

1 [Resolution to Establish (Renew and Expand) - Central Market Community Benefit District]

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3 **Resolution of formation to establish (renew and expand) the property-based business**
4 **improvement district known as the “Central Market Community Benefit District,”**
5 **ordering the levy and collection of assessments against property located in that district**
6 **for 15 years commencing with FY2013-2014, subject to conditions as specified; and**
7 **making environmental findings.**

8
9 WHEREAS, Pursuant to the Property and Business Improvement Law of 1994,
10 California Streets and Highways Code Sections 36600 *et seq.* ("1994 Act"), as augmented by
11 Article 15 of the San Francisco Business and Tax Regulations Code ("Article 15"), collectively,
12 the "Business Assessment Law," the Board of Supervisors adopted Resolution No. 167-13,
13 entitled "Resolution declaring the intention of the Board of Supervisors to renew and expand
14 the property-based business improvement district (community benefit district) known as the
15 "Central Market Community Benefit District" and levy a multi-year assessment on all parcels in
16 the district; approving the management district plan and engineer's report and proposed
17 boundaries map for the district; ordering and setting a time and place for a public hearing
18 thereon; approving the form of the Notice of Public Hearing and Assessment Ballot
19 Proceeding, and Assessment Ballot; directing environmental findings; and directing the Clerk
20 of the Board of Supervisors to give notice of the public hearing and balloting as required by
21 law." (the "Resolution of Intention," Board of Supervisors File No. 130470); and

22 WHEREAS, The Resolution of Intention to renew and expand the Central Market
23 Community Benefit District (the "Central Market CBD" or "District"), among other things,
24 approved the Central Market CBD Management District Plan (the "District Management
25 Plan"), the detailed District Assessment Engineer's Report, the Boundaries Map, and the form

1 of the Assessment Ballots and the Notice of Public Hearing, that are all on file with Clerk of
2 the Board of Supervisors in File No. 130470; and

3 WHEREAS, The Board of Supervisors caused notice of a public hearing concerning
4 the proposed renewal and expansion of the Central Market CBD, and the proposed levy of
5 assessments against property located within the District for a period of fifteen years, for fiscal
6 years 2013-2014 through 2027-2028; and

7 WHEREAS, The Board of Supervisors has caused ballots to be mailed to the record
8 owner of each parcel proposed to be assessed within the District, as required by law; and

9 WHEREAS, A Management District Plan dated May 13, 2013 was filed with the Board
10 on June 5 2013, containing information about the proposed district and assessments as
11 required by California Streets and Highways Code §36622; and

12 WHEREAS, A detailed Engineer's Report dated May 17, 2013 was filed with the Clerk
13 of the Board on June 5, 2013, as prepared by Brian K. Thomas, California Registered
14 Professional Engineer No. 60907, titled "Central Market Community Benefit District Engineer's
15 Report," supporting the assessments within the proposed district; and

16 WHEREAS, A Proposed Boundaries Map was submitted to the Clerk of the Board of
17 Supervisors pursuant to California Streets and Highways Code §3110, on June 20, 2013; and

18 WHEREAS, A public hearing concerning the proposed formation of the Central Market
19 CBD and the proposed levy of assessments within such District was held on July 23, 2013 at
20 3 p.m., in the Board's Legislative Chambers located on the Second Floor of City Hall, 1 Dr.
21 Carlton B. Goodlett Place, San Francisco, California; and

22 WHEREAS, At the public hearing, the testimony of all interested persons for or against
23 the proposed renewal and expansion of the District, the levy of assessments on property
24 within the District, the extent of the District, and the furnishing of specified types of
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1 improvements, services and activities within the District, was heard and considered, and a full,
2 fair and complete meeting and hearing was held; and

3 WHEREAS, The Board of Supervisors heard and considered all objections or protests
4 to the proposed assessments and the Director of the Department of Elections tabulated the
5 assessment ballots submitted and not withdrawn, in support of or in opposition to the
6 proposed assessments, and the Clerk of the Board determined that a majority of the ballots
7 cast (weighted according to the proportional financial obligations of the property) by the
8 owners of record of the property located within the proposed District did not oppose
9 establishing the proposed District; and

10 WHEREAS, The public interest, convenience and necessity require the establishment
11 of the proposed Central Market Community Benefit District; and

