

File No. 100991

Committee Item No. 6  
Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: September 22, 2010

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input type="checkbox"/>            | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

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- |                                     |                          |                                     |
|-------------------------------------|--------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Petitions**                         |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Management District Plan            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Management District Plan Appendix** |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                               |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                               |

Completed by: Victor Young

Date: September 17, 2010

Completed by: Victor Young

Date: \_\_\_\_\_

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



1 [Resolution of Intention to form the Ocean Avenue Community Benefits District]

2  
3 **Resolution (1) declaring the intention of the Board of Supervisors to establish a**  
4 **property-based business improvement district (community benefit district) to be**  
5 **known as the "Ocean Avenue Community Benefits District" and levy a multi-year**  
6 **assessment on identified parcels in the district, (2) approving the management**  
7 **district plan and engineer's report and proposed boundaries map for the district,**  
8 **(3) ordering and setting a time and place for a public hearing thereon, (4) approving**  
9 **the form of the Notice of Public Hearing and Assessment Ballots, and (5) directing the**  
10 **Clerk of the Board of Supervisors to give notice of the public hearing and balloting as**  
11 **required by law.**

12  
13 WHEREAS, The Property and Business Improvement District Law of 1994, Part 7 of  
14 Division 18 of the California Streets and Highways Code, commencing with Section 36600  
15 (the "Law"), authorizes cities to establish property and business improvement districts within  
16 business districts to promote the economic revitalization and physical maintenance of such  
17 business districts; and

18 WHEREAS, Section 36603 of the Law 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 Law; and

21 WHEREAS, Article 15 of the San Francisco Business and Tax Regulation 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 WHEREAS, The Law and Article 15 authorize the City to levy and collect assessments

1 on real property within such districts for the purpose of providing improvements and promoting  
2 activities and property-related services that specially benefit identified parcels of real property  
3 located within such districts; and

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

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

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

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

21 WHEREAS, A Management District Plan entitled the "Ocean Avenue Community  
22 Benefits District Management District Plan" containing information about the proposed district  
23 and assessments required by Section 36622 of the Law, including but not limited to maps  
24 showing all identified parcels located in the district, a description of the boundaries of the  
25 district, the name of the district, the amount of the proposed assessment for each identified

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), has been submitted to the Clerk of the  
8 Board of Supervisors; and

9 WHEREAS, A detailed engineer's report supporting the assessments within the  
10 proposed district, prepared by K. Dennis Klingelhofer, California Registered Professional  
11 Engineer No. C 50255, dated March 11, 2010, entitled "Ocean Avenue Community Benefits  
12 District, Engineer's Report," has been submitted to the Clerk of the Board of Supervisors; and

13 WHEREAS, A Proposed Boundaries Map has been submitted to the Clerk of the Board  
14 of Supervisors pursuant to California Streets and Highways Code §3110;

15  
16 Now, therefore, be it

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

18 Section 1. Pursuant to Section 36621(a) of the Law and Article 15, the Board of  
19 Supervisors declares its intention to form a property and business improvement district to be  
20 designated as the "Ocean Avenue Community Benefits District" (the "District") for a period of  
21 fifteen (15) years, and to levy and collect assessments against all identified parcels of real  
22 property in the District for a period of fifteen (15) years, commencing with fiscal year 2010-  
23 2011, subject to approval by a majority of the property owners in the District who cast  
24 assessment ballots, which ballots shall be weighted according to the proportional financial  
25 obligations of the affected properties. No bonds will be issued. District operations will

1 commence on or about January 1, 2011, following collection of the assessments for fiscal  
2 year 2010-2011 and disbursement of the assessment proceeds to the nonprofit owners'  
3 association that will administer the property-related services, activities and improvements in  
4 the District pursuant to Section 36651 of the Law and a written agreement with the City.

5 Section 2. The Board of Supervisors hereby approves the Management District Plan  
6 and District Assessment Engineer's Report, including the estimates of the costs of the  
7 property-related services, activities and improvements set forth in the plan, and the  
8 assessment of said costs on the properties that will specially benefit from such services,  
9 activities and improvements. A copy of the Management District Plan and the District  
10 Assessment Engineer's Report are on file with the Clerk of the Board of Supervisors in File  
11 No. \_\_\_\_\_. The Clerk of the Board shall make the Management District Plan,  
12 District Assessment Engineer's Report and other documents related to the District and  
13 included in the record before the Board of Supervisors available to the public for review during  
14 normal business hours, Monday through Friday 8:00 a.m. through 5:00 p.m., excluding legal  
15 holidays.

16 Section 3. The Board of Supervisors hereby approves the Proposed Boundaries  
17 Map showing the exterior boundaries of the District, which is on file with the Clerk of the Board  
18 of Supervisors in File No. \_\_\_\_\_ and incorporated herein by reference. The  
19 proposed District contains approximately 148 identified parcels in the Ocean Avenue area.  
20 The exterior boundaries of the District include all parcels on both sides of the street unless  
21 otherwise noted, as follows: those properties that front Ocean Avenue from Manor Drive on  
22 the west, running along Ocean Avenue to Interstate 280.

23 Within the Ocean Avenue CBD, there are two separate benefit zones established in  
24 order to reflect the different levels of service provided:  
25

1 Zone 1 includes properties fronting the northern side of Ocean Avenue from Manor  
2 Drive on the west to Phelan Avenue on the east. Zone 1 also includes the properties fronting  
3 the south side of Ocean Avenue from Victoria Street on the west to Geneva Avenue on the  
4 east. There are currently 145 properties located within Zone 1. The properties consist of a  
5 variety of different land use types such as commercial, non-profit, religious, public, and  
6 residential.

7 Zone 2 includes three properties located east of Geneva Avenue and Phelan Drive to  
8 Interstate 280; designated as Assessor's Parcels 3179 -010, 6946 -061, and 6948 -023. The  
9 three properties in Zone 2 include the portion of the San Francisco City College Ocean  
10 Avenue campus and Lick Wilmerding High School that front Ocean Avenue, and a City owned  
11 median, landscaped property located at the intersection of Ocean Avenue and Geneva  
12 Avenue. Zone 2 does not include any of the Assessor's Parcels within Assessor's Block  
13 6947. In comparison to Zone 1, Zone 2 receives a reduced level of improvements, services,  
14 and activities.

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 Ocean Avenue Community Benefits  
18 District.

19 Section 4. A public hearing on the establishment of the District, and the levy and  
20 collection of assessments starting with fiscal year 2010-2011 and continuing through fiscal  
21 year 2024-2025, shall be conducted before the Board of Supervisors on November 9, 2010 at  
22 3:00 p.m., or as soon thereafter as the matter may be heard, in the Board's Legislative  
23 Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco,  
24 California, 94102. At this public hearing, the Board of Supervisors will hear public testimony  
25 regarding the proposed formation of the District, assessments, boundaries of the District,

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

8 Section 5. The Board of Supervisors hereby approves the form of the Notice of  
9 Public Hearing and Assessment Ballot which are on file with the Clerk of the Board of  
10 Supervisors in File No. \_\_\_\_\_.

11 Section 6. The proposed property-related services, improvements or activities for  
12 the District include two principal programs: a Cleaning, Maintenance, and Safety program;  
13 and a Marketing, Streetscape, and Beautification program. In addition, there will be a  
14 Management and Operations component.

15 **A. Cleaning, Maintenance, and Safety Program:**

16 The Cleaning, Maintenance, and Safety Program includes continuous sidewalk  
17 sweeping, refuse removal, regularly scheduled steam cleaning, pressure washing, graffiti  
18 removal, tree pruning and watering, tree well weeding with crushed granite replenishment,  
19 and a variety of safety services efforts. A team of maintenance and safety workers will carry  
20 out these tasks for each benefit zone, summarized as follows:

21 Zone 1 services will include, but are not limited to:

- 22 • Regular sidewalk cleaning including but not limited to steam cleanings,  
23 sweeping, hot water scrubbing and cleaning of the Municipal Railway boarding  
24 islands as needed.
- 25 • Tree well weeding (quarterly) and crushed granite replenishing as needed.



