

## Annual Report | 2015-2016

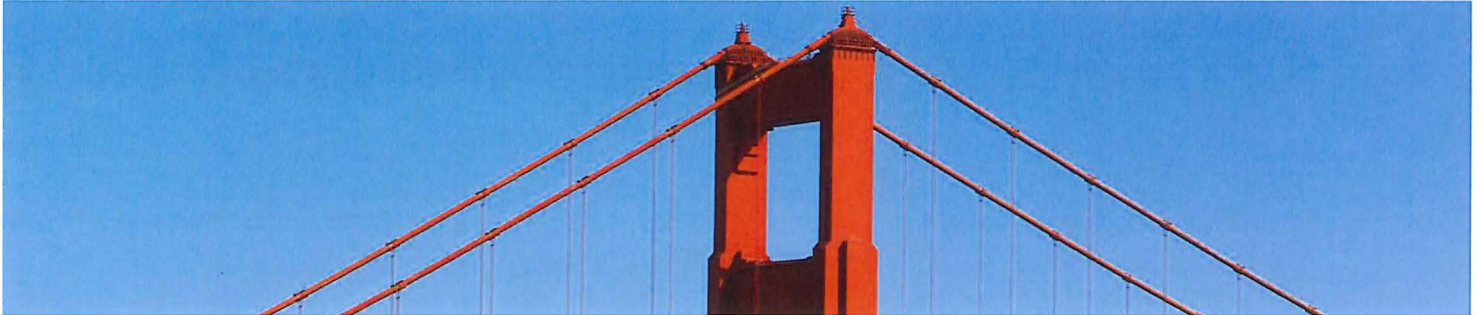
The San Francisco Tourism Improvement District Management Corporation (SFTIDMC) is the owners association group that over sees the San Francisco Tourism Improvement District (TID) and the San Francisco Moscone Expansion District (MED). The San Francisco Tourism Improvement District Management Corporation, governed by a board of industry representatives, ensures that the funds are used to benefit the assessed businesses by allocating them to San Francisco Travel programs that draw conventions, meetings, events and leisure travelers to San Francisco, and by keeping the city's convention facilities competitive with those of other major cities.

### **San Francisco Tourism Improvement District**

The San Francisco Tourism Improvement District ensures that funding for the San Francisco Travel Association's selling, marketing and promotion of San Francisco as a visitor destination.







## SALES AND MARKETING PROGRAM

The purpose of the sales and marketing program of work is to set industry standards and position San Francisco as the most compelling destination in the world. One of the primary objectives is to generate visitor-related economic impact to San Francisco and the region. SFTIDMC contracts the services of the San Francisco Travel Association which, with more than 100 years' of expertise, is well positioned to fulfill this goal.

With the benefit of the TID funding, San Francisco Travel has been able to conduct a comprehensive review and strategic analysis of the industry, and has created a plan that focuses on being proactive and setting new, visionary strategies to lead San Francisco's tourism industry.

Highlights of **San Francisco Travel** activity during FY 2015-2016:

### Convention and Meeting Sales

- 1,579,988 million room nights booked
- 1,347 Meeting held in San Francisco
- \$1.17 billion in direct spending
- Sales mission to Washington, DC and Chicago reaching over with over 200 meeting planners
- Attended over 50 trade shows and events

**1.58 million**

Total room nights booked

### Marketing Promotion

San Francisco's balanced mix of convention/ meetings travel, leisure/consumer travel and business travel means that the city isn't as vulnerable to swings in any one market as some other destinations. Leisure visitors comprise 75% of all trips to San Francisco. San Francisco Travel's leisure marketing team has the enviable task of building relationships with, inviting, converting and retaining potential and existing San Francisco leisure travelers.

### Visitor Information Center (ViC)

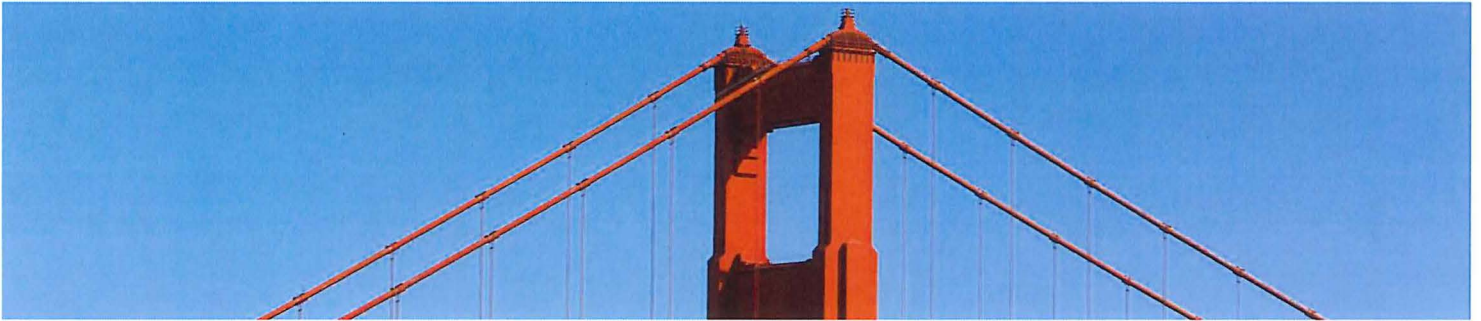
292,000 visitors per year

18 languages spoken by staff and volunteers

During 2015-16 hotel sales were up by 8% and attraction sales up by 36%

**SFTID**

SAN FRANCISCO TOURISM  
IMPROVEMENT DISTRICT



### **SanFrancisco.travel**

6.3 million visitors  
\$216.8 million in economic impact

### **Never the Same. Always San Francisco.**

69.7 million impressions  
\$41.6 million in economic impact

### **Holiday Campaign**

356.9 million impressions  
\$14.2 million in economic impact

### **Social Media**

Facebook 603,000+ LIKES  
Twitter 203,000+ followers  
Instagram 202,000+ followers

### **Publications Produced**

#### **Visitor Planning Guide, Produced Bi-Annually**

- The official leisure visitor fulfillment piece is distributed to 225,000 travelers annually.
  - California Welcome Centers
  - San Francisco International Airport
  - Moscone Center
  - San Francisco Visitor Information Center
  - Macy's/SF Travel Visitor Information Center

#### **Meeting Planners Guide, annual**

- Reach 15,000 meeting and travel professionals who bring high - value travelers to San Francisco.
- Direct-mailed to an exclusive list of meeting professionals, travel agents and tour operators in the U.S. and Canada
- 14 overseas travel representative offices
- US and International Sales Missions

### **Tourism Sales and Marketing**

- 4+ million international visitors to San Francisco
- Partnered with SFO on new air service
- San Francisco Travel hosted over 1,250 travel professionals
- Attended 15 International and Domestic trade shows
- San Francisco hosted 900+ journalists
- Media Coverage
  - 5.8 billion impressions
  - \$375+ million value

**18 Million visitors to  
San Francisco**

**SFTID**

SAN FRANCISCO TOURISM  
IMPROVEMENT DISTRICT



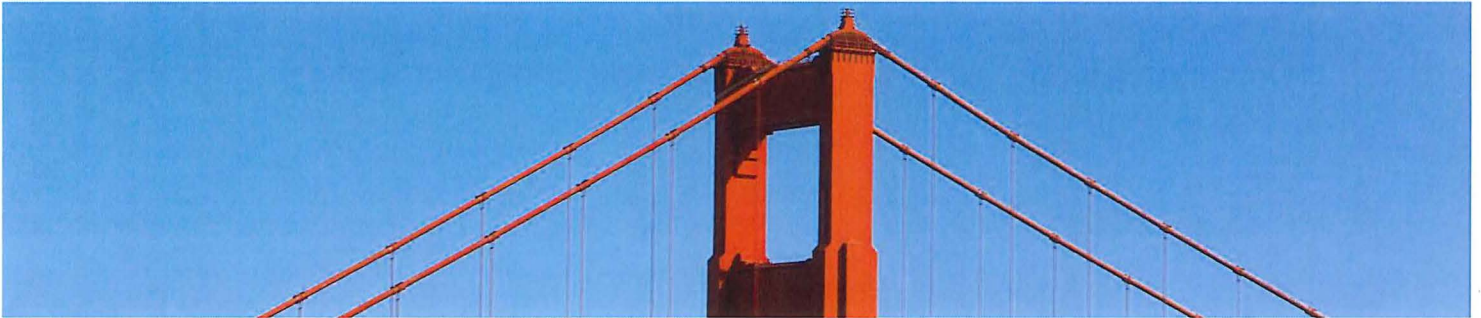


## MOSCONE EXPANSION DISTRICT



- Demolition of the current esplanade lobby occurred December 2015. That was followed by structural steel erection, due to be complete October 2016.
- Project sub-contractor and material buyout 95% complete.
- Project secured a project liaison to help with project communications to clients.
- Continued communications with Convention clients that are booked through the construction years. Moscone Center will remain open and operational throughout the project.
- Over \$2 million was utilized to provide convention customers with rental incentives to attached conventions to San Francisco.
- The project is currently in phase 2, with completion on track for December 2018.



