DOWNTOWN COMMUNITY BENEFIT DISTRICT
DBA DOWNTOWN SAN FRANCISCO PARTNERSHIP
Management District Plan
(FINAL 4.24.26 V7)

Table of Contents

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Section 1: Downtown Community Benefit District Executive Summary

Call to Action

The Downtown Community Benefit District (DCBD) in San Francisco, CA DBA "Downtown SF Partnership (DSFP), was established in 2019 by San Francisco property owners seeking to provide supplemental services to maintain a clean, safe, and vibrant downtown environment. District operations launched in January 2020, just weeks before the COVID-19 pandemic would drastically alter downtown.

Six years later, as Downtown San Francisco regains and reinvents its economic footing, property owners are seeking to renew, expand, and strengthen the DCBD.

Key goals for the renewed DCBD include:

- **Update the DCBD to Fully Capitalize on the Post-Pandemic Investment Cycle**, including:
  - ✓ Double the annual investment in safe and clean services, offering 24/7 coverage
  - ✓ Expand public realm improvements and activation, and reduce the dependency on diminishing public grant support
  - ✓ Create a new economic development program to support business attraction and retention, particularly on the street level
  - ✓ Employ best practices in urban placemaking and place management of all CBD funded initiatives
- **Align the Investment in the DCBD with Districts in Other Major North American Downtowns**
- **Optimize Benefits Following the Anticipated Renovation of Embarcadero Park**
- **Sharpen Downtown San Francisco's Image, Competitive Edge and Build on New Momentum**

Summary Management District Plan

The DCBD is a property-based assessment district formed by property owners in 2019 to improve and convey special benefits to properties within the historic and central business district of San Francisco. It was established pursuant to state law, the Property and Business Improvement District Law of 1994 (the "1994 Act"), as augmented by Article 15 of the San Francisco Business and Tax Regulations Code ("Article 15").

Upon receipt of petitions signed by property owners representing greater than 30% of the DCBD assessment budget, the City of San Francisco will initiate a ballot procedure to officially renew and expand the boundaries of the DCBD. Governed by the Downtown SF Partnership serving as the district Owner's Association, the DCBD will fund and deliver enhanced services to improve and convey special benefits to properties located within the CBD boundary, above and beyond those provided by the City.

<table>
<tr><td>Location</td><td>The existing DCBD encompasses approximately 43 blocks in the historic and central business district of San Francisco, bounded roughly by Kearny Street to the east, Jackson Square and Sacramento Street to the north, and Market Street to the southeast. Properties south of Market Street are also included between The Embarcadero and 2nd Street.

Expansion areas proposed to be added the DCBD include:
● Approximately 27 blocks adjacent to the north and east of the existing district, bounded roughly by Sacramento Street to the south, Battery and Sansome Streets to the west, Jackson Street to Broadway to the north, Front Street and The Embarcadero to the east.
● About ten parcels adjacent to the district located along Kearny and Columbus Streets.
● The portside frontage of The Embarcadero, bounded roughly by Howard Street to the south and Broadway to the north.

The existing district and proposed expansion areas are illustrated by the map and description found in Section 3.

The new DCBD boundaries will encompass approximately 70 blocks with 828 parcels in Zones 1 and 2, plus 13 Port parcels in Zone 3.</td></tr>
<tr><td>Services & Activities</td><td>The DCBD will provide the following programs and services to enhance the environment, experience, and economic vitality within the district boundary, with the possibility to provide additional services if the Embarcadero Park is redeveloped.

<u>Clean, Safe & Placemaking</u>
● Clean & Safe Services:
✓ Increase the number of clean and safe team ambassadors
✓ Increase the frequency of power washing throughout the district, particularly on Market Street
✓ Implement a new homeless outreach program with case workers and coordinate with local service providers within the City
✓ Offering a new security camera network program
✓ Implement new overnight security patrols and camera monitoring to proactively address crime and public safety.
● Public Realm & Placemaking: Implements Downtown SF Partnership’s award-winning Public Realm Action Plan by funding, designing, installing, activating, and maintaining streetscape improvements and beautification efforts in the Financial District, The Embarcadero, and Jackson Square.</td></tr>
</table>

	<u>District Identity, Economic Development, & Advocacy</u> ● **Economic Development:** Accelerates downtown economic recovery through street level attraction and policy collaboration, including a new street level and office retention and recruitment initiatives, plus liaison services to provide technical assistance and expedite permitting and development review. ● **Programming & Special Events:** Implement new funding to support ongoing programming at key public spaces including Mechanics Plaza, Landing at Leidesdorff, the Front Street Entertainment Zone, Harry Bridges Plaza, and others, plus new funding to sustain and expand Let's Glow SF and other districtwide signature events. ● **District Identity and Marketing:** Increases funding for district branding, storytelling, destination advertising, public relations and image enhancement. ● **Advocacy:** Establishes a fund to support public affairs efforts, policy, and coalition building to better the downtown economy and community benefits. **<u>Management, Administration & Contingency</u>** ● **Program Management:** Deepens the professionalism of the organization and creates capacity to manage implementation. ● **Contingency & Special Projects:** Flexibility to support special projects and new initiatives as they arise. **<u>Park Overlay Services</u>** ● The City is considering a project to substantially redesign and improve Embarcadero Park, located at the eastern edge of the DCBD. If the Park is completed, the DCBD could provide additional supplemental services to specially benefit the District such as additional security, maintenance, activation and special events.
Method of Financing	Levy of assessments upon real property that receive a special benefit from enhanced services, plus non-assessment sources.
Initial Budget	The total DCBD budget for its first year of operations in the renewal term is $11,335,557. This initial budget does include the additional overlay of services that potentially could be added later if renovations to the Embarcadero Park are completed (see below).

EXPENDITURES	Total Budget	% of Budget
Clean, Safe & Placemaking	$7,850,000	68.50%
District Identity, Economic Development & Advocacy	$1,610,000	14.05%

Management, Administration & Contingency	$1,875,557	17.45%
Total Expenditures	**$11,335,557**	**100.00%**
REVENUES		
Assessment Revenues	$11,052,168	97.50%
Other Revenues – General Benefit*	$283,389	2.50%
Total Revenues	**$11,335,557**	**100.00%**

* *Other Revenues – General Benefit: An allowance is made for general benefit that the DCBD may provide to either the parcels outside the district boundary or to the public at-large. Any CBD services that are found to provide general benefit cannot be paid for with assessment revenue. A certified engineer has estimated that the general benefit from services accounts for 2.50% of the estimated budget. For discussion of the Park Overlay general benefit, see Section 6 below.*

Assessments & Benefit Zones

The DCBD will provide the base services across three distinct benefit zones as shown on the map on page 14. Annual assessments help cover the costs to serve each zone, with assessments spread evenly across all of the parcels in the zones based on building square footage, lot square footage in the case of parcels that are vacant and/or have no buildings, or linear frontage.

- **Zone 1 Downtown Service:** Offers the full array, frequency, and deployment of DCBD funded services. The Downtown Zone corresponds with the existing DCBD boundary, plus additional properties adjacent to the district on Kearny and Columbus Streets.

- **Zone 2 Embarcadero Service:** Offers a 50% reduction in Clean and Safe services and full participation with all other DCBD funded services. The Embarcadero Zone corresponds with the proposed expansion area north of Sacramento Street.

- **Zone 3 Portside Services:** Offers a custom level of deployment of Clean and Safe special projects services and full participation of other DCBD funded services. Since the Portside properties receive a different level of services than the other Zones, they are assessed as their own Zone. The Portside Zone includes Port property along The Embarcadero corridor, roughly from Howard Street to Broadway.

Adjusted for the preceding benefit zones, the estimated annual assessment rates for the first year of the renewed DCBD are as follows:

Service Zone	**Gross Building or Lot Sq.Ft.**
Zone 1: Downtown	**$0.2236**
Zone 2: Embarcadero	**$0.1452**
	Per Foot of Linear Frontage
Zone 3: Portside	**$273.32**

Park Overlay

If the City completes a renovation of Embarcadero Park, the DCBD envisions a state-of-the-art activated space that, like urban parks in other cities, can help to drive visitation, commerce, and value to Downtown San Francisco. The DCBD anticipates that improvements to the park could be completed in the next three years.

Supplemental and enhanced cleaning and safety services above the City baseline, as well as increased programming, events, and activation, will be key to the success of the District. These services will be funded from a variety of revenue sources, including City funds, a philanthropic conservancy or foundation, earned revenue and overlay assessments:

PARK OVERLAY EXPENDITURES	Total Budget	% of Budget
Clean, Safe & Placemaking	$835,000	33.40%
District Identity, Economic Development & Advocacy	$1,215,000	48.60%
Management, Administration & Contingency	$450,000	18.00%
Total Expenditures	**$2,500,000**	**100.00%**
PARK OVERLAY REVENUES		
Assessment Revenues	$1,814,273	72.57%
Other Revenues – General Benefit*	$685,727	27.43%
Total Revenues	**$2,500,000**	**100.00%**

** Other Revenues – General Benefit: An allowance is made for general benefit that the Park Overlay services may provide to either the parcels outside the district boundary or to the public at-large, and to account for the treatment of certain public parcels. These portions of the budget cannot be paid for with assessment revenue. A certified engineer has estimated that the 27.43% general benefit assumption is more than sufficient to account for these costs.*

The DCBD will allocate the park overlay assessments using the same parcel criteria as for the initial services, with further adjustments based on each parcel's proximity to the park as shown in the following table. These assessments are estimated to be levied in Year 3 FY (28/29).

Parl Overlay Zones:	Assessment Rate
Park A:	$0.0897
Park B:	$0.0448
Park C:	$0.0224

Inflationary Increases

All assessment rates, including base district assessments and any overlay assessments that may be applied subsequently, will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. The determination of annual adjustments in assessment rates may not exceed 5% and will be subject to review and approval by the DCBD Owners' Association (i.e. the Downtown SF Partnership Board of Directors).

	Assessments may also be adjusted over time as changes to parcels occur (e.g., increase in building square footage).
City Services	The City and County of San Francisco has established and documented the base level of pre-existing services in the District. If Embarcadero Park is renovated, the City will further establish and document its baseline services. The DCBD will not replace any general City services.
Collection	DCBD assessments appear as a separate line item on the annual City and County of San Francisco property tax bills.
District Governance	The DCBD is managed by the Downtown SF Partnership serving as the district's Owner's Association. The Downtown SF Partnership is governed by a board of directors composed primarily of property owners or their representatives within the district. In accordance with San Francisco Business and Tax Regulations Code Article 15, not less than 20 percent of the voting members of the board represent business owners located within the district who do not own commercial property.
District Renewal	Article 15 requires submission of petitions signed by property owners in the proposed district who will pay more than 30% of the total assessments (i.e. petitions must represent more than 30% of the total assessment budget). After the petition is submitted, the City will conduct hearings and mail ballots to all assessed property owners. Ballots are weighted by the amount of assessment to be paid. If returned ballots voting in support of renewing the District are equal to or greater than those opposed, the Board of Supervisors may vote to establish the District.
Duration	The renewed DCBD term will run from January 1, 2027, through December 31, 2036. Expenditure of those collected assessments can continue for up to six months after the end of the assessment collection period (December 31, 2036) at which point the Downtown SF CBD would sunset if not renewed. Any subsequent renewal of the DCBD will require a new Management Plan, petition, and ballot process.

