

**THIS PRINT COVERS CALENDAR ITEM NO. : 10**

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Finance and Information Technology

**BRIEF DESCRIPTION:**

Authorizes the Executive Director/CEO to execute a one-year policy with American Merchants Casualty Company and Everest National Insurance Company for an annual premium of \$2,433,000 for a \$25,000,000 excess liability limit with a \$5,000,000 self insured retention level subject to approval by the City Attorney's Office of the policy's endorsement terms.

**SUMMARY:**

- The SFMTA Board of Directors requested the City's Risk Manager pursue the placement of excess transit liability (catastrophic loss coverage)
- In April 2009, the City's Risk Manager issued formal quotes for this placement.
- Based on the efforts above, only one offer of coverage was received. American Merchants Casualty Company and Everest National Insurance Company jointly quoted.
- The SFMTA Board of Directors authorizes a policy with American Merchants Casualty Company and Everest National Insurance Company for a one year coverage with a \$25,000,000 limit with a \$5,000,000 self insured retention subject to approval by the City Attorney's Office of the insurance policy's endorsement terms
- The SFMTA Board of Directors authorizes the premium payment of \$2,433,000 for the policy from the FY 2010 Operating Budget from the self insured claims line item

**ENCLOSURES:**

1. SFMTAB Resolution
2. Exhibit A, SFMTA Current Insurance Policies with a Third Party
3. Exhibit B, City Risk Manager's Task Order to City's Broker
4. Exhibit C, Guide to Best Ratings Level and Categories for Insurance Companies
5. Exhibit D, May 30, 2008 Memorandum to the SFMTA Board of Directors

**APPROVALS:**

	<b>DATE</b>
DIRECTOR OF DIVISION PREPARING ITEM _____	_____
FINANCE _____	_____
EXECUTIVE DIRECTOR/CEO _____	_____
SECRETARY _____	_____

ADOPTED RESOLUTION BE RETURNED TO:     Sonali Bose    

ASSIGNED MTAB CALENDAR DATE: \_\_\_\_\_

**PAGE 2**

**PURPOSE**

This calendar item authorizes the placement of excess transit liability (catastrophic loss coverage) as well as excess general liability for SFMTA subject to approval by the City Attorney’s Office of the insurance policy’s endorsement terms and authorizes the premium payment of \$2,433,000 for the policy from the FY 2010 Operating Budget from the self insured claims line item

**GOAL**

This item will meet the following goal and objectives of the SFMTA Strategic Plan:

- Goal 4, Financial Capacity: To ensure financial stability and effective resource utilization.
  - 4.2 Ensure efficient and effective use of resources.

**DESCRIPTION**

*Background*

On May 30, 2008, a memorandum was provided to the Board of Directors regarding insurance and risk management for the Agency (see Exhibit D). The memorandum suggested the completion of an overall risk assessment prior to any decisions being made on purchase of additional coverage. However, the Board of Directors made the decision to pursue catastrophic loss coverage placement before the completion of full risk analysis.

The SFMTA has several insurance policies currently in place (see Exhibit A) through the City’s Risk Manager’s Office. In addition to these policies, the SFMTA budgets amounts in the operating budget each year to cover claims under its self insurance program. The chart below shows the actual payments made from the operating budget for FY 2007-2009 for self insured claims.

<b>Fiscal Year</b>	<b>Total Muni Related Claims</b>	<b>Dominguez Settlement (Included in Prior Column)</b>	<b>Total Parking and Traffic Claims</b>
FY2005	\$7,490,010	No payment	n/a
FY2006	\$7,742,656	No payment	\$535,098
FY2007	\$10,743,594	No payment	\$342,720
FY2008	\$14,132,292	\$7,000,000 1 <sup>ST</sup> payment	\$823,724
FY2009	\$19,576,816	\$7,000,000 2 <sup>nd</sup> payment	\$109,391

It is important to note that not all types of claims may be eligible for catastrophic loss coverage (e.g. contractual disputes). According to the City Attorney’s Office, there has been only one case that would have exceeded the proposed retention amount: Dominguez v. CCSF, for which the MTA settled after trial for \$21 million.

In addition, SFMTA has \$25.4 million budgeted in the 2010 budget for claims payments which includes the last \$7.0 million of the \$21 million payment for the Dominguez settlement and \$5.1 million for SFGH claims (new payment for FY 2010).

***Catastrophic Loss Coverage Placement by the Risk Manager***

The following outlines the steps taken to date on this effort by the Risk Manager and as presented to the SFMTA Board of Directors at the May 19, 2009 meeting:

- August 2008 Request to market SFMTA is made to Risk Management, Data collection begins.
- Nov 2008 Task Order issued to broker to market SFMTA with specific coverage and defense requirements (see Exhibit B).
- Dec 2008 Insurance Markets/Underwriters’ are approached.
- Jan 2009 Risk Management meets with Underwriters and requests pricing indications to determine Underwriters appetite for program as no previous policies have been placed.
- Feb 2009 Pricing indications received on Auto and Rail liability only.
- March 2009 Underwriters request more info to provide formal proposal for civil rights, public officials & general liability coverage.
- March-Apr2009 Insurers’ claims representative met with City Attorney’s Office to review claims procedures and issue a favorable report. Proposals are formally underwritten.
- April 2009 Formal Quotes are issued.
- May 2009 Presentation scheduled for SFMTA Board. Negotiations continue on specific endorsement language.
- June 2009 Based on direction from the SFMTA Board the Risk Manager instructed broker to bind the quote subject to SFMTA Board action on July 14, 2009 (which includes agreement on endorsement/policy language that can be worked out as needed).

Based on the efforts above, only one offer of coverage was received. American Merchants Casualty Company and Everest National Insurance Company jointly quoted and are rated A XV and A+ XV respectively (see Exhibit C). These ratings are in line and exceed City minimum standards for financial strength.

The detail of the quote is outlined below:

	Option A \$25,000,000 Limit * w/ \$5,000,000 Self Insured Retention **	Option B \$25,000,000 Limit * w/ \$10,000,000 Self Insured Retention **
Premium(s):	\$2,433,000	\$1,950,190

\* Excess Liability Limit for claims over the SFMTA’s self-insured retention  
 \*\* Self-Insured Retention – (SFMTA’s responsibility for each claim)

## ***Legal Issues***

The City Charter provides that the City Attorney recommends the settlement of claims and litigation against the SFMTA subject to approval by the SFMTA Board of Directors. In addition, there are a number of terms that the insurance policy must include in an endorsement that are required by the City Charter and law.

As a result, the policy is being reviewed by the City Attorney's Office and before any policy can be agreed to, American Merchants and Everest National will need to agree on appropriate endorsement language to their standard policy terms.

## ***Next Steps***

Whether or not the Board decides to purchase a catastrophic loss policy at this time, staff has requested that City Risk Manager perform a global risk assessment during 2010 as stated in the May 30, 2008 memorandum. The assessment will include actuarial analysis of losses, a discussion of the various options for ensuring adequate funding to cover anticipated losses and funding options to support the SFMTA's existing reserve policy in accordance with best practices. The results of this assessment will be presented to the Board to set a formal risk management policy going forward and outline the available funding vehicles available for addressing the SFMTA's concerns of funding for potential catastrophic losses.

## **ALTERNATIVES CONSIDERED**

The SFMTA Board of Directors could decline to place the coverage however, there is no guarantee that the markets would be available to provide coverage in the future given the instability of the entire industry and the global economy.

## **FUNDING IMPACT**

Assuming that the SFMTA Board were to move forward with purchasing this coverage for a \$25,000,000 limit with a \$5,000,000 self insured retention, \$2,433,000 premium payment will have to be identified from the FY 2010 operating budget from the claims payment line item in the 2010 budget.

## **OTHER APPROVALS RECEIVED OR STILL REQUIRED**

The City Attorney's Office will review the policy language to ensure compliance with the City Charter and law.

The City Attorney's Office has reviewed this calendar item. .

## **RECOMMENDATION**

Authorizes the Executive Director/CEO to execute a one-year policy with American Merchants Casualty Company and Everest National Insurance Company for an annual premium of \$2,433,000 for a \$25,000,000 excess liability limit with a \$5,000,000 self insured retention level subject to approval by the City Attorney's Office of the policy's endorsement terms.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

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

WHEREAS, The SFMTA currently covers tort litigation and claims liabilities via self insurance through pay as you go funding and a reserve policy; and

WHEREAS, These two methods are subject to operating budgetary constraints; and

WHEREAS, The SFMTA Board of Directors has reviewed the litigation and claims payment history for the last five years; and

WHEREAS, The SFMTA Board of Directors would like to add excess coverage or catastrophic loss coverage insurance through a third party to address exceptionally large litigation and claims liabilities; and

WHEREAS, The City's Risk Manager bid out SFMTA's coverage requirements to insurance markets and underwriters; and

WHEREAS, American Merchants Casualty Company and Everest National Insurance Company jointly quoted an annual premium of \$2,433,000 for a \$25,000,000 excess liability limit with a \$5,00,000 self insured retention level or an annual premium of \$1,950,190 for a \$25,000,000 excess liability limit with a \$10,00,000 self insured retention; and

WHEREAS, The City Charter provides that the City Attorney recommends the settlement of claims and litigation against the SFMTA subject to approval by the SFMTA Board of Directors; and

WHEREAS, Before any policy can be finally agreed to, American Merchants and Everest National will need to agree on appropriate endorsement language to their standard policy term in compliance with the City Charter and law, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Executive Director/CEO to execute a one-year policy with American Merchants Casualty Company and Everest National Insurance Company for an annual premium of \$2,433,000 for a \$25,000,000 excess liability limit with a \$5,000,000 self insured retention level subject to approval by the City Attorney's Office of the policy's endorsement terms; and, be it

FURTHER RESOLVED, That the SFMTA Board of Directors directs that this premium payment should be funded from the FY 2010 Self Insurance Claims Budget.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary to the Board of Directors  
San Francisco Municipal Transportation Agency

**Exhibit A**  
**SFMTA Insurance Policies**

Policy Type	TERM	INSURER	POLICY	LIMITS	DESCRIPTION
All Risk Property Coverage	7-01-08/09	Liberty Mutual	Various	\$257,500,000	Replacement Cost Value Including Tria, Ded OF \$10 Mil Ea Occur For Breda Light Rail Cars. Incl B&M \$100m, 10m Flood and Business Interruption
Property Insurance	7-01-08/09	Pepip Various	PPROP0809	\$1,000,000,000	On Scheduled Facilities And Personal Property, All-Risk Form, Including Flood Excluding Quake with a Occurrence Limit of \$1 Billion
Boiler & Machinery Insurance	7-01-08/09	Pepip Various	Various	\$100,000,000	Blanket Cov., Property Damage & Extra Expense
Group Life Insurance	09-01-08/7-01-09	Unum	125192-0001	\$6,000-14,000 Depending on Tenure	On Muni Operators, Per MOU With TWU – Local 250A
Group Felonious Assault Coverage	09-01-08/7-01-09	Unum	125192-0001	\$175,000	Group Felonious Assault Coverages
Blanket Property and Business Interruption Coverage	7-01-08/09	Chubb	35821675WUC	\$300,527,744	For Scheduled City Parking Garages. Including Boiler & Machinery And Terrorism Coverage. Deductible: \$10k

- **Automobile Liability Insurance-** protects SFMTA against financial loss because of legal liability for transit-related injuries to others or damage to their property by an MTA vehicle including rail.
- **General Liability Insurance**—protects SFMTA from most liability exposures other than transit/automobile/rail and public officials’ liability.
- **Public Officials Liability**—The liability exposure faced by a public official or employee from actual or alleged errors, omissions, misstatements, negligence, or breach of duty, in his or her capacity as a public official or employee and includes civil rights violations.

**Exhibit B**

**CITY AND COUNTY OF  
SAN FRANCISCO**

**RISK MANAGEMENT  
DIVISION**

---

---

GAVIN NEWSOM  
MAYOR

Task Order # 2

Pursuant to Broker Services Agreement between the City and County of San Francisco (“City”) and Arthur J. Gallagher & Co Insurance Brokers of California, Inc. (“Broker”) the City hereby tasks Broker to provide detailed proposals to the Director of Risk Management subject to the applicable terms of the referenced agreement:

1. By 11/24/08, provide a proposal to approach appropriate insurance markets to gather coverage and cost options for the purchase of excess transit liability as well as excess general liability for MTA in commercially available amounts, terms & conditions to be determined by future agreement.

Additional Terms and Conditions for Insurance Placements:

1. City requires that any contract for insurance presented be consistent with the City’s obligations under the California Government Claims Act and that City Attorney’s Office shall have the right of first refusal to defend City in any and all litigation where City or its employees or agents is a named party. Pursuant to that obligation, proposals for insurance must clearly state whether an insurer will agree to City Attorney’s right of first refusal for defense and if so, at what rate and under what conditions the insurer would reimburse City for defense costs. In the alternative, the proposal must include an “indemnity only” option if commercially available. City requires that the City Attorney and the MTA Board of Directors approve any settlement of litigation where City or its employee or agent is a named party.

---

Proposals Requested by

---

Task Order Issue Date

## Exhibit C

### Guide to Best\* Ratings Rating Levels and Categories

Level	Category
A++, A+	Superior
A, A-	Excellent
B++, B+	Very Good
B, B-	Fair
C++, C+	Marginal
C, C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

### Financial Size Categories

(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)

Financial Size Categories	In \$000 of Reported Policy Holders
FSC I	Up to 1,000
FSC II	1,000 to 2,000
FSC III	2,000 to 5,000
FSC IV	5,000 to 10,000
FSC V	10,000 to 25,000
FSC VI	25,000 to 50,000
FSC VII	50,000 to 100,000
FSC VIII	100,000 to 250,000
FSC IX	250,000 to 500,000
FSC X	500,000 to 750,000
FSC XI	750,000 to 1,000,000
FSC XII	1,000,000 to 1,250,000
FSC XIII	1,250,000 to 1,500,000
FSC XIV	1,500,000 to 2,000,000
FSC XV	2,000,000 or more

\* A.M. Best Co., established in 1899, is the world's oldest and most authoritative insurance rating and information source.  
<http://www3.ambest.com/ratings/default.asp>





## Municipal Transportation Agency

Board of Directors & Parking Authority



### Exhibit D

**DATE:** May 30, 2008

**TO:** SFMTA Board of Directors  
Rev. Dr. James McCray, Jr., Chairman  
Tom Nolan, Vice Chairman  
Cameron Beach, Director  
Shirley Breyer Black, Director  
Malcolm Heinicke, Director  
Jerry Lee, Director  
Bruce Oka, Director

**THROUGH:** Nathaniel P. Ford, Sr.  
Executive Director/CEO

**FROM:** Sonali Bose  
Director of Finance/CFO

**SUBJECT:** Insurance and Risk Management

---

This memorandum is in response to the Board of Directors' inquiry about SFMTA's risk management and insurance strategy.

Currently, the City primarily self-insures for all of its major loss exposures. Limited insurance has been purchased in the past. For example, the SFMTA purchased coverage for the SFMTA Breda cars which was a requirement for the financing of these vehicles and covers the risk of catastrophic property loss. This \$257.5 million coverage costs approximately \$425,000 annually.

The City's Risk Management Division released a Request for Qualifications (RFQ) for insurance brokerage and risk management related consulting services on April 23, 2008. Responsive firms are to submit their proposals by May 28, 2008 and the City's Risk Management Division hopes to have a list of qualified firms decided by mid-June and a contract with the selected firms beginning in July and continuing throughout the Fall until a complete service team is assembled to meet the City's collective as well as individual department needs.

At a minimum, brokers place insurance coverage and provide services related to the policies that are purchased. The City's plan is to structure the collective insurance placements such that the broker(s) will be encouraged to provide a greater and more cost effective level of service.

Beginning in July, we will be working with the identified team to begin the analysis of claims, loss, and exposure data to determine areas of potential insurance purchase or alternative financing opportunities. We plan to develop a comprehensive risk analysis and will present our findings to the Board.

We believe that the exploration of additional insurance purchase makes sense for SFMTA to pursue given the wide range of exposures faced by the organization and the financial unpredictability of losses. The levels and costs of such coverage will depend on a variety of factors such as loss history and

deductibles chosen to name a few. Once we are able to conduct the risk analysis, we will be in a much better position to determine a course of action.

We will provide the Board with further details in early August on the findings of the Risk Analysis and the recommended insurance placements.

**SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY**

**DIVISION:** Off-Street Parking

**BRIEF DESCRIPTION:**

Supporting the renewal and expansion of the Greater Union Square Business Improvement District (BID) and authorizing the Executive Director/CEO to submit ballots in favor of the BID renewal and expansion.

**SUMMARY:**

- The Union Square BID was first established in 1999 and renewed in 2004. The current authorization expires on June 30, 2009. Since the formation of the BID, the property owners and merchants in the Union Square area have benefited from improved cleanliness, safety and the resulting economic vitality of the area.
- The community intends to renew and expand the existing BID into a new Greater Union Square BID that will cover approximately 27 City blocks, with a proposed term of ten years.
- The proposed BID will levy special assessments on the properties within the BID boundaries. The annual assessment will begin in July 2009 and will continue for ten years.
- The Sutter-Stockton Garage, currently leased to the Uptown Parking Corporation, is located within the proposed BID boundaries. The proposed annual assessment for this garage is \$60,525.61 for the first year, subject to an inflation adjustment in subsequent years.
- The Board of Directors of the Uptown Parking Corporation supports the renewal and expansion of the BID.
- The area in the vicinity of this garage will benefit from enhanced sidewalk cleaning, graffiti removal, security, special marketing and street beautification efforts that will be funded by the assessments.
- Staff supports the renewal and expansion of the BID.

**ENCLOSURES:**

1. MTAB Resolution
2. Attachment A – Map

**APPROVALS:**

DATE

DIRECTOR OF DIVISION  
PREPARING ITEM

\_\_\_\_\_

\_\_\_\_\_

FINANCE

\_\_\_\_\_

\_\_\_\_\_

EXECUTIVE DIRECTOR/CEO

\_\_\_\_\_

\_\_\_\_\_

SECRETARY

\_\_\_\_\_

\_\_\_\_\_

ADOPTED RESOLUTION

SHOULD BE RETURNED TO: Amit M. Kothari

**ASSIGNED MTAB CALENDAR DATE:** \_\_\_\_\_

## **PAGE 2.**

### **PURPOSE**

The purpose of this report is to request the SFMTA Board of Directors' support for the renewal and expansion of the Greater Union Square Business Improvement District (BID) and to seek authorization for the Executive Director/CEO to submit ballots in favor of the BID renewal and expansion.

### **GOAL**

This action is consistent with the SFMTA 2008-2012 Strategic Plan.

- Goal 2: System Performance – To get customers where they want to go, when they want to be there
  - Objective 2.5: Manage parking supply to align with SFMTA and community goals
  
- Goal 3: External Affairs/Community Relations – To improve the customer experience, community value, and enhance the image of the SFMTA, as well as ensure SFMTA is a leader in the industry
  - Objective 3.1: Improve economic vitality by growing relationships with businesses, community, and stakeholder groups
  - Objective 3.2: Pursue internal and external customer satisfaction through proactive outreach and heightened communication conduits

### **BACKGROUND**

The Property and Business Improvement District Law of 1994 (Section 33600 *et seq.* of the California Streets and Highway Code) and the San Francisco Business and Tax Regulations Code Article 15 (the Business Improvement District Procedural Code) establish the requirements and process for the formation and administration of a Business Improvement District (BID). Currently, there are nine such improvement districts within 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 Union Square BID was the first BID in San Francisco, established in 1999 for an initial term of five years. It was renewed in 2004 for an additional five years and expires on June 30, 2009. The Board of Supervisors has approved a Resolution of Intent to renew the BID for an additional ten years, with expanded boundaries.

Over the last ten years, the Union Square BID Corporation has provided valuable services under two major programs – a Cleaning and Maintenance Program and a Public Safety Program. These programs have helped maintain Union Square as a major tourist destination and its standing as a premier retail, hotel and theater district. To help support the continued economic vibrancy of the area, the Corporation intends to expand the service area and add additional services in Marketing, Advocacy, Street Beautification and Capital Improvements.

The Greater Union Square BID Management Plan, released in June 2009, outlines the following:

District Boundaries and Service Plan

The proposed BID boundaries, shown in Attachment A, cover over 2980 parcels. The district supports a large number of retail and hotel establishments that cater to tourists to the area. To enhance the experience of visitors to the area, the expanded BID 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 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 BID Management Plan. The breakdown of proposed expenses is as follows:

<b>Expenses</b>	<b>Amount</b>
Clean and Safe District	\$1,995,400 (65%)
Marketing, Advocacy, Streetscape Improvements	291,675 (9.5%)
Management and Operations	460,488 (15%)
Contingencies and Reserve	323,328 (10.5%)
<b>Total</b>	<b>\$3,070,891 (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 from the prior year.

Property Assessments

The Greater Union Square BID Steering Committee developed an assessment methodology that is fair and equitable to all parcels within the expanded BID. Since all parcels within the District will benefit from the continuation of the BID, an appropriate assessment has been proposed for each parcel. The assessment for the first year is calculated at \$70.58 per linear foot of the property frontage for all properties. This assessment will fund cleaning and safety related services. Additionally, to fund the marketing and advocacy related services, all non-residential properties will pay a flat annual assessment. Additional details of the assessments are shown in the following table.

<b>Category and Property Size</b>	<b>Clean &amp; Safe \$ per Linear Foot</b>	<b>Marketing &amp; Advocacy \$ per parcel per year</b>
1. Less than 2,000 square feet	\$70.58	\$ 75
2. 2,000 – 4,999 square feet	70.58	150
3. 5,000 – 9,999 square feet	70.58	500
4. 10,000 – 29,000 square feet	70.58	1,000
5. 30,000 – 99,000 square feet	70.58	1,250
6. 100,000 or more square feet	70.58	5,000
7. Residential Property	70.58	0
8. Public Property	70.58	0
9. Hallidie Plaza Parcels (assessed per lot square footage)	3.55	0

## **PAGE 4.**

Consistent with Article XIID of the California Constitution (Proposition 218), all parcels within the proposed district will pay an annual assessment for cleaning and security services regardless of use or ownership. However, the following building types are excluded from paying the marketing and advocacy component of the assessment, since they are not expected to receive any special benefit from those services:

- All residential properties.
- Public properties owned by the City and County of San Francisco, State of California and Federal Government.

The assessments for future years (years two through ten) 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 BID will terminate after ten years.

### Schedule

Through a petition process in April 2009, the Greater Union Square BID Corporation has already documented the necessary support from the property owners to continue the process for renewing and expanding the BID. In June 2009, the Board of Supervisors approved a resolution declaring an intent to renew and expand the Greater Union Square BID and scheduled a Public Hearing on July 28, 2009. Ballots have been sent to all affected property owners within the expanded BID boundaries and are due to the Department of Elections by July 28, 2009. If approved by the SFMTA Board of Directors, an official ballot will be submitted reflecting the direction of the Board.

The City Attorney's Office has reviewed this item.

## **ANALYSIS**

In general, the City encourages neighborhood associations and community groups to work together with the City staff to identify the community needs, secure necessary funds and jointly develop an implementation plan for additional services or capital improvements. Staff believes that the proposed BID initiative, including planned services and administration, will benefit the community at large, including the Sutter-Stockton Garage operated by the SFMTA. The proposed first year assessment for the Sutter-Stockton Garage is \$60,525.61, approximately two percent of the entire assessment for all properties within the BID. This is consistent with Article XIID (4) of the California Constitution which requires that government-owned parcels be assessed unless they receive no special benefit from the improvements and services funded by the assessments.

The enhanced maintenance of sidewalks, additional security and streetscape improvements in the proximity of these garages will benefit thousands of garage patrons every day. Special marketing efforts will also support garage operations. The BID Management Plan gives details of services to be provided in the vicinity of the garage. Due to significant benefits in return for an annual assessment of approximately \$60,500, staff recommends supporting the renewal and expansion of the Greater Union Square BID.

The Uptown Parking Corporation currently leases the Sutter-Stockton Garage; its Board of Directors supports the continuation of the expanded BID. Other organizations supporting the Greater Union Square Bid include Union Square Association, Market Street Association, S.F. Chamber of Commerce, S.F. Convention & Visitor Bureau, SPUR and Yerba Buena Alliance.

**PAGE 5.**

**ALTERNATIVES CONSIDERED**

The formation of a BID itself is an alternative funding mechanism to the scarce city resources for much needed services for the Union Square area. If the BID is not renewed and expanded, the Union Square area would lose the benefit of the increased services provided by the BID.

**FUNDING IMPACT**

If approved by the Board of Supervisors, the renewal and expansion of the Greater Union Square BID will result in an annual assessment of approximately \$60,500. Adequate funds to cover this assessment are available in the FY 2009-10 Operating Budget. This assessment will not have a negative impact on the budgeted revenues already included in the approved FY 2009-10 operating budget.

**OTHER APPROVAL RECEIVED OR STILL REQUIRED**

The Board of Supervisors will consider this matter at a Public Hearing scheduled for July 28, 2009. No other approval is required.

**RECOMMENDATION**

Staff recommends that the SFMTA Board of Directors adopts the attached resolution, supporting the renewal and expansion of the Greater Union Square Business Improvement District and authorizing the Executive Director/CEO to submit ballots for the Sutter-Stockton Garage parcels in favor of the BID renewal and expansion.

SAN FRANCISCO  
MUNICIPAL TRANSPORTATION AGENCY  
BOARD OF DIRECTORS

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

WHEREAS, Section 36600 et seq. of the California Streets and Highway 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 and administration of a Business Improvement District (BID); and,

WHEREAS, The Union Square BID was first established in 1999 for an initial term of five years and renewed in 2004 for an additional five years through June 30, 2009; and,

WHEREAS, The proposed renewal of the Union Square BID would extend the term for an additional ten years and expand the geographical boundaries of the BID to provide services to approximately 27 blocks in the Union Square area; and,

WHEREAS, A Greater Union Square Business Improvement District 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 BID; and,

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

WHEREAS, The Sutter-Stockton Garage, administered by the SFMTA, is located within the proposed BID boundaries and would be subject to annual assessments, with a total assessment for the first year of \$60,525.61; and,

WHEREAS, The Sutter-Stockton Garage is currently leased by the Uptown Parking Corporation and the Board of Directors for the Corporation supports renewal and expansion of the Greater Union Square BID; and,

WHEREAS, Continuation of the BID will result in cleaner sidewalks, enhanced safety, improved streetscape and marketing efforts that will benefit the Sutter-Stockton Garage as well as the community; now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors supports the renewal and expansion of the Greater Union Square Business Improvement District and authorizes the Executive Director/CEO to submit ballots for the Sutter-Stockton Garage parcels in favor of the BID renewal and expansion.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of \_\_\_\_\_.

\_\_\_\_\_  
Secretary, Municipal Transportation Agency Board



# ATTACHMENT A

[link to accessible version](#)



This map describes the district boundaries generally stretching from Jones to Kearny and from Mission to Bush Streets; not all parcels are included within these general boundaries.

## ATTACHMENT A - Accessible Version

Attachment A is a map outlining where the boundaries of the existing Union Square BID are as compared with the proposed expanded Union Square and other adjacent Community Benefit Districts (CBD):

BID or CBD	Boundary
Existing Union Square BID	Bounded by Sutter Street to the north, Stockton Street to the east, Market Street to the South and Powell Street to the west. Additionally, the Union Square BID includes the following lots and blocks bounded by Bush Street to the north, Grant Avenue to the east, Market Street to the south and Mason Street to the west: lots 5, 5A, 6, 20 and 21 of block 285; lots 11, 13 and 15 of block 294; lots 1, 2, 5, 6 and 14 of block 296; lots 1 and 13 of block 307; lots 11, 13, 14, 20, 21 and 22 of block 309; lots 17 and 18 of block 313; lots 1, 2, 3, 4, 6, 7, 8 and 9 of block 315, lots 1, 2, 3, 4, 5, 18 and 23 of block 326; lots 1, 2, 3 and 4 of block 328; and lots 1, 2, 3, 4, 5 and 23 of block 330. The Union Square BID further includes the following lots and blocks bounded by Market Street to the north, eastern boundary not given [possibly 3 <sup>rd</sup> Street], Mission Street to the south and western boundary not given [possibly 5 <sup>th</sup> Street]: lots 37, 42 and 43 of block 3705; and lot 47 of block 3706.
Proposed Union Square Expanded BID	Bounded by Bush Street to the north, Kearney Street to the east, Market Street to the south and Mason Street to the west. Additionally, the expanded BID includes the following lots and blocks bounded by Post Street to the north, Mason Street to the east, O'Farrell Street to the south and Jones Street to the west: blocks 306 and 316; and lots 1, 2, 26 and 27 of block 317.
San Francisco Chamber CBD (Proposed Boundary)	Bounded by Bush Street to the north, eastern boundary not given, Market Street to the south and Kearny Street to the west.
Tenderloin CBD (Boundary)	Bounded by O'Farrell Street to the north, Mason Street to the east, Market Street to the south and Jones Street to the west. Additionally, the Tenderloin CBD includes the following lots in block 317 bounded by Geary Street to the north, Mason Street to the east, O'Farrell Street to the south and Jones Street to the west: lots 4, 3, 5, 6, 7, 9 and 10.
Central Market CBD (Boundary)	Bounded by Market Street to the north, eastern boundary not given [possibly 3 <sup>rd</sup> Street], Mission Street to the south and western boundary not given [possibly 6 <sup>th</sup> Street].
Yerba Buena Gardens CBD (Boundary)	Bounded by Market Street to the north, eastern boundary not given, Mission Street to the south and western boundary not given. Yerba Buena CBD <u>excludes</u> the following lots and blocks in the aforementioned boundary: lots 37, 42 and 43 of block 3705; and lot 47 of block 3706.