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- Small tree pruning – approximately 20 to 36 per year, prune for shape and for air circulation.
- Large tree pruning - approximately 6 to 12 per year, prune for shape and air circulation.
- Paint over major graffiti attacks, approximately 6 per year (ground or second floor).
- Tree trunk graffiti removal using soapy water and wire brushes.
- Sidewalk, gutter, and tree well sweeping and trash removal (daily).
- Utility pole/box flyer and mastic tape removal and graffiti removal as required.
- Water existing trees every 3 weeks during the dry season.
- Safety efforts to include ambassadors/guides/security that promote citizen efforts through assistance in crime prevention, assistance to visitors with area information, and provide street population/homeless with social services information.

Zone 2 services will include, but are not limited to:

- Regular sidewalk cleanings, at approximately a 50% reduced frequency of Zone 1, including but not limited to steam cleanings, sweeping, hot water scrubbing and cleaning of the Municipal Railway boarding islands as needed.
- Weed removal within 10 feet of sidewalk, tree well weeding (quarterly) and crushed granite replenishing as needed.
- Sidewalk, gutter, and tree well sweeping and trash removal (3 days per week).
- Utility pole/box flyer and mastic tape removal and graffiti removal as required.
- Small tree pruning – approximately 10 to 18 per year, prune for shape and for air circulation.

- 1           • Large tree pruning - approximately 3 to 6 per year, prune for shape and air  
2           circulation.  
3           • Safety efforts to include ambassadors/guides/security that promote citizen  
4           efforts through assistance in crime prevention, assistance to visitors with area  
5           information, and provide street population/homeless with social services  
6           information.

7           **B. Marketing, Streetscape Improvements, and Beautification Program:**

8           Marketing, Streetscape, and Beautification program services and activities can include,  
9           but are not limited to:

- 10           • Advocacy.  
11           • Beautification.  
12           • Capital improvements.  
13           • Business retention activities.  
14           • Newsletters.  
15           • Advertisements.  
16           • Holiday decorations.  
17           • Banners.  
18           • Concerts and activities.  
19           • Public Art.  
20           • Brochures, advertising, website.  
21           • Special events and street festivals.

22           **C. Management and Operations**

23           The Management and Operations component will focus on community relationships,  
24           involvement, and support. Regular activities and initiatives that will support this task include:

- 1 • A dedicated Ocean Avenue part-time executive director who will serve as a focal
- 2 point person and advocate for Ocean Avenue
- 3 • Office expenses including accounting, rent, utilities, office supplies, insurance,
- 4 legal, and other professional services
- 5 • Grant applications and facilitation, including safety related efforts.

6 Section 7. Within the area encompassed by the proposed District, the City currently  
7 provides services at the same level provided to other similar areas of the City. It is the intent  
8 of the Board of Supervisors to continue to provide the area encompassed by the District with  
9 the same level of services provided to these other similar areas of the City. The  
10 establishment of the District will not affect the City's policy to continue to provide the same  
11 level of service to the areas encompassed by the District as it provides to other similar areas  
12 of the City during the duration of the District.

13 Section 8. The annual assessment proposed to be levied and collected for the first  
14 year of the District (fiscal year 2010-2011) is estimated to be \$240,174. The amount of the  
15 annual assessment to be levied and collected for years two through fifteen (fiscal years 2011-  
16 2012 through 2024-2025) may be increased from one year to the next by a percentage that  
17 does not exceed either the change in the Consumer Price Index for All Urban Consumers in  
18 the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, or three  
19 percent (3%), whichever is less.

20 Section 9. The Clerk of the Board is directed to give notice of the public hearing as  
21 provided in California Streets and Highways Code Section 36623, California Government  
22 Code Section 53753, California Constitution Article XIID Section 4, San Francisco Charter  
23 Section 16.112, and San Francisco Administrative Code Section 67.7-1.  
24  
25

# Ocean Avenue Revitalization Collaborative



4732 Mission Street  
San Francisco, CA 94112

office: (415) 375-2265  
fax: (415) 585-0179  
[www.oceanave-oarc.org](http://www.oceanave-oarc.org)

September 2, 2010

Supervisor John Avalos  
Office of District 11 Board of Supervisor  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

Re: Resolution of Intent to Establish the Ocean Avenue Community Benefit District

Dear Supervisor Avalos,

The Ocean Avenue Revitalization Collaborative (OARC) is excited to present you with the Ocean Avenue CBD Management Plan and petitions representing 31.61% weighted support or \$75,919.88 of special assessment funds. We request your support to introduce a resolution of intent to establish the Ocean Avenue Community Benefit District (CBD). The petitions enclosed are consistent with the requirements of the City and represent at least 30% of the final special benefits assessment budget during the first year which totals \$240,174.

This special benefit district is formed under the provisions of Article 15 Business Improvement District's Procedure Code which amends State Streets and Highway Section 36600, in the formation of Property Business Improvement Districts in the City and County of San Francisco. Section 1511 (a) states that the "Board of Supervisors may initiate proceedings to establish a property and business improvement district upon receipt of a petition signed by property owners in the proposed district who will pay at least 30% of the assessments proposed to be levied."

The OARC Steering Committee is comprised of local merchants, property owners, and residents who volunteer and are committed to the continuing efforts of making the Ocean Avenue commercial corridor a safe and vibrant community for everyone. Since 2006, the OARC has been working with the community to increase the economic viability of the district. Our projects on the commercial corridor include, but are not limited to, technical business assistance, landscaping and beautification improvements, façade improvements, yearly holiday decorations, marketing events, business promotion and community clean-ups. Establishing a CBD on Ocean Avenue will further maximize resources, improve retail corridor recognition and strengthen the community's involvement and ties in the retail district.

Please support us by sponsoring the resolution of intent to establish the Ocean Avenue CBD. If you have any questions regarding our request, please contact me at (415) 375-2265.

Sincerely,

Dolly Sithounnolot  
Project Manager  
Ocean Avenue Revitalization Collaborative

Complete copy of  
petitions located  
in File No. 100991.

**Statistics Automatically Calculate**

**Petition Results:**

Number of Petitions Supporting 19  
 Number of Petitions Opposed 24  
 Number of Petitions Received 43

Support Assessment Amount \$75,919.88  
 Opposition Assessment Amount \$33,592.06  
 Total Petition Assessment Amount \$109,511.94  
 Total Assessment Amount \$240,173.69

**% of Petition Support Sufficient Support to Proceed?** 31.61%  
 Yes

Number of Duplicate Petitions 0  
**% of Petition Opposed** 13.99%

**Enter Petition APN Below**  
**Based on the Petition Response,**  
**Insert the APN (without any spaces)**  
**In either the "Support" or "Oppose" Column**

CBD Support	CBD Oppose
3191-010	3198-013
3281-041	3281-020D
3281-053	6915-020
6936-017	6915-019
3282-037	3198-016
3179-010	6915-018
6948-023	6936-015
6943-054	3281-020B
6945-045	6915-034
6936-013	6941-060
6941-064	6915-032
6935-001	3197-006
6935-026	3197-007
6935-021	3197-008
6935-020	3197-010
3279-012A	6915-027
3279-012	3196-006
3180-003	6936-001
3283-124	6933-035
	6934-001
	6935-027
	3281-035
	3196-005
	3282-031

### PETITION TO THE SAN FRANCISCO BOARD OF SUPERVISORS TO ESTABLISH THE OCEAN AVENUE COMMUNITY BENEFITS DISTRICT

1. As the owner(s) of property, or authorized representatives of the owner(s), within the proposed special assessment district to be named the "OCEAN AVENUE COMMUNITY BENEFITS DISTRICT," or "CBD", the boundaries of which are shown on the attached map and in the Management District Plan for the CBD (hereafter "Plan"), we represent the persons and/or entities that would be obligated to pay the special assessments for the improvements, services, and activities described in the Plan if the proposed CBD is established by the Board of Supervisors following the public hearing and ballot election. The full Plan is available at [www.oceanave-oarc.org](http://www.oceanave-oarc.org) or at OARC offices at 4702 Mission Street in San Francisco, and will be furnished upon request. Please direct questions to (415) 375-2265.
2. We petition the Board of Supervisors to initiate CBD special assessment district formation proceedings, in accordance with applicable state and local laws. The legislative authority for such a CBD is found in *California Streets and Highways Code* Sections 36600 et seq. "Property and Business Improvement District Law of 1994" and is augmented by the City and County of San Francisco Business and Tax Regulation Code Article 15. "Business Improvement District Procedure Code."
3. It is understood that upon receipt of this petition signed by the property owners who will pay more than thirty percent (30%) of the proposed assessments, the Board of Supervisors may initiate proceedings to establish the CBD. These proceedings will include a mailed protest ballot process, with ballots sent to property owners. The Board of Supervisors may establish the CBD if there is not a majority process, defined as a majority of ballots returned weighted by property owners' assessments.
4. Our property information and initial annual property assessment is as follows:

Assessor Parcel Number (APN): 3191 -010

Situs/Street Address: 1700 OCEAN AVE

Name of Owner: WU CHUNG LIVING TRUST C/O HOWARD CHUNG

Zone of Benefit: 1

Linear Street Frontage: 95.304

Commercial Building Square Footage: 5,462

Commercial Lot Square Footage: 9,861

Annual Assessment Amount: \$3,383.04

Percentage of Total Annual Assessment: 1.409%

Yes, we/I petition the Board of Supervisors to initiate CBD assessment proceedings.