Section 2: Why Renew the DCBD?

The Downtown Community Benefit District (DCBD) in San Francisco, managed by the Downtown SF Partnership (DSFP), was established in 2019 by property owners seeking to provide supplemental services to maintain a clean, safe, and vibrant Downtown environment. District operations launched in January 2020, just weeks before the COVID-19 pandemic would drastically alter Downtown.

The DCBD was created with a 15-year term with the ability to continue through the year 2035; however, new service demands, competitive pressures, and investment cycle opportunities are all different today. The pandemic revealed the need to significantly increase core services of the DCBD to guarantee a reliably clean and safe environment. In addition, while San Francisco is benefitting from the reemergence of new job creating technology trends, the overall competitive landscape has changed. Enduring shifts in workstyles, retail preferences, and living opportunities provide both challenges and opportunities for Downtown San Francisco. Given these new realities, both the DSFP board leadership and its professional staff agreed to pursue a needed overhaul of the DCBD.

Today, the city's core is coming alive again. The Downtown SF Partnership, working hand-in-hand with DCBD property owners, has reimagined what a downtown can be, including vibrant public spaces, streets alive with art and activity, and businesses not just recovering, but thriving. From Let's Glow SF, the largest holiday light projection festival in the nation, to California's first Entertainment Zone, downtown is becoming a destination where bold, unforgettable experiences happen around every corner.

The core mission of the DCBD remains ensuring clean and safe streets. Keeping downtown streets reliably welcoming drives the district's economy, sparks connection, and fuels energy. Through the district's Public Realm Action Plan, underused spaces are transformed into experiences that make people want to return again and again.

Despite the unprecedented challenges that ushered in the early days of the DCBD, the District has been able to advance the following accomplishments for downtown San Francisco:

- December 2020: Launched the Clean and Safe Program, with dedicated ambassador teams to enhance cleanliness, safety, and hospitality throughout the district.
- December 2021: Pioneered Let's Glow SF, that has evolved into an established San Francisco holiday tradition attracting hundreds of thousands attendees and generating more than $26 million in economic impact since its launch.
- July 2022: Completed and began implementing the Public Realm Action Plan that introduced a comprehensive vision to transform downtown's streets and public spaces through near- and long-term improvements.
- July 2023: Opened Landing at Leidesdorff that activates a new public plaza featuring outdoor seating, events, and community programming.

- September 2024: Launched California's first Entertainment Zone along Front Street, enabling expanded nightlife and events.
- August 2025: Opened the "Downtown Gateway" that provides a new welcoming entry point with public seating, landscaping, and an iconic "Heart SF" sign connecting Market Street to the Financial District.

Process to Develop the Management Plan for DCBD Renewal and Expansion

The board and staff leadership of the Downtown SF Partnership have been considering options for deepening the impact and benefits from the DCBD since the district started to emerge from the pandemic in 2023. To fully evaluate renewal and expansion options, a nationally-acclaimed consultant team led by Progressive Urban Management Associates, Inc., was selected through a competitive process. In concert with the Downtown SF Partnership board and staff leadership, the team conducted stakeholder outreach in the fall of 2025 to determine property owner aspirations for the district, and identify enhancements to the DCBD that could accelerate improvements.

The process included a series of interviews, roundtables, and periodic meetings with the Downtown SF Board of Directors and a Renewal & Expansion Steering Committee. More than 100 property owners, businesses, and residents from within both the existing district and an expansion study area participating. The process was also coordinated closely with partners at the City and the Port of San Francisco.

From this engagement, the following themes emerged that support the early renewal and expansion of the district:

- DSFP's existing services provide critical support for the district and are well received; stakeholders noted the need to reinforce these services in key locations.
- Expansion of placemaking and economic development work is seen as an important component to rounding out service delivery.
- Stakeholders in the expansion area consistently noted a need for an improved pedestrian experience centered around activation, way-finding, and site-specific clean and safe services.
- Specific to a reimagined Embarcadero Park—services to activate, manage and maintain a world-class park require stable funding.
- Property owners in the existing DCBD boundaries are supportive of early renewal and are aware that an assessment increase will come with early renewal and expressed a desire to see increased clean and safe services, with a concentration of enhanced services along the Market Street corridor.
- DSFP has identified many property owners who have "flipped" to supporting the DCBD since formed. Some of this change is attributed to sales and staff turnover; other support has been garnered as a result of effective service delivery.

- Several major property owners in the expansion study area are amenable to inclusion in the district, but have consistently shared that services should not be duplicative of what they are providing in the public realm adjacent to their properties.
- The City is leading the redevelopment of Embarcadero Park, working with DSFP staff on respective roles for management and activation of the park if completed.
- The Mayoral administration is supportive and an active partner of DSFP.
- The City has a consistent track-record of supporting CBDs city-wide.

Rationale for Early Renewal and Expansion for the DCBD

The following four goals provide the rationale for pursuing the early renewal and expansion of the DCBD:

I. Fully Capitalize on the Post Pandemic Investment Cycle

The dawn of 2026 finds a sense of optimism permeating Downtown San Francisco. Favorable trends in the city's economy are adding jobs throughout the downtown districts. New City leadership has reaffirmed downtown resurgence as a top priority and is creating innovative plans and financial tools to boost the area. To fully capitalize on this momentum, several changes are proposed for the DCBD:

- Dramatically increase the annual investment in safe and clean services, offering 24/7 coverage throughout the district. Reliably clean and safe streets and public spaces are fundamental to Downtown's resurgence. Property owners have the opportunity to double their investment in supplemental services, increasing ambassador coverage, the frequency of power washing and other supplemental services, and introducing new homeless outreach efforts, a security camera network program, and overnight safety patrols.
- Expand placemaking improvements to implement DSFP's award-winning Public Realm Action Plan.
- Increase ongoing marketing, programming of public spaces, and special events that help make downtown a destination attraction and enhance the district's image.
- Create a new economic development program to support business attraction and retention.

II. Align the Investment in the DCBD with Downtown Districts in Other Major Cities

Downtown San Francisco is a global business center, competing with the largest and most prosperous cities in North America. Nearly all of these cities have improvement districts that provide funding for enhanced services, activation, and advocacy. And nearly all of these cities invest far more capital in the success of their districts.

A comparison of CBDs in other cities found that the current DCBD is among the lowest in annual investment in enhanced services on a square foot basis. This creates a competitive disadvantage since many of the supplemental services financed by the DCBD – including teams of clean and safe ambassadors – have experienced dramatically increased costs for labor and equipment. In addition, as a center of innovation, there are high expectations for ways to activate and enliven Downtown San Francisco. A summary of comparable downtown CBDs and 2025 assessments is provided in the table below:

Downtown District by Name	**Assessment Budget**	**Approx. District Building Sq.Ft.**	**CBD Cost per Building Sq.Ft.**
Downtown Long Beach	$ 4,330,000	22.7M	$ 0.19
Downtown San Jose	$ 4,622,000	21.9M	$ 0.21
Downtown San Francisco	$ 4,862,000	39.1M	$ 0.13
Downtown Sacramento	$ 5,921,000	25.2M	$ 0.23
Downtown Denver	$ 7,289,000	38.4M	$ 0.19
Union Square San Francisco	$ 7,800,000	17.3M	$0.45
Downtown Los Angeles	$ 8,664,000	64.0M	$0.14
Downtown Washington DC	$10,654,000	58.5M	$0.18
Downtown San Diego	$12,144,000	52.3M	$0.23
Downtown Houston	$ 17,065,000	56.9M	$0.30
Downtown Seattle	$19,306,000	80.7M	$0.24
Downtown New York	$20,400,000	82.9M	$0.25

This Management Plan aligns the operating budget and assessment rates for the DCBD to be more competitive with other top tier North American downtown districts.

III. Leverage Potential Investment the Renovation of Embarcadero Park

Within the next three years, significant renovation is being considered for the Embarcadero Plaza and Sue Bierman Park, a 5-acre City-owned area located at the eastern edge of the existing DCBD. Dating back decades from the time when The Embarcadero was a two-level freeway, the plaza has never been modernized and remains underutilized with low foot traffic and hardscape issues. Under the leadership of Mayor Lurie, this soon may change, with more than $35 million anticipated for possible park improvements. The City will complete environmental review before deciding whether to approve the renovation project.

A renovated Embarcadero Park that is well-maintained could enable the District to provide significant benefits for the entire DCBD. An economic impact analysis commissioned as part of the CBD renewal process found tremendous economic impacts in other cities that have created vibrant and highly programmed urban parks – including New York, Chicago, Detroit, Dallas, and Houston. Property values routinely increase for properties located in close proximity to these parks, plus there are measurable positive impacts on office, residential, and retail leasing.

These positive impacts are not guaranteed – common themes to successful downtown parks include ongoing activation, maintenance, safety, and professional management. To this end, an

Embarcadero Park Overlay is proposed as part of the renewed DCBD. The overlay will add an enhanced level of service that is delivered from and around the park, to be funded mostly by assessments, with higher rates for properties located in close proximity to the park. The DCBD will also secure non-assessment funds to pay for these overlay services. The overlay services would commence following completion of the renovation and upon the City and the DCBD mutually agreeing to an Operations Plan to distinguish the City baseline services from the supplemental services the DCBD will provide. If the park renovation project does not occur or if the City and DCBD do not agree to move forward with the park overlay services, the park overlay assessment will not be implemented and the DCBD will continue to provide all other district services as described in this Management Plan.

IV. Sharpen Downtown's Competitive Edge and Build on New Momentum

The value proposition for the renewed DCBD is clear – by increasing investment in supplemental services and improvements, Downtown San Francisco fully emerges from the lingering stigmas of the pandemic to regain its prominence among global business centers. A reliably clean, safe, activated, and vibrant downtown environment is managed by a tireless DSFP, properly capitalized through additional property owner investment with direct accountability to and governance by those who pay.

Section 3: DCBD Boundary

DCBD Boundary

The original DCBD boundary encompasses approximately 43 blocks in the core of Downtown San Francisco roughly bounded by Kearny Street on the west, Pacific Avenue and Sacramento Street on the north, The Embarcadero on the east, and Mission Street on the south as well as a couple blocks south of Market Street between Spear Street to Howard Street to The Embarcadero. Over the course of the last five years, the area north and east of the district boundary has expressed interest in receiving the DCBD services. The new DCBD district boundary will now include approximately 27 additional blocks adjacent to the existing district boundary between Sacramento Street to the south, Battery and Sansome Streets to the west, Jackson Street to Broadway to the north, Front Street and The Embarcadero to the east, as well as Portside parcels with frontage along The Embarcadero between Broadway and Howard Street for a total of 70 blocks.

Benefit Zones: The State Law and State Constitution Article XIIID requires that special assessments be levied according to the special benefit each individual parcel receives from the improvements. To match assessment rates to benefits, three benefit zones have been created within the District. Each zone receives a different level of services and a different level of special benefit. Each zone pays an assessment rate that reflects 100% of the special benefit received.

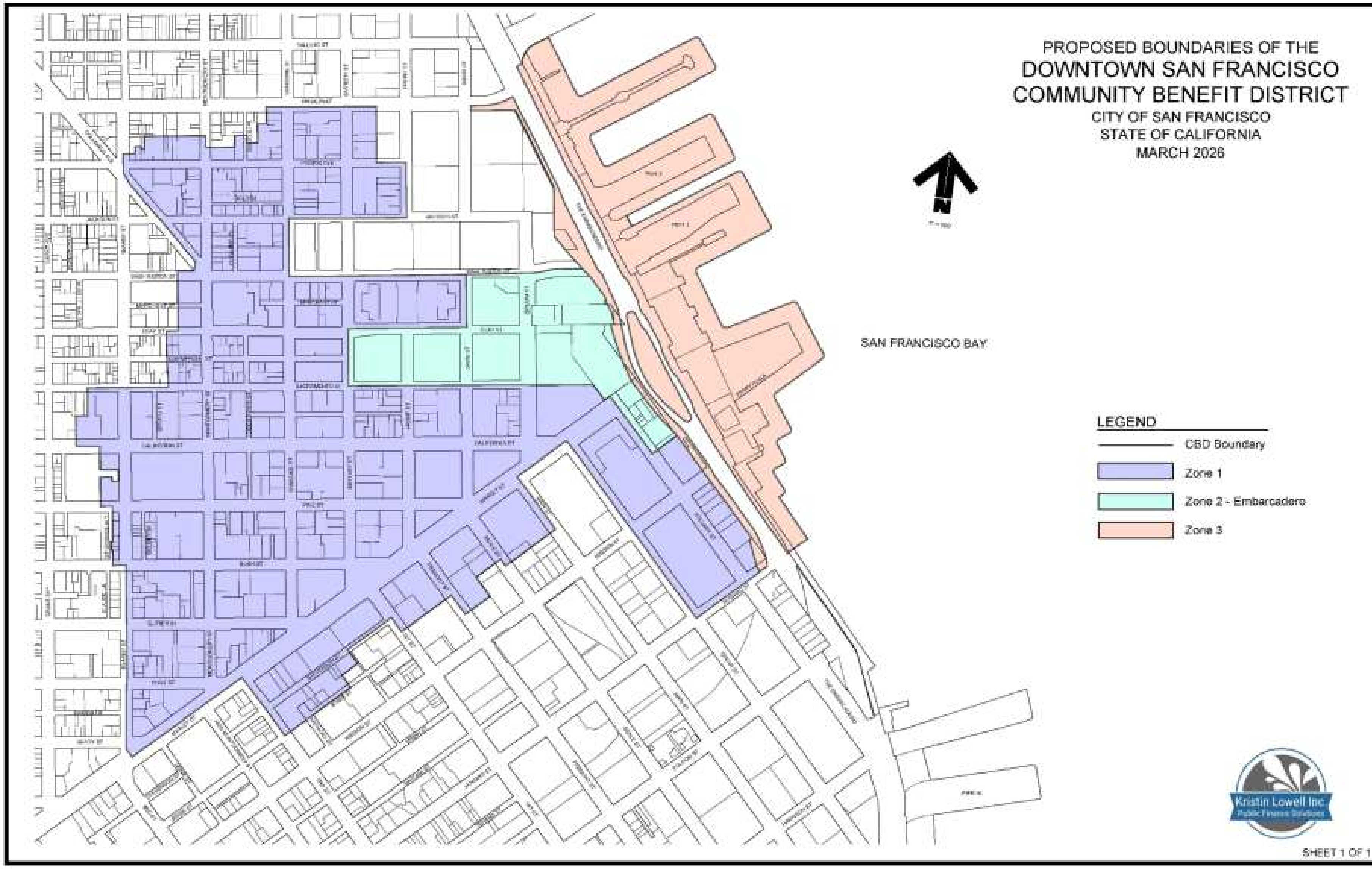
The three benefit zones, Downtown, Embarcadero, and Portside, are all unique in nature and the services each zone will receive are structured to align with the unique needs, land uses, and stakeholder priorities within each zone, ensuring that the services provided confer special benefits to the parcels located within each zone. Service delivery is carefully managed and geographically defined ensuring that funds assessed within a given zone are used exclusively to provide measurable, special benefits to parcels in that same zone. This approach prevents the cross-subsidization of services, preserves the assessment structure, and ensures that each benefit zone receives a level and type of service commensurate with the specific benefits it receives.

Zone 1 - Downtown: Includes all parcels that were in the original DCBD boundary as well as the expansion parcels north of Clay Street to Broadway. Zone 1 requires the highest level of services due to its high concentration of commerce, visitors, and public activity, where higher foot traffic and business density requires the highest level of DCBD services. Its services include but are not limited to; more coverage by the safe and clean team ambassadors, frequent pressure washing, and frequent attention to the public right of way and public spaces.

Zone 2 - Embarcadero: Includes all remaining parcels in the expansion area excluding the Portside parcels. Zone 2 is primarily focused around the Embarcadero Center and Embarcadero Park which both independently provide their own security and maintenance services. To account for this Zone 2 will receive approximately 50% of the Clean, Safe and Placemaking activities as Zone 1 but 100% of all other DCBD services.

Zone 3 - Portside: Includes all Portside parcels with frontage along both sides of The Embarcadero between Broadway and Howard Street. It also includes the Harry Bridges Plaza. Due to the high concentration of pedestrian traffic along the Embarcadero adjacent to the ports, Zone 3 parcels may receive a custom-level of service that is distinct from Zones 1 and 2 to reflect the unique nature of these parcels. Such services may consist of Safe and Placemaking activities along with supporting District Identity, Economic Development, and Advocacy activities and management and administration. Services for the Portside zone will be based on the unique nature of Port property, which is subject to public trust requirements, and the existing services that Port already provides.

A District Map is provided on the following page, with additional parcel detail provided in Exhibit A.

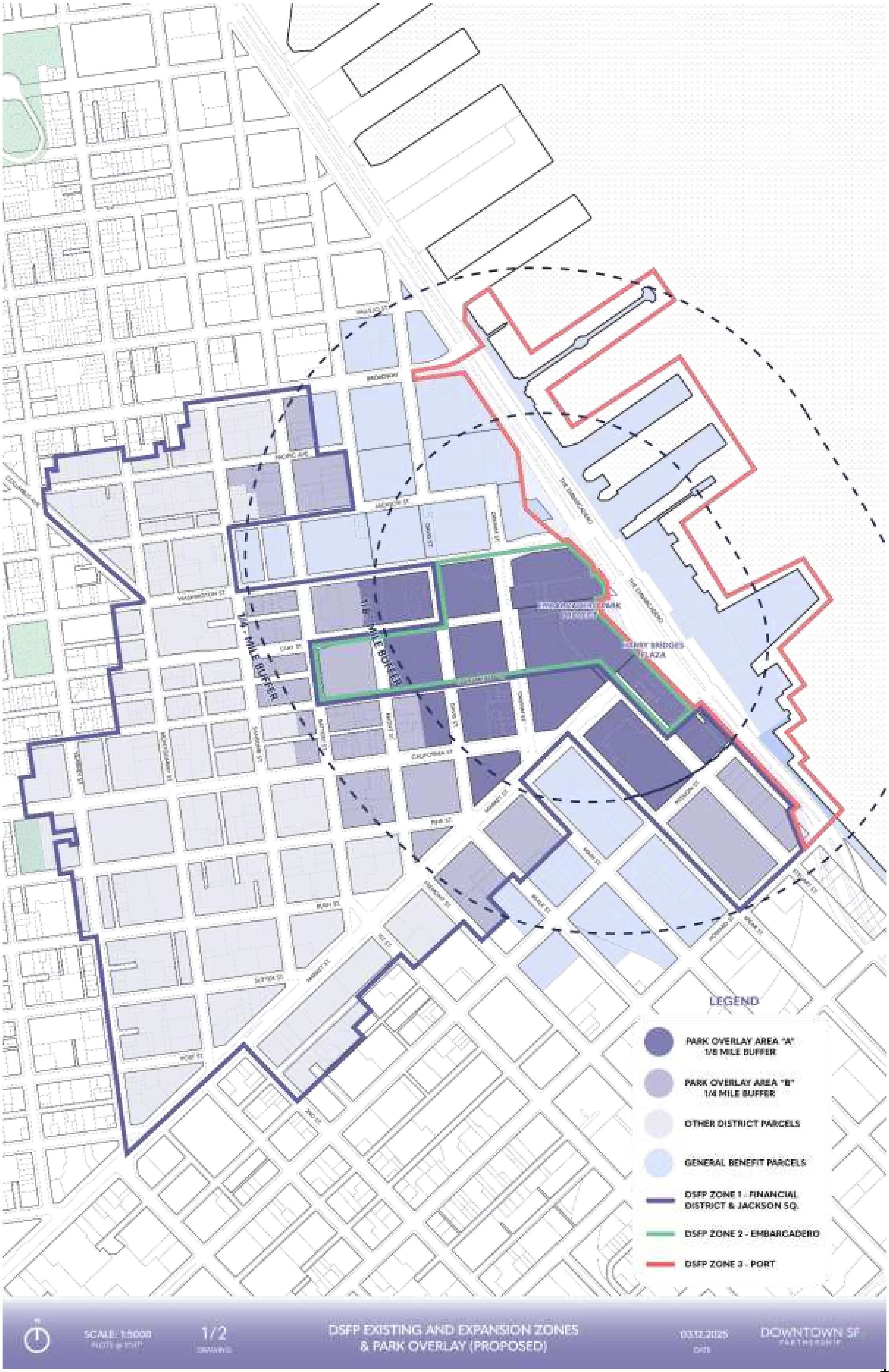

PROPOSED BOUNDARIES OF THE
DOWNTOWN SAN FRANCISCO
COMMUNITY BENEFIT DISTRICT
CITY OF SAN FRANCISCO
STATE OF CALIFORNIA
MARCH 2026
SAN FRANCISCO BAY
LEGEND
CBD Boundary
Zone 1
Zone 2 - Embarcadero
Zone 3
Kristin Lowell Inc.
Public Finance Solutions
SHEET 1 OF 1

Park Overlay

As part of the effort to determine an appropriate benefit assessment structure for Embarcadero Park, the P.U.M.A. team undertook an Economic Impact Assessment that evaluated measurable benefits resulting from urban parks located in downtowns throughout the United States. The Economic Impact Assessment (attached as Exhibit E), provides key conclusions that shape the recommended assessment overlay approach for Embarcadero Park.

Benefits from these overlay services are projected to be distributed by proximity – the closer to the park, the greater the benefit. Three distinct geographies within the Downtown CBD are identified – 1/8 mile from the periphery of the park, 1/4 mile from the periphery of the park, and remainder of the Downtown CBD. Projected assessments resulting from this structure are discussed in Section 6 of this Management Plan.

