

1 [Union Square Business Improvement District Annual Reports to the City.]

2
3 **Resolution regarding Union Square Business Improvement District annual reports to**
4 **the City: modifying the "Authority to Contract" provision of the Resolution renewing**
5 **the District (Resolution No. 798-03) to require an annual financial report that has been**
6 **reviewed by a Certified Public Accountant who provides a statement of negative**
7 **assurance, to change the current requirement for an annual CPA independent audit to**
8 **instead require a CPA independent audit upon request of the City, to acknowledge that**
9 **the Mayor's Office of Economic and Workforce Development is the successor to the**
10 **Mayor's Office of Public Finance and Business Affairs, and authorizing amendment of**
11 **the District's written agreements (contracts) with the City to conform; and receiving**
12 **and approving the District's Annual Report for 2005-2006 as submitted pursuant to**
13 **California Streets and Highways Code §36650.**

14
15 WHEREAS, on October 21, 2003 pursuant to the Property and Business Improvement
16 Law of 1994, California Streets and Highways Code Sections 36600 *et seq.* (the "Act"), the
17 Board of Supervisors adopted Resolution No. 697-03 "Resolution of Intention to authorize
18 renewal and modification of the Union Square Business Improvement District" (the
19 "Resolution of Intention," which included approval of the District Management Plan) and
20 Resolution No. 700-03 "Approving ballot and hearing procedures for renewal of the Union
21 Square Business Improvement District;" and,

22 WHEREAS, on December 16, 2003 the Board of Supervisors adopted Resolution No.
23 798-03 "Resolution to establish the renewal and modification of the Union Square Business
24 Improvement District" (Resolution to Renew); and,

1 WHEREAS, the City and County of San Francisco subsequently entered into an
2 "Assessment Agreement" and a "Grant Agreement" with the nonprofit owners' association
3 Union Square Business Improvement District, Inc. which manages the Union Square
4 Business improvement District, both dated June 1, 2004; now be it,

5 RESOLVED, that the Board of Supervisors declares as follows:
6

7 **Section 1. MODIFICATION OF "AUTHORITY TO CONTRACT" PROVISION IN**
8 **THE RESOLUTION RENEWING THE DISTRICT (RESOLUTION NO. 798-03).** Section 7

9 "Authority to Contract" in the Resolution to Renew the Union Square Business Improvement
10 District (Resolution No. 798-03) is hereby modified to: (1) require an annual financial report
11 from the District that has been reviewed by a Certified Public Accountant who provides a
12 statement of negative assurance, and change the current requirement for an annual CPA
13 "independent audit" to instead require a CPA independent audit upon request of the Controller
14 or the Mayor's Office of Economic and Workforce Development (MOEWD); and to
15 (2) designate the Mayor's Office of Economic and Workforce Development (MOEWD) as the
16 agency responsible for coordination between the City and the District (replacing MOEWD's
17 predecessor office, the Mayor's Office of Public Finance and Business Affairs); so that Section
18 7 "Authority to Contract" will now provide (new/additional words are designated by broken
19 underlining, and deleted words are designated by ~~double-strikeout~~):

20 **"Section 7. AUTHORITY TO CONTRACT.** The Board of Supervisors may contract
21 with a separate private entity to administer the activities and services set forth in
22 Section 6. Any such entity shall hold the funds it receives from the City in trust for the
23 services and activities set forth in Section 6. Any entity that holds funds in trust for
24 purposes related to the contract shall, at no expense to the City, ~~provide an annual~~
25 ~~independent audit report by a Certified Public Accountant of these funds.~~ deliver to
City no later than one hundred twenty (120) days following the end of any Fiscal Year,
a balance sheet and the related statement of income and cash flows for each fiscal
year, all in reasonable detail acceptable to City, reviewed by a Certified Public
Accountant (CPA); this review shall include a statement of negative assurance from the
CPA. In addition, or alternatively, the Controller or the Mayor's Office of Economic and

1 Workforce Development may in their discretion require Corporation to deliver, at no
2 expense to the City, an annual independent audit report by a Certified Public
3 Accountant of all such funds. The CPA review or audit may be funded from
4 assessment proceeds as part of the general administration of the District. At all times
5 the Board of Supervisors shall reserve full rights of accounting of these funds. The
6 Mayor's Office of Economic and Workforce Development ~~Public Finance and Business~~
7 ~~Affairs~~ shall be the agency responsible for coordination between the City and the
8 District."

9 **Section 2. CONFORMING THE DISTRICT'S WRITTEN AGREEMENTS**
10 **(CONTRACTS) BETWEEN THE CITY AND THE NONPROFIT OWNERS' ASSOCIATION.**

11 The Mayor's Office of Economic and Workforce Development is hereby authorized to enter
12 into amendments of the City's "Assessment Agreement" dated June 1, 2004 and the City's
13 "Grant Agreement" dated June 1, 2004 ("Agreements") with the nonprofit property owners'
14 Union Square Business Improvement District, Inc. which manages and administers the Union
15 Square Business Improvement District, that conform the Agreements to Section 1 of this
16 Resolution, above. Copies of the two June 1, 2004 Agreements are on file with the Clerk of
17 the Board of Supervisors in File No. _____.
18

19 **Section 3. RECEIPT AND APPROVAL OF THE DISTRICT'S ANNUAL REPORT**
20 **TO THE CITY.** The Board hereby receives and approves the District's Annual Report for
21 2005-2006, as submitted pursuant to California Streets and Highways Code §36650, on file
22 with the Clerk of the Board of Supervisors in File No. _____.
23
24
25