

File No. 170565

Committee Item No. 6

Board Item No. //

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: May 17, 2017

Board of Supervisors Meeting:

Date: May 23, 2017

#### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
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- Application
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#### OTHER

- Management District Plan - April 2017
- Engineer's Report - April 2017
- District Petitions and OEWD Letter - May 9, 2017
- Form of Ballot, Draft Notice, and Procedures
- \_\_\_\_\_

Prepared by: John Carroll

Date: May 12, 2017

Prepared by: \_\_\_\_\_

Date: May 18, 2017

1 [Resolution of Intention - Japantown Community Benefit District]

2  
3 **Resolution declaring the intention of the Board of Supervisors to establish a property-**  
4 **based business improvement district (community benefit district) known as the**  
5 **“Japantown Community Benefit District” and levy a multi-year assessment on all**  
6 **parcels in the district; approving the management district plan and engineer’s report**  
7 **and proposed boundaries map for the district; ordering and setting a time and place for**  
8 **a public hearing of the Board of Supervisors, sitting as a Committee of the Whole on**  
9 **July 25, 2017, at 3:00 p.m.; approving the form of the Notice of Public Hearing and**  
10 **Assessment Ballot Proceeding, and Assessment Ballot; directing environmental**  
11 **findings; and directing the Clerk of the Board of Supervisors to give notice of the**  
12 **public hearing and balloting as required by law.**

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

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

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

25

1           WHEREAS, The 1994 Act and Article 15 authorize the City to levy and collect  
2 assessments on real property within such districts for the purpose of providing improvements  
3 and promoting activities and property-related services that specially benefit parcels of real  
4 property located within such districts; and

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

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

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

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

21           WHEREAS, A Management District Plan entitled "Japantown Community Benefit  
22 District Management Plan" ("Management District Plan") containing information about the  
23 proposed district and assessments required by Section 36622 of the 1994 Act—including but  
24 not limited to a map showing all parcels located in the district, a description of the boundaries  
25 of the district, the name of the district, the amount of the proposed assessment for each

1 parcel, the total annual amount chargeable to the entire district, the duration of the payments,  
2 the property-related services, activities, and improvements to be funded by the assessments  
3 for each year and the maximum cost thereof, the method and basis upon which the  
4 assessments are calculated in sufficient detail to allow each property owner to calculate the  
5 amount of the assessment to be levied against his or her property, a statement that no bonds  
6 will be issued, the time and manner of collecting the assessments, and a list of the properties  
7 to be assessed (including assessor parcel numbers)—is on file with the Clerk of the Board of  
8 Supervisors in File No. 170565, which is hereby declared to be a part of this Resolution as if  
9 set forth fully herein; and

10 WHEREAS, A detailed engineer's report supporting the assessments within the  
11 proposed district, prepared by Thomas E. Lowell, California Registered Professional Engineer  
12 No. 13398, and entitled "Japantown Community Benefit District Engineer's Report"  
13 ("Engineer's Report") is on file with the Clerk of the Board of Supervisors in File No. 170565,  
14 which is hereby declared to be a part of this Resolution as if set forth fully herein; and

15 WHEREAS, A Proposed Boundaries Map, submitted pursuant to California Streets and  
16 Highways Code Section 3110, is on file with the Clerk of the Board of Supervisors in File  
17 No. 170565, which is hereby declared to be a part of this Resolution as if set forth fully herein;  
18 now, therefore, be it

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

20 Section 1. Pursuant to Section 36621(a) of the 1994 Act and Article 15, the Board of  
21 Supervisors declares its intention to establish the property and business improvement district  
22 known as the "Japantown Community Benefit District" ("District") for a period of ten and one  
23 half (10 1/2) years, and to levy and collect assessments against all parcels of real property in  
24 the District for 10 of those years, commencing with fiscal year ("FY") 2017-2018, subject to  
25 approval by a majority of the property owners in the District who cast assessment ballots,

1 which ballots shall be weighted according to the proportional financial obligations of the  
2 affected properties. No bonds will be issued. District operations are expected to commence  
3 on or about January 1, 2018, following collection of the assessments for FY2017-2018 and  
4 disbursement of the assessment proceeds to the nonprofit owners' association that will  
5 administer the property-related services, activities and improvements in the District pursuant  
6 to Section 36651 of the 1994 Act and a written agreement with the City.

7 Section 2. Nonpayment of assessments will have the same lien priority and delinquent  
8 payment penalties and be subject to the same enforcement procedures and remedies as the  
9 ad valorem property tax. All delinquent payment of assessments will be subject to interest  
10 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and  
11 penalties and collection of assessments pursuant to the 1994 Act, Article 15 and the San  
12 Francisco Business and Tax Regulation Code Article 6, as each may be amended from time  
13 to time.

14 Section 3. The Board of Supervisors hereby approves the Management District Plan  
15 and Engineer's Report, including the estimates of the costs of the property-related services,  
16 activities, and improvements set forth in the plan, and the assessment of said costs on the  
17 properties that will specially benefit from such services, activities, and improvements. The  
18 Clerk of the Board shall make the Management District Plan, Engineer's Report and other  
19 documents related to the District and included in the record before the Board of Supervisors  
20 available to the public for review during normal business hours, Monday through Friday 8:00  
21 a.m. through 5:00 p.m., excluding legal holidays.

22 Section 4. The Board of Supervisors hereby approves the Proposed Boundaries Map  
23 showing the boundaries of the District. The proposed District contains approximately 67  
24 identified parcels located on approximately 7 whole or partial blocks.

25 Specifically, the exterior District boundaries are:

- 1 • All parcels in the blocks bounded by Geary Boulevard, Fillmore Street, Post Street  
2 and Laguna Street.
- 3 • Parcels on the north side of Post Street between Laguna Street and halfway to  
4 Webster Street, APN 0685-012. APNs 0685-(052-101) are not included in the CBD  
5 boundary as they constitute a residential condominium project and will not specially  
6 benefit from any of the CBD activities.
- 7 • Parcels on the east and west side of Buchanan Street between Post Street and  
8 halfway to Bush Street. Parcels in the interior block of  
9 Buchanan/Sutter/Laguna/Post (APNs 0686-031,039,042,044,054,056,058,059) are  
10 included in the boundary as they are a contiguous use and under same ownership  
11 as APN 0686-038.
- 12 • The parcels north of APNs 0676-(72,73) and 0675-051 on Buchanan Street are  
13 residential parcels that will not specially benefit from any of the CBD activities, so  
14 therefore, are not included in the CBD boundary.

15 Reference should be made to the detailed maps and the lists of parcels identified by  
16 Assessor Parcel Number that are contained in the Management District Plan, in order to  
17 determine which specific parcels are included in the Japantown Community Benefit District.

18 Section 5. A public hearing on the establishment of the District, and the levy and  
19 collection of assessments starting with fiscal year 2017-2018 and continuing through fiscal  
20 year 2026-20227 shall be conducted before the Board of Supervisors sitting as a Committee  
21 of the Whole on July 25, 2017 at 3:00 p.m., or as soon thereafter as the matter may be heard  
22 in the Board's Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place,  
23 San Francisco, California, 94102. At this public hearing, the Board of Supervisors will hear  
24 public testimony regarding the proposed formation of the District, assessments, and  
25 boundaries of the District, including testimony from all interested persons for or against

1 establishment of the District, the extent of the District, the levy of the assessments, the  
2 furnishing of specific types of property-related services, improvements and activities, and  
3 other matters related to the District. The Board of Supervisors may waive any irregularity in  
4 the form or content of any written protest, and at the public hearing may correct minor defects  
5 in the proceedings. All protests submitted by affected property owners and received prior to  
6 the conclusion of the public testimony portion of the public hearing shall be tabulated to  
7 determine whether a majority protest exists.

8 Section 6. The Board of Supervisors hereby approves the form of the Notice of Public  
9 Hearing and Assessment Ballot Proceeding, and Assessment Ballot, which are on file with the  
10 Clerk of the Board of Supervisors in File No. 170565 and are hereby declared to be a part of  
11 this Resolution as if set forth fully herein.

12 Section 7. The proposed property-related services, improvements and activities for the  
13 District include Public Safety, Cleaning and Maintenance, Parks and Greenspace,  
14 Communication and Development, and Management.

15 **Environmental Enhancements.** Environmental enhancements includes, but is not  
16 limited to, sidewalk sweeping, graffiti removal, pressure washing of sidewalks, safety patrols  
17 of the district, business and visitor contacts, outreach with street populations, weed removal,  
18 landscaping, seasonal holiday decorations, wayfinding and directional signage, temporary and  
19 permanent public art installations, and capital improvements.

20 **Economic Enhancements.** Economic enhancements includes, but is not limited to,  
21 marketing of the District, business attraction, District branding, District communications, and  
22 business technical assistance.

23 **District Coordinator, Administration, and Reserve.** District coordinator,  
24 administration, and reserve includes, but is not limited to a staff that will oversee the  
25 administration of the District and the management of office expenses including accounting,

1 rent, utilities, office supplies, insurance, legal, and other professional services related to  
2 District activities.

3 Section 8. Within the area encompassed by the proposed District, the City currently  
4 provides a baseline level of services in the areas encompassed by the District. It is the intent  
5 of the Board of Supervisors to continue to provide the area encompassed by the District with a  
6 baseline level of services; formation of the District will supplement the services in the areas  
7 encompassed by the District and will not affect the City's policy to continue to provide a  
8 baseline level of service to the areas encompassed by the District.

9 Section 9. The annual total assessments proposed to be levied and collected for the  
10 first year of the District (FY2017-2018) is estimated to be \$393,750.00. The amount of the  
11 total annual assessments to be levied and collected for years two through ten (FYs 2018-2019  
12 through 2026-2027) shall be determined by the methodology set forth in the Engineer's  
13 Report and Management Plan, and may be increased from one year to the next by a  
14 percentage that does not exceed either the change in the Consumer Price Index for All Urban  
15 Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical  
16 Area (the "CPI"), or three percent (3%), whichever is less.

17 Section 10. Environmental Findings. Following the approval of this Resolution, the  
18 Planning Department shall determine whether the actions contemplated in this Resolution are  
19 in compliance with the California Environmental Quality Act (California Public Resources  
20 Code Sections 21000 et seq.), and respond in writing to the Clerk of the Board of Supervisors  
21 prior to the Board's public hearing on the establishment of the District on July 25, 2017,  
22 at 3:00 p.m.

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

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Japantown  
Community Benefit District

Management District Plan



City and County of San Francisco, California

April 2017

Prepared by  
Kristin Lowell, Inc.

*Prepared pursuant to the State of California  
Property and Business Improvement District Law of 1994  
as amended and augmented by Article 15 of the San Francisco Business and  
Tax Regulations Code and Article XIID of the California Constitution  
to create a property-based business improvement district*

**JAPANTOWN  
Community Benefit District  
Management District Plan**

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## SECTION 1: EXECUTIVE SUMMARY

Developed by a coalition of property and business owners, the Japantown Community Benefit District (“JTCBD”) is a proposed assessment district designed to improve and convey special benefits to properties within the central business district of Japantown. The JTCBD is being established pursuant to the state law; the “Property and Business Improvement District Law of 1994”, as amended and augmented by Article 15 of the San Francisco Business and Tax Regulations Code.

To guide the JTCBD for the next ten years, a JTCBD steering committee and the Japantown Task Force (JTF) have developed a JTCBD Management Plan that responds to today’s market opportunities and district challenges. The District will provide new improvements and activities, including both environmental and economic enhancements. Each of the activities is designed to meet the goals of the District; to improve the appearance and safety of the District, to increase building occupancy and lease rates, to encourage new business development and attract ancillary businesses and services. As described in the Management District Plan, it is proposed that the JTCBD will provide funding for enhanced maintenance, safety, beautification and marketing programs, above and beyond those provided by the City of San Francisco.

### **Summary Management Plan**

Pursuant to California Streets and Highways Code, the “Property and Business Improvement District Law of 1994 as amended”, the JTCBD is being formed for a ten-year term. Upon receipt of petitions signed by property owners representing at least 30% of the District budget, the City of San Francisco will initiate a ballot procedure to officially establish the JTCBD.