These distinct geographies and the properties impacted by the different benefit factors are illustrated by the map on the following page.



1/4 MILE BUFFER
1/8 MILE BUFFER
LEGEND
PARK OVERLAY AREA "A"
1/8 MILE BUFFER
PARK OVERLAY AREA "B"
1/4 MILE BUFFER
OTHER DISTRICT PARCELS
GENERAL BENEFIT PARCELS
DSFP ZONE 1 - FINANCIAL DISTRICT & JACKSON SQ.
DSFP ZONE 2 - EMBARCADERO
DSFP ZONE 3 - PORT
SCALE: 1:5000
1/2
DRAWING
DSFP EXISTING AND EXPANSION ZONES
& PARK OVERLAY (PROPOSED)
DATE
DOWNTOWN SF

Section 4: CBD Activity and Improvement Plan

Background

The existing clean and safe services provided by the DCBD are foundational to the District, and bolstering these efforts is a key component of the Management Plan. Expansion of the District's placemaking and activation efforts, which currently rely on dwindling grant funding, and creation of an economic development program will equip the DCBD with the right tools to respond to the changing economic landscaping in downtown San Francisco. Based upon these recommendations the renewed DCBD will focus on:

- Clean, Safe and Placemaking
- District Identity, Economic Development, and Advocacy

The following narrative provides recommendations for the first year of the renewed CBD's operation for the base services excluding those funded by the Park Overlay. For further discussion of services and the Park Overlay, see Section 6 below. Final activities and budgets will be subject to review and approval by the DCBD Owners' Association (the Downtown SF Partnership).

PHASE ONE – DCBD BASE SERVICES

Clean, Safe and Placemaking

To respond to stakeholder priorities and guiding principles to make the downtown safer, cleaner and more inviting, the renewed DCBD will fund an expansion of the existing Cleaning and Safety Ambassador Program and implement additional services, moving to a 24/7 service deployment model. The following is a multi-dimensional approach to execute aforementioned principles. The special benefit to parcels from these services is increased commercial activity, foot traffic, and neighborhood vibrancy, which directly relates in lease rates and customer usage. Services may include, but are not limited to, the following:

Clean Team:

The Clean Team consistently deals with maintenance issues within the DCBD by providing the following core cleaning and maintenance activities may include, but are not limited to the following:

- Sidewalk Cleaning**:** Uniformed, radio-equipped personnel provide sidewalk pan and broom sweeping services, removing trash and debris, syringes, and bio waste from sidewalks, curbs and gutters as well as public spaces of the DCBD, and clean all sidewalk hardscape such as trash receptacles, benches, and parking meters.

- Trash Collection: Personnel pick up trash from sidewalk, curbs, and address trash receptacle overflow as needed. They are also dispatched to collect large bulky items illegally dumped in the DCBD. DCBD may install supplemental trash receptacles as needed.

- Sidewalk Power Washing: Frequent power washing of all sidewalks and public spaces with an emphasis on Market Street. Zone 2 parcels receive less frequent power washing. The power washing team responds to “hot spot” services calls throughout the District as needed.

- Graffiti Removal: Personnel will remove graffiti using solvent and power washing. The DCBD will maintain a zero-tolerance graffiti policy. All tags will aim to be removed within 24 hours of notification.

- Special Projects: DCBD may perform a variety of special projects as the needs of the District change to include but are not limited to; tree and vegetation maintenance (over and above City services), clean and power wash transit shelters (above City services), weeding of district tree wells and sidewalk cracks, painting poles and utility boxes, and pilot new programs for the betterment of the District.

Safety Services:

As public safety remains a top priority, the DCBD renewal and expansion builds more capacity and depth of safety services provided. The Program will supplement, not replace, other ongoing police, security and patrol efforts within the District. The following safety services may include but are not limited to:

- Safety Team: The purpose of the Safety team is to prevent, deter, and report illegal activities taking place on the streets, sidewalks, storefronts, and public spaces. The Safety Team will conduct daily patrols (on foot, bicycle, or in a vehicle), address quality of life issues, de-escalate negative street behaviors, assist visitors and businesses while serving as a deterrent to criminal activity, coordinating with law enforcement, and monitoring the public realm.

- Overnight Patrols: The District may employ a new team of safety personnel overnight to conduct regular rounds; checking buildings for signs of tampering or unauthorized access, document incidents, coordinate with District staff, and collaborate with law enforcement or property managers when necessary.

- Security Camera Network Program: DCBD will create a new network of security cameras along key corridors throughout the District that will be maintained and monitored by District personnel, in compliance with any City rules or policies that may apply. This program is an expansion of the Market St. Corridor Video Camera Network started in 2026, which was funded via grants from the San Francisco Downtown Development Corporation. Management of the video camera network is modeled after the successful CBD camera program in Union Square.

Hospitality Team:

Acting as a "downtown concierge," the Hospitality Team provides directions to key downtown destinations, recommendations on restaurants and other visitor-serving businesses, and promoting downtown events and District activations. The Hospitality team will also assist the District with set up and tear down of DCBD events and activations.

Homeless Outreach Team:

DCBD will create a new program that consists of team members working on the street to assist people experiencing homelessness and will work in collaboration with the City and non-profit social service providers to unify outreach efforts within the District. Program staff will have relevant experience working with individuals experiencing homelessness; knowledge of the continuum of care and social service landscape in San Francisco; and training to bring strong technical expertise. As part of these efforts, this team may liaise or directly support individuals in need services, with the aim of reducing missed appointments and long waits that can prevent timely access to housing, healthcare, and support services. DCBD may work with existing programs and service providers to coordinate and strengthen these outreach efforts.

Clean & Safe Deployment: The table below illustrates the projected deployment schedule for the Clean & Safe Teams. Actual deployment may be adjusted on an ongoing basis based upon service demands throughout the District.

<table>
<tr><th>Clean & Safe Services</th><th>Zone 1 Coverage</th><th>Zone 2 Coverage</th><th>Zone 3 Coverage</th></tr>
<tr><td>Hours of Operation</td><td>5 am – 10 pm</td><td rowspan="5">These service levels are subject to change year-to-year for flexibility and changes in District conditions. TBD yearly.</td><td>5 am – 10 pm</td></tr>
<tr><td>Clean Team</td><td>4 passes per day</td><td>None</td></tr>
<tr><td>Power Washing</td><td>Market St. weekly; 4-week rotation + spot cleaning</td><td>None</td></tr>
<tr><td>Safety Team</td><td>4 visits daily</td><td>None</td></tr>
<tr><td>Hospitality</td><td>4 support staff</td><td>2 support staff</td></tr>
<tr><td>Homeless Outreach Program</td><td>Case workers</td><td>Case workers</td><td>None</td></tr>
<tr><td>Security Camera Network Program</td><td>Coverage of key corridors</td><td>None</td><td>None</td></tr>
<tr><td>Overnight Security</td><td colspan="3">Night patrols</td></tr>
<tr><td colspan="4">These service levels are subject to change year-to-year for flexibility and changes in District conditions.</td></tr>
</table>

Public Realm and Placemaking:

The renewed and expanded DCBD will continue to fund public realm and placemaking services, with increased funding from assessments. The District's previous term provided seed funding for public realm programming, forcing the District to heavily rely on dwindling City grant funding and other revenue sources to fully execute projects. Increased assessment funding will allow for additional implementation of the Public Realm Action Plan. This award-winning plan is comprehensive roadmap that outlines programmatic, physical and organization strategies to redefine and reactive the District's open spaces, plazas and streetscapes. Implementation and maintenance strategies may include but not limited to: movable tables and chairs and other flexible seating, lighting, public art and murals, seasonal decorations, planters and a horticulture program, wayfinding signage and street banners, and other public realm improvements.

District Identity, Economic Development & Advocacy

A comprehensive economic vitality program has been included as a key component for DCBD renewal. As downtown San Francisco continues to recover, reshape and redefine itself, the District has an opportunity to play a unique role in economic development. The activities for economic enhancements include:

Economic Development:

To enhance the District's Economic Development efforts, this new program provides hands-on support to downtown property and business owners, both current and prospective. Services may include:

- Technical assistance, including support to expedite permitting and development review processes
- Ground-floor and office retention and recruitment initiatives
- Connecting potential tenants with commercial property owners
- Collecting, assessing and sharing research and data on the downtown market with stakeholders
- Identifying and implementing economic development best practices and innovations from other districts

Special Events:

Hosting special events, block parties, and festivals draw thousands of people downtown and the benefits are widespread from the increased foot traffic. DCBD may sponsor special events within the district boundaries to support a vibrant downtown for living, working, and playing.

Similar to placemaking activities, special events and activation programming have relied on grant funding and sponsorship dollars to execute projects. To ensure these valued activations and special events are self-sustaining, increased assessment dollars may be set aside for programs such as:

- Let's Glow SF, the District's annual holiday themed projection arts festival which has brought 375,000 attendees with a $26M economic impact since 2021.
- Regular programming at Mechanics Monument Plaza, Landing at Leidesdorff, the Front Street Entertainment Zone, and expansion of placemaking services into other public spaces or for new special events.

District Identity:

To better tell the story of the District, the renewed DCBD increases funds for district branding, storytelling, destination advertising, and public relations. These increased funds will allow the District to develop a clear, recognizable identity that attracts visitors, investors, and new businesses. Effective marketing also increases foot traffic and community engagement, supporting existing businesses and strengthening the district's overall economic vitality. The District will also maintain a website and social media presence.

Advocacy:

Advocacy and policy collaboration are core to the downtown District Management Plan, ensuring on-the-ground needs inform citywide decision-making. The District works in close partnership with city agencies, elected officials, Civic organizations, other CBD's, property owners, and employers to advance policies that support a clean, safe, and economically vibrant downtown. By aligning data, pilot programs, and operational insights with public policy goals, the plan helps unlock public investment, streamline permitting and operations, and deliver coordinated solutions that improve daily conditions while positioning downtown for long-term recovery and growth.

Special Projects:

An additional service proposed for the renewed DCBD is the ability to support service innovations and special projects as needs and opportunities arise. This approach is intended to ensure that DCBD continues to employ and develop best practices in downtown management and maintains the capacity to lead in shaping Downtown's future experience and environment. These innovation and project-based efforts may be implemented in coordination with any of the program areas noted above, including clean and safe services.

Management, Administration & Contingency

Like any business, the DCBD requires a professional staff to properly manage programs, communicate with stakeholders, and provide leadership. The DCBD supports a professional staff that delivers programs and services on behalf of the parcels within the district. These district activities will provide direction on policies and issues that affect downtown.

Management services will include compensation for a President & CEO and staff members necessary to manage the DCBD programs. The management team is responsible for providing the day-to-day operations.

Additional administrative costs may include accounting and annual financial reviews, annual reporting, insurance, supplies, equipment and rent, and other costs associated with the overhead and administrative support of programs.

