

File No. 130419

Committee Item No 2

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date May 23, 2013

### Cmte Board

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

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Completed by: Andrea Ausberry Date May 16, 2013

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.

1 [Resolution of Intention - Community Benefit District - Top of Broadway]

2  
3 **Resolution declaring the intention of the Board of Supervisors to establish a property-**  
4 **based business improvement district (community benefit district) to be known as the**  
5 **“Top of Broadway Community Benefit District” and levy a multi-year assessment on**  
6 **identified parcels in the district; approving the Management District Plan, Engineer’s**  
7 **Report, and proposed boundaries map for the district; ordering and setting a time and**  
8 **place for a public hearing thereon; approving the form of the Notice of Public Hearing**  
9 **and Assessment Ballots; directing environmental findings; and directing the Clerk of**  
10 **the Board of Supervisors to give notice of the public hearing and balloting as required**  
11 **by law.**

12  
13 WHEREAS, The Property and Business Improvement District Law of 1994 (California  
14 Streets and Highways Code Sections 36600 *et seq.*, “1994 Act” or the “Act”), authorizes cities  
15 to establish property and business improvement districts within business districts to promote  
16 the economic revitalization and physical maintenance of such business districts; and

17 WHEREAS, Section 36603 of the 1994 Act recognizes the authority of Charter cities to  
18 adopt ordinances providing for different methods of levying assessments for similar or  
19 additional purposes from those set forth in the 1994 Act; and

20 WHEREAS, Article 15 of the San Francisco Business and Tax Regulation Code  
21 (“Article 15”) augments certain procedural and substantive requirements relating to the  
22 formation of property and business improvement districts and the assessments on real  
23 property or businesses within such districts; and

24 WHEREAS, The 1994 Act and Article 15 authorize the City to levy and collect  
25 assessments on real property within such districts for the purpose of providing improvements

1 and promoting activities and property-related services that specially benefit identified parcels  
2 of real property located within such districts; and

3 WHEREAS, Article XIID of the California Constitution and Section 53753 of the  
4 California Government Code impose certain procedural and substantive requirements relating  
5 to assessments on real property; and

6 WHEREAS, The 1994 Act and Article 15 impose additional procedural and substantive  
7 requirements relating to assessments on real property within a proposed property and  
8 business improvement district, also known as a community benefit district ("CBD"); and

9 WHEREAS, The Board of Supervisors finds that the property-related services, activities  
10 and improvements to be funded with assessments on real property within the proposed district  
11 will confer substantial special benefit on the assessed properties over and above the general  
12 benefit to the public at large from such services, activities and improvements; and

13 WHEREAS, The property owners who will pay 30 percent or more of the total amount  
14 of assessments on properties within the proposed district signed and submitted to the Clerk of  
15 the Board of Supervisors a petition (the "Petition") requesting that the Board of Supervisors  
16 establish a property-based community benefit district to be named the "Top of Broadway  
17 Community Benefit District," and to levy assessments on properties located in the proposed  
18 district to fund property-related services, activities and improvements within the district; and

19 WHEREAS, A Management District Plan entitled the "Top of Broadway Community  
20 Benefit District Management District Plan" containing information about the proposed district  
21 and assessments required by Section 36622 of the 1994 Act, including but not limited to maps  
22 showing all identified parcels located in the district, a description of the boundaries of the  
23 district, the name of the district, the amount of the proposed assessment for each identified  
24 parcel, the total annual amount chargeable to the entire district, the duration of the payments,  
25 the property-related services, activities and improvements to be funded by the assessments

1 for each year and the maximum cost thereof, the method and basis upon which the  
2 assessments are calculated in sufficient detail to allow each property owner to calculate the  
3 amount of the assessment to be levied against his or her property, a statement that no bonds  
4 will be issued, the time and manner of collecting the assessments, and a list of the properties  
5 to be assessed (including assessor parcel numbers), is on file with the Clerk of the Board of  
6 Supervisors in File No. 130419, which is hereby declared to be a part of this resolution as if  
7 set forth fully herein; and

8 WHEREAS, A detailed engineer's report supporting the assessments within the  
9 proposed district, prepared by Edward V. Henning, California Registered Professional  
10 Engineer No. 26549, titled "Top of Broadway Community Benefit District, District Assessment  
11 Engineer's Report," is on file with the Clerk of the Board of Supervisors in File No. 130419,  
12 which is hereby declared to be a part of this resolution as if set forth fully herein; and

13 WHEREAS, A Proposed Boundaries Map, submitted pursuant to California Streets and  
14 Highways Code §3110, is on file with the Clerk of the Board of Supervisors in File No.  
15 130419, which is hereby declared to be a part of this resolution as if set forth fully herein; now,  
16 therefore, be it

17 RESOLVED, That the Board of Supervisors declares as follows:

18 Section 1. Pursuant to Section 36621(a) of the 1994 Act and Article 15, the Board of  
19 Supervisors declares its intention to form a property and business improvement district to be  
20 designated as the "Top of Broadway Community Benefit District" (the "District") for a period of  
21 eight and one half (8 1/2) years, and to levy and collect assessments against all identified  
22 parcels of real property in the District for a period of eight (8) years, commencing with fiscal  
23 year 2013-2014, subject to approval by a majority of the property owners in the District who  
24 cast assessment ballots, which ballots shall be weighted according to the proportional  
25 financial obligations of the affected properties. No bonds will be issued. District operations

1 will commence on or about January 1, 2014, following collection of the assessments for fiscal  
2 year 2013-2014 and disbursement of the assessment proceeds to the nonprofit owners'  
3 association that will administer the property-related services, activities and improvements in  
4 the District pursuant to Section 36651 of the 1994 Act and a written agreement with the City.

5 Section 2. The Board of Supervisors hereby approves the Management District Plan  
6 and District Assessment Engineer's Report, including the estimates of the costs of the  
7 property-related services, activities and improvements set forth in the plan, and the  
8 assessment of said costs on the properties that will specially benefit from such services,  
9 activities and improvements. The Clerk of the Board shall make the Management District  
10 Plan, District Assessment Engineer's Report and other documents related to the District and  
11 included in the record before the Board of Supervisors available to the public for review during  
12 normal business hours, Monday through Friday, 8:00 a.m. through 5:00 p.m., excluding legal  
13 holidays.

14 Section 3. The Board of Supervisors hereby approves the Proposed Boundaries Map  
15 showing the exterior boundaries of the District. The proposed District contains approximately  
16 39 identified parcels, located on approximately six whole or partial blocks near the intersection  
17 of Columbus Avenue and Broadway Street and the intersection of Montgomery Street and  
18 Broadway Street. The District is generally located at: (1) Columbus Avenue from the  
19 intersection of Grant Avenue and Fresno Street running along the east side only of Columbus  
20 Avenue down to Pacific Avenue; (2) Kearny Street on both sides of the street from Broadway  
21 Street to Pacific Avenue; and (3) Broadway Street, from the northeastern corner of the  
22 intersection of Columbus Avenue and Broadway Street running eastward on the north side of  
23 the street up to west side of Montgomery Street and then from the southeastern corner of the  
24 intersection of Columbus Avenue and Broadway Street on the south side running eastward on  
25 the south side up to Montgomery Street, but also including the property at the southeastern

1 corner of the intersection of Montgomery Street and Broadway Street.

2 Reference should be made to the detailed maps and the lists of parcels identified by  
3 Assessor Parcel Number that are contained in the Management District Plan, in order to  
4 determine which specific parcels are included in the Top of Broadway Community Benefit  
5 District.

6 Section 4. A public hearing on the establishment of the District, and the levy and  
7 collection of assessments starting with fiscal year 2013-2014 and continuing through fiscal  
8 year 2020-2021, shall be conducted before the Board of Supervisors, sitting as a Committee  
9 of the Whole, on July 23, 2013, at 3:00 p.m., or as soon thereafter as the matter may be heard  
10 in the Board's Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place,  
11 San Francisco, California, 94102. At this public hearing, the Board of Supervisors will hear  
12 public testimony regarding the proposed formation of the District, assessments, boundaries of  
13 the District, including testimony from all interested persons for or against establishment of the  
14 District, the extent of the District, the levy of the assessments, the furnishing of specific types  
15 of property-related services, improvements and activities, and other matters related to the  
16 District. The Board of Supervisors may waive any irregularity in the form or content of any  
17 written protest, and at the public hearing may correct minor defects in the proceedings. All  
18 protests submitted by affected property owners and received prior to the conclusion of the  
19 public testimony portion of the public hearing shall be tabulated to determine whether a  
20 majority protest exists.

21 Section 5. The Board of Supervisors hereby approves the form of the Notice of Public  
22 Hearing and Assessment Ballot which are on file with the Clerk of the Board of Supervisors in  
23 File No. 130419; which are declared to be a part of this resolution as if set forth fully herein.

24 Section 6. The proposed property-related services, improvements or activities for the  
25 District include District Identity, Sidewalk Operations, Beautification and Order, and

1 Administration, Organization, and Corporate Operations:

2 **District Identity:** District Identity includes, but is not limited to, use of a public relations  
3 firm to promote the business and activities in the District, development of a website, having  
4 special events for the District, preparation of signage, historical markers, banners and  
5 decorations, and other programs or activities to be determined by the nonprofit owners'  
6 association that will administer the property-related services, activities, and improvements for  
7 the District.

8 **Sidewalk Operations, Beautification and Order:** Sidewalk Operations,  
9 Beautification and Order includes, but is not limited to, cleaning sidewalks and gutters, graffiti  
10 removal, trimming trees, periodic steam cleaning, and cleaning tree wells.

11 **Administration, Organization, and Corporate Operations:** Administration,  
12 Organization, and Corporate Operations includes, but is not limited to, staffing to oversee and  
13 support the property-related services, activities and improvements for the District, acquiring  
14 office-related services and supplies, such as accounting, legal services and office supplies,  
15 acquiring insurance for the District, managing contractual relations with the City and others,  
16 financial reporting, and advocacy for the District.

17 Section 7. Within the area encompassed by the proposed District, the City currently  
18 provides services at the same level provided to other similar areas of the City. It is the intent  
19 of the Board of Supervisors to continue to provide the area encompassed by the District with  
20 the same level of services provided to these other similar areas of the City. The  
21 establishment of the District will not affect the City's policy to continue to provide the same  
22 level of service to the areas encompassed by the District as it provides to other similar areas  
23 of the City during the duration of the District.

24 Section 8. The annual total assessments proposed to be levied and collected for the  
25 first year of the District (fiscal year 2013-2014) is estimated to be \$105,502. The amount of

1 the total annual assessments to be levied and collected for years two through eight (fiscal  
2 years 2014-2015 through 2020-2021) may be increased from one year to the next by a  
3 percentage that does not exceed either the change in the Consumer Price Index for All Urban  
4 Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical  
5 Area, or three percent (3%), whichever is less.

6 Section 9. Environmental Findings. Following the approval of this Resolution; the  
7 Planning Department shall determine whether the actions contemplated in this Resolution are  
8 in compliance with the California Environmental Quality Act (California Public Resources  
9 Code Sections 21000 *et seq.*), and respond in writing to the Clerk of the Board of Supervisors.

10 Section 10. The Clerk of the Board is directed to give notice of the public hearing as  
11 provided in California Streets and Highways Code Section 36623, California Government  
12 Code Section 53753, California Constitution Article XIID Section 4, San Francisco Charter  
13 Section 16.112, and San Francisco Administrative Code Section 67.7-1.



ECONOMIC AND WORKFORCE DEVELOPMENT  
TODD RUFO, DIRECTOR



CITY AND COUNTY OF SAN FRANCISCO  
EDWIN M. LEE, MAYOR

**MEMORANDUM**

TO: Angela Calvillo, Clerk of the Board  
FROM: Crezia Tano, Senior Project Manager  
CC: David Chiu, Board President and District 3 Supervisor  
DATE: May 7, 2013  
RE: Proposed Top of Broadway Community Benefit District

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Enclosed please find petitions representing 33.19% weighted support for the establishment of the Top of Broadway Community Benefit District (CBD). The petitions enclosed are consistent with the requirements of the City.