12 WHEREAS, In the opinion of the Board of Supervisors, the property within the District
13 will be specially benefited by the improvements, services and activities funded by the
14 assessments; and no assessment has been imposed on any parcel which exceeds the
15 reasonable cost of the proportional special benefit conferred on that parcel; now, therefore, be
16 it

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

18 **Section 1. MANAGEMENT DISTRICT PLAN, DISTRICT ASSESSMENT**

19 **ENGINEER'S REPORT, AND BOUNDARIES MAP.** The Board hereby approves the
20 Management District Plan and District Assessment Engineer's Report, including the estimates
21 of the costs of the property-related services, activities and improvements set forth in the plan,
22 and the assessment of said costs on the properties that will specially benefit from such
23 services, activities and improvements. The Board also hereby approves the Boundaries,
24 showing the exterior boundaries of the District. A copy of the Management District Plan, the
25 District Assessment Engineer's Report, and the Boundaries Map are on file with the Clerk of

1 the Board of Supervisors in File No. 130470, which is hereby declared to be a part of this
2 Resolution as if set forth fully herein.

3 **Section 2. FINDING OF NO MAJORITY PROTEST.** The Board of Supervisors
4 hereby finds that a majority protest does not exist as defined in Section 4(e) of Article XIID of
5 the California Constitution and Section 53753 of the California Government Code with respect
6 to the renewal and expansion of the Central Market Community Benefit District. All objections
7 or protests both written and oral, are hereby duly overruled.

8 **Section 3. ESTABLISHMENT OF DISTRICT.** Pursuant to the 1994 Act and Article
9 15, the renewed and expanded property-based business improvement district designated as
10 the "Central Market Community Benefit District" is hereby established.

11 **Section 4. DESCRIPTION OF DISTRICT.** The Central Market Community Benefit
12 District shall include all parcels of real property within the district. The proposed expanded
13 District contains approximately 806 identified parcels located on approximately 42 whole or
14 partial blocks.

15 Specifically, current exterior District boundaries are:

- 16 • 5th St. from Market St. to Mission St. (West Side only)
- 17 • 6th St. from Market St. to Jessie St. (East and West Sides)
- 18 • 7th St. from Market St. to Stevenson St; (East and West Sides)
- 19 • 8th St. on the east side of the street from Market St. to approximately 185 feet
20 from the southeast corner of Market St. and 8th St. - in which the lot line is
21 drawn to a point equidistant with the balance of the depth of the parcels on that
22 block between 7th St. and 8th St. (as if there was a continuation of
23 Stevenson St. to 8th St.); also on the west side of 8th St. running southward
24 from the southwest corner of 8th St. and Market St., including Parcels No.
25 3701-050, 3701-059, 3701-005, 3701-060, but *not including* Parcel No.
3701-053 at the corner of 8th St. and Mission St. (owned by PG&E)
- 9th St. just including the parcel at the southeast corner of the Market St.
and 9th St. intersection
- Market St. from 5th St. to 9th St. (South Side)
- Market St., from Cyril Magnin St. to Mason St.
and then from Hyde St. to Larkin St. (North Side)

- 1 • Mason St. from Eddy St. to Market St. (East Side)
- 2 • Eddy St. from Parcel No. 0341-18 to Mason St. (South Side)
- 3 • Mission St. from 5th St. running west (North Side only) including the Old Mint
and four parcels (3704-012, 3704-013, 3704-015, 3704-017) directly west of
Mint St.
- 4 • Jessie St. from 5th St. to 6th St. (North Side only),
and Jessie St. running west from 6th St. including 6 parcels (3703-006,
5 3703-007, 3703-010, 3703-011, 3703-012, 3703-086) to the west of 6th St.
(North Side only)
- 6 • Mint St. from Jessie St. to Mission St. (East and West Sides)
- 7 • Mint Plaza from 5th St. to Mint St. (North and South Sides)