A program contingency is also budgeted, which can be utilized to seed new initiatives and/or strengthen existing programming upon approval by the DSFP board of directors.

PHASE TWO – PARK OVERLAY

Embarcadero Park

In addition to the base services described above, if the City renovates Embarcadero Park, enhanced maintenance, public safety, programming, and activation will be key to its long-term success.

The DCBD envisions a variety of revenue sources to support park management and activation, including City base level services, a philanthropic conservancy or foundation, earned revenue and sponsorship, and an assessment overlay within the District. The Park Overlay is incorporated into the current effort to renew and expand the DCBD, allowing DCBD to implement the overlay after park construction has been substantially completed.

This Management Plan provides for the DCBD Owner's Association (the Downtown SF Partnership) to add the overlay assessment to finance supplemental cleaning and safety services and park activations above City baseline. Adding the overlay will require the Downtown SF Partnership and its partners to develop an operations agreement to distinguish the City baseline services from the supplemental overlay services, via a detailed management and activation plan, deployment schedule, and budget. Additional details on a preliminary budget and proposed assessment structure are provided in Section 6 of this Management Plan.

Section 5: Assessment Budget

2027 DCBD Assessment Budget

The following table outlines the DCBD maximum assessment budget for services in the first year of the renewal, not including the potential overlay services.

EXPENDITURES	Zone 1 - Downtown	Zone 2 – Embarcadero	Zone 3 – Port	TOTAL BUDGET	% of Budget
Clean, Safe, and Placemaking	$7,000,000	$310,000	$540,000	$7,850,000	68.50%
District Identity, Economic Development & Advocacy	$1,200,000	$110,000	$300,000	$1,610,000	14.05%
Management and Contingency	$1,650,557	$160,000	$65,000	$1,875,557	17.45%
Total Expenditures	**$9,850,557**	**$580,000**	**$905,000**	**$11,335,557**	**100.00%**
REVENUES					
CBD Assessments	$9,604,293	$565,500	$882,375	$11,052,168	97.50%
Other Revenues (*Note 1*)	$246,264	$14,500	$22,625	$283,389	2.50%
Total Revenues	**$9,850,557**	**$580,000**	**$905,000**	**$11,335,557**	**100.00%**

Note 1: Other Revenues – General Benefit: An allowance is made for general benefit that the DCBD may provide to either the parcels outside the district boundary or to the public at-large. Any DCBD services that are found to provide general benefit cannot be paid for with assessment revenue.

The following table illustrates the revenue sources from each benefit zone for each service category.

REVENUE BY ZONE	Zone 1 - Downtown	Zone 2 - Embarcadero	Zone 3 - Port	TOTAL BUDGET	% of Budget
Clean, Safe, and Placemaking	**$7,000,000**	**$310,000**	**$540,000**	**$7,850,000**	**68.50%**
CBD Assessments	$6,825,000	$302,250	$526,500	$7,653,750	97.50%
General Benefit	$175,000	$7,750	$13,500	$196,250	2.50%
District Identity and Eco Dev	**$1,200,000**	**$110,000**	**$300,000**	**$1,610,000**	**14.05%**
CBD Assessments	$1,170,000	$107,250	$292,500	$1,569,750	97.50%
General Benefit	$30,000	$2,750	$7,500	$40,250	2.50%
Management and Contingency	**$1,650,557**	**$160,000**	**$65,000**	**$1,875,557**	**17.45%**
CBD Assessments	$1,609,293	$156,000	$63,375	$1,828,668	97.50%
General Benefit	$41,264	$4,000	$1,625	$46,889	2.50%
TOTAL	**$9,850,557**	**$580,000**	**$905,000**	**$11,335,557**	**100.00%**
CBD Assessments	$9,604,293	$565,500	$882,375	$11,052,168	97.50%
General Benefit	$246,264	$14,500	$22,625	$283,389	2.50%

Revenue generated within each benefit zone will be expended exclusively for the benefit of each zone, ensuring a direct relationship between assessments collected and services delivered. The DSFP will maintain clear accounting of funds so that all revenues are used solely to provide services that confer special benefits to parcels within each benefit zone. This structure safeguards against the redistribution or commingling of funds across zones, and ensures that each benefit zone receives services proportionate to the assessments it generates.

In addition to the base services provided above, the DCBD will also undertake the responsibility of servicing and programming Embarcadero Park upon completion (estimated in 3 years). The estimated budget for servicing and programming the Embarcadero Park is shown in the following table. These expenditures are in addition to the budget listed above and estimated to begin in Year 3 (FY 28/29).

EXPENDITURES	TOTAL	% of Budget
Clean, Safe, and Placemaking	$835,000	33.40%
Events and Activation	$1,215,000	48.60%
Management and Contingency	$450,000	18.00%
Total Expenditures	**$2,500,000**	**100.00%**
REVENUES		
CBD Assessments	$1,814,273	72.57%
Other Revenues (1)	$685,727	27.43%
Total Revenues	**$2,500,000**	**100.00%**

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

Budget Adjustments

The services proposed for year one of the renewal term are the same services that are proposed for subsequent years. Assessment rates may increase by up to 5% annually to account for changes in the cost of providing the DCBD services described above. Any annual adjustment to assessment rates will be reviewed and approved by the DCBD Owners' Association (the Downtown SF Partnership) and the Board of Supervisors, in accordance with the requirements of Article 15. The cost of DCBD improvements and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures for each of the line items may be adjusted up or down 10% between them to continue the same level of service. The DCBD Owners' Association (the Downtown SF Partnership) shall determine budget adjustments.

10-Year Maximum Budget

The following table illustrates the DCBD's maximum annual budget for the 10-year renewal term based on the Year 1 inventory of development and adjusting it by the maximum 5% increase for all DCBD services. In subsequent years, if the addition of new development adds assessable square footage it will increase the DCBD budget to account for the additional services needed.

The table also allows for the addition of Park Overlay services as early as Year 3. The determination on when to add the Park Overlay would be up to the Downtown SF Partnership in concert with the City of San Francisco.

EXPENDITURES	Year 1	Year 2	Year 3	Year 4	Year 5
Clean, Safe & Placemaking	$7,850,000	$8,242,500	$8,654,625	$9,087,356	$9,541,724
District Identity, Economic Development & Advocacy	$1,610,000	$1,690,500	$1,775,025	$1,863,776	$1,956,965
Management & Contingency	$1,875,557	$1,969,335	$2,067,802	$2,171,192	$2,279,751
Park Overlay (starting Year 3)	$0	$0	$2,500,000	$2,625,000	$2,756,250
Total Expenditures	**$11,335,557**	**$11,902,335**	**$14,997,452**	**$15,747,324**	**$16,534,690**
REVENUES					
CBD Assessments	$11,052,168	$11,604,776	$14,199,288	$14,909,253	$15,654,715
Other Revenues	$283,389	$297,558	$798,163	$838,072	$879,975
Total Revenues	**$11,335,557**	**$11,902,335**	**$14,997,452**	**$15,747,324**	**$16,534,690**

EXPENDITURES	Year 6	Year 7	Year 8	Year 9	Year 10
Clean, Safe & Placemaking	$10,018,810	$10,519,751	$11,045,738	$11,598,025	$12,177,926
District Identity, Economic Development & Advocacy	$2,054,813	$2,157,554	$2,265,432	$2,378,703	$2,497,638
Management & Contingency	$2,393,739	$2,513,426	$2,639,097	$2,771,052	$2,909,604
Park Overlay	$2,894,063	$3,038,766	$3,190,704	$3,350,239	$3,517,751
Total Expenditures	**$17,361,425**	**$18,229,496**	**$19,140,971**	**$20,098,019**	**$21,102,920**
REVENUES					
CBD Assessments	$16,437,451	$17,259,324	$18,122,290	$19,028,404	$19,979,824
Other Revenues	$923,974	$970,173	$1,018,681	$1,069,615	$1,123,096
Total Revenues	**$17,361,425**	**$18,229,496**	**$19,140,971**	**$20,098,019**	**$21,102,920**

Any accrued interest or delinquent payments will be expended in the above categories.

The cost of DCBD services and activities may vary in any given year depending on market conditions and the cost of providing those services. Expenditures within Management Plan budget categories may be increased or decreased by up to 10% to maintain the same level of service, as determined by the Owners' Association Board of Directors (i.e. Downtown SF Partnership). Any annual budget surplus—including those resulting from cost-saving measures, unexpected expense reductions, or unanticipated increases in revenue—will be carried forward into the following year's budget. The budget will be adjusted accordingly, consistent with this Management Plan, to account for carried-forward surpluses and to ensure that funds are expended in a timely manner and in compliance with applicable State laws and City policies. Any change in line-item expenditures and/or budget surplus will be approved by the Owners' Association Board of Directors and submitted in the annual report, pursuant to Section 36650 of the State Law.

DCBD Renewal: DCBD funds, which may consist of rollover funds, may be used for the subsequent district renewal.

Bond Issuance: No bonds will be issued to finance improvements.

Section 6: Assessment Methodology

General
This Management District Plan provides for the levy of assessments for the purpose of providing activities that specially benefit real property in the DCBD. These assessments are not taxes for the general benefit of the City but are assessments that pay for activities that convey special benefits to each individual assessed parcel.

Assessment Factors

Zones 1 and 2
The assessments in Zones 1 and 2 are based on building square footage for developed parcels and lot square footage for vacant and/or undeveloped parcels. These land use factors are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Both factors, building square footage and lot square footage for empty parcels, account for the usable space of the property that recieve special benefit from the services provided.

Building square footage is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County Assessor's records.

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

Zone 3
Assessments in Zone 3 are based on linear street frontage along The Embarcadero which is owned by the Port. Because of the unique nature of the Port parcels, the services will be deployed solely along The Embarcadero. Therefore linear street frontage is the most equitable way to assess special benefit within Zone 3.

Linear street frontage is defined as the number of linear feet of each parcel that directly fronts The Embarcadero, taken from the County Assessor's parcel maps.

Benefit Units
Using the benefit zones and assessment factors described above, benefit units are asigned to each specially benefitted parcel reflective of each parcel's building square footage or lot square footage for Zones 1 and 2, and linear frontage for Zone 3. The total number of benefit units in the DCBD are as follows:

	Benefit Units	
Benefit Zone	**Building or Lot SF**	**Linear Feet**
Zone 1 – Downtown	43,492,600	
Zone 2 – Embarcadero	3,897,152	
Zone 3 – Portside		3,228
TOTAL:	**47,389,752**	**3,228**

Assessment Methodology
To ensure the assessments are fair, each parcel will be assessed for the DCBD services at a rate proportionate to the special benefits received. Only special benefits are assessable, and these benefits must be separated from any general benefits.

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 DCBD 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. The attached Engineer's Report has calculated that 2.5% of the DCBD base activities may be general in nature and will be funded from sources other than special assessments, and has approved the higher general benefit contribution as sufficient to cover the general benefits and ensure proportionality of the assessments that will potentially be collected for the overlay services. see Section E of the Engineer's Report for discussion of special and general benefits.

