

1 [Amendment - San Francisco Tourism Improvement District Management District Plan]

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3 **Resolution approving an amendment to the San Francisco Tourism Improvement**
4 **District Management District Plan in accordance with the California Streets and**
5 **Highways Code, Section 36636, to require monthly assessment, collection, and**
6 **distribution of fees by the Office of the Treasurer and Tax Collector.**

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8 WHEREAS, On October 28, 2008, acting in accordance with Article XIID of the
9 California Constitution, Section 53753 of the California Government Code, and the California
10 Property and Business Improvement District Law of 1994 (Part 7 of Division 18 of the
11 California Streets and Highways Code, commencing with Section 36600), as augmented by
12 Article 15 of the San Francisco Business and Tax Regulations Code, the Board of Supervisors
13 adopted Resolution No. 430-08 ("Resolution of Intention") declaring the Board's intention to
14 form a business-based business improvement district and to levy assessments on businesses
15 to be included within the district, setting the public hearing, initiating mail ballot majority
16 protest proceedings, approving the Tourism Improvement District Management District Plan
17 (the "Management District Plan" or "Plan"), making various findings and taking other
18 legislative actions required to form the proposed district and levy the proposed assessments.
19 The Management District Plan is on file with the Clerk of the Board of Supervisors in File No.
20 081338, which is hereby declared to be a part of this resolution as if set forth fully herein; and,

21 WHEREAS, On December 16, 2008, acting in accordance with the aforementioned
22 legal authorities, the Board of Supervisors adopted Resolution No. 504-08 ("Resolution of
23 Formation"), establishing the business-based business improvement district designated as the
24 "San Francisco Tourism Improvement District" (the "District") and levying multi-year special

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1 assessments on hotels included within the District (the "Assessments") (Board File No.
2 081517); and,

3 WHEREAS, The Management District Plan requires quarterly billing and/or submittal of
4 assessment forms, quarterly payment of assessed fees by the hotels, and quarterly
5 distribution of assessed fees to the District, stating:

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7 The TID assessment will be collected by the Treasurer and Tax Collector of the City
8 and County of San Francisco (hereinafter the "Treasurer and Tax Collector"). The
9 Treasurer and Tax Collector shall transfer the assessment payments on a quarterly
10 basis to a newly established non-profit corporation known as the San Francisco
11 Tourism Improvement District Management Corporation (hereinafter "SFTIDMC")
12 (Management District Plan, p. 6); and,

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14 The hotels subject to the TID assessments will be billed quarterly and/or will complete
15 a quarterly assessment payment form provided by the Treasurer and Tax Collector, as
16 called for in the management contract with the TID. The assessment payments will be
17 remitted by hotels on a quarterly basis to the Treasurer and Tax Collector based on the
18 gross revenue collected for tourist guest rooms each quarter during the calendar year.
19 The assessments collected by the Treasurer and Tax Collector will be distributed to the
20 SFTIDMC on a quarterly basis.

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22 Nonpayment of the TID assessment may subject hotels to penalties, interest, and
23 possibly other remedies. (Management District Plan, page 24)

1 WHEREAS, Section 5(b) of the Resolution of Formation also requires quarterly
2 assessments, payments, and distribution of payments stating:

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4 The method and basis of levying and collecting the assessment shall be as set forth in
5 the Management District Plan. As provided in the Management District Plan,
6 assessments will be based on specified percentages of gross revenues from tourist
7 rooms as defined. The TID assessment payments will be submitted by hotels on a
8 quarterly basis to the City Treasurer and Tax Collector or his or her designee, or as
9 otherwise designated by the Board of Supervisors, based on the gross revenue
10 collected for tourist guest rooms each quarter during the calendar year. The hotels
11 assessed by the TID will be billed quarterly and/or will complete a quarterly
12 assessment payment form provided by the City. The assessments collected will be
13 distributed to the District four (4) times per year pursuant to a management contract
14 between the City and the non-profit corporation that will manage the District.

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16 WHEREAS, On October 1, 2013, the Board of Supervisors adopted Ordinance No.
17 206-13 (Board File No. 130784), authorizing the Treasurer and Tax Collector to collect
18 transient occupancy taxes on a monthly basis. The Treasurer and Tax Collector will be
19 implementing a new system for the monthly collection of taxes on January 1, 2014, which for
20 efficiency, would also be employed for the assessment and collection of fees; and,

21 WHEREAS, San Francisco Tourism Improvement District Management Corporation
22 (“SFTIDMC”), the Owners’ Association, for the District, in accordance with Section 36636 of
23 the California Streets and Highways Code, has requested by letter dated November 6, 2013
24 to the Board of Supervisors that the Management District Plan be amended to provide for
25 monthly assessment, payment, and distribution of fees based on gross revenue collected for

1 tourist rooms each month (the “SFTIDMC Letter”), a copy of which is on file with the Clerk of
2 the Board of Supervisors in File No. 131127, which is declared to be a part of this resolution
3 as if set forth fully; and,

4 WHEREAS, Allowing monthly assessments, payment and distribution of fees as of
5 January 1, 2014 is in the best interest of the City and District, and satisfies the request of the
6 Owners’ Association; and,

7 WHEREAS, The Planning Department has determined that the actions contemplated in
8 this Resolution comply with the California Environmental Quality Act (California Public
9 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
10 Board of Supervisors in File No. _____ and is incorporated herein by reference; now,
11 therefore, be it

12 RESOLVED, That the Board of Supervisors declares as follows:

13 Section 1. AMENDMENT TO MANAGEMENT DISTRICT PLAN. The Management
14 District Plan currently states:

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16 The TID assessment will be collected by the Treasurer and Tax Collector of the City
17 and County of San Francisco (hereinafter the “Treasurer and Tax Collector”). The
18 Treasurer and Tax Collector shall transfer the assessment payments on a quarterly
19 basis to a newly established non-profit corporation known as the San Francisco
20 Tourism Improvement District Management Corporation (hereinafter “SFTIDMC”)
21 (Management District Plan, p. 6); and,

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23 The hotels subject to the TID assessments will be billed quarterly and/or will complete
24 a quarterly assessment payment form provided by the Treasurer and Tax Collector, as
25 called for in the management contract with the TID. The assessment payment will be

1 remitted by hotels on a quarterly basis to the Treasurer and Tax Collector based on the
2 gross revenue collected for tourist guest rooms each quarter during the calendar year.
3 The assessments collected by the Treasurer and Tax Collector will be distributed to the
4 SFTIDMC on a quarterly basis.

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6 Nonpayment of the TID assessment may subject hotels to penalties, interest, and
7 possibly other remedies. (Management District Plan, page 24)

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9 Effective January 1, 2014, the preceding text of the Management Plan shall be amended to
10 state the following in accordance with the TID Letter:

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12 The TID assessment will be collected by the Office of the Treasurer and Tax Collector
13 of the City and County of San Francisco (hereinafter the “Treasurer and Tax
14 Collector”). The Treasurer and Tax Collector shall transfer the assessment payments
15 on a monthly basis to a non-profit corporation known as the San Francisco Tourism
16 Improvement District Management Corporation (hereinafter “SFTIDMC”). (Management
17 District Plan, p. 6); and,

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19 The hotels subject to the TID assessments will be billed monthly and/or will complete a
20 monthly assessment payment form provided by the Treasurer and Tax Collector, as
21 called for in the management contract with the TID. The assessment payment shall be
22 remitted by hotels on a monthly basis to the Treasurer and Tax Collector based on the
23 gross revenue collected for tourist guest rooms each month during the calendar year.

24 The assessments collected by the Treasurer and Tax Collector will be distributed to the
25 SFTIDMC on a monthly basis.

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Nonpayment of the TID assessment may subject hotels to penalties, interest, and other remedies as provided in Article 6 of the San Francisco Business and Tax Regulation Code as it may be amended from time to time. (Management District Plan, p. 24)

Notwithstanding anything else in the Plan, the intent of this Resolution is to allow the monthly assessment of fees by the Treasurer and Tax Collector, monthly payment of assessed fees by the hotels, and monthly distribution of fees by the Treasurer and Tax Collector to the District. Notwithstanding anything to the contrary in the Resolution of Formation, as of January 1, 2014, the Treasurer and Tax Collector shall act in accordance with the amendments to the Management Plan in this Section. A copy of the amended Management Plan is on file with the Clerk of the Board of Supervisors in File No. 131127, which is hereby declared to be a part of this resolution as if set forth fully herein.

Section 2. DELIVERY. The Clerk of the Board of Supervisors shall cause certified copies of this Resolution to be delivered to the Owners' Association (SFTIDMC), the Office of Economic and Workforce Development, and the Treasurer and Tax Collector.