



San Francisco Tourism Improvement District & Moscone Expansion District



Legislative Overview

Community Benefit Districts (CBDs) / Property Business Improvement Districts (PBIDs) are governed by:

- State law
 - “1994 Act”
- Local law
 - “Article 15”



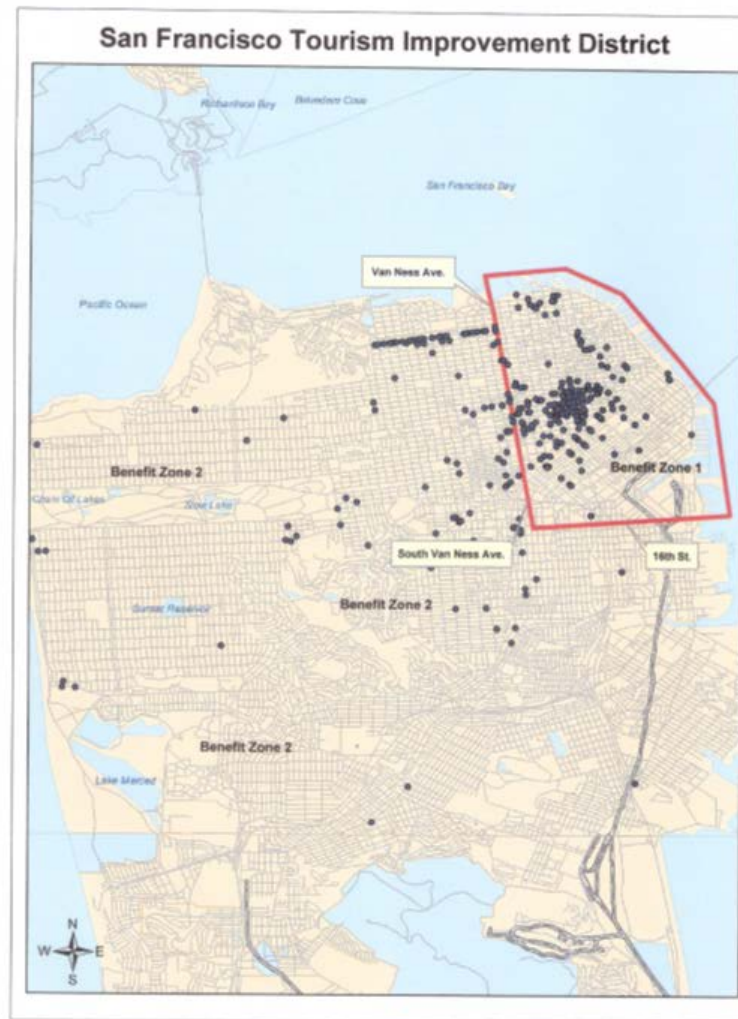
Review Process

This resolution covers the Annual Reports (TID & MED) for FY 2016-2017

- OEWD ensures that all CBDs/BIDs are meeting their management plans.
- OEWD staff conducts an annual review of Annual Reports and CPA Financial Reviews.
- OEWD provides the Board Supervisors with a summary memo.



Assessments & Zones



TID & MED Formation

District	Type	Assessment Budget*	Year Formed	Expires
TID	Business-Based	\$27,000,000	January 1, 2009	December 31, 2023
MED	Business-Based	\$19,332,000	February 5, 2013	June 20, 2045



TID & MED Benchmarks

OEWD's staff reviewed the following budget related benchmarks for TID & MED:

Benchmark 1 – The variance between the Management Plan Budget and Fiscal Year budget, by service category.

Benchmark 2 – The variance between the budget amount and actual expenses with a fiscal year.

Benchmark 3 – Whether TID & MED are indicating the amount of funds to be carried forward into the next fiscal year and designating projects to be spent in future fiscal years.



TID & MED Operations

Staff

- Executive Director – Lynn Farzaroli

TID Service Areas

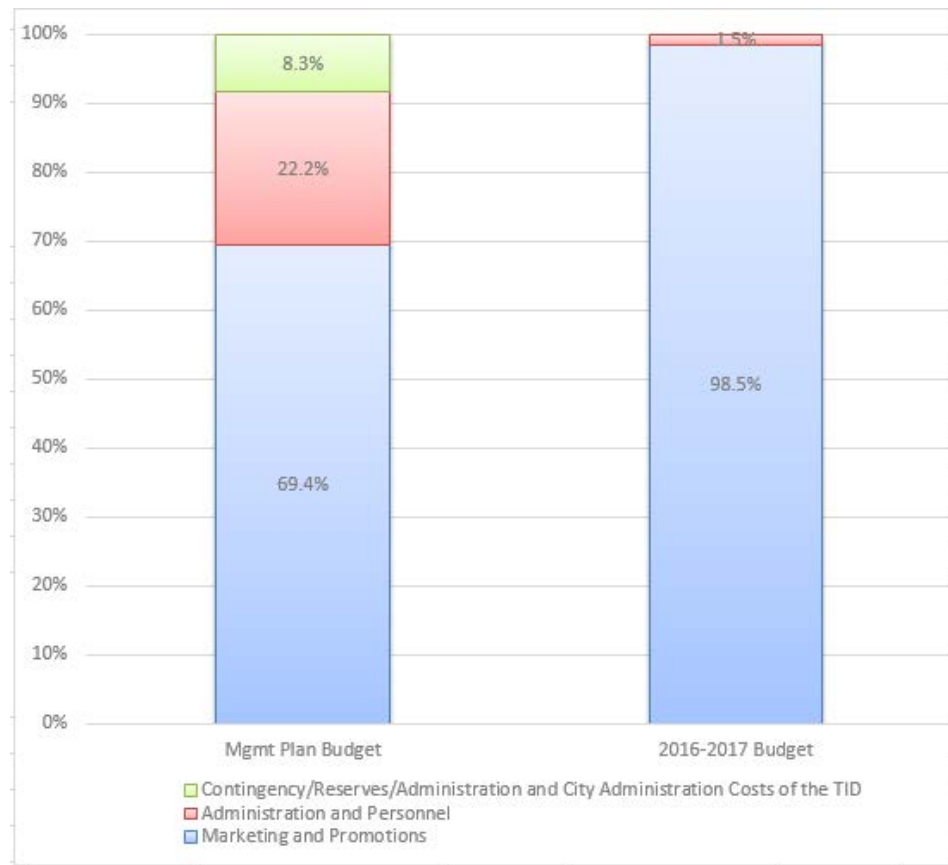
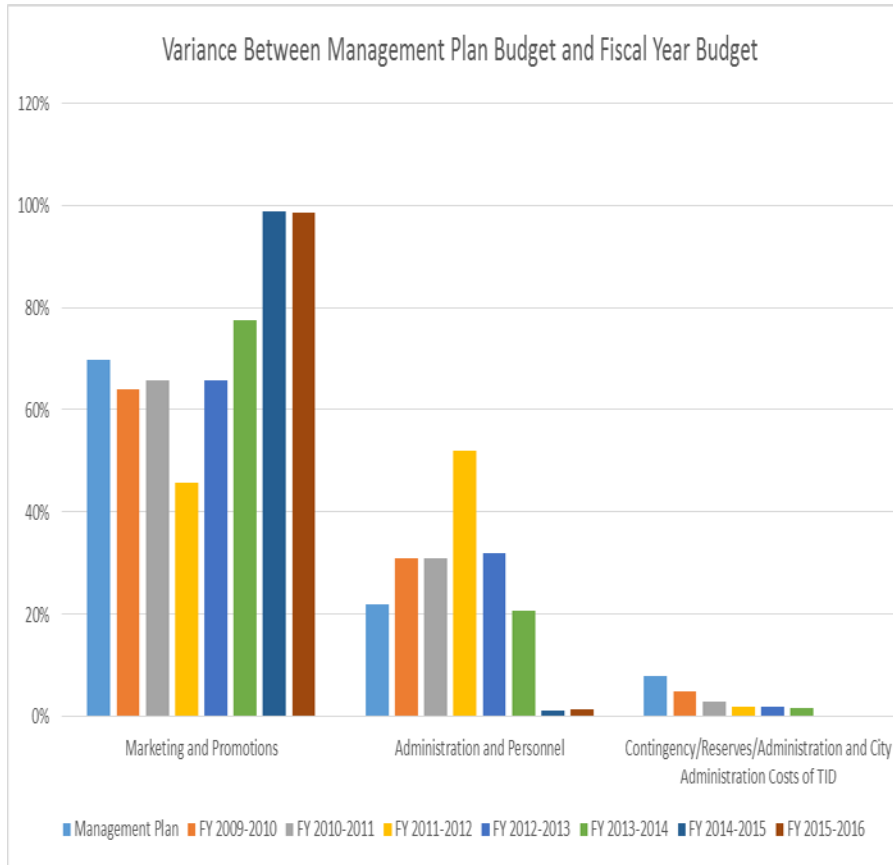
- Marketing and Promotions
- Services and Improvements to Moscone Convention Center
- Contingency, Reserve, Administration Costs

MED Service Areas