Calculation of Assessments
Based on the assessment budget, benefit zone, and assessable benefit units, all of which are discussed above, the following tables illustrate the maximum first year annual assessment per assessable benefit unit. Note, assessment rates are rounded off to the fourth decimal place and a parcel's assessment may vary slightly when calculated using the assessment rates below.

Benefit Zone Adjustments
The assessments are adjusted to reflect anticipated service frequencies within each of three benefit zones:

- Zone 1 includes the core area of the DCBD and provides the highest frequency of all the DCBD activities.

- Zone 2 includes parcels east of Zone 1 to The Embarcadero and will receive 50% of the clean, safe and placemaking activities as Zone 1.
- Zone 3 includes all parcels owned by the Port between Broadway and Howard Street and will receive unique levels of services such as Safe and Placemaking activities along with supporting District Identity, Economic Development, and Advocacy activities and management and administration.

The resulting assessment calculation by service and benefit zone follows:

	Per Building or Lot Sq.Ft.		Per Linear Foot
Assessment by Service	**Zone 1**	**Zone 2**	**Zone 3**
Clean, Safe and Placemaking	$0.1569	$0.0785	$163.09
District Identity, Economic Development, Advocacy, Program Management	$0.0667	$0.0667	$110.23
Total Per Foot:	**$0.2236**	**$0.1452**	**$273.32**

Assessment Formulae

An individual parcel's annual assessment can be calculated in three steps.
1. Determine the parcel's benefit zone and land use, which establishes the applicable assessment rate
2. Identify the parcel's property variable (building square footage, lot square footage, or linear street frontage)
3. Multiply the property variable by the applicable assessment rate to determine the annual parcel assessment

PHASE 1 - BASE ASSESSMENT

Zones 1 and 2
For parcels located in Zones 1 and 2, the annual assessment is calculated as follows:

(Parcel Building Square Footage OR Parcel Lot Square Footage)
×
Assessment Rate
=
Total Annual Parcel Assessment

Zone 3
For parcels located in Zone 3 (Portside), the annual assessment is calculated as follows:

(Parcel Linear Street Frontage along The Embarcadero)
x
Assessment Rate
=
Total Annual Parcel Assessment

The base DCBD assessment described above applies during Phase One and will remain in effect until the fiscal year in which the Park Overlay is implemented.

Sample Parcel Assessments

Zone 1 - Downtown

To calculate the assessment for a parcel in Zone 1 with 100,000 building square feet, its total parcel assessment is calculated as follows:

100,000 x $0.2236 = $22,360 total annual parcel assessment.

Zone 2 - Embarcadero

To calculate the assessment for a parcel in Zone 2 with 100,000 building square feet, its total parcel assessment is calculated as follows:

100,000 x $0.1452 = $14,520 total annual parcel assessment.

Zone 3 - Portside

To calculate the assessment for a parcel in Zone 3 with 100 linear feet, its total parcel assessment is calculated as follows:

100 x $273.32 = $27,332 total annual parcel assessment.

PHASE 2 - PARK OVERLAY ASSESSMENT

In addition to the activities described above, the DCBD may take on the responsibility of providing supplemental operating and programming assistance following the potential completion of the Embarcadero Park ("Park"), as described in Section 4. The Park will be strategically located in the DCBD boundary and will enable the DCBD to provide further services to specially benefit all parcels within the DCBD as well as certain parcels outside the DCBD boundary.

As part of the effort to determine an appropriate benefit assessment structure for the surrounding parcels that will benefit from the overlay services, P.U.M.A. undertook an Economic Impact Assessment that evaluated measurable benefits resulting from urban park activations located in downtowns throughout the United States. The Economic Impact Assessment (attached as Exhibit E), provides the following key conclusions that shape the recommended assessment overlay approach for Embarcadero Park:

- Research shows that urban parks uplift property values in surrounding neighborhoods and commercial districts. The greatest value to commercial and residential property is within 1/8-mile of the park, with property values increasing by at least 3-5%, with greater impacts for the most transformative park projects.

- While benefits diminish the further property is located in proximity to a park, special benefit is evidenced within a 5- to 10-minute walkshed, or up to 1/4 to 1/2 mile.
- Parks and green space can attract new residents and businesses. Open space is a "top five driver" for corporate site selection and selling point for return-to-work.
- Expect premiums for office and residential spaces in close proximity, especially units overlooking the park.
- Increased foot traffic brings more spending, supports retailers, and increases sales tax revenue.

Park Proximity Benefit Factors: The assessment methodology uses proximity to the Park as the way to allocate special benefit to each parcel. The special benefits of the Park are allocated to three benefit zones: Park A 1/8-mile, Park B 1/4-mile, and Park C the remainder of the DCBD, with Park A 1/8-mile receiving the greatest benefit. To account for the diminishing benefit from the park, the distinct proximities are weighted as follows:

- Park A: 1/8 mile – 4x benefit factor
- Park B: 1/4 mile – 2x benefit factor
- Park C: Remainder of the DCBD – 1x benefit factor

Using those distances from the periphery of the Park as the allocation of special benefit includes parcels not only within the DCBD boundary but also parcels outside the district boundary. All parcels within the DCBD boundary receive special benefit and will be assessed accordingly, likewise the parcels outside the district boundary need to be identified and assigned an amount equal to the benefits they receive. Since the parcels outside the district boundary will not be individually assessed, the amount of the budget allocated to these parcels is considered general benefit and must be deducted from the budget so that the parcels within the DCBD boundary are only assessed for the special benefits they receive.

Zones 1 and 2 Park Calculation

Using the same benefit factors for all other DCBD activities for Zones 1 and 2, i.e. building or lot square footage, the following table illustrates the assessable square footages for Zones 1 and 2 as well as those parcels that are outside the district boundary that are the general benefit parcels. Those benefit factors are then multiplied by the "proximity benefit factor" discussed above to equal the weighted total of assessable units.

Park Benefit Zones	DCBD Parcels	General Benefit Parcels	TOTAL		Weighted Factor	Weighted TOTAL
Park A: 1/8-mile	8,380,916	2,569,145	10,950,061	x	4	43,800,243
Park B: 1/4-mile	8,379,870	5,692,862	14,072,732	x	2	28,145,464
Park C: remainder of DCBD	30,628,966	0	30,628,966	x	1	30,628,966
TOTAL	**47,389,752**	**8,262,007**	**55,651,759**			**102,574,674**

The estimated Embarcadero Park budget is $2,500,000, of which $2,300,000 is allocated to Zones 1 and 2 as well as the general benefit parcels. The other $200,000 is allocated to Zone 3 which is based on Zone 3's proportionate share of the special benefits. This $200,000 will not be funded via an assessment on the Port, due to the unique nature of Port property which is subject to public trust requirements and the services that Port already will be providing. Instead this amount will be added to the general benefit portion. In total approximately 27.43% ($685,727) of the Park Overlay budget will be funded from sources other than special assessments, which is more than sufficient to cover the Port's share as well as the general benefits, ensuring that the remaining property owners' assessments will remain proportionate to the special benefits they receive.

To calculate the assessment rates for each of the Park Benefit Zones is to divide the Park budget, $2,300,000, by the total assessable weighted square feet, 102,574,674. The table below illustrates the assessment rates and assessment revenue for each Park Benefit Zone.

Park Benefit Zones	Assessment Rate	DCBD Parcels	General Benefit Parcels	TOTAL
Park A rate:	$0.0897	$751,691	$230,429	$982,119
Park B rate:	$0.0448	$375,798	$255,299	$631,097
Park C rate:	$0.0224	$686,784	$0	$686,784
TOTAL:		**$1,814,273**	**$485,727**	**$2,300,000**

In addition, Zone 3 – Portside parcels will also benefit and will also be assessed for the special benefits those parcels receive. However, since the methodology to assess Zone 3 parcels is based on linear street frontage the allocation of the Park budget assigned to Zone 3 ($200,000) is allocated to the linear frontage that is within Park A for Park B benefit zone. The below table illustrates the assessable weighted linear frontage for Zone 3 – Portside parcels.

	Linear Feet	Weighted Factor		Weighted TOTAL
Park A: Frontage	1,880.07	x	4	7,520
Park B: Frontage	1,348.30	x	2	2,697
TOTAL:	**3,228.37**			**10,217**

To calculate the assessment rates for Zone 3 – Portside parcels is to divide the $200,000 Park budget by the total assessable weighted linear feet, 10,217. The table below illustrates the assessment rates for each Park Benefit Zone.

	Assessment Rate
Park A: Frontage	$78.30
Park B: Frontage	$39.15

Note: Zone 3 parcels are all owned by the Port of San Francisco. Services and assessments for the Portside zone will be based on the unique nature of the Port's property, which is subject to public trust requirements, and the existing services that Port already provides.

Parcels in Zones 1 and 2 will be assessed for both the DCBD base assessments plus the Park Overlay assessments. The park assessment will be calculated using the same property variables described above, with the applicable park proximity rate determined by the parcel's distance from the park.

An individual parcel's park overlay annual assessment can be calculated in three steps.
1. Determine the parcel's proximity to Embarcadero Park (Park A, Park B, or Park C). This proximity zone establishes the applicable park overlay assessment rate
2. Identify the parcel's property variable (building square footage, lot square footage, or linear street frontage)
3. Multiply the property variable by the applicable park overlay assessment rate to determine the park overlay annual parcel assessment

For parcels in Benefit Zones 1 and 2, the park overlay assessment is calculated as follows:

(Parcel Building Square Footage OR Parcel Lot Square Footage)
×
Park Overlay Assessment Rate
=
Park Overlay Assessment

As already noted, Zone 3 Port parcels will not pay an assessment for the Park Overlay. The estimated $200,000 that would have been collected from the Port will be added to the general benefit and funded from sources other than the special assessment collected from parcels in Zones 1 and 2.

Total Annual Parcel Assessment
1. Calculate the Base Parcel Assessment using the applicable DCBD benefit zone and assessment rate.
2. Calculate the Park Overlay Assessment using the parcel's proximity to Embarcadero Park and the applicable park overlay assessment rate.
3. Add the Base Parcel Assessment and the Park Overlay Assessment together to determine the parcel's total annual assessment.

(Base Parcel Assessment + Park Overlay Assessment)
=
Total Annual Parcel Assessment

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. If the Embarcadero park project is completed, the City will further document and establish the baseline level of services that will be provided.

Rationale for Public Property Assessments

Proposition 218 provides that assessments must be based on the special benefits received by the assessed parcels, including government and public use parcels. Publicly owned parcels specially benefit from the DCBD activities as they make each assessed parcel 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, pressure washing the sidewalks, beautifying the public rights-of-way, and increasing business development. As noted above, the Port's share of the assessments will be funded via the DSFP, ensuring that private property owners are not assessed in excess of their fair share of the costs.

Annual Assessment Adjustments

During the 10-year term both the base assessments as well as the Park Overlay assessments will be subject to an annual increase of up to 5% per year to address changes in the cost of providing services. Assessment budgets may also increase based on development in the DCBD. The Maximum Annual Assessments for the base assessments are shown below:

	Zone 1	Zone 2	Zone 3
Year 1	$0.2236	$0.1452	$273.32
Year 2	$0.2348	$0.1524	$286.99
Year 3	$0.2465	$0.1600	$301.34
Year 4	$0.2589	$0.1680	$316.40
Year 5	$0.2718	$0.1764	$332.22
Year 6	$0.2854	$0.1853	$348.83
Year 7	$0.2997	$0.1945	$366.27
Year 8	$0.3146	$0.2042	$384.59
Year 9	$0.3304	$0.2145	$403.82
Year 10	$0.3469	$0.2252	$424.01

Park Overlay Assessments: To include the additional assessments for the Park, the table below illustrates the impact of including the Park assessments, beginning in Year 3. Like the DSFP assessments, the Park Overlay assessments are also subject to the annual increase up to 5%, as shown below in the following table. *Note: these rates are in addition to the rates listed above.*

	Year 1	Year 2	Year 3	Year 4	Year 5
Park A rate:					
Zones 1 & 2	$0.0000	$0.0000	$0.0897	$0.0942	$0.0989
Zone 3	$0.0000	$0.0000	$78.3000	$82.2150	$86.3258
Park B rate:					
Zones 1 & 2	$0.0000	$0.0000	$0.0448	$0.0471	$0.0494
Zone 3	$0.0000	$0.0000	$39.1500	$41.1075	$43.1629
Park C rate:					
Zones 1 & 2	$0.0000	$0.0000	$0.0224	$0.0235	$0.0247
Zone 3	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

	Year 6	Year 7	Year 8	Year 9	Year 10
Park A rate:					
Zones 1 & 2	$0.1038	$0.1090	$0.1145	$0.1202	$0.1262
Zone 3	$90.6420	$95.1741	$99.9328	$104.9295	$110.1760
Park B rate:					
Zones 1 & 2	$0.0519	$0.0545	$0.0572	$0.0601	$0.0631
Zone 3	$45.3210	$47.5871	$49.9664	$52.4647	$55.0880
Park C rate:					
Zones 1 & 2	$0.0260	$0.0273	$0.0286	$0.0300	$0.0316
Zone 3	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000

DCBD Guidelines

Time and Manner for Collecting Assessments

As provided by State Law, the District assessment will appear as a separate line item on annual property tax bills prepared by the County of San Francisco. The City of San Francisco and/or the DCBD may direct bill the first year's assessment for all property owners and may direct bill any property owners whose special assessment does not appear on the tax rolls for each year of the DCBD term.

The assessments shall be collected at the same time and in the same manner as for the ad valorem property tax paid to the County of San Francisco. These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax.

However, assessments may be billed directly by the City for the first fiscal year of operation or for changes to assessments that occur during an assessment year and are prorated for a part of the year, and then by the County for all subsequent years. Any delinquent assessments owed for the first year will be added to the property tax roll for the following year as delinquent.

These assessments shall provide for the same lien priority and penalties for delinquent payment as is provided for the ad valorem property tax. The property owner means any person shown as the owner/taxpayer on the last equalized assessment roll or otherwise known to be the owner/taxpayer by the County. The City of San Francisco and/or the DCBD is authorized to collect any assessments not placed on the County tax rolls, or to place assessments, unpaid delinquent assessments, or penalties on the County tax rolls as appropriate to implement this Management District Plan.

Disestablishment

State law provides for the disestablishment of a DCBD pursuant to an annual process. The 30-day period begins each year on the anniversary day that the Board of Supervisors first establishes the DCBD. Within this annual 30-day period, if the owners of real property who pay more than 50% of the assessments levied submit a written petition for disestablishment, the DCBD 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 to disestablish the DCBD.

Duration

The DCBD will have a 10-year term commencing January 1, 2027, through June 30, 2036. Expenditure of those collected assessments can continue for up to six months after the end of the assessment collection period (December 31, 2036). Any major modifications or new or increased assessments during the term of the DCBD that are not consistent with the provisions of the original Management District Plan will require a new mail ballot process.

Future Development

As a result of continued development, the DCBD may experience the addition or subtraction of assessable footage for parcels included and assessed within the DCBD boundaries. Parcels with a change in the building square or lot square footage need to provide notice of the change to the District by April 1st of each year. The future year's assessments will reflect the change.

Implementation Timeline

DCBD is expected to be renewed by July 2026 for inclusion of parcel assessments on the County of San Francisco 2026/27 tax roll with an implementation date of the Management District Plan on January 1, 2027. Consistent with State law, the DCBD will have a 10-year life through December 31, 2036.

Section 7: CBD Governance

Board of Supervisors: Following the submission of petitions from property owners representing more than 30% of the assessments to be paid, the Board of Supervisors, upon holding a public hearing on the proposed CBD, may renew the CBD. The CBD is renewed by a Board of Supervisors resolution, including the levy of an assessment on property, if the assessment is first approved by parcel owners in a balloting process.

Downtown CBD Owners' Association

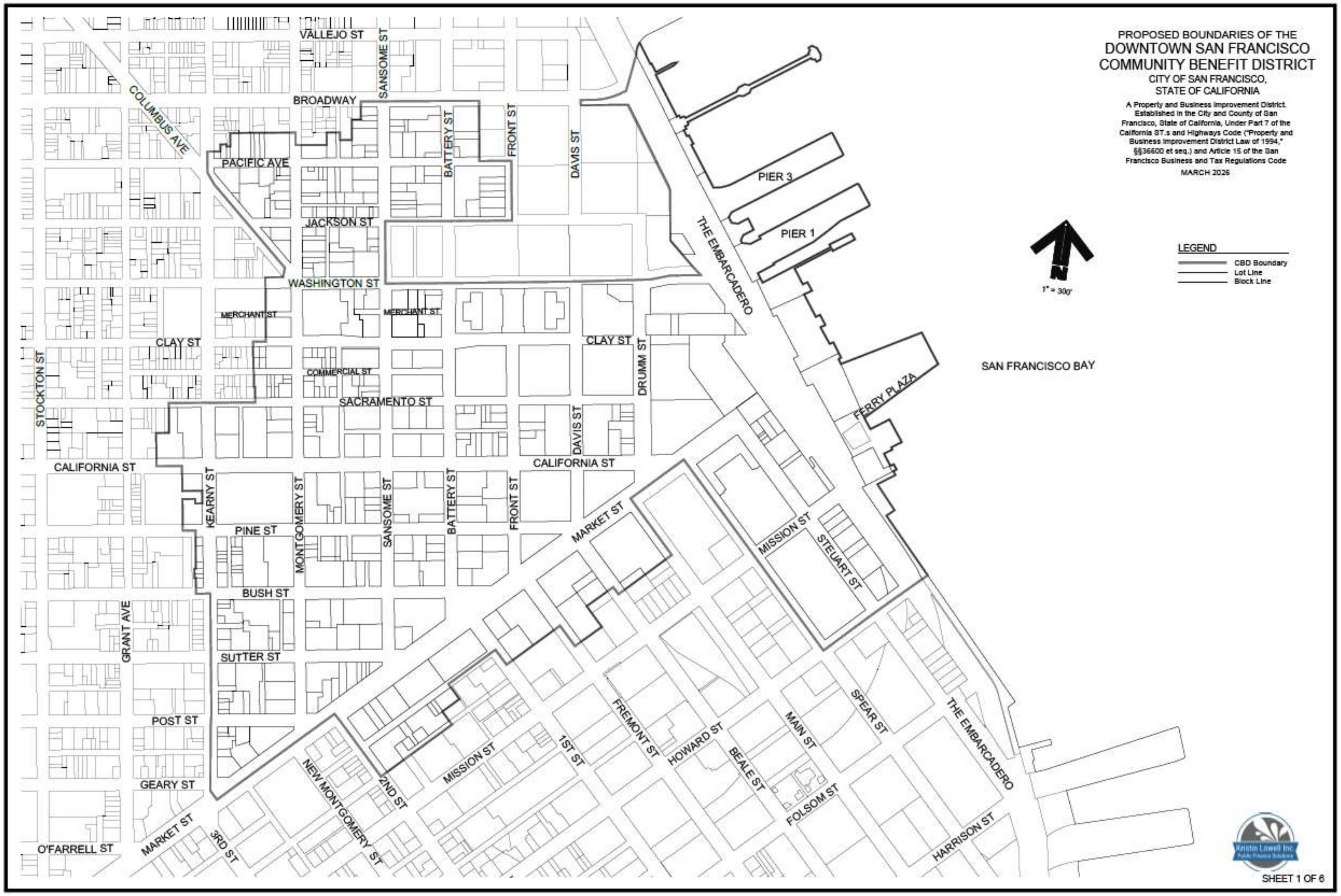
For the Downtown CBD, DBA Downtown SF Partnership, an existing 501(c)3 California non-profit corporation, shall continue to serve as the DCBD Owners' Association. The role of the Owner's Association is consistent with similar districts and downtown management organizations throughout California and the nation. The Owner's Association determines budgets and monitors service delivery. As part of the Management Plan, the Owner's Association will contract with the Downtown SF Partnership to deliver day-to-day DCBD services in order to:

- Reduce overall administrative costs
- Leverage DCBD funds with other resources and capabilities provided by the Downtown SF Partnership
- Eliminate the potential for duplication of enhanced services and activities
- Ensure that downtown is represented by a unified private sector voice, thereby maximizing downtown's influence in policies and civic affairs.

