means "the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years..."¹

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.*
- (b) Furnishing of music in any public place.*
- (c) Promotion of tourism within the district.*
- (d) Marketing and economic development, including retail retention and recruitment.*
- (e) Providing safety, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.*
- (f) Other services provided for the purpose of conferring special benefit upon assessed businesses and real property located in the district.²*

Article XIID of the State Constitution

In 1996, California voters approved Proposition 218, codified in part as Article XIID of the State Constitution. Among other requirements, Article XIID changes the way local agencies enact local taxes and levy assessments on real property. It states, in relevant part, that:

(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property

¹ California Streets and Highways Code, Section 36610.

² California Streets and Highways Code, Section 36606.

related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and an agency shall separate the general benefits from the special benefits conferred on a parcel. Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.³

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."⁴

Judicial Guidance

Since the enactment of Article XIID, the courts have rendered opinions regarding various aspects of Article XIID. Notable portions of these cases are noted below.

"The engineer's report describes the services to be provided by the [district]; (1) security, (2) streetscape maintenance (e.g., street sweeping, gutter cleaning, graffiti removal), and (3) marketing, promotion, and special events. They are all services over and above those already provided by the City within the boundaries of the [district]. And they are particular and distinct benefits to be provided only to the properties within the [district], not to the public at large—they 'affect the assessed property in a way that is particular and distinct from [their] effect on other parcels and that real property in general and the public at large do not share."⁵

"...separating the general from the special benefits of a public improvement project and estimating the quantity of each in relation to the other is essential if an assessment is to be limited to the special benefits."⁶

"...the agency must determine or approximate the percentage of the total benefit conferred by the service or improvement that will be enjoyed by the general public and deduct that percentage of the total cost of the service or improvement from the special assessment levied against the specially benefitted property owners."⁷

"...even minimal general benefits must be separated from special benefits and quantified so that the percentage of the cost of services and improvements representing general benefits, however slight, can be deducted from the amount of the cost assessed against specially benefitting properties."⁸

The contents of this Engineer's Report are prepared in compliance with the above noted authorizing legislation, the State Constitution, and judicial opinions.

³ Section 4, Article XIID of the State Constitution.

⁴ Section 2 (i), Article XIID of the State Constitution.

⁵ Dahms v. Downtown Pomona Property and Business Improvement District (2009) 174 Cal.App. 4th 708, 722.

⁶ Beutz v. County of Riverside (2010) 184 Cal. App. 4th 1516, 1532.

⁷ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 438.

⁸ Golden Hill Neighborhood Association, Inc. v. City of San Diego (2011) 199 Cal.App. 4th 416, 439.

SECTION B: IMPROVEMENTS AND ACTIVITIES

In the fall of 2019, property owners and business owners within the proposed District formed a Steering Committee to provide oversight and input to the district establishment process. The Steering Committee initiated a series of meetings to discuss establishing the Excelsior CBD to fund enhanced improvements and activities in the District. The primary needs as determined by the parcel owners were: cleaning, beautification, marketing, economic development and administration. All of the services to be provided are over and above the City's baseline of services and are not provided by the City.

Clean and Beautiful

Clean and Beautiful Program

In order to consistently deal with cleaning issues, a Clean and Beautiful Program will provide a multi-dimensional approach consisting of the following elements. The clean team will only provide service to properties within District boundaries. The special benefit to parcels from these services will result in increased commercial activity which directly relates to increases in lease rates and customer usage and quality of life for district businesses and residents. Services may include, but are not limited to, the following:

- **Sidewalk Cleaning:** Uniformed, radio equipped personnel sweep litter, debris and refuse from sidewalks and gutters of the District. District personnel may pressure wash the sidewalks. Paper signs and handbills that are taped or glued on property, utility boxes, poles and telephones are removed. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.
- **Sidewalk Pressure Washing:** District personnel may pressure wash the sidewalks. Clean sidewalks support an increase in commerce and provides a special benefit to each individually assessed parcel in the district.
- **Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles as needed. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.
- **Graffiti Removal:** Painters remove graffiti by painting, using solvent and pressure washing. The District maintains a zero-tolerance graffiti policy. An effort is made to remove all tags within 24 hours on weekdays.
- **Landscape Maintenance:** Weeding of District tree wells and sidewalk cracks.

The Clean Team will only operate within District boundaries. The special benefit to assessed parcels from these services result in increased commercial activity, which directly relates to increased building occupancy and customer usage. Dirty and unclean sidewalks deter pedestrians and commercial activity.

Marketing and Economic Development

The marketing and economic development activities consist of services provided directly to the assessed parcels: for example, the district will promote local businesses, help property owners attract high-paying tenants through advertising, neighborhood branding and storefront improvement efforts. The District will highlight the special benefits that the assessed parcels are

receiving through a website, district marketing and special events. These activities will specially benefit each assessed parcel by encouraging business development and investment and increased commercial activity (e.g., filling of vacant storefronts and offices, increased lease rates for retail and office space). Decisions on where to shop, eat or attend events are largely based on a perception of the place. If these activities were not communicated it would be a deterrent to pedestrian traffic, business and commerce for the assessed parcels.

The programs being considered include, but are not limited to, the following:

- Events
- Branding, Marketing, Media Relations
- Website
- District Stakeholder Outreach
- A program to activate public spaces in the District may be developed.
- A program of temporary and permanent art, including performing art, and art workspaces may be developed.

Administration

The improvements and activities are managed by a professional staff that requires centralized administrative support. Administration staff oversees the Excelsior CBD's services, which are delivered six days a week. Administration staff actively work on behalf of the Excelsior CBD parcels and advocate to ensure that City and County services and policies support the Excelsior CBD. Included in this item are grant writing expenses, office expenses, professional services, organizational expenses such as insurance, and the cost to conduct a yearly financial review. Excelsior CBD funds from Administration may be used for renewing the Excelsior CBD.

A well-managed Excelsior CBD provides necessary Excelsior CBD program oversight and guidance that produces higher quality and more efficient programs. Administration staff implement the programs and services of the Excelsior CBD. The special benefit to assessed parcels from these services is increased commercial activity, which directly relates to increased building occupancy and enhanced commerce.