APN	Site Address	Site Address	Annual Assessment	Percent	Totals	Petitions Submitted	Property Owner	Phone	Email	
1 0145 013	300-318	Columbus Ave	\$ 7,136.43	6.76%	33.19%	Yes	Charles Reese	510-835-9100	Creese@wulflaw.com	
2 0162 002	1031-1051	Kearny St	\$ 5,981.69	5.67%		Yes	Roger Forbes		JoeBSGM@pacbell.net	
3 0144 033	412	Broadway St	\$ 5,182.12	4.91%		Yes	Joe Carouba	415-203-1428		
4 0144 082	490-498	Broadway St	\$ 4,435.30	4.20%		Yes	Kent Gardner	415-850-9910		
5 0163 002	425	Broadway St	\$ 3,648.81	3.46%		Yes	Tito Bianchi	650-238-0080		
6 0164 014	381-389	Broadway St	\$ 3,624.82	3.44%		Yes	Joseph Piccinini	415-345-8610		
7 0145 011	546-554	Broadway St	\$ 2,743.45	2.60%		Yes	Yalab Zarajah/Maria Ramos	650-387-1999 / 650-296-0704		
8 0162 024	527-529	Broadway St	\$ 1,277.27	1.21%		Yes	Roger Forbes		JoeBSGM@pacbell.net	
9 0163 021	1042	Kearny St	\$ 991.60	0.94%		Yes	Carimen Crotti/Agostino Crotti	415-398-9696		
10 0162 022	270	Columbus Ave	\$ 1,568.44	1.49%	No	Maria P. Haramis	415-644-6970	pharamis@aol.com		
11 0144 015	470	Broadway St	\$ 1,401.92	1.33%	No	Janette Blaginin-Barocca				
12 0163 012	592	Pacific Ave	\$ 1,113.49	1.06%	No	Peter Johnson	415-248-0301			
13 0145 010	534-540	Broadway St	\$ 5,804.47	5.50%	62.93%					
14 0162 003	222	Columbus Ave	\$ 4,946.49	4.69%						
15 0163 026	447-461	Broadway St	\$ 4,744.88	4.50%						
16 0144 007	400	Broadway St	\$ 4,664.08	4.42%						
17 0145 008	500-508	Broadway St	\$ 3,671.85	3.48%						
18 0163 028	435-443	Broadway St	\$ 3,673.48	3.48%						
19 0144 011	438-440	Broadway St	\$ 3,603.99	3.42%						
20 0163 013	1020-1028	Kearny St	\$ 3,550.46	3.37%						
21 0163 001	401-407	Broadway St	\$ 3,274.62	3.10%						
22 0162 023	535	Broadway St	\$ 2,732.98	2.59%						
23 0163 022	483-493	Broadway St	\$ 2,671.80	2.53%						
24 0162 025	515-525	Broadway St	\$ 2,606.83	2.47%						
25 0162 001	501-513	Broadway St	\$ 2,599.31	2.46%						
26 0163 029	463-473	Broadway St	\$ 2,013.62	1.91%						
27 0144 009	426-430	Broadway St	\$ 1,958.94	1.86%						
28 0144 010	432-434	Broadway St	\$ 1,758.22	1.67%						
29 0145 015	1226-1230	Grant Ave	\$ 1,630.72	1.55%						
30 0145 012	556-558	Broadway St	\$ 1,566.95	1.49%						
31 0145 009	530	Broadway St	\$ 1,524.41	1.44%						
32 0163 019	1030	Kearny St	\$ 1,114.88	1.06%						
33 0163 023	475-479	Broadway St	\$ 1,007.06	0.95%						
34 0163 020	1032-1034	Kearny St	\$ 985.31	0.93%						
35 0144 012	450-452	Broadway St	\$ 908.85	0.86%						
36 0144 013	458-460	Broadway St	\$ 908.85	0.86%						
37 0144 014	462-464	Broadway St	\$ 885.80	0.84%						
38 0162 021	228-234	Columbus Ave	\$ 869.15	0.82%						
39 0145 014	1224	Grant Ave	\$ 718.30	0.68%						
<b>TOTAL</b>			<b>\$105,501.64</b>	<b>100.00%</b>						

Yes 33.19%  
 No 3.88%  
 No Response 62.93%

**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**

1. We are the owner(s) of property, or are authorized to represent the owners(s), within the proposed special assessment district to be named the "TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT" (hereafter "Top of Broadway CBD" or "District"), the boundaries of which are shown on the attached map and in the Management District Plan for the Top of Broadway CBD (hereafter "Plan").
2. We are or represent the persons and/or entities that would be obligated to pay the special assessments for the services, activities, and improvements as described in the Plan. If the proposed District is renewed and expanded by the Board of Supervisors following the ballot election and public hearing, assessments would be collected for the first 8 years (July 1, 2013 – June 30, 2021). Expenditure of those collected assessments can continue for up to 6 months after the end of the assessment collection period (December 31, 2021), at which point the District would then be terminated, if not renewed.
3. We petition the Board of Supervisors to initiate special assessment proceedings in accordance with applicable state and local laws (California Streets and Highways Code Sections 36600 et seq. "Property and Business Improvement District Law of 1994" as augmented by City and County of San Francisco Business and Tax Regulation Code Article 15 "Business Improvement District Procedure Code").
4. We understand that upon receipt of this petition signed by property owners who will pay more than thirty percent (30%) of the proposed assessments, the Board of Supervisors may initiate proceedings to establish the District. These proceedings will include a balloting of property owners under which a majority of weighted property owners who return a ballot may authorize the Board of Supervisors to establish the District.

Assessor Parcel Number (APN): 0145 013  
Street Address: 300-318 Columbus Ave  
Proposed Annual Assessment: \$7,136.43  
Percent of Total Assessment: 6.76%

Legal Owner Contact Information: CHARLES REESE

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

Signature of Owner or Authorized Representative

Date

Print Name of Owner or Authorized Representative

Contact Phone or Email

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

4/26  
WR

**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**



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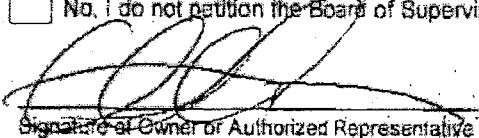
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Assessor Parcel Number (APN): 0162 002  
 Street Address: 1031-1051 Kearny St  
 Proposed Annual Assessment: \$5,981.69  
 Percent of Total Assessment: 5.67%

Legal Owner Contact Information: 250 COLUMBUS AVE LLC

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

  
 Signature of Owner or Authorized Representative

4/21/2013  
 Date

Roger Foris  
 Print Name of Owner or Authorized Representative

708350 @ PACBELL.NET  
 Contact Phone or Email

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
 Scan and email to: Shirley@newcityamerica.com  
 619-233-5008, 888-356-2726 FAX 619-239-7105

58



**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**

1. We are the owner(s) of property, or are authorized to represent the owners(s), within the proposed special assessment district to be named the "TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT" (hereafter "Top of Broadway CBD" or "District"), the boundaries of which are shown on the attached map and in the Management District Plan for the Top of Broadway CBD (hereafter "Plan").
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Assessor Parcel Number (APN): 0144 082

Street Address: 490-498 Broadway

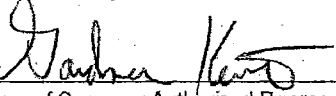
Proposed Annual Assessment: \$4,435.30

Percent of Total Assessment: 4.20%

Legal Owner Contact Information: 490-498 BROADWAY INC

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

  
\_\_\_\_\_  
Signature of Owner or Authorized Representative

4/30/2013  
\_\_\_\_\_  
Date

GARDNER KENT  
\_\_\_\_\_  
Print Name of Owner or Authorized Representative

415-850-9910  
\_\_\_\_\_  
Contact Phone or Email

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

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TO ESTABLISH THE  
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Assessor Parcel Number (APN): 0163 002

Street Address: 425 Broadway

Proposed Annual Assessment: \$3,648.81

Percent of Total Assessment: 3.46%

Legal Owner Contact Information: TJ BIANCHI

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

T. J. Bianchi      April 18, 2013  
Signature of Owner or Authorized Representative      Date

T. J. Bianchi      650 298-0080  
Print Name of Owner or Authorized Representative      Contact Phone or Email

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

2

PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT

1. We are the owner(s) of property, or are authorized to represent the owners(s), within the proposed special assessment district to be named the "TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT" (hereafter "Top of Broadway CBD" or "District"), the boundaries of which are shown on the attached map and in the Management District Plan for the Top of Broadway CBD (hereafter "Plan")

2. We are or represent the persons and/or entities that would be obligated to pay the special assessments for the services, activities, and improvements as described in the Plan. If the proposed District is renewed and expanded by the Board of Supervisors following the ballot election and public hearing, assessments would be collected for the first 6 years (July 1, 2013 - June 30, 2021). Expenditure of those collected assessments can continue for up to 6 months after the end of the assessment collection period (December 31, 2021), at which point the District would then be terminated, if not renewed.

3. We petition the Board of Supervisors to initiate special assessment proceedings in accordance with applicable state and local laws (California Streets and Highways Code Sections 36600 et seq. "Property and Business Improvement District Law of 1994" as augmented by City and County of San Francisco Business and Tax Regulation Code Article 15 "Business Improvement District Procedure Code").

4. We understand that upon receipt of this petition signed by property owners who will pay more than thirty percent (30%) of the proposed assessments, the Board of Supervisors may initiate proceedings to establish the District. These proceedings will include a balloting of property owners under which a majority of weighted property owners who return a ballot may authorize the Board of Supervisors to establish the District.

Assessor Parcel Number (APN): 0164 014  
Street Address: 381-389 Broadway  
Proposed Annual Assessment: \$3,624.82  
Percent of Total Assessment: 3.44%  
Legal Owner Contact Information: MARITAL TRUST

Yes, I petition the Board of Supervisors to initiate special assessment proceedings

No, I do not petition the Board of Supervisors to initiate special assessment proceedings

*Joseph Piccinini by Daniel Piccinini his attorney in fact* \_\_\_\_\_ 4/30/2013  
Signature of Owner or Authorized Representative Date

*Joseph Piccinini by Daniel Piccinini his attorney in fact* \_\_\_\_\_ (415) 345-8610  
Print Name of Owner or Authorized Representative Contact Phone or Email

PLEASE RETURN BY FRIDAY, MAY 3, 2013

Top of Broadway CBD c/o New City America, Inc 710 West Ivy Street San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-6009, 888-356-2726 FAX 619-239-7105

4/29



PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT

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3. We petition the Board of Supervisors to initiate special assessment proceedings in accordance with applicable state and local laws (California Streets and Highways Code Sections 36600 et seq. "Property and Business Improvement District Law of 1994" as augmented by City and County of San Francisco Business and Tax Regulation Code Article 15 "Business Improvement District Procedure Code").

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Assessor Parcel Number (APN): 0145 011  
Street Address: 546-554 Broadway  
Proposed Annual Assessment: \$2,743.45  
Percent of Total Assessment: 2.60%

Legal Owner Contact Information: RAMOS MARIA O

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

  
Signature of Owner or Authorized Representative

4.25.13 .0425-13  
Date

TALAB QARAJAH, MARIA O. RAMOS (1650) 387-1999  
Print Name of Owner or Authorized Representative Contact Phone or Email

650-2960704

PLEASE RETURN BY FRIDAY, MAY 3, 2013

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

52

**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**

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Assessor Parcel Number (APN): 0162 024

Street Address: 527-529 Broadway


Proposed Annual Assessment: \$1,277.27

Percent of Total Assessment: 1.21%

Legal Owner Contact Information: 527 BROADWAY LLC

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

  
Signature of Owner or Authorized Representative

4/21/2013  
Date

Roger Torres  
Print Name of Owner or Authorized Representative

JOERSCM@PACBELL.NET  
Contact Phone or Email

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to Shirley@newcityamerica.com  
619-233-5009, 868-356-2726 FAX 619-239-7105

PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT

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Assessor Parcel Number (APN): 0163 021  
Street Address: 1042 Kearny St  
Proposed Annual Assessment: \$991.60  
Percent of Total Assessment: 0.94%  
Legal Owner Contact Information: CROTTI AGOSTINO & CARMEN

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

Carroll Little / Agostino Crotti 4/20/13  
Signature of Owner or Authorized Representative Date

CARMEN CROTTI / AGOSTINO CROTTI (415) 398-9696  
Print Name of Owner or Authorized Representative Contact Phone or Email

PLEASE RETURN BY FRIDAY, MAY 3, 2013

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

52

V

**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**

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Assessor Parcel Number (APN): 0162 022

Street Address: 270 Columbus Ave

Proposed Annual Assessment: \$1,568.44

Percent of Total Assessment: 1.49%

Legal Owner Contact Information: HARAMIS PETER & MARIA P

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

Maria P. Haramis  
Signature of Owner or Authorized Representative

5/1/13  
Date

MARIA P. HARAMIS  
Print Name of Owner or Authorized Representative

415 664-6970 Pharamisp  
Contact Phone or Email  
aol.com

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

Top of Broadway CBD c/o New City America, Inc. 710 West Ivy Street, San Diego, CA 92101 or  
Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

52

**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**

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Assessor Parcel Number (APN): 0144 015  
Street Address: 470 Broadway  
Proposed Annual Assessment: \$1,401.92  
Percent of Total Assessment: 1.33%  
Legal Owner Contact Information: DEL MONTES - BIAGINIS

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.

*Janette Biagini-Barroca for May 2<sup>nd</sup> 2013*  
Signature of Owner or Authorized Representative \_\_\_\_\_ Date \_\_\_\_\_  
*Wm del Monte Barbara del Monte & Fred Biagini*  
*owners*  
*Janette Biagini-Barroca*  
Print Name of Owner or Authorized Representative \_\_\_\_\_ Contact Phone or Email \_\_\_\_\_

**PLEASE RETURN BY FRIDAY, MAY 3, 2013**

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Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

*52  
5-0-13*

PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS  
TO ESTABLISH THE  
TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT

- 1. We are the owner(s) of property, or are authorized to represent the owners(s), within the proposed special assessment district to be named the "TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT" (hereafter "Top of Broadway CBD" or "District"), the boundaries of which are shown on the attached map and in the Management District Plan for the Top of Broadway CBD (hereafter "Plan").
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Assessor Parcel Number (APN): 0163 012

Street Address: 592 Pacific Ave

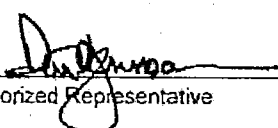
Proposed Annual Assessment: \$1,113.49

Percent of Total Assessment: 1.06%

Legal Owner Contact Information: INTL SETTLEMENT HOLDING CORP

Yes, I petition the Board of Supervisors to initiate special assessment proceedings.

No, I do not petition the Board of Supervisors to initiate special assessment proceedings.



5/1/2013

Signature of Owner or Authorized Representative

Date

Peter R. Johnson, CEO

415-248-0301

Print Name of Owner or Authorized Representative

Contact Phone or Email

PLEASE RETURN BY FRIDAY, MAY 3, 2013

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Scan and email to: Shirley@newcityamerica.com  
619-233-5009, 888-356-2726 FAX 619-239-7105

52



**NOTICE OF PUBLIC HEARING**  
**AND ASSESSMENT BALLOT PROCEEDING**

**TO:**            «Name»  
                  Assessor's Parcel No. «BlockLot»  
                  «Situs»  
                  «No»

**FROM:**       John Arntz, Director  
                  Department of Elections  
                  City and County of San Francisco

**SUBJECT:**    Notice of Public Hearing and Assessment Ballot Proceeding to consider establishment of the property-based special assessment district, to be known as the "Top of Broadway Community Benefit District"

The purpose of this notice is to provide you with information about an assessment ballot proceeding and public hearing being conducted by the Board of Supervisors, and its effect on real property that you own. This notice is being sent to you in accordance with Resolution No. \_\_\_\_-10, passed by the Board of Supervisors (a copy of which is enclosed), California Government Code Section 53753, and California Constitution Article XIIIID Section 4(c).