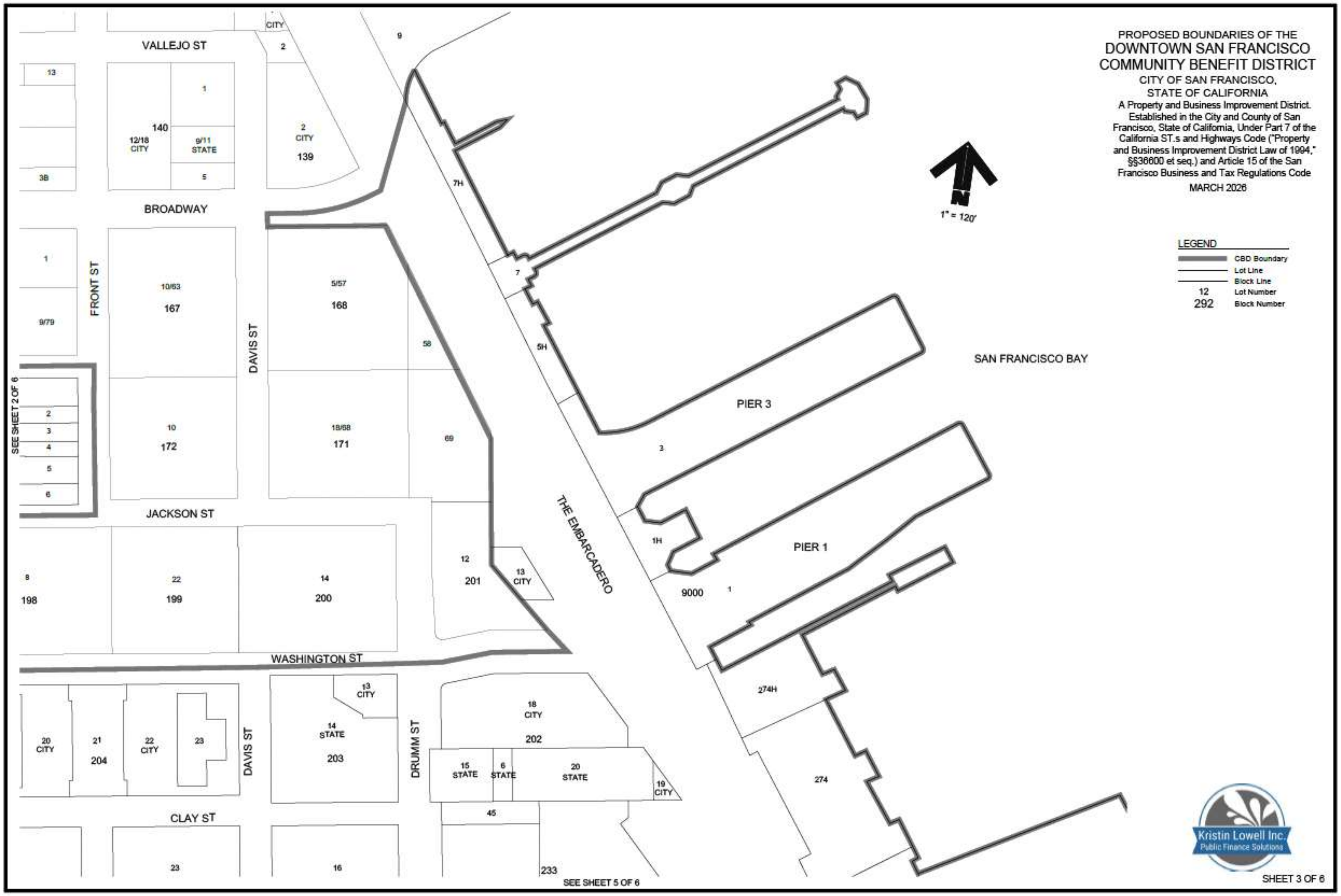
The Owners' Association Board of Directors is subject to disclosure and notification guidelines set by the Ralph M. Brown Act and California Public Records Act when conducting DCBD business.

The DCBD Owner's Association will have a 13-to-31-member board of directors, which may include; at least 51% (or a majority) of property owner representation, at least 20% of non-property owner representation. Examples of non-property owner representation may include businesses or corporations, condos owners, and non-profits. Representatives must reside or operate within the district boundary and pay the CBD assessments. The board may establish advisory committees, councils, ad-hoc or working groups as needed. Board directors serve two-year terms and are elected by the board with a slate recommended by a nominating committee. Core responsibilities include determining the annual budget and assessment adjustments, monitor service delivery, collaborate with the President & CEO on setting strategic vision, supporting the mission and goals of the organization, and fundraising.

EXHIBIT A: Detailed Parcel Maps




PROPOSED BOUNDARIES OF THE
DOWNTOWN SAN FRANCISCO
COMMUNITY BENEFIT DISTRICT
CITY OF SAN FRANCISCO,
STATE OF CALIFORNIA
A Property and Business Improvement District.
Established in the City and County of San Francisco, State of California, Under Part 7 of the California ST.s and Highways Code ("Property and Business Improvement District Law of 1994," §§36600 et seq.) and Article 15 of the San Francisco Business and Tax Regulations Code
MARCH 2026
LEGEND
CBD Boundary
Lot Line
Block Line
12 Lot Number
292 Block Number
1" = 120'
VALLEJO ST
BROADWAY
PACIFIC AVE
JACKSON ST
WASHINGTON ST
CLAY ST
FRESNO ST
COLUMBUS AVE
GRANT AVE
BECKETT ST
WENTWORTH ST
WALTER U LUM PL
ROMOLO PL
KEARNY ST
MONTGOMERY ST
SANSOME ST
BATTERY ST
FRONT ST
DUNNE'S ALY
NOTTINGHAM PL
ROWLAND ST
VERDI PL
BARTOL ST
OSGOOD PL
JEROME ALY
GOLD ST
BALANCE ST
GIBB ST
ILS LN
HOTALING PL
CUSTOM HOUSE PL
MERCHANT ST
S.F.H.A
U.S.A.
CITY
STATE
SEE SHEET 3 OF 6
SEE SHEET 4 OF 6
Kristin Lowell Inc.
Public Finance Solutions
SHEET 2 OF 6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MARCH 2026
1" = 120'
LEGEND
CBD Boundary
Lot Line
Block Line
12 Lot Number
292 Block Number
SAN FRANCISCO BAY
PIER 3
PIER 1
THE EMBARCADERO
VALLEJO ST
BROADWAY
FRONT ST
DAVIS ST
JACKSON ST
WASHINGTON ST
DRUMM ST
CLAY ST
SEE SHEET 2 OF 6
SEE SHEET 5 OF 6
Kristin Lowell Inc.
Public Finance Solutions
SHEET 3 OF 6


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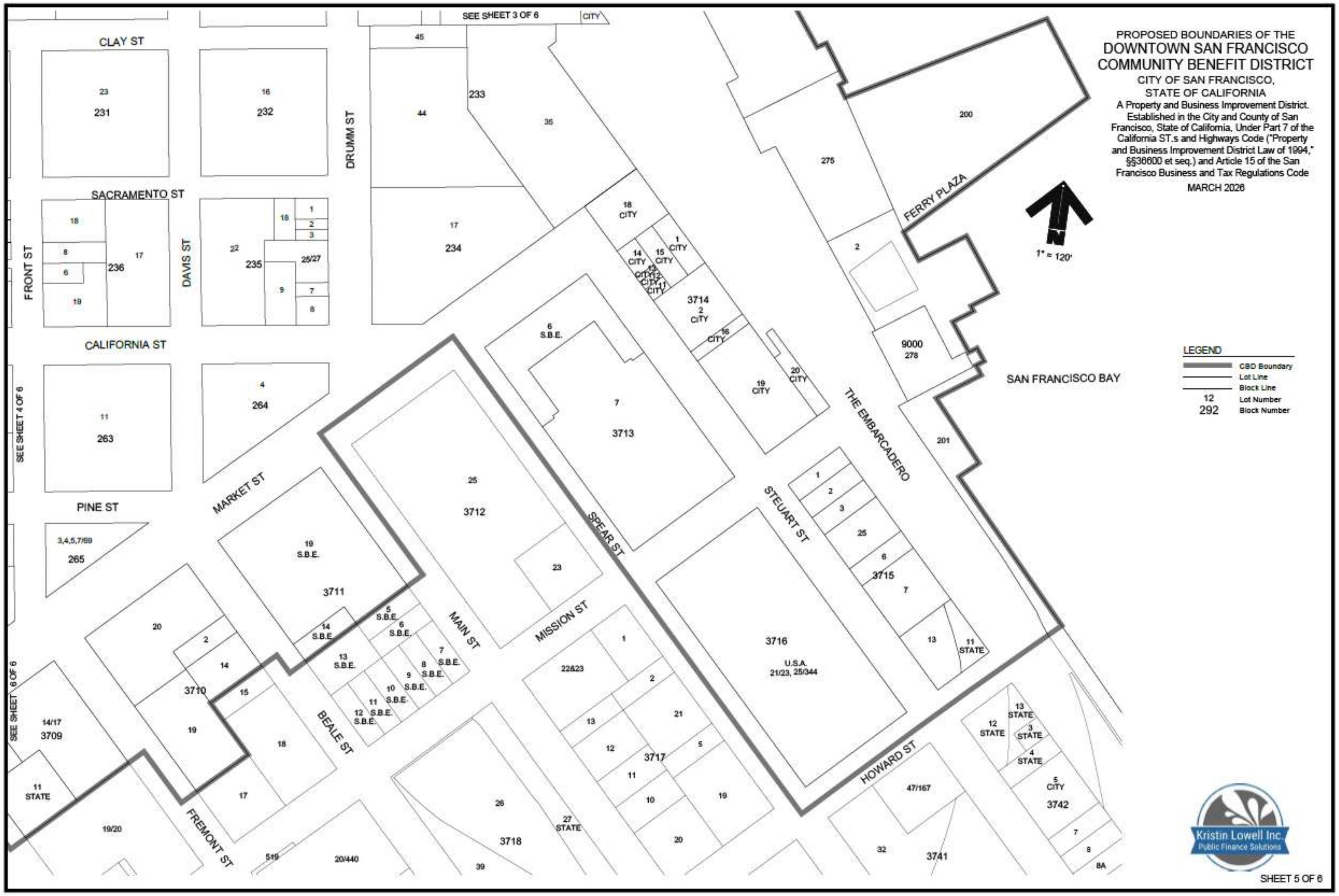
MARCH 2026
SEE SHEET 2 OF 6
SEE SHEET 5 OF 6
SEE SHEET 6 OF 6
LEGEND
CBD Boundary
Lot Line
Block Line
12 Lot Number
292 Block Number
1" = 120'
CLAY ST
COMMERCIAL ST
SACRAMENTO ST
HALLECK ST
CALIFORNIA ST
VINTON CT
PINE ST
BUSH ST
WAVERLY PL
GRANT AVE
QUINCY ST
KEARNY ST
SPRING ST
MONTGOMERY ST
LEIDESDORFF ST
SANSOME ST
BATTERY ST
FRONT ST
ST GEORGE ALY
BELDEN ST
PETRARCH PL
CENTURY PL
TREASURY PL
Kristin Lowell Inc.
Public Finance Solutions
SHEET 4 OF 6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1" = 120'
LEGEND
CBD Boundary
Lot Line
Block Line
12 Lot Number
292 Block Number
SEE SHEET 3 OF 6
SEE SHEET 4 OF 6
SEE SHEET 6 OF 6
CLAY ST
SACRAMENTO ST
CALIFORNIA ST
PINE ST
MARKET ST
FRONT ST
DAVIS ST
DRUMM ST
MAIN ST
BEALE ST
FREMONT ST
SPEAR ST
STEUART ST
MISSION ST
HOWARD ST
THE EMBARCADERO
FERRY PLAZA
SAN FRANCISCO BAY
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SHEET 5 OF 6


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MARCH 2026
SEE SHEET 4 OF 6
SEE SHEET 5 OF 6
BUSH ST
SUTTER ST
POST ST
GEARY ST
MARKET ST
MISSION ST
GRANT AVE
KEARNY ST
MONTGOMERY ST
SANSOME ST
FREMONT ST
HARLAN PL
HARDIE PL
MAIDEN LN
VER MEHR PL
STEVENSON ST
JESSIE ST
ECKER ST
ANTHONY ST
2ND ST
3RD ST
NEW MONTGOMERY ST
ANNIE ST
LOT30 AIR RIGHTS
STATE
S.B.E.
LEGEND
CBD Boundary
Lot Line
Block Line
12 Lot Number
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1" = 120'
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SHEET 6 OF 6