

1 [Resolution of Intention - Downtown Community Benefit District]

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3 **Resolution declaring the intention of the Board of Supervisors to establish a property-**
4 **based business improvement district known as the “Downtown Community Benefit**
5 **District” and levy a multi-year assessment on all parcels in the District; approving the**
6 **management district plan, engineer’s report, and proposed boundaries map for the**
7 **District; ordering and setting a time and place for a public hearing of the Board of**
8 **Supervisors, sitting as a Committee of the Whole, on July 16, 2019, at 3:00 p.m.;**
9 **approving the form of the Notice of Public Hearing and Assessment Ballot Proceeding,**
10 **and Assessment Ballot; directing environmental findings; and directing the Clerk of the**
11 **Board of Supervisors to give notice of the public hearing and balloting, as required by**
12 **law.**

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

18 WHEREAS, Section 36603 of the 1994 Act 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 1994 Act; and

21 WHEREAS, Article 15 of the San Francisco Business and Tax Regulations 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

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1 WHEREAS, The 1994 Act and Article 15 authorize the City to levy and collect
2 assessments on real property within such districts for the purpose of providing improvements
3 and promoting activities and property-related services that specially benefit parcels of real
4 property located within such districts; and

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

8 WHEREAS, The 1994 Act and Article 15 impose additional procedural and substantive
9 requirements relating to assessments on real property within a proposed property and
10 business improvement district, also known as a community benefit district (“CBD”); and

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

15 WHEREAS, The property owners who will pay 30% or more of the total amount of
16 assessments on properties within the proposed district signed and submitted to the Clerk of
17 the Board of Supervisors a petition (“Petition”) requesting that the Board of Supervisors
18 establish the property-based community benefit district known as the “Downtown Community
19 Benefit District,” and levy assessments on properties located in the proposed district to fund
20 property-related services, activities and improvements within the district; and

21 WHEREAS, A Management District Plan entitled “Downtown Community Benefit
22 District Management Plan” (“Management District Plan”) containing information about the
23 proposed district and assessments required by Section 36622 of the 1994 Act, including but
24 not limited to a map showing all parcels located in the district, a description of the boundaries
25 of the district, the name of the district, the amount of the proposed assessment for each

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), is on file with the Clerk of the Board of
8 Supervisors in File No. 190426, which is hereby declared to be a part of this Resolution as if
9 set forth fully herein; and

10 WHEREAS, A detailed engineer's report supporting the assessments within the
11 proposed district, prepared by Edward V. Henning, California Registered Professional
12 Engineer No. 26549, entitled "Downtown Community Benefit District Engineer's Report"
13 ("Engineer's Report") is on file with the Clerk of the Board of Supervisors in File No. 190426,
14 which is hereby declared to be a part of this Resolution as if set forth fully herein; and

15 WHEREAS, A Proposed Boundaries Map, submitted pursuant to California Streets and
16 Highways Code Section 3110, is on file with the Clerk of the Board of Supervisors in File
17 No. 190426, which is hereby declared to be a part of this Resolution as if set forth fully herein;
18 now, therefore, be it

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

20 Section 1. Pursuant to Section 36621(a) of the 1994 Act and Article 15, the Board of
21 Supervisors declares its intention to establish the property and business improvement district
22 known as the "Downtown Community Benefit District" ("District") for a period of fifteen and one
23 half (15 1/2) years, and to levy and collect assessments against all parcels of real property in
24 the District for 15 of those years, commencing with FY2019-2020, subject to approval by a
25 majority of the property owners in the District who cast assessment ballots, which ballots shall

1 be weighted according to the proportional financial obligations of the affected properties. No
2 bonds will be issued. District operations are expected to commence on or about
3 January 1, 2020, following collection of the assessments for FY2019-2020 and disbursement
4 of the assessment proceeds to the nonprofit owners' association that will administer the
5 property-related services, activities and improvements in the District pursuant to
6 Section 36651 of the 1994 Act and a written agreement with the City.

7 Section 2. Nonpayment of assessments will have the same lien priority and delinquent
8 payment penalties and be subject to the same enforcement procedures and remedies as the
9 ad valorem property tax. All delinquent payment of assessments will be subject to interest
10 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and
11 penalties and collection of assessments pursuant to the 1994 Act, Article 15 and the San
12 Francisco Business and Tax Regulation Code Article 6, as each may be amended from time
13 to time.

14 Section 3. The Board of Supervisors hereby approves the Management District Plan
15 and Engineer's Report, including the estimates of the costs of the property-related services,
16 activities and improvements set forth in the plan, and the assessment of said costs on the
17 properties that will specially benefit from such services, activities and improvements. The
18 Clerk of the Board shall make the Management District Plan, Engineer's Report and other
19 documents related to the District and included in the record before the Board of Supervisors
20 available to the public for review during normal business hours, Monday through Friday 8:00
21 a.m. through 5:00 p.m., excluding legal holidays.

22 Section 4. The Board of Supervisors hereby approves the Proposed Boundaries Map
23 showing the boundaries of the District. The proposed District contains approximately 669
24 identified parcels located on approximately 43 whole or partial blocks.

25 Specifically, the exterior District boundaries are:

- 1 • Eastern Boundary: From the southwestern parcel of the intersection of Howard
2 Street and the Embarcadero running northward along the west side of the
3 Embarcadero to the parcel at (APN) 3714-019.
- 4 • Southern Boundary: Parcels on the south side of Market Street, not included in the
5 Transbay/East Cut CBD, have been included in the Downtown CBD boundaries.
6 This is to prevent any parcels from being excluded from either CBD. The only
7 parcel not included on the south side of Market is the Federal Reserve building
8 because, based upon CBD billing experience in San Francisco, the General
9 Services Agency refuses to pay into the assessment district, and therefore should
10 not receive the special benefits funded from the CBD. The boundaries are
11 therefore as follows: From the southwestern parcel of the intersection of Howard
12 Street and the Embarcadero, running westward to the parcel at the northeastern
13 corner of the intersection of Howard and Spear Street. Continuing northward along
14 the eastern side of Spear Street to Market Street. Continuing westward on Market
15 Street and running south to mid-block Market to Mission on the west side of Main
16 Street. Continuing along a line which includes all the parcels that border the current
17 East Cut Community Benefit District westward to 2nd Street. Continuing northward
18 along the western side of 2nd Street to Market Street, continuing westward down
19 the middle of Market Street to the parcel at the northeastern parcel at the
20 intersection of Kearny Street and Market Street.
- 21 • Northern Boundary: From the northern side of the Hyatt hotel at the northeastern
22 parcel at the intersection of Market Street and Drumm Street, running westward
23 along the southern side of Sacramento Street up to the intersection of Sacramento
24 and Battery Street. Then moving northward, up west side of Battery until reaching
25 Washington Street, then heading one block west bound (south side only) to

1 Sansome. Continuing northbound on Sansome (including only the west side of the
2 Street), to the intersection of Sansome and Pacific Avenue. Then heading west
3 bound on Pacific including only the parcels along the south side of Pacific until the
4 boundaries reach the intersection of Pacific and Montgomery. From that point, the
5 CBD includes parcels on both sides of Pacific Avenue up to the parcels just east of
6 the two parcels at Columbus and Pacific. Those two parcels (0176-016 and 0163-
7 012) have not been included because they are included in a study of the expansion
8 of the current Top of Broadway CBD, and because the 1994 Act prohibits the same
9 parcel from being included in two separate property-based assessment districts.

- 10 • Western Boundary: From the parcel at the northeastern corner of the intersection of
11 Market Street and Kearny Street, continue northbound along the east side of
12 Kearny Street to the parcel at the southeastern corner of the intersection of
13 Sacramento Street and Kearny Street. Continue eastward to mid-block to the parcel
14 APN 0227 - 011 and run on the west side of that parcel up to mid-block on Clay
15 Street. Include the western side of the parcels APN 0208 -026 – 028, 29-61 to the
16 middle of the intersection of Washington and Montgomery Streets. Continue along
17 the middle of the street of Montgomery Street up to Jackson Street, head west to
18 mid- block and include the parcels on both sides of Pacific Avenue, excluding all
19 parcels fronting along Columbus Avenue as those parcels are anticipated to be
20 included in an expansion of the Top of Broadway CBD.

21 Reference should be made to the detailed maps and the lists of parcels identified by
22 Assessor Parcel Number that are contained in the Management District Plan, in order to
23 determine which specific parcels are included in the Downtown Community Benefit District.

24 Section 5. A public hearing on the establishment of the District, and the levy and
25 collection of assessments starting with FY2019-20 and continuing through FY2033-2034, shall

1 be conducted before the Board of Supervisors sitting as a Committee of the Whole on
2 July 16, 2019, at 3:00 p.m., or as soon thereafter as the matter may be heard in the Board's
3 Legislative Chamber, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco,
4 California, 94102. At this public hearing, the Board of Supervisors will hear public testimony
5 regarding the proposed formation of the District, assessments, and boundaries of the District,
6 including testimony from all interested persons for or against establishment of the District, the
7 extent of the District, the levy of the assessments, the furnishing of specific types of property-
8 related services, improvements and activities, and other matters related to the District. The
9 Board of Supervisors may waive any irregularity in the form or content of any written protest,
10 and at the public hearing may correct minor defects in the proceedings. All protests submitted
11 by affected property owners and received prior to the conclusion of the public testimony
12 portion of the public hearing shall be tabulated to determine whether a majority protest exists.

13 Section 6. The Board of Supervisors hereby approves the form of the Notice of Public
14 Hearing and Assessment Ballot Proceeding, and Assessment Ballot, which are on file with the
15 Clerk of the Board of Supervisors in File No. 190426; which are hereby declared to be a part
16 of this Resolution as if set forth fully herein.

17 Section 7. The proposed property-related services, improvements and activities for the
18 District include Civil Sidewalks/Mobility Management, District Identity and Streetscape
19 Improvements, Program Management and Reserve.

20 **Civil Sidewalks/Mobility Management.** Civil Sidewalks/Mobility Management include,
21 but is not limited to, sidewalk and gutter sweeping, sidewalk steam cleaning, trash removal,
22 graffiti removal, tree and vegetation maintenance, public space maintenance, maintenance of
23 existing and new public spaces, responding to quality of life issues, implementing the "Live
24 Well, Live Safe" program, advocacy for increased resources to improve traffic management at
25 major intersections throughout the District, additional traffic and mobility efforts such as

1 shared of improved parking, possible community valet program, and updated commercial and
2 other special parking zones and curb cuts.

3 **District Identity and Streetscape Improvements.** District and Streetscape
4 Improvements include, but is not limited to, branding of the Financial District, Jackson Square
5 and the Downtown CBD parcels on the south side of Market Street so a positive image is
6 promoted to the public and the new tenants, funding website development and updates,
7 funding an App development, management and coordination of special events, hiring a social
8 media company, hiring a public relations firm, installation of holiday and seasonal decorations,
9 creating unique banner programs to tie the district together, funding and planning public art
10 displays, funding logo development, funding public space design and improvements, creating
11 programs that fund business attractions workshops and fairs to attract future tenants.

12 **Program Management and Reserve.** Program Management and Reserve includes,
13 but is not limited to, staff and administrative costs, advocacy for improved traffic management
14 with the SFMTA, paying for Directors and Officers as well as General Liability Insurance,
15 office related expenses, financial reporting and accounting expenses, legal work related costs,
16 relations with other CBDs and the City, delinquencies, City and County fees, reserves.

17 Section 8. Within the area encompassed by the proposed District, the City currently
18 provides services at the same level provided to other similar areas of the City. It is the intent
19 of the Board of Supervisors to continue to provide the area encompassed by the District with
20 the same level of services provided to other similar areas of the City; formation of the District
21 will not affect the City's policy to continue to provide the same level of service to the areas
22 encompassed by the District as it provides to other similar areas of the City during the term of
23 the District.

24 Section 9. The annual total assessments proposed to be levied and collected for the
25 first year of the District (FY2019-2020) is estimated to be \$ 3,873,491.14. The amount of the

1 total annual assessments to be levied and collected for years two through fifteen
2 (FYs 2020-2021 through 2033-2034) may be increased annually by the amount not to
3 exceed 5% per year with approval of the Owners' Association Board of Directors.
4 Assessments may also increase over time if changes to the parcels result in the parcels being
5 assigned additional benefit points.

6 Section 10. Environmental Findings. Following the approval of this Resolution, the
7 Planning Department shall determine whether the actions contemplated in this Resolution are
8 in compliance with the California Environmental Quality Act (California Public Resources
9 Code, Sections 21000 et seq.), and respond in writing to the Clerk of the Board of Supervisors
10 prior to the Board's public hearing on the establishment of the District on July 16, 2019,
11 at 3:00 p.m.

12 Section 11. The Clerk of the Board is directed to give notice of the public hearing as
13 provided in California Streets and Highways Code, Section 36623, California Government
14 Code, Section 53753, California Constitution Article XIID Section 4, San Francisco Charter,
15 Section 16.112, and San Francisco Administrative Code, Section 67.7-1.

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