<b>Location</b>	The District encompasses approximately 7 whole and partial blocks in the commercial core of Japantown.
<b>Services and Activities</b>	<p>The JTCBD will finance activities and improvements that will improve Japantown’s environment for property owners, residents, workers and visitors, which may include:</p> <p><b><u>Environment:</u></b></p> <ul style="list-style-type: none"> <li>- Maintenance Teams that sweep, scrub and pressure wash sidewalks and public spaces, remove litter, trash and graffiti, and provide/maintain landscaping throughout the District.</li> <li>- Safety Ambassadors that provide information on activities and attractions, work with local police, business and property owners to prevent crime and reduce homelessness and improve quality of life issues.</li> <li>- Beautification improvements that make Japantown more visually attractive, which may include: green spaces, wayfinding signage, trash cans, holiday décor, enhanced streetscape, etc.</li> </ul> <p><b><u>Economic:</u></b></p> <ul style="list-style-type: none"> <li>- Business Liaison services to connect the business community with available resources and build a stronger economic climate.</li> <li>- Economic and business development activities to support the growth and vitality of existing business investments, and enhance the image of Japantown as a destination for consumer and investment</li> </ul>

	<p>opportunities.</p> <ul style="list-style-type: none"> <li>- Marketing to promote a positive image of Japantown as a regional destination, and services aimed at attracting a cultural consumer base, quality commercial, retail and office tenants, and private investment.</li> </ul> <p><b>Administration/Reserve:</b> A full time professional district coordinator will manage all initiatives, maintain ongoing communications with the JTCBD Advisory Committee and district property owners and provide leadership through research and community education to represent the community with one clear voice. Funds are also budgeted for administrative support for the district and a budget reserve.</p>																														
<b>Budget</b>	<table border="1"> <thead> <tr> <th>EXPENDITURES</th> <th>BUDGET</th> <th>% of Budget</th> </tr> </thead> <tbody> <tr> <td>Environmental Enhancements</td> <td>\$125,000</td> <td>31.25%</td> </tr> <tr> <td>Economic Enhancements</td> <td>\$195,000</td> <td>48.75%</td> </tr> <tr> <td>Advocacy/Administration</td> <td>\$70,000</td> <td>17.50%</td> </tr> <tr> <td>CBD Reserve</td> <td>\$10,000</td> <td>2.50%</td> </tr> <tr> <td><b>Total Expenditures</b></td> <td><b>\$400,000</b></td> <td><b>100.00%</b></td> </tr> <tr> <th>REVENUES</th> <td></td> <td></td> </tr> <tr> <td>Assessment Revenues</td> <td>\$393,750</td> <td>98.44%</td> </tr> <tr> <td>Other Revenues</td> <td>\$6,250</td> <td>1.56%</td> </tr> <tr> <td><b>Total Assessment District Revenues</b></td> <td><b>\$400,000</b></td> <td><b>100.00%</b></td> </tr> </tbody> </table>	EXPENDITURES	BUDGET	% of Budget	Environmental Enhancements	\$125,000	31.25%	Economic Enhancements	\$195,000	48.75%	Advocacy/Administration	\$70,000	17.50%	CBD Reserve	\$10,000	2.50%	<b>Total Expenditures</b>	<b>\$400,000</b>	<b>100.00%</b>	REVENUES			Assessment Revenues	\$393,750	98.44%	Other Revenues	\$6,250	1.56%	<b>Total Assessment District Revenues</b>	<b>\$400,000</b>	<b>100.00%</b>
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<b>Method of Financing</b>	Levy of assessments upon real property that benefit from improvements and activities.																														
<b>Assessments</b>	<p>Annual assessments are based upon an allocation of program costs and a calculation of lot square footage, building square footage plus linear street frontage as well as land use type. Estimated annual maximum assessment rates for the first year of the district follow:</p> <table border="1"> <thead> <tr> <th>Assessment Rates</th> <th>Per Sq.Ft. of Lot + Building</th> <th>Per Linear Foot</th> </tr> </thead> <tbody> <tr> <td>All Parcels, except Non-Profit Parcels</td> <td>\$0.1477</td> <td>\$38.0166</td> </tr> <tr> <td>Non-Profit Parcels</td> <td>\$0.0739</td> <td>\$19.0083</td> </tr> </tbody> </table>	Assessment Rates	Per Sq.Ft. of Lot + Building	Per Linear Foot	All Parcels, except Non-Profit Parcels	\$0.1477	\$38.0166	Non-Profit Parcels	\$0.0739	\$19.0083																					
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<b>CPI Increase</b>	Annual assessment rates may increase due to changes to the consumer price index (CPI), up to 3% each year. Assessments may also increase based on development in the District. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Owners' Association of the JTCBD.																														
<b>City Services</b>	The City of San Francisco has established and documented the base level of pre-existing City services. The JTCBD will not replace any pre-existing general City services.																														

<b>Collection</b>	JTCBD assessments appear as a separate line item on the annual San Francisco County property tax bills.
<b>District Governance</b>	The JTCBD may contract with a non-profit organization to provide the day-to-day operations and carry out the services as provided for in this Management District Plan.
<b>District Continuation</b>	California law for JTCBD district formation requires the submission of petitions signed by property owners in the proposed district who will pay at least 30% of the total assessments (i.e. petitions must represent more than 30% of the \$400,000 to be assessed). Petitions are submitted to the San Francisco Board of Supervisors, and the City will mail ballots to all affected property owners. The majority of ballots returned, as weighted by assessments to be paid, must be in favor of the JTCBD in order for the Board of Supervisors to consider approval.
<b>Duration</b>	The district will have a 10-year life beginning January 1, 2018.

## SECTION 2: JTCBD BOUNDARY

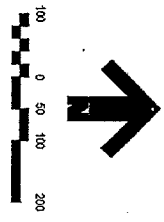
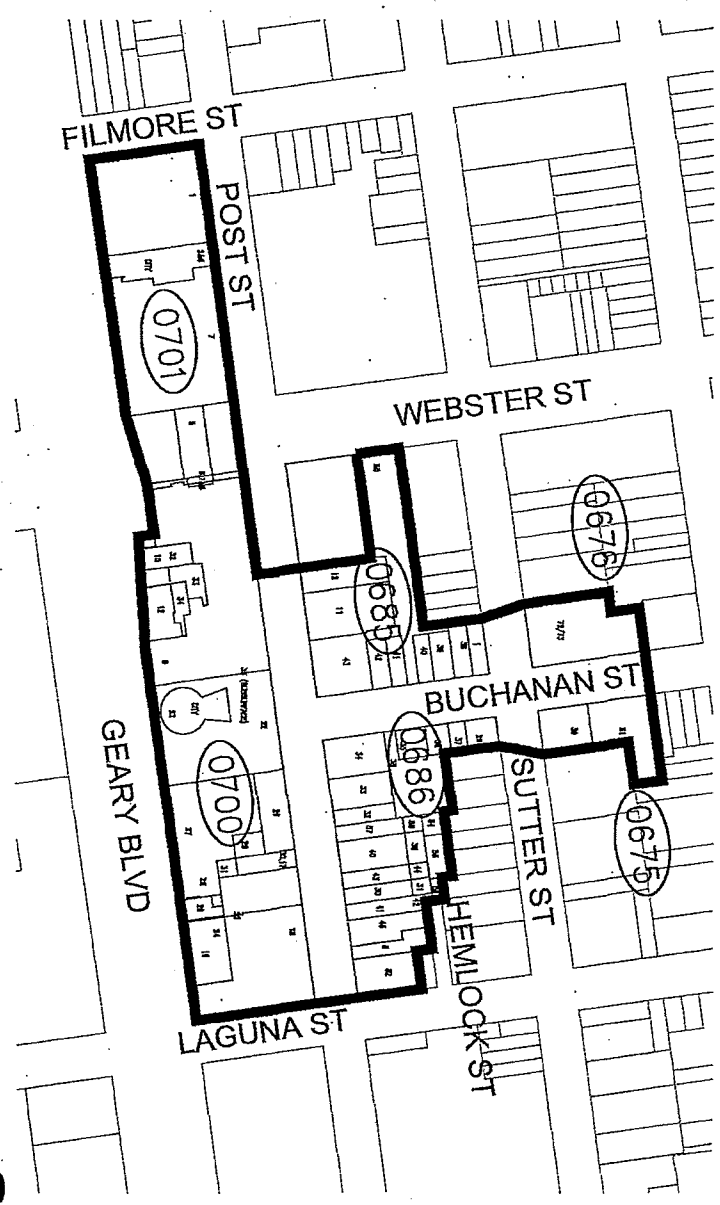
### ***JTCBD Boundary***

The District encompasses approximately 7 whole and partial blocks in the commercial core of Japantown. It encompasses the commercial properties surrounding the Buchanan Mall and Peace Plaza.

Specifically, the district boundary is as follows:

- All parcels in the blocks bounded by Geary Boulevard, Fillmore Street, Post Street and Laguna Street.
- Parcels on the north side of Post Street between Laguna Street and halfway to Webster Street, APN 0685-012. APNs 0685-(052-101) are not included in the CBD boundary as it is a residential condo project and will not receive or benefit from any of the CBD activities.
- Parcels on the east and west side of Buchanan Street between Post Street and halfway to Bush Street. Parcels in the interior block of Buchanan/Sutter/Laguna/Post (APNs 0686-031,039,042,044,054,056,058,059) are included in the boundary as they are a contiguous use and under same ownership as APN 0686-038.
- The parcels north of APNs 0676-(72,73) and 0675-051 on Buchanan Street are residential parcels that will not receive or benefit from any of the CBD activities, so therefore, are not included in the CBD boundary.

The JTCBD boundary is illustrated by the map on the following page.



PROPOSED BOUNDARIES OF  
JAPANTOWN COMMUNITY BENEFIT DISTRICT,  
CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA  
SHEET 1 OF 1

LEGEND

	CBD Boundary
	District Parcel
	Block Number
	Lot Number

KRISTIN LOWELL INC.  
PUBLIC FINANCE SOLUTIONS



## SECTION 3: JTCBD ACTIVITY AND IMPROVEMENT PLAN

### ***Background and Feasibility***

In the spring of 2016, the Japantown Task Force and interested parties initiated a survey campaign to determine property owner interest in forming a Community Benefit District that would levy assessments to fund enhanced services such as supplemental maintenance teams, ambassadors, marketing, capital improvements, district identity, etc. The survey was part of a fact-finding process to determine the feasibility of forming such a CBD for Japantown. In order for the CBD formation process to continue, the City required that at least 25% of the property owners submit a survey, of which at least 50% needed to express interest in moving forward with the CBD. There were 68 surveys mailed out with 36 responses, or 53%. Of those 36 responses 84% indicated they were willing to move forward with developing a CBD Management District Plan.

The key findings of the survey were that the majority of the respondents rated maintenance and safety (92% and 83% respectively) as the two top service categories they would be willing to pay for through an assessment. The next two service categories in importance were capital improvements and marketing and economic development.

Based upon these findings, the following service and activity categories are proposed to be funded by the JTCBD. The following narrative provides recommendations for the JTCBD's first year of operation. District activities may be modified in subsequent years within the following general categories. Final activities and budgets will be subject to the review and approval of the JTCBD Owners' Association which is then presented annually to the Board of Supervisors.

### ***Environmental Enhancements***

To respond to stakeholder priorities and guiding principles to make Japantown more welcoming, clean, safe and beautiful, the JTCBD may fund safety ambassadors and a clean team. JTCBD Environmental Enhancements activities and improvements are intended to improve commerce and the quality of life by making each individual assessed parcel safer, cleaner and more attractive which will encourage investment dollars and generate additional pedestrian traffic. The following is a description of the activities that are anticipated in the District.

#### **Safety Ambassadors**

The Safety Ambassadors will provide security services for the individual assessed parcels located within the District in the form of patrolling personnel, nighttime patrol and ambassadors.



The purpose of the Safety Ambassadors is to prevent, deter and report illegal activities taking place on the streets, sidewalks, storefronts, public spaces, and parking lots. The presence of the Safety Ambassadors is intended to deter such illegal activities as public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping. The Ambassadors that act as the "eyes and ears" on

the street will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safety Ambassadors will maintain communication with the San Francisco Police Department area patrols and report illegal activities to them.

### **Clean Team Program:**

One of the top priorities for Japantown owners is enhanced maintenance efforts. In order to deal with cleaning issues, a Clean Team program will be provided that has a multi-dimensional approach that may consist of the following elements.



**Sidewalk Maintenance:** Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks, and gutters, as well as public spaces of the District, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

**Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles as needed. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.

**Graffiti Removal:** The Clean Team can remove graffiti using solvent and pressure washing. The District will maintain a zero tolerance graffiti policy. All tags will aim to be removed within 48 hours of notification.

**Sidewalk Pressure Washing:** Pressure wash all sidewalks and public spaces on an as needed basis with areas of high pedestrian traffic receiving the highest concentration. However, during drought years pressure washing may not be permitted.

**Landscape Maintenance:** Public landscape areas including; tree wells and planters will be maintained and kept free of litter and weeds.

The proposed CBD work program for the Safety Ambassadors and Clean Team may provide deployment at the following frequencies. The Owner's Association shall determine the frequency levels every year based on District needs.

### **Beautification**

In addition to clean and safe services, the JTCBD budget may include funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance and walkability within the JTCBD, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:

- Design and installation of flowering planters and baskets
- Directional/wayfinding signage or themed signage
- Street furniture and amenities, such as benches, kiosks and lighting
- Design and installation of art and decorative elements
- Holiday décor or tree lighting



- Bicycle racks and other hardware
- Urban design and/or planning services to advance beautification efforts
- Other cosmetic enhancements that improve the JTCBD's appearance.

### **Economic Enhancements**

A comprehensive economic development program is included as a key component of the JTCBD, to proactively work on filling vacancies with targeted businesses, and bring more visitors to the JTCBD to engage in commercial or business activities. A collaborative approach is proposed, whereby the JTCBD and real estate professionals will work with civic leaders to promote the advantages of the JTCBD as a business location. The following activities are anticipated in the District.

### **Business Liaison**

A staff position to act as the primary point of contact between the business community, the JTCBD, City staff and development resources. The liaison's responsibility is to build relationships with the businesses and connect them with the appropriate resources such as commerce experts, business associations, training programs, eligible grants, etc. all in an effort to create a stronger, more dynamic business environment.

The liaison will also have a presence on the street and public areas engaging with pedestrians and visitors offering information about the JTCBD and directing them to points of interest and business locations. They may hand out promotional material, maps or other JTCBD related materials.

