

Overview of Proposed Rincon Hill Community Benefit District

Presentation to Transbay Joint Powers Authority Citizens
Advisory Committee

October 8, 2013



Source: <http://cdn.cstatic.net/images/gridfs/51c9e60ef92ea1768901239d/515db6220acb6.jpg>

Presenters and Q&A Participants

- Katina Johnson, neighborhood resident
- Lauren Post, neighborhood resident
- Mary McCue, MJM Management Group
- Jim Chappell, MJM Management Group

Other team members:

- John Cornwell, neighborhood resident
- Oz Erickson, Emerald Fund
- Mike Grisso, OCII
- Courtney Pash, OCII
- Scott Boule, TJPA

What is a Community Benefit District?

- Public-private partnership formed by property owners in specific geographic area
- Formed to improve neighborhood's quality of life and safeguard property values
- Established for 5-15 years; renewable when term expires
- Generally spearheaded by property owners seeking to improve business conditions and neighborhood livability
- CBD supplements basic level of services generally provided by city:
 - sidewalk cleaning and trash removal
 - park maintenance and programming
 - safety patrols
 - homeless outreach and referral
 - retail and restaurant recruitment
 - neighborhood identity
 - resident, business, and economic development advocacy at city hall
- >1,500 exist in cities nationally, including Oakland, San Diego, Chicago, Baltimore, New York

Funding a CBD

- Through public process with community input, volunteer steering committee determines district boundaries, services and amenities, management plan, and annual budget
- Budget (5-15 years) funded by annual assessments on property tax bills
- Assessments spread among property owners based on land use, property square footage, and benefit received
 - Commercial property owners generally pay higher assessments than residents (due to greater use of amenities and need for services)
 - Developed properties pay more than vacant land, parking lots, and other low-use properties
 - Public entities and low-income housing pay lower assessments
- City attorney vets CBD management plan, budget, and assessment formula for reasonableness, fairness, and compliance with state law
- Annual assessments fixed until new budget approved OR can increase by up to 3% per year if voted on by CBD board

Forming a CBD

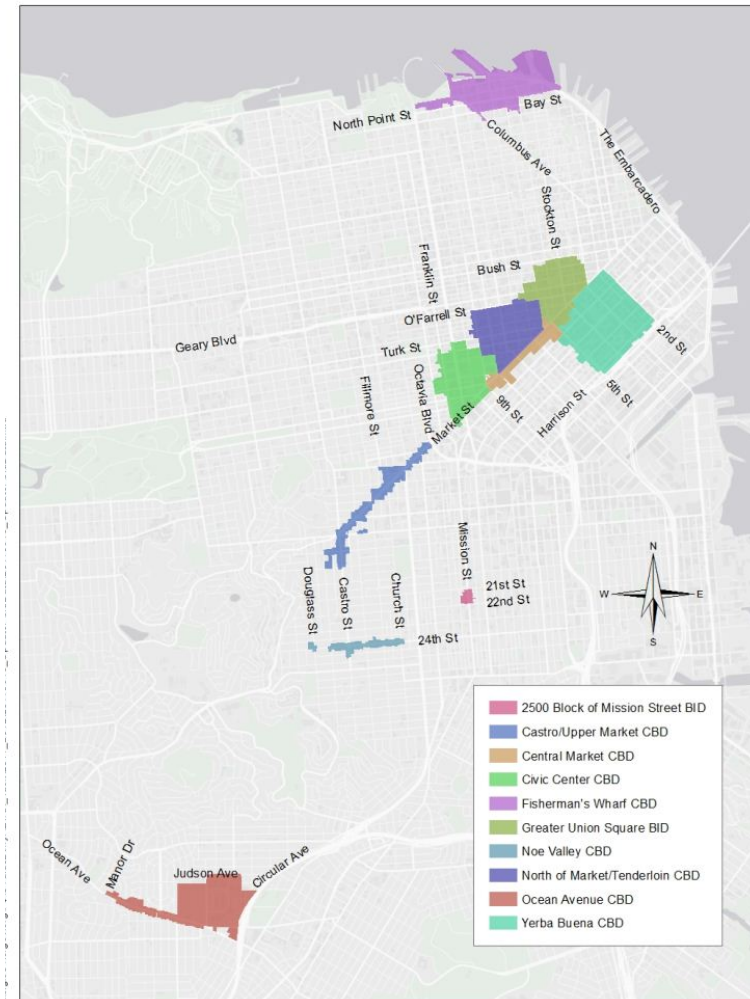
- Request to form CBD subject to property owner vote:
 - Petition ballots mailed to all district property owners, explaining CBD services plan, budget, and estimated assessments
 - Owners representing minimum 30% of total assessment must vote yes (weighted vote)
- Board of Supervisors authorizes actual vote to form CBD
- Final budget approved and assessments spread to properties
- Second ballot mailed to property owners:
 - Voters asked to form district and authorize maximum assessment levy
 - Formation requires minimum 50%+1 of ballots cast (simple majority vote)
- CBD managed by non-profit organization and led by volunteer board of directors

San Francisco CBDs

1. Castro/Upper Market
2. Central Market
3. Civic Center
4. Fisherman's Wharf
5. Noe Valley
6. Mission Miracle Mile
7. North of Market/Tenderloin
8. Ocean Avenue
9. Top of Broadway
10. Union Square (BID)
11. Yerba Buena
12. Tourism Improvement District

In process:

Rincon Hill, Embarcadero Waterfront, Dogpatch Green Benefits District, 9th Avenue and Irving



PROPERTY AND BUSINESS IMPROVEMENT DISTRICTS

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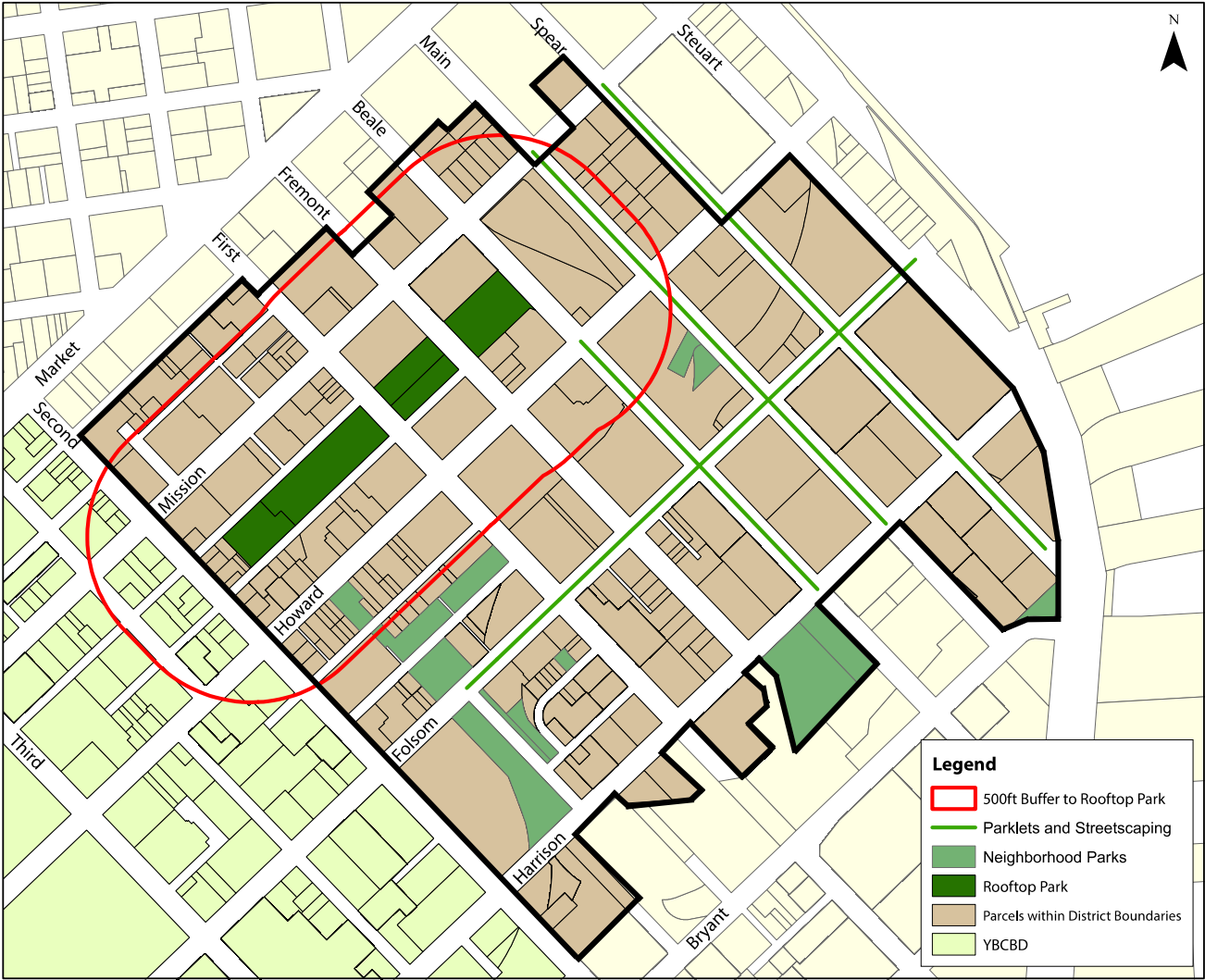
Source: <http://www.oewd.org/>

Need for a Rincon Hill CBD

- Proposed CBD boundaries are generally north-south from Mission to Bryant and east-west from Steuart to Second
- Neighborhood redeveloping quickly from relatively low-density commercial to high-density residential, commercial, and transit
 - Streets, sidewalks, and open spaces increasingly under pressure from greater use
 - Influx of residents and workers requires new amenities: streetscape improvements, parks, and retail services
 - Increased numbers of residents, workers, and travelers require more safety and cleanup services
- *Unprecedented demand:* Transbay Transit Center and Warriors' Arena alone will bring significant new activity to neighborhood
- City providing \$0 funding for parks in area; District 6 has city's lowest ratio of green space to residents
- "Manhattanization" of neighborhood calls for Manhattan-level quality of services and amenities

Proposed Rincon Hill CBD Boundaries

as of July 2013



Source: MJM Management Group

0 250 500 1,000 Feet

Leverage CBD Assessment Revenue

- Proposed CBD boundaries include Infrastructure Financing District (IFD) and Transbay Project Area (managed by OCII, former Redevelopment Agency)
- \$15.5 million in IFD bond financing available to construct new neighborhood parks and streetscape improvements in *southern* portion of CBD
 - Financing contingent on CBD formation and funding of annual maintenance
 - Bonds paid back from tax increment revenue generated by several large commercial properties
- Tax increment revenue generated in Transbay Project Area available to construct new neighborhood parks and streetscape improvements in *northern* portion of CBD
 - New parks/improvements also contingent on annual maintenance funded by CBD
 - After parks' construction, additional tax increment revenue not available (dedicated to Transbay Center area infrastructure)

Unique Amenity: Rooftop Park

- CBD annual budget currently estimated at \$3.5 million; maintenance and programming for Transit Center's Rooftop Park represents 50% of budget
- Sensitive subject among CBD residents and commercial property owners due to regional asset – and cost – vs. standard neighborhood park
- Steering committee supports inclusion of Rooftop Park in CBD under certain conditions:
 - Nearby commercial property owners must bear substantial portion of park's annual maintenance cost
 - Workers in high-rises likely to be heaviest park users
 - Adjacent and nearby commercial properties benefit financially (increased rents)
 - TJPA must supplement CBD annual maintenance contribution from other revenue sources
 - Portion of park designated as general benefit cannot be assessed by CBD
 - Event fees, restaurant and retail revenue, naming rights, etc. will need to be considered



Source: TBJP

Proposed Rincon Hill CBD Formation Schedule

2013

- **October:** CBD services plan, budget, and assessment methodology presented to steering committee
- **November:** Approval of above by steering committee
- **December:** Approval of above by city attorney

2014

- **January:** Petitions mailed to property owners by Dept. of Elections
- **February:** Petitions received (30% of assessments)
- **March:** Board of Supervisors committee hearing on CBD formation
- **April:** Board of Supervisors authorizes formation vote; ballots mailed to property owners
- **May:** Formation ballots received (50%+ of votes cast)
- **June:** Board of Supervisors votes to form district
- **July:** Assessments submitted to County Assessor for 2014-15 property tax roll

2015: Services begin!

Questions?

Learn more @ <http://rinconhillcbd.org>