

1 [Resolution of Intention - Central Market Community Benefit District - Modify the Management
2 Plan and Engineer's Report]

3 **Resolution declaring the intention of the Board of Supervisors to modify the**
4 **management district plan and engineer's report for the property-based business**
5 **improvement district (community benefit district) known as the "Central Market**
6 **Community Benefit District" to remove the district-wide cap on annual assessment**
7 **revenues; ordering and setting a time and place for a public hearing thereon;**
8 **approving the form of the Notice of Public Hearing and Assessment Ballot Proceeding**
9 **and Assessment Ballot; and directing the Clerk of the Board of Supervisors to give**
10 **notice of the public hearing and balloting as required by law.**

11
12 WHEREAS, The Property and Business Improvement District Law of 1994, California
13 Streets and Highways Code, Sections 36600 *et seq.* (the "1994 Act"), authorizes cities to
14 establish property and business improvement districts ("community benefit districts") within
15 business districts to promote the economic revitalization and physical maintenance of such
16 business districts; and

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

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

24 WHEREAS, The 1994 Act and Article 15 authorize the City to levy and collect
25 assessments on real property within such districts for the purpose of providing improvements

1 and promoting activities and property-related services that specially benefit parcels of real
2 property located within such districts; and

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

6 WHEREAS, Section 36622 of the 1994 Act and Article 15 require the preparation of a
7 management district plan that includes, without limitation, (1) a map showing all parcels
8 located in the district, (2) a description of the boundaries of the district, (3) the name of the
9 district, (4) the amount of the proposed assessment for each parcel, (5) the total annual
10 amount chargeable to the entire district, (6) the duration of the payments, (7) the property-
11 related services, (8) activities and improvements to be funded by the assessments for each
12 year and the maximum cost thereof, (9) the method and basis upon which the assessments
13 are calculated in sufficient detail to allow each property owner to calculate the amount of the
14 assessment to be levied against his or her property, (10) the time and manner of collecting the
15 assessments, (11) and a list of the properties to be assessed (including assessor parcel
16 numbers); and

17 WHEREAS, On September 12, 2006, the Board of Supervisors adopted Resolution
18 No. 519-06, declaring its intention to form a community benefit district to be known as the
19 Central Market Community Benefit District (the "District") and to levy multi-year assessments
20 on parcels to be included within the proposed District, and approving the Central Market
21 Community Benefit District Management District Plan (the "2006 Management Plan") as
22 required by Section 36622 of the 1994 Act and a detailed engineer's report supporting the
23 assessments within the proposed District (the "2006 Engineer's Report"), both of which are on
24 file with the Clerk of the Board of Supervisors in File No. 060860; and

25 WHEREAS, On October 31, 2006, after conducting a protest vote and finding that a

1 weighted majority of ballots from the affected property owners in the proposed District did not
2 oppose establishing the proposed District, and after making additional findings and taking
3 other legislative actions, the Board of Supervisors adopted Resolution No. 631-06,
4 establishing the District and levying multi-year special assessments on identified parcels
5 included within the District pursuant to the 2006 Management Plan and 2006 Engineer's
6 Report; and

7 WHEREAS, On June 4, 2013, the Board of Supervisors adopted Resolution
8 No. 167-13, declaring its intention to renew and expand the District and levy multi-year
9 assessments on parcels included within the proposed District for 15 years commencing with
10 FY2013-2014, and approving an updated management district plan as required by Section
11 36622 of the 1994 Act (the "2013 Management Plan") and an updated detailed engineer's
12 report supporting the assessments within the proposed District ("2013 Engineer's Report"),
13 both of which are on file with the Clerk of the Board of Supervisors in File No. 130470; and

14 WHEREAS, On July 23, 2013, after conducting a protest vote and after finding that a
15 weighted majority of ballots from the affected property owners in proposed renewed and
16 expanded District did not oppose establishing the proposed renewal and expansion, and after
17 making additional findings and taking other legislative actions, the Board of Supervisors
18 adopted Resolution No. 631-06, establishing the renewed and expanded District, and levying
19 multi-year special assessments on identified parcels included within the renewed and
20 expanded District pursuant to the 2013 Management District Plan and 2013 Engineer's
21 Report; and

22 WHEREAS, The 2013 Management District Plan, along with the 2013 Engineer's
23 Report, to ensure that parcels are assessed in proportion to the special benefits derived from
24 the various services and improvements in the District, provide that the City shall quantify the
25 special benefits derived by each parcel and calculate the annual assessment to be levied on

1 each parcel by taking into account objective parcel characteristics such as lot size, building
2 square footage, linear frontage, and land use; and

