

1 [Resolution of Intention - Renewal and Expansion - Union Square Business Improvement
2 District]

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

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 renew
18 and expand the property-based community benefit district known as the “Union Square
19 Business Improvement District,” and levy assessments on properties located in the proposed
20 district to fund property-related services, activities, and improvements within the district; and

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

1 for each parcel, the total annual amount chargeable to the entire district, the duration of the
2 payments, the property-related services, activities and improvements to be funded by the
3 assessments for each year and the maximum cost thereof, the method and basis upon which
4 the assessments are calculated in sufficient detail to allow each property owner to calculate
5 the amount of the assessment to be levied against his or her property, a statement that no
6 bonds will be issued, the time and manner of collecting the assessments, and a list of the
7 properties to be assessed (including assessor parcel numbers), is on file with the Clerk of the
8 Board of Supervisors in File No. 190427, which is hereby declared to be a part of this
9 Resolution as if set forth fully herein; and

10 WHEREAS, A detailed engineer's report supporting the assessments within the
11 proposed district, prepared by John G. Egan, California Registered Professional Engineer No.
12 14853, entitled "Union Square Business Improvement District Engineer's Report" ("Engineer's
13 Report") is on file with the Clerk of the Board of Supervisors in File No. 190427, which is
14 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. 190427, 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 renew and expand the property and business
22 improvement district known as the "Union Square Business Improvement District" ("District")
23 for a period of ten and one half years, and to levy and collect assessments against all parcels
24 of real property in the District for ten of those years, commencing with FY2019-2020, subject
25 to approval by a majority of the property owners in the District who cast assessment ballots,

1 which ballots shall be weighted according to the proportional financial obligations of the
2 affected properties. No bonds will be issued. District operations are expected to commence
3 on or about January 1, 2020, following collection of the assessments for FY2019-2020 and
4 disbursement of the assessment proceeds to the nonprofit owners' association that will
5 administer the property-related services, activities and improvements in the District pursuant
6 to 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 800
24 identified parcels located on approximately 27 whole or partial blocks.

25 Specifically, the exterior District boundaries are:

- 1 • South side of Geary Street from Shannon Alley to Taylor Street
- 2 • South side of Post Street from Taylor Street to Mason Street
- 3 • South side of Bush Street from Mason Street to the west side of Kearney Street
- 4 • North side of Market Street from Kearney Street to Cyril Magnin including parcel
- 5 0341 -013 on the West intersection of Cyril Magnin and Market Streets
- 6 • South side of Market Street from 4th street to 5th street including parcel 3706 -047
- 7 on the east corner of 4th and Market Streets
- 8 • West side of Kearney Street from Market Street to Bush Street
- 9 • East side of Mason Street from Eddy Street to O'Farrell Street
- 10 • East side of Mason Street from Post Street to Bush Street
- 11 • East side of Taylor Street from Geary Street to Post Street
- 12 • East side of Shannon Alley from O'Farrell Street & Geary Street (0317 -002, 0317 -
- 13 026, and 0317 -027).

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 Union Square Business Improvement
17 District.

18 Section 5. A public hearing on the renewal and expansion of the District, and the levy
19 and collection of assessments starting with FY2019-2020 and continuing through FY2028-
20 2029, shall be conducted before the Board of Supervisors sitting as a Committee of the Whole
21 on July 9, 2019 at 3:00 p.m., or as soon thereafter as the matter may be heard in the Board's
22 Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San
23 Francisco, California, 94102. At this public hearing, the Board of Supervisors will hear public
24 testimony regarding the proposed formation of the District, assessments, and boundaries of
25 the District, including testimony from all interested persons for or against renewal and

1 expansion of the District, the extent of the District, the levy of the assessments, the furnishing
2 of specific types of property-related services, improvements and activities, and other matters
3 related to the District. The Board of Supervisors may waive any irregularity in the form or
4 content of any written protest, and at the public hearing may correct minor defects in the
5 proceedings. All protests submitted by affected property owners and received prior to the
6 conclusion of the public testimony portion of the public hearing shall be tabulated to determine
7 whether a majority protest exists.

8 Section 6. The Board of Supervisors hereby approves the form of the Notice of Public
9 Hearing and Assessment Ballot Proceeding, and Assessment Ballot, which are on file with the
10 Clerk of the Board of Supervisors in File No. 190427; which are hereby declared to be a part
11 of this Resolution as if set forth fully herein.

12 Section 7. The proposed property-related services, improvements and activities for the
13 District include a Clean and Safe program, a Marketing program, and Administration.

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15 **Clean and Safe:** The Clean portion of this program includes, but is not limited to,
16 sidewalk cleaning, sidewalk pressure washing, trash collection, graffiti removal, landscape
17 maintenance. The Safe portion of this program includes, but is not limited to, Community
18 Service Ambassadors, and security cameras.

19 **Marketing:** Marketing includes, but is not limited to, destination marketing, wayfinding
20 and district signage, branding, public space activations, media relations, website, streetscape
21 improvements, advocacy, and district stakeholder outreach.

22 **Administration:** Administration includes, but is not limited to, a professional staff to
23 properly manage programs, communicate with stakeholders, to provide leadership, and
24 represent the community with one clear voice. Also included are office expenses, professional
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1 services, organizational expenses such as insurance, the cost to conduct a yearly financial
2 review, and other services related to organizational activities.

3 Section 8. Within the area encompassed by the proposed District, the City currently
4 provides services at the same level provided to other similar areas of the City. It is the intent
5 of the Board of Supervisors to continue to provide the area encompassed by the District with
6 the same level of services provided to other similar areas of the City; formation of the District
7 will not affect the City's policy to continue to provide the same level of service to the areas
8 encompassed by the District as it provides to other similar areas of the City during the term of
9 the District.

10 Section 9. The annual total assessments proposed to be levied and collected for the
11 first year of the District (FY2019-2020) is estimated to be \$6,036,110.88. The amount of the
12 total annual assessments to be levied and collected for years two through ten (FYs 2020-2021
13 through 2028-2029) may be increased from one year to the next due to changes to the
14 consumer price index (CPI) or by 5%, whichever is greater. Assessments may also increase
15 based on development in the District. The determination of annual adjustments in assessment
16 rates will be subject to the approval of the Union Square Business Improvement District
17 Owners' Association. Assessment rates may not increase by more than 5% or the CPI annual
18 increase, whichever is greater.

19 Section 10. Environmental Findings. Following the approval of this Resolution, the
20 Planning Department shall determine whether the actions contemplated in this Resolution are
21 in compliance with the California Environmental Quality Act (California Public Resources
22 Code, Sections 21000 et seq.), and respond in writing to the Clerk of the Board of Supervisors
23 prior to the Board's public hearing on the renewal and expansion of the District on July 9,
24 2019, at 3:00 p.m.

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

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