No, we/I do not petition the Board of Supervisors to initiate CBD assessment proceedings.

Signature of owner (or authorized representative\*): 

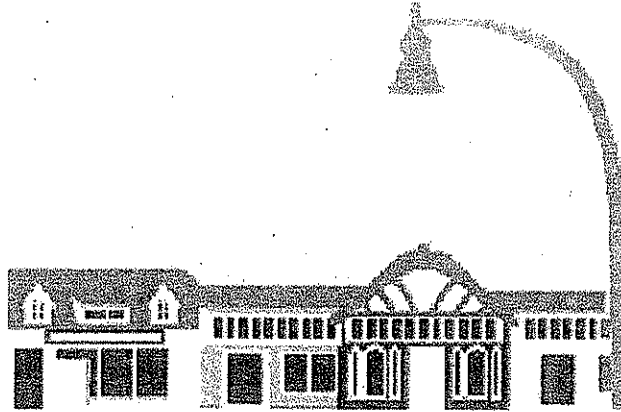
Print name of owner (or authorized representative\*): Howard W. Chung

Telephone number and/or email address: 415 788 1280 hchung@yahoo.com

Date: 3/22/10

\* Note: If signature is by an authorized representative, please check this box

Please return by March 31, 2010 to 4702 Mission Street, San Francisco, CA 94112 or via fax to 415-585-0170.



**City and County of San Francisco**

**Ocean Avenue  
Community Benefits District**

**Management District Plan**

**March 2010**

*Prepared by*



*On behalf of the Ocean Avenue CBD  
Steering Committee and community stakeholders of  
the Ocean Avenue area of San Francisco*

**Main Office**  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
800.676.7516

**San Francisco Office**  
870 Market Street, Suite 1223  
San Francisco, CA 94102  
800.434.8349

Complete copy of  
document located in  
File No. 100991

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## ***DISTRICT AT A GLANCE***

Ocean Avenue community members have been involved in several community improvement efforts over the years to make the Ocean Avenue community a better place to conduct business and live. This endeavor includes the efforts of the Ocean Avenue Revitalization Collaborative ("OARC"). The OARC is comprised of a group of local merchants, property owners, and residents who are committed to making the Ocean Avenue commercial corridor a vibrant and safe place. One of the ways to maximize the available resources and provide a funding source in that effort is through the establishment of a Community Benefits District ("CBD"). A CBD is a special financing district that provides for the levy and collection of assessments on properties within a geographically defined area. Assessment revenue collected from the benefitting properties pays for the costs associated with the improvements, services, and activities provided to the CBD area.

As part of the community outreach process to involve local merchants, property owners, residents and visitors, the OARC conducted surveys in 2007 and again in September of 2009. The OARC used the surveys to rank and gauge the level of support, as well as the perceived importance of various activities throughout the Ocean Avenue area. Of those that responded to the September 2009 survey, 74% felt that a CBD would increase the overall appeal of the Ocean Avenue area.

The positive survey results, coupled with ongoing supportive community outreach meetings, encouraged community members to move forward to the next stage of the CBD formation process. This management district plan supports those next steps and following is a brief summary of the proposed CBD.

### **Boundaries**

#### Zone 1

Zone 1 includes properties fronting the northern side of Ocean Avenue from Manor Drive on the west to Phelan Avenue on the east, and properties fronting the south side of Ocean Avenue from Victoria Street on the west to Geneva Avenue on the east.

#### Zone 2

Zone 2 includes three properties located east of Geneva Avenue and Phelan Drive to Interstate 280; designated as Assessor's Parcels 3179 -010, 6946 -061, and 6948 -023. The three properties in Zone 2 include the portion of the San Francisco City College Ocean Avenue campus and Lick Wilmerding High School that front Ocean Avenue, and a City owned median, landscaped property located at the intersection of Ocean Avenue and Geneva Avenue.

### **Improvements, Services, and Activities**

The improvements, services, and activities provided include a Cleaning, Maintenance and Safety program along Ocean Avenue, a Marketing, Streetscape Improvements, and Beautification program to promote the Ocean Avenue commercial district, and various management activities to support those efforts.

### **Annual Total Budget and Assessments**

The total proposed annual operating budget for Fiscal Year 2010/11 is \$242,631. Assessment revenue provides \$240,174 of the annual budget. The remaining annual budget amount comes from additional funds generated from sources such as, grants, donations, and fees for service contracts and in kind donations. The assessment calculation for each property utilizes a combination of linear street frontage, building square footage, and lot square footage. The Method of Assessment section of this Management District Plan provides a more detailed procedure of the annual assessment calculation.

### **Term**

The initial term is fifteen years. After fifteen years, the property owners and legislative body will need to re-authorize the assessment for an additional term.

## **BACKGROUND**

Property owners establish community improvement districts to provide a constant funding source for various improvements, services, and activities that benefit properties within a defined geographical area. The improvements, services, and activities can include providing enhanced cleaning and maintenance services, improving security, providing for economic development to promote and revitalize an area, and other programs found to benefit an area. The ongoing revenue stream for the improvements, services, and activities comes from the annual assessments that may be levied upon properties within the area following a formal petition and ballot approval process by the weighted majority of those assessed and then only after public hearings and approval by the Board of Supervisors.

### **What is a Community Benefits District ("CBD")?**

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A CBD is a special financing district that provides for the levy and collection of assessments on properties within a geographically defined area. Assessment revenue collected from the benefitting properties pays the costs associated with the improvements, services, and activities provided to the CBD area. In San Francisco the legislation that allows for the establishment of a CBD is the Property and Business Improvement District Act of 1994, California Streets and Highway Code Sections 36600 et seq. ("1994 Act") augmented by the Business Improvement District Procedure, Article 15 of the San Francisco Business and Tax Regulations Code. The 1994 Act allows for the levy of special assessments on both properties and or businesses. CBD's are also referred to as Business or Property Improvement Districts ("BIDs") in some areas of San Francisco.

A CBD established under the 1994 Act requires the establishment of an owners' association. The CBD's owners' association determines the needed improvements, services, and activities within the CBD boundaries, and how the the assessment revenue collected is to be spent among the selected improvements, services and activities. The unique characteristic of the owners' association is that once the CBD is established, the owners' association manages the CBD funded services. In San Francisco, the Board of Supervisors must authorize the formation and establishment of the CBD and following the CBD formation, the City will levy and collect the annual assessment. The City will enter into a management agreement with the owners' association.

BIDs serve as highly successful funding mechanisms. Some notable BIDs include: the Greater Union Square BID in San Francisco, the LA Fashion District BID in Los Angeles, and the Times Square BID in New York City. Existing residential neighborhood based BIDs in San Francisco are known as CBDs and can be found in Noe Valley, Upper Market/Castro, the Fillmore among other places. There are currently 10 BIDs/CBDs in operation throughout San Francisco.

### **The Business Improvement Districts Procedure "Article 15"**

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In 2004, the Board of Supervisors enacted The Business Improvement Districts Procedure, which added Article 15 to the Business and Tax Regulations Code of the City and County of San Francisco Municipal Code ("Article 15"). Article 15 augmented the 1994 Act and provided for the following changes:

- Reduce the weighted percentage (from 50% to 30%) of petitions required from those that may be assessed, in order to initiate the formation of a CBD;
- Extend the term of a CBD to a maximum of 15 years; and
- Authorize the CBD to recover, through assessments, the costs incurred during formation.

## **Establishing a CBD**

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The 1994 Act as augmented by Article 15 serves as the legal guidance in establishing this CBD.

As part of the formation proceedings, proponents prepare a Management District Plan in accordance with Section 36622 of the 1994 Act. The Management District Plan contains, but is not limited to, the following required elements:

- a map, in sufficient detail to locate each assessed property within the community or business improvement district;
- the name of the community or business improvement district;
- the description of the boundaries, including any zones of benefit;
- the improvements, services, and activities to be funded for each year of operation, along with the maximum cost;
- the total annual amount to be expended, in each year of operation, for improvements, services, activities, maintenance, and operations;
- the proposed source(s) of financing, including the basis and method of levying the assessments, and whether or not bonds will be issued;
- the time and manner of collecting the assessments;
- the specific number of years in which the assessments will be levied;
- the time for implementation and completion of the Management District Plan;
- the rules and regulations applicable to the community or business improvement district; and
- a listing of the properties to be assessed along with the parcel number and the method by which expenses will be imposed upon benefitted real property in proportion to the benefit received.

## **CBD Name Designation**

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The name designation of this proposed district for the City of San Francisco's Ocean Avenue area is the Ocean Avenue Community Benefits District ("Ocean Avenue CBD").

## **Ocean Avenue CBD Boundaries**

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The properties located within the Ocean Avenue CBD boundaries represent a dynamic mix of land and development uses. There is a combination of commercial, retail, educational, non-profit, public and residential uses represented. The variety of land uses creates a unique and diverse corridor that plays into the vibrant activity and economic development of the Ocean Avenue area.

The boundaries of the Ocean Avenue CBD include those properties that front Ocean Avenue from Manor Drive on the west running along Ocean Avenue to Interstate 280. Properties lying outside of this area are predominately residential neighborhoods. The Ocean Avenue CBD will not provide services and activities to those outlying properties. Within the Ocean Avenue CBD, there are two separate benefit zones established in order to reflect the different levels of service provided.

### **Zone 1**

The primary zone, Zone 1, includes properties fronting the northern side of Ocean Avenue from Manor Drive on the west to Phelan Avenue on the east. Zone 1 also includes the properties fronting the south side of Ocean Avenue from Victoria Street on the west to Geneva Avenue on the east.

There are currently 145 properties located within Zone 1. The properties consist of a variety of different land use types such as commercial, non-profit, religious, public, and residential.

**Zone 2**

Zone 2 includes three properties located east of Geneva Avenue and Phelan Drive to Interstate 280; designated as Assessor's Parcels 3179 -010, 6946 -061, and 6948 -023. The three properties in Zone 2 include the portion of the San Francisco City College Ocean Avenue campus and Lick Wilmerding High School that front Ocean Avenue, and a City owned median, landscaped property located at the intersection of Ocean Avenue and Geneva Avenue. Zone 2 does not include any of the Assessor's Parcels within Assessor's Block 6947. In comparison to Zone 1, Zone 2 receives a reduced level of improvements, services, and activities.

The "Description of Improvements, Services, and Activities" section of this Management District Plan provides further details of the different services and activities provided to each benefit zone.

Appendix A of this report provides a map of the boundaries, as well as the identification of each parcel within the Ocean Avenue CBD.

**Ocean Avenue CBD Duration**

The initial term for the Ocean Avenue CBD is set for a period of 15 years. Beginning with Fiscal Year 2010/11, the City will levy and collect Ocean Avenue CBD assessments through Fiscal Year 2024/25. After the Fiscal Year 2024/25 final assessment billing, the property owners have the ability to renew the Ocean Avenue CBD for an additional term of up to 15 years.

**Timeline for Implementation and Completion of the Ocean Avenue CBD**

The timeline below provides for the establishment of the Ocean Avenue CBD and allows sufficient time to calculate and include the Fiscal Year 2010/11 assessments on the County's secured property tax roll. Given various considerations and time constraints, the proposed timeline for the establishment and implementation of the Ocean Avenue CBD is as follows:

<b>Task Description</b>	<b>Estimated Completion Date</b>
Present Draft Management District Plan	January 2010
Present Final Draft District Management Plan, Boundary Map, Engineer's Report	March 2010
Gather Petitions in Support of Ocean Avenue CBD	March 2010
Adopt Resolution of Intention to Establish District	March 2010
Proposition 218 Ballot Packages Submitted to Property Owners	April 2010
Conduct Public Hearing, Tabulate Ballots, Adopt Resolution Establishing District	June-July 2010
Owners' Association Established	July 2010
Assessments Submitted to the County for Collection	August 2010
Ongoing Administration and District Operation	Ongoing

## ***DESCRIPTION OF IMPROVEMENTS, SERVICES, AND ACTIVITIES***

Under the leadership of the Owners' Association, the Ocean Avenue CBD plans to implement and fund two principal programs; a Cleaning, Maintenance, and Safety program and a Marketing, Streetscape, and Beautification program.

### **Cleaning, Maintenance, and Safety**

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#### **Objectives**

The Ocean Avenue CBD plans to supplement services already provided by the Department of Public Works and other relevant City agencies. The comprehensive program aims to ensure owner, merchant, resident, and visitor safety; and provide for the maximum possible cleanliness of sidewalks, curbs, fixtures, landscaping, and buildings throughout the Ocean Avenue CBD boundaries. Through the utilization of managed services, the Cleaning, Maintenance, and Safety program is designed to strive for a safe, clean, and litter-free area that is absent of graffiti or other signs of decay. The goal is for property owners, merchants and residents alike to maintain a sense of pride in the Ocean Avenue area. Further, perceptions of cleanliness lend itself as an important contribution to the establishment and growth of an aesthetically pleasing, safe, and vibrant community.

#### **Service Outline**

The Ocean Avenue CBD's managed Cleaning, Maintenance, and Safety program includes continuous sidewalk sweeping, refuse removal, regularly scheduled steam cleaning, pressure washing, graffiti removal, tree pruning and watering, tree well weeding with crushed granite replenishment, and a variety of safety services efforts.

A team of maintenance and safety workers will carry out these tasks as outlined for each benefit zone more fully described below:

#### **Zone 1**

A list of eligible Zone 1 services include, but are not limited to:

- Regular sidewalk cleaning including but not limited to steam cleanings, sweeping, hot water scrubbing and cleaning of the Municipal Railway boarding islands as needed
- Tree well weeding (quarterly) and crushed granite replenishing as needed
- Small tree pruning – approximately 20 to 36 per year, prune for shape and for air circulation
- Large tree pruning - approximately 6 to 12 per year, prune for shape and air circulation
- Paint over major graffiti attacks, approximately 6 per year (ground or second floor)
- Tree trunk graffiti removal using soapy water and wire brushes
- Sidewalk, gutter, and tree well sweeping and trash removal (daily)
- Utility pole/box flyer and mastic tape removal and graffiti removal as required
- Water existing trees every 3 weeks during the dry season
- Safety efforts to include ambassadors/guides/security that promote citizen efforts through assistance in crime prevention, assistance to visitors with area information, and provide street population/homeless with social services information.

## **Zone 2**

A list of eligible Zone 2 services include, but are not limited to:

- Regular sidewalk cleanings, at approximately a 50% reduced frequency of Zone 1, including but not limited to steam cleanings, sweeping, hot water scrubbing and cleaning of the Municipal Railway boarding islands as needed
- Weed removal within 10 feet of sidewalk, tree well weeding (quarterly) and crushed granite replenishing as needed
- Sidewalk, gutter, and tree well sweeping and trash removal (3 days per week)
- Utility pole/box flyer and mastic tape removal and graffiti removal as required
- Small tree pruning – approximately 10 to 18 per year, prune for shape and for air circulation
- Large tree pruning - approximately 3 to 6 per year, prune for shape and air circulation
- Safety efforts to include ambassadors/guides/security that promote citizen efforts through assistance in crime prevention, assistance to visitors with area information, and provide street population/homeless with social services information.

## **Marketing, Streetscape Improvements, and Beautification**

Recognizing the challenges inherent in an urban business setting, it is important to maintain an awareness of the unique business environment that the Ocean Avenue area provides. Thus, the stakeholders are proposing to include programs for marketing, promotions, streetscape improvements, and beautification. The Marketing, Streetscape, and Beautification program intends to ensure both the continuity of existing services as well as new initiatives designed to promote both stability and growth within the area.

### **Objectives**

The Ocean Avenue CBD stakeholders determined that marketing activities will improve Ocean Avenue's image, appeal, and visibility. In addition, the marketing activities will contribute towards the economic vitality of the area, and the recruitment and retention of businesses. Stakeholders view marketing activities as especially useful and necessary during a time of serious economic downturn, as is currently the case, but these services can also help the area stabilize itself and grow during prosperous economic times. The marketing activities intend to promote the Ocean Avenue CBD, as well as include properties and businesses through specially targeted programs and initiatives.

One initiative provides for the creation and production of special events that draw visitors into the Ocean Avenue area as a means of additional exposure. Some of the proposed special events include holiday events and monthly concerts throughout the year.

The Owners' Association plans to include other marketing initiatives as appropriate, and as budget resources allow.

### **Advocacy**

The purpose of advocacy within the marketing, promotions, streetscape improvements, and beautification program is to promote the Ocean Avenue CBD as a clean, safe, and vibrant area for businesses, visitors, and residents. The advocacy goes well beyond marketing programs that create image and visibility. In fact, advocacy activities include services and resources that increase the Ocean Avenue area image as a friendly, clean, and attractive place for dining, shopping, and entertainment. The stakeholders intend to advocate in effort to support business growth.

Specific Marketing, Streetscape, and Beautification program services and activities can include, but are not limited to:

- Advocacy
- Beautification
- Capital improvements
- Business retention activities
- Newsletters
- Advertisements
- Holiday decorations
- Banners
- Concerts and activities
- Public Art
- Brochures, advertising, website
- Special events and street festivals.

### **Management and Operations**

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The Ocean Avenue CBD's effectiveness in forming and maintaining relationships with the community is a vital component to the success of the Ocean Avenue CBD. A strong community relations effort emphasizes the importance of positive relationships within the Ocean Avenue area in an atmosphere of maximum community involvement. Active corridor management will also afford the opportunity to garner other material and financial support for Ocean Avenue.

Regular activities and initiatives that support this task include:

- A dedicated Ocean Avenue part-time executive director who will serve as a focal point person and advocate for Ocean Avenue
- Office expenses including accounting, rent, utilities, office supplies, insurance, legal, and other professional services
- Grant applications and facilitation, including safety related efforts.

### **Existing City Services**

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The City currently provides services to the Ocean Avenue CBD. The improvements, services, and activities funded by the Ocean Avenue CBD assessment revenue are in addition to those services currently provided by the City. The following table provides the existing services provided to the Ocean Avenue CBD. By adopting this plan, the Board of Supervisors will confirm and guarantee a level of City service equivalent to the levels provided in similar areas of the City.

Service	Primary City Department Provider(1)	Frequency
<b>Maintenance:</b>		
Sidewalk sweeping/litter pick-up	DPW Litter Patrol	Property owner or ground floor tenant responsible for every day – DPW can ticket for litter. DPW litter patrol checks daily.
Gutter sweeping	DPW	Call 311 for a service request. Cost is \$320 per day when reported.
Cleaning & Repair street furniture (non-bus shelter)	DPW	Call 311 for a service request. Does not include enclosed bus stops
Cleaning bus boarding islands	Comcast	As needed, Call 311 for a service request
Cleaning bus shelter	Comcast	As needed, Call 311 for a service request
Maintain trees, shrubs, groundcover on public property	DPW (BUF, BSCS)	Watering: younger trees (3 years or less) get 15 gallons of water a week. Palms watered during the warm period for SF (Sept-Oct) or if SF gets an odd warm period they will go out and water the palms (15 gallons). Basin Cleaning: Usually complaint driven, trees subject to annual inspection; but there is no set schedule.
Tree well maintenance (litter and garbage removal)	DPW litter patrol	Only during Clean Team events or if BUF is pruning.(2)
Pressure/Power Washing Sidewalks Around Trash cans Only	DPW	During Eco-blitzes (3), and when 311 calls for service are placed
Steam Cleaning Sidewalks	Not Provided by City Baseline Services	
Tree Pruning/staking	DPW (BUF)	Pruning: is on a 5-7 regular year schedule, or is complaint based.
Tree Fertilizing	DPW (BUF)	If necessary, is not recommended for Ocean Avenue trees
Soil testing	DPW (BUF)	If necessary, is not common practice
Street Lighting Control	PUC	
Sidewalks Repair/Damage Enforcement	DPW	DPW in charge of inspection and citations. Fronting property owner or merchant in charge of repair.
Street Trees	BUF	
Maintenance and Repair of Street Lighting (bulbs)	PUC	As needed, Call 311 for a service request
Street Light Poles	MTA	As needed, Call 311 for a service request
Trash Receptacles/Street Furniture/Utility Boxes	DPW for receptacle maintenance	Call 311 for a service request.
Mechanical Street Sweep	DPW	Split – Wednesday 7-8 am on South Side, on Monday 7-8 am on North Side
<b>Graffiti Removal:</b>		
On street furniture/Utility Boxes	DPW	Call 311 for a service request.
On private property	Not Provided by City Baseline Services	Fronting property owner responsible for abatement
On bus shelters/Boarding Islands	Comcast	As needed, Call 311 for a service request.



Service	Primary City Department Provider(1)	Frequency
Public litter receptacles:	DPW	
Trash Receptacle:		
Emptying Trash Receptacles	DPW/NorCal	Sunset Scavenger will have more info
Repairs/maintenance	DPW	Call 311 for a service request.
Cleaning/washing	DPW	Call 311 for a service request.
Code enforcement:	Depends on code	Call 311 for a service request
Safety:		
Radio Cars	SFPD	
Beat Officers (walking)	SFPD	½ time beat officer, no direct schedule on Ocean Avenue

- (1) Department of Public Works (DPW), Bureau of Urban Forestry (BUF), Bureau of Street Cleaning Services (BSCS), Public Utilities Commission (PUC), Municipal Transportation Authority (MTA), Department of Public Health (DPH), and San Francisco Police Department (SFPD).
- (2) Tree well maintenance (litter and garbage removal): If tree is not city owned, City can cite property owner if the tree well is not maintained. City can cite property owner even if it is a city owned tree, as the property owner is also responsible for the tree well litter and garbage.
- (3) During City Sponsored Eco-blitz clean up and enforcement drives.

## ***ANNUAL AMOUNT TO BE COLLECTED & EXPENDED***

The maximum annual budget presented below represents the costs for providing the improvements, services, and activities that are in addition to those services already provided by the City.

Beginning in Fiscal Year 2010/11, the maximum annual budget amount for the Ocean Avenue CBD is as follows:

<b>Budget Description</b>	<b>2010/11 Maximum Budget Amount</b>	<b>% of Total Budget</b>
Cleaning, Maintenance, and Safety Program	\$125,000	52%
Marketing, Streetscape, and Beautification Program	40,000	16%
Management and Operations	63,000	26%
Contingency and Reserves	14,631	6%
<b>Total 2010/11 Maximum Budget:</b>	<b>\$242,631</b>	<b>100%</b>

<b>Annual Revenue Description</b>	<b>2010/11 Annual Revenue Amount</b>	<b>% of Total Annual Revenue</b>
Assessment Revenue	\$240,174	99%
Other Revenue(1)	2,457	1%
<b>Total 2010/11 Annual Revenue</b>	<b>\$242,631</b>	<b>100%</b>

(1) Comprised of additional funds generated from sources such as, grants, donations, and fees for service contracts and in kind donations.

During any future year of operation, the Owners' Association may re-allocate funds from one budget category to another budget category. However, the annual re-allocation of budget category amounts shall not exceed or decrease more than 10% of the previous Fiscal Year's approved budget category amount.