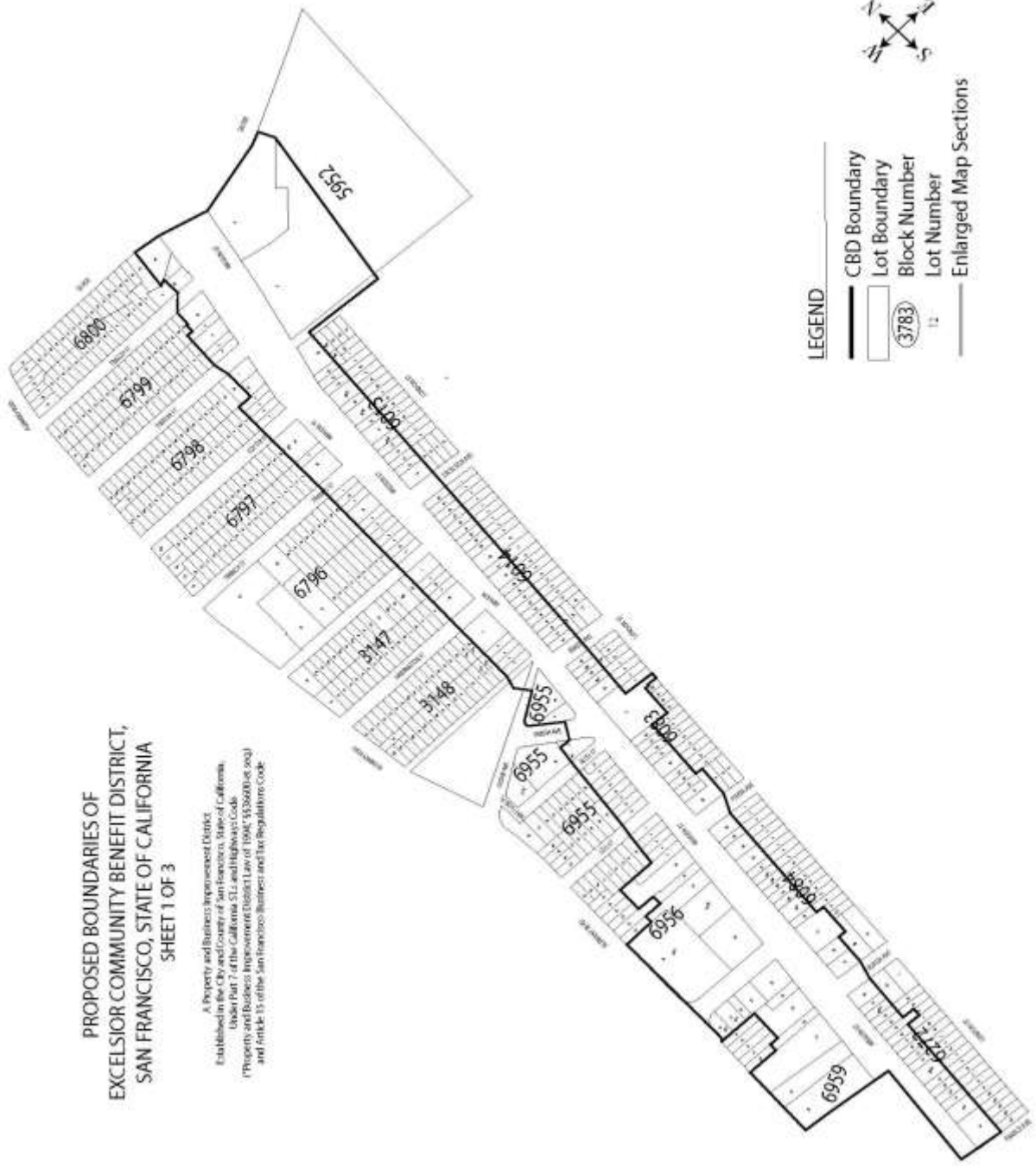
SECTION C: BENEFITTING PARCELS

Overall Boundary

Article XIIID Section 4(a) of the State Constitution requires that the authorizing agency "Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed."

The Excelsior CBD consists of approximately 17 whole or partial blocks and approximately 195 parcels. In general, the Excelsior CBD is made up of parcels facing on both sides of Mission. Parcels included on Mission begin at Silver Avenue on the north and continue to France Avenue in the south. Parcels on Onondaga Avenue between Alemany Boulevard and Mission street are included.

The Excelsior CBD boundary is illustrated on the following pages.



**PROPOSED BOUNDARIES OF
EXCELSIOR COMMUNITY BENEFIT DISTRICT,
SAN FRANCISCO, STATE OF CALIFORNIA
SHEET 1 OF 3**

A Property and Business Improvement District
Established in the City and County of San Francisco, State of California,
Under Part 7 of the California S.L. and Highway Code
(Property and Business Improvement District Law of 1994 (335880-00-00))
and Article 15 of the San Francisco Business and Tax Regulations Code

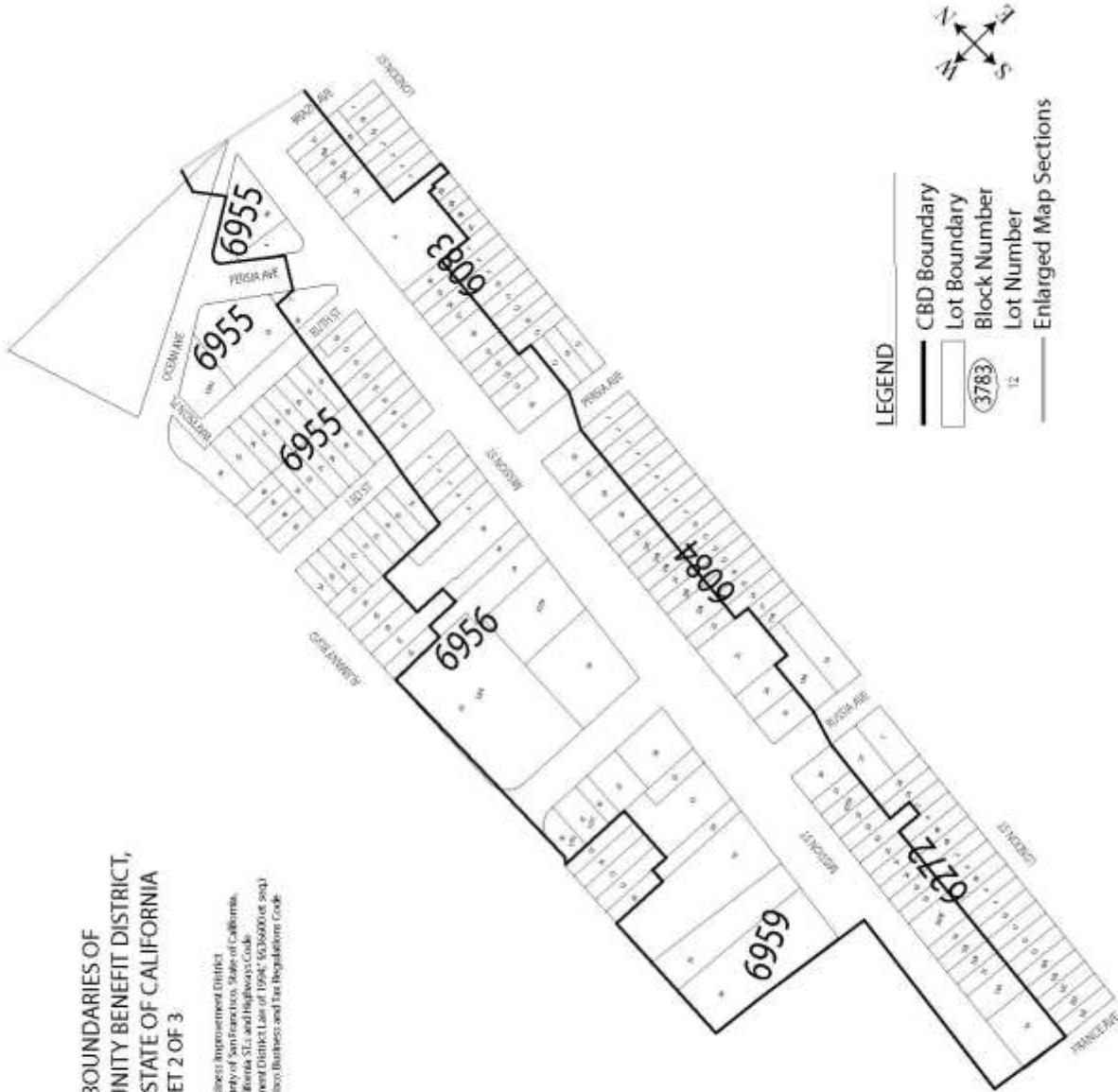
LEGEND

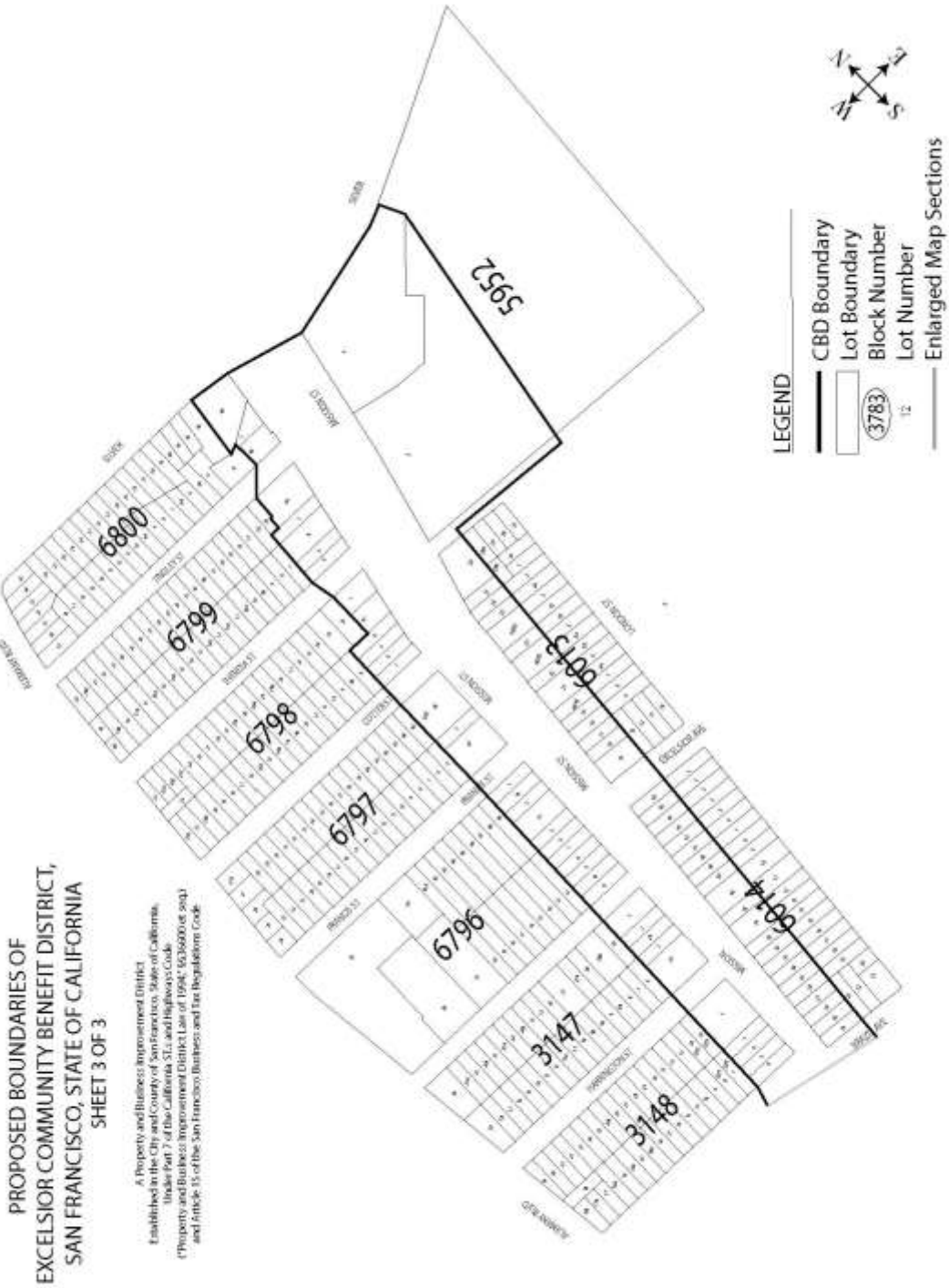
-  CBD Boundary
-  Lot Boundary
-  Block Number
-  Lot Number
-  Enlarged Map Sections



PROPOSED BOUNDARIES OF
EXCELSIOR COMMUNITY BENEFIT DISTRICT,
SAN FRANCISCO, STATE OF CALIFORNIA
SHEET 2 OF 3

A Property and Business Improvement District
Established in the City and County of San Francisco, State of California,
Under Part 7 of the California S.C. and Highways Code
(Property and Business Improvement District Law of 1994, §§36600 et seq.)
and Article 15 of the San Francisco Business and Tax Regulations Code





SECTION D: PROPORTIONAL BENEFITS

Methodology

Article XIIID Section 4(a) of the State Constitution states that “The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of the public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided.”

Determining the proportionate special benefit among the parcels of real property within the proposed assessment Excelsior CBD which benefit from the proposed improvements, services, and activities is the result of a five-step process:

1. Defining the proposed activities.
2. Quantifying the degree to which the activities provide general versus special benefits.
3. Determining which parcels specially benefit from the proposed activities.
4. Determining the amount of special benefit each parcel receives.
5. Determining the proportional special benefit a parcel receives in relation to the amount of special benefit all other parcels in the District receive.

Each identified parcel within the Excelsior CBD will be assessed based upon the special benefits received by that parcel, as determined by analyzing each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. As a result of this analysis, each parcel will be assessed at a rate which is commensurate with the amount of special benefits received.

Land Use Considerations

All parcels within the CBD specially benefit from the CBD activities, but not to the same degree. The methodology provides the following treatments for property used exclusively for residential or nonprofit uses.

Non-Profit Use: Non-profit owned properties specially benefit from the CBD activities but differently than all other assessed parcels. Non-profit parcels are defined as parcels being owned by 501 c3 organizations. Non-profit parcels that have a mix of uses on one parcel receive differing levels of special benefit based on the type of use. Building square footage for non-profit mixed-use parcels is separated into non-profit uses and commercial/residential uses and assessed using the appropriate assessment rate. These property types will receive special benefit from the Clean and Beautiful activities and the Administration costs associated with the Clean and Beautiful Activities and will be assessed fully for them. However, they do not specially benefit from the Economic Development and Marketing district programs. The Excelsior CBD Marketing, Economic Development and associated Administration costs are designed to provide special benefit to the retail, residential, parking, publicly-owned, office, and mixed-use parcels in the form of increased customers, lease rates, and commercial activity, none of which are a special benefit to non-profit use parcels. Thus, non-profit parcels will be assessed only in proportion to the special benefits they derive from Clean and Beautiful activities and the Administration activities that directly relates to the Clean and Beautiful services they receive.

Special Benefit Factors

Each parcel's proportional special benefit from the CBD activities is determined by analyzing two land use factors: Building Square Footage and Linear Street Frontage. These land use factors are an equitable way to identify the proportional special benefit that each of the parcels receive. Building square footage is relevant to the current use of a property and is also closely correlated to the potential pedestrian traffic from each parcel and the demand for CBD activities. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for CBD activities. Together, these land use factors serve as the basic unit of measure to calculate how much special benefit each parcel receives in relationship to the district as a whole, which is the basis to then proportionately allocate the cost of the special benefits.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County of San Francisco Assessor's records. Thirty percent (30%) of the assessment budget is allocated to the building square footage, to account for the special benefit to each parcel's current use and demand for district activities.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts a street that will receive the CBD activities. Alley front frontage is also included in this definition, if a parcel is on an alley and the alley is within the District and accessible to the public. Seventy percent (70%) of the assessment budget is allocated to Linear street frontage to account for the special benefit received at the street level of each parcel.

Each one of these land use factors represents the benefit units allocated to each specially benefitted parcel. The total number of benefit units in the CBD are as follows:

Land Use Factor	Benefit Units	
	All Uses Except Non-Profit	Non-Profit
Building Sq Ft.	1,076,073	30,242
Linear Street Frontage	6,482	1,327

SECTION E: SPECIAL and GENERAL BENEFITS

State Law requires that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIII D Section 4(a) of the California Constitution in part states that “only special benefits are assessable,” which requires that we separate the general benefits, if any, from the special benefits provided by the proposed activities and improvements.

As of January 1, 2015, the State Legislature amended the State Law to clarify and define both special benefit and general benefit as they relate to the improvements and activities these districts provide. Specifically, the amendment (Section 36615.5 of the Streets and Highways Code) defines special benefit as follows: “‘Special benefit’ means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.”

In addition, the amendment (Section 36609.5 of the Streets and Highways Code) defines general benefit as follows: “‘General benefit’ means, for purposes of a property-based district, any benefit that is not a ‘special benefit’ as defined in Section 36615.5.”

Furthermore, the amendment (Section 36601(h)(2)) states: “Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.”

Special Benefit Analysis

The assessments outlined in this report are for property-related activities that are specifically intended for and directly benefitting each individual assessed parcel in the District. The activities provide special benefits because they affect the parcels in a way that is particular and distinct from how they affect other real property or the public at large. No parcel's assessment shall be greater than its proportionate share of the costs of the special benefits received.

Streets and Highways Code Section 36601(e) states that “Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits: (1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied. (2) Job creation. (3) Business attraction. (4) Business retention. (5) Economic growth. (6) New investments.”

The Excelsior CBD's goal is to fund activities and improvements to provide a cleaner and more attractive and economically vibrant environment. Improving economic vitality is an outcome of improving the cleanliness, appearance, and economic development of each individual specially

benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants, residents and investors.

Each parcel will specially benefit from:

- Cleaner sidewalks, streets, and common areas
- Greater pedestrian traffic
- Enhanced rental incomes
- Improved business climate
- New business and investment
- Well-managed CBD programs and services

Specifically, each parcel specially benefits from the Excelsior CBD activities as defined below.

Clean and Beautiful

The cleaning activities specially benefit each assessed parcel within the Excelsior CBD by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, and trash removal. These activities create the environment needed to achieve the CBD's goals. Sidewalks that are dirty and unclean deter pedestrians and commercial activity.

The Clean and Beautiful activities are expected to provide special benefits to the assessed parcels in a variety of ways. For example:

- Maintaining and cleaning sidewalks in front of each parcel creates a cohesive environment and allows pedestrians to move freely throughout the Excelsior CBD. Sidewalks that are dirty and unkempt deter pedestrians and commercial activity. "Walkable communities offer many financial benefits, such as a reduction in healthcare costs. Homes with sidewalks tend to sell for more money and in less time than similar homes without sidewalks. Businesses also benefit as residents are more likely to shop locally when there is increased connectivity between residential and business/commercial districts. The well-maintained sidewalks, accessibility, and inviting atmosphere of downtown helps to attract tourists."⁹
- Removing graffiti from buildings to keep the aesthetic appeal uniform throughout the Excelsior CBD;
- The beautification activities specially benefit each assessed parcel by providing maintained landscaped corridors and art in public places. These activities create the environment needed to achieve the CBD's goals.

Marketing and Economic Development

The marketing and economic development activities consist of services provided directly to the assessed parcels, other than not-for-profit parcels. For example, the district will promote local businesses, help property owners attract high-paying tenants through advertising and neighborhood branding efforts, and highlight the special benefits that the assessed parcels are receiving through a website and district marketing and special events. These activities will specially benefit each assessed parcel by encouraging business development and investment and increased commercial activity (e.g., filling of vacant storefronts and offices, increased lease rates for retail and office space). Decisions on where to shop, eat or attend events are largely

⁹ "Benefits of Sidewalks", Iowa Healthiest State Initiative, November 1, 2017

based on a perception of the place. If these activities were not communicated it would be a deterrent to pedestrian traffic, business and commerce for the assessed parcels.

Administration

The Excelsior CBD requires a professional staff to properly manage programs, communicate with stakeholders, advocate with City/County departments, and provide leadership. Each parcel will specially benefit from the Excelsior CBD Administration staff that will ensure that the Excelsior CBD services are provided and deployed as specifically laid out in this Engineer's Report and will provide leadership to represent the community with one clear voice.

Special Benefit Conclusion

Based on the special benefits each assessed parcel receives from the Excelsior CBD activities, we conclude that each of the proposed activities provides special benefits to the real property within the Excelsior CBD and that each parcel's assessment is in direct relationship to and no greater than the special benefits received.

The special benefit to parcels from the proposed Excelsior CBD activities and improvements described in this report is the basis for allocating the proposed assessments. Each individual assessed parcel's assessment does not exceed the reasonable cost of the proportionate special benefit it receives from the Excelsior CBD activities.

General Benefit Analysis

As required by the State Constitution Article XIID Section 4(a), the general benefits of an assessment district must be quantified and separated out so that the cost of the activities that are attributed to general benefit are deducted from the cost assessed against each specially benefitted parcel. General benefits are benefits from the Excelsior CBD activities and improvements that are not special in nature, are not "particular and distinct" and are not over and above the benefits that other parcels receive. This analysis will evaluate and determine the level of general benefits that (1) parcels inside of the Excelsior CBD, (2) parcels outside of the Excelsior CBD, and (3) the public at large may receive.

General Benefit to Parcels Inside the Excelsior CBD

The Excelsior CBD provides funds for activities and improvements that are designed for and created to be provided directly to each individually assessed parcel within the Excelsior CBD. The benefits are particular and distinct to the assessed parcels, and thus 100% of the benefits conferred on these parcels are special in nature and 0% of the Excelsior CBD activities provide a general benefit to parcels in the Excelsior CBD boundary.

General Benefit to Parcels Outside of the Excelsior CBD

All the Excelsior CBD activities and improvements are provided directly to each of the individual assessed parcels in the Excelsior CBD boundary. Each of the CBD activities is provided to the public right-of-ways (streets, sidewalks) adjacent to all specially benefitted parcels or tenants in the Excelsior CBD. The Excelsior CBD is a linear district in which all parcels primarily fronting Mission Street will receive the CBD activities. As such, none of the parcels outside the district will directly receive any of the Excelsior CBD activities. Any benefits these parcels may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated with the incidental benefits is not reduced from the cost of providing special benefit.

General Benefit to the Public At Large

In addition to the general benefit analysis to the parcels outside of the Excelsior CBD boundary, there may be general benefits to the public at large, i.e., those people that are in the Excelsior CBD boundary and not specially benefitted from the CBD activities. In order to analyze the public that may be generally benefitted we need to quantify the number of pedestrians within the CBD boundary that do not and will not engage in commerce regardless of the CBD activities.

To quantify the public that may be generally benefitting, volunteers conducted intercept surveys within the CBD boundary to determine to what proportion of respondents engage in any type of business activity (going to a restaurant; shopping; going to the gym or school; conducting personal business, e.g. visiting a bank, beauty salon, tailor, dry cleaner) versus those that are just passing through the district without any intent of engaging in commerce regardless of the provided CBD activities. The survey covered 326 participants and was conducted on December 14th, 19th, and 21st, 2019 at separate locations within the CBD with all efforts made to include an unbiased cross section of participants. The survey analysis report is attached.

Of the 326 respondents, 97.5% responded that they were engaging in some type of commerce within the District, with 41.0% responding that shopping was their primary purpose for being in the district, while 30.9% were engaging in personal business, 13.6% were dining, and 12% were there for entertainment, going to a gym, church or school. When CBD services reach these respondents, it translates to a special benefit to the parcels within the CBD. The remaining 2.5% of the respondents indicated that they were "just passing through" the district with no intent to engage in any business activity that day or another day in the past month. Thus, 2.5% percent

of the CBD services do not result in special benefits and instead provide general benefits to the public at large.

Total General Benefits

Using the sum of the three measures of general benefit described above, we find in year one that \$8,737.50 (2.5% of the CBD budget) may be general in nature and will be funded from sources other than special assessments.

SECTION F: COST ESTIMATE

2024 Operating Budget

The Excelsior CBD’s operating budget takes into consideration:

1. The improvements and activities needed to provide special benefits to each individual parcel within the Excelsior CBD boundary (Section B),
2. The parcels that specially benefit from said improvements and activities (Section C), and
3. The costs associated with the special and general benefits conferred (Section E).

EXPENDITURES	TOTAL BUDGET	% of Budget
Clean and Beautiful	\$250,000.00	71.53%
Marketing and Economic Development	\$33,500.00	9.59%
Administration	\$66,000.00	18.88%
Total Expenditures	\$349,500.00	100.00%
REVENUES		
Assessment Revenues	\$340,762.50	97.50%
Other Revenues (1)	\$8,737.50	2.50%
Total Revenues	\$349,500.00	100.00%

(1) Other non-assessment funding to cover the cost associated with general benefit.

Budget Notation

The cost of providing programs and services may vary depending on the change in market cost for those programs and services. Expenditures may require an annual adjustment up or down to continue the intended level of programs and services. In no case shall these annual assessment increases exceed that year’s increase in the San Francisco, Oakland, and San Jose area Consumer Price Index (CPI). Assessments may also increase based on development in the Excelsior CBD. Annual adjustments in assessment rates will be subject to the approval of the Excelsior CBD Owners’ Association.

Projected 10-Year Maximum Budgets

A projected ten-year operating budget for the Excelsior CBD is provided below. The projections are based upon the following assumptions:

The cost of providing programs and services may vary depending on the change in market cost for those programs and services. Expenditures may require an annual adjustment up or down to continue the intended level of programs and services. In no case shall these annual assessment increases exceed that year’s increase in the San Francisco, Oakland, and San Jose area Consumer Price Index (CPI). Assessments may also increase based on development in the Excelsior CBD. Annual adjustments in assessment rates will be subject to the approval of the Excelsior CBD Owners’ Association. The projections below illustrate a 5% annual increase as an example for all budget items for the purpose of this Management District Plan.

The Owners’ Association shall have the right to reallocate up to 10% by line item of the budget allocation within the budgeted categories. Any change beyond 10% will be subject to approval by the Owners’ Association board of directors and submitted to the City and County of San Francisco within the CBD’s annual planning report, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with this Management District Plan. Each assessed parcel’s assessment shall be no greater than its proportionate share of the special benefits received.

Fiscal Year	Total Budget
2023/24	\$349,500
2024/25	\$366,975
2025/26	\$385,324
2026/27	\$404,590
2027/28	\$424,819
2028/29	\$446,060
2029/30	\$468,363
2030/31	\$491,782
2031/32	\$516,371
2032/33	\$542,189

Future Development

The above table is based on the Excelsior CBD’s current development status and does not account for possible increases to assessments due to changes to the parcel characteristics that are used to allocate special benefits (e.g., building square footage). The amount of each parcel’s assessment will depend on the existing assessment rates as well as the specific characteristics of the parcel, as explained in further detail below in Section D. Each parcel will be assessed on a prorated basis from the date it receives a temporary and/or permanent certificate of occupancy. Thus, changes to a parcel may result in corresponding revisions to the assessments. Over time the total assessments levied in the Excelsior CBD may increase as parcels are developed. Parcels may also see assessments change as a result of changes in for-profit or non-profit status.

Bond Issuance

The Excelsior CBD will not issue bonds.

SECTION G: APPORTIONMENT METHOD

Assessment Methodology

The CBD services and activities will be provided uniformly throughout the Excelsior CBD. The cost of the special benefits received from these services is apportioned in direct relationship to each parcel's use, building square footage and linear street frontage as discussed in Section D. Each parcel is assigned a proportionate benefit unit for each building square foot, and linear street front foot. The sum of the total special benefit units in the CBD is then divided into the assessment budget to determine the assessment rate for each benefit unit. See example below.

Land Use Factor	Benefit Units		
	All Uses Except Non-Profit	Non-Profit	TOTAL Benefit Units
Building Sq Ft.	1,076,073	30,242	1,106,863
Linear Street Frontage	6,482	1,327	7,809

Calculation of Assessments

The assessment rates are determined by the following calculations:

All Parcels Clean & Beautiful and Administration portion of Clean & Beautiful Assessment Budget = \$285,416.50

Assessment budget allocated to building square footage x 30% = \$85,624.95

Assessment budget allocated to linear street frontage x 70% = \$199,791.55

Building Square Footage Assessment Rate (all parcels):

Assessment budget \$85,624.95 / 1,106,315 building sq. ft. = \$0.07740

Linear Street Frontage Assessment Rate all parcels (all parcels):

Assessment budget \$199,791.55 / 7,809 street front ft. = \$25.58478

All Parcels (except non-profit) Marketing and Economic Development and Administration portion of Marketing and Economic Development District Budget = \$55,346.00

Assessment budget allocated to building square footage x 30% = \$16,603.80

Assessment budget allocated to linear street frontage x 70% = \$38,742.20

Building Square Footage Assessment Rate:

Assessment budget \$16,603.80 / 1,076,073 building sq. ft. = \$0.01543

Linear Street Frontage Assessment Rate:

Assessment budget \$38,742.20 / 6,482 street frontage = \$5.97689

Assessment Rates

Based on the special benefit factors and assessment methodology discussed above, the following illustrates the first year's maximum annual assessment:

Land Use Factor	All Parcels Except Non-Profit	Non-Profit
Building Square Foot Rate	\$0.09283	\$0.07740
Linear Street Frontage Foot Rate	\$31.56167	\$25.58478

Sample Parcel Assessment

The assessment for a commercial parcel with 5,000 square feet of building, and 50 linear feet of street front footage is calculated as follows:

Bldg square footage x the assessment rate (5,000 x \$0.09283) = \$464.15
 Street front footage x the assessment rate (50 x \$31.56167) = \$1,578.08
 Initial annual parcel assessment \$2,042.23

The assessment for a non-profit with 5,000 square feet of building, and 50 linear feet of street front footage is calculated as follows:

Bldg square footage x the assessment rate (5,000 x \$0.07740) = \$387.00
 Street front footage x the assessment rate (50 x \$25.58478) = \$1,279.24
 Initial annual parcel assessment \$1,666.24

Public Property Assessments

The Excelsior CBD will serve all parcels within its boundary, including those parcels owned by the City and County or the State of California. All publicly-owned parcels, with the exception of parcels owned by the federal government, will pay their proportional share of costs based on the special benefits conferred to those individual parcels. Public owned parcels, such as the library and park will receive special benefit from Excelsior CBD services that lead to increased use which directly relates to fulfilling their public service mission. Article XIII D of the California Constitution was added in November of 1996 to provide for these assessments. It specifically states in Section 4(a) that “Parcels within a district that are owned or used by any agency...shall not be exempt from assessment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.” Below are the publicly-owned parcels that specially benefit from the Excelsior CBD activities.

City & County of San Francisco	6797 046	4400	Mission	PUB,VACANT LOT PUBLIC USE	\$3,156.17	0.93%
City & County of San Francisco	6959 016	45	ONONDAGA	COM,GARAGE	\$1,782.30	0.52%
City & County of San Francisco	6959 017	35	ONONDAGA	COM,GARAGE	\$1,949.39	0.57%

Budget Adjustment

Any annual budget surplus will be rolled into the following year's budget. The budget will be set accordingly, within the constraints of the management plan to adjust for surpluses that are carried forward. Excelsior CBD funds may be used to fund the cost of renewing the Excelsior CBD. Funds from an expired Excelsior CBD shall be rolled over into the new Excelsior CBD if one is established or returned to the property owners if one is not established, in accordance with the Streets and Highways Code section 36671. Excelsior CBD rollover funds may be spent on renewal.

If an error is discovered on a parcel's assessed footages or land use type, the Excelsior CBD may investigate and correct the error after confirming the correction with the San Francisco City and County Assessor's office. The correction will be made in accordance with the assessment methodology and may result in an increase or decrease to the parcel's assessment.

The cost of providing programs and services may vary depending on the change in market cost for those programs and services. Expenditures may require an annual adjustment up or down to continue the intended level of programs and services. In no case shall these annual assessment increases exceed the increase in the San Francisco, Oakland, and San Jose area Consumer Price Index (CPI).

The Owner's Association shall have the right to reallocate up to 10% by line item of the budget allocation within the budgeted categories. Any change will be approved by the Owners' Association board of directors and submitted to the City and County of San Francisco within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code. The overall budget shall remain consistent with the Management District Plan. Each assessed parcel pays for 100% of the special benefit received based on the level of benefit received.

SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2023/2024 is \$340,762.50 apportioned to each individual assessed parcel, as follows.

APN	OWNER NAME	2024 Asmt	%
6797 046	CITY & COUNTY OF SAN FRANCISCO	\$3,156.17	0.93%
6959 016	CITY & COUNTY OF SAN FRANCISCO	\$1,782.30	0.52%
6959 017	CITY & COUNTY OF SAN FRANCISCO	\$1,949.39	0.57%
		\$6,887.85	2.02%

APN	2024 Asmt	%
3147 001	\$2,506.35	0.74%
3147 002	\$1,182.07	0.35%
3147 002A	\$1,182.07	0.35%
3147 003	\$1,160.35	0.34%
3147 030	\$4,316.48	1.27%
3148 001	\$4,502.80	1.32%
3148 003	\$1,021.11	0.30%
3148 004	\$1,132.50	0.33%
3148 005	\$1,090.73	0.32%
3148 006	\$1,241.57	0.36%
3206 003	\$3,550.65	1.04%
3206 004	\$1,995.80	0.59%
3206 005	\$2,053.17	0.60%
3206 031	\$5,554.28	1.63%
3207 001	\$3,527.47	1.04%
5952 003	\$49,215.20	14.44%
5952 004	\$0.00	0.00%
6013 014	\$1,980.95	0.58%
6013 016	\$1,058.24	0.31%
6013 017	\$997.90	0.29%
6013 018	\$1,067.52	0.31%
6013 019	\$1,255.50	0.37%
6013 021	\$2,234.83	0.66%
6013 022	\$1,262.46	0.37%
6013 023	\$1,044.31	0.31%

6013 025	\$1,125.54	0.33%
6013 026	\$1,119.23	0.33%
6013 027	\$1,025.75	0.30%
6013 033	\$706.51	0.21%
6013 034	\$451.79	0.13%
6013 035	\$426.17	0.13%
6013 036	\$451.14	0.13%
6013 037	\$452.54	0.13%
6013 038	\$457.64	0.13%
6013 039	\$426.17	0.13%
6013 040	\$455.32	0.13%
6013 041	\$457.08	0.13%
6013 044	\$370.10	0.11%
6013 045	\$391.08	0.11%
6013 046	\$372.15	0.11%
6013 049	\$317.47	0.09%
6013 050	\$342.16	0.10%
6013 051	\$340.31	0.10%
6013 052	\$345.13	0.10%
6013 053	\$343.28	0.10%
6013 054	\$345.13	0.10%
6013 055	\$343.28	0.10%
6013 056	\$317.47	0.09%
6013 057	\$342.16	0.10%
6013 058	\$340.31	0.10%
6013 059	\$345.13	0.10%
6013 060	\$343.28	0.10%
6013 061	\$345.13	0.10%
6013 062	\$343.28	0.10%

6014 024	\$1,088.87	0.32%
6014 025	\$974.69	0.29%
6014 026	\$1,062.32	0.31%
6014 027	\$1,096.02	0.32%
6014 028	\$1,067.52	0.31%
6014 029	\$974.69	0.29%
6014 030	\$974.69	0.29%
6014 031	\$1,184.20	0.35%
6014 032	\$1,066.13	0.31%
6014 033	\$974.69	0.29%
6014 034	\$1,949.39	0.57%
6014 035	\$1,090.17	0.32%
6014 036	\$1,949.39	0.57%
6014 038	\$1,267.10	0.37%
6014 039	\$1,104.65	0.32%
6014 040	\$988.62	0.29%
6014 041	\$1,102.70	0.32%
6014 042	\$1,211.12	0.36%
6014 043	\$1,104.65	0.32%
6014 044	\$1,104.65	0.32%
6014 045	\$1,100.94	0.32%
6014 046	\$1,359.92	0.40%
6083 006	\$6,616.68	1.94%
6083 020	\$2,506.35	0.74%
6083 021	\$974.69	0.29%
6083 022	\$982.77	0.29%
6083 023	\$974.69	0.29%
6083 024	\$974.69	0.29%
6083 027	\$1,097.23	0.32%
6083 028	\$1,113.93	0.33%
6083 029	\$1,058.24	0.31%
6083 030	\$1,081.45	0.32%
6083 032	\$1,769.02	0.52%
6083 032A	\$965.04	0.28%
6083 033	\$916.68	0.27%
6083 033A	\$951.49	0.28%
6083 036	\$2,097.91	0.62%

6083 037	\$1,241.57	0.36%
6084 019	\$5,267.90	1.55%
6084 020	\$2,181.46	0.64%
6084 021	\$4,084.43	1.20%
6084 023	\$974.69	0.29%
6084 023A	\$2,240.86	0.66%
6084 023B	\$1,158.03	0.34%
6084 024	\$977.02	0.29%
6084 024A	\$1,090.73	0.32%
6084 024B	\$1,044.31	0.31%
6084 024C	\$1,246.49	0.37%
6084 025	\$1,109.29	0.33%
6084 026	\$2,497.07	0.73%
6084 028	\$2,497.07	0.73%
6084 030	\$1,339.41	0.39%
6084 033	\$2,288.21	0.67%
6272 014	\$3,926.63	1.15%
6272 014A	\$2,042.22	0.60%
6272 015	\$1,074.48	0.32%
6272 015A	\$900.43	0.26%
6272 015B	\$999.20	0.29%
6272 016	\$1,021.11	0.30%
6272 018	\$1,227.28	0.36%
6272 019	\$1,123.22	0.33%
6272 020	\$967.73	0.28%
6272 021	\$1,049.70	0.31%
6272 022	\$1,366.42	0.40%
6272 023	\$890.32	0.26%
6272 025	\$921.32	0.27%
6272 030	\$3,481.03	1.02%
6272 031	\$1,317.04	0.39%
6272 033	\$937.56	0.28%
6272 039	\$280.99	0.08%
6272 040	\$317.47	0.09%
6272 041	\$330.56	0.10%
6272 042	\$337.80	0.10%
6272 043	\$331.95	0.10%
6272 044	\$337.80	0.10%

6272 045	\$331.95	0.10%
6272 047	\$299.46	0.09%
6272 048	\$306.89	0.09%
6272 049	\$313.66	0.09%
6272 050	\$313.66	0.09%
6796 001	\$1,160.35	0.34%
6796 001A	\$1,144.57	0.34%
6796 002	\$1,244.63	0.37%
6796 005	\$828.62	0.24%
6796 006	\$1,067.52	0.31%
6796 007	\$1,016.75	0.30%
6796 008	\$1,021.11	0.30%
6796 009	\$1,011.83	0.30%
6796 010	\$1,156.26	0.34%
6796 011	\$1,011.83	0.30%
6796 051	\$2,042.22	0.60%
6797 003	\$974.69	0.29%
6797 047	\$3,202.56	0.94%
6798 001	\$2,598.25	0.76%
6798 004	\$915.10	0.27%
6798 005	\$1,009.50	0.30%
6798 006	\$927.91	0.27%
6798 007	\$901.55	0.26%
6798 041	\$1,763.74	0.52%
6799 003	\$1,057.56	0.31%
6799 004	\$1,969.25	0.58%
6799 005	\$825.37	0.24%
6799 006	\$1,429.54	0.42%
6799 042	\$2,454.38	0.72%
6800 001	\$1,799.02	0.53%
6800 044	\$3,445.77	1.01%
6800 045	\$1,595.91	0.47%
6955 004	\$3,097.11	0.91%
6955 010	\$1,151.53	0.34%
6955 011	\$1,324.56	0.39%
6955 012	\$985.09	0.29%
6955 013	\$1,087.85	0.32%
6955 014	\$829.89	0.24%
6955 015	\$929.40	0.27%
6955 016	\$1,174.74	0.34%

6955 017	\$1,531.66	0.45%
6955 043	\$1,168.70	0.34%
6955 044	\$4,002.67	1.17%
6956 001	\$1,137.61	0.33%
6956 002	\$1,093.51	0.32%
6956 003	\$1,062.88	0.31%
6956 004	\$1,444.86	0.42%
6956 005	\$1,339.50	0.39%
6956 023	\$4,892.06	1.44%
6956 024	\$2,559.17	0.75%
6956 026	\$2,105.34	0.62%
6956 028	\$2,955.09	0.87%
6956 035	\$6,052.35	1.78%
6956 036	\$10,638.83	3.12%
6959 018	\$873.98	0.26%
6959 019	\$2,635.23	0.77%
6959 025	\$1,279.24	0.38%
6959 026	\$2,558.48	0.75%
6959 027	\$2,280.79	0.67%
6959 028	\$7,096.52	2.08%
6959 029	\$1,113.93	0.33%
6959 032	\$1,279.72	0.38%
6959 033	\$5,176.06	1.52%
Total Private Parcels	\$333,874.65	97.98%
Total Publicly Owned Parcels	\$6,887.85	2.02%
Total All Parcels	\$340,762.50	100.00%

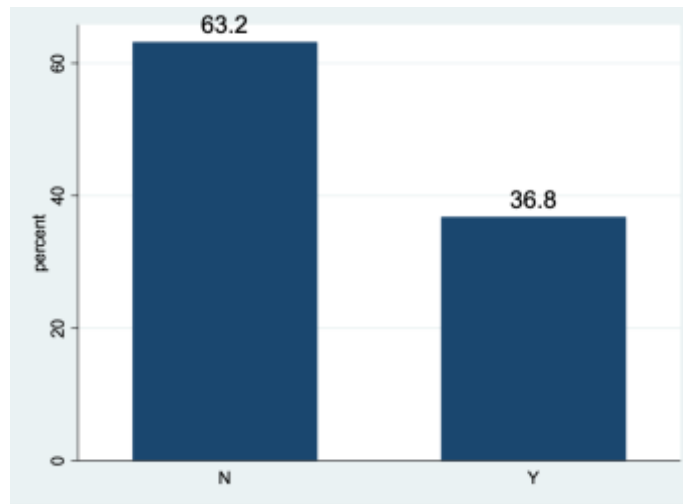
ATTACHMENT: SURVEY RESULTS

Excelsior Community Benefit District Survey – Toplines January 2020

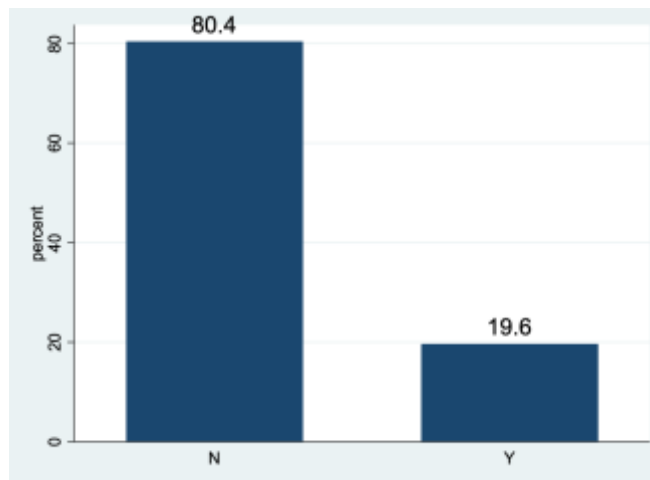
Count by day

Date	Zone				Total
	1	2	3	4	
12/14	6	17	23	6	52
12/19	62	89	38	51	240
12/21	6	12	11	5	34
Total	74	118	72	62	326

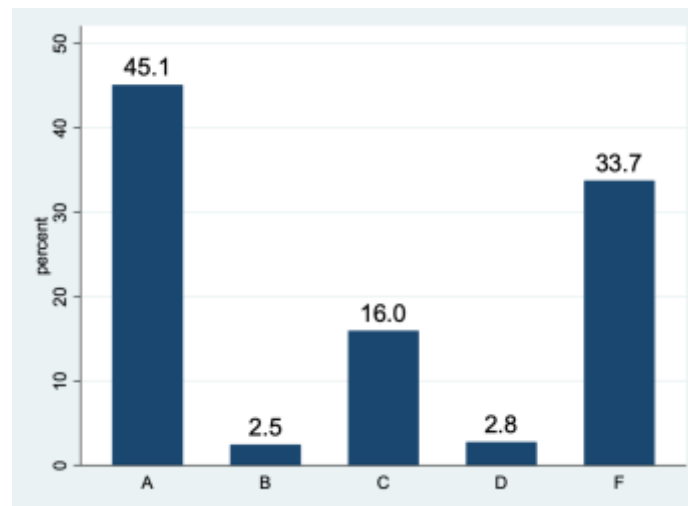
1. Do you live within the proposed Excelsior Community Benefit District boundary?



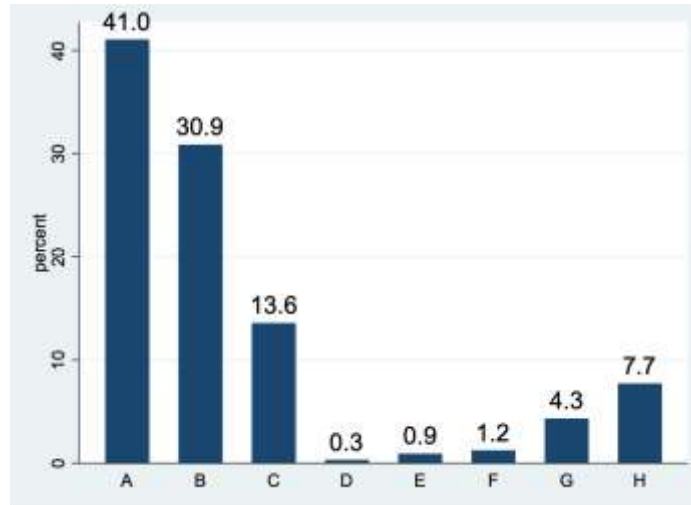
2. Do you work within the proposed Excelsior Community Benefit District boundary?



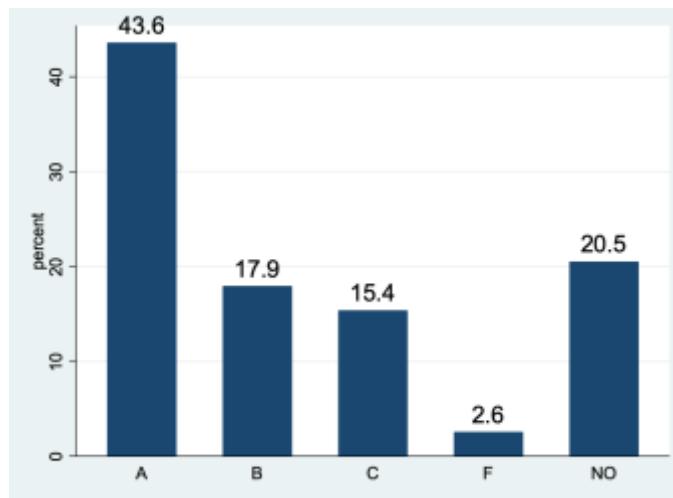
3. How did you get here today?
- a. on foot
 - b. by bike
 - c. public transit
 - d. taxi/ride share
 - f. private car



4. What's the purpose of your visit today?
- a. shopping
 - b. visiting a bank, dry cleaner, medical office, beauty salon, etc. or any other service
 - c. dining
 - d. entertainment
 - e. going to the gym
 - f. attending a religious service or visiting a non-profit organization
 - g. attending school and/or going to the library (see question 5 below)
 - h. passing through (see question 5 below)



5. If you answered “attending school, going to the library or passing through” in the previous question, have you in the last month engaged in any of the other activities in question 4 within the CBD boundary? (n=39)



Note – 8 respondents total were “just passing through” (2.5%)

Now, I am going to read a list of features. For each I read, please tell me how important each is to you for the purpose of your visit today. Please tell me if each of the following features is very important, somewhat important, just slightly important or not at all important in making your decision.

(CIRCLE ONE FOR EACH)	Very Important	Somewhat Important	Just Slightly Important	Not at all Important
1. Safety, like extra security,	1	2	3	4
2. Cleanliness, like sidewalk sweeping, extra trash pick-up, steam cleaning and graffiti removal	1	2	3	4
3. Appearance, like plants, flowers and landscaping	1	2	3	4
4. New businesses and restaurants to fill empty storefronts	1	2	3	4
5. Good communication channels to inform me about the District and its offerings	1	2	3	4