8 Specifically, the proposed exterior boundaries of the expanded district are:

- 9 • 5th St. from Market St. to Mission St. (West Side only)
- 10 • 6th St. from Market St. to Folsom St. (East and West Sides)
- 11 • 7th St. from Market St. to Stevenson St. (East and West Sides)
- 12 • 8th St. from Market St. to Mission St. (East and West Sides)
- 13 • Laskie St. from Parcel No. 3701-60 and Parcel No. 3701-66 to Mission St.
(East and West Sides)
- 14 • 9th St. from Market St. to Mission St. (East Side)
and from Jessie St. to Mission St. (West Side)
- 15 • 10th St. from Stevenson St. to Mission St (East Side)
and from Jessie St. to Mission St. (West Side)
- 16 • Market St. from 5th St. to 9th St. (South Side)
- 17 • Market St. from Cyril Magnin St. to Mason St. (North Side)
- 18 • Mason St. from Eddy St. to Market St. (East Side)
- 19 • Eddy St. from Parcel No. 0341-18 to Mason St. (South Side)
- 20 • Market St. from Hyde St. to Larkin St. (North Side)
- 21 • Grove St. from Hyde St. to Larkin St. (South Side)
- 22 • Stevenson St. from Parcel No. 3703-085 to Fifth St. (South Side),
and from Parcel No. 3702-054 to Fifth St. (North Side)
- 23 • Jessie St. From Parcel No. 3703-086 (North Side) to Mint St.
- 24 • Jessie St. from Parcel No. 3703-080 (South Side) to Mint St.
- 25 • Mint St. from Jessie St. to Mission St. (East and West Sides)
- Mint Plaza from 5th St. to Mint St. (North and South Sides)
- Mission St. from 5th St. to South Van Ness Ave. (North Side), excluding parcels
owned by the federal government in the area of 7th St. and Mission St. (parcel
numbers listed below), and excluding Parcel No. 3507-040 which is located to

1 the west next to Parcel No. 3507-042 (within the adjacent Civic Center CBD
boundaries)

- 2 • Mission St. starting from Parcel No. 3725-088 to Lafayette St. (South Side)
- 3 • Minna St. starting from Parcel No. 3725-075 to Sixth St. (South Side)
- 4 • Natoma St. starting from Parcel No. 3725-048 and Parcels No. 3725-033 and
3725-035 to Sixth St. (North and South Sides)
- 5 • Howard St. starting from Parcel No. 3725-014 and Parcel No. 3732-146
to Sixth St. (North and South Sides)
- 6 • Tehama St. starting from Parcel No. 3732-099 and Parcel No. 3732-097
to Sixth St. (North and South Sides)
- 7 • Clementina St. starting from Parcel No. 3732-062 and Parcel No. 3732-048
to Sixth St. (North and South Sides)

8 Parcel No. 3507-040 is excluded from this District (within the adjacent Civic Center
9 CBD boundaries, on Mission St. near 11th St., next to Parcel No. 3507-042). Parcels owned
10 by the federal government are also excluded from the District (near 7th St. and Mission St.,
11 the Federal Building and United States Court of Appeals): Parcels No. 3702-015, 3702-016,
12 3702-029, 3702-031, 3702-032, 3702-033, 3702-034, 3702-035, 3702-036, 3702-055,
13 3703-040, 3703-041, and 3703-084.

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

18 **Section 5. FINDING OF BENEFIT.** The Board of Supervisors hereby finds that the
19 property within the District will be benefited by the improvements and activities funded by the
20 assessments proposed to be levied.

21 **Section 6. SYSTEM OF ASSESSMENTS.** (a) Annual assessments will be levied to
22 pay for the activities to be provided within the District, commencing with fiscal year 2013-
23 2014, and continuing for fifteen (15) years, ending with fiscal year 2027-2028. For purposes
24 of levying and collecting assessments within the District, a fiscal year shall commence on
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1 each July 1st and end on the following June 30th.

2 (b) The amount of the proposed assessments to be levied and collected for fiscal
3 year 2013-2014 shall be a maximum of \$1,180,338 (as shown in the Management District
4 Plan dated May 13, 2013 and Engineer's Report dated May 17, 2013). The amount of
5 assessments to be levied and collected in fiscal years two (2) through fifteen (15) may be
6 increased annually by the Central Market Community Benefit District corporation Board of
7 Directors by an amount not to exceed the change in the Consumer Price Index for All Urban
8 Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical
9 Area, or three percent (3%), whichever is less.

10 (c) The method and basis of levying and collecting the assessment shall be as set
11 forth in the Management District Plan.

12 (1) The levy of the assessments shall commence with fiscal year 2013-2014. Each
13 year the assessment shall be due and payable in two equal installments. The first installment
14 shall be due on November 1 of each fiscal year during the life of the District, and shall become
15 delinquent on December 10 of that fiscal year. The second installment shall be due on
16 February 1 of each fiscal year during the life of the District, and shall become delinquent on
17 April 10 of that fiscal year.

18 (2) Nonpayment of the assessment shall have the same lien priority and delinquent
19 payment penalties and be subject to the same enforcement procedures and remedies as the
20 ad valorem property tax. All delinquent payment of assessments shall be subject to interest
21 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and
22 penalties and collection of delinquent assessments pursuant to the Business Assessment Law
23 and City Business and Tax Regulations Code Article 6, as each may be amended from time to
24 time.

25 **Section 7. USE OF REVENUES.** The proposed property-related services,

1 improvements or activities for the District include:

2 **Public Safety/Community Guides:** Community Guides functions are oriented
3 towards crime prevention and providing information, and include but are not limited to
4 monitoring street conditions, social service outreach, pedestrian directions and information,
5 and merchant outreach. Other resources are drawn on as needed.

6 **Cleaning and Maintenance:** Cleaning and Maintenance includes but is not limited to
7 garbage and graffiti removal, weeding, sweeping, and quarterly steam cleaning in the public
8 right-of-way.

9 **Economic Development:** Economic Development includes but is not limited to district
10 marketing, retail attraction, retention and expansion, and technical support.

11 **Management:** Management includes but is not limited to handling of day-to-day operations,
12 advocacy, grant writing, financials, and all administrative tasks.

13 **Section 8. AUTHORITY TO CONTRACT.** The Board of Supervisors may contract
14 with a separate private entity to administer the improvements, services and activities set forth
15 in Section 7, as provided in California Streets and Highways Code §36614.5 and §36650.
16 Any such entity shall hold the funds it receives from the City and County of San Francisco
17 ("City") in trust for the improvements, services and activities set forth in Section 7. Any such
18 entity that holds funds in trust for purposes related to the contract shall deliver, at no expense
19 to the City, a balance sheet and the related statement of income and cash flows for each
20 fiscal year, all in reasonable detail acceptable to City, reviewed by a Certified Public
21 Accountant (CPA); this review shall include a statement of negative assurance from the CPA.
22 In addition, or alternatively, the Controller in his or her discretion or the Office of Economic
23 and Workforce Development in its discretion, may require the private entity to deliver, at no
24 expense to the City, an annual independent audit report by a Certified Public Accountant of all
25 such funds. The CPA review and/or audit may be funded from assessment proceeds as part

1 of the general administration of the District. At all times the Board of Supervisors shall
2 reserve full rights of accounting of these funds. The Office of Economic and Workforce
3 Development shall be the City agency responsible for coordination between the City and the
4 District.

5 **Section 9. AMENDMENTS.** The properties in the District established by this
6 Resolution shall be subject to any amendments to the 1994 Act, and City Business and Tax
7 Regulations Code Article 6 and Article 15.

8 **Section 10. RECORDATION OF NOTICE AND DIAGRAM.** The County Clerk is
9 hereby authorized and directed to record a notice and an assessment diagram pursuant to
10 Section 36627 of the California Streets and Highways Code, following adoption of this
11 Resolution.

12 **Section 11. LEVY OF ASSESSMENT.** The adoption of this Resolution and
13 recordation of the notice and assessment diagram pursuant to Section 36627 of the California
14 Streets and Highways Code constitutes the levy of an assessment in each of the fiscal years
15 referred to in the District Management Plan. Each year, the Assessor shall enter on the
16 County Assessment Roll opposite each lot or parcel of land the amount of the assessment
17 and such assessment shall be collected in the same manner as the County property taxes are
18 collected.

19 **Section 12. BASELINE SERVICES.** To ensure that assessment revenues from the
20 District are used to enhance the current level of services provided by the City within the
21 District, the establishment of the District will not affect the City's policy to continue to provide
22 the same level of service to the areas encompassed by the District as it provides to other
23 similar areas of the City for the duration of the District, provided, however, that in the event of
24 a significant downturn in citywide revenues, the Board of Supervisors may reduce the level of
25 municipal services citywide, including within the District.

1 **Section 13. ENVIRONMENTAL FINDINGS.** The Planning Department has
2 determined that the actions contemplated in this Resolution are in compliance with the
3 California Environmental Quality Act (California Public Resources Code sections 21000
4 *et seq.*). Said determination is on file with the Clerk of the Board of Supervisors in File No.
5 130638, which is hereby declared to be a part of this Resolution as if set forth fully herein.

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