### **Destination Marketing**

Programs that aim to position Japantown as a dining, retail and cultural destination. Marketing programs must demonstrate collective benefits to business and property owners. Options may include:

- Advertising, including branding, coordinated campaigns and increased placement and frequency in mass media venues.
- Public relations efforts to promote a positive image and overall experience.
- Creating publications, including a map and directory of businesses and activities in Japantown.
- Special event production and promotions.

### **Communication**

Services to better inform business and property owners, such as:

- Publication of a district newsletter.
- JTCBD ratepayer surveys to measure overall satisfaction with programs.
- Media relations activities to project a creative and exciting business image in local, regional and national media.

### ***Advocacy, Administration and Reserve***

The JTCBD will rely on a professional staff to deliver programs and to advocate on behalf of the district. The JTCBD allows property owners to project a unified voice and elevate their influence in policies and issues that affect the central business district. Funds are allocated to office and support services such as bookkeeping, office rent, insurance, office equipment and professional development and training for the staff and the JTCBD's Owners' Association. In addition, these funds may be used to pay for the JTCBD renewal efforts. A \$10,000 operating reserve is also budgeted as a contingency for any payment of delinquencies and/or unforeseen budget adjustments. In the final year of the JTCBD, any remaining reserve funds may be used to pay for the JTCBD renewal efforts.

## SECTION 4: JTCBD ASSESSMENT BUDGET

### 2018 JTCBD Assessment Budget

The following table outlines the JTCBD maximum assessment budget for 2018.

EXPENDITURES	BUDGET	% of Budget
Environmental Enhancements	\$125,000	31.25%
Economic Enhancements	\$195,000	48.75%
Advocacy/Administration	\$70,000	17.50%
CBD Reserve	\$10,000	2.50%
<b>Total Expenditures</b>	<b>\$400,000</b>	<b>100.00%</b>
REVENUES		
Assessment Revenues	\$393,750	98.44%
Other Revenues (1)	\$6,250	1.56%
<b>Total Assessment District Revenues</b>	<b>\$400,000</b>	<b>100.00%</b>

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

### Budget Adjustments

- Annual assessment rates may increase due to changes to the consumer price index (CPI), up to 3% each year. Assessments may also increase based on development in the District. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Owners' Association of the JTCBD and shall not exceed the levels shown in the 10-Year Maximum Inflation Budget exhibit on page 9.
- Revenues for Environmental Enhancements and Economic Enhancements service categories may be reallocated amongst each other from year to year based upon district needs and budgets developed by the Owners' Association. The reallocation between these two service categories shall not exceed 10% per-year based on the initial year's budget estimate.

### 10-Year Maximum Inflation Budget

The following table illustrates the JTCBD's maximum annual budget for the 10-year life term, adjusting it by the maximum 3% inflation factor.

ACTIVITY	2018	2019	2020	2021	2022
Environmental	\$125,000	\$128,750	\$132,613	\$136,591	\$140,689
Economic	\$195,000	\$200,850	\$206,876	\$213,082	\$219,474
Advocacy/Admin	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786
Reserve Fund	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
<b>TOTAL BUDGET</b>	<b>\$400,000</b>	<b>\$412,000</b>	<b>\$424,360</b>	<b>\$437,091</b>	<b>\$450,204</b>

ACTIVITY	2023	2024	2025	2026	2027
Environmental	\$144,909	\$149,257	\$153,734	\$158,346	\$163,097
Economic	\$226,058	\$232,840	\$239,825	\$247,020	\$254,431
Advocacy/Admin	\$81,149	\$83,584	\$86,091	\$88,674	\$91,334
Reserve Fund	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
<b>TOTAL BUDGET</b>	<b>\$463,710</b>	<b>\$477,621</b>	<b>\$491,950</b>	<b>\$506,708</b>	<b>\$521,909</b>

**Future Development**

The above table is based on the district's current development status and does not account for possible increases to assessments due to changes to the parcel characteristics that are used to allocate special benefits (e.g., building square footage). The amount of each parcel's assessment will depend on the existing assessment rates as well as the specific characteristics of the parcel, as explained in further detail below in Section 6. Each parcel will be assessed on a prorated basis from the date it receives a temporary and/or permanent certificate of occupancy. Thus, changes to a parcel may result in corresponding revisions to the assessments. Over time the total assessments levied in the district likely will increase as parcels are developed.

## SECTION 5: PUBLIC SECTOR PARTICIPATION

### *Existing City Services*

The Board of Supervisors, by adopting this plan, will confirm its intention to ensure an existing level of services in the district equivalent to the level that is being provided elsewhere in the City. Assessment funds will pay for services that are above and beyond those services provided by the City.

### *Rationale for Public Property Assessments*

Proposition 218 states that no parcel is exempt from assessments if that parcel receives special benefit from the improvements and activities. This includes government and Public use parcels. The City of San Francisco and any other government owned parcels within the JTCBD boundary will pay their assessment based on the special benefits conferred to those parcels. All publicly owned parcels in the District specially benefit from the JTCBD activities to make the District cleaner, safer, more attractive, and economically vibrant. Specifically, these parcels specially benefit from: removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, cleaning up any debris or trash, powerwashing the sidewalks and public spaces, beautifying the public right-of-ways, and increased business development.

Therefore, government uses are assessed for the special benefits they receive from the JTCBD activities. The assessment methodology to allocate the cost of these improvements is consistent with all other land uses in the district: parcel square footage, building square footage plus linear street frontage. Please see Section 6: Assessment Methodology for further discussion.

The publicly owned parcels within the JTCBD boundary and their respective assessments are indicated below.

APN	Owner Name	Site Address	PARCEL ASSMT
0700 022	Recreation & Park Department	Peace Plaza	\$15,839.13
0700 023	Recreation & Park Department	Peace Plaza	\$960.28
<b>TOTAL:</b>			<b>\$16,799.40</b>

## SECTION 6: ASSESSMENT METHODOLOGY

### ***General***

This Management District Plan provides for the levy of assessments to fund services and activities that specially benefit real property in the JTCBD. These assessments are not taxes for the general benefit of the City, but are assessments on the parcels in the District that are receiving special benefits.

### ***Assessment Factors***

Japantown property owners and business owners have emphasized that the assessment formula for the Japantown JTCBD be fair, balanced, and have a direct relationship to special benefits received. The State enabling legislation also states, "Assessments levied on real property...shall be levied on the basis of the estimated benefit to the real property within the...district."

The method used to determine proportional special benefits are measured by each parcel's lot square footage, building square footage, plus linear street frontage. These factors are used to determine the proportional special benefit that each parcel receives. Lot square footage is relevant to the highest and best use of a property and will reflect the long term special benefit implications of the improvement district. Building square footage is relevant to the interim use of a property and is utilized to measure short and mid-term impacts. Linear street is relevant to the street level usage of a parcel.

Lot Square Footage Defined. Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps.

Building Square Footage Defined. Building square footage is defined as the gross building square footage as determined by the outside measurements of a building.

Linear Street Frontage Defined. Linear street frontage is defined as the front footage of a parcel that fronts a public street.



### ***Special Benefit Analysis***

All special benefits derived from the assessments outlined in this report are for property-related activities that are specifically intended for and directly benefiting each individual assessed parcel in the JTCBD. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. No parcel's assessment shall be greater than the special benefits received.

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

The Japantown CBD's goal is to fund activities and improvements to provide a cleaner, safer and more attractive and economically vibrant environment as outlined in Section B. The goal of improving the economic vitality is to improve the safety, cleanliness, appearance, and economic development of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

The CBD will provide special benefits in the form of:

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

Specifically, the JTCBD provides special benefits from each of the activities as defined below.

#### **Safety**

The enhanced safety activities make the area more attractive for businesses, customers, residents, and ultimately private investment. When business location decisions are made, "lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment. Uncertainty affects the investment environment in general. But in particular, it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable".<sup>1</sup> Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is the likelihood of increased lease rates and tenant occupancy due to the increase of commercial activity, and an increase in customers that follow from having a safer environment.

<sup>1</sup> "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

**Maintenance and Beautification**

The maintenance and beautification activities specially benefit assessed parcel within the JTCBD by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, and trash removal. In addition, the beautification activities benefit each assessed parcel by providing wayfinding signage, sidewalk benches, holiday décor, planters, etc. These activities create the environment needed to achieve the JTCBD goals.

**Economic Development**

The economic development activities will specially benefit each assessed parcel by encouraging business development and investment. This generates customer traffic which directly relates to increases in commercial activity including residential serving businesses, filling of vacant storefronts and offices, and ultimately increased lease rates for retail and office space.

**Special Benefit Conclusion**

The special benefit to parcels from the proposed JTCBD activities and improvements described in this report is proportionate to the total amount of the proposed assessment.

**General Benefit Analysis**

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

**General Benefit to Parcels Inside the Japantown CBD**

The Japantown CBD provides funds for activities and improvements that are designed and created to provide special benefits to each parcel within the District. All of the parcels will specially benefit from the cleaner and safer public rights-of-way and increased economic activity, thus 100% of the benefits conferred on these parcels are distinct and special in nature and 0% of the JTCBD activities provide a general benefit to parcels in the District boundary.

**General Benefit to Parcels Outside of the Japantown CBD**

All the JTCBD activities and improvements are provided solely to each of the individual assessed parcels in the JTCBD boundary. Each of the PBID activities is performed in the public right-of-ways (streets, sidewalks) adjacent to all specially benefitted parcels or tenants in the JTCBD. None of the surrounding parcels outside the District will directly receive any of the JTCBD activities. Any benefits these parcels may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated with the incidental benefits are not reduced from the cost of providing special benefit.

**General Benefit to the Public At Large**

In addition to general benefit analysis to the parcels outside of the Japantown CBD boundary, there may be general benefits to the public at large, i.e., those people that are either in the JTCBD boundary and not specially benefitted from the activities, or people outside of the JTCBD boundary that may benefit from the JTCBD activities. In the case of the Japantown CBD, the public at large are those people that are within the JTCBD boundary that do not pay an assessment and do not specially benefit from the JTCBD activities.

To calculate the general benefit to the public at large may receive we determine the percentage of each JTCBD activity budget that may benefit the general public. In this case, the Business Liaison and Marketing activities are tailored to benefit and promote specific parcels in the District and are not intended to benefit the general public. If there are any public benefits, they are incidental and collateral to providing special benefits to the assessed parcels.

By contrast, the Environmental activities do generally benefit the general public to some degree, as the general public may appreciate the enhanced level of maintenance and security as it passes through the Japantown CBD. To quantify this, we first determine a Relative Benefit factor for the Environmental activities. The relative benefit factor is a unit of measure that compares the special benefit that the assessed parcels receive compared to the general benefit that the general public receives. To determine the relative benefit factor, we used previous studies that conducted intercept surveys in San Francisco (Union Square and West Portal) and Los Angeles (Historic Downtown, Leimert Park, Arts District, Downtown Industrial, Fashion District, and Sherman Oaks). These surveys determined the percentage of people within a district who were generally benefitted and did not engage in business activity. The surveys found that on average 1.4% of the respondents within the district boundary were not receiving any special benefits. To be conservative, we assigned a relative benefit factor of 0.05 (5%) to account for any potential difference between these study areas and the Japantown CBD. Based on our professional experience and the results of previous studies, it is reasonable to conclude that this relative benefit factor properly accounts for the general public in the District that is not specially benefitted. The relative benefit factor is then multiplied by the District activity's budget to determine the overall general benefit for the Environmental activities. The following table illustrates this calculation.

	A	B	C
<u>ACTIVITY</u>	<u>Budget Amount</u>	<u>Relative Benefit Factor</u>	<u>General Benefit Allocation (A x B)</u>
Environmental	\$125,000	5.00%	\$6,250

This analysis indicates that \$6,250 of the Environmental activities may be attributed to general benefit to the public at large, and must be raised from sources other than special assessments.

**Total General Benefits**

Using the sum of the three measures of general benefit described above, we find in year one that \$6,250 (5.0% of the Environmental budget, which is equal to 1.56% of the total JTCBD budget) may be general in nature and will be funded from sources other than special assessments.

### Assessment Calculation

As previously discussed in Section D, assessments are based on three parcel characteristics: parcel size, building square footage plus linear street frontage. Based on these characteristics, the profile of the District as a whole is as follows:

Characteristic	Total District
Lot Sq Ft	419,123
Building Sq Ft.	916,613
<i>Total Lot + Bldg</i>	<i>1,335,736</i>
Linear Street Frontage	5,194

### Calculation of Assessments

Based on the activities provided 50% or \$196,875 of the assessment budget is allocated to the sum of the lot and building square footage and 50% or \$196,875 of the assessment budget is allocated to the linear street frontage. To calculate the annual assessment rate per foot, divide the allocated budget by the respective assessment characteristic. The table below summarizes this calculation.

Characteristic	Rate per Foot
Lot Sq.Ft. + Building Sq.Ft (\$196,875 / 1,335,736) =	\$0.1477
Linear Street Frontage (\$196,875 / 5,194) =	\$38.0166

### Sample Parcel Assessment

To calculate the assessment for a parcel with a 5,000 square foot lot, a 10,000 square foot building, and 100 linear street frontage, add together the lot square footage and the building square footage, then multiple that square footage (15,000) by the assessment rate (\$0.1477) + multiply the 100 linear feet by the assessment rate \$38.0166 = the total annual parcel assessment (\$6,017.16).

$$\begin{aligned} \text{Lot + Bldg Sq Ft (15,000) x } \$0.1477 &= \$2,215.50 \\ \text{Linear Street Frontage (100) x } \$38.0166 &= \underline{\$3,801.66} \\ \text{Total Parcel Assessment} &= \$6,017.16 \end{aligned}$$

Assessments are calculated in the same manner for every parcel (except for non-profits) in the JTCBD. Non-profit parcels that meet the specified requirements will receive a 50% reduction in the rate.

