



NOTICE OF PUBLIC HEARING
AND ASSESSMENT BALLOT PROCEEDING

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

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

SUBJECT: Notice of Public Hearing and Assessment Ballot Proceeding to Consider Modifying the Management District Plan and Engineer's Report to Remove the District-Wide Cap on Annual Assessment Revenues Levied on Properties Located in the Business Improvement District Known as the "Central Market Community Benefit District"

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

Please be advised of the following:

- The Board of Supervisors will hold a public hearing on the proposed modifications to the Management District Plan and Engineer's Report at 3:00 p.m. on September 20, 2016, or as soon thereafter as the matter may be heard, in the Board's Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At this hearing, the Board will hear testimony regarding the proposed modifications. The proposed modifications would remove the district-wide cap on annual assessment revenues in the property-based business improvement district known as the Central Market Community Benefit District (the "District").
- The City levies assessments on parcels in the District in proportion to the special benefits that the parcels derive from the various services and improvements in the District. The City calculates the value of the special benefits and annual assessment on a parcel-by-parcel basis, taking into account objective parcel characteristics such as lot size, building square footage, linear frontage and land use. Further details regarding the formulae for calculating assessments appear in the Management District Plan and Engineer's Report.
- The Management Plan and Engineer's Report for the District describe a "District-Wide Cap" on assessments, stating that in any given year, the total assessments levied across the entire District may not exceed the District-Wide Cap for that year, for the entire fifteen year assessment term. The amount of the District-Wide Cap was based on the projected needs of



the District as of 2013, does not take into account the effect of future development in the District, and may only be increased by up to 3% annually based on changes to the Consumer Price Index (the “Inflationary Increase”).

- The District is expected to experience significant further development during the fifteen year assessment term, which will create increased demand for services and improvements in the District.
- The proposed modifications to the Management District Plan and Engineer’s Report would remove the District-Wide Cap on annual assessments beginning in fiscal year 2016-2017. The existing formulae and the Inflationary Increase would remain the same. Eliminating the District-Wide Cap would allow the City to collect higher assessments from parcels in the District whose parcel characteristics have changed over time, and would enable the District’s budget to increase commensurate with the District’s growth. Thus, if development on a parcel caused an increase in building square footage or a change in the land use or otherwise changed the objective parcel characteristics used to calculate the parcel’s assessment under the existing formula, the assessment could increase by more than the 3% annual Inflationary Increase.
- In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public record in this matter, and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, San Francisco Board of Supervisors, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102.



The total assessment revenues for fiscal year 2016-17 are capped at \$1,289,786.80. The following table shows the maximum annual assessment revenues over the fifteen-year term of the District, assuming a 3% Inflationary Increase is approved each year, and assuming that the District-Wide Cap remains in place. If the District-Wide Cap were removed and if the District experienced further development, then these amounts could increase in future years.

Year of Renewed/ Expanded District	Fiscal Year	Total Projected Annual Assessment Revenue Based on Current Development Status
1	2013/2014	\$1,180,337.63
2	2014/2015	\$1,215,747.76
3	2015/2016	\$1,252,220.19
4	2016/2017	\$1,289,786.80
5	2017/2018	\$1,328,480.40
6	2018/2019	\$1,368,334.81
7	2019/2020	\$1,409,384.86
8	2020/2021	\$1,451,666.40
9	2021/2022	\$1,495,216.40
10	2022/2023	\$1,540,072.89
11	2023/2024	\$1,586,275.07
12	2024/2025	\$1,633,863.33
13	2025/2026	\$1,682,879.23
14	2026/2027	\$1,733,365.60
15	2027/2028	\$1,785,366.57
Total Maximum Assessment Revenue		\$21,952,997.94

Individual parcel assessments are calculated pursuant to the formulae described in the Management Plan and Engineer’s Report, as follows:

PARCEL LAND USE CLASSIFICATION	BENEFIT POINT ASSIGNMENT	
	Cleaning & Public Safety	Marketing & Economic Activity
Non-Residential/Non-Residential Condominium Property	2.00	1.00
Non-Profit/Public/Institution Property	0.75	0.00
Residential/Residential Condominium Property	0.75	0.00
Parking Lot/Vacant Property	0.75	0.50



MARKETING AND ECONOMIC ACTIVITY

PARCEL MARKETING AND ECONOMIC ACTIVITY BENEFIT POINT CALCULATION:

(Total Marketing and Economic Activity Benefit Points) x (Lot Factor + Building Factor)

	Lot Factor		15,000 sq. ft. / 2,500 = 6
	Building Factor		5,000 sq. ft. / 2,500 = 2
Total Parcel Factors	=	Lot + Building Factors	6 + 2 = 8
Land Use Points	=	Based on Land Use Classification	1.00
Total Benefit Points	=	Land Use Points x Sum of Parcel Factors	1.00 x 8 = 8

PARCEL MARKETING AND ECONOMIC ACTIVITY ANNUAL BENEFIT ASSESSMENT CALCULATION:

(Rate Per Benefit Point) x (Total Cleaning and Public Safety Benefit Points)

Example (Non-residential) $\$43.21 \times 8 = \345.68

PARCEL'S TOTAL ANNUAL ASSESSMENT

(Cleaning and Public Safety Annual Benefit Assessment) + (Marketing and Economic Activity Annual Benefit Assessment)

Example (Non-residential) $\$2,497.48 + \$345.68 = \$2,843.16$

ASSESSMENT BALLOT PROCEDURES

Enclosed with this notice, you will find a ballot on the proposed modifications to Management District Plan and Engineer’s Report for the Central Market Community Benefit District. Please follow the directions on the ballot to express your view on the proposed modifications. The following is a summary of the procedures governing the return and tabulation of ballots. More detailed information concerning the ballot procedures is set forth in the enclosed “Procedures for the Completion, Return and Tabulation of Ballots,” which is also available on the City’s website at www.sfelections.org.

1. You may mail or deliver your ballot to the Director of Elections at the Post Office Box location shown on the ballot, or submit the ballot in person at the Department of Elections, located at City Hall Room 48.
2. Ballots may be sent or delivered to the Director of Elections at any time, but **MUST** be received by the Director of Elections not later than the conclusion of the public input portion of the public hearing on September 20, 2016, in the Board’s Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102, scheduled to commence at 3 p.m. or as soon thereafter as the matter may be heard. Depending on the nature and extent of public testimony, the public input portion of the hearing may not be concluded on that date, but may instead be continued to a later date. At



any time prior to the conclusion of the public input portion of the hearing, you may withdraw your ballot and submit a new or changed ballot in place of the ballot previously submitted. If the public input portion of the hearing is continued to a later date, the deadline for submission of ballots will likewise be extended until the close of public input on that date.

3. The Director of Elections will pick up mailed ballots at 12 o'clock noon from the designated Department of Elections Post Office box on the date scheduled for the public hearing. To ensure that mailed ballots are received by the Director of Elections prior to the conclusion of the public input portion of the hearing, mailed ballots must be received by the Director of Elections by 12 o'clock noon on September 20, 2016. Mailed ballots received after 12 o'clock noon on the date scheduled for the public hearing will only be counted if the public input portion of the hearing is continued to a later date and the ballots are received by the Director of Elections prior to the conclusion of the public input portion of the hearing.
4. Only ballots with original signatures - not photocopies of signatures - will be accepted.
5. The Director of Elections will not accept or tabulate a ballot:
 - which is a photocopy without an original signature;
 - which is unsigned;
 - which lacks an identifiable "yes" or "no" vote; or
 - which appears to have been tampered with based upon its appearance or method of delivery.
6. The assessment ballot shall be treated as a disclosable public record during and after the tabulation of the assessment ballots.
7. At the conclusion of the public input portion of the public hearing, the Director of Elections will tabulate the ballots, including those received during the public input portion of the public hearing. If the number of ballots received at the hearing is such that it is not feasible to accurately tabulate the ballots that day, the Board of Supervisors may continue the meeting to a later date for the purpose of obtaining the final tabulation.
8. The Board of Supervisors will not approve the modifications to the Management District Plan and Engineer's Report if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. Ballots shall be weighted according to the proposed financial obligation of the affected property.

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