3 WHEREAS, The 2013 Management Plan and 2013 Engineer's Report refer to an
4 district-wide cap on total assessment revenues collected from all parcels across the entire
5 District ("District-Wide Cap"), stating that in any given year, the total assessments levied
6 across the entire District may not exceed the District-Wide Cap for that year, for the entire
7 fifteen year assessment term; and

8 WHEREAS, The amount of the District-Wide Cap was based on the projected needs of
9 the District at the time the District was renewed and expanded in 2013; and

10 WHEREAS, The 2013 Management Plan and 2013 Engineer's Report only permit the
11 District-Wide Cap to be increased by up to 3% annually based on changes to the Consumer
12 Price Index (the "Inflationary Increase"), and do not take into account the effect of future
13 development in the District; and

14 WHEREAS, The District is expected to experience significant further development
15 during the fifteen year assessment term, which will create increased demand for services and
16 improvements in the District; and

17 WHEREAS, Removal of the District-Wide Cap would enable the City to assess newly-
18 developed parcels in the District based on the application of the existing rates and formulae
19 without the limitation of the District-Wide Cap, and would enable the District's budget to
20 increase commensurate with the District's growth; and

21 WHEREAS, Allowing the District's budget to increase commensurate with the District's
22 growth would effectuate the purposes of the District; and

23 WHEREAS, The non-profit owners' association that administers the services and
24 improvements in the District has submitted a written request that the City modify the 2013
25 Management Plan and 2013 Engineer's Report to remove the District-Wide Cap, as reflected

1 in the revised Management Plan and Engineer's Report, both of which are on file with the
2 Clerk of the Board of Supervisors in File No. 160793 and are incorporated by reference as
3 though set forth fully herein; and

4 WHEREAS, The 1994 Act and Article 15 allow the City to propose modifications to the
5 2013 Management Plan and 2013 Engineer's Report, and the property owners in the District
6 to vote on the proposed modifications; now, therefore, be it

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

8 Section 1. Pursuant to Section 36636 of the 1994 Act and Article 15, the Board of
9 Supervisors declares its intention to modify the 2013 Management Plan and 2013 Engineer's
10 Report for the Central Market Community Benefit District to eliminate the District-Wide Cap,
11 as set forth in the revised Management Plan and Engineer's Report for the District, both of
12 which are hereby approved. The Clerk of the Board shall make the revised Management Plan
13 and Engineer's Report and other documents related to the proposed modification and
14 included in the record before the Board of Supervisors available to the public for review during
15 normal business hours, Monday through Friday 8:00 a.m. through 5:00 p.m., excluding legal
16 holidays.

17 Section 2. A public hearing on the proposed modifications shall be conducted before
18 the Board of Supervisors sitting as a Committee of the Whole on September 20, 2016, at 3:00
19 p.m., or as soon thereafter as the matter may be heard in the Board's Legislative Chamber,
20 Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At
21 this public hearing, the Board of Supervisors will hear public testimony regarding the proposed
22 modifications, including testimony from all interested persons for or against the proposed
23 modifications and any other related matters. The Board of Supervisors may waive any
24 irregularity in the form or content of any written protest, and at the public hearing may correct
25 minor defects in the proceedings. All protests submitted by affected property owners and

1 received prior to the conclusion of the public testimony portion of the public hearing shall be
2 tabulated to determine whether a majority protest exists.

3 Section 3. The Board of Supervisors hereby approves the form of the Notice of Public
4 Hearing and Assessment Ballot Proceeding, and Assessment Ballot, both of which are on file
5 with the Clerk of the Board of Supervisors in File No. 160793, and which are hereby declared
6 to be a part of this Resolution as if set forth fully herein.

7 Section 4. It is the intent of the Board of Supervisors to continue to provide the area
8 encompassed by the District with the same level of services provided to other similar areas of
9 the City; the proposed modifications will not affect the City's policy to continue to provide the
10 same level of service to the areas encompassed by the District as it provides to other similar
11 areas of the City during the term of the District.

12 Section 5. Environmental Findings. Following the approval of this Resolution, the
13 Planning Department shall determine whether the actions contemplated in this Resolution are
14 in compliance with the California Environmental Quality Act (California Public Resources
15 Code, Sections 21000 *et seq.*), and shall respond in writing to the Clerk of the Board of
16 Supervisors prior to the Board's public hearing on the proposed actions on
17 September 20, 2016, at 3:00 p.m.

18 Section 6. The Clerk of the Board is directed to give notice of the public hearing as
19 provided in California Streets and Highways Code Section 36623, California Government
20 Code, Section 53753, California Constitution Article XIID, Section 4, San Francisco Charter,
21 Section 16.112, and San Francisco Administrative Code, Section 67.7-1.

22
23
24
25