The Fiscal Year 2010/11 total maximum assessment revenue is subject to an annual increase beginning July 1, 2011. The maximum annual assessment revenue increase will reflect the annual change in the March Consumer Price Index for All Urban Consumers in San Francisco-Oakland-San Jose or 3%, whichever is less. In no event shall the annual assessment revenue increase be less than zero (i.e., decreased). Note however, that this is the maximum annual assessment revenue and the actual amount assessed to properties may be less than this maximum, depending on desires of the Ocean Avenue CBD and its stakeholders.

Based upon a maximum annual assessment increase of 3%, beginning July 1, 2011, the total annual maximum assessment revenue each year for each of the 15 years is:

<b>Fiscal Year</b>	<b>Total Maximum Annual Assessment Revenue (1)</b>
2010/11	\$240,174
2011/12	247,379
2012/13	254,801
2013/14	262,445
2014/15	270,318
2015/16	278,427
2016/17	286,780
2017/18	295,384
2018/19	304,245
2019/20	313,373
2020/21	322,774
2021/22	332,457
2022/23	342,431
2023/24	352,704
2024/25	363,285
<b>Total Maximum Assessment Revenue</b>	<b>\$4,466,976</b>

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

## **METHOD OF ASSESSMENT**

### **Source(s) of Financing**

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The levy and collection of annual assessments upon property within the Ocean Avenue CBD provides the primary funding source for the improvements, services, and activities previously outlined. The Owners' Association can generate additional funds from sources other than annual assessments on properties within the Ocean Avenue CBD. These funds may include grants, donations, and fees for service contracts and in kind donations.

The Ocean Avenue CBD will not issue bonds to fund any of the improvements, services, and activities provided by the Ocean Avenue CBD.

### **Definitions**

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"Assessor's Data" – The street frontage, total square footage, structure square footage, or other Assessor's Parcel information contained in the records of the County Assessor.

"Assessor's Parcel" - A lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of the Ocean Avenue CBD.

"Assessor's Parcel Map" - An official map of the Assessor of the County designating Assessor's Parcels by Assessor's Parcel number.

"Building Square Foot(age)" - The total commercial structure square footage as shown in the Assessor's Data for each Assessor's Parcel, or other sources deemed reliable. If a building permit for new construction is issued as of June 30 of the previous Fiscal Year, the total commercial square footage for the Assessor's Parcel will be the amount as shown on the building permit; an increase in the annual assessment, if any, will not be considered an assessment increase per the 1994 Act or Proposition 218.

"Commercial Property Use" – Assessor's Parcels or portions of Assessor's Parcels within the boundaries of the Ocean Avenue CBD of a commercial nature that are not used for Residential, Non-Profit Service Organization, Religious Institutional, Educational Institutional, or Public purposes.

"County" – The City and County of San Francisco, State of California.

"Educational Institutional Property Use" – Assessor's Parcels or portions of Assessor's Parcels within the boundaries of the Ocean Avenue CBD that provide public or private educational services including City College of San Francisco and Lick Wilmerding High School.

"Fiscal Year" - The period commencing on July 1 of any calendar year and ending June 30 of the following calendar year.

"Linear Street Frontage" or "Linear Street Foot(Feet)" - The street frontage of the Assessor's Parcel on Ocean Avenue within the District. The street frontage shall be based upon information as shown on the Assessor's Parcel Map, or other sources deemed reliable.

"Lot Size" or "Lot Square Foot(age)" - The total square footage of the lot as shown on the Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel.

"Non-Profit Service Organization Property Use" – Assessor's Parcels or portions of Assessor's Parcels within the boundaries of the Ocean Avenue CBD occupied with uses designated as non-profit service organizations and afforded a federal tax-exempt status. Does not include retail stores, or second hand shops set up for the purposes of raising funds for a non profit service organization.

"Religious Institutional Property Use" – Assessor's Parcels or portions of Assessor's Parcels within the boundaries of the Ocean Avenue CBD designated for the use of religious institutional purposes. Does not include retail stores, or second hand shops set up for the purposes of raising funds for a religious institution.

"Phelan Loop Parcel Segment" - Identified as the south eastern portion of Assessor's Parcel number 3180 -001 currently used as the MTA bus transfer area, a parking lot, a fire station and open space. Only the portions of Phelan Loop Parcel Segment fronting Ocean Avenue used for the above listed uses, except for the fire station, will receive CBD lot-wide services, within the interior of the parcel and will be subject to an additional lot square footage assessment to pay for this additional level of service. Portions of Parcel number 3180 -001 currently used as the MTA bus transfer area, a parking lot, a fire station and open space will all be assessed on their linear frontage for services to the sidewalk.

If Assessor's Parcel 3180 -001 renumbers, consolidates, and/or subdivides, the Phelan Loop Parcel Segment shall be identified by the subsequent Assessor's Parcel number(s) assigned to that portion of land fronting Ocean Avenue, encompassing the current bus turnaround area, and the open space on the corner of Ocean, the fire station. If the Phelan Loop Parcel Segment's land use changes to a land use to something other than the current land use, the Assessor's Parcel will be assessed according to the updated land use. An increase in the annual assessment, if any, will not be considered an assessment increase per Proposition 218.

"Public Property Use" - Assessor's Parcels or portions of Assessor's Parcels within the boundaries of the Ocean Avenue CBD owned by a public agency such as; open space areas, public transit areas, public parking facilities, public libraries, and fire stations, provided that any property leased by a public agency to a private entity and subject to the assessment under the 1994 Act shall be assessed and classified according to its use.

"Residential Property Use" – Assessor's Parcels or portions of Assessor's Parcels within the boundaries of the Ocean Avenue CBD used for residential purposes.

## **Basis of Assessment**

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The benefits provided to real property within the Ocean Avenue CBD relate to the improvements, services, and activities carried out by the Ocean Avenue CBD Owners' Association and more fully described in the "Description of the Improvements, Services, and Activities" section of this Management District Plan.

Assessor's Parcels within the Ocean Avenue CBD display a unique usage (combined retail, restaurant, commercial, residential, etc.) that comes in a wide variety of parcel sizes, building sizes, shapes, and formats. These configurations make it difficult to use a standardized formulaic approach in assigning special benefit and determining the proportional assessment. In an effort to enhance the image and desirability of the Ocean Avenue CBD area, the Owners' Association intends to provide additional levels, above the existing services already provided by the City, of cleaning, maintenance, and safety services along a portion of Ocean Avenue. Currently, any desired services and activities above the City's baseline levels are the financial responsibility of the individual property owners.

To combine property owner efforts and achieve certain economies of scale, assessment revenue collected from Ocean Avenue CBD property owners will provide the necessary funding for the proposed Cleaning, Maintenance, and Safety program services and activities. Given the linear

nature of the Cleaning, Maintenance, and Safety program activities, such as sidewalk maintenance and safety services, the direct benefit assignment basis for each Assessor's Parcel is the Linear Street Frontage along Ocean Avenue.

All Assessor's Parcels within the Ocean Avenue CBD boundaries have frontage along Ocean Avenue, therefore, the Cleaning, Maintenance, and Safety program benefit is apportioned to each Assessor's Parcel based upon zone of benefit, land use, and assigned Linear Street Frontage.

Throughout Zone 1, there are a few properties with non-profit service organization or religious institutional land use designations. Due to these unique land uses and the special services provided by these types of properties, a reduced level of Cleaning, Maintenance, and Safety program services will be provided to the corresponding street frontage for these properties. These designated property uses will receive approximately 75% of the sidewalk sweeping, refuse removal, steam cleanings, and pressure washing service levels that other Zone 1 properties receive. To account for the reduction in benefit of the Non-Profit Service Organization Property Use and Religious Institutional Property Use, from the Cleaning, Maintenance, and Safety program activities; the Linear Street Frontage assessment rate for Non-Profit Service Organization Property Use and for Religious Institutional Property Use is 75% of the Zone 1 Linear Street Frontage assessment rate applied to all other land uses.

County Assessor Parcel Maps provided the Linear Street Frontage for each Assessor's Parcel. The property owner will confirm the Linear Street Frontage assigned to his or her property. The assessment notice and petition provided to each benefitting property owner will include each Assessor's Parcel's assigned information. Assessor's Parcels that do not have direct street frontage, as a result of being located on a floor other than the ground floor, are assigned Linear Street Frontage based upon their portion of the entire building's assigned Linear Street Footage and land use.

Based upon the 2009/10 County secured roll information, the total Linear Street Frontage for the Ocean Avenue CBD is 7,746 Linear Street Feet. The Linear Street Frontage assigned to Zone 1 is 6,213 Linear Street Feet and the Linear Street Frontage assigned to Zone 2 is 1,533 Linear Street Feet. The Assessment Roll in Appendix B provides a breakdown of the Linear Street Frontage assigned for each Assessor's Parcel.

The Phelan Loop Parcel Segment is currently used as the MTA bus transfer area, a parking lot, a fire station and open space. Only the portions of Phelan Loop Parcel Segment fronting Ocean Avenue used for the above listed uses, except for the fire station, will receive Ocean Avenue CBD lot-wide services, within the interior of the parcel and will be subject to an additional lot square footage assessment to pay for this additional level of service. Portions of Parcel number 3180 -001 currently used as the MTA bus transfer area, a parking lot, a fire station and open space will all be assessed on their linear frontage for services to the sidewalk.

In order to proportionally assess for the additional services and activities provided to the eligible portions of the Phelan Loop Parcel Segment, the Cleaning, Maintenance, and Safety program assessment is based upon both the Linear Street Frontage assigned, and the Lot Square Footage assigned to the eligible portions of the Phelan Loop Parcel Segment area. The assessable portion of the Phelan Loop Parcel Segment Linear Street Frontage is 572.17. The assessable portion of the Phelan Loop Parcel Segment Lot Square Footage is 70,073. If there is a reconfiguration of the Phelan Loop Parcel Segment that results in different property land uses or different Assessor's Parcel(s), the resulting new parcels fronting Ocean Avenue will be assessed according to their updated land uses.

If Assessor's Parcel 3180 -001 renumbers, consolidates, and/or subdivides, the Phelan Loop Parcel Segment shall be identified by the subsequent Assessor's Parcel number(s) assigned to that portion of land fronting Ocean Avenue, encompassing the current bus turnaround area, and the open space on the corner of Ocean and Phelan, excluding the fire station. If the Phelan Loop Parcel Segment's

land use changes to a land use to something other than the current land use, the Assessor's Parcel will be assessed according to the updated land use. An increase in the annual assessment, if any, will not be considered an assessment increase per Proposition 218.

Although the improvements, services, and activities provided throughout the Ocean Avenue CBD incorporates public streets and rights of way, it is clear that the improvements, services, and activities provided are directed towards, and necessary for, the cleanliness and maintenance of the Ocean Avenue area, the safety of commercial and residential property tenants, property owners, visitors, as well as, the enhancement of the business environment, and the increased opportunities of the properties throughout the Ocean Avenue CBD. The Ocean Avenue CBD will not provide any of these improvements, services, and activities to properties located outside of the Ocean Avenue CBD boundaries. The Owners' Association will use collected assessment revenue to pay for the enhanced improvements, services, and activities that are over and above the baseline services currently provided by the City. However, in assigning direct benefit, public access, use, or availability of these improvements, services, and activities by others was considered.

The general benefits to the public at large are minimal. Various CBDs around the City conducted surveys<sup>1</sup> to determine the likelihood of individuals passing through their boundaries without the intention of engaging in any type of commerce activity in the CBD. Of those surveyed, less than 1% indicated that they do not nor do they ever have the intention of engaging in any type of commerce regardless of any future BID programs and services provided. To account for this activity, 1% of the total annual budget is considered general benefit. Properties within the Ocean Avenue CBD are not assessed this 1% general benefit. Further, the City will continue to provide the general baseline services within the Ocean Avenue CBD, consistent with the provision of baseline services in other similar areas of the City.

Marketing, Streetscape, and Beautification program services are essential to encourage business development and retention, minimize property vacancies, as well as persuade visitors to come to the Ocean Avenue area to shop, dine, and conduct business. A well marketed and attractive area provides property owners with the ability to achieve the highest and best use of the property, and generate a greater demand for available space. Some of the plans to increase the market awareness of the Ocean Avenue area includes; creating a greater draw of visitors through special events and targeted marketing promotions, holiday decorations, and positioning the Ocean Avenue area more competitively. Given the types of planned marketing programs and activities, it is determined that only Commercial Property Uses will receive a direct benefit. The marketing assessment is assigned to those properties, or portions of properties, designated as commercial use only. The assessment is based upon the properties proportional benefit received, and will provide the necessary funding to carry out the Marketing, Streetscape, and Beautification program activities.

The primary goal of the Marketing, Streetscape, and Beautification program is to increase the desirability of existing space, both building and vacant property, throughout the Ocean Avenue CBD. Therefore, the Marketing, Streetscape, and Beautification program benefits are assigned to the Building Square Footage and Lot Square Footage attributable to the Commercial Property Uses located in Zone 1, the heart of the retail commercial district, only.

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<sup>1</sup> In 2009, the City along with the Greater Union Square BID and the West Portal CBD conducted streets surveys to determine the level of general benefit received from the improvements, services, and activities.

## Assessment Calculation

The Zone 1 Fiscal Year 2010/11 assessment calculation rates are:

Zone 1 - Assessment Category Description	Fiscal Year 2010/11 Assessment Rate
Linear Street Frontage for Assessor's Parcels designated as: Commercial Property Use Residential Property Use Public Property Use	\$26.28 per Linear Street Foot
Linear Street Frontage for Assessor's Parcels designated as: Non-Profit Service Organization Property Use Religious Institutional Property Use	\$21.00 per Linear Street Foot
Building Square Footage for Assessor's Parcels designated as: Commercial Property Use	\$0.111 per Building Square Foot
Lot Square Footage for Assessor's Parcels designated as: Commercial Property Use	\$0.0276 per Lot Square Foot
Lot Square Footage for portion of Phelan Loop Parcel Segment dedicated to public parking, the bus transfer station, or open space uses	\$0.080 per Lot Square Foot

### Zone 1 Annual Assessment Calculation:

$$\text{Linear Street Frontage Assessment} = \text{Assigned Linear Street Frontage} \times \text{Linear Street Frontage Assessment Rate}$$

$$\text{Building Square Footage Assessment} = \text{Commercial Property Use Building Square Footage} \times \text{Building Square Footage Assessment Rate}$$

$$\text{Lot Square Footage Assessment} = \text{Commercial Property Use Lot Square Footage} \times \text{Lot Square Footage Assessment Rate}$$

### Zone 1 Assessor's Parcel Annual Assessment:

$$\text{Assessor's Parcel Annual Assessment} = \text{Linear Street Frontage Assessment} + \text{Building Square Footage Assessment} + \text{Lot Square Footage Assessment}$$

### Zone 1 Phelan Loop Parcel Segment Annual Assessment:

$$\text{Phelan Loop Parcel Segment Annual Assessment} = \text{Assigned Linear Street Frontage} \times \text{Linear Street Frontage Assessment Rate} + \text{Assigned Lot Square Footage} \times \text{Lot Square Footage Assessment Rate}$$



The Zone 2 Fiscal Year 2010/11 assessment calculation rates are:

Zone 2 - Assessment Category Description	Fiscal Year 2010/11 Assessment Rate
Linear Street Frontage for Assessor's Parcels designated as: Educational Institutional Property Use Public Property Use	\$13.90 per Linear Street Foot

**Zone 2 Annual Assessment Calculation:**

$$\text{Linear Street Frontage Assessment} = \text{Linear Street Frontage} \times \text{Linear Street Frontage Assessment Rate}$$

**Zone 2 Assessor's Parcel Annual Assessment:**

$$\text{Assessor's Parcel Annual Assessment} = \text{Linear Street Frontage Assessment}$$

**Maximum Annual Assessments**

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The Zone 1 Fiscal Year 2010/11 maximum annual assessment rates are as follows:

- Per Linear Street Foot (Commercial Property Use, Residential Property Use, Public Property Use, and Phelan Loop Parcel Segment): \$26.28
- Per Linear Street Foot for (Non-Profit Service Organization Property Use, and Religious Institutional Property Use): \$21.00
- Per Commercial Property Use Building Square Foot: \$0.111
- Per Commercial Property Use Lot Square Foot: \$0.0276
- Per Phelan Loop Parcel Segment Lot Square Foot (the Lot Square Footage for the portion of the Phelan Loop Parcel Segment currently used as public parking, the bus transfer station or open space, excluding the Fire Station Lot Square Footage): \$0.080

The Zone 2 Fiscal Year 2010/11 maximum annual assessment rate is as follows:

- Per Linear Street Foot (Educational Institutional Property Use and Public Property Use): \$13.90

**Maximum Annual Assessment Increases**

Beginning July 1, 2011, all maximum assessment rates are subject to an annual increase. The maximum assessment rates will reflect the annual change in the March Consumer Price Index for All Urban Consumers in San Francisco-Oakland-San Jose or 3%, whichever is less. However, in no event shall the annual increase be less than zero.

The maximum increase of 3% to the maximum assessment rates for the next 15 years is:

Fiscal Year	Zone 1 Linear Foot Rate(1)	Zone 1 Linear Foot Rate NPSO, RI (2)	Zone 1 Commercial Building Square Foot Rate	Zone 1 Commercial Lot Square Foot Rate	Zone 1 Phelan Loop Parcel Segment Lot Square Foot Rate	Zone 2 Linear Foot Rate(3)
2010/11	\$26.28	\$21.00	\$0.111	\$0.0276	\$0.080	\$13.90
2011/12	27.07	21.63	0.114	0.0284	0.082	14.32
2012/13	27.88	22.28	0.118	0.0293	0.085	14.75
2013/14	28.72	22.95	0.121	0.0302	0.087	15.19
2014/15	29.58	23.64	0.125	0.0311	0.090	15.65
2015/16	30.47	24.35	0.129	0.0320	0.093	16.12
2016/17	31.38	25.08	0.133	0.0330	0.096	16.60
2017/18	32.32	25.83	0.137	0.0339	0.098	17.10
2018/19	33.29	26.61	0.141	0.0350	0.101	17.61
2019/20	34.29	27.40	0.145	0.0360	0.104	18.14
2020/21	35.32	28.23	0.149	0.0371	0.108	18.68
2021/22	36.38	29.07	0.154	0.0382	0.111	19.24
2022/23	37.47	29.94	0.158	0.0394	0.114	19.82
2023/24	38.60	30.84	0.163	0.0405	0.117	20.41
2024/25	39.76	31.77	0.168	0.0417	0.121	21.03

- (1) Includes Commercial, Residential, Public Property, and Phelan Loop Parcel Segment.  
 (2) Includes Non-Profit Service Organization, and Religious Institutional Property.  
 (3) Includes Public Property.

Regardless of the assessment amount actually levied each year (assessments may be levied at less than the maximum assessment rate), the maximum allowable assessment rates will increase as described above. Any increase in the actual amount of the assessment levied, as long as it does not exceed the maximum assessment for that Fiscal Year, is not considered an increase of the assessment as defined by Proposition 218.

### **Time and Manner of Collecting Assessments**

The City will levy and collect Ocean Avenue CBD assessments in the same manner and at the same time as ordinary *ad valorem* property taxes.

### **Engineer's Report**

The Ocean Avenue Community Benefits District Engineer's Report prepared in support of the Ocean Avenue CBD has been prepared as a separate document. Appendix C of this Management District Plan includes a copy of the Engineer's Report.

## **OCEAN AVENUE CBD MANAGEMENT**

### **Ocean Avenue CBD Term**

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Under the provisions of The Business Improvement Districts Procedure "Article 15", The San Francisco Business and Tax Regulations Code, the maximum number of years for a CBD is 15 years. Once the term expires, the stakeholders need to undertake proceedings to authorize the CBD for additional years.

The proposed initial term for the Ocean Avenue CBD is set at 15 years. The City will levy assessments beginning Fiscal Year 2010/11 up through and including Fiscal Year 2024/25. In order to authorize the levy and collection of assessments after Fiscal Year 2024/25, the Ocean Avenue CBD will need to go through the renewal process pursuant to the 1994 Act as augmented by Article 15.

### **Proposed Ocean Avenue CBD Rules and Regulations**

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The Ocean Avenue CBD will be managed by a new non profit 501c3 organization (the "Owners' Association") to be formed following the approval of the establishment of the Ocean Avenue CBD. The Owners' Association serves as a private, nonprofit entity that is under contract with the City to administer or implement the improvements, services, and activities specified in the Management District Plan.

The Board of Directors of the Owners Association must be comprised of at least 20% non property owning businesses per the Business Improvement Districts Procedure Code.

The Owners' Association must comply with the Ralph M. Brown Act, commencing with Section 54950 of the Government Code, at all times when matters of the Ocean Avenue CBD are heard, discussed, or deliberated. The Owners' Association will also comply with the California Public Records Act, commencing with Section 6250 of the Government Code, for all documents relating to the activities of the Ocean Avenue CBD.

The powers and responsibilities for the Owners' Association are as follows:

- Review improvements, services, and activities provided and establish priorities for the upcoming Fiscal Year
- Implement the improvements, services, and activities specified in the Management District Plan by determining levels of improvements, services, and activities
- Submit an annual report to Board of Supervisors
- Coordinate with City staff regarding operational issues of the Ocean Avenue CBD
- Hold meetings no less frequently than once per year

Each year, the Owners' Association shall prepare a report for the associated Fiscal Year, except the First Year for which assessments are levied and collected to pay the costs of the improvements, services, and activities described in the report. The report shall be due after the first year of operation of the Ocean Avenue CBD. The Owners' Association will file a report with the Clerk of the Board that contains or provides the following:

- A reference to the Ocean Avenue CBD by name
- The Fiscal Year to which the annual report applies

- Any proposed changes in the boundaries, benefit zones or classification of property of the Ocean Avenue CBD
- The services, improvements, and activities to be provided for that Fiscal Year
- An estimate of the cost of providing the services for that Fiscal Year
- Any proposed changes to the basis and method of levying the assessments
- The method and basis of levying the assessment in sufficient detail to allow each property owner to estimate the amount of the assessment to be levied against his or her property for that Fiscal Year
- The amount of any surplus or deficit revenues to be carried over from a previous Fiscal Year
- The amount of any contributions to be made from sources other than assessments levied

The Board of Supervisors may approve the annual report filed by the Ocean Avenue CBD Owners' Association, or the Board of Supervisors may modify any particulars contained in the report, and then approve it as modified. Any modification to the annual report shall be made pursuant to Sections 36635 and 36636 of the 1994 Act.

However, the Board of Supervisors can not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments.

### **Additional Matters**

The stakeholders formed the Ocean Avenue CBD after considerable outreach and careful research; based on information and sources deemed to be reliable. If a property owner thinks that the assessment has been calculated or applied in error, he or she must first contact the Ocean Avenue Owners' Association to correct the property information used to calculate the assessment. If the property owner is not satisfied with the response, then he or she may request an assessment recalculation from the City and County of San Francisco's Office of Economic and Workforce Development per the assessment formula included in the management plan.

### **Disestablishment**

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

A majority (six members) of the Board of Supervisors may initiate disestablishment proceedings at any time based on improper actions by the CBD management corporation, such as misappropriation of funds, malfeasance, or violation of law.

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

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

## **Assessor's Parcel Listing**

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Appendix B of this report provides a listing of all of the Assessor's Parcels, including the Assessor's Parcel number, Owner, Benefit Zone, Linear Street Frontage, Commercial Property Building Square Footage, and Commercial Property Lot Square Footage subject to the Ocean Avenue CBD annual assessment.

The "Proposed Source(s) of Financing" section of this Management District Plan provides the assessment methodology used in determining each Assessor's Parcel's maximum annual assessment.

## **Delinquent Payments**

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The City and County of San Francisco ("City") will place the Ocean Avenue CBD assessments on the County annual secured property tax bills for regular collection at the standard due dates (due twice per year on November 1 and February 1). The Ocean Avenue CBD assessment will appear as a separate line item on the property tax bill. The City will directly bill any Assessor's Parcels which do not regularly receive a property tax bill from the City.

All delinquent payments, including penalties and accrued interest, will be identified in the budgeted categories outlined in the "Total Annual Amount Proposed to be Expended" section of this report. The Ocean Avenue CBD Owners' Association will determine the budget allocation.

## ***APPENDICES***

**Boundary Map**

**A**

**Assessor's Parcel Listing**

**B**

**Engineer's Report**

**C**