### Property Use Considerations

The methodology provides the following treatments for property used exclusively for nonprofit:

**Nonprofit Properties:** Properties that are exempt from property tax, including educational and governmental institutions, and nonprofit organizations (e.g. faith-based, low income housing, cultural, community services, etc.), will not benefit from increased commercial activity resulting from JTCBD services and thereby will receive reduced benefits from JTCBD services. An

owner of real property located within the JTCBD boundaries may reduce their assessment 50% if ALL of the following conditions are met:

1. The property owner is a nonprofit corporation that has obtained federal tax exemption under Internal Revenue Code section 501c3 or California franchise tax-exemption under the Revenue and Taxation Code Section 23701d.
2. The class or category of real property has been granted an exemption, in whole or in part, from real property taxation.
3. The nonprofit or governmental property owner occupies a majority of building square footage within the subject property.
4. The property owner makes the request in writing to the City of San Francisco prior to the submission of the JTCBD assessment rolls to the County Assessor (to accommodate periodic changes in ownership or use, on or before July 1 of each year), accompanied by documentation of the tax-exempt status of the property owner and the class or category of real property.
5. The City of San Francisco may verify the documentation of tax-exempt status and classification of the property for assessment purposes prior to submitting the assessments to the County Assessor.

### **Annual Assessment Adjustments**

#### **Budget Adjustment**

Assessment rates may be adjusted for annual changes in the Bay Area Consumer Price Index (CPI) for all urban consumers and/or other changes in programs costs, not to exceed 3%. Actual annual adjustments may range from 0% to 3%. Assessment rates will not exceed the levels shown in the Ten Year Operating Budget and Maximum Assessment exhibit on page 9. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Owners' Association.

#### **Time and Manner for Collecting Assessments**

As provided by state law, the Japantown JTCBD assessment will appear as a separate line item on the annual San Francisco County property tax bills, or by a special manual bill prepared by the District and either paid in one lump sum or in two equal installments. Laws for enforcement and collection of property taxes also apply to the JTCBD assessment.

#### **Disestablishment**

State law provides for the disestablishment of a JTCBD pursuant to an annual process. The 30-day period begins each year on the anniversary day that the Board of Supervisors first establishes the District. Within this annual 30-day period, if the owners of real property who pay more than 50 percent of the assessments levied submit a written petition for disestablishment, the JTCBD may be dissolved by the Board of Supervisors. The Board of Supervisors must hold a public hearing on the proposed disestablishment before voting on whether or not to disestablish the district.

**Duration**

The JTCBD will have a ten-year term commencing January 1, 2018 through December 31, 2027. Any major modifications or new or increased assessments during the term of the district that are not consistent with the provisions of original Management District Plan will require a new mail ballot process.

**Bond Issuance**

No bonds will be issued to finance improvements.

## **SECTION 7: JTCBD GOVERNANCE**

### ***Board of Supervisors***

Following the submission of petitions and ballot and public hearing, the Board of Supervisors may elect to form the JTCBD and authorize the levy of assessments.

### ***JTCBD Governance***

The City may contract with a non-profit organization to provide the day-to-day operations of the JTCBD. The non-profit organization will act as the Owners' Association and governing board for the JTCBD. The role of the Owner's Association is consistent with similar CBDs and management organizations throughout California and the nation. The Owner's Association determines budgets, assessment adjustments and monitors service delivery.

The JTCBD Owners' Association Board of Directors will represent a cross section of property owners found throughout the district. The goal and spirit of the board's composition is to have a majority of property owners, but also include representatives from businesses, and governments that pay JTCBD assessments. The City's requirement is to have at least 60% of the members be property owners that pay the JTCBD assessment and 20% of the membership be business owners within the District boundary.

Board members are selected through a nominating process that invites all stakeholders to participate. A nominating committee develops an annual slate of board nominations, and nominations are voted on at an annual meeting of JTCBD property owners

## SECTION 8: IMPLEMENTATION TIMELINE

The Japantown JTCBD will have a ten-year life from January 1, 2018 to December 31, 2027.

In order for the JTCBD to meet the start-up date of January 1, 2018, the formation needs to adhere to the following schedule:

Formation Schedule	Dates
Petitions distributed to property owners	April
Marketing campaign to obtain signed petitions: presentations, neighborhood meetings, 30% weighted vote targeting	April - May
Board of Supervisors adopts Resolution	Early June
Assessment ballots mailed to property owners	Early June
Board of Supervisors holds public hearing and tabulates ballots	Late July



**Attachment A**

**Japantown  
Community Benefit District**

**Engineer's Report**



**San Francisco, California**  
**April 2017**

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

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

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## ENGINEER'S STATEMENT

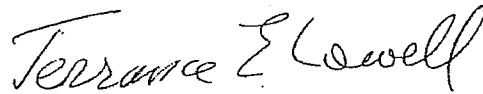
This Report is prepared pursuant to Article XIID of the California State Constitution (Proposition 218) and the State of California Property and Business Improvement District Law of 1994 and augmented by Article 15 of the San Francisco Business and Tax Regulations Code.

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

The duration of the proposed JTCBD is ten (10) years, commencing January 1, 2018. An estimated budget for the JTCBD improvements and activities is set forth in Section D. Assessments will be subject to an annual increase of up to 3% per year as determined by the Owners' Association. Assessment increases must stay between 0% and 3% in any given year. Funding for the JTCBD improvements and activities shall be derived from a property-based assessment of each specially benefitted parcel in the JTCBD. A detailed description of the methodology for determining the proportional special benefit each individual assessable parcel receives from the service and the assessment for each parcel is set forth in Section F.

I hereby certify to the best of my professional knowledge that each of the identified assessable parcels located within the JTCBD will receive a special benefit over and above the benefits conferred to those parcels outside of the JTCBD boundary and to the public at large and that the amount of the proposed special assessment is proportional to, and no greater than the special benefits received.

Respectfully submitted,



Terrance E. Lowell, P.E.



## SECTION A: LEGISLATIVE AND JUDICIAL REVIEW

### Property and Business Improvement District Law of 1994

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

Specifically, the State Law defines "Improvements" and "Activities" as follows:

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

*"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 safety, 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.<sup>2</sup>*

### Article XIID of the State Constitution

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

*(a) An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which*

<sup>1</sup> California Streets and Highways Code, Section 36610.

<sup>2</sup> California Streets and Highways Code, Section 36613.

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

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

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

### **Judicial Guidance**

Since the enactment of Article XIII D, the courts have rendered opinions regarding various aspects of Article XIII D. The notable portions of cases that apply to assessment districts in general and this Japantown CBD in particular are noted below.

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

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

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

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

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

<sup>3</sup> Section 4, Article XIII D of the State Constitution.

<sup>4</sup> Section 2 (f), Article XIII D of the State Constitution.

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

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

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

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

## SECTION B: IMPROVEMENTS AND ACTIVITIES

The Japantown CBD Steering Committee collectively determined the priority for improvements and activities that the JTCBD will deliver. The primary needs as determined by the property owners are Environmental Enhancements such as Clean and Safe programs, and Economic Enhancements such as marketing and business support. Specifically, the Japantown CBD shall provide the following activities.

### Environmental Enhancements

To respond to stakeholder priorities and guiding principles to make Japantown more welcoming, clean, safe and beautiful, the JTCBD may fund safety ambassadors and a clean team. JTCBD Environmental Enhancements activities and improvements are intended to improve commerce and the quality of life by making each individual assessed parcel safer, cleaner and more attractive which will encourage investment dollars and generate additional pedestrian traffic. The following is a description of the activities that are anticipated in the District.

#### Safety Ambassadors

The Safety Ambassadors will provide security services for the individual assessed parcels located within the District in the form of patrolling personnel, nighttime patrol and ambassadors. The purpose of the Safety Ambassadors is to prevent, deter and report illegal activities taking place on the streets, sidewalks, storefronts, public spaces, and parking lots. The presence of the Safety Ambassadors is intended to deter illegal activities such as public urination, indecent exposure, trespassing, drinking in public, prostitution, illegal panhandling, illegal vending, and illegal dumping. The Ambassadors act as the "eyes and ears" on the street and will supplement, not replace, other ongoing police, security and patrol efforts within the District. The Safety Ambassadors will maintain communication with the San Francisco Police Department area patrols and report illegal activities to them.

#### Clean Team Program:

One of the top priorities for Japantown owners is enhanced maintenance efforts. In order to deal with cleaning issues, a Clean Team program will be provided that has a multi-dimensional approach that may consist of the following elements.

**Sidewalk Maintenance:** Uniformed, radio-equipped personnel sweep litter, debris, and refuse from sidewalks, gutters, and other public spaces of the District, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

**Trash Collection:** Collector truck personnel collect trash from sidewalk trash receptacles as needed. They are also dispatched to collect stolen shopping carts and large bulky items illegally dumped in the District.

**Graffiti Removal:** The Clean Team can remove graffiti using solvent and pressure washing. The District will maintain a zero tolerance graffiti policy. All tags will aim to be removed within 48 hours of notification.

**Sidewalk Pressure Washing:** Pressure wash all sidewalks and public spaces on an as needed basis with areas of high pedestrian traffic receiving the highest concentration. However, during drought years pressure washing may not be permitted.

**Landscape Maintenance:** Public landscape areas including; tree wells and planters will be maintained and kept free of litter and weeds.

The proposed CBD work program for the Safety Ambassadors and Clean Team may provide deployment at the following frequencies. The Owner's Association shall determine the frequency levels every year based on District needs.

### **Beautification**

In addition to clean and safe services, the JTCBD budget may include funds for beautification and placemaking improvements that are defined as cosmetic enhancements that improve the appearance and walkability within the JTCBD, in turn encouraging customer traffic and improved quality of life for residents. Examples of beautification improvements might include:

- Design and installation of flowering planters and baskets
- Directional/wayfinding signage or themed signage
- Street furniture and amenities, such as benches, kiosks and lighting
- Design and installation of art and decorative elements
- Holiday décor or tree lighting
- Bicycle racks and other hardware
- Urban design and/or planning services to advance beautification efforts
- Other cosmetic enhancements that improve the JTCBD's appearance.

### **Economic Enhancements**

A comprehensive economic development program is included as a key component of the JTCBD, to proactively work on filling vacancies with targeted businesses, and bring more visitors to the JTCBD to engage in commercial or business activities. A collaborative approach is proposed, whereby the JTCBD and real estate professionals will work with civic leaders to promote the advantages of the JTCBD as a business location. The following activities are anticipated in the District.

### **Business Liaison**

A staff position to act as the primary point of contact between the business community, the JTCBD, City staff and development resources. The liaison's responsibility is to build relationships with the businesses and connect them with the appropriate resources, such as commerce experts, business associations, training programs, eligible grants, etc. all in an effort to create a stronger, more dynamic business environment.

The liaison will also have a presence on the street and public areas engaging with pedestrians and visitors offering information about the JTCBD and directing them to points of interest and business locations. They may hand out promotional material, maps or other JTCBD related materials.

### **Destination Marketing**

Programs that aim to position Japantown as a dining, retail and cultural destination. Marketing programs must demonstrate collective benefits to business and property owners. Options may include:

- Advertising, including branding, coordinated campaigns and increased placement and frequency in mass media venues.
- Public relations efforts to promote a positive image and overall experience.
- Creating publications, including a map and directory of businesses and activities in Japantown.
- Special event production and promotions.

### **Communication**

Services to better inform business and property owners, such as:

- Publication of a district newsletter.
- JTCBD property owner surveys to measure overall satisfaction with programs.
- Media relations activities to project a creative and exciting business image in local, regional and national media.

### **Advocacy, Administration and Reserve**

The JTCBD will rely on a professional staff to deliver programs and to advocate on behalf of the district. The JTCBD allows property owners to project a unified voice and elevate their influence in policies and issues that affect the central business district. Funds are allocated to office and support services such as bookkeeping, office rent, insurance, office equipment, and professional development and training for the staff and the JTCBD's Owners' Association. In addition, these funds may be used to pay for the JTCBD renewal efforts. A \$10,000 operating reserve is also budgeted as a contingency for any payment of delinquencies and/or unforeseen budget adjustments. In the final year of the JTCBD, any remaining reserve funds may be used to pay for the JTCBD renewal efforts.



## SECTION C: BENEFITTING PARCELS

### ***Overall Boundary***

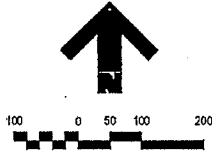
Article XIII D Section 4(a) of the State Constitution requires that the authorizing agency "Identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed."

The District encompasses approximately 7 whole and partial blocks in the commercial core of Japantown. It encompasses the commercial properties surrounding the Buchanan Mall and Peace Plaza.