Please be advised of the following:

- The Board of Supervisors will hold a public hearing on the proposed assessment at 3:00 p.m. on July 23<sup>rd</sup>, 2013 or as soon thereafter as the matter may be heard, in the Board's Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At this hearing, the Board will hear testimony regarding the proposed assessment. The reason for the assessment is to fund the property-based business improvement district (community benefit district) to be known as the "Top of Broadway Community Benefit District". The annual assessments would last for 8 years (July 1, 2013 – June 30, 2021) the services, activities, and improvements will be implemented through December 31, 2021. The boundaries of Top of Broadway Community Benefit District are described in the enclosed Resolution passed by the Board of Supervisors.
- The Top of Broadway Community Benefit District will fund the following services, activities, and improvements:
  - 1) District Identity
  - 2) Sidewalk Operations, Beautification, and Order
  - 3) Administration, Organization, and Corporate Operations



- Examples of services, activities, and improvements to be funded under the budget category "District Identity" includes: promotion of CBD businesses and activities, website development, special events, and decorative signage or markers.
- Examples of services, activities, and improvements to be funded under the budget category "Sidewalk Operations and Beautification" include: a part-time employee to sweep sidewalk, remove graffiti within 24 hours, and remove excessive trash. Additionally, contractual services to conduct periodic steam cleaning and tree trimming will be funded
- Examples of services, activities, and improvements to be funded under the budget category "Administration, Organization, and Corporate Operations" includes: a part-time staff person to oversee the special benefit services, activities, and improvements in the CBD, specifically within District Identity and Sidewalk Operations and Beautification. Additionally, expenses related to the day to day operations of the organization (ie. insurance, supplies, etc.)
- The proposed fiscal year 2013-2014 assessment for your parcel is «Voter\_Proportional». The duration of the assessment district is 8 ½ years, the authority to levy assessments on your property would be eight (8) years (July 1, 2013 – June 30, 2021) with services to be implemented January 1, 2014 through December 31, 2021. The Top of Broadway Community Benefit District assessment will appear as a separate line item on the property tax bill. The final assessment would be collected on your property tax bill for fiscal year 2020-2021. The City will directly bill any Assessor's Parcels which do not regularly receive a property tax bill from the City. The amount of the annual assessment for years 2 through 8 would be subject to annual adjustment by an amount not to exceed the change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, or a maximum of 3%, whichever is less. The amount of your assessment could also be reduced in a subsequent fiscal year if the amount collected during the prior fiscal year exceeded the costs incurred of providing authorized services in the district. In such a case, your assessment for the subsequent year would be reduced by the share of the excess funds collected that is allocable to your property.
- The total amount chargeable to the entire assessment district would be a maximum of \$105,501.64 in the first year. The total amount assessed to the entire assessment district over the life of the district (*assuming the maximum annual CPI adjustment of 3% in years 2 through 8*) would be a maximum of \$938,156.04. The maximum amount assessed to the entire assessment district for each of the eight fiscal years is set forth in the following table.





TOTAL MAXIMUM AMOUNT OF ASSESSMENTS ON ALL PARCELS INCLUDED IN THE PROPOSED DISTRICT FOR EACH FISCAL YEAR, ASSUMING MAXIMUM ANNUAL CPI INCREASE OF 3% IN YEARS 2 THROUGH 8 ONLY

Year	Fiscal Year	Maximum Annual Assessment
1	FY 2013-14	\$ 105,501.64
2	FY 2014-15	\$ 108,666.69
3	FY 2015-16	\$ 111,926.69
4	FY 2016-17	\$ 115,284.49
5	FY 2017-18	\$ 118,743.03
6	FY 2018-19	\$ 122,305.32
7	FY 2019-20	\$ 125,974.48
8	FY 2020-21	\$ 129,753.71

(1) The total maximum amount assessed to property owners within the Top of Broadway Market CBD each Fiscal Year.

- The first year annual assessment rate for each parcel is calculated at
  - **Building square footage: \$0.32153 per square foot** (First floor usable commercial building square footage only, all other building uses including residential entryways on the first floor and second floor and above uses are excluded from the building square footage component of the assessment formula)
  - **Parcel/lot square footage: \$0.17953106 per square foot**
  - **Linear Frontage: \$9.4517 per linear foot** (Sidewalk frontage, all sides along public rights-of-way)
- In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public record in this matter, and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, San Francisco Board of Supervisors, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102.



## ASSESSMENT BALLOT PROCEDURES

Enclosed with this notice, you will find an assessment ballot. Please follow the directions on the assessment ballot to express your view on the proposed assessment. The following is a summary of the procedures governing the return and tabulation of ballots. More detailed information concerning the ballot procedures is set forth in the enclosed "Procedures for the Completion, Return and Tabulation of Ballots," which is also available on the City's website at [www.sfelections.org](http://www.sfelections.org).

1. You may mail or deliver your ballot to the Director of Elections at the Post Office Box location shown on the ballot, or submit the ballot in person at the Department of Elections, located at City Hall Room 48.
2. Ballots may be sent or delivered to the Director of Elections at any time, but MUST be received by the Director of Elections not later than the conclusion of the public input portion of the public hearing on July 23, 2013 in the Board's Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102, scheduled to commence at 3 p.m. or as soon thereafter as the matter may be heard. Depending on the nature and extent of public testimony, the public input portion of the hearing may not be concluded on that date, but may instead be continued to a later date. At any time prior to the conclusion of the public input portion of the hearing, you may withdraw your ballot and submit a new or changed ballot in place of the ballot previously submitted. If the public input portion of the hearing is continued to a later date, the deadline for submission of ballots will likewise be extended until the close of public input on that date.
3. The Director of Elections will pick up mailed ballots at 12 o'clock noon from the designated Department of Elections Post Office box on the date scheduled for the public hearing. To ensure that mailed ballots are received by the Director of Elections prior to the conclusion of the public input portion of the hearing, mailed ballots must be received by the Director of Elections by 12 o'clock noon on July 23, 2013. Mailed ballots received after 12 o'clock noon on the date scheduled for the public hearing will only be counted if the public input portion of the hearing is continued to a later date and the ballots are received by the Director of Elections prior to the conclusion of the public input portion of the hearing.
4. Only ballots with original signatures - not photocopies of signatures - will be accepted.
5. The Director of Elections will not accept or tabulate a ballot:
  - which is a photocopy without an original signature;
  - which is unsigned;
  - which lacks an identifiable "yes" or "no" vote, or
  - which appears to have been tampered with based upon its appearance or method of delivery.
6. The assessment ballot shall be treated as a disclosable public record during and after the tabulation of the assessment ballots.



7. At the conclusion of the public input portion of the public hearing, the Director of Elections will tabulate the ballots, including those received during the public input portion of the public hearing. If the number of ballots received at the hearing is such that it is not feasible to accurately tabulate the ballots that day, the Board of Supervisors may continue the meeting to a later date for the purpose of obtaining the final tabulation.
8. The Board of Supervisors will not impose the assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. Ballots shall be weighted according to the proposed financial obligation of the affected property.

**Should you have any questions, please call or write to:** Mr. Cuong Quach, Department of Elections, Room 48, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. Telephone: (415) 554-4342.



**Ballot on Assessment for the establishment of the property-based business improvement district to be known as the "Top of Broadway Community Benefit District"**

**«Barcode»**

Assessor's Parcel Number: \_\_\_\_\_ Address of Parcel: \_\_\_\_\_

Property Owner's Name: \_\_\_\_\_

Property Owner's Address: \_\_\_\_\_

Proposed Assessment for this Parcel Beginning 2013-2014 Fiscal Year: \_\_\_\_\_ of Total: \$ \_\_\_\_\_

**Proposed Range or Inflation Adjustment Formula:** Year 2 through 8 assessments may be subject to annual adjustments based upon changes in the Bay Area Consumer Price Index (CPI) for all urban consumers, not to exceed 3% per year.

**Instructions for Completing and Delivering this Ballot**

\*To express your view on the proposed assessment and the proposed range or inflation adjustment, check above the line before the word "YES" or "NO" below, then sign and date the ballot.

\_\_\_\_\_ Yes, I approve the proposed annual assessment described above on the parcel identified in this ballot, and I understand that my assessment could be subject to the inflation adjustment formula described above.

\_\_\_\_\_ No, I do not approve the proposed annual assessment, on the parcel identified in this ballot, nor the inflation adjustment formula described above.

I hereby declare by penalty of perjury that I am a record owner or authorized agent for the record owner of the parcel listed above.

\_\_\_\_\_  
Signature of Record Owner or Authorized Agent Date

\_\_\_\_\_  
Print Name of Record of Owner, If Agent of Owner, State Authorization

**\*After completing your ballot, please mail to:** Director  
Department of Elections  
P.O. Box \_\_\_\_\_  
San Francisco, CA 94142-2189

**To hand deliver, please use the following address:** Director  
Department of Elections  
City Hall  
1 Dr. Carlton B. Goodlett Place, Room 48  
San Francisco, CA 94102

Ballots may also be delivered to the Director at the Public Hearing prior to the close of public testimony.  
\*Ballots may be sent or delivered to the Director at any time but MUST be received in the mail not later than 12 P.M. (noontime) on the day of the public hearing or in person before the conclusion of the public testimony portion of the public hearing on the proposed assessment and assessment range. That hearing is set for 3:00 p.m. on July 23, 2013. Ballots received after that time will only be counted if the Board elects to continue public comment until a later date.



**The Top of Broadway  
Community Benefit District  
Management District Plan  
San Francisco, California**

*Formed Under California Streets and Highway Code Section 36600 et seq.  
"Property and Business Improvement District Law of 1994," Augmented by Article 15 of the San  
Francisco Business and Tax Regulations Code*

SUBMITTED TO:  
THE PROPERTY AND BUSINESS OWNERS OF THE  
PROPOSED TOP OF BROADWAY CBD AND

THE SAN FRANCISCO BOARD OF SUPERVISORS  
SUPERVISOR DAVID CHIU

PRESENTED BY:  
NEW CITY AMERICA INC.

APRIL 15<sup>TH</sup>, 2013



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**TOP OF BROADWAY  
COMMUNITY BENEFIT DISTRICT (CBD) MANAGEMENT DISTRICT PLAN**

**A. EXECUTIVE SUMMARY**

History and Background

This effort for the investigation and formation of the new Top of Broadway Community Benefit District (CBD) has been funded through the combined efforts of various property owners and business owners in the proposed district area.

This current effort to establish the Top of Broadway CBD has been initiated by a subset of business and property owners who are part of the Voice of Broadway (a neighborhood association comprised of property owners, business owners, residents, and stakeholders). This subset of property owners and business owners, have been working to form the CBD in the area since early 2012. These business and property owners would like to form a CBD in order to collectively fund and manage special benefit services, activities, and improvements to improve the Top of Broadway Neighborhood commercial district. The effort to form this CBD is consistent with what business and property owners have done throughout San Francisco over the past seven-plus years. Tenants, working with property owners have discussed, and acted upon this Management District Plan.

Meetings held to organize the district:

February 2<sup>nd</sup>, 2011

April 18<sup>th</sup>, 2012

May 23<sup>rd</sup>, 2012

June 20<sup>th</sup>, 2012

January 30<sup>th</sup>, 2013 (Meeting called by Supervisor David Chiu)

Purpose of New District

Top of Broadway business community represents one of the oldest and continuous commercial cultural and entertainment corridors on the West Coast. This district has a very rich history of music and adult entertainment, with venues that have been frequented by millions over the past 130 years. Formerly known as the Barbary Coast, this area is distinct as a special sub-district of the North Beach Community of San Francisco.

As San Francisco continues to build itself as an international destination for visitors and prepares for the 2013 America's Cup competition, the need for an orderly, vibrant business district is crucial. Though there is a high concentration of live entertainment clubs, excellent bars and restaurants and a collection of retailers, this district has a lot of room for improvement.

Whether it is the lack of historical markers, the lack of systematic cleanliness, or the problem of parking - the Top of Broadway CBD area must take the next step and demonstrate that it can deal with the problems associated with a historic, yet evolving district.

The issues of district branding, marketing and promotion, maintenance of order, cleanliness and safety are paramount to all who work in, conduct business in, and visit the district. With the new CBD, the Top of Broadway CBD Steering Committee seeks to work with the City and County of San Francisco as a whole; departments including, but not limited to, the Police Department and the Entertainment Commission; and private entities such as San Francisco Travel to upgrade this area, better manage crowds, attract more visitors and beautify the district.

These are issues that cannot be resolved by the City of San Francisco alone, but must also be addressed at the neighborhood level. This proposed Top of Broadway CBD would be funded through an assessment levied on each and every parcel within the finalized and approved boundaries of the district. This plan outlines the exact costs of funding these services, activities, and improvements. All properties, public and private, commercial, residential and non-profit would be included in this new assessment district and will be required to participate financially upon establishment of the district.

The Top of Broadway CBD assessments would provide basic funding for a variety of services, activities, and improvements including marketing, branding, and promotional programs, regular sidewalk sweeping and trash emptying, signage, and coordination of all of these services, activities, and improvements. Though small, the proposed Top of Broadway CBD area has an intense level of foot traffic within the public rights of way and has an international draw. Additionally, BSC Management, a business within the proposed CBD boundary, has pledged a total of \$200,000 in the first two years of operations. This financial commitment will fund categories including, but not limited to: Security, district identity, district cleanup, beautification, administration and any other services, activities, and improvements deemed necessary by the Top of Broadway CBD Owners' Non-Profit Association.

Improving the appearance and cleanliness of the Top of Broadway CBD area will increase pedestrian activity, strengthen existing businesses and cultural institutions, attract new investment, and improve the over-all quality of life for current and future residents, businesses, employees and visitors. The Top of Broadway CBD would provide a reliable, accountable, and independent funding source through property assessments and donations to help restore this vital area to its former glory.



<b>Location:</b>	<ul style="list-style-type: none"> <li>▪ <b>Columbus Avenue</b> from the intersection of Grant and Fresno, running <i>along the east side only</i> of Columbus Avenue down to Pacific Avenue.</li> <li>▪ <b>Kearny Street</b> on both sides of the street from Broadway to Pacific Avenue.</li> <li>▪ <b>Broadway</b>, from the northeastern corner of the intersection of Columbus and Broadway running eastward on the north side of the street up to west side of Montgomery Street and then from the southeastern corner of the intersection of Columbus and Broadway on the south side running eastward on the south side up to Montgomery, but also including the property at the southeastern corner of the intersection of Montgomery and Broadway (APN 0164/014).</li> </ul>
<b>Categories of activities, services, and improvements:</b>	<ol style="list-style-type: none"> <li>1. Sidewalk Operations, Beautification, and Order: regular sidewalk cleaning, periodic steam cleaning, tree maintenance, &amp; graffiti removal</li> <li>2. District Identity: marketing and branding, social media, website development and maintenance, signage, and seasonal decor</li> <li>3. Administration, Organization, and Corporate Operations: operations management, advocacy, financial reporting/monitoring, and other administrative tasks</li> </ol>
<b>Allocation of Budget to each service type:</b>	<p>28% for Sidewalk Operations, Beautification, and Order  42% for District Identity  30% for Administration, Organization, and Corporate Operations</p>
<b>Annual Budget:</b>	<p>The proposed first year budget for the CBD is \$106,567.31 and will be funded from both assessment revenues (99% = \$105,501.64) and revenue from sources other than assessments (1% = \$1,065.67), such as donations, grants, and fees for service contracts.</p> <p>The annual budgets for subsequent years will be set forth in annual reports prepared by the management corporation and submitted to the Board of Supervisors as required by state law.</p> <p><i>BSC Management, a business located within the Top of Broadway CBD boundary, has agreed to fund the CBD to manage additional services, activities, and improvements including, but not limited to security, district identity, administration and hardship, in the total amount of \$100,000 in year one (FY 2013/14) and \$100,000 in year two (FY 2014/15), for a grand total of \$200,000. Whether these supplemental services, activities, and improvements in year 3 and beyond will be continued will depend on whether a separate source of funding is obtained to replace the BSC Management supplemental funding for year 1 and year 2.</i></p>

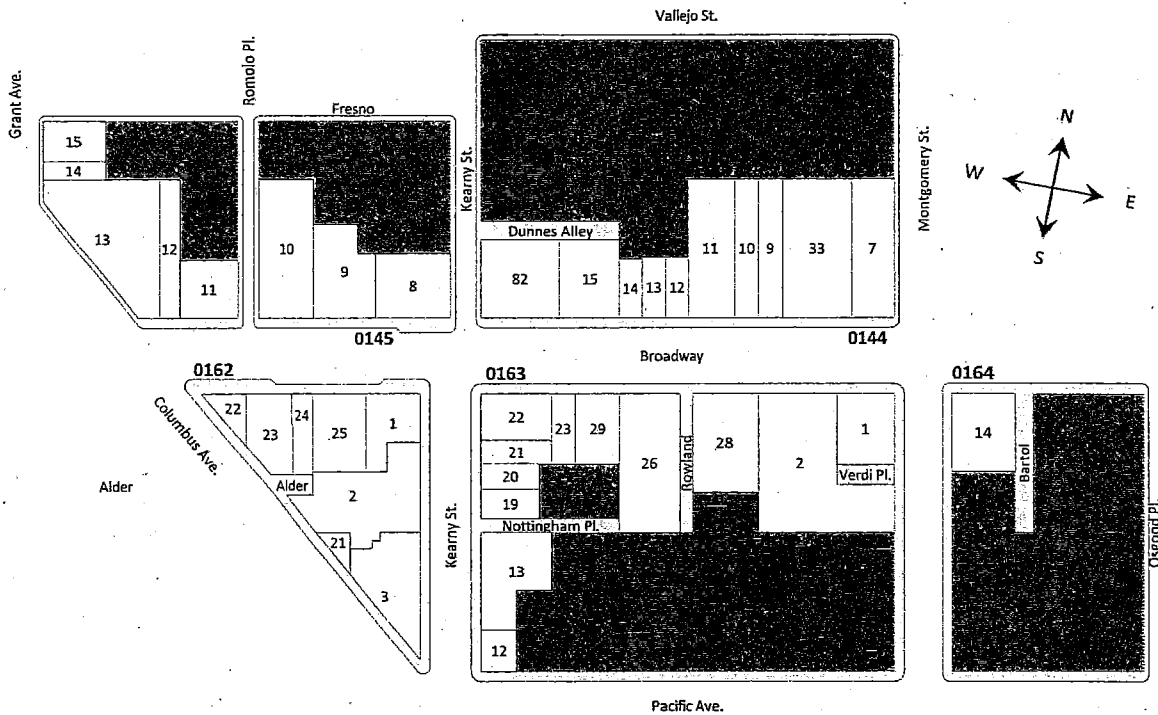
<p><b>Rates of Assessment:</b></p>	<p>Assessments will be generated based on the following factors:</p> <p>Property variables:</p> <ul style="list-style-type: none"> <li>• Frontage: 3,211 ft. of linear frontage in the proposed district;</li> <li>• 1<sup>st</sup> Floor Building Square footage: 141,273 building square footage</li> <li>• Lot/Parcel Size: 165,591 square footage in lot size</li> </ul> <p>Rates for each variable are as follows:</p> <ul style="list-style-type: none"> <li>• Linear Frontage: \$9.4517/linear foot</li> <li>• 1<sup>st</sup> Floor Building Square Footage: \$0.32153/square foot</li> <li>• Lot/Parcel Size: \$0.17953106/ square foot</li> </ul> <p>The total assessment per parcel is determined by adding the first floor building square footage assessment (if applicable to the parcel), plus the linear frontage assessment, plus the parcel/lot square footage assessment.</p>
<p><b>Method of Collecting Assessment and Enforcement:</b></p>	<p>The Top of Broadway Community Benefit District special assessment will appear as a separate line item on the annual property tax bills prepared by the San Francisco City and County Tax Collector. Payment of property taxes is due on November 1 and February 1, with the bill becoming delinquent at the close of business December 10 and April 10, respectively.</p> <p>The CBD assessment, including the collection and enforcement of any delinquent assessments and imposition of interest and penalties per City and County of San Francisco Business and Tax Regulations Code Article 6 and related state law, as it may be amended from time to time, will be collected and enforced by the Treasurer and Tax Collector of the City (the Treasurer and Tax Collector). The Treasurer and Tax Collector shall transfer the assessment payments to a non-profit corporation that is designated as the Owners' Non-Profit Association for the District.</p> <p>The owners non-profit association will manage and administer the CBD pursuant to a management contract with the City, as approved by the Board of Supervisors. The management contract will also include provisions identifying and defining procedures for collection and enforcement of the assessment, including, for example, recordkeeping requirements, audits, assessment of penalties and interest, claims, and refunds.</p>
<p><b>Duration:</b></p>	<p>If the proposed District established by the Board of Supervisors following the ballot election and public hearing, assessments would be collected for the first 8 years (July 1, 2013 - June 30, 2021).</p>

	Expenditure of those collected assessments can continue for up to 6 months after the end of the assessment collection period (December 31, 2021), at which point the District would then be terminated, if not renewed.
<b>Annual Increase:</b>	Year 2 – 8 assessments (Fiscal Year 2014-15 through Fiscal Year 2020-21) may be adjusted for inflation based upon the San Francisco-Oakland-San Jose Area Consumer Price Index (CPI) for all urban consumers, not to exceed 3 % annually.
<b>City Services:</b>	<p>The City currently provides a baseline of services to the Top of Broadway district, based upon annual City budget allocations. By adopting this plan, the Board of Supervisors will confirm and guarantee a baseline level of service equivalent to that being provided in similar areas of the city.</p> <p>Throughout the duration of the district, these services will be maintained consistently with other similar areas of the City. The services, activities, and improvements funded by the Top of Broadway CBD annual assessments are in addition to those already provided by the City and County of San Francisco.</p>
<b>Formation:</b>	<p>District formation requires submission of petitions from owners of property representing at least 30% of the total proposed assessments. Once, the petitions have been submitted, the Board of Supervisors may adopt a Resolution of Intent to establish the district and levy the assessments. The Department of Elections will mail out assessment ballots and notice of public hearing to all owners of property included in the proposed district.</p> <p>The Board of Supervisors will hold a public hearing 45 days or more after mailing the ballots and notice of hearing. The Board may form the Top of Broadway CBD if the weighted majority of returned ballots support the district formation. “Weight” is determined by the percentage of monetary contribution each property owner will make to the proposed CBD, relative to all district assessments, based upon the assessment methodology.</p>
<b>Disestablishment:</b>	During the operation of the district, there shall be a 30-day period each year in which assesseees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners of real property or of businesses in the area who pay 50 percent or more of the assessments levied, the Board of Supervisors may disestablish the district.

	<p>A majority of the Board of Supervisors (six members) may initiate disestablishment at any time based on improper actions by the CBD management corporation, such as misappropriation of funds, malfeasance, or violation of law.</p> <p>A supermajority (eight members) of the Board of Supervisors may initiate disestablishment proceedings for any reason.</p>
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B.

## Top of Broadway CBD Map



Map created by New City America, Inc.

- **Columbus Avenue** from the intersection of Grant and Fresno running *along the east side only* of Columbus Avenue down to Pacific Avenue
- **Kearny Street** on both sides of the street from Broadway to Pacific Avenue
- **Broadway**, from the northeastern corner of the intersection of Columbus and Broadway running eastward on the north side of the street up to west side of Montgomery Street and then from the southeastern corner of the intersection of Columbus and Broadway on the south side running eastward on the south side up to Montgomery, but also including the property at the southeastern corner of the intersection of Montgomery and Broadway (APN 0164/014).

**C. SERVICE PLAN AND BUDGET**

**1. DISTRICT IDENTITY:**

<i>DISTRICT IDENTITY</i> <i>PROPOSED SERVICES, ACTIVITIES, AND IMPROVEMENTS INCLUDE, BUT ARE NOT LIMITED TO:</i>	ESTIMATED FIRST YEAR COST
Public relations firm to promote the businesses and activities in the district (including coordination of print and social media, Facebook, Twitter, media relations, press releases, etc.)	\$ 20,000.00
Web site development and posting including maintenance and upgrades	\$ 8,000.00
Special events (2)	\$ 8,000.00
Signage, historical markers, banners, decorations	\$ 2,500.00
Other programs or activities determined by Owners' Non-Profit Association	\$ 6,500.00
<i>Total Estimated First Year District Identity Expenses</i>	<i>\$ 45,000.00</i>

**2. SIDEWALK OPERATIONS, BEAUTIFICATION, AND ORDER (SOBO):**

<i>SIDEWALK OPERATIONS, BEAUTIFICATION, AND ORDER</i> <i>PROPOSED SERVICES, ACTIVITIES, AND IMPROVEMENTS INCLUDE, BUT ARE NOT LIMITED TO:</i>	ESTIMATED FIRST YEAR COST
Sidewalk cleaning/personnel, estimated at 20 hours per week for individual employee or contracted service, provided 52 weeks per year	\$ 18,000.00
Sidewalk cleaning/materials (brooms, trash bags, cleaners, etc.)	\$ 4,000.00
Steam cleaning, tree maintenance, supplemental parking signage, etc.)	\$ 8,000.00
<i>Total Sidewalk Operations and Beautification Expenses</i>	<i>\$ 30,000.00</i>

Proposed services, activities, and improvements for SOBO include, but are not limited to:

- Sidewalk and gutter cleaning 20 hours per week, cleaning district at least 4 to 5 times per week (1 person working 20 hours per week at the rate of \$17.30 per hour, which is inclusive of the hourly wage, workers comp, payroll taxes and unemployment insurance, etc.)
  - Taking graffiti and stickers off of street light poles, windows, etc.
  - Enhanced trash emptying in the sidewalks;
  - Graffiti removal, within 24 hours;
- Sidewalk supplies and materials, (brooms, shovels, push cart, graffiti remover, shovel, uniforms, trash bags, cleaning supplies)
- Periodic steam cleaning; (up to twice per year);
- Trimming trees up to 10 feet from the sidewalks;
- Cleaning out tree wells;

**3. ADMINISTRATION, ORGANIZATION, AND CORPORATE OPERATIONS**

<i>ADMINISTRATION, ORGANIZATION, AND CORPORATE OPERATIONS PROPOSED SERVICES, ACTIVITIES, AND IMPROVEMENTS INCLUDE, BUT ARE NOT LIMITED TO:</i>	ESTIMATED FIRST YEAR COST
Part time staff (contracted at \$1,500 per month)	\$ 16,000.00
Insurance, General Liability and Directors and Officers	\$ 5,000.00
Office related, CPA, Accounting, Legal, office supplies, printing	\$ 4,000.00
Contingency and Reserves	\$ 6,567.31
<i>Total Administration, Organization and Corporate Operations</i>	<i>\$ 31,567.31</i>

Services, activities, and improvements and costs for Administration, Organization and Corporate Operations to support all of the services, activities, and improvements include, but are not limited to:

- Staff and administrative costs (Approximately \$ 20.00 per hour, for 15 hours per week has been calculated to oversee the special benefit services, activities, and improvements in this district, specifically to oversee the execution of the services, activities, and improvements within SOBO and District Identity categories. It is also assumed that this person will be a contracted individual or company).
- Insurance;
- Office related expenses;
- Managing contractual relations with City and subcontractors;
- Financial reporting;
- Advocacy

**TABLE C – 1**

**YEAR 1 OPERATING BUDGET ALLOCATED FOR SERVICES, ACTIVITIES, AND IMPROVEMENTS**

Property Assessment Variable	Estimated Revenues	% of assessment
First floor commercial building square footage	\$ 45,423.51	43%
Parcel/Lot square footage	\$ 29,728.72	28%
Linear Frontage	\$ 30,349.41	28%
<b>Total Assessment Revenues</b>	<b>\$105,501.64</b>	
Fundraising, Donations, In-Kind Support	\$ 1,065.67	1%
<b>Total Non-Assessment Revenues</b>	<b>\$ 1,065.67</b>	
<b>Total first year CBD Revenues*</b>	<b>\$106,567.31</b>	<b>100%</b>

\*Does not include BSC contribution of \$100,000

Service/Activity/Improvement Funded by the Top of Broadway	Estimated Expenses	% of Annual Budget
District Identity Activities	\$ 45,000.00	42%
Sidewalk Operations, Beautification and Order	\$ 30,000.00	28%
Administration, Organization, and Corporate Operations	\$ 25,000.00	24%
Contingency and Reserves	\$ 6,567.31	6%
<b>Total</b>	<b>\$ 106,567.31</b>	<b>100%</b>

*BSC Management, a local business, has agreed to fund additional services, activities, and improvements including, but not limited to security, district identity, administration and hardship, dollar for dollar of the assessments anticipated, for the first two years of the district (Fiscal Years 13/14 and 14/15) totaling \$200,000. Whether these supplemental services, activities, and improvements in year 3 and beyond will be continued will depend on whether a separate source of funding is obtained to replace the BSC Management supplemental funding for year 1 and year 2.*

CONTINUATION OF CITY SERVICES

The City currently provides a baseline of services to the Top of Broadway area, based upon annual City budget allocations. By adopting this plan, the Board of Supervisors will confirm and guarantee a baseline level of service equivalent to that being provided in similar areas of the City. Throughout the duration of the district, these services will be maintained consistently with other similar areas of the City. The services, activities, and improvements funded by the Top of



Broadway CBD annual assessments are in addition to those already provided by the City and County of San Francisco.

CONTRACTING FOR SERVICES OUTSIDE OF THE CBD

The Top of Broadway CBD may provide services, activities, and improvements to properties outside of the District on a contract basis. As required by law, the Owners' Non-Profit Association shall not use assessments to provide services, activities, and improvements outside the district.

SERVICE PLAN OPERATING BUDGET

The CBD service plan budget has been developed to provide the services, activities, and improvements identified as the highest priorities by the property owners in the Top of Broadway CBD area. The operating budget for the first year of the Top of Broadway CBD is estimated to be \$106,567.31 with the 1% general benefit contribution (not including the BSC Management supplemental funding contribution of \$100,000).

Of the total operating budget, 99% of the revenues or \$105,501.64 will be generated from the CBD assessments. The remaining 1% of revenues or \$ 1,065.67 will be generated from other sources such as grants, donations, fees for service contracts and in-kind contributions.

Under this Top of Broadway CBD Management District Plan:

- 28% of the annual assessment district revenues will be derived from the gross parcel lot square footage assessments in the district
- 28% of the annual assessment district revenues will be derived from linear frontage assessments
- 43% of the annual assessment district revenues will be derived from 1<sup>st</sup> floor commercial building square footage assessments
- 1% of revenues of the total operating budget will be derived from non-assessment sources.

The Owners' Non-Profit Association may reallocate funding within the services, activities, and improvements categories, not to exceed 10% of the annual budgeted amount for each line item, consistent with the Management District Plan.

**D. ASSESSMENTS AND ASSESSMENT METHODOLOGY**

There are three property variables that are to be used in determining individual parcel assessments. These factors are:

1. linear frontage (sidewalk frontage, all sides of a benefitting parcel),
2. parcel/lot square footage, and
3. gross building square footage (applicable only to first floor commercial building square footage in the district).

There is a total of 165,591 square feet in gross lot size, 3,211 feet in linear frontage and approximately 141,273 in first floor commercial building square footage in the proposed Top of Broadway CBD.

Assessment rates for the Top of Broadway CBD will be as follows:

- Building square footage: \$0.32153 per square foot  
First floor usable commercial building square footage only, all other building uses including residential entryways on the first floor and second floor and above uses are excluded from the building square footage component of the assessment formula.
- Parcel/lot square footage: \$0.17953106 per square foot
- Linear Frontage: \$9.4517 per linear foot  
Sidewalk frontage, all sides along public rights-of-ways

The assessment on each parcel in the district is the sum of the amounts calculated for each of the three property variables for the particular parcel, which are calculated by multiplying the square footage of the building (building size), square footage of the parcel (lot size), and the linear frontage of the parcel, by the respective rates of assessment described above. The assessments in years 2 – 8 may be adjusted for inflation subject to a maximum increase of 3% over the assessment in the prior fiscal year (based on the consumer price index for the San Francisco-Oakland-San Jose Area for all urban consumers).

**TABLE D - 1**

**ASSESSMENT FORMULA TOTAL MEASUREMENTS FOR THE DISTRICT**

<i>Building square footage (first floor commercial building square footage)</i>	<i>Gross Parcel/Lot square footage</i>	<i>Gross Linear Frontage (all sides on public rights-of-way)</i>
141,273 square feet	165,591 square feet	3,211 linear feet

#### Rationale for Proportional Benefit:

Under California Constitution Article XIII D, Section 4, part of Proposition 218, a property based assessment must not exceed “the reasonable cost of the proportional special benefit conferred on that parcel” and all assessments must be supported by an engineer’s report. Over the past few years, property variables have been used to articulate that special benefit to each parcel. The various categories that define the potential special benefits conferred to a parcel usually include the benefitting linear frontage of the parcel (all sides that receive benefit), the lot or parcel square footage, the building square footage, and in some cases, building use. The relevant property variables in the Top of Broadway which serve as the basis for proportional benefit will include linear frontage, lot or parcel size and first floor commercial building square footage.

Linear frontage will fund the “Sidewalk Operations, Beautification, and Order” (SOBO) special benefits due to the fact that sidewalk sweeping, graffiti removal, steam cleaning and other services, activities, and improvements conferred on the frontage will benefit this portion of the property. The approximate amount derived from linear frontage assessments will total \$30,000 per year for SOBO services, activities, and improvements within the CBD boundaries.

Gross parcel/Lot square footage will fund the “Administration, Organization, and Corporate Operations” components of the CBD. The lot size square footage is used due to the fact that all of the parcels within the district will benefit, based upon their proportion of size relative to the overall district, for the management of all services, activities, and improvements funded by the CBD. The administrative, insurance, legal and accounting services are appropriately distributed to all parcels based upon their relative size in the district. The lot or parcel square footage assessments will generate approximately \$30,000 per year and these will fund the overall district management oversight and management operations.

The first floor commercial building square footage (excluding entry ways for residential buildings which are not considered commercial) will fund the “District Identity” special benefit services, activities, and improvements since it is the portion of the property that will derive the benefits from increased sales and other commercial activity. There is a direct relationship between the marketing and promotional activities, public relations and social media funded activities and the sales generation and other commercial activity resulting from these activities. The building square footage assessments will generate approximately \$45,000 per year and will fund the services, activities, and improvements that benefit first floor retail and commercial buildings in the CBD boundaries.

#### Rationale for General Benefit

In order to determine a projected level of general benefit applicable to the Top of Broadway CBD it is noted that in 2009, the Union Square Business Improvement District and the proposed West Portal Community Benefit District, conducted surveys to determine the likelihood of individuals passing through their boundaries without the intention of engaging in any type of commerce activity in the CBD. Of those surveyed, about 1% indicated that they do not nor do they ever have the intention of engaging in any type of commerce

regardless of any future CBD programs and services, activities, and improvements provided. Accordingly, in both districts, 1% was assigned to the general benefit value of their respective program costs. The Union Square business district is similar to the Top of Broadway area in that it has a similar mix of business types and destination and pedestrian orientation. Top of Broadway is similar to the West Portal business district in size and scale. Thus, the general benefit value for programs funded by the TOB CBD should similarly be set at 1% of the total program cost of \$106,566, or \$1,065 (for further detail please see the Engineers Report).

#### Application of Assessment Methodology

Under the proposed assessment methodology, for example, a 3,500 square foot lot, with 35 feet of sidewalk frontage and 3,500 square feet of first floor commercial building use would yield a first year annual assessment for the Top of Broadway CBD of:

$$\begin{aligned} 3,500 \times \$ 0.32153 &= \$ 1,125.36 \text{ in 1st floor commercial building square footage} \\ 35 \times \$ 9.4517 &= \$ 330.81 \text{ in linear frontage} \\ 3,500 \times \$ 0.17953106 &= \$ \underline{628.36} \text{ in lot square footage} \end{aligned}$$

$$\text{Total Assessment:} = \$ 2,084.52$$

This assessment methodology has been endorsed by the Top of Broadway CBD Steering Committee as the most fair and equitable for apportionment of assessments to parcels included in the District.

Linear frontage will be assessed (sidewalk frontage, all sides of the benefitting parcel). Both linear frontage and parcel/lot square footage will be assessed based upon measurement data from the City and County of San Francisco; and the first floor commercial building square footage was computed from data extracted from City and County of San Francisco Assessor's records and maps.

#### Issuance of Bonds or Debt Service

No bonds, or bond related indebtedness, will be issued with this district.

#### Publicly Owned Parcels and Government Assessments

Public property owners such as the City and County of San Francisco and the State of California are subject to assessments for the services, activities, and improvements conferred upon government owned property within the boundaries of the CBD. Article XIID, Section 4, of the California Constitution (part of 1996 Proposition 218) requires that government owned parcels be assessed unless they receive no service, activity, or improvement from assessments:

*"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 Assessments unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit."*

Exemptions and Exclusions

Consistent with Article XIID of the State Constitution (part of Proposition 218), it has been determined that all parcels within the proposed district will receive services, activities, and improvements from the assessments. Therefore, no parcels will be exempted from payment of assessments, regardless of use or ownership.

Annual Assessment Increases

Assessments in years 2 – 8 may be adjusted for inflation based on the consumer price index for the San Francisco-Oakland-San Jose Area for all urban consumers, not to exceed 3% annually. This assessment increase can only be approved by the Top of Broadway CBD Owners' Non-Profit Association.

The annual budgets below assume a 3% percent maximum increase in overall assessments revenues collected each year. This is the maximum allowable increase based upon this plan.

**TABLE D - 4:**

**PROJECTION OF ASSESSMENTS OVER THE LIFE OF THE DISTRICT  
ASSUMING MAXIMUM ANNUAL ADJUSTMENTS 2013 – 2021 (BASED UPON ANNUAL 3% MAXIMUM INCREASE  
IN ASSESSMENTS AS APPROVED BY DISTRICT OWNERS' NON-PROFIT ASSOCIATION)**

Year	Fiscal Year	Maximum Annual Assessment
1	FY 2013-14	\$ 105,501.64
2	FY 2014-15	\$ 108,666.69
3	FY 2015-16	\$ 111,926.69
4	FY 2016-17	\$ 115,284.49
5	FY 2017-18	\$ 118,743.03
6	FY 2018-19	\$ 122,305.32
7	FY 2019-20	\$ 125,974.48
8	FY 2020-21	\$ 129,753.71

### Statutory Considerations

Proposition 218, the "Right to Vote on Taxes Act" was approved by California voters in 1996, which added Articles XIIC and XIID to the California State Constitution. The primary results of Proposition 218 were stricter definitions of assessments, special taxes, fees, and charges and a general mandate for some type of voter approval for any new or increased tax, assessment or property related fee. California Government Code, § 53750 et seq., "Proposition 218 Omnibus Implementation Act", was enacted in 1997 ("Implementation Act"). The Implementation Act includes further procedures for the notice, protest and hearing process. It should be noted that this report has been prepared to be consistent with current practices and the Implementation Act.

### Special Benefit

Pursuant to Proposition 218, at Article XIID Section 2(i), "*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 benefits*".

In accordance with Article XIID Section 4 (a) "No assessment shall be imposed on any parcel which exceeds the reasonable costs of the proportional special benefit conferred on that parcel. Only special benefits are assessable and any agency shall separate the general benefits from the special benefits conferred on a parcel". (Please see the "Rationale for Proportional Benefit Section on page 15 for the reasoning for the assessment methodology for this plan).

All parcels that have services, activities, or improvements conferred upon them shall be identified, and the proportionate assessment paid by each identified parcel will be determined in relationship to the entire cost of the services, activities, and improvements.

### General Benefit

Proposition 218 requires any local agency proposing to increase or impose a special assessment, to "separate the general benefits from the special benefit conferred on a parcel". The rationale for separating special and general benefits is to ensure that the property owners are not charged with an assessment that pays for general benefits. Thus, a local agency carrying out services, activities, or improvements that provide both special and general benefits may levy an assessment to pay for the special benefit portion of proposed activities, services, and improvements but must acquire separate funding to pay for the general benefit portion of the activities, services, and improvements.

All of the services, activities, and improvements are more fully presented in Section C, "Service Plan" of this Management District Plan. There will be no services, activities, or improvements funded by the assessments that will be provided outside of the Top of Broadway CBD boundaries. Please see the attached Assessment Engineer's report for a further detailed elaboration on the breakdown of general vs. special benefits in the Top of Broadway CBD.

**E. TIME AND MANNER OF COLLECTING ASSESSMENTS AND ENFORCEMENT**

The Top of Broadway Community Benefit District assessment will appear as a separate line item on the annual property tax bills prepared by the San Francisco County Tax Collector. A special assessment bill will also be issued annually by San Francisco Treasurer and Tax Collector's office to any parcels that are exempt from payment of property taxes. Payment of property taxes is due on November 1 and February 1, with the bill becoming delinquent at the close of business on December 10 and April 10, respectively. The total bill may be paid with the first installment. The San Francisco Treasurer and Tax Collector shall distribute the assessments collected by the City and County of San Francisco to the Owners' Non-Profit Association pursuant to the management agreement between the City and the Owners' Non-Profit Association for the district. The first time assessments will be billed for this District will be in 2013 on the FY 2013-2014 property tax bill.

The CBD assessment, including the collection and enforcement of any delinquent assessments and imposition of interest and penalties per City and County of San Francisco Business and Tax Regulations Code Article 6 and related state law, as it may be amended from time to time, will be collected and enforced by the Treasurer and Tax Collector of the City (the Treasurer and Tax Collector). The Treasurer and Tax Collector shall transfer the assessment payments to a non-profit corporation that is designated as the Owners' Non-Profit Association for the District. The owners non-profit association will manage and administer the CBD pursuant to a management contract with the City, as approved by the Board of Supervisors. The management contract will also include provisions identifying and defining procedures for collection and enforcement of the assessment, including, for example, recordkeeping requirements, audits, assessment of penalties and interest, claims, and refunds.

**F. NUMBER OF YEARS ASSESSMENTS WILL BE LEVIED**

This Top of Broadway CBD will be established for an assessment period of 8 years (with service delivery time period of 8 ½ years). This term is used to allow for enough time for property owners to produce and review sustainable improvement to the public rights of way in terms of public safety and cleanliness and other undertakings as results of the services, activities, and improvements administered by the CBD.

Assessments would be levied starting July 1, 2013 to June 30, 2021 (and would have the ability to expend assessments until December 31, 2021). The CBD would commence operations January 1, 2014 and expire on December 31, 2021 unless disestablished sooner. (The CBD may also commence operations as of July 1, 2013, if the first installment of the BSC Management contribution is made soon after the Board of Supervisors has established the CBD and levied the assessments)

### Disestablishment

Each year that the Top of Broadway CBD is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the CBD. This 30-day period begins each year on the anniversary of the date the District/CBD was established. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50% or more of the assessments levied, the CBD may be disestablished by the Board of Supervisors.

A majority of the Board of Supervisors (six members) may initiate disestablishment at any time based on improper actions by the CBD Owners' Non-Profit Association, such as misappropriation of funds, malfeasance, or violation of law.

A supermajority (eight members) of the Board of Supervisors may initiate disestablishment proceedings for any reason.

All outstanding indebtedness must be paid prior to disestablishment of the CBD.



**G. TIMELINE FOR IMPLEMENTATION AND COMPLETION OF THE TOP OF BROADWAY COMMUNITY BENEFIT DISTRICT**

TABLE G – 1:

<i>Task</i>	<i>Time task is anticipated to be, or was completed</i>
Final approval of Draft Management District Plan by Top of Broadway CBD Steering Committee	January 2013
Submit the final draft Management District Plan for review to Supervisor Chiu’s office, the Mayor’s office and City Attorney’s office	March 2013
Circulate petitions endorsing plan to affected Top of Broadway property owners	April 2013
Submit minimum 30% weighted petitions endorsing plan and their related assessments to the Office of Economic and Workforce Development	May 2013
Ballots and notice of public hearing and proposed assessments distributed by mail to property owners upon Resolution of the Board of Supervisors	May 2013
Ballots due, public hearing, ballots counted, district formed	June 2013
First installment of assessment paid through property tax bill	Fall 2013
First assessments transferred from City to Top of Broadway CBD Owners’ Non-Profit Association	January 2014

## H. MANAGEMENT OF THE DISTRICT

A new Top of Broadway Owners' Non-Profit Association will be formed to administer the Top of Broadway CBD. During its first year of operation, the Top of Broadway District Owners' Non-Profit Association shall strive to allocate Board seats among the following categories of business and property owners in the District

1. Restaurant owners, or their designated representatives;
2. Retail businesses or their designated representatives;
3. Night clubs or their designated representatives;
4. Operators of Adult Entertainment facilities, or their designated representatives;
5. Community at Large representatives, from the surrounding neighborhoods

Other Conditions include:

1. Of the total number of seats, at least 50% plus one of the seats must be filled by property owners paying Top of Broadway CBD assessments;
2. Of the total number of seats, at least 20% of the seats must be filled by business owners with a business located within the CBD boundaries, but who do not own or have an ownership interest in commercial property within the CBD boundaries, in compliance with Section 15(f) of the San Francisco Business and Tax Regulations Code.

Once the Top of Broadway CBD has been established by the Board of Supervisors, the current CBD Steering Committee will select an interim Owners' Non-Profit Association Board of Directors consistent with the above Owners' Non-Profit Association Board structure, prepare to commence operations, obtain a business registration certificate from the Tax Collector's Office, create by-laws, obtain insurance, and complete other requirements imposed by law and/or the management contract with the City and County of San Francisco. The current CBD Steering Committee is cognizant of the need to have this new Owners' Non-Profit Association be as transparent as possible and responsive to all sectors of the diverse Top of Broadway CBD community.

The new CBD Owners' Non-Profit Association may hire paid staff and sub-contractors to implement the services, activities, and improvements as outlined in this Management District Plan. The Owners' Non-Profit Association, per California Streets and Highway Code Section 36600 *et seq.*, is required to comply with state open meeting and public records laws when conducting CBD business, i.e. the Ralph M. Brown Act (Government Code §§54950 *et seq.*) and the California Public Records Act (Government Code §§6250 *et seq.*).

The Owners' Non-Profit Association shall aim to meet the following operational objectives for the Top of Broadway CBD:

- *Create and manage programs that best respond to the top priorities of Top of Broadway CBD stakeholders;*
- *Maximize coordination with the City and County of San Francisco to avoid duplication of services, activities, and improvements and to leverage resources;*
- *Deliver services, activities, and improvements through a cost-effective, non-bureaucratic and easy to access organizational structure; and*
- *Provide accountability and responsiveness to those who pay assessments into the district.*

The non-profit association shall establish rules and regulations that uniquely apply to the District. The following rules and regulations shall be employed by the Top of Broadway CBD management corporation in the administration of the district:

*Competitive Bidding*

Following the formation of the district, the management corporation board shall develop a policy for competitive bidding as it pertains to contracted services for the Top of Broadway CBD.

*Conflict of Interest*

Any board member of the Top of Broadway CBD management corporation shall recuse themselves from any vote in which a potential financial conflict of interest is apparent. Such potential conflicts include, but are not limited to, prioritizing capital improvement projects which result in services, activities, and improvements to specific property owners, prioritization of services, activities, and improvements to benefit a particular owner or group of owners, hiring or selecting the relatives of board members.

*Open Door Policy, Public Access to Meetings and District Records*

Meetings of the management corporation board are subject to the Ralph M. Brown Act and must be open to the public, when CBD business is heard, discussed, or deliberated. Required annual budgets and financial reports shall be submitted to the board members for approval, prior to submission of the Annual Report to the Board of Supervisors. Records concerning the district are subject to public inspection in accordance with the California Public Records Act.

## I. LIST OF ASSESSED PARCELS

APN	Site Address	Site Address	Annual Assessment	Percent
0144 007	400	Broadway St	\$4,664.08	4.42%
0144 009	426-430	Broadway St	\$1,958.94	1.86%
0144 010	432-434	Broadway St	\$1,758.22	1.67%
0144 011	438-440	Broadway St	\$3,603.99	3.42%
0144 012	450-452	Broadway St	\$908.85	0.86%
0144 013	458-460	Broadway St	\$908.85	0.86%
0144 014	462-464	Broadway St	\$885.80	0.84%
0144 015	470	Broadway St	\$1,401.92	1.33%
0144 033	412	Broadway St	\$5,182.12	4.91%
0144 082	490-498	Broadway St	\$4,435.30	4.20%
0145 008	500-508	Broadway St	\$3,671.85	3.48%
0145 009	530	Broadway St	\$1,524.41	1.44%
0145 010	534-540	Broadway St	\$5,804.47	5.50%
0145 011	546-554	Broadway St	\$2,743.45	2.60%
0145 012	556-558	Broadway St	\$1,566.95	1.49%
0145 013	300-318	Columbus Ave	\$7,136.43	6.76%
0145 014	1224	Grant Ave	\$718.29	0.68%
0145 015	1226-1230	Grant Ave	\$1,630.72	1.55%
0162 001	501-513	Broadway St	\$2,599.31	2.46%
0162 002	1031-1051	Kearny St	\$5,981.69	5.67%
0162 003	222	Columbus Ave	\$4,946.49	4.69%
0162 021	228-234	Columbus Ave	\$869.15	0.82%
0162 022	270	Columbus Ave	\$1,568.44	1.49%
0162 023	535	Broadway St	\$2,732.98	2.59%
0162 024	527-529	Broadway St	\$1,277.27	1.21%
0162 025	515-525	Broadway St	\$2,606.83	2.47%
0163 001	401-407	Broadway St	\$3,274.62	3.10%
0163 002	425	Broadway St	\$3,648.81	3.46%
0163 012	592	Pacific Ave	\$1,113.49	1.06%
0163 013	1020-1028	Kearny St	\$3,550.46	3.37%
0163 019	1030	Kearny St	\$1,114.88	1.06%
0163 020	1032-1034	Kearny St	\$985.31	0.93%
0163 021	1042	Kearny St	\$991.60	0.94%
0163 022	483-493	Broadway St	\$2,671.80	2.53%
0163 023	475-479	Broadway St	\$1,007.06	0.95%
0163 026	447-461	Broadway St	\$4,744.88	4.50%
0163 028	435-443	Broadway St	\$3,673.48	3.48%
0163 029	463-473	Broadway St	\$2,013.62	1.91%
0164 014	381-389	Broadway St	\$3,624.82	3.44%
TOTAL			\$105,501.64	100.00%

# **Top of Broadway Community Benefit District**

**CITY AND COUNTY OF SAN FRANCISCO  
CALIFORNIA**

## **DISTRICT ASSESSMENT ENGINEER'S REPORT**

*Prepared by  
Edward V. Henning,  
California Registered Professional Engineer # 26549  
Edward Henning & Associates*

*April 15, 2013*

**DISTRICT ASSESSMENT ENGINEER'S REPORT**

To Whom It May Concern:

I hereby certify to the best of my professional knowledge and experience that each of the identified benefiting properties located within the proposed Top of Broadway Community Management District being established for eight and one-half (8 1/2) years will receive a special benefit over and above the benefits conferred on the public at large and that the amount of the proposed assessment is proportional to, and no greater than the benefits conferred on each respective property.

*Prepared by Edward V. Henning, California Registered Professional Engineer # 26549*



*Edward V. Henning*

RPE #26549

4-15-13

Edward V. Henning

Date

*(NOT VALID WITHOUT SIGNATURE AND CERTIFICATION SEAL HERE)*

**Introduction**

This report shall serve as the "detailed engineer's report" required by Section 4(b) of Article XIID of the California Constitution (Proposition 218) to support the special assessments proposed to be levied for an 8 1/2 year period on parcels of real property included within the proposed Top of Broadway Community Benefit District (Top of Broadway CBD) in the City and County of San Francisco, California. The discussion and analysis contained within this report supports the conclusions that both the required "nexus" and proportionality exist between the assessment amounts proposed to be levied and the special benefits that will be derived by the identified properties<sup>1</sup> included within the proposed Top of Broadway CBD.

1

The terminology "identified parcel" or "property" is used throughout this report in the same manner as "identified parcel" is used in the "Proposition 218 Omnibus Implementation Act." (See Government Code §53750(g) ("Identified parcel" means a parcel of real property that an agency has identified as having a special benefit conferred upon it and upon which a proposed assessment is to be imposed....").) The Proposition 218 Omnibus Implementation Act clarified portions of Proposition 218, which amended the California Constitution to, among other things, add Article XIID regulating assessments on real property. It provides the Engineer with the obligation to identify individual parcels

## **Background**

The Top of Broadway Community Benefit District ("Top of Broadway CBD") is a property-based special assessment district being established in San Francisco pursuant to Section 36600 *et seq.* of the California Streets and Highways Code, known as the Property and Business Improvement District Law of 1994 (the "Act"), as augmented by Article 15 of the San Francisco Business and Tax Regulations Code. To satisfy the constitutional requirements for assessments on property imposed by Proposition 218, the costs of the services, activities<sup>2</sup> and improvements<sup>3</sup> in the district to be funded by assessments are to be distributed amongst all the identified properties based on the proportional benefit each parcel is expected to derive from the services, activities, and improvements. Within the Act, Proposition 218 and the Proposition 218 Omnibus Implementation Act, frequent references are made to the relative "special benefit"<sup>4</sup> received from the services,

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within the proposed district which will specially benefit from the activities and improvements to be funded by the proposed assessments, and to ensure the assessments on property throughout the district are proportionally spread among the benefiting properties.

2

Unless the context otherwise requires, the term "activities" shall have the same meaning as set forth in Streets and Highways Code Section 36613 ("Activities' means, but is not limited to, all of the following: (a) Promotion of public events which benefit businesses or real property in the district. (b) Furnishing of music in any public place within the district. (c) Promotion of tourism within the district. (d) Marketing and economic development, including retail retention and recruitment. (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality. (f) Activities which benefit businesses and real property located in the district.").

3

Unless the context otherwise requires, the term "improvements" shall have the same meaning as set forth in Streets and Highways Code Section 36610 ("Improvement' means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following: (a) Parking facilities. (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs. (c) Trash receptacles and public restrooms. (d) Lighting and heating facilities. (e) Decorations. (f) Parks. (g) Fountains. (h) Planting areas. (i) Closing, opening, widening, or narrowing of existing streets. (j) Facilities or equipment, or both, to enhance security of persons and property within the area. (k) Ramps, sidewalks, plazas, and pedestrian malls. (l) Rehabilitation or removal of existing structures.")

4

Unless the context otherwise requires, the terms "special benefit" and "benefit" are used in the same manner and shall have the same meaning as "special benefit" is defined and used in Proposition 218. See, Article XIID, Section 2(i) of the California Constitution ("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

activities, and improvements versus the amount of the assessment levied, which incorporate the concepts of "nexus" and "proportionality" that are required to levy assessments on property within a special assessment district. "Nexus" requires that only those properties expected to derive special benefits from the services, activities, and improvements may be assessed. "Proportionality" requires that, for each assessed property, the assessment be only in an amount proportional to that parcel's share of the reasonable costs of the services, activities, and improvements expected to be conferred on that parcel, relative to all district assessments.

The method used to determine special benefits derived by each identified property within a CBD begins with the selection of a suitable and tangible basic benefit unit. For property related services, such as those proposed in the Top of Broadway CBD, the benefit unit may be measured in linear feet of primary street frontage or parcel size in square feet or building size in square feet or number of building floors or proximity to major corridors in average linear feet, or any combination of these factors. Quantity takeoffs for each parcel are then measured or otherwise ascertained. From these figures, the amount of benefit units to be assigned to each property can be calculated. Special circumstances such as unique geography, land uses, development constraints etc. are carefully reviewed relative to CBD services, activities, and improvements to be funded by the CBD in order to determine any levels of diminished benefit which may apply on a parcel-by-parcel or categorical basis.

Based on the factors described above such as geography and nature of CBD services, activities, and improvements proposed, an assessment formula is developed which is derived from a singular or composite basic benefit unit factor or factors. Within the assessment formula, different factors may be assigned different "weights" or percentage of values based on their relationship to services, activities, and improvements to be funded.

Next, all services, activities, and improvements costs, including incidental costs, District administration and ancillary costs, are estimated. It is noted, as stipulated in Proposition 218, and now required of all property based assessment Districts, indirect or general benefits may not be incorporated into the assessment formula and levied on the District properties; only direct or "special" benefits and costs may be considered. Indirect or general benefit costs, if any, must be identified and, if quantifiable, calculated and factored out of the assessment cost basis to produce a "net" cost figure. In addition, Proposition 218 no longer automatically exempts government owned property from being assessed and if special benefit is determined to be conferred upon such

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benefit."")



properties, they must be assessed in proportion to special benefits conferred in a manner similar to privately owned property assessments.

From this, the value of a basic benefit unit or “basic net unit cost” can be computed by dividing the total amount of estimated net CBD costs by the total number of benefit units. The amount of assessment for each identified parcel can be computed at this time by multiplying the Net Unit Cost times the number of Basic Benefit Units per identified parcel. This is known as “spreading the assessment” or the “assessment spread” in that all costs are allocated proportionally or “spread” amongst all identified properties within the CBD.

The method and basis of spreading CBD costs varies from one CBD to another based on local conditions, types of services, activities, and improvements proposed, and size and development complexity of the CBD.

### **Supplemental Proposition 218 Procedures and Requirements**

Proposition 218, approved by the voters of California in November of 1996 (“Prop 218”), adds a supplemental array of procedures and requirements to be carried out prior to levying a property-based assessment like the Top of Broadway CBD. These requirements are in addition to requirements imposed by State and local assessment enabling laws. These requirements were “chapters” into law as Article XIII D of the California Constitution.

Since Prop 218 provisions will affect all subsequent calculations to be made in the final assessment formula for the Top of Broadway CBD, Prop 218 requirements will be taken into account. The key provisions of Prop 218 along with a description of how the Top of Broadway CBD complies with each of these provisions are delineated below.

(Note: All section references below pertain to Article XIII of the California Constitution):

#### **Finding 1. From Section 4(a): “Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed”**

All 39 individual parcels within the proposed Top of Broadway CBD are “identified” individual parcels that will derive special benefit from the proposed District services, activities, and improvements. The benefits are special and unique only to the identified properties within the proposed District because services, activities, and improvements will only be provided directly for the identified properties. All CBD parcels are identified by assessor parcel number and shown on the Boundary Map in the Management District Plan and are listed in Attachment 1 to this Report.

The boundaries of the Top of Broadway CBD generally are described as follows:

- *Columbus Avenue* from the intersection of Grant and Fresno, running *along the east side only* of Columbus Avenue down to Pacific Avenue.
- *Kearny Street* on both sides of the street from Broadway to Pacific Avenue.
- *Broadway*, from the northeastern corner of the intersection of Columbus and Broadway running eastward on the north side of the street up to west side of Montgomery Street and then from the southeastern corner of the intersection of Columbus and Broadway on the south side running eastward on the south side up to Montgomery, but also including the property at the southeastern corner of the intersection of Montgomery and Broadway (APN 0164/014).

All parcels within the above-described boundaries shall be assessed to fund special benefit services, activities, and improvements as outlined in this report. CBD assessment funded services, activities, and improvements will only be provided to properties inside the District boundaries – none outside.

**Finding 2. From Section 4(a): “Separate general benefits from the special benefits conferred on parcel(s). Only special benefits are assessable. “**

As stipulated by Proposition 218, assessment District services, activities, and improvements confer a combination of general and special benefits to properties, but the only benefits that can be assessed to District parcels are those that provide special benefit to those District properties. For the purposes of this analysis, “Special benefit” as defined by the California State Constitution 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.” (Article XIII D, Section 2(i))

The property uses within the boundaries of the Top of Broadway CBD are a mix of office, retail, entertainment and parking. Services, activities, and improvements provided by the District are designed to provide special benefits to all parcels within the boundaries of the district. Existing City/County of San Francisco services will be enhanced or supplemented, not replaced or duplicated, by the new CBD services. In the case of the Top of Broadway CBD, the very nature of the purpose of this District is to fund supplemental services, activities, and improvements within the CBD boundaries above and beyond what is being currently funded either via normal tax supported methods or other funding sources. These services, activities, and improvements, are

designed to enhance the commercial core uses, increase tenancy and marketing of the commercial entities in the CBD and improve the aesthetic appearance of the CBD as a whole. All benefits derived from the assessments to be levied on parcels within the CBD are for services, activities, and improvements directly benefiting the property owners within this area and support increased cleanliness, commerce, business attraction and retention, and improve District identity, thereby enhancing overall economic vitality. No assessment funded services, activities, and improvements will be provided beyond the CBD boundaries. The proposed services, activities, and improvements which will provide special benefit to the properties within the CBD boundaries are described below:

**1. DISTRICT IDENTITY ACTIVITIES:**

DISTRICT IDENTITY PROPOSED SERVICES, ACTIVITIES, AND IMPROVEMENTS INCLUDE, BUT ARE NOT BE LIMITED TO:	ESTIMATED FIRST YEAR COST*
Public relations firm to promote the businesses and activities in the district (shall include coordinating print and social media, Facebook, Twitter, media relations, press releases, etc.)	\$ 20,000.00
Web site development and posting including maintenance and upgrades	\$ 8,000.00
Special events (2)	\$ 8,000.00
Signage, historical markers, banners, decorations	\$ 2,500.00
Other programs or activities determined by Board	\$ 6,500.00
Total Estimated First Year District Identity Expenses	\$ 45,000.00*

\* It is noted that the actual cost estimate of this category is \$45,423.51 but has been rounded down to the whole number of \$45,000 for budgetary purposes.

**2. SIDEWALK OPERATIONS, BEAUTIFICATION AND ORDER (SOBO):**

SIDEWALK OPERATIONS, BEAUTIFICATION, AND ORDER PROPOSES SERVICES, ACTIVITIES, AND IMPROVEMENTS INCLUDE, BUT ARE NOT BE LIMITED:	ESTIMATED FIRST YEAR COST*
Sidewalk cleaning/personnel, estimated at 20 hours per week for individual employee or contracted service, provided 52 weeks per year	\$ 18,000.00
Sidewalk cleaning/materials (brooms, trash bags, cleaners, etc.)	\$ 4,000.00
Sidewalk decorations (holidays, decorations, etc.)	\$ 8,000.00

Total Sidewalk Operations and Beautification Expenses	\$ 30,000.00*
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\* It is noted that the actual cost estimate of this category is \$30,349.41 but has been rounded down to the whole number of \$30,000 for budgetary purposes.

Examples of services, activities, and improvements for Sidewalk Operations, Beautification, and Order (SOBO) will include, but are not limited to:

- Sidewalk and gutter cleaning 20 hours per week, cleaning district at least 4 to 5 times per week (1 person working 20 hours per week at the rate of \$17.30 per hour, which is inclusive of the hourly wage, workers comp, payroll taxes and unemployment insurance, etc.)
- Taking graffiti and stickers off of street light poles, windows, etc.
- Enhanced trash emptying in the sidewalk
- Graffiti removal, within 24 hours;
- Sidewalk supplies and materials, (brooms, shovels, push cart, graffiti remover, shovel, uniforms, trash bags, cleaning supplies)
- Periodic steam cleaning; (up to twice per year);
- Trimming trees up to 10 feet from the sidewalks;
- Cleaning out tree wells.

**3. ADMINISTRATION, ORGANIZATION AND CORPORATE OPERATIONS:**

ADMINISTRATION, ORGANIZATION, AND CORPORATE OPERATIONS SERVICES, ACTIVITIES, AND IMPROVEMENTS INCLUDE, BUT ARE NOT BE LIMITED TO THE FOLLOWING:	ESTIMATED FIRST YEAR COST*
Part time staff	\$ 16,000.00
Insurance, General Liability and Directors and Officers	\$ 5,000.00
Office related, CPA, Accounting, Legal, Misc.	\$ 4,000.00
Contingency and Reserves	\$ 6,567.31
<b>Total Administration, Organization and Corporate Operations</b>	<b>\$ 31,567.31*</b>

\* It is noted that the actual cost estimate of this category is \$29,728.72 but has been adjusted upward by \$1,838.59 to \$31,567.31 based on adjustments made to the budget allocations of the two previous categories.

Services, activities, and improvements and costs for Administration, Organization and Corporate Operations to support all of the activities include, but are not limited to:

- Staff and administrative costs (Approximately \$ 20.00 per hour, for 15 hours per week has been calculated to oversee the special benefit services, activities, and improvements in this district, specifically to oversee the execution of the services, activities, and improvements within District Identify and SOBO categories. This CBD budget is not large enough to justify a half or full time administrator. It is also assumed that this person will be a contracted individual or company).
- Insurance
- Office related expenses
- Managing contractual relations with City and subcontractors
- Financial reporting
- Advocacy

Each of these services, activities, and improvements work together to create a more pleasing environment within the district that is conducive to strengthening the current and future economic vitality of this area through the attraction and retention of new business and increased commerce. The services, activities, and improvements are designed to specifically benefit properties within the CBD boundaries. The proposed CBD assessments will only be levied on properties within the CBD boundaries and assessment revenues will be spent to deliver services, activities, and improvements that provide a direct and special benefit to assessed parcels.

#### **General Versus Special Benefit Analysis**

CBD services, activities, and improvements confer a combination of general and special benefits. Services, activities, and improvements which are attributed to special benefits conferred on the identified parcels can be funded through assessments. Any portion of the costs that are considered attributable to general benefits must be computed and cannot be funded through assessment revenues. [Article XIID, Section 4, of the California Constitution]

In order to determine a projected level of general benefit applicable to the Top of Broadway CBD it is noted that in 2009, the Union Square Business Improvement District and the proposed West Portal Community Benefit District conducted surveys to determine the likelihood of individuals

passing through their boundaries without the intention of engaging in any type of commerce activity in the CBD. Of those surveyed, about 1% indicated that they do not nor do they ever have the intention of engaging in any type of commerce regardless of any future CBD services, activities, and improvements provided. Accordingly, in both districts, 1% was assigned to the general benefit value of their respective services, activities, and improvements costs.

It is the opinion of this Engineer that both, the Union Square and the West Portal business districts are similar in nature to the Top of Broadway. The Union Square business district is similar to the Top of Broadway area in that they have a similar mix of business types and the destination and pedestrian orientation of these districts. Top of Broadway is similar to the West Portal business district in size and scale. Thus, it is the opinion of this Engineer that the general benefit value for services, activities, and improvements funded by the Top of Broadway CBD should similarly be set at 1% of the total services, activities, and improvements cost of \$106,567.31, or \$1,065.67. This leaves a value of 99% attributable to special benefit related costs. Since the total services, activities, and improvements cost is estimated at \$106,567.31, the maximum special benefit portion, which can be funded through property assessments, is \$105,501.64. Remaining costs, which are attributed to general benefits, will need to be funded from other sources. (e.g. public/private matching grants, startup grants, in-kind service contributions for district formation, startup volunteer credits or ongoing board member volunteer credits).

**Finding 3. From Section 4(a): “(Determine) the proportionate special benefit derived by each parcel in relationship to the entirety of the.....cost of public improvement(s) or the maintenance and operation expenses.....or the cost of the property related service being provided.**

Each identified parcel within the district will be assessed based on property and development characteristics unique only to that parcel. The calculated assessment rates are applied to the actual measured parameters of each parcel and thereby are proportional to each and every other identified parcel within the district. Larger parcels and buildings are expected to impact the demand for services, activities, and improvements to a greater extent than smaller ones and thus are assigned a higher proportionate degree of assessment services, activities, and improvements costs. The proportionality is further achieved by setting targeted formula component weights for the respective parcel by parcel identified land and building attributes.

The proportionate special benefit cost for each parcel has been calculated based on optimum proportionate formula components and are each listed on Attachment 1 to this Report. The individual percentages (i.e. proportionate relationship to the total special benefit related services,

activities, and improvements costs) are computed by dividing the individual parcel assessment by the total special benefit costs.

**Finding 4. From Section 4(a): “No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”**

Not only are the proposed services, activities, and improvements costs reasonable due to the benefit of group purchasing and contracting which would be possible through the Top of Broadway CBD, they are also considerably less than other options considered by the Top of Broadway CBD proponent group. The actual assessment rate for each parcel within the CBD directly relates to the level of service to be provided based on the respective amount of gross 1<sup>st</sup> floor building area, parcel size and street frontage of each parcel.

**Finding 5. From Section 4(a): “Parcels.....that are owned or used by any (public) agency shall not be exempt from assessment.....”**

Any publicly owned parcels within the CBD would also receive benefits commensurate with the assessments paid into the Top of Broadway CBD. There is no compelling evidence that publicly owned parcels do not benefit equally to privately owned parcels and, thus, would be assessed in the same manner and rates as private parcels in the CBD.

**Finding 6. From Section 4(b): “All assessments must be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California”.**

This report serves as the “detailed engineer’s report” to support the special benefit property assessments proposed to be levied within the Top of Broadway CBD.

**Finding 7. From Section 4(c): “The amount of the proposed assessment for each parcel shall be calculated (along with) the total amount thereof chargeable to the entire district, the duration of such payments, the reason for such assessment and the basis upon which the amount of the proposed assessment was calculated.”**

The individual and total parcel assessments attributable to special property benefits are listed on Attachment 1 to this Report. Assessments will be collected for an 8 year period, and can be spent within an eight and one-half (8 ½) year service delivery time period; the District will exist for eight and one-half (8) years and may be renewed again at that time. The reasons for the proposed

assessments are outlined in Finding 2 above as well as in the Management District Plan. The calculation basis of the proposed assessment is attributed to gross 1<sup>st</sup> floor building area, parcel size and street frontage. There is one Benefit Zone identified.

### Assessment Formula Methodology

#### **Step 1. Select "Basic Benefit Unit(s)"**

CBD assessment formulas typically are based on street frontage, parcel size, building size and/or location, all of which relate to the amount of special benefit conferred on a particular parcel and the proportionate assessment to be paid. The formula may base assessments on a single factor or a combination of these factors.

Based on the specific needs and corresponding nature of the services, activities, and improvements to be funded by the Top of Broadway CBD, it is the opinion of this Assessment Engineer that the assessment factors on which to base assessment rates relate directly to the proportionate amount of street frontage, 1<sup>st</sup> floor building area and land area.

For commercial uses, the interactive application of street frontage, 1<sup>st</sup> floor building area and land area quantities are a proven method of fairly and equitably spreading special benefit costs to these primary beneficiaries of CBD funded services, activities, and improvements. Each of these factors directly relates to the degree of benefit each parcel will receive from CBD funded services, activities, and improvements.

Street frontage is a direct measure of the static utilization of each parcel and its corresponding impact or draw on CBD funded services, activities, and improvements such as SOBO. In the opinion of this Assessment Engineer, the targeted weight of this factor, street frontage, should generate approximately 28% of the total CBD revenues. The actual assessment revenue projection of this formula element is \$30,349.41 of which \$29,352.20 will be allocated to SOBO and the balance of \$647.80 to administration, organization and corporate operations.

1<sup>st</sup> floor building area (gross) is a direct measure of the static utilization of each parcel and its corresponding impact or draw on CBD funded services, activities, and improvements such as district identity. In the opinion of this Assessment Engineer, the targeted weight of this factor, gross 1<sup>st</sup> floor building area, should generate approximately 43% of the total CBD revenues. The actual assessment revenue projection of this formula element is \$45,423.51 of which \$44,128.91 will be allocated to district identity and the balance of \$871.09 to administration, organization and



corporate operations.

Land area is a direct measure of the current and future development capacity of each parcel and, again, its corresponding impact or draw on CBD funded services, activities, and improvements such as administration, organization and corporate operations. In the opinion of this Assessment Engineer, the targeted weight of this factor, land area, should generate approximately 28% of the total CBD revenue. The actual assessment revenue projection of this formula element is \$29,728.72, which will all be allocated to administration, organization and corporate operations. In addition, \$1,518.89 will be allocated to administration, organization and corporate operations from adjustments made to previous budget elements and non-assessment funding, for a total allocation of \$31,567.31.

It is the finding of this Engineer that there are no land uses or ownership types within the CBD that will either not benefit or receive diminished benefit from CBD funded services, activities, and improvements and thus all parcels will be assessed at the same rates and in the same manner.

The “Basic Benefit Units” will be expressed as a combined function of street frontage (Benefit Unit “A”), gross 1<sup>st</sup> floor building square footage (Benefit Unit “B”), and parcel size (Benefit Unit “C”). Based on the shape of the Top of Broadway CBD, as well as the nature of the District service, activities, and improvements, it is determined that all properties will gain a direct and proportionate degree of special benefit based on the respective amount of street frontage, gross 1<sup>st</sup> floor building area and land area within a single benefit zone.

### **Step 2. Quantify Total Basic Benefit Units**

Taking into account all identified benefiting properties and their respective assessable benefit units; there are 39 identified parcels within the CBD, 3,211 Benefit Units A, 141,273 Benefit Units B, and 165,591 Benefit Units C.

### **Step 3. Calculate Benefit Units for Each Property.**

The number of Benefit Units for each identified benefiting parcel within the Top of Broadway CBD was computed from data extracted from City and County of San Francisco Assessor records and maps. These data sources delineate current land uses, property areas and dimensions of record for each tax parcel. While it is understood that this data does not represent legal field survey measurements or detailed title search of recorded land subdivision maps or building records, it does provide an acceptable basis for the purpose of calculating property based assessments. All respective property data being used for assessment computations will be provided to each property owner in the CBD for their review. All known or reported discrepancies, errors or misinformation

will be corrected.

**Step 4. Determine Assessment Formula**

Based on the nature of the services, activities, and improvements to be funded as well as other rationale outlined in Step 1 above, it has been determined that the Top of Broadway CBD assessments will be based on the amount of street frontage, gross 1<sup>st</sup> floor building area and land area of each parcel within a single benefit zone.

**Assessment Formula Unit Costs:**

Street Frontage Rate (Benefit Unit "A") =  $\$30,349.41/3,211 \text{ LF} = \$9.4517/\text{LF}$

1<sup>st</sup> Floor Bldg Area Rate = (Benefit Unit "B") =  $\$45,423.51/141,273 \text{ sq ft} = \$0.32153/\text{sq ft}$

Land Area Rate = (Benefit Unit "C") =  $\$29,728.72/165,591 \text{ sq ft} = \$0.17953/\text{SF}$

**Assessment Formula** = Street Frontage x Street Frontage Rate, plus  
1<sup>st</sup> floor Bldg Area x Bldg Area Rate, plus  
Land Area x Land Area Rate

**Step 5. Estimate Total District Costs**

The total projected District revenues/expenditures for Year 1 of the CBD are as follow:

**Anticipated Revenue**

\$ 105,501.64 = CBD assessments

\$ 1,065.67 = minimum "other" funding sources/credits to offset 1% general benefit requirement

\$ 106,567.31 = total projected District revenues/expenditures for Year 1

The Year 1 projected expenses budget allocation is as follows:

Services, Activities, and Improvements	<u>Year 1</u>
Street Operations and Beautification	\$30,000.00
District Identity	\$45,000.00
Admin	\$25,000.00
Contingency and Reserves	\$ 6,567.31
<b>TOTAL</b>	<b>\$106,567.31</b>

**Step 6. Separate General Benefits from Special Benefits and Related Costs (Prop 218)**

All benefits derived from the assessments outlined in the Management District Plan are for supplemental services, activities, and improvements directly benefiting the properties within this CBD. All assessment funded services, activities, and improvements are provided solely to properties within the Top of Broadway CBD. All assessment funded services, activities, and improvements will be delivered only within the boundaries and designed only for the direct special benefit of the assessed properties in the CBD. No assessment funded services, activities, and improvements will be provided to non-assessed parcels outside the CBD boundaries.

Total Year 1 services, activities, and improvements costs are estimated at \$ 106,567.31. General benefits are factored at 1% of total (see Finding 2 in this report) with special benefits set at 99%. Proposition 218 limits the levy of property assessments to costs attributed to special benefits only. The 1% general benefit cost is computed to be \$1,065.67 with a resultant 99% special benefit limit computed at \$105,501.64. *This is the maximum amount of revenue that can be derived from property assessments from the subject district in the first year.* This maximum may increase on an annual basis in subsequent years (years 2 through 8) to adjust for inflation by 3% as described in the Management District Plan. The total amount of revenue proposed to be derived from district assessments is \$105,501.64 for Year 1, which does not exceed the special benefit limit of \$105,501.64. Therefore, no Proposition 218 adjustments need to be made to the proposed assessment formula. Remaining costs, which are attributed to general benefits, will need to be funded from other sources (e.g. public/private matching grants, startup grants, in-kind service contributions for district formation, or startup formation costs or volunteer credits).

**Step 7. Calculate “Basic Unit Cost”**

With a Year 1 assessment revenue of \$105,501.64 (special benefit only), the Basic Unit Costs are shown above in Step 4. Since the CBD is being established for an eight and one-half year term, maximum assessments for future years (Years 2 through 8) must be set at the inception of the CBD. An annual flat inflationary rate increase of up to 3% may be imposed for Years 2-8, based upon the San Francisco-Oakland-San Jose Area Consumer Price Index (CPI) for all urban consumers. Therefore the maximum annual rates may not increase more than 3% of the previous year’s rates. The maximum annual assessment revenue for Years 1-8 is shown below:

<b>YEAR</b>	<b>Fiscal Year</b>	<b>Max Annual Assessment</b>
1	FY 2013-14	\$105,501.64
2	FY 2014-15	\$108,666.69
3	FY 2015-16	\$111,926.69
4	FY 2016-17	\$115,284.49
5	FY 2017-18	\$118,743.03
6	FY 2018-19	\$122,305.32
7	FY 2019-20	\$125,974.48
8	FY 2020-21	\$129,753.71

The maximum annual assessment rates for Years 1-8 are shown below:

<b>YEAR</b>	<b>Fiscal Year</b>	<b>Max Street Frontage Rate</b>	<b>Max Bldg Area Rate</b>	<b>Max Land Area Rate</b>
1	FY 2013-14	\$9.45170000	\$0.32153000	\$0.17953106
2	FY 2014-15	\$9.73525100	\$0.33117590	\$0.18491699
3	FY 2015-16	\$10.02730853	\$0.34111118	\$0.19046450
4	FY 2016-17	\$10.32812779	\$0.35134451	\$0.19617844
5	FY 2017-18	\$10.63797162	\$0.36188485	\$0.20206379
6	FY 2018-19	\$10.95711077	\$0.37274139	\$0.20812570
7	FY 2019-20	\$11.28582409	\$0.38392363	\$0.21436947
8	FY 2020-21	\$11.62439881	\$0.39544134	\$0.22080056

**Step 8. Spread the Assessments**

The resultant assessment spread calculation results for each parcel within the CBD are shown in Attachment 1 attached hereto and were determined by applying the District assessment formula to each identified benefitting property.

ATTACHMENT 1

**Top of Broadway CBD Year 1 Assessments**

APN	Site Address	Site Address	Annual Assessment	Percent
0144 007	400	Broadway St	\$4,664.08	4.42%
0144 009	426-430	Broadway St	\$1,958.94	1.86%
0144 010	432-434	Broadway St	\$1,758.22	1.67%
0144 011	438-440	Broadway St	\$3,603.99	3.42%
0144 012	450-452	Broadway St	\$908.85	0.86%
0144 013	458-460	Broadway St	\$908.85	0.86%
0144 014	462-464	Broadway St	\$885.80	0.84%
0144 015	470	Broadway St	\$1,401.92	1.33%
0144 033	412	Broadway St	\$5,182.12	4.91%
0144 082	490-498	Broadway St	\$4,435.30	4.20%
0145 008	500-508	Broadway St	\$3,671.85	3.48%
0145 009	530	Broadway St	\$1,524.41	1.44%
0145 010	534-540	Broadway St	\$5,804.47	5.50%
0145 011	546-554	Broadway St	\$2,743.45	2.60%
0145 012	556-558	Broadway St	\$1,566.95	1.49%
0145 013	300-318	Columbus Ave	\$7,136.43	6.76%
0145 014	1224	Grant Ave	\$718.30	0.68%
0145 015	1226-1230	Grant Ave	\$1,630.72	1.55%
0162 001	501-513	Broadway St	\$2,599.31	2.46%
0162 002	1031-1051	Kearny St	\$5,981.69	5.67%
0162 003	222	Columbus Ave	\$4,946.49	4.69%
0162 021	228-234	Columbus Ave	\$869.15	0.82%
0162 022	270	Columbus Ave	\$1,568.44	1.49%
0162 023	535	Broadway St	\$2,732.98	2.59%
0162 024	527-529	Broadway St	\$1,277.27	1.21%
0162 025	515-525	Broadway St	\$2,606.83	2.47%
0163 001	401-407	Broadway St	\$3,274.62	3.10%
0163 002	425	Broadway St	\$3,648.81	3.46%
0163 012	592	Pacific Ave	\$1,113.49	1.06%
0163 013	1020-1028	Kearny St	\$3,550.46	3.37%
0163 019	1030	Kearny St	\$1,114.88	1.06%
0163 020	1032-1034	Kearny St	\$985.31	0.93%
0163 021	1042	Kearny St	\$991.60	0.94%
0163 022	483-493	Broadway St	\$2,671.80	2.53%
0163 023	475-479	Broadway St	\$1,007.06	0.95%
0163 026	447-461	Broadway St	\$4,744.88	4.50%
0163 028	435-443	Broadway St	\$3,673.48	3.48%
0163 029	463-473	Broadway St	\$2,013.62	1.91%
0164 014	381-389	Broadway St	\$3,624.82	3.44%
TOTAL			\$105,501.64	100.00%

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp  
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.  
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [ ] inquires"
- 5. City Attorney request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on [ ]

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission       Youth Commission       Ethics Commission
- Planning Commission       Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative**

**Sponsor(s):**

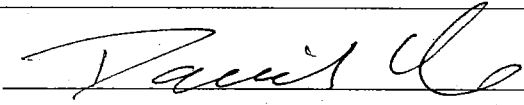
Supervisor Chiu

**Subject:**

Resolution of Intention to form the Top of Broadway Community Benefit District

**The text is listed below or attached:**

[Empty box for text listing]

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: