

**THIS PRINT COVERS CALENDAR ITEM NO. : 10.10 and 10.11**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**PARKING AUTHORITY OF THE  
CITY AND COUNTY OF SAN FRANCISCO**

**DIVISION:** Sustainable Streets

**BRIEF DESCRIPTION:**

Requesting the support of the SFMTA Board of Directors and Parking Authority Commission for the renewal of the Yerba Buena Community Benefit District (CBD) and authorizing the Director of Transportation to submit ballots for the Fifth and Mission and Moscone Center Garage parcels in favor of the CBD's renewal.

**SUMMARY:**

- The Yerba Buena CBD was first established in 2008. The current authorization expires on December 31, 2015.
- The community intends to renew the existing CBD, with minimal modification to district boundaries, with a proposed term of 15 years.
- The proposed CBD will levy special assessments on the properties within the CBD boundaries. The annual assessment will begin in July 2015 and will continue for 15 years.
- The Fifth and Mission and Moscone Center garages are located within the proposed CBD boundaries. The proposed annual assessments for these garages are \$129,727.65 and \$27,291.30, respectively for the first year.
- Because Moscone Center Garage is under the control of the Parking Authority of the City and County of San Francisco (Parking Authority), approval by the Parking Authority Commission is required. Since Fifth and Mission garage is under the control of the SFMTA, approval by the SFMTA Board of Directors is required.

**ENCLOSURES:**

1. SFMTAB Resolution
2. Parking Authority Commission Resolution
3. Yerba Buena CBD Management Plan

**APPROVALS:**

**DATE**

DIRECTOR \_\_\_\_\_ 6/9/15

SECRETARY \_\_\_\_\_ 6/9/15

**ASSIGNED SFMTAB CALENDAR DATE:** June 16, 2015

## **PAGE 2.**

### **PURPOSE**

Requesting the support of the SFMTA Board of Directors and Parking Authority Commission for the renewal of the Yerba Buena Community Benefit District (CBD) and authorizing the Director of Transportation to submit ballots for the Fifth and Mission and Moscone Center Garage parcels in favor of the CBD's renewal.

### **GOAL**

This action is consistent with the SFMTA 2013-2018 Strategic Plan.

- Goal 1: Create a safer transportation experience for everyone
  - Objective 1.1 – Improve security for transportation system users
  - Objective 1.3 – Improve the safety of the transportation system
  
- Goal 2: Make transit, walking, bicycling, taxi, ridesharing & carsharing the preferred means of travel
  - Objective 2.1 – Improve customer service and communications
  
- Goal 3: Improve the environment and quality of life in San Francisco
  - Objective 3.2 – Increase the transportation system's positive impact on the economy

### **DESCRIPTION**

The Property and Business Improvement District Law of 1994 (Section 36600 *et seq.* of the California Streets and Highways Code) and the San Francisco Business and Tax Regulations Code Article 15 (the Business Improvement Districts Procedural Code) establish the requirements and process for the formation and administration of property and business improvement districts, including those commonly known as Community Benefit Districts (CBDs). Currently, there are 14 such improvement districts in the City and County of San Francisco, where the property owners pay annual assessments and implement specific programs and projects that benefit their communities.

The Yerba Buena CBD was established in 2008 for an initial term of seven years. It is anticipated that, in June 2015, the Board of Supervisors will approve a Resolution of Intent to renew the CBD for an additional 15 years, with minor adjustments to the current boundaries.

Over the last seven years, the Yerba Buena CBD has provided valuable services, including an SFPD bike-patrol-office program, graffiti removal, street and sidewalk cleaning, neighborhood marketing and other efforts. These programs have helped maintain Yerba Buena as an important tourist destination and its standing as a premier convention destination. The Fifth and Mission and Moscone Center garages, overseen by the SFMTA and Parking Authority, respectively, have contributed assessments during the 2008 – 2015 initial term of the CBD and have received

**PAGE 3.**

significant benefit from the CBD’s services.

The Yerba Buena BID Management Plan, released in March 2015, outlines the following:

*District Boundaries and Service Plan*

The proposed CBD boundaries, shown in Appendix A of Enclosure 3, cover 2,123 parcels. The district supports a mix of retail, hospitality and residential properties. To enhance the experience of residents as well as visitors to the area, the CBD will provide services in the following categories:

1. Cleaning and Maintenance
2. Public Safety
3. Marketing
4. Advocacy
5. Beautification Programs
6. Capital Improvements

The Management Plan for the CBD, included as Enclosure 3, provides details on each of these services.

*Budget*

Based upon the needs of the community, a first year budget of over \$3 Million has been identified in the CBD Management Plan. The breakdown of proposed expenses is as follows:

<b>Expenses</b>	<b>Amount</b>
Cleaning and Streetscape Improvement	\$1,281,666 (41%)
Safety and Security	1,024,744 (32%)
Branding, Activation and Marketing	434,614 (14%)
Management and Operations	410,812 (13%)
<b>Total</b>	<b>\$3,151,836 (100%)</b>

Based on the annual San Francisco Bay Area Consumer Price Index (CPI) adjustments in the assessments, the operating budget may increase up to a maximum of three percent each year during the proposed 15-year renewal term.

*Property Assessments*

The Yerba Buena CBD Steering Committee developed a methodology that considered various factors to ensure the final assessments were fair and equitable to all parcels within the CBD. A parcel’s location within the district, its amount of street frontage, and the parcel type (e.g. non-residential, residential, public property) were all incorporated into the methodology. The proposed first year assessments for the Fifth and Mission and Moscone Center garages are \$129,727.65 and \$27,291.30, respectively, which cumulatively represents 5.3 percent of the entire assessment for all properties within the CBD.

## **PAGE 4.**

The assessments for future years (years two through fifteen) may be adjusted for inflation based upon the San Francisco-Oakland-San Jose Consumer Price Index, not to exceed three percent annually. Unless extended by the property owners, the CBD will terminate after 15 years.

The Management Plan, included as Enclosure 3, provides details on the assessment methodology.

### *Schedule*

Through a petition process in early 2015, the Yerba Buena CBD documented the necessary support from property owners for renewing the CBD. It is anticipated that, in June 2015, the Board of Supervisors will approve a resolution declaring its intent to renew the Yerba Buena CBD and scheduling a public hearing for July 28, 2015. In mid-June, ballots will be sent to all affected property owners within the CBD's boundaries. Ballots are due to the Department of Elections by July 24, 2015.

Because Moscone Center Garage is under the control of the Parking Authority Commission, approval by the Parking Authority Commission is required. Since Fifth and Mission garage is under the control of the SFMTA Board of Directors, approval by the SFMTA Board of Directors is required. If the attached resolutions are approved by the SFMTA Board of Directors and Parking Authority Commission, the Director of Transportation will be authorized to submit official ballots in support of renewing the Yerba Buena CBD.

In general, the City encourages neighborhood associations and community groups to work together with City staff to identify community needs, secure necessary funds and jointly develop an implementation plan for additional services or capital improvements. Staff believes the proposed CBD initiative, including planned services and administration, will benefit the community at large, including the Fifth and Mission and Moscone Center garages, which will contribute the aforementioned assessments.

The enhanced cleaning and maintenance of sidewalks, and additional security, safety and streetscape improvements in the proximity of these garages will benefit thousands of garage patrons every day. Special marketing efforts promoting businesses and special events within the district will also support garage operations. Because the garages will receive significant benefits in return for an annual assessment, staff recommends supporting the renewal of the Yerba Buena CBD.

Additionally, other SFMTA assets in the neighborhood, including the Montgomery Station and the impending Yerba Buena/Moscone station of the Central Subway, will benefit even though they are not required to contribute an assessment to the CBD.

## **PUBLIC OUTREACH**

The proposed renewal of the Yerba Buena CBD was informed by a comprehensive public outreach effort. Outreach efforts by the CBD included survey research, direct mail, online communications, one-on-one meetings, neighborhood canvassing, and discussions at local

**PAGE 5.**

homeowner association meetings. Among the over 80 meetings held by CBD staff were a series of 18 public meetings convened by a Renewal Steering Committee formed by the CBD. Public input received at these meetings was overwhelmingly positive, and no negative feedback was received regarding renewal of the CBD.

**ALTERNATIVES CONSIDERED**

The formation of a CBD itself is an alternative funding mechanism to the scarce City resources for much needed services for the Yerba Buena area. If the CBD is not renewed, the Yerba Buena area would lose the benefit of the increased services provided by the CBD.

**FUNDING IMPACT**

If approved by the Board of Supervisors, the renewal and expansion of the Yerba Buena CBD will result in an annual assessment of \$157,018.95 for both the Fifth and Mission and Moscone Center garages. Adequate funds to cover this assessment are available in the FY 2015-16 Operating Budget. This assessment will not have a negative impact on the budgeted revenues already included in the approved FY 2015-16 operating budget.

**OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The City Attorney's Office has reviewed this item.

No other approvals are required to authorize the Director of Transportation to submit ballots for the Fifth and Mission and Moscone Center garage in favor of the CBD's renewal. In order for the CBD to be reauthorized, a majority of the weighted ballots cast by the property owners must not oppose reauthorization, and the Board of Supervisors must vote to reauthorize the CBD. It is anticipated that the Board of Supervisors will consider reauthorization at a public hearing to be scheduled for July 28, 2015.

**RECOMMENDATION**

Staff recommends that both the SFMTA Board of Directors and Parking Authority Commission support the renewal of the Yerba Buena Community Benefit District (CBD) and authorize the Director of Transportation to submit ballots for the Fifth and Mission and Moscone Center Garage parcels in favor of the CBD's renewal.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

RESOLUTION No. \_\_\_\_\_

WHEREAS, Section 36600 et seq. of the California Streets and Highways Code (the Property and Business Improvement District Law of 1994) and the San Francisco Business and Tax Regulations Code Article 15 (the Business Improvement Districts Procedure Code) establish the requirements and process for the formation of property and business improvement districts, including those commonly known as Community Benefit Districts (CBDs); and,

WHEREAS, The Yerba Buena CBD was first established in 2008 for an initial term of seven years; and,

WHEREAS, The proposed renewal of the Yerba Buena CBD would extend the term for an additional 15 years, with minor modifications to district boundaries; and,

WHEREAS, A Yerba Buena CBD Management Plan has been prepared that identifies community challenges and priorities, proposed projects and services, annual assessments for each parcel, and a budget and administration plan for the CBD; and,

WHEREAS, Continuation of the CBD will benefit numerous property owners, businesses and residents in the CBD and surrounding areas by improving community livability and strengthening economic vitality; and,

WHEREAS, The Fifth and Mission Garage, under the control of the SFMTA, is located within the proposed CBD's boundaries and would be subject to annual assessments, with a total assessment for the first year of \$129,727.65; and,

WHEREAS, Because Fifth and Mission garage is under the control of the SFMTA Board of Directors, approval by the SFMTA Board of Directors is required; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors supports the renewal of the Yerba Buena CBD and authorizes the Director of Transportation to submit a ballot for the Fifth and Mission Garage parcels in favor of the CBD renewal.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 16, 2015.

---

Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

SAN FRANCISCO  
PARKING AUTHORITY COMMISSION

RESOLUTION No. \_\_\_\_\_

WHEREAS, Section 36600 et seq. of the California Streets and Highways Code (the Property and Business Improvement District Law of 1994) and the San Francisco Business and Tax Regulations Code Article 15 (the Business Improvement Districts Procedure Code) establish the requirements and process for the formation of property and business improvement districts, including those commonly known as Community Benefit Districts (CBDs); and,

WHEREAS, The Yerba Buena CBD was first established in 2008 for an initial term of seven years; and,

WHEREAS, The proposed renewal of the Yerba Buena CBD would extend the term for an additional 15 years, with minor modifications to district boundaries; and,

WHEREAS, A Yerba Buena CBD Management Plan has been prepared that identifies community challenges and priorities, proposed projects and services, annual assessments for each parcel, and a budget and administration plan for the CBD; and,

WHEREAS, Continuation of the CBD will benefit numerous property owners, businesses and residents in the CBD and surrounding areas by improving community livability and strengthening economic vitality; and,

WHEREAS, The Moscone Center Garage, under the control of the Parking Authority, is located within the proposed CBD's boundaries and would be subject to annual assessments, with a total assessment for the first year of \$27,291.30; and,

WHEREAS, Because the Moscone Center Garage is under the control of the Parking Authority Commission, approval by the Parking Authority Commission is required; now, therefore, be it

RESOLVED, That the Parking Authority Commission supports the renewal of the Yerba Buena CBD and authorizes the Director of Transportation to submit a ballot for the Moscone Center Garage parcels in favor of the CBD renewal.

I certify that the foregoing resolution was adopted by the Parking Authority Commission at its meeting of June 16, 2015.

---

Secretary, Parking Authority Commission