Specifically, the district boundary is as follows:

- All parcels in the blocks bounded by Geary Boulevard, Fillmore Street, Post Street and Laguna Street.
- Parcels on the north side of Post Street between Laguna Street and halfway to Webster Street, APN 0685-012. APNs 0685-(052-101) are not included in the CBD boundary as it is a residential condo project and will not receive any of the CBD activities.
- Parcels on the east and west side of Buchanan Street between Post Street and halfway to Bush Street. Parcels in the interior block of Buchanan/Sutter/Laguna/Post (APNs 0686-031,039,042,044,054,056,058,059) are included in the boundary as they are a contiguous use and under same ownership as APN 0686-038.
- The parcels north of APNs 0676-(72,73) and 0675-051 are not included in the CBD boundary and will not receive any of the CBD activities.

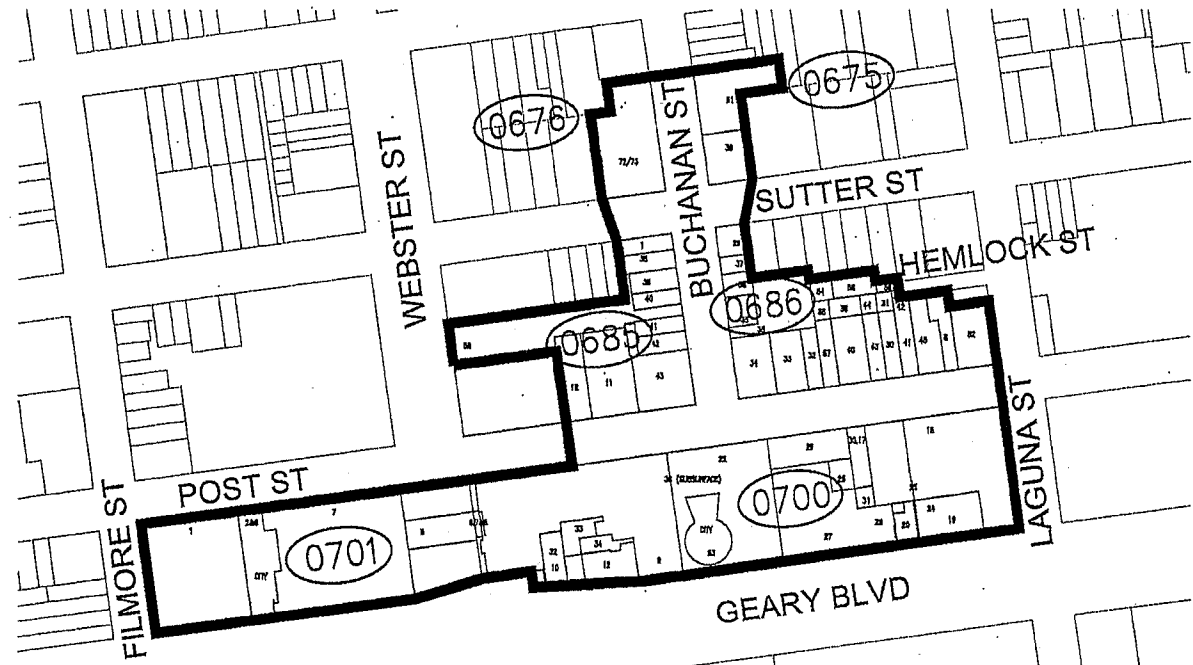
A map of the proposed district boundary is provided on the following page and Attachment A, the Assessment Diagram is attached as a separate document.



PROPOSED BOUNDARIES OF  
 JAPANTOWN COMMUNITY BENEFIT DISTRICT,  
 CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA  
 SHEET 1 OF 1

**LEGEND**

- CBD Boundary
- District Parcel
- Block Number
- Lot Number



KRISTIN LOWELL INC.  
 PUBLIC FINANCE SOLUTIONS

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## SECTION D: PROPORTIONAL BENEFITS

### ***Methodology***

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

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

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

Each identified parcel within the Japantown CBD will be assessed based upon each parcel's unique characteristics in relationship to all other specially benefitted parcels' characteristics. Due to the proportionate special benefits received by each parcel from the JTCBD services, each parcel will be assessed a rate which is commensurate with the amount of special benefits received.

### ***Special Benefit Factors***

The method used to determine proportional special benefits are measured by each parcel's lot square footage, building square footage, plus linear street frontage. These factors are used to determine the proportional special benefit that each parcel receives. Lot square footage is relevant to the highest and best use of a property and will reflect the long term special benefit implications of the improvement district. Building square footage is relevant to the interim use of a property and is utilized to measure short and mid-term impacts. Linear street is relevant to the street level usage of a parcel.

Lot Square Footage Defined. Lot square footage is defined as the total amount of area within the borders of the parcel. The borders of a parcel are defined on the County Assessor parcel maps.

Building Square Footage Defined. Building square footage is defined as the gross building square footage as determined by the outside measurements of a building.

Linear Street Frontage Defined. Linear street frontage is defined as the front footage of a parcel that fronts a public street.

### **Property Use Considerations**

The methodology provides the following treatments for property used exclusively for nonprofit:

**Nonprofit Properties:** Properties that are exempt from property tax, including educational and governmental institutions, and nonprofit organizations (e.g. faith-based, low income housing, cultural, community services, etc.), will not benefit from increased commercial activity resulting from JTCBD services and thereby will receive reduced benefits from JTCBD services. An owner of real property located within the JTCBD boundaries may reduce their assessment 50% if ALL of the following conditions are met:

1. The property owner is a nonprofit corporation that has obtained federal tax exemption under Internal Revenue Code section 501c3 or California franchise tax-exemption under the Revenue and Taxation Code Section 23701d.
2. The class or category of real property has been granted an exemption, in whole or in part, from real property taxation.
3. The nonprofit or governmental property owner occupies a majority of building square footage within the subject property.
4. The property owner makes the request in writing to the City of San Francisco prior to the submission of the JTCBD assessment rolls to the County Assessor (to accommodate periodic changes in ownership or use, on or before July 1 of each year), accompanied by documentation of the tax-exempt status of the property owner and the class or category of real property.
5. The City of San Francisco may verify the documentation of tax-exempt status and classification of the property for assessment purposes prior to submitting the assessments to the County Assessor.

If ALL of these conditions are met, the amount of the JTCBD assessment to be levied will be for one-half (50%) of the JTCBD services.

**New assessments for a Change in Land Use:** If any parcel within the JTCBD changes land use during the life of the JTCBD, it will be subject to the assessment rate consistent with the assessment methodology for the new land use.

## SECTION E: SPECIAL and GENERAL BENEFITS

State Law, Proposition 218, and judicial opinions require that assessments be levied according to the estimated special benefit each assessed parcel receives from the activities and improvements. Article XIID Section 4(a) of the California Constitution in part states that "only special benefits are assessable," which requires that we separate the general benefits, if any, from the special benefits provided by the proposed activities and improvements.

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

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

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

### ***Special Benefit Analysis***

All special benefits derived from the assessments outlined in this report are for property-related activities that are specifically intended for and directly benefiting each individual assessed parcel in the JTCBD. The special benefit must affect the individual assessable parcel in a way that is particular and distinct from its effect on other parcels and that real property in general and the public at large do not share. No parcel's assessment shall be greater than the special benefits received.

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

The Japantown CBD's goal is to fund activities and improvements to provide a cleaner, safer and more attractive and economically vibrant environment as outlined in Section B. The goal of improving the economic vitality is to improve the safety, cleanliness, appearance, and economic development of each individual specially benefitted parcel in an effort to increase commerce, to increase building occupancy and lease rates and to attract more customers, employees, tenants and investors.

The CBD will provide special benefits in the form of:

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

Specifically, the JTCBD provides special benefits from each of the activities as defined below.

#### **Safety**

The enhanced safety activities make the area more attractive for businesses, customers, residents, and ultimately private investment. When business location decisions are made, "lower levels of public safety lead to increased uncertainty in decision making and can be perceived as a signal of a socio-institutional environment unfavorable for investment. Uncertainty affects the investment environment in general. But in particular, it increases the fear of physical damage to investment assets (or to people) or their returns...Almost universally, places with lower crime rates are perceived as more desirable".<sup>9</sup> Once economic investment occurs within the district, pedestrian traffic and commercial activity will increase. The special benefit to assessed parcels from these services is the likelihood of increased lease rates and tenant occupancy due to the increase of commercial activity, and an increase in customers that follow from having a safer environment.

#### **Maintenance and Beautification**

The maintenance and beautification activities specially benefit assessed parcel within the JTCBD by providing a clean and aesthetically appealing environment. This is achieved through sidewalk sweeping and power washing, removing litter and graffiti, and trash removal. In addition, the beautification activities benefit each assessed parcel by providing wayfinding signage, sidewalk benches, holiday décor, planters, etc. These activities create the environment needed to achieve the JTCBD goals.

#### **Economic Development**

The economic development activities will specially benefit each assessed parcel by encouraging business development and investment. This generates customer traffic which directly relates to increases in commercial activity including residential serving businesses, filling of vacant storefronts and offices, and ultimately increased lease rates for retail and office space.

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<sup>9</sup> "Accelerating economic growth and vitality through smarter public safety management" IBM Global Business Services Executive Report, September 2012, pg. 2

### **Special Benefit Conclusion**

Based on the special benefits each assessed parcel receives from the JTCBD activities, we concluded that each of the proposed activities provides special benefits to the real property within the district, and that each parcel's assessment is proportionate to the special benefits received.

The special benefit to parcels from the proposed JTCBD activities and improvements described in this report is proportionate to the total amount of the proposed assessment.

### **General Benefit Analysis**

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

#### **General Benefit to Parcels Inside the Japantown CBD**

The Japantown CBD provides funds for activities and improvements that are designed and created to provide special benefits to each parcel within the District. All of the parcels will specially benefit from the improvements and enhancements to the District, thus 100% of the benefits conferred on these parcels are distinct and special in nature and 0% of the JTCBD activities provide a general benefit to parcels in the District boundary.

#### **General Benefit to Parcels Outside of the Japantown CBD**

All the JTCBD activities and improvements are provided solely to each of the individual assessed parcels in the JTCBD boundary. Each of the PBID activities is performed in the public right-of-ways (streets, sidewalks) adjacent to all specially benefitted parcels or tenants in the JTCBD. None of the surrounding parcels outside the District will directly receive any of the JTCBD activities. Any benefits these parcels may receive are incidental to providing special benefits to the assessed parcels, and thus any cost associated with the incidental benefits are not reduced from the cost of providing special benefit.

#### **General Benefit to the Public At Large**

In addition to general benefit analysis to the parcels outside of the Japantown CBD boundary, there may be general benefits to the public at large, i.e., those people that are either in the JTCBD boundary and not specially benefitted from the activities, or people outside of the JTCBD boundary that may benefit from the JTCBD activities. In the case of the Japantown CBD, the public at large are those people that are within the JTCBD boundary that do not pay an assessment and do not specially benefit from the JTCBD activities.

To calculate the general benefit to the public at large may receive we determine the percentage of each JTCBD activity budget that may benefit the general public. In this case, the Business Liaison and Marketing activities are tailored to benefit and promote specific parcels in the District and are not intended to benefit the general public. If there are any public benefits, they are incidental and collateral to providing special benefits to the assessed parcels.

By contrast, the Environmental activities do generally benefit the general public to some degree, as the general public may appreciate the enhanced level of maintenance and security as it passes through the Japantown CBD. To quantify this, we first determine a Relative Benefit factor for the Environmental activities. The relative benefit factor is a unit of measure that compares the special benefit that the assessed parcels receive compared to the general benefit that the general public receives. To determine the relative benefit factor, we used previous studies that conducted intercept surveys in San Francisco (Union Square and West Portal) and Los Angeles (Historic Downtown, Leimert Park, Arts District, Downtown Industrial, Fashion District, and Sherman Oaks). These surveys determined the percentage of people within a district who were generally benefitted and did not engage in business activity. The surveys found that on average 1.4% of the respondents within the district boundary were not receiving any special benefits. To be conservative, we assigned a relative benefit factor of 0.05 (5%) to account for any potential difference between these study areas and the Japantown CBD. Based on our professional experience and the results of previous studies, it is reasonable to conclude that this relative benefit factor properly accounts for the general public in the District that is not specially benefitted. The relative benefit factor is then multiplied by the District activity's budget to determine the overall general benefit for the Environmental activities. The following table illustrates this calculation.

	A	B	C
ACTIVITY	Budget Amount	Relative Benefit Factor	General Benefit Allocation (A x B)
Environmental	\$125,000	5.00%	\$6,250

This analysis indicates that \$6,250 of the Environmental activities may be attributed to general benefit to the public at large, and must be raised from sources other than special assessments.

**Total General Benefits**

Using the sum of the three measures of general benefit described above, we find in year one that \$6,250 (5.0% of the Environmental budget, which is equal to 1.56% of the total JTCBD budget) may be general in nature and will be funded from sources other than special assessments.



## SECTION F: COST ESTIMATE

### 2018 Operating Budget

The Japantown CBD's operating budget takes into consideration:

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

EXPENDITURES	BUDGET	% of Budget
Environmental Enhancements	\$125,000	31.25%
Economic Enhancements	\$195,000	48.75%
Advocacy/Administration	\$70,000	17.50%
CBD Reserve	\$10,000	2.50%
<b>Total Expenditures</b>	<b>\$400,000</b>	<b>100.00%</b>
REVENUES		
Assessment Revenues	\$393,750	98.44%
Other Revenues (1)	\$6,250	1.56%
<b>Total Assessment District Revenues</b>	<b>\$400,000</b>	<b>100.00%</b>

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

### Budget Adjustments

- Annual assessment rates may increase no more than 3% per year, consistent with the increase in consumer price index (CPI) and/or other increases in program costs. The determination of annual adjustments in assessment rates will be subject to the review and approval of the board of the Owners Association.
- Revenues for Environmental Enhancements and Economic Enhancements service categories may be reallocated amongst each other from year to year based upon district needs and budgets developed by the Owners' Association. The reallocation between these two service categories shall not exceed 10% per year based on the initial year's budget estimate.

**10-Year Maximum Inflation Budget**

The following table illustrates the JTCBD's maximum annual budget for the 10-year life term, adjusting it by the maximum 3% inflation factor.

ACTIVITY	2018	2019	2020	2021	2022
Environmental	\$125,000	\$128,750	\$132,613	\$136,591	\$140,689
Economic	\$195,000	\$200,850	\$206,876	\$213,082	\$219,474
Advocacy/Admin	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786
Reserve Fund	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
<b>TOTAL BUDGET</b>	<b>\$400,000</b>	<b>\$412,000</b>	<b>\$424,360</b>	<b>\$437,091</b>	<b>\$450,204</b>

ACTIVITY	2023	2024	2025	2026	2027
Environmental	\$144,909	\$149,257	\$153,734	\$158,346	\$163,097
Economic	\$226,058	\$232,840	\$239,825	\$247,020	\$254,431
Advocacy/Admin	\$81,149	\$83,584	\$86,091	\$88,674	\$91,334
Reserve Fund	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
<b>TOTAL BUDGET</b>	<b>\$463,710</b>	<b>\$477,621</b>	<b>\$491,950</b>	<b>\$506,708</b>	<b>\$521,909</b>

**Future Development**

The above table is based on the district's current development status and does not account for possible increases to assessments due to changes to the parcel characteristics that are used to allocate special benefits (e.g., building square footage). The amount of each parcel's assessment will depend on the existing assessment rates as well as the specific characteristics of the parcel, as explained in further detail below in Section 5. Each parcel will be assessed on a prorated basis from the date it receives a temporary and/or permanent certificate of occupancy. Thus, changes to a parcel may result in corresponding revisions to the assessments. Over time the total assessments levied in the district likely will increase as parcels are developed.

## SECTION G: APPORTIONMENT METHOD

### Assessment Methodology

As previously discussed in Section D, the JTCBD is allocated to three parcel characteristics; parcel size, building square footage plus linear street frontage. The table below summarizes the assessable characteristic.

Characteristic	Total District
Lot Sq Ft	419,123
Building Sq Ft.	916,613
<i>Total Lot + Bldg</i>	<i>1,335,736</i>
Linear Street Frontage	5,194

### Calculation of Assessments

Based on the activities provided, 50% or \$196,875 of the year one assessment budget is allocated to the sum of the lot and building square footage and 50% or \$196,875 of the year one assessment budget is allocated to the linear street frontage. To calculate the annual assessment rate per foot, divide the allocated budget by the respective assessment characteristic. The table below summarizes this calculation.

Characteristic	Rate per Foot
Lot Sq.Ft. + Building Sq.Ft (\$196,875 / 1,335,736) =	\$0.1477
Linear Street Frontage (\$196,875 / 5,194) =	\$38.0166

### Sample Parcel Assessment

To calculate the assessment for a parcel with a 5,000 square foot lot, a 10,000 square foot building, and 100 linear street frontage, add together the lot square footage and the building square footage, then multiple that square footage (15,000) by the assessment rate (\$0.1477) + multiply the 100 linear feet by the assessment rate \$38.0166 = the total annual parcel assessment (\$6,017.16).

$$\begin{aligned}
 \text{Lot + Bldg Sq Ft (15,000) x } \$0.1477 &= \$2,215.50 \\
 \text{Linear Street Frontage (100) x } \$38.0166 &= \$3,801.66 \\
 \text{Total Parcel Assessment} &= \$6,017.16
 \end{aligned}$$

The assessment calculation is the same for every parcel (except for non-profit) in the JTCBD. Non-profit parcels that meet the specified requirements will receive a 50% reduction in the rate.

### Public Property Assessments

Proposition 218 states that no parcel is exempt from assessments if that parcel receives special benefit from the improvements and activities. This includes government and Public use parcels. The City of San Francisco and any other government owned parcels within the JTCBD boundary will pay their assessment based on the special benefits conferred to those parcels. All publicly owned

parcels in the District specially benefit from the JTCBD activities to make the District cleaner, safer, more attractive, and economically vibrant. Specifically, these parcels specially benefit from: removing graffiti from their buildings, patrolling their sidewalks, connecting the homeless to available resources, cleaning up any debris or trash, powerwashing the sidewalks and public spaces, beautifying the public right-of-ways, and increased business development.

APN	Owner Name	Site Address	PARCEL ASSMT
0700 022	Recreation & Park Department	Peace Plaza	\$15,839.13
0700 023	Recreation & Park Department	Peace Plaza	\$960.28
<b>TOTAL:</b>			<b>\$16,799.40</b>

### ***Maximum Annual Assessment Adjustments***

The cost of providing programs and services may vary depending on the market cost for those programs and services. Expenditures may require adjustment up or down to continue the intended level of programs and services. Assessments maybe subject to annual increases not to exceed the assessment rates in the table below for any given year. Any change will be approved by the owner's association board of directors and submitted to the City within its annual planning report, pursuant to Section 36650 of the California Streets and Highways Code.

### ***Budget Adjustment***

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

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

### ***Bond Issuance***

The District will not issue bonds.

## SECTION H: ASSESSMENT ROLL

The total assessment amount for FY 2017/2018 is \$393,750 apportioned to each individual assessed parcel, as follows.

APN	Owner Name	Site Address	Parcel Assmt
0676 072	3D Investments/ Miyako Inn	1800 Sutter Street	\$11,993.77
0676 073	3D Investments/ Miyako Inn	1805 Sutter Street	\$11,993.77
0686 029	Abe Sharon E	1756 Buchanan Street	\$3,944.87
0686 032	Ashizawa Masao	1672-1674 Post Street	\$2,027.99
0686 034	Ashizawa Masao	1672-1698 Post Street	\$9,642.17
0686 057	Ashizawa Masao	1662-1664 Post Street	\$1,900.94
0685 040	Brownell James A & Sarah J	1731 Buchanan Street	\$2,148.54
0700 035	City & County of SF Real Estate Div.	Parking Garage	\$52,017.36
0675 051	Fontaine & Truman Corp.	1826-1832 Buchanan Street	\$7,459.96
0686 043	Hogg Leroy & Ollivette	1644-1648 Post Street	\$1,940.98
0685 041	Ishisaki Tsutomu B	1721 -1723 Buchanan Street	\$1,777.73
0700 031	Japan Center East /Miyako Mall Inc.	22 Peace Plaza	\$325.75
0700 024	Japan Center East, Ltd Partnership	22 Peace Plaza	\$29.99
0700 025	Japan Center East, Ltd Partnership	22 Peace Plaza	\$40.48
0700 026	Japan Center East, Ltd Partnership	22 Peace Plaza	\$450.68
0700 027	Japan Center East, Ltd Partnership	22 Peace Plaza	\$13,919.36
0700 017	Japan Center Hotel Assoc. LP	1625 Post Street	\$4,230.82
0700 018	Japan Center Hotel Assoc. LP	1625 Post Street	\$22,578.29
0700 019	Japan Center Hotel Assoc. LP	1625 Post Street	\$6,049.93
0700 020	Japan Center Hotel Assoc. LP	1625 Post Street	\$3,182.09
0700 007	Japan Center West, Ltd Partnership	11 Peace Plaza	\$625.90
0700 008	Japan Center West, Ltd Partnership	11 Peace Plaza	\$625.90
0700 009	Japan Center West, Ltd Partnership	11 Peace Plaza	\$36,487.57
0700 010	Japan Center West, Ltd Partnership	11 Peace Plaza	\$2,313.38
0700 012	Japan Center West, Ltd Partnership	11 Peace Plaza	\$5,519.81
0686 033	K. Sakai Company	1680-1686 Post Street	\$4,223.96
0686 040	K. Sakai Company	1650-1656 Post Street	\$4,556.51
0701 001	Kabuki LLC / Sundance Cinemas	1881 Post Street	\$31,711.22
0701 002	Kabuki LLC / Sundance Cinemas	1881 Post Street	\$5,466.21
0700 034	Kim Dae W	1610 Geary Blvd	\$1,724.95
0686 030	Kim Henry & Kum Cha	1640 Post Street	\$2,060.49
0685 042	KIMOCHI INC	1715 Buchanan Street	\$1,029.70
0700 006	Kinokuniya Book Store of America	1580 Webster Street	\$625.90
0701 005	Kinokuniya Book Store of America	1580 Webster Street	\$3,169.08
0701 007	Kinokuniya Book Store of America	1825 Post Street	\$39,487.02
0700 032	Lee Kyo D & Ae Hee	1660 Geary Blvd	\$917.43
0700 033	Lee Kyo D & Ae Hee	1630 Geary Blvd	\$1,113.33
0701 006	Mar	1825 Post Street	\$3,102.46
0685 039	Marumoto Shigeko	1737 Buchanan Street	\$2,517.68
0685 038	Mihara Nobuo J & Shizuko	1741-1743 Buchanan Street	\$2,186.11
0675 039	Nakamoto Jitsuzo & Fusaye	1788-1790 Sutter Street	\$8,102.44

APN	Owner Name	Site Address	Parcel Assmt
0685 050	Nihonmachi Parking Corporation	Webster Street	\$3,477.81
0686 031	Nihonmachi Parking Corporation	616 Hemlock Street	\$110.80
0686 038	Nihonmachi Parking Corporation	1716-1718 Buchanan Street	\$2,399.50
0686 039	Nihonmachi Parking Corporation	616 Hemlock Street	\$221.60
0686 042	Nihonmachi Parking Corporation	616 Hemlock Street	\$23.05
0686 044	Nihonmachi Parking Corporation	616 Hemlock Street	\$110.80
0686 054	Nihonmachi Parking Corporation	1761 Sutter Street	\$185.26
0686 056	Nihonmachi Parking Corporation	1775 Sutter Street	\$370.67
0686 058	Nihonmachi Parking Corporation	1664 Post Street	\$110.80
0686 059	Nihonmachi Parking Corporation	616 Hemlock Street	\$63.38
0686 037	Oda Akanako	1748-1750 Buchanan Street	\$1,549.87
0686 041	Ogawa Family Trust	1632-1636 Post Street	\$2,076.89
0686 036	Okamoto Allen M & P N	1740 Buchanan Street	\$2,170.55
0685 001	Okamura Sue S	1745-1747 Buchanan Street	\$5,228.57
0700 022	Recreation & Park Department	Peace Plaza	\$15,839.13
0700 023	Recreation & Park Department	Peace Plaza	\$960.28
0685 012	Shogakukan / Viz Media	1746 Post Street	\$4,252.38
0685 043	Sim & Yoon Corporation	1700 Post Street	\$10,920.46
0686 008	SUSUMU S & TSUYAKO S SEIKI 198	1620 Post Street	\$1,402.47
0686 052	Susumu Sim Seiki & Tsuya Seiki	1603-1613 Laguna Street	\$6,671.96
0685 011	TORAYA APARTMENTS	1726-1734 Post Street	\$6,604.89
0700 028	Union Bank	22 Peace Plaza	\$510.57
0700 029	Union Bank	22 Peace Plaza	\$6,716.90
0700 030	Union Bank	*no Site Address*	\$704.84
0686 045	Wong Osumi Nakamura Group	1622-1630 Post Street	\$3,078.85
0686 035	Yamaguchi Taeko	1728 Buchanan Street	\$2,765.18
<b>TOTALS:</b>			<b>\$393,750.00</b>

## MEMORANDUM

TO: Angela Calvillo, Clerk of the Board  
FROM: Chris Corgas, Senior Program Manager  
DATE: May 9, 2017  
RE: Proposed Japantown Community Benefit District

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Enclosed please find the petitions representing 30.84% weighted support for the establishment of the Japantown Community Benefit District (JTCBD). The petitions enclosed are consistent with the requirements of the City.



KRISTIN LOWELL INC.  
PUBLIC FINANCE SOLUTIONS

## MEMORANDUM

**TO:** City of San Francisco  
**FROM:** Kristin Lowell  
**REGARDING:** Japantown Community Benefit District  
**DATE:** May 8, 2017

This memo is to serve as the findings from the review of petitions attributable to the formation of the proposed Japantown Community Benefit District ("District"). The District includes 67 parcels for a total assessment of \$393,750. KLI has reviewed 12 executed petitions representing 23 parcels related to the proposed District formation. Petitions signed in favor of the District formation equal \$121,429.08 representing 30.85%.

Description	Number of Petitions	Number of Parcels	Assessment Amount	% of Total Assessment
Petitions in favor of District Formation	9	16	\$121,429.08	30.85%
Petitions Opposed to District Formation	3	7	\$62,081.68	15.77%
<b>Total Executed Petitions</b>	<b>12</b>	<b>23</b>	<b>\$183,510.76</b>	<b>46.62%</b>



JAPANTOWN CBD - PETITION SUMMARY

RESPONSE	AMOUNT	%	# of PARCELS REPRESENTED
YES	\$ 121,429.08	30.84%	16
NO	\$ 62,081.68	15.77%	7
NO RESPONSE	\$ 2,076.89	0.53%	1
NOT SUBMITTED	\$ 208,162.34	52.87%	43
<b>TOTAL</b>	<b>\$ 393,750.00</b>	<b>100%</b>	<b>67</b>

#	APN	Address	ANNUAL ASSESSMENT	% of Total	RESPONSE	Owner
1	0686 052	1603-1613 Laguna Street	\$ 6,671.96	1.69%	YES	Susumu Sim Seiki & Tsuya Seiki
2	0686 008	1620 Post Street	\$ 1,402.47	0.36%	YES	SUSUMU S & TSUYAKO S SEIKI 198
3	0701 001	1881 Post Street	\$ 31,711.22	8.05%	YES	Kabuki LLC / Sundance Cinemas
4	0701 002	1881 Post Street	\$ 5,466.21	1.39%	YES	Kabuki LLC / Sundance Cinemas
5	0685 038	1741-1743 Buchanan Street	\$ 2,186.11	0.56%	YES	Mihara Nobuo J & Shizuko
6	0685 012	1746 Post Street	\$ 4,252.38	1.08%	YES	Shogakukan / Viz Media
7	0700 017	1625 Post Street	\$ 4,230.82	1.07%	YES	Japan Center Hotel Assoc. LP
8	0700 018	1625 Post Street	\$ 22,578.29	5.73%	YES	Japan Center Hotel Assoc. LP
9	0700 019	1625 Post Street	\$ 6,049.93	1.54%	YES	Japan Center Hotel Assoc. LP
10	0700 020	1625 Post Street	\$ 3,182.09	0.81%	YES	Japan Center Hotel Assoc. LP
11	0685 041	1721 -1723 Buchanan Street	\$ 1,777.73	0.45%	YES	Ishisaki Tsutomu B
12	0700 028	22 Peace Plaza	\$ 510.57	0.13%	YES	Union Bank
13	0700 029	22 Peace Plaza	\$ 6,716.90	1.71%	YES	Union Bank
14	0700 030	*no Site Address*	\$ 704.84	0.18%	YES	Union Bank
15	0676 072	1800 Sutter Street	\$ 11,993.77	3.05%	YES	KHP III SF Sutter LLC
16	0676 073	1805 Sutter Street	\$ 11,993.77	3.05%	YES	KHP III SF Sutter LLC
17	0686 032	1672-1674 Post Street	\$ 2,027.99	0.52%	NO	Ashizawa Masao
18	0686 034	1672-1698 Post Street	\$ 9,642.17	2.45%	NO	Ashizawa Masao
19	0686 057	1662-1664 Post Street	\$ 1,900.94	0.48%	NO	Ashizawa Masao
20	0700 006	1580 Webster Street	\$ 625.90	0.16%	NO	Kinokuniya Book Streetore of America
21	0701 005	1580 Webster Street	\$ 3,169.08	0.80%	NO	Kinokuniya Book Streetore of America
22	0701 007	1825 Post Street	\$ 39,487.02	10.03%	NO	Kinokuniya Book Streetore of America
23	0685 001	1745-1747 Buchanan Street	\$ 5,228.57	1.33%	NO	Okamura Sue S
24	0686 041	1632-1636 Post Street	\$ 2,076.89	0.53%	NO RESPONSE, BUT RETURNED	Ogawa Family Trust
25-67	SUBTOTAL PETITIONS NOT SUBMITTED		\$ 208,162.34	52.87%	NOT SUBMITTED	
		<b>TOTAL</b>	<b>\$ 393,750.00</b>	<b>100.00%</b>		

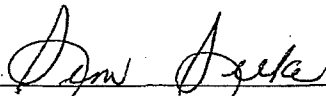
**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS**  
**TO ESTABLISH THE**  
**JAPANTOWN COMMUNITY BENEFIT DISTRICT**

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 "JAPANTOWN COMMUNITY BENEFIT DISTRICT" (hereafter "Japantown CBD" or "District"), the boundaries of which are shown on the attached map and in the Management Plan for the Japantown 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, improvements and activities as described in the Plan. If the proposed District is established by the Board of Supervisors following the ballot election and public hearing, assessments would be collected for the first 10 years (July 1, 2017 – June 30, 2027). Expenditure of those collected assessments can continue for up to 6 months after the end of the assessment collection period (December 31, 2027), at which point the District would terminate if not renewed.
3. We petition the Board of Supervisors to initiate special assessment district 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 the 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 (or authorized representative of property owners) who will pay more than thirty percent (30%) of the proposed assessments, the Board of Supervisors may initiate proceedings to renew and expand the District. These proceedings will include balloting of property owners under which a majority of weighted property owners who return a ballot may authorize the Board of Supervisors to renew and expand the District. This petition does not represent a final decision.

Legal Owner: Susumu Sim Seiki & Tsuya Seiki			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0686 052	1603-1613 Laguna Street	\$6,671.96	1.69%
		<u>Total \$6,671.96</u>	<u>Total 1.69%</u>

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.

<p style="text-align: center;"></p> <p>_____ Signature of Owner or Authorized Representative</p>	<p style="text-align: center;">05-05-2017</p> <p>_____ Date</p>
<p style="text-align: center;">SIM SEIKI</p> <p>_____ Print Name of Owner or Authorized Representative</p>	<p>_____ Representative Contact Phone or Email</p>

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

The full Japantown Community Benefit District Management Plan can be found online at <http://www.japantowntaskforce.org/>. For more information regarding formation of the Japantown CBD, or if you believe any of the information stated in this petition is incorrect, please contact Greg Marutani at [gregm@japantowntaskforce.org](mailto:gregm@japantowntaskforce.org).

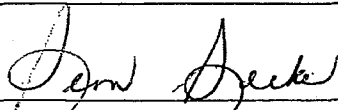
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Legal Owner: SUSUMU S & TSUYAKO S SEIKI 198			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0686 008	1620 Post Street	\$1,402.47	0.36%
		<u>Total \$1,402.47</u>	<u>Total 0.36%</u>

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	05-05-2017 _____ Date
SIM SEIKI _____ Print Name of Owner or Authorized Representative	_____ Representative Contact Phone or Email

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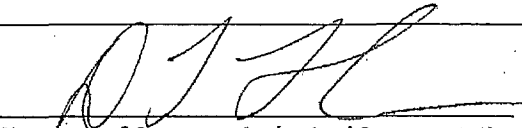
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Legal Owner: Kabuki LLC / Sundance Cinemas			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0701 001	1881 Post Street	\$31,711.22	8.05%
0701 002	1881 Post Street	\$5,466.21	1.39%
		<b>Total \$37,177.43</b>	<b>Total 9.44%</b>

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.

	<u>5/4/17</u>
Signature of Owner or Authorized Representative	Date
<u>Darla T Flanagan</u>	<u>darla@familyflanagan.com</u>
Print Name of Owner or Authorized Representative	Representative Contact Phone or Email

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 1765 Sutter Street, 3rd Floor  
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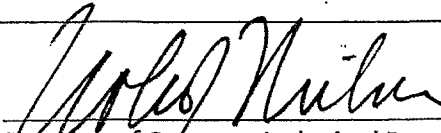
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Legal Owner: Mihara Nobuo J & Shizuko			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0685 038	1741-1743 Buchanan Street	\$2,186.11	0.56%
<b>Total \$2,186.11</b>			<b>Total 0.56%</b>

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	5-3-2017 _____ Date
NOBUO J. MIHARA _____ Print Name of Owner or Authorized Representative	_____ Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115



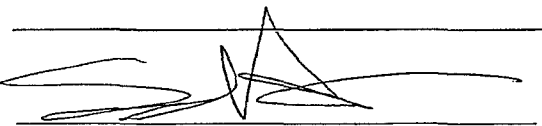
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Legal Owner: Shogakukan / Viz Media			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0685 012	1746 Post Street	\$4,252.38	1.08%
		<b>Total \$4,252.38</b>	<b>Total 1.08%</b>

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

4/25/2017  
\_\_\_\_\_  
Date

SEIJI HORIBUCHI  
\_\_\_\_\_  
Print Name of Owner or Authorized Representative

seiji@newpeopleworld.com  
\_\_\_\_\_  
Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
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1765 Sutter Street, 3rd Floor  
San Francisco, CA 94115

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Legal Owner: Japan Center Hotel Assoc. LP			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0700 017	1625 Post Street	\$4,230.82	1.07%
0700 018	1625 Post Street	\$22,578.29	5.73%
0700 019	1625 Post Street	\$6,049.93	1.54%
0700 020	1625 Post Street	\$3,182.09	0.81%
		<b>Total \$36,041.13</b>	<b>Total 9.15%</b>

- 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.

C. A. WAT  
 Signature of Owner or Authorized Representative

4/26/17  
 Date

CRIDE A. WATERMAN  
 Print Name of Owner or Authorized Representative

415-614-5400  
 Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

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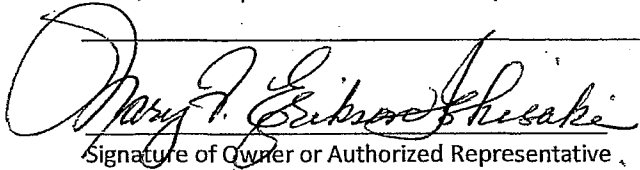
**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS**  
**TO ESTABLISH THE**  
**JAPANTOWN COMMUNITY BENEFIT DISTRICT**

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 "JAPANTOWN COMMUNITY BENEFIT DISTRICT" (hereafter "Japantown CBD" or "District"), the boundaries of which are shown on the attached map and in the Management Plan for the Japantown CBD\* (hereafter "Plan").
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3. We petition the Board of Supervisors to initiate special assessment district 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 the 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 (or authorized representative of property owners) who will pay more than thirty percent (30%) of the proposed assessments, the Board of Supervisors may initiate proceedings to renew and expand the District. These proceedings will include balloting of property owners under which a majority of weighted property owners who return a ballot may authorize the Board of Supervisors to renew and expand the District. This petition does not represent a final decision.

Legal Owner: Ishisaki Tsutomu B			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0685 041	1721 -1723 Buchanan Street	\$1,777.73	0.45%
		<u>Total \$1,777.73</u>	<u>Total 0.45%</u>

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.

      26 April 2017  
 Signature of Owner or Authorized Representative      Date

Mary F. Erikson Ishisaki      415-567-3154  
 Print Name of Owner or Authorized Representative      Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

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Legal Owner: Union Bank

APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0700 028	22 Peace Plaza	\$510.57	0.13%
0700 029	22 Peace Plaza	\$6,716.90	1.71%
0700 030	*no Site Address*	\$704.84	0.18%
		<b>Total \$7,932.31</b>	<b>Total 2.02%</b>

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

\_\_\_\_\_  
 Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

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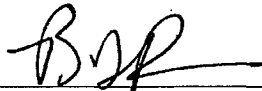


**PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS**  
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Legal Owner: <del>3D Investments/Miyako Inc</del> <b>KHP III SE SUTTER LLC</b>	APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
	0676 072	1800 Sutter Street	\$11,993.77	3.05%
	0676 073	1805 Sutter Street	\$11,993.77	3.05%
			<b>Total \$23,987.54</b>	<b>Total 6.10%</b>

- 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

4-26-17  
 Date

Benjamin Rowe  
 Print Name of Owner or Authorized Representative

415-868-4888  
 Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

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Legal Owner: Ashizawa Masao

APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0686 032	1672-1674 Post Street	\$2,027.99	0.52%
0686 034	1672-1698 Post Street	\$9,642.17	2.45%
0686 057	1662-1664 Post Street	\$1,900.94	0.48%
		<u>Total \$13,571.11</u>	<u>Total 3.45%</u>

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.

Philip Ashizawa  
 Signature of Owner or Authorized Representative

4/18/17  
 Date

PHILIP ASHIZAWA  
 Print Name of Owner or Authorized Representative

415-931-5570  
 Representative Contact Phone or Email

PLEASE RETURN BY **MAY 8, 2017** TO:

Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

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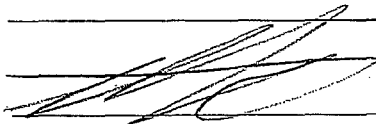
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Legal Owner: Kinokuniya Book Store of America			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0700 006	1580 Webster Street	\$625.90	0.16%
0701 005	1580 Webster Street	\$3,169.08	0.80%
0701 007	1825 Post Street	\$39,487.02	10.03%
		<b>Total \$43,282.00</b>	<b>Total 10.99%</b>

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

5/2/17  
 \_\_\_\_\_  
 Date

RICHARD MATSUNO  
 \_\_\_\_\_  
 Print Name of Owner or Authorized Representative

matsuno@KINOKUNIYA.COM  
 \_\_\_\_\_  
 Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
 Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115



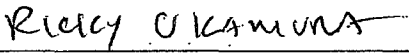
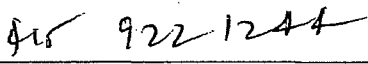
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Legal Owner: Okamura Sue S			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0685 001	1745-1747 Buchanan Street	\$5,228.57	1.33%
		<u>Total \$5,228.57</u>	<u>Total 1.33%</u>

- 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	_____ Representative Contact Phone or Email

**PLEASE RETURN BY MAY 8, 2017 TO:**  
Japantown Task Force  
1765 Sutter Street, 3rd Floor  
San Francisco, CA 94115

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Legal Owner: Ogawa Family Trust			
APN:	Parcel Address (if known)	Parcel Assessment	Parcel %
0686 041	1632-1636 Post Street	\$2,076.89	0.53%
		<b>Total \$2,076.89</b>	<b>Total 0.53%</b>

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.

*I do not understand the boundry established. Why are some properties excluded, although they are in Japantown & benefit from all these things happening to their property.*

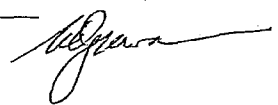
Signature of Owner or Authorized Representative

*Please explain before I can give yes or*  
Date

*No answer,*

Print Name of Owner or Authorized Representative

Representative Contact Phone or Email



**PLEASE RETURN BY MAY 8, 2017 TO:**

Japantown Task Force  
 1765 Sutter Street, 3rd Floor  
 San Francisco, CA 94115

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**AFFIDAVIT of Identification (Property Owner)**

I, \_\_\_\_\_, the undersigned, declare that I am authorized to cast a ballot for the following parcel identified as: \_\_\_\_\_, as either (1) the sole owner or agent, or (2) co-owner or agent to payment of the assessment which will be levied for the proposed Property and Business Improvement District to be known as the "Japantown Community Benefit District."

I declare under penalty of perjury under the laws of the State of California that this declaration made this \_\_\_\_ the day of \_\_\_\_\_, 20\_\_, in the City and County of San Francisco, is true and correct.

\_\_\_\_\_  
Signature Property Owner/Co-Property Owner/Authorized Agent

\_\_\_\_\_  
Print Name Business Owner/Co-Owner/Authorized Agent



**Ballot on Assessment for the establishment of the  
property-based business improvement district known as the  
“Japantown 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 2017-2018 Fiscal Year: \_\_\_\_\_ of Total: \$ \_\_\_\_\_

**Proposed Range or Inflation Adjustment Formula:** The City will calculate each parcel’s assessment using a formula based on the following parcel characteristics: linear street frontage, lot square footage, building square footage, and land use. The assessment may be updated if the parcel characteristics change. In addition, assessments may also increase up to 3% from year to year based on the change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area.

**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 Owner of Record, or Authorized Agent \_\_\_\_\_ Date \_\_\_\_\_

Print Name of Owner or Authorized Agent: 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 25, 2017. Ballots received after that time will only be counted if the Board elects to continue public comment until a later date.

No. «Parcel\_Count»



**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 "Japantown 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. \_\_\_\_ - \_\_\_\_, passed by the Board of Supervisors (a copy of which is enclosed), California Government Code Section 53753, and California Constitution Article XIII D 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 25<sup>th</sup>, 2017 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 "Japantown Community Benefit District". The annual assessments would last for 10 years (July 1, 2017 – June 30, 2027) and would fund services, activities, and improvements through December 31, 2027. The boundaries of Japantown Community Benefit District are described in the enclosed Resolution passed by the Board of Supervisors.
- The Japantown Community Benefit District will fund the following services, activities, and improvements:
  - 1) Environmental Enhancements
  - 2) Economic Enhancements
  - 3) Advocacy, Administration, and Reserve



- Examples of services, activities, and improvements to be funded under the budget category “Environmental Enhancements” includes: sidewalk maintenance, trash collection, graffiti removal, sidewalk pressure washing, and landscape maintenance.
- Examples of services, activities, and improvements to be funded under the budget category “Economic Enhancements” include: a staff position to act as the primary point of contact between the business community, JTCBD, City staff, and development resources. Additionally, economic enhancements will include destination marketing and communication.
- Examples of services, activities, and improvements to be funded under the budget category “Advocacy, Administration, and Reserve” includes: a dedicated staff who will serve as a focal point persons and advocate for the District and the management of office expenses including accounting, rent, utilities, office supplies, insurance, legal, and other professional services related to District activities
- The proposed fiscal year 2017-2018 assessment for your parcel is ~~«Voter Proportional»~~. This assessment is calculated using a formula based on the following parcel characteristics: linear street frontage, lot square footage, building square footage, and land use. The assessment may be updated if the parcel characteristics change. In addition, assessments may also increase up to 3% from year to year based on the change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area. 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 duration of the assessment district is 10 ½ years, with assessments levied on your property for 10 years (July 1, 2017 – June 30, 2027) in order to fund services from January 1, 2018 through December 31, 2027. The assessment will appear as a separate line item on your property tax bill. The final assessment will be collected on your property tax bill for fiscal year 2026-2027. The City will directly bill any Assessor’s Parcels which do not regularly receive a property tax bill from the City.
- The maximum amount chargeable to the entire assessment district would be a maximum of \$393,750.00 in the first year. The maximum amount assessed to the entire assessment district over the life of the district (*assuming current development status and maximum annual CPI adjustment of 3% in years 2 through 10*) would be as set forth in the following table:



**TOTAL MAXIMUM AMOUNT OF ASSESSMENTS ON ALL PARCELS INCLUDED IN THE PROPOSED DISTRICT FOR EACH FISCAL YEAR, ASSUMING CURRENT DEVELOPMENT STATUS AND MAXIMUM ANNUAL CPI INCREASE OF 3% IN YEARS 2 THROUGH 10**

YEAR	FISCAL YEAR	MAXIMUM ANNUAL ASSESSMENT
1	FY 2017-2018	\$393,750.00
2	FY 2018-2019	\$405,573 .00
3	FY 2019-2020	\$417,740 .00
4	FY 2020-2021	\$430,272 .00
5	FY 2021-2022	\$443,181 .00
6	FY 2022-2023	\$456,476 .00
7	FY 2023-2024	\$470,170 .00
8	FY 2024-2025	\$484,276 .00
9	FY 2025-2026	\$498,803 .00
10	FY 2026-2027	\$513,767 .00
TOTAL		\$4,514,008.00

(1) The total maximum amount assessed to property owners within the Japantown CBD each Fiscal Year.

- The first year annual assessment rate for each parcel is calculated at
  - **Building square footage: \$0.1477 per square foot**
  - **Parcel/lot square footage: \$0.1477 per square foot**
  - **Linear Frontage: \$38.0166 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 Department 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 Department of Elections at any time, but **MUST** be received by the Department of Elections not later than the conclusion of the public input portion of the public hearing on July 25, 2017 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 Department 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 Department of Elections prior to the conclusion of the public input portion of the hearing, mailed ballots must be received by the Department of Elections by 12 o'clock noon on July 25, 2017. 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 Department 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 Department 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 Department 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.

## Carroll, John (BOS)

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**From:** Carroll, John (BOS)  
**Sent:** Tuesday, May 16, 2017 4:27 PM  
**To:** 'Greg M.'; Robert Hamaguchi; Penny Lam; Victor Lau  
**Subject:** RE: Support For Japantown CBD  
**Categories:** 170565, GAO - 2017.05.17

Thank you for your message. I have added these letters to the official file for the resolution.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 170565](#)

**John Carroll**  
Assistant Clerk  
Board of Supervisors  
San Francisco City Hall, Room 244  
San Francisco, CA 94102  
(415)554-4445 - Direct | (415)554-5163 - Fax  
[john.carroll@sfgov.org](mailto:john.carroll@sfgov.org) | [bos.legislation@sfgov.org](mailto:bos.legislation@sfgov.org)

 Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

*Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

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**From:** Greg M. [<mailto:jtfgreg@yahoo.com>]  
**Sent:** Tuesday, May 16, 2017 4:04 PM  
**To:** Kim, Jane (BOS) <[jane.kim@sfgov.org](mailto:jane.kim@sfgov.org)>; Breed, London (BOS) <[london.breed@sfgov.org](mailto:london.breed@sfgov.org)>; Peskin, Aaron (BOS) <[aaron.peskin@sfgov.org](mailto:aaron.peskin@sfgov.org)>  
**Cc:** Carroll, John (BOS) <[john.carroll@sfgov.org](mailto:john.carroll@sfgov.org)>; Robert Hamaguchi <[bobhama330@gmail.com](mailto:bobhama330@gmail.com)>; Penny Lam <[penny@ichibankanusa.com](mailto:penny@ichibankanusa.com)>; Victor Lau <[katachisf@yahoo.com](mailto:katachisf@yahoo.com)>  
**Subject:** Support For Japantown CBD

Dear GAO Committee Members:

Attached is a letter of support to proceed with the formation of the CBD in Japantown from Bob Hamaguchi, Executive Director of the Japantown Task Force.

Also attached is a letter from the Japantown Business Watch Group supporting the formation of a CBD in Japantown.

Representatives from the Steering Committee will be present at tomorrow's GAO meeting to speak briefly in support of the proposed CBD.  
Greg Marutani



JAPANTOWN BUSINESS WATCH GROUP

May 16, 2017

Supervisor Jane Kim  
Chair  
Government Audit and Oversight Committee  
City Hall Room 280  
San Francisco, CA 94102

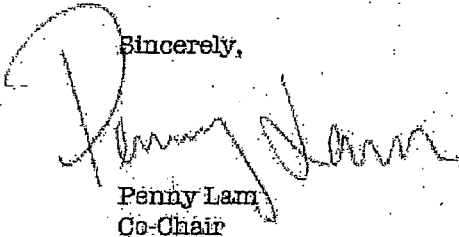
Dear Supervisor Kim:

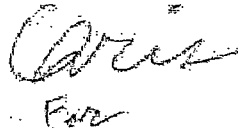
As co-chairs of the Japantown Business Watch Group (BWG) that was formed with the assistance of the Japantown Task Force that currently has over thirty members that share information about crime prevention methods in their businesses, hosted a number of meetings that included representatives from law enforcement.

We believe that the formation of a Community Benefit District (CBD) in Japantown will benefit all of the businesses and property owners within the designated area. With the enhancements such as the power washing of sidewalks, graffiti removal, trash and weed extraction will go a long way in keeping the neighborhood clean and attractive. The ambassadors wearing vests to assist with wayfinding in Japantown.

The Japantown BWG has worked closely with the JTF and Japantown Merchants Association and look forward to working with the CBD in keeping Japantown a place where visitors and tourists can visit and are welcomed and safe.

Sincerely,

  
Penny Lam  
Co-Chair

  
For  
Victor Lau  
Co-Chair

cc:



# JAPANTOWN TASK FORCE

日本町の経済発展・計画・保存

ECONOMIC DEVELOPMENT, PLANNING & PRESERVATION OF JAPANTOWN

May 17, 2017

**Executive Director**  
Robert Hamaguchi

**Community Aides**  
Kimiko Fukuyama  
Greg Marutani

**Board Members**

Alice Kawahatsu, *President*  
Paul Wermer, *Vice-President*  
Mark Moriguchi, *Treasurer*  
Rosalyn Tonai, *Secretary*  
Anthony Brown  
Seiko Fujimoto  
Judy Hamaguchi  
Richard Hashimoto  
David Ishida  
Glynis Nakahara  
Benji Nakajo  
Jon Osaki  
Beau Simon  
Neal Taniguchi  
Clint Taura, *DDS*

Supervisor/Committee Chair Jane Kim  
Supervisor/President London Breed  
Supervisor Aaron Peskin  
City Hall  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, Ca. 94102-4689

Dear Members of the Government Audit and Oversight Committee

Please excuse my absence at today's committee meeting, as I am having a prescheduled medical treatment.

I urge your support of the action to ballot the creation of a Japantown Community Benefit District ('JCBD').

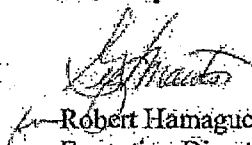
Japantown is experiencing very good commercial activity, and continued demand by cultural businesses for space in the area. At the same time, much to our disappointment crime rates (particularly auto boosts and shoplifting) continue to rise and area maintenance is much needed. The best efforts of the SFPD and DPW are greatly appreciated but deemed inadequate. The proposed JCBD will provide an equitable sharing of costs of the property owners to address these demands.

Over the past two years the steering committee has met regularly to determine if Japantown had the appetite for a CBD and to keep interested parties apprised of the project's progress. In the summer of 2016 we received our answer through the feasibility survey, a resounding yes. We used this survey as our guide in drafting the district's management plan.

While the petition was a slim victory, largely due to timing constraints, I am confident that we can improve the responses and affirmative support. We will continue outreach efforts and will continue to conduct meetings with owners, particularly the smaller owners and tenants to clarify CBD services and costs.

Your favorable consideration is greatly appreciated.

Sincerely,

  
Robert Hamaguchi  
Executive Director

1765 Sutter Street, 2nd Floor, San Francisco, CA 94115 • 415.346.1239 • Fax 415.346.6703  
info@japantowntaskforce.org • www.japantowntaskforce.org

Print Form

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2017 MAY -9 PM 2:55

Time stamp  
or meeting date

BY \_\_\_\_\_

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. Reactivate File No. [ ]
- 10. 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 Form.

Sponsor(s):

President London N. Breed

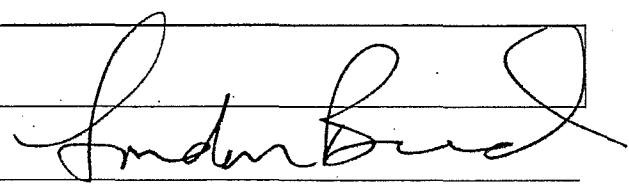
Subject:

Resolution of Intention - Japantown Community Benefit District

The text is listed below or attached:

Please see attached.

Signature of Sponsoring Supervisor: \_\_\_\_\_



For Clerk's Use Only:

