



EXECUTIVE SUMMARY OF THE DOWNTOWN COMMUNITY BENEFIT DISTRICT MANAGEMENT DISTRICT PLAN, SAN FRANCISCO, CA

***Including the Historic Financial District and Jackson Square
of San Francisco and South Side of Market Street***

Formed under the California Streets and Highway Code Section 36600 et seq. Property and Business Improvement District Law of 1994, Augmented by Article 15 of the San Francisco Business and Tax Regulations Code

Submitted to:

The Downtown CBD Steering Committee, the Property Owners of the
Financial District, Jackson Square and South Side of Market Street
& San Francisco Board of Supervisors

Prepared by:

The Downtown CBD Steering Committee and New City America, Inc.

REVISED FINAL PLAN

April 15, 2019



Corporate Office ▪ 710 W. Ivy Street ▪ San Diego, CA 92101 ▪ 619-233-5009 ▪ Fax 619-239-7105

San Francisco Bay Area Office ▪ 954 Lee Avenue, ▪ San Leandro, CA 94577 ▪ 888-356-2726

New England Office: 42 Pearl Street, ▪ New Bedford, MA ▪ 02740

mail@newcityamerica.com ▪ www.newcityamerica.com ▪ Facebook: New City America, Inc.

EXECUTIVE SUMMARY OF THE DOWNTOWN COMMUNITY BENEFIT DISTRICT (DCBD)

The proposed Downtown Community Benefit District (“DCBD”), has been in development for well over ten years. Initiated in 2007, the original Financial District CBD was stopped short by the Great Recession of 2008. Developed by a coalition of property and business owners, the Downtown Community Benefit District includes two of the oldest continuous business districts in the City (Financial and Jackson Square) and will fund special benefit services over and above what the City and County of San Francisco (the “City”) already provides.

The DCBD is a proposed property-based assessment district designed to improve and convey special benefits to properties within the historic and central business district of the City. It will be established pursuant to state law, the Property and Business Improvement District Law of 1994 (the “1994 Act”), as augmented by Article 15 of the San Francisco Business and Tax Regulations Code (“Article 15”).

To guide the DCBD for the next fifteen years, the Downtown CBD Steering Committee has developed a Management Plan that responds to today’s changing needs for additional services beyond what the City is currently providing. The DCBD will provide new improvements and activities, including cleaning, maintenance of order, branding, and traffic management services. Each of the activities is designed to meet the goals of the improvement of the parcels within the Financial District and Jackson Square by enhancing the appearance and safety of the District, increasing building occupancy and lease rates, encouraging new business development, and attracting ancillary businesses and services.

Summary of the Downtown CBD Management Plan

The DCBD is being formed for a fifteen-year term. Upon receipt of petitions signed by property owners representing at least 30% of the DCBD budget, the City may initiate a ballot procedure to establish the DCBD. The balloting is scheduled to occur sometime in the summer of 2019.

Location	The DCBD is located in the historic Financial District and Jackson Square predominantly north of Market Street on the eastern end of the City; additionally, a portion of the District encompasses parcels on the south side of Market Street and along Stuart and Spear Streets.
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Services and Activities	<p>The services and activities include special benefit services including, but are not limited to:</p> <ul style="list-style-type: none"> • Providing daily cleaning services and bringing a sense of order to the public rights-of-way; • Responding to the impacts of homelessness and vagrancy throughout the district; • Securing the safe passage of pedestrians to and from the Muni/BART stations; • Supplementing and creating a new identity that will allow this historic area of the City to remain competitive with the massive new developments south of Market Street; • Seeking ways to provide additional traffic control officers, over and above those currently provided by the SFMTA • Marketing and promoting the area to create new demand; • Retaining staff to oversee all the new services and to ensure best practices are employed. 																													
Budget	<table border="1"> <thead> <tr> <th data-bbox="477 854 802 898">EXPENDITURES</th> <th data-bbox="802 854 1122 898">BUDGET</th> <th data-bbox="1122 854 1450 898">% of Budget</th> </tr> </thead> <tbody> <tr> <td data-bbox="477 898 802 1010">Civil Sidewalks/Mobility Management</td> <td data-bbox="802 898 1122 1010">\$ 3,000,000.14</td> <td data-bbox="1122 898 1450 1010">77.45%</td> </tr> <tr> <td data-bbox="477 1010 802 1157">District Identity, Marketing and public space development and management</td> <td data-bbox="802 1010 1122 1157">\$200,000.00</td> <td data-bbox="1122 1010 1450 1157">5.16%</td> </tr> <tr> <td data-bbox="477 1157 802 1192">Program Management</td> <td data-bbox="802 1157 1122 1192">\$ 550,000.00</td> <td data-bbox="1122 1157 1450 1192">14.20%</td> </tr> <tr> <td data-bbox="477 1192 802 1228">Contingency</td> <td data-bbox="802 1192 1122 1228">\$ 123,491.00</td> <td data-bbox="1122 1192 1450 1228">3.19%</td> </tr> <tr> <td data-bbox="477 1228 802 1304">TOTAL ASSESSMENT REVENUES</td> <td data-bbox="802 1228 1122 1304">\$3,873,491.14</td> <td data-bbox="1122 1228 1450 1304">100%</td> </tr> <tr> <td data-bbox="477 1304 802 1415">Assessment Revenues</td> <td data-bbox="802 1304 1122 1415">\$3,873,491.00</td> <td data-bbox="1122 1304 1450 1415">96.80%</td> </tr> <tr> <td data-bbox="477 1415 802 1526">Other Revenues/General Benefit Contribution</td> <td data-bbox="802 1415 1122 1526">\$ 128,000.00</td> <td data-bbox="1122 1415 1450 1526">3.20%</td> </tr> <tr> <td data-bbox="477 1526 802 1602">Total District Revenues</td> <td data-bbox="802 1526 1122 1602">\$4,001,491.14</td> <td data-bbox="1122 1526 1450 1602">100%</td> </tr> </tbody> </table>			EXPENDITURES	BUDGET	% of Budget	Civil Sidewalks/Mobility Management	\$ 3,000,000.14	77.45%	District Identity, Marketing and public space development and management	\$200,000.00	5.16%	Program Management	\$ 550,000.00	14.20%	Contingency	\$ 123,491.00	3.19%	TOTAL ASSESSMENT REVENUES	\$3,873,491.14	100%	Assessment Revenues	\$3,873,491.00	96.80%	Other Revenues/General Benefit Contribution	\$ 128,000.00	3.20%	Total District Revenues	\$4,001,491.14	100%
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Method of Financing	Levy of assessments on real property that will benefit from improvement and activities funded by the DCBD as well as non-assessment sources																													
Benefit Zones	The Downtown CBD shall have two benefit zones based upon two distinct land uses in the proposed district																													

Assessments	<p>Annual assessments are based upon an allocation of program and activity costs and a calculation of building square footage for all commercial buildings, City properties, and for all residential condominiums/time shares. The estimated annual maximum assessment rates for the first year of the DCBD are as follows:</p> <p><i>-Zone 1: \$0.10 per building square foot per year for all developed parcels, including but not limited to commercial, residential, and publicly-owned properties)</i></p> <p><i>-Zone 2: \$0.08 per square foot of lot size for any empty, undeveloped parcels in the Downtown CBD.</i></p>
Annual Increase	<p>Assessment rates may increase in an amount not to exceed 5% per year. The determination of annual adjustments in assessment rates will be subject to the review and approval of the Owners' Association of The Downtown Community Benefit District. In addition, the special benefit is allocated to parcels within the CBD via a benefit point system. Such benefit points are calculated based on two objective "parcel criteria," which are undeveloped lot square footage and building square footage. The benefit points assigned to parcels in the district may change over time to reflect changes to the parcel criteria. Each parcel's assessment will be calculated by multiplying that parcel's total benefit points by a defined dollar amount. Assessments for years 2- 15 may increase annually by the amount not to exceed 5% per year with approval of the Owners' Association Board of Directors. Assessments may also increase over time if changes to the parcels result in the parcels being assigned additional benefit points.</p>
City Services	<p>The City has established and documented the base level of pre-existing City general benefit services. The Downtown Community Benefit District will not replace any pre-existing general benefit services</p>
Collection	<p>Assessments will appear as a separate line item on the property owners' annual property tax bills.</p>
District Governance	<p>The DCBD shall be administered by a newly formed non-profit public benefit corporation (Owners' Association) which will seek to generate additional revenue based upon grants and other activities. This new management corporation shall provide and oversee the day-to-day operations of the services identified in this management district plan.</p>

District Continuation	Article 15 requires the submission of petitions signed by property owners in the proposed district who will pay at least 30% of the total assessments. Petitions are submitted to the San Francisco Board of Supervisors and the City will then mail ballots to all affected property owners. The majority of ballots returned in support, as weighted by assessment to be paid, must exceed those ballots returned in opposition in order for the Board of Supervisors to consider adoption of a Resolution of Formation to establish the DCBD.
Duration	The DCBD shall have a 15-year term commencing January 1 st , 2020.

THE DOWNTOWN COMMUNITY BENEFIT DISTRICT BOUNDARIES

The DCBD shall include approximately 43 whole and partial blocks in the historic Financial District and Jackson Square north of Market Street as well as a few parcels on the south side of Market Street. The proposed district includes approximately 669 parcels owned by 471 property owners. It encompasses all the commercial parcels, residential condominiums/timeshares and City-owned parcels within the boundaries of the management plan. Specifically, the district boundary is as follows: