

CENTRAL MARKET COMMUNITY BENEFIT DISTRICT
MANAGEMENT DISTRICT PLAN
SAN FRANCISCO, CALIFORNIA

*Formed Under 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 CENTRAL MARKET COMMUNITY BENEFIT DISTRICT
(CBD) STEERING COMMITTEE;

THE PROPERTY OWNERS OF THE
PROPOSED CENTRAL MARKET CBD AND

THE SAN FRANCISCO BOARD OF SUPERVISORS

ORIGINAL PREPARED BY:
NEW CITY AMERICA INC.

REVISED BY:
THE CENTRAL MARKET STEERING COMMITTEE

SEPTEMBER 12, 2006

CENTRAL MARKET/SAN FRANCISCO
COMMUNITY BENEFIT DISTRICT
MANAGEMENT DISTRICT PLAN
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EXECUTIVE SUMMARY OF CENTRAL MARKET COMMUNITY BENEFIT DISTRICT MANAGEMENT PLAN

Lined with historic retail and office buildings, Central Market was once a bustling center of commerce and public life. Today, after 25 years of economic decline, Central Market is avoided by many pedestrians and plagued with extensive physical decay. This proposal to form a Central Market Community Benefit District (CBD) is motivated by a desire to revitalize this public space for San Franciscans of all incomes and ages, specifically including those that currently reside or work in the general area. We believe that improving the cleanliness and safety of Central Market will increase pedestrian activity, strengthen existing small businesses and cultural institutions, attract new investment and improve the over-all quality of life for current and future residents, employees and visitors. If formed, the Central Market CBD would provide a reliable, accountable and independent funding source to help restore this vital public space to its former glory.

Market Street is arguably the most transit-intensive street on the West Coast. Central Market is connected to the rest of the region by two BART stations and to the rest of the City by the MUNI Metro system and at least 20 bus lines. Central Market's 20-foot plus sidewalks were designed to accommodate crowds of pedestrians and its bike lanes already attract cyclists from all corners of the City. Its physical grandeur is comparable to 5th Avenue in New York City, Market Street in Philadelphia or Michigan Avenue in Chicago. Though it has the width to accommodate intense pedestrian traffic, outside of the Powell Street/Market nexus and the areas east of 3rd Street. (Financial District), the sidewalks and public spaces west of Fifth Street are neglected and often empty.

As noted above, over the past 25 years, the safety and cleanliness of Central Market has deteriorated, triggering a decrease in pedestrian use and a corresponding decline in its economic vitality. To reverse this trend, property owners must explore new ways of cleaning up, beautifying, marketing, promoting and maintaining a safe and clean environment in the district.

Early in 2004, the Board of Supervisors unanimously adopted, and Mayor Newsom signed, a new law making it easier to establish special assessment districts in San Francisco, known locally as "*Community Benefit Districts*" (CBD). The first step in the formation of a CBD is to determine whether neighborhood property owners support assessing themselves to fund services and improvements that benefit properties in the district over and above those provided by the City.

In early 2005, MSA/People in Plazas, a non profit corporation affiliated with the Market Street Association, contracted with New City America, a CBD formation consultation firm, to investigate the possible creation of a CBD in the Central Market area. The Market Street Association was founded in 1963 with the primary purpose to promote the rehabilitation, redevelopment and improvement of Market Street and the businesses along Market Street, and to improve the general economic, commercial and social environment of the Market Street area. The mission of MSA/People in Plazas is to develop programs that educate the public about safety and cleanliness in public spaces, provide outdoor cultural activities and sponsor other events to draw a cross section of residents, workers and visitors to the area to reverse the current deterioration and restore Market Street to the status of "everybody's neighborhood".

MSA/People in Plazas has coordinated a series of Central Market CBD Steering Committee meetings among the property owners of the area to obtain financing commitments since early 2005, on the following dates:

- February 16th 2005
- May 26th 2005
- July 28th 2005
- September 15th 2005
- October 26th 2005
- December 7th 2005
- March 8th 2006
- March 22nd 2006
- March 28th 2006
- April 19th 2006
- May 17th 2006
- July 18th 2006
- September 7, 2006

In 2005 two surveys were mailed to all property owners within the proposed study area. The original boundaries proposed in the survey included all parcels along Market from the Embarcadero to the State Fund Compensation Building on 9th Street. The completed surveys demonstrated a lack of interest for the establishment of a CBD east of 3rd Street. Following its review of the survey results, the CBD Steering Committee decided to create a “Central Market CBD” along Market St. between 5th and 9th, including some parcels south of Market St. up to Jessie St. In October 2005, property owners on the CBD steering committee decided, by consensus, to move forward with the formation stage of the Central Market CBD.

Location:	<p><u>Proposed Boundaries:</u></p> <ul style="list-style-type: none"> ▪ 5th St. from Market St. to Mission St. (west side only) ▪ 6th, from Market St. to Jessie St.; (East and West sides) ▪ 7th St. from Market St. to Stevenson St; (East and West Sides) ▪ 8th St. on the east side of the street from Market to approximately 185 feet from the southeast corner of Market and 8th; - in which the lot line is drawn to a point equidistant with the balance of the depth of the parcels on that block between 7th Street and 8th Street (as if there was a continuation of Stevenson Street to 8th Street); also on the west side of 8th Street running southward from the southwest corner of 8th and Market Street, including the four parcels but <i>not including</i> parcel # 3701-053/PGE parcel at the corner of 8th and Mission; ▪ 9th St. just including the parcel at the southeast corner of the Market and 9th Street intersection; ▪ Market St. from 5th St. to 9th St. (south side); ▪ Market St., from Cyril Magnin St. to Mason St. and then from Hyde St. to Larkin St.; (north side) ▪ Mission St. from 5th St. running west (north side only) including the Old Mint and four parcels directly west of Mint St. ▪ Jessie St. from 5th St. to Mint St., including the four parcels west of Mint St., along Jessie;
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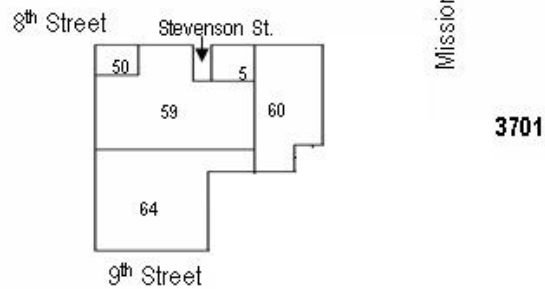
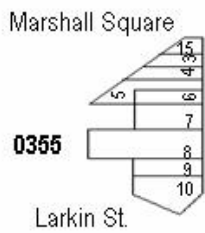
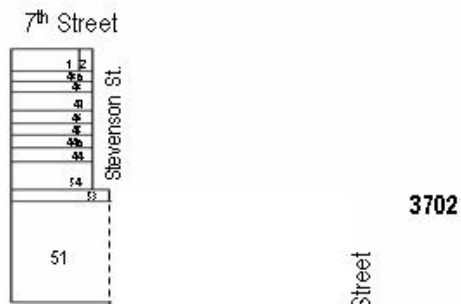
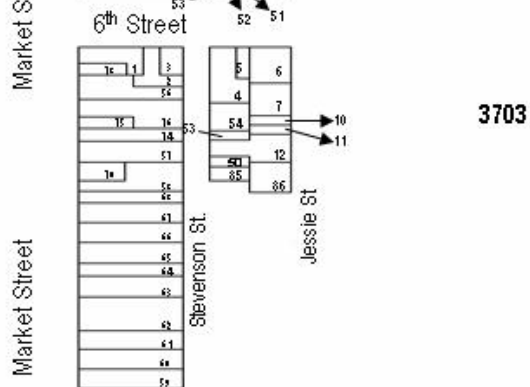
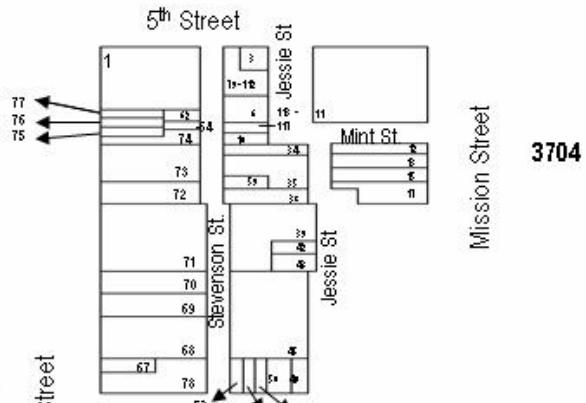
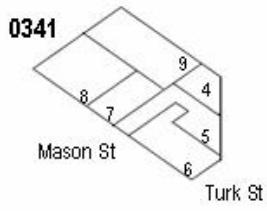
	<ul style="list-style-type: none"> ▪ Mint St. from Jessie St. to Mission St.
Overall Categories of Special Benefit Services:	<ol style="list-style-type: none"> 1. Public Space, Beautification and Safety (PSBS); 2. District Identity and Streetscape Improvements (DISI), (Marketing and Promotions) 3. Administration, Organization and Corporate Operations 4. Contingency/Reserve
Method of Financing:	Special assessments levied on properties within the district will account for up to 95% of the annual budget, and at least 5% will come from other sources such as donations, grants, fees for service, and in-kind contributions.
Benefit Zones	There will be one benefit zone within the proposed Central Market CBD.
Assessments	<p>The annual assessments are based on three property variables: square footage of the building; the gross square footage of the lot, and the linear frontage of the lot abutting any public right of way included within the boundaries of the district. The assessable square footage of the building shall be the gross square footage of the building less the square footage of parking spaces, ramps and common areas related to parking that are used exclusively for the residential tenants or offices within the same building. The building square footage of mixed-use buildings shall be assessed based upon the square footage and relevant rate for the different uses, (retail, office, residential, etc.).</p> <p>The annual rates are as follows:</p> <p>Building Square Foot: \$0.07 per square foot Lot Size: \$0.155 per square foot Linear Frontage: \$14.60 per linear foot</p> <p>The assessment on each parcel for the first year is the sum of the amounts attributable to each of the three property variables, which are calculated by multiplying the square footage of the building (building size), square footage of the parcel (lot size), and the linear frontage of all sides abutting the public right of way included within the boundaries of the district by the rates described above, applicable to the particular parcel. The assessments in years 2 – 7 may be adjusted for inflation subject to a maximum increase of 5% over the assessment in the prior fiscal year.</p> <p><u>Discounts for Non-Profits:</u> The assessments on parcels owned by non-profit corporations in which at least 80% of its building square footage is used by a non-profit corporation or multiple non-profit corporations, shall not include building square footage in the assessments. The reason for the lower assessment is that the non-profits do not benefit from increased marketing or foot traffic on the public rights of way. However, they will still pay an assessment based on lot size and linear frontage and receive benefits from services in the district. It shall be the responsibility of the subject property owner to demonstrate</p>

	to the Management Corporation that administers the district that these non-profit corporations or multiple non-profit corporations in fact use at least 80% of their building square footage.
Annual Budget:	The proposed first year budget for the CBD is \$563,473.00 , and includes special benefit assessments and general benefit contributions from sources other than assessments, such as donations, grants, fees for service contracts. The special benefits assessments generated in the first year of the district are \$ 535,299.00. The annual budgets for subsequent years will be set forth in annual reports prepared by the management corporation and submitted to the Board of Supervisors as required by state law.
Annual Increase:	Year 2 – 7 assessments (fiscal year 07/08 through FY 12/13) may be adjusted for inflation based upon the San Francisco-Oakland-San Jose Area Consumer Price Index (CPI) for all urban consumers, not to exceed 5% annually.
City Services:	The Board of Supervisors, by adopting this Plan, will confirm its intention to ensure an existing level of services in the district equivalent to the level that is being provided elsewhere in the City.
Formation:	District formation requires submission of petitions from owners of property representing at least 30% of the total proposed assessments. Once the petitions have been submitted, the Board of Supervisors will adopt a Resolution of Intent to establish the district and levy the assessments for 7 years. The Department of Elections will mail out assessment ballots to all owners of property included in the proposed district. The Board of Supervisors will hold a public hearing between 45-90 days after adopting the Resolution of Intent. The Board may form the Central Market CBD if the weighted majority of returned ballots support the district formation. "Weight" is determined by the percentage of monetary contribution each property owner will make to the CBD, based upon the assessment methodology.
Duration:	The district will have a 7 year-term, commencing January 1, 2007.

B. CENTRAL MARKET COMMUNITY BENEFIT DISTRICT BOUNDARIES

The addresses of the properties included within the boundaries of the Central Market CBD, described on page 4, are as follows:

<i>Street</i>	<i>Address Series</i>
5 th Street	40 – 88
6 th Street	20 – 62
7 th Street	6 – 34
8 th Street	38 – 50
Cyril Magnin Street	25
Jessie Street	410 - 570
Market Street	901–1275 (South side) 934-948 and 1200-1298 (North side)
Mason Street	34 – 68
Mint Street	54 - 66
Mission Street	936 – 952
Stevenson Street	422 – 678



C. SERVICE PLAN AND BUDGET

Service Plan

The Central Market CBD Steering Committee conducted two mail surveys of all property owners in the district in 2005. The purpose of the mailed surveys was to ascertain the level of conceptual support for the creation of this community benefits district and to identify the services that were desired by property owners. The results of this survey were summarized in the original June 21, 2006 Draft Management Plan. After meeting with additional non-property-owning community stakeholders, including representatives from the South of Market Community Coalition and the Coalition on Homelessness (COH), the draft Service Plan was further refined to address concerns unique to their constituencies. The following list of services is the result of this collaborative community-outreach effort:

PUBLIC SPACE BEAUTIFICATION AND SAFETY:

Examples of the special benefit services and costs include, but are not limited to:

- Regular sidewalk and gutter sweeping, (at least five times per week)
- Quarterly sidewalk steam cleaning
- Spot steam cleaning as necessary
- Public right of way beautification
- Maintenance of pedestrian public spaces in addition to sidewalks
- Banners and decorations
- Enhanced trash emptying in the public rights of way
- Removal of bulky items
- Graffiti removal, within 24 hours
- Tree and vegetation maintenance and planting
- Equipment, supplies, tools
- Vehicle maintenance and insurance
- Maintenance personnel and supervisor/oversight costs
- Improved public safety services (over and above those services currently provided by the City). Public safety services are focused on improving the safety and well-being of CBD-area residents, visitors, employees and merchants. Public safety shall include but not be limited to support for innovative enhanced homeless outreach and pedestrian safety programs funded at an equivalent level to any additional policing component. Such programs can include a new 6th street drop in center and enhanced street outreach and intervention.
- The CBD will not hire private security companies, whose efficacy at deterring street crime is questionable. Instead, the CBD may develop a comprehensive, community-based public safety program employing San Francisco Police officers under Chapter 10B of the San Francisco Admin Code. Any such program will emphasize education, accountability and deterrence of criminal activity, be reviewed by community stakeholders, must be approved by a super-majority (i.e., two thirds) of the CBD Board, and will only be implemented after the CBD has been in existence for at least six (6) months. Any police enforcement efforts associated with the public safety program will be focused on true criminal activities such as drug dealing and violent crime and not on criminalizing homelessness. Furthermore, any such efforts will be coordinated with existing CBOs from the Central Market area.
- Repayment of District formation costs; *(during the first year of operation, up to \$50,000 in formation costs may be repaid to the organizations which funded the formation efforts of the district, for actual*

expenditures for the cost of preparing this plan and the engineer's report consistent with Article 1511(d) of the San Francisco Business and Tax Regulations Code).

DISTRICT IDENTITY AND STREETScape IMPROVEMENTS/MARKETING AND PROMOTIONS

(Examples of special benefit services and costs include, but are not limited to)

- Special events
- Marketing and Promotions strategies
- Personnel related to Marketing and Promotions
- Logo development and Web site
- Pedestrian kiosks and way-finding signage system
- Public space development and planning
- Farmer's Market
- Walking map
- Advertising
- Communications
- Markers and public art highlighting the District's history and resident population, especially the Filipino-American community.
- Repayment of District formation costs; (*see above*)

ADMINISTRATION, ORGANIZATION AND CORPORATE OPERATIONS:

(Examples of special benefit services and costs include, but are not limited to)

- Staff and administrative costs
- Insurance
- Office related expenses
- Relations with City
- Public relations
- Financial reporting
- Communications
- Repayment of District formation costs (*see above*)

CONTINGENCY/RESERVE:

(Examples of services and costs include, but are not limited to)

- Delinquencies
- Reserves
- Long term capital improvement projects
- Hardship repayments
- Repayment of District formation costs (*see above*)

CONTINUATION OF CITY SERVICES

Throughout the process of establishing the new Central Market CBD, business and property owners have voiced concerns that the City and County of San Francisco maintain existing services at verifiable existing service levels. The San Francisco Board of Supervisors, by adopting this Plan, will confirm its intention to ensure an existing level of services equivalent to the level that is being provided elsewhere in the City.

CONTRACTING FOR SERVICES OUTSIDE OF THE CBD

The Central Market CBD may provide services to properties outside of the district on a contract basis. As required by law, the management corporation may not use assessments to provide services outside the district.

Service Plan Operating Budget The service plan budget has been developed to provide the services identified as the highest priorities to the property owners in the Central Market CBD area. The operating budget for the first year of the Central Market CBD is estimated to be \$ 563,473.00. A breakdown of this budget is included in the table below.

Of the total service plan budget, 95% of the revenues or \$ 535,299.00 will be generated from the special benefit assessments. The remaining 5%, or \$ 28,174.00 will be generated from other sources such as grants, donations, fees for service contracts and in-kind contributions.

Under this plan, 25% of the special benefit assessments would be derived from the gross lot size in the district, 31% will be derived from linear frontage and 39% will be derived from building square feet and approximately 5% from the general benefit component of the district.

TABLE C – 1

PERCENTAGE OF BUDGET AND ANNUAL COSTS ALLOCATED TO TYPES OF SERVICES

<i>CBD Services in the Central Market CBD</i>	<i>% of 1st year budget</i>	<i>Annual first year costs</i>
Public Space Beautification and Safety (PSBS)	65 %	\$ 366,257.00
District Identity and Streetscape Improvements (DISI)	5%	\$ 28,174.00 (includes contributions from General Benefit component)
Administrative, Organization and Corporate operations	20%	\$ 112,695.00
Contingency/Reserve <i>(surplus funds in this category, at the conclusion of the fiscal year may be transferred to other service categories upon a vote of the Management Corporation)</i>	10%	\$ 56,347.00
<i>Total, Special and General Benefits</i>	<i>100%</i>	<i>\$ 563,473.00</i>

TABLE C-2

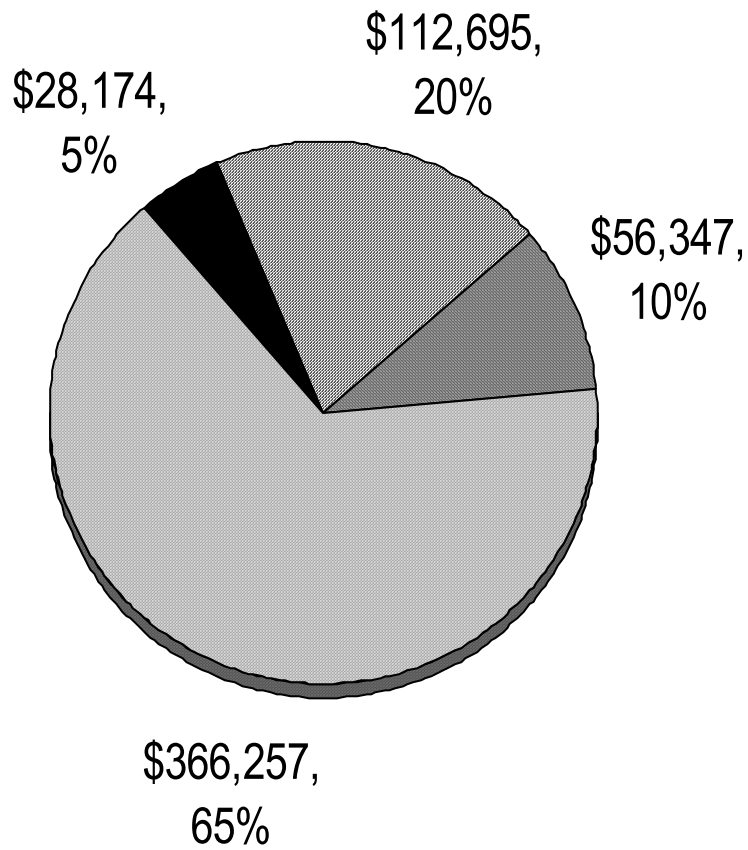
GENERATION OF FUNDS AND PROPERTY VARIABLE

<i>Property Variable</i>	<i>Revenues Generated During the First Year of the District</i>
Building Square Footage	\$ 218,473.00
Lot Size	\$ 139,042.00
Linear Frontage	\$ 177,784.00
General Benefit	\$ 28,174.00
	\$ 563,473.00

Issuance of Bonds or Debt Service:

No bonds, or bond related indebtedness, will be issued.

CENTRAL MARKET COMMUNITY BENEFIT DISTRICT
FIRST YEAR BUDGET



- PSBS
- DISI
- Admin, Operations
- Reserve/Contingency
- Total \$563,473.00

D. ASSESSMENTS AND ASSESSMENT METHODOLOGY

Calculation of Assessments:

There are three property variables that are to be used in determining individual assessments. These variables are:

linear frontage, (sidewalk frontage, all sides),
land area or lot size,
Gross building square footage, (less the square footage of parking spaces,
ramps and common areas related to parking that are used exclusively for the
residential tenants or offices within the same building)

Non-profit ownership and use of parcel:

The assessments on parcels owned by non-profit corporations in which at least 80% of its building square footage is used by a non-profit corporation or multiple non-profit corporations, shall not include building square footage when calculating the amount of the assessment. The reason for the discount is that the non-profits do not benefit from increased marketing or foot traffic on the public rights of way. However, they will still pay an assessment based on lot size and linear frontage and receive benefits from services in the district. It shall be the responsibility of the subject property owner to demonstrate to the Management Corporation administering the district that these non-profit corporations or multiple non-profit corporations in fact constitute at least 80% of their building square footage.

There are three property variables that are to be used in determining individual assessments. These factors are 1) linear frontage, (sidewalk frontage), 2) land area or lot size, and 3) gross building square footage (less the square footage of parking spaces, ramps and common areas related to parking that are used exclusively for the residential tenants or offices within the same building). The rate for building square footage calculation depends on the use of the building. There is a total of 897,043 square feet in gross lot size, 12,177 feet in linear frontage and approximately 3,121,048 in gross building square footage throughout the district.

Building Square Foot: \$0.07 per square foot*

* not applicable to buildings owned and used by non profits

Lot Size: \$0.155 per square foot

Linear Frontage: \$14.60 per linear foot

The assessment on each parcel in the district is the sum of the amounts calculated for each of the three property variables for the particular parcel, which are calculated by multiplying the square footage of the building (building size), square footage of the parcel (lot size), and the linear frontage of the parcel, by the rates described above. The assessments in years 2 – 7 may be adjusted for inflation subject to a maximum increase of 5% over the assessment in the prior fiscal year.

Discounts for Non-Profits:

Parcels owned by non-profit corporations in which at least 80% of its building square footage is used by a non-profit corporations or multiple non-profit corporations, shall have their building square footage excluded from the total assessment formula. The reason for the lower assessment is that the non-profits do not benefit from increased marketing or foot traffic on the public rights of way due to the nature of the use. However, such parcels will be assessed based the relevant lot size and linear frontage assessments, consistent with other parcels in the district. It shall be the responsibility of the subject property owner to demonstrate to the Management Corporation that these non-profit corporations or multiple non-profit corporations in fact constitute at least 80% of their building square footage.

Benefit Zones:

There will be one benefit zone within the proposed Central Market CBD. The Central Market CBD may provide services to properties outside of the district on a contract basis. As required by law, the management corporation may not use assessments to provide services outside the district.

In addition, some property owners of parcels located on the north side of Market St., from Mason St. to Hyde St., that are part of the North Market/Tenderloin Community Benefit District, have requested that the North Market/Tenderloin CBD management corporation consider their request to leave the North Market/Tenderloin Community Benefit District in order to be able to join the Central Market CBD and pay a higher assessment for additional services. If the Central Market CBD is formed, the process of moving Market Street properties from the existing North Market/TL CBD into a future Central Market CBD would be contingent upon support for this process by a resolution from the North Market/Tenderloin management corporation board, a demonstrated lack of protest from the individual property owners of the subject parcels, compliance with all applicable laws, and approval by the Board of Supervisors.

The Central Market CBD management corporation will need to coordinate with existing and future neighboring CBDs regarding the delivery of services to properties adjacent to the Central Market CBD boundaries to insure that no gaps of service take place between adjacent CBDs.

TABLE D - 1:

GROSS SQUARE FEET & LINEAR FRONTAGE BY PROPERTY VARIABLE

<i>Building Square Footage</i>	<i>Gross Lot Size</i>	<i>Gross Linear Frontage (All sides)</i>
3,121,048 square feet	897,043 square feet	12,177 linear feet

Application of Assessment Methodology:

Under the proposed assessment methodology, a 5,000 square foot lot, with 50 feet of frontage and 4,000 square feet of retail building use would yield an annual assessment for the Central Market CBD of:

$$\begin{aligned} 5,000 \times \$0.155 &= \$ 775.00 \text{ in lot size} \\ 50 \times \$ 14.60 &= \$ 730.00 \text{ in linear frontage, and} \\ 4,000 \times \$0.07 &= \$ \underline{280.00} \text{ in building square footage} \end{aligned}$$

Total Assessment: = \$ 1,785.00

Under the proposed assessment methodology, a 5,000 square foot lot, with 50 feet of frontage and 4,000 square feet of non-profit building use would yield an annual assessment for the Central Market CBD of:

$$\begin{aligned} 5,000 \times \$0.155 &= \$ 775.00 \text{ in lot size} \\ 50 \times \$ 14.60 &= \$ 730.00 \text{ in linear frontage, and} \\ 4,000 \times \$0.00 &= \$ \underline{00.00} \text{ in building square footage} \end{aligned}$$

Total Assessment: = \$ 1,505.00

This assessment methodology has been endorsed by the Central Market CBD Steering Committee as the most fair and equitable for apportionment of assessments to parcels included in the district.

Linear frontage will be assessed on *all* sides fronting the public rights of way. Both linear frontage and lot size will be assessed based upon the data from the City and County of San Francisco; and the gross building square footage and use will be determined by field survey and data from the City and County of San Francisco.

Publicly Owned Parcels and Government Assessments:

Public property owners such as the City and County of San Francisco and the State of California are subject to assessments for the special benefits conferred upon government owned property within the boundaries of the CBD. Article XIII D (4) of the California Constitution, (Proposition 218), requires that government owned parcels be assessed unless they receive no special benefit from the improvements and activities funded by the assessments:

“Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from Assessments unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.”

Exemptions and Exclusions:

Consistent with Article XIID of the State Constitution, (Proposition 218), it has been determined that all parcels within the proposed district will derive special benefits from the assessments. Therefore, no parcels will be exempted from payment of assessments, regardless of use or ownership. As noted above, the square footage of any parking that supports residential tenants or offices in the same building will be excluded from the building square footage when calculating the assessment for the particular parcel. In addition parcels owned and used by non profits shall not pay the assessment based on building square footage.

Over the next few years, within the Central Market CBD boundaries, the Steering Committee anticipates new developments and land use changes that will impact the public rights of way and therefore service requirements.

With that background, the Central Market CBD Management District Plan provides for the exclusion of all building square footage assessments on a parcel or parcels once that building has been demolished. (Assessments for linear frontage and lot size will continue to be levied on the parcels.) When the new building has received an occupancy permit, that new building square footage shall be assessed in accordance with the Management District Plan for the remaining years of the term of the Central Market CBD. It shall be the responsibility of the subject property owner to demonstrate the status of its development project to the Management Corporation, in order to receive such assessment discounts.

Annual Assessment Increases

Assessments in years 2 – 7 may be adjusted for inflation based on the consumer price index for the San Francisco-Oakland-San Jose Area for all urban consumers, not to exceed 5% annually. This assessment increase can only be initiated by the Central Market CBD non-profit management corporation via a request to the Board of Supervisors at the time of the submission of the Annual Report, due 30 days following each fiscal year.

The annual budgets below assume a 5% percent maximum increase in overall assessments revenues collected each year. This is the maximum allowable increase based upon this plan.

TABLE D - 2:

PROJECTION OF ASSESSMENTS OVER THE LIFE OF THE DISTRICT
ASSUMING MAXIMUM ANNUAL ADJUSTMENTS

<i>Fiscal Year of Operation</i>	<i>Total Budget, Adjusted with Maximum CPI Allowance</i>	<i>Maximum Annual Assessment, Adjusted with Maximum CPI of 5%</i>
2006 - 2007	\$ 563,473.00	\$ 535,299.00
2007 - 2008	\$ 591,647.00	\$ 562,064.00
2008 - 2009	\$ 621,229.00	\$ 590,168.00
2009 - 2010	\$ 652,290.00	\$ 619,676.00
2010 - 2011	\$ 684,905.00	\$ 650,660.00

2011 - 2012	\$ 719,150.00	\$ 683,193.00
2012 - 2013	\$ 755,108.00	\$ 717,352.00

TIME AND MANNER OF COLLECTING ASSESSMENTS

The Central Market Community Benefit District assessment will appear as a separate line item on the annual property tax bills prepared by San Francisco County Tax Collector. A special assessment bill will also be issued annually by the Tax Collector's office to parcels that are exempt from payment of property taxes. Payment of property taxes is due on November 1 and February 1, with the bill becoming delinquent at the close of business December 10 and April 10, respectively. The total bill may be paid with the first installment. The San Francisco Tax Collector shall distribute the assessments collected by the City and County of San Francisco to the management corporation pursuant to the management agreement between the City and the owners' association for the district.

NUMBER OF YEARS ASSESSMENTS WILL BE LEVIED

This Central Market CBD *will be established for the maximum term of seven years.* This term is used to allow for enough time for property owners to produce and review sustainable improvement to the public rights of way as results of the services administered by the CBD.

The district would commence operations January 1, 2007 and expire on December 31, 2013, unless disestablished.

Disestablishment:

Each year that the Central Market CBD is in existence, there will be a 30-day period during which the property owners will have the opportunity to request disestablishment of the CBD. This 30-day period begins each year on the anniversary date the Board of Supervisors established the CBD. Within that 30-day period, if a written petition is submitted by the owners of real property who pay 50% or more of the assessments levied, the CBD may be disestablished by the Board of Supervisors.

A majority of the Board of Supervisors, may initiate disestablishment for improper actions by the CBD management corporation. Eight members of the Board of Supervisors may initiate disestablishment proceedings for any reason.

All outstanding indebtedness must be paid prior to disestablishment of the CBD

G. TIMELINE FOR IMPLEMENTATION AND COMPLETION OF THE CENTRAL MARKET DISTRICT COMMUNITY BENEFIT DISTRICT

TABLE G – 1:

TIMELINE FOR DISTRICT FORMATION

<i>Task</i>	<i>Time task is anticipated to be, or was completed</i>
Present Central Market CBD Steering Committee, meet to look at 1 st draft Management District Plan	December 2005
Final approval of Management District Plan by Central Market CBD Steering Committee	March 2006
Open meeting to discuss proposed CBD with community	May 24, 2006
Mail out Management District Plan and petition endorsing plan to affected Central Market property owners	May 2006
Submit minimum 30% weighted petitions endorsing plan and their related assessments to the Mayor's office of Economic and Workforce Development	May 2006
Ballots distributed by mail to property owners upon Resolution of the Board of Supervisors	September 2006
Ballots due, public hearing, ballots counted, district formed	October 31, 2006
Interim Non-Profit Management Corporation Board formed	September – November 2006
First assessments paid	December 2006
First assessments transferred from City to Central Market CBD Management Corporation	December 2006 -January 2007

H. PROPOSED RULES AND REGULATIONS TO APPLIED TO THE DISTRICT

Management of the District:

A new non-profit management corporation will be formed to administer the Central Market CBD. The board of directors of the new non-profit management corporation shall include 10 members, with 50 percent of the seats reserved for property owners paying into the district and 50 percent reserved for non-property owners. Of the non-property owning members, at least 20 percent (2 seats) will be set aside for merchants in the district, with a preference given to small business owners operating retail, restaurant and services with a long-term presence in the community; the remaining approximately 30 percent (3 seats) will be reserved for Community Based Organizations (CBOs), art-related non-profits, residents living in the district, and non-profits that represent the city-wide interest in the well-being of Central Market. At least two of the CBO seats must be reserved for residents or CBOs that represent the interests of residents of the district. This structure satisfies Article 15 of the San Francisco Business and Tax Regulations Code.

Once the CBD has been established, the current CBD Steering Committee will select an interim volunteer Board of Directors consistent with the above board structure, prepare to commence operations, obtain a business registration certificate from the Tax Collector's Office, create by-laws, obtain insurance, and complete other requirements imposed by law and/or the management contract with the City and County of San Francisco. The interim CBD Board nominations will be taken from Central Market CBD property owners, merchants, community based organizations and residents interested in developing additional rules and regulations of the new management corporation, all meetings of the interim board are open to the public. The current CBD Steering Committee is cognizant of the need to have this new non-profit management corporation be as transparent as possible and responsive to all sectors of the diverse CBD community.

The new Central CBD Management Corporation may hire paid staff and sub-contractors to implement the services as outlined in this Management District Plan. The Management Corporation is required to comply with state open meeting and public records laws, the California Public Records Act and the Ralph M. Brown Act. The Management Corporation may reallocate funding within the service categories, not to exceed 10% of the annual budgeted amount for the category, consistent with the Management District Plan.

The management corporation shall aim to meet the following operational objectives for the Central Market CBD:

- *Create and manage programs that best respond to the top priorities of Central Market District CBD stakeholders;*
- *Maximize coordination with the City and County of San Francisco to avoid duplication of services and to leverage resources;*
- *Deliver services through a cost-effective, non-bureaucratic and easy to access organizational structure; and*
- *Provide accountability and responsiveness to those who pay assessments into the district.*

- *Seek opportunities in which the Central Market CBD funds, consistent with the programs as defined in the Management District Plan, may be used in the community to foster job growth, economic opportunities and self-help programs.*

The management corporation may establish rules and regulations that uniquely apply to the district. The following rules and regulations will be employed by the Central Market CBD management corporation in the administration of the district such as:

Competitive Bidding:

Following the formation of the district, the management corporation board shall develop a policy for competitive bidding as it pertains to contracted services for the Central Market CBD.

Local/CBD Area Hiring Preferences:

Following the formation of the district, and subject to approval by the City, the management corporation shall adopt a policy, consistent with its competitive bidding policy above, of granting priority to contracted services for the Central Market CBD to businesses and services located in the CBD or in the immediate SOMA and Tenderloin neighborhoods, consistent and in conformity with all applicable laws.

Conflict of Interest:

Any board member of the Central Market CBD management corporation shall recuse themselves from any vote in which a potential financial conflict of interest is apparent. Such potential conflicts include, but are not limited to, prioritizing capital improvement projects which result in special benefit to specific property owners, prioritization of services to benefit a particular owner or group of owners, hiring or selecting the relatives of board members.

Open Door Policy:

Meetings of the management corporation board shall be open to the public. Annual budgets and financial reports shall be submitted to the board members and to the Board of Supervisors for approval.

Quarterly Management Plan Monitoring Meetings:

The management corporation board shall establish regular quarterly meetings to receive feedback from the community regarding the implementation of the Management Plan (Management Plan Monitoring Meetings). This process must be part of the board's public regular meetings and must provide an opportunity for the public to address the board. Staff of the Management Corporation shall provide written responses to any questions or complaints submitted by the public at these meetings. In addition, the Board may appoint a special task force composed of Board and non-Board members, including representatives from the Coalition on Homelessness, to provide additional oversight and assistance in the implementation of the Management Plan.

Public Access to Meetings and District Records:

Meetings of the management corporation board are subject to the Ralph M. Brown Act and must be open to the public. Annual budgets and financial reports shall be submitted to the board members and to the Board of Supervisors for approval. Records concerning the district are subject to public inspection in accordance with the California Public Records Act.

I. LIST OF ASSESSED PARCELS

APN	Site #	St. Name	Assessment	Percent
0341 004	934	Market St	\$ 1,501.03	0.280%
0341 005	938-940	Market St	\$ 4,535.30	0.847%
0341 006	948	Market St	\$ 6,301.05	1.177%
0341 007	34-38	Mason St	\$ 2,026.79	0.379%
0341 008	50-68	Mason St	\$ 5,129.67	0.958%
0341 009	25	Cyril Magnin St	\$ 7,694.37	1.437%
0355 003	1212	Market St	\$ 3,616.59	0.676%
0355 004	1230	Market St	\$ 3,548.09	0.663%
0355 005	1236	Market St	\$ 2,867.09	0.536%
0355 006	1240-1242	Market St	\$ 1,507.10	0.282%
0355 007	1244	Market St	\$ 2,485.00	0.464%
0355 008	1256-1264	Market St	\$ 4,745.82	0.887%
0355 009	1272-1276	Market St	\$ 2,834.38	0.529%
0355 010	1278-1298	Market St	\$ 5,963.95	1.114%
0355 015	1200-1208	Market St	\$ 3,140.10	0.587%
3701 005	38	8th St	\$ 4,076.00	0.761%
3701 050	1201	Market St	\$ 3,942.14	0.736%
3701 059	1215-1231	Market St	\$ 31,099.54	5.810%
3701 060	50	8th St	\$ 22,622.48	4.226%
3701 064	1275	Market St	\$ 37,099.38	6.931%
3702 001	6-26	7th St	\$ 4,766.04	0.890%
3702 002	30-34	7th St	\$ 1,750.32	0.327%
3702 044	1145	Market St #1200	\$ 13,736.34	2.566%
3702 044A	1141	Market St	\$ 2,409.64	0.450%
3702 045	1133-1139	Market St	\$ 4,115.38	0.769%
3702 046	1127	Market St	\$ 3,600.45	0.673%
3702 047	1125	Market St	\$ 5,669.66	1.059%
3702 048	1115-1117	Market St	\$ 2,038.61	0.381%
3702 048A	1111-1113	Market St	\$ 3,301.41	0.617%
3702 051	670-678	Stevenson St	\$ 33,097.45	6.183%
3702 053	1167-1171	Market St	\$ 1,974.34	0.369%
3702 054	1155	Market St	\$ 15,950.06	2.980%
3703 001	1001-1009	Market St	\$ 5,348.33	0.999%
3703 002	20-22	6th St	\$ 2,487.47	0.465%
3703 003	26-28	6th St	\$ 2,039.25	0.381%
3703 004	32-40	6th St	\$ 3,716.88	0.694%
3703 005	42-46	6th St	\$ 655.32	0.122%
3703 006	48-62	6th St	\$ 4,297.60	0.803%
3703 007	520	Jessie St	\$ 2,754.38	0.515%
3703 010	532-536	Jessie St	\$ 879.63	0.164%
3703 011	532-536	Jessie St	\$ 918.13	0.172%
3703 012	527-529	Stevenson St	\$ 6,705.33	1.253%
3703 050	535	Stevenson St	\$ 1,390.32	0.260%
3703 053	527	Stevenson St	\$ 786.57	0.147%
3703 054	519	Stevenson St	\$ 2,754.38	0.515%
3703 056	1011-1013	Market St	\$ 2,082.66	0.389%
3703 057	1029	Market St	\$ 3,949.75	0.738%

3703 058	1035	Market St	\$	6,063.38	1.133%
3703 059	1095-1097	Market St	\$	9,333.33	1.744%
3703 060	1089-1093	Market St	\$	3,666.25	0.685%
3703 061	1083-1087	Market St	\$	6,699.56	1.252%
3703 062	1075	Market St	\$	5,718.13	1.068%
3703 063	1067-1071	Market St	\$	4,732.98	0.884%
3703 064	1063	Market St	\$	1,946.88	0.364%
3703 065	1059-1061	Market St	\$	2,737.98	0.511%
3703 066	1053-1055	Market St	\$	2,737.98	0.511%
3703 067	1049	Market St	\$	6,714.75	1.254%
3703 068	1043-1045	Market St	\$	3,152.63	0.589%
3703 070	1035	Market St	\$	4,017.50	0.751%
3703 074	1025	Market St	\$	1,368.60	0.256%
3703 075	1023	Market St	\$	1,186.25	0.222%
3703 076	1019-1021	Market St	\$	3,394.07	0.634%
3703 078	1007-1009	Market St	\$	1,123.13	0.210%
3703 085	537	Stevenson St	\$	1,864.18	0.348%
3703 086	570	Jessie St	\$	2,876.18	0.537%
3704 001	901-919	Market St	\$	27,234.12	5.088%
3704 003	40-48	5th St	\$	3,650.93	0.682%
3704 006	418-420	Jessie St	\$	3,061.57	0.572%
3704 010	426	Jessie St	\$	1,020.32	0.191%
3704 011	88	5th St	\$	17,175.25	3.209%
3704 012	66	Mint St	\$	4,245.69	0.793%
3704 013	936-940	Mission St	\$	2,699.54	0.504%
3704 015	942-946	Mission St	\$	3,855.00	0.720%
3704 017	948-952	Mission St	\$	3,129.43	0.585%
3704 034	54	Mint St	\$	1,197.02	0.224%
3704 035	439-441	Stevenson St	\$	3,551.35	0.663%
3704 038		Stevenson St	\$	2,479.85	0.463%
3704 039		Stevenson St	\$	5,354.46	1.000%
3704 042		Jessie St	\$	649.89	0.121%
3704 043	460	Jessie St	\$	1,214.69	0.227%
3704 045	469-479	Stevenson St	\$	10,258.65	1.916%
3704 049		6th St	\$	1,750.63	0.327%
3704 050	47-55	6th St	\$	3,001.13	0.561%
3704 051	43-45	6th St	\$	950.06	0.177%
3704 052	39-41	6th St	\$	607.83	0.114%
3704 053	35-37	6th St	\$	2,171.75	0.406%
3704 059	443-447	Stevenson St	\$	833.62	0.156%
3704 062	422	Stevenson St	\$	986.38	0.184%
3704 064	929	Market St	\$	493.50	0.092%
3704 067	993	Market St	\$	713.75	0.133%
3704 068	979-989	Market St	\$	12,282.92	2.295%
3704 069	973-977	Market St	\$	6,820.12	1.274%
3704 070	969	Market St	\$	3,966.53	0.741%
3704 071	949-961	Market St	\$	10,716.43	2.002%
3704 072	943	Market St	\$	3,371.05	0.630%
3704 073	939	Market St	\$	10,158.75	1.898%
3704 074	931-933	Market St	\$	1,738.88	0.325%

3704 075	929	Market St	\$	752.50	0.141%
3704 076	925	Market St	\$	926.73	0.173%
3704 077	923	Market St	\$	751.73	0.140%
3704 078	995-997	Market St	\$	12,439.33	2.324%
3704 079	410	Jessie St #1	\$	381.65	0.071%
3704 080	410	Jessie St #101	\$	278.12	0.052%
3704 081	410	Jessie St #102	\$	226.95	0.042%
3704 082	410	Jessie St #201	\$	583.53	0.109%
3704 083	410	Jessie St #301	\$	583.95	0.109%
3704 084	410	Jessie St #401	\$	583.95	0.109%
3704 085	410	Jessie St #501	\$	222.89	0.042%
3704 086	410	Jessie St #502	\$	274.76	0.051%
3704 087	410	Jessie St #503	\$	215.40	0.040%
3704 088	410	Jessie St #504	\$	233.88	0.044%
3704 089	410	Jessie St #601	\$	222.89	0.042%
3704 090	410	Jessie St #602	\$	274.76	0.051%
3704 091	410	Jessie St #603	\$	215.40	0.040%
3704 092	410	Jessie St #604	\$	233.88	0.044%
3704 093	410	Jessie St #701	\$	222.89	0.042%
3704 094	410	Jessie St #702	\$	221.98	0.041%
3704 095	410	Jessie St #703	\$	215.40	0.040%
3704 096	410	Jessie St #704	\$	213.86	0.040%
3704 097	410	Jessie St #705	\$	205.81	0.038%
3704 098	410	Jessie St #801	\$	222.89	0.042%
3704 099	410	Jessie St #802	\$	221.98	0.041%
3704 100	410	Jessie St #803	\$	215.40	0.040%
3704 101	410	Jessie St #804	\$	213.86	0.040%
3704 102	410	Jessie St #805	\$	205.81	0.038%
3704 103	410	Jessie St #901	\$	222.89	0.042%
3704 104	410	Jessie St #902	\$	221.98	0.041%
3704 105	410	Jessie St #903	\$	215.40	0.040%
3704 106	410	Jessie St #904	\$	213.86	0.040%
3704 107	410	Jessie St #505	\$	205.81	0.038%
3704 108	410	Jessie St #1001	\$	222.89	0.042%
3704 109	410	Jessie St #1002	\$	221.98	0.041%
3704 110	410	Jessie St #1003	\$	215.40	0.040%
3704 111	410	Jessie St #1004	\$	213.86	0.040%
3704 112	410	Jessie St #1005	\$	205.81	0.038%
3704 113	424	Jessie St #2	\$	165.16	0.031%
3704 114	424	Jessie St #3	\$	165.16	0.031%
3704 115	424	Jessie St #4	\$	165.16	0.031%
3704 116	424	Jessie St #5	\$	165.16	0.031%
3704 117	424	Jessie St #6	\$	165.16	0.031%
3704 118	424	Jessie St #8	\$	165.16	0.031%

Appendix I:

The “Mint Plaza” Public Open Space:

As the public space develops just north of the Old Mint Building in the next two years, property owners may want to consider an enhanced Benefit Zone on the parcels surrounding the Old Mint, in order to further enhance the baseline of services that would otherwise be funded by the CBD. . In the future any new enhanced “Mint Plaza Benefit Zone” must be initiated by the interested property owners. There may be no increase in assessments to property owners within the CBD without going through a future mail ballot proceeding and obtaining property owner approval.

The “Mint Plaza” Concept:

Through approval of a street vacation ordinance, an approximately 290’-long portion Jessie Street would be closed to auto traffic between 5th and Mint Streets and redeveloped into a landscaped plaza serving the public throughout the day and evening. Located approximately 300 feet from the Powell Street BART/MUNI station and cable car turn-around, adjacent to the Old Mint, Mint Plaza could become an important new civic space for the City. The idea has been discussed for at least five years as part of an effort to improve the area around the Old Mint and to provide much-needed public open space in the downtown area. The concept was finally incorporated into the CEQA Negative Declaration for the adaptive re-use of the Old U.S. Mint located at 5th and Mission Streets. This report, prepared by the City, determined that closure of this portion of Jessie Street would not have any significant environmental effect, including impacts on traffic and transit service. However, the Old Mint proposal did not include any specific design details or a method for financing the improvements.

With encouragement from the Mayor’s Office and Supervisor Daly, a local developer has decided to spearhead the closure of the street and its transformation into a plaza, including hiring a design and engineering team to prepare more detail conceptual plans and final construction documents. Initial concepts for the plaza include:

- A simple design that can accommodate a wide-range of uses.
- New trees, planters, lighting, and fixed and movable street furniture.
- A plan that will accommodate active uses along the edges of the Plaza, especially three café/restaurants with al fresco dining at 410 and 418 Jessie Streets and the Old Mint.
- Places for permanent and temporary public art.
- A family-friendly design that entertains children and adults.
- Potential to accommodate outdoor films, theatre and live performances.
- Potential to accommodate a “mini” mid-week farmer’s market.

APPENDIX II:

TENDERLOIN CBD PARCELS ALONG MARKET STREET

Some Property owners of parcels located on the north side of Market St., from Mason St. to Hyde St., that are currently within the North Market/Tenderloin Community Benefit District, have requested that the North Market/Tenderloin CBD management corporation consider their request to leave the North Market/Tenderloin Community Benefit District in order to be able to be incorporated into the Central Market CBD if formed. The process of moving Market Street properties from the existing North Market/TL CBD into a future Central Market CBD would be contingent upon support for this process by a resolution from the North Market/Tenderloin management corporation board, a demonstrated lack of protest from the individual property owners of the subject parcels, and approval by the Board of Supervisors. This change would require boundary changes for both CBDs pursuant to State law.