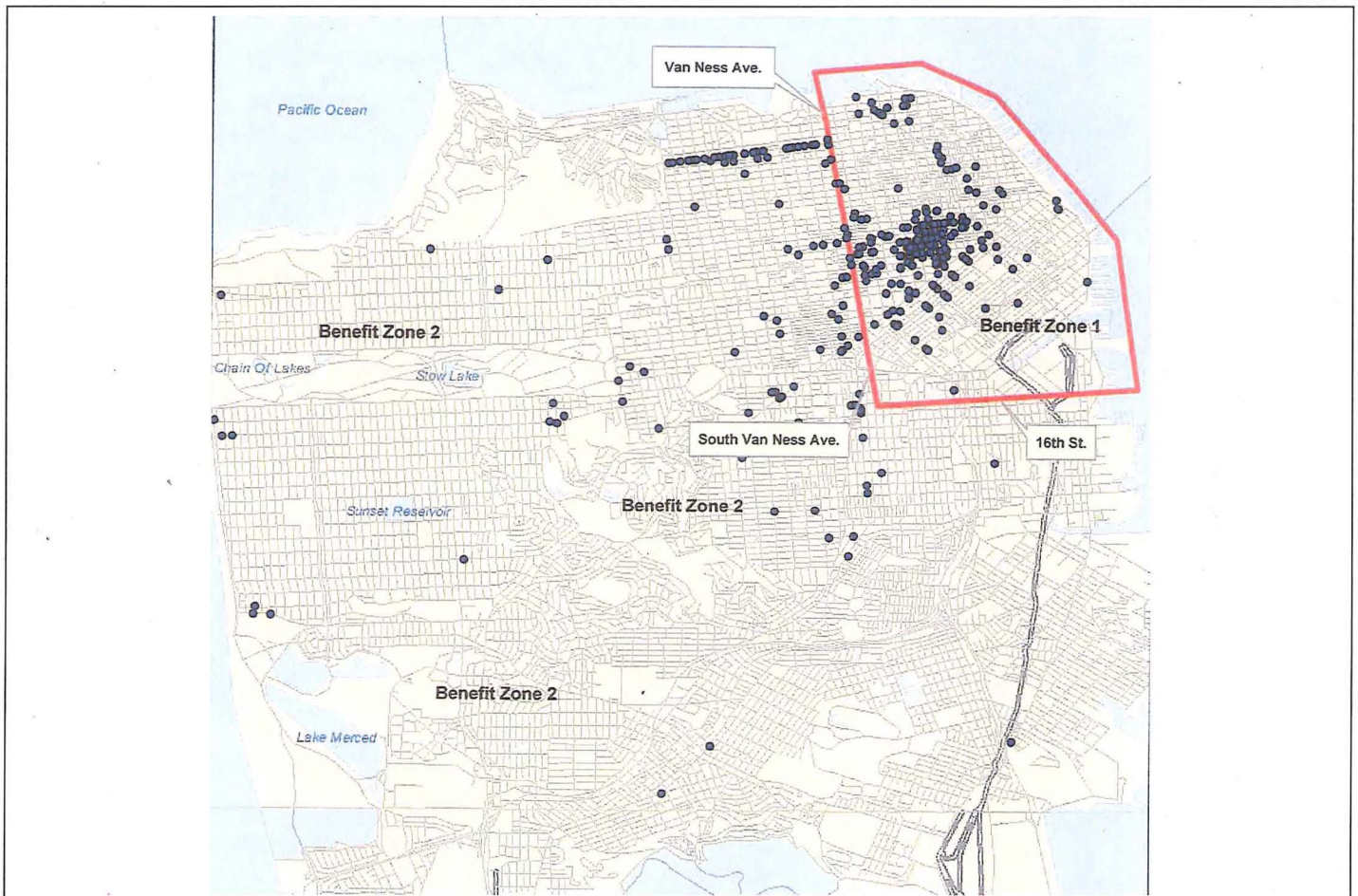


### TID and MED COLLECTION METHODOLOGY

Tourist hotels are broken up into two zones. The zones are the same for the TID and MED assessments. Tourist hotels in Zone 1 are assessed 1% of gross revenue from tourist rooms for the TID and 1.25% for the MED. Tourist hotels in Zone 2 are assessed 75% of gross revenue from tourist rooms for TID and .3125 for the MED.

**Zone 1 Tourist hotels:** All tourist hotels with addresses on or east of Van Ness Avenue, on or east of South Van Ness Avenue, and on or north of 16<sup>th</sup> Street from South Van Ness to the Bay, including all tourist hotels east of Van Ness Avenue as if it continued north to the Bay, and north of 16<sup>th</sup> Street as if it continued east to the Bay.

**Zone 2 Tourist hotels:** All tourist hotels with addresses west of Van Ness Avenue and South Van Ness Avenue, and all tourist hotels south of 16<sup>th</sup> Street.





**San Francisco Tourism Improvement District Management Corporation (SFTIDMC)**

**BUDGET & BALANCE SHEET**

| JULY 2015-JUNE 2016 ACTUAL                          | TID                  | MED                 | Total               |
|-----------------------------------------------------|----------------------|---------------------|---------------------|
| <b>INCOME</b>                                       | <b>ACTUAL</b>        | <b>ACTUAL</b>       |                     |
| Assessment Fee                                      | \$26,158,050         | \$31,538,330        | \$57,696,380        |
| Interest Income                                     | \$37,097             | \$112,672           | \$149,769           |
| <b>TOTAL INCOME</b>                                 | <b>\$26,195,147</b>  | <b>\$31,651,002</b> | <b>\$57,846,149</b> |
| <b>EXPENSES</b>                                     |                      |                     |                     |
| SFTA Marketing & Operations                         | \$29,605,500         | \$0                 | \$29,605,500        |
| Moscone Convention Center Development and Expansion | \$0                  | \$15,101,522        | \$15,101,522        |
| Moscone Convention Center Capital Fund              | \$0                  | \$193,615           | \$193,615           |
| Moscone Convention Center Incentive Fund            | \$0                  | \$3,315,835         | \$3,315,835         |
| SFTIDMC Administration and Operating Expenses       | \$375,787            | \$473,973           | \$849,760           |
| <b>TOTAL EXPENSES</b>                               | <b>\$29,981,287</b>  | <b>\$19,084,945</b> | <b>\$49,066,232</b> |
| <b>NET INCOME</b>                                   | <b>(\$3,786,140)</b> | <b>\$12,566,057</b> | <b>\$8,779,917</b>  |

| JULY 2015-JUNE 2016 BALANCE SHEET         | TID                 | MED                 | TOTAL               |
|-------------------------------------------|---------------------|---------------------|---------------------|
| <b>ASSETS</b>                             |                     |                     |                     |
| Cash                                      | \$1,267,715         | \$5,657,009         | \$6,924,724         |
| Short-term Investment                     | \$0                 | \$18,844,625        | \$18,844,625        |
| Long-term Investment                      | \$3,677,468         | \$2,075,643         | \$5,753,111         |
| Accounts Receivable, Net                  | \$6,526,555         | \$8,203,112         | \$14,729,667        |
| <b>TOTAL ASSETS</b>                       | <b>\$11,471,738</b> | <b>\$34,780,389</b> | <b>\$46,252,127</b> |
| <b>LIABILITIES</b>                        |                     |                     |                     |
| Accounts Payable                          | \$21,032            | \$2,983,521         | \$3,004,553         |
| Accrued Liabilities                       | \$20,025            | \$0                 | \$20,025            |
| Long-Term - Construction Retention        | \$0                 | \$716,276           | \$716,276           |
| <b>TOTAL LIABILITIES</b>                  | <b>\$41,057</b>     | <b>\$3,699,797</b>  | <b>\$3,740,854</b>  |
| <b>TOTAL NET ASSETS (CARRYOVER)</b>       | <b>\$11,430,681</b> | <b>\$31,080,592</b> | <b>\$42,511,273</b> |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b> | <b>\$11,471,738</b> | <b>\$34,780,389</b> | <b>\$46,252,127</b> |



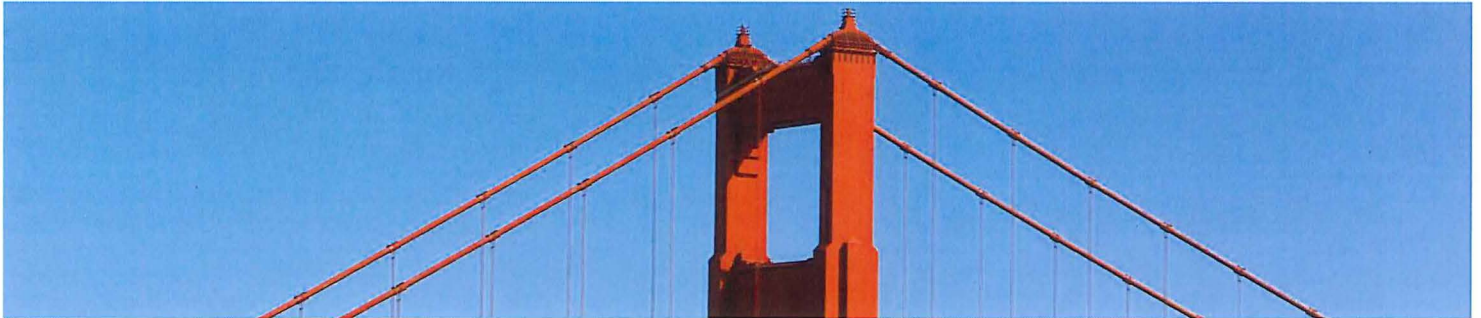
| JULY 2016-JUNE 2017 BUDGET | TID                 | MED                 | TOTAL               |
|----------------------------|---------------------|---------------------|---------------------|
| <b>INCOME</b>              | <b>BUDGET</b>       | <b>BUDGET</b>       | <b>BUDGET</b>       |
| Assessment Fee             | \$24,328,500        | \$29,328,500        | \$53,657,000        |
| Interest Income            | \$0                 | \$0                 | \$0                 |
| <b>TOTAL INCOME</b>        | <b>\$24,328,500</b> | <b>\$29,328,500</b> | <b>\$53,657,000</b> |





| JULY 2016-JUNE 2017 BUDGET                          |                     |                     |                     |
|-----------------------------------------------------|---------------------|---------------------|---------------------|
|                                                     | TID                 | MED                 | TOTAL               |
| <b>INCOME</b>                                       | <b>BUDGET</b>       | <b>BUDGET</b>       | <b>BUDGET</b>       |
| Assessment Fee                                      | \$24,328,500        | \$29,328,500        | \$53,657,000        |
| Interest Income                                     | \$0                 | \$0                 | \$0                 |
| <b>TOTAL INCOME</b>                                 | <b>\$24,328,500</b> | <b>\$29,328,500</b> | <b>\$53,657,000</b> |
| <b>EXPENSES</b>                                     | <b>BUDGET</b>       | <b>BUDGET</b>       | <b>BUDGET</b>       |
| SFTA Marketing & Operations                         | \$24,405,500        | \$0                 | \$24,405,500        |
| Moscone Convention Center Development and Expansion | \$0                 | \$25,662,400        | \$25,662,400        |
| Moscone Convention Center Capital Fund              | \$0                 | \$293,300           | \$293,300           |
| Moscone Convention Center Incentive Fund            | \$0                 | \$2,639,600         | \$2,639,600         |
| SFTIDMC Administration                              | \$370,000           | \$452,000           | \$822,000           |
| Contingency/Reserve                                 | \$0                 | \$281,200           | \$281,200           |
| <b>TOTAL EXPENSES</b>                               | <b>\$24,775,500</b> | <b>\$29,328,500</b> | <b>\$54,104,000</b> |
| <b>NET INCOME</b>                                   | <b>(\$447,000)</b>  | <b>\$0</b>          | <b>(\$447,000)</b>  |

| PROJECTED CARRYOVER DISBURSEMENT                    | TID TOTAL           | MED TOTAL           | TOTAL               | TO BE USED IN FY | TO BE USED IN FUTURE YEARS |
|-----------------------------------------------------|---------------------|---------------------|---------------------|------------------|----------------------------|
|                                                     |                     |                     |                     |                  |                            |
| CARRYOVER                                           |                     |                     |                     |                  |                            |
| SFTA Marketing & Operations                         | \$7,758,049         | \$0                 | \$7,758,049         | \$447,000        | \$7,311,049                |
| Moscone Convention Center Development and Expansion | \$0                 | \$27,750,446        | \$27,750,446        | \$0              | \$27,750,446               |
| Moscone Convention Center Capital Fund              | \$2,343,805         | \$260,337           | \$2,604,142         | \$0              | \$2,604,142                |
| Moscone Convention Center Incentive Fund            | \$654,721           | \$2,190,688         | \$2,845,409         | \$0              | \$2,845,409                |
| Contingency/Reserve                                 | \$674,106           | \$879,121           | \$1,553,227         | \$0              | \$1,553,227                |
| <b>TOTAL CARRYOVER DISBURSEMENT</b>                 | <b>\$11,403,681</b> | <b>\$31,080,592</b> | <b>\$42,511,273</b> | <b>\$447,000</b> | <b>\$42,064,273</b>        |



## **SFTID Board of Directors | FY 2015-16**

### **BOARD CHAIR**

Tom Klein, Regional VP & General Manager, Fairmont Hotels

### **BOARD VICE-CHAIR**

Ralph Lee, General Manager, Whitcomb Hotel

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Rick Swig, RSBA & Associates

David von Winckler, Kimpton Hotels

Craig Waterman, General Manager, Hotel Kabuki

Ingrid Summerfield, Filament Hospitality

Anne Marie Presutti, Vice President & General Manager, Hotel Nikko

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