



Annual Report | 2010-2011

Tourism is San Francisco's largest industry, generating nearly \$8 billion in direct spending, benefitting San Francisco's residents and businesses.

The mission of the San Francisco Tourism Improvement District (SFTID) is to ensure that funding for the San Francisco Convention & Visitors Bureau's (SFCVB) sales, marketing and promotional efforts on behalf of San Francisco as a visitor destination, and the renovation and potential expansion of Moscone Center, is maintained at an aggressive and competitive level. As the organization tasked with nurturing the health and vitality of San Francisco's largest industry, tourism, the San Francisco Convention & Visitors Bureau has never been more prepared and in a better position than they are in today.

In May 2011 San Francisco played host to 5,600 international tour operators, travel journalists and fellow U.S. travel industry peers as U.S. Travel's annual International Pow Wow convention was held in our city. In what U.S. Travel calls the most successful Pow Wow ever – both in attendance numbers and anecdotal feedback from participants – San Francisco truly brought out the red carpet and produced a spectacular and memorable event that has raised the standards of that convention for future years.

Pow Wow 2011 did not happen due to the efforts of one organization or individual. What made Pow Wow 2011 so successful was the collaboration and commitment throughout and through every level of our industry. Every tourism-related business and organization in this city pulled together to produce a seamless event.

Looking ahead to the upcoming years, with events such as the U.S. Open taking place at the Olympic Club in 2012, the 75th anniversary of the Golden Gate Bridge and San Francisco being selected to host the 34th America's Cup yachting competition... the world is watching San Francisco.

This report reviews achievements of the past year and documents the TID's activities.

With the continued support of the hotels that care deeply about the success of this industry, the TID looks forward to another year of continued success.

Sincerely,

Dan Kelleher, SFTID Board Chair



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. The TID contracts the services of the San Francisco Convention & Visitors Bureau (SFCVB), which, with more than 100 years' of expertise, is well positioned to fulfill this goal.

With the benefit of TID funding, the SFCVB 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 SFCVB activity during FY 2010-2011:

Tourism Sales and Marketing

- San Francisco hosted International Pow Wow 2011 from May 21-25
- Over **5,600 delegates** participated, making this the best-attended Pow Wow in over 10 years
 - 1,500 international travel buyers from over 70 different countries
 - 450 international and domestic press
 - 3,650 domestic travel suppliers
- **Three days of pre-scheduled business meetings** held at Moscone Center
- Two days of sightseeing tours to **educate the buyers** on the variety of tourist attractions in San Francisco (Saturday-Sunday)
- Three evening events hosted at various tourism related venues in the city, highlighting the **diversity of San Francisco**
 - "Rock The Night" Sunday evening opening event at Alcatraz and PIER 39
 - "Culture Club" – Tuesday evening at the California Academy of Sciences, co-hosted with San Francisco International Airport
 - "Ultimate San Francisco Party" – Wednesday evening closing party, hosted by San Francisco Travel and the California Travel and Tourism Commission, held at City Hall and Civic Plaza
- Over the next three years, San Francisco expects to reap an **additional \$350M in visitor spending** as a result of hosting the event

**International
PowWow
5,600 delegates**

Convention and Meeting Sales

In FY 2010-2011, the SFCVB re-structured the convention and meeting product strategic plan, organizing it into five areas:

PLAN for sales success
FIND convention and meeting business
WIN convention and meeting business
KEEP convention and meeting business
REPORT on sales successes and challenges

1,914,224

Total room nights booked



Convention and Meeting Sales (cont)

- Maintained and/or enhanced all principal existing sales programs at the SFCVB.
- Booked 1,941,224 room nights for future citywide and self-contained meetings, 108% of goal.
- Generated 5,626,405 lead room nights for future citywide and self-contained meetings, 106% of goal.
- While many other CVB teams' sales production dropped 30% or more, TID funding helped the SFCVB maintain the highest booked rooms per sales manager and highest booked rooms per square foot of dedicated convention center exhibit space in the country.
- TID funding allowed SFCVB sales staff to participate in 32 industry trade shows/conventions, including several third-party planner partner conferences.

Marketing

- The SFCVB website once again met the goal in FY 2010-2011, generating 3.5 million unique visitors and \$55,747,809 in direct spending for the city. This was accomplished at the same time of launching a completely redesigned site, which will allow visitors easier access to the information most relevant to them and providing a much richer social media interface. Social media hit major milestones as well, with San Francisco's Facebook page achieving 400,000 "Fans," with deep engagement from the biggest fans.
- A hundred and one years after it was created in the wake of the 1906 earthquake, The SFCVB, in February 2011, suggested the name change to San Francisco Travel Association effective July 1, 2011, as part of the strategic planning process and after several months of dedicated work on the part of staff, outside agency partners, and a Task Force formed from members of our Board of Directors. The keys to the change – increasing our relevance, and being better positioned to fully curate the San Francisco experience for our visitors and our customers.
- A new co-op marketing campaign called "49 Hours of San Francisco –Arts & Culture," was launched, which leveraged the city's world-renowned arts and culture offerings (from institutions that included SFMOMA, the SF Symphony and the California Academy of Sciences) to drive overnight visitation to San Francisco during the summer months. Campaign elements included an



LA-based print/digital/Out-of-Home ad campaign; a series of shareable, luminary-created SF itineraries; a deep, content-rich microsite with social media incorporated, and map of "the events of the next 49 hours;" 49-second videos (including user-

generated videos); and a San Francisco cable car spent 4 days in LA touring key art-related events, distributing collateral and promotional items, and entering visitors to win a trip to San



Francisco. A Twitter campaign promoted the cable car's whereabouts and invited visitors to see the car and win prizes. By the end of the campaign, website traffic was up 245%, and the arts & culture page views increased 434% YOY.

- With the involvement and support of a SFCVB Board-approved Task Force, the process of renovating the visitor information center at Hallidie Plaza began to bring it up to the current level of visitor expectations. A group has been working closely with many partners at the City, the Union Square Business Improvement District, and BART to ensure the experience in the outer plaza is safe and welcoming for the hundreds of thousands of visitors who come into the visitor information center every year.
- To leverage the 10th Anniversary of San Francisco's highly successful and popular Dine About Town event, to launch and promote the new Acura TSX Sports Wagon, and to reach the highly-desirable foodie demographic with an integrated, innovative and creative content partnership, the SFCVB created a custom experience in which winners of a sweepstakes would "Eat Your Way from SF2LA," dining, driving and stopping all along the way during the ultimate California gastro-road trip. Winners enjoyed a full daylong SF food-stravaganza, and then headed south to LA stopping in Monterey, San Luis Obispo, and Santa Barbara to experience the great food at every hot spot. Event/campaign components included website banners, integrated editorial coverage, food blogs, social/print media, onsite event integration, radio promotion, and online corporate partner media channels including Zagat, American Express and OpenTable, resulting in 282 million collective paid/earned media impressions.





MOSCONE RENOVATION

The TID has begun work on the renovation of the Moscone Center, and expects the bulk of the work to be completed in May 2012. In FY 2010-2011 the project team hit the ground running with construction on many upgrades. The TID, working closely with the project team (City's Department of Public Works, Jones Lange LaSalle Americas, Inc., Webcor Builders and HOK Architects) reviewed scope and design to move forward with renovation that identified and prioritized the upgrades needed.

The construction work started in August 2010 and will run through May 2012. The upgrade and renovation work ranges from basic aesthetic improvements to significant infrastructure projects, including:

- New carpet, paint, lighting and ceilings
- Restroom renovations with new fixtures, tile, paint and partitions
- Upgraded lobbies
- Upgraded kitchen
- Digital displays and telecom/data cabling upgrades
- Elevator and escalator improvements
- Variable-speed control and other HVAC upgrades
- Meeting new ADA requirements
- Pursuing LEED Gold Certification
- City Information Desks in North, South and West





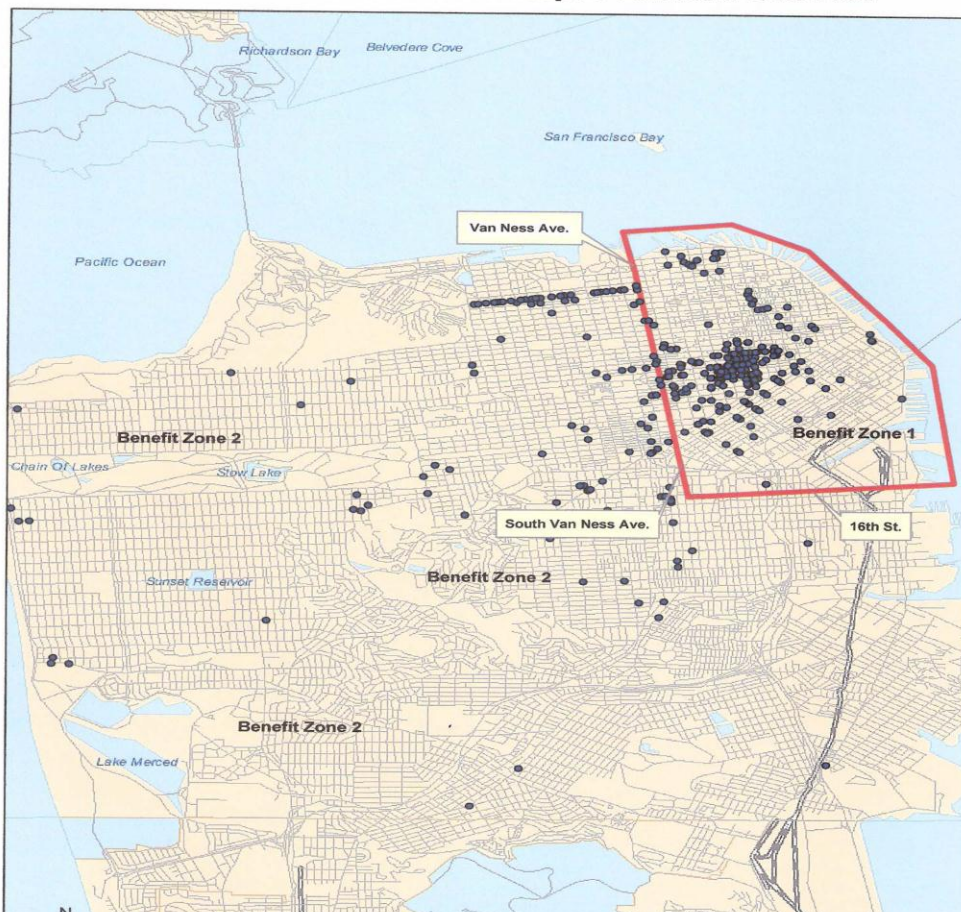
TID COLLECTION METHODOLOGY

Tourist hotels are broken up into two Zones. Tourist hotels in Zone 1 are assessed 1.5% of gross revenue from tourist rooms for years 1 – 5, and 1% of gross revenue from tourist rooms for years 6 - 15. Tourist hotels in Zone 2 are assessed 1% of gross revenue from tourist rooms for years 1 - 5, and 0.75% of gross revenue from tourist rooms for years 6 - 15.

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 16th 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 16th 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 16th Street.

San Francisco Tourism Improvement District





San Francisco Tourism Improvement District Management Corporation (TIDMC)

BUDGET & BALANCE SHEET

JULY 2010 - JUNE 2011 ACTUAL

INCOME	ACTUAL	BUDGET	OVER/(UNDER) BUDGET
Assessment Fee	\$20,970,337	\$18,770,000	\$2,200,337
Interest Income	\$38,748	\$0	\$38,748
TOTAL INCOME	\$21,009,085	\$18,770,000	\$2,239,085
EXPENSES	ACTUAL	BUDGET	OVER/(UNDER) BUDGET
SFCVB Marketing & Operations	\$12,959,038	\$12,959,038	\$0
Moscone Convention Center Services and Improvements	\$5,844,489	\$5,995,000	(\$150,511)
SFTIDMC Administration	\$497,228	\$600,000	(\$102,772)
TOTAL EXPENSES	\$19,300,755	\$19,554,038	(\$253,283)
NET INCOME	\$1,708,330	(\$784,038)	\$2,492,368

JULY 2010 - JUNE 2011 BALANCE SHEET

ASSETS

Cash	\$10,920,769
Accounts Receivable, Net	\$5,248,424
TOTAL ASSETS	\$16,169,193

LIABILITIES

Accounts Payable	\$1,560,508
Accrued Liabilities	\$35,000
TOTAL LIABILITIES	\$1,595,508
TOTAL NET ASSETS (CARRYOVER)	\$14,573,685
TOTAL LIABILITIES & NET ASSETS	\$16,169,193



JULY 2011 - JUNE 2012 BUDGET	
INCOME	BUDGET
Assessment Fee	\$20,600,000
Interest Income	\$20,000
TOTAL INCOME	\$20,620,000
ADDITIONAL FUNDING	
Carryover From Prior Year	\$7,559,000
Projected Additional Assessment Fee from Future Year	\$972,100
TOTAL ADDITIONAL FUNDING	\$8,531,100
TOTAL INCOME & ADDITIONAL FUNDING	\$29,151,100
EXPENSES	BUDGET
SFCVB Marketing & Operations	\$13,413,500
Moscone Convention Center Services and Improvements	\$15,137,600
SFTIDMC Administration	\$600,000
TOTAL EXPENSES	\$29,151,100
NET INCOME	\$0

PROJECTED CARRYOVER DISBURSEMENT			
	TOTAL	TO BE USED IN FY 2011-2012	TO BE USED IN FUTURE YEARS
CARRYOVER			
SFCVB Marketing & Operations	\$6,343,295		\$6,343,295
Moscone Center Services and Improvements	\$7,559,000	\$7,559,000	\$0
Contingency/Reserve	\$671,390		\$671,390
TOTAL CARRYOVER DISBURSEMENT	\$14,573,685	\$7,559,000	\$7,014,685



SFTID Board of Directors | FY 2010-2011

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Dan Kelleher, Marriott Marquis

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Jerry Simmons, Hyatt Regency

Ingrid Summerfield, Joie de Vivre Hotels

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