



AUGUST 14, 2017

To: Property Owners in the Downtown/Business and Financial District

SUBJECT: Survey Regarding Creation of a New San Francisco Downtown/Financial District Community Benefit District

PLEASE RESPOND BY SEPTEMBER 8TH, 2017

Dear Property Owner/Manager:

For many years, business owners around the country have come together to pool their resources to manage the affairs of their respective business districts. San Francisco's Downtown/Business District is one of the most connected and influential districts in the world. However, in recent years much has changed with regards to economic conditions in and around the Financial District. In fact, the SoMa neighborhood has recently been ranked as San Francisco's most valuable neighborhood. As SoMa begins to attract more tenants, the Financial District could lose its competitive appeal and title as the largest business center on the West Coast.

For this reason, many leading property owners have come together to discuss the long-term management of these great historic properties. They seek to create a new property owner-managed entity that will oversee and work with the City to resolve long-standing issues that plague the business community, such as traffic to and from Market Street, homelessness and sidewalk safety. These services will benefit not only residents, but tourists and employees as well. The area of interest includes the buildings and properties along Market Street, east of Kearny to Washington street into Jackson Square and along the Embarcadero.

Funding for this new service provider will be through a property owner-funded and -controlled "Community Benefit District" (CBD). Known in other cities as "Business Improvement Districts" - there are over 70 operating in Manhattan - these property assessment districts' primary function is to fund "special benefit services", or those services that are over and above what is currently provided by the City and County of San Francisco.

Reasons for the serious and immediate consideration of support for the proposed San Francisco Downtown/Financial District CBD:

- 1. We have seen the unprecedented growth of new Class A, 21st Century office buildings south of Market Street, particularly around the Transbay transit center.**

The access points from the freeway are much easier to these office complexes and the amenities to attract new office tenants is much greater. If the Financial District does not promote its assets, relative to new developments around Transbay and Mission Bay, it could lose its edge and tens of thousands of square feet of new tenants, which could threaten its status as the key business center of the west coast. This is all happening very quickly.

- 2. The vehicular access crossing Market Street is highly problematic.**

The daily crossing of Market can be frustrating and discourage new tenants from moving in north of Market Street. A special traffic control patrol placed at key intersections both north and south of Market for 2 hours in the morning and 2 hours in the evening can do much to expedite this commute.

- 3. Great cities throughout the US have well branded names of the various districts that make up the City.** The Financial District, ironically is the oldest continuous business district in the City, yet it lacks a common name or brand.

- 4. The historic Downtown buildings are breathtakingly beautiful and they represent the greatest concentration of such building in the state.** There are many opportunities for well-designed and managed public spaces, but the key element here is “managed”. The best way to attract and keep high caliber tenants and employees in great cities is with great public spaces.

- 5. We see the aggressive buskers, skateboarders and bike “mechanics” conducting their activities on a daily basis with very little help from SFPD.** SFPD needs eyes and ears on site and throughout the district to help ensure that none of these activities rise to the level of criminal activities. Building owners and managers are usually helpless to ensure that this activity does not occur outside of their doors;

- 6. As is well known, there are many people on the streets and sidewalks in need of medical attention.** There is no mechanism to identify them and contact the County Mental Health authorities to ensure that they are being responded to. The variable actions of some of these lost souls can create a problematic situation when it comes to attracting or keeping tenants;

Special benefit services funded by a new San Francisco Downtown/Financial District CBD would include sidewalk cleaning and steam cleaning, dealing with aggressive panhandlers, security services (over and above that of the San Francisco Police Department), district identity, marketing and promotional activities, traffic control, parking management, special events, cleaning up graffiti within 24 hours, development of dynamic new public spaces, initiating new beautification programs, installing holiday decorations, as well as serving as an advocate for the Financial District.

The services of the proposed CBD will be funded through an assessment placed on each parcel in the finalized boundaries of the new district. The Downtown/Financial District CBD Steering Committee will determine the boundaries of the district, the priority of each type of service, as well as the exact costs of funding these services. Additional information on the formation and operation of a CBD precedes the attached survey.

This survey is being sent to Downtown property owners and seeks to gauge “conceptual” support for the creation of this new CBD. We need your feedback to determine our next step towards the formation of a new CBD. Please take a moment to fill out the attached two-page survey, scan it, and email it to jlazarus@sfchamber.com. Alternatively, you may fax it back to the attention of Jim Lazarus, San Francisco Chamber of Commerce, at (415) 392-0485.

We ask that you return the completed survey by Friday, September 8th, so that your input can be included in the survey’s final report of the property owners.

If you have any questions about the survey or the process for creating this new CBD, please feel free to contact Jim Lazarus, Senior Vice President of the San Francisco Chamber of Commerce at (415) 352-8810 or the offices of our CBD consultant, Marco Li Mandri at New City America at (888) 356-2726. They will be preparing a summary of the survey results by late September which will be mailed out to all respondents. Thank you for your participation in this effort to improve San Francisco’s Downtown Business District.

Sincerely,

Financial District CBD Steering Committee (*to date*)

- Kristie Arevalo, CBRE
- John Bozeman, BOMA
- Michael Cashion, CBRE
- Shayna Eskew, CBRE
- Sarah Fox, Bently Reserve
- Jim Lazarus, SF Chamber
- Trish Moosbrugger, CBRE
- Leah Ramirez, Cushman & Wakefield
- Clint Reilly, Clint Reilly Real Estate
- Simon Snellgrove, Pacific Waterfront Partners
- Bill Whitfield, Shorenstein

The San Francisco Community Benefit District (CBD) Concept

In 2004, the Board of Supervisors unanimously adopted, and Mayor Newsom signed into law, a new ordinance allowing for the establishment of “Community Benefit Districts”. Community Benefit Districts are having a dramatic impact on business districts and neighborhoods throughout the City. The first step toward the creation of a Downtown/Financial District CBD is to determine whether conceptual support exists amongst property owners.

The services of this proposed new Downtown/Financial District CBD would be funded through an assessment placed on each parcel in the finalized boundaries of the new district. The steering committee is considering an annual assessment of 10 cents per square foot of building space. The property owners will determine the priority of each type of service as well as the exact costs of funding these services. All properties, public and private, will be included in this new assessment district. The property owners themselves, through a new non-profit district management corporation, will control and manage the funds generated by the assessment district. The City of San Francisco, by law, cannot use these special benefit funds to replace general benefit services. Legally, the funds must be spent within the boundaries of the proposed district and must “confer a special benefit to each parcel owner in proportion to the assessments paid.”

The (CBD) formation process specifies a few significant steps, including:

- surveying property owners to determine their conceptual support
- establishing district boundaries
- prioritizing special benefit services listed in the survey
- drafting a Services Plan
- adopting a Services Plan which lays out special benefit services to be funded, and the costs of those services per parcel
- conducting a petition drive endorsing the CBD plan’s costs
- a mail ballot vote of the property owners to establish the district

The new CBD may be established if the “weighted majority” of returned ballots during the public hearing process, support establishment of the new district.

Ideally, the entire process should be completed by the summer of 2018 with the first revenues being generated at the end of 2018.

This survey can also be downloaded or completed online by going to www.newcityamerica.com, click on "new districts – SF Financial District Survey"

**SURVEY OF THE SAN FRANCISCO DOWNTOWN/FINANCIAL DISTRICT
PROPERTY OWNERS PURSUANT TO THE INVESTIGATION OF THE
FORMATION OF A COMMUNITY BENEFIT DISTRICT**

(Please respond online, or by email, fax or mail by Friday, September 8th)

GENERAL QUESTIONS

1. How long have you owned your property in Downtown Business District?
 - a. Less than 2 years
 - b. 3 - 9 years
 - c. 10 - 24 years
 - d. 25 - 49 years
 - e. 50 or more years

PUBLIC SAFETY RELATED BENEFITS

2. In terms of security and public safety, do you feel that Financial District is.....?
 - a. Safe and orderly
 - b. Unsafe;
 - c. Safe, however suffers an image as an unsafe district
 - d. Not Sure
 - e. Other (please specify)
3. Would you support *property owner funded* enhanced security services in the Financial District over and above the services provided by the San Francisco Police Dept.?
 - a. Yes
 - b. No
 - c. Not Sure
4. Would you support *property owner funded* enhanced services, which would prioritize dealing with those people demonstrating questionable behavior in the Financial District's public rights of way?
 - a. Yes
 - b. No
 - c. Not Sure
5. Would you support *property owner funded* traffic control services both north and south of Market Street to facilitate traffic flow in and out of the Financial District?
 - a. Yes
 - b. No
 - c. Not Sure

BEAUTIFICATION AND CLEANLINESS

6. Would you support the initiation of *property owner funded* daily sidewalk and gutter sweeping, as well as regular steam cleaning services in the Financial District area?
 - a. Yes
 - b. No
 - c. Not Sure
 - d. Other (please specify)
7. Would you support *property owner funded* planting, trimming and maintenance of trees and shrubs throughout the business district to beautify the Financial District?
 - a. Yes
 - b. No
 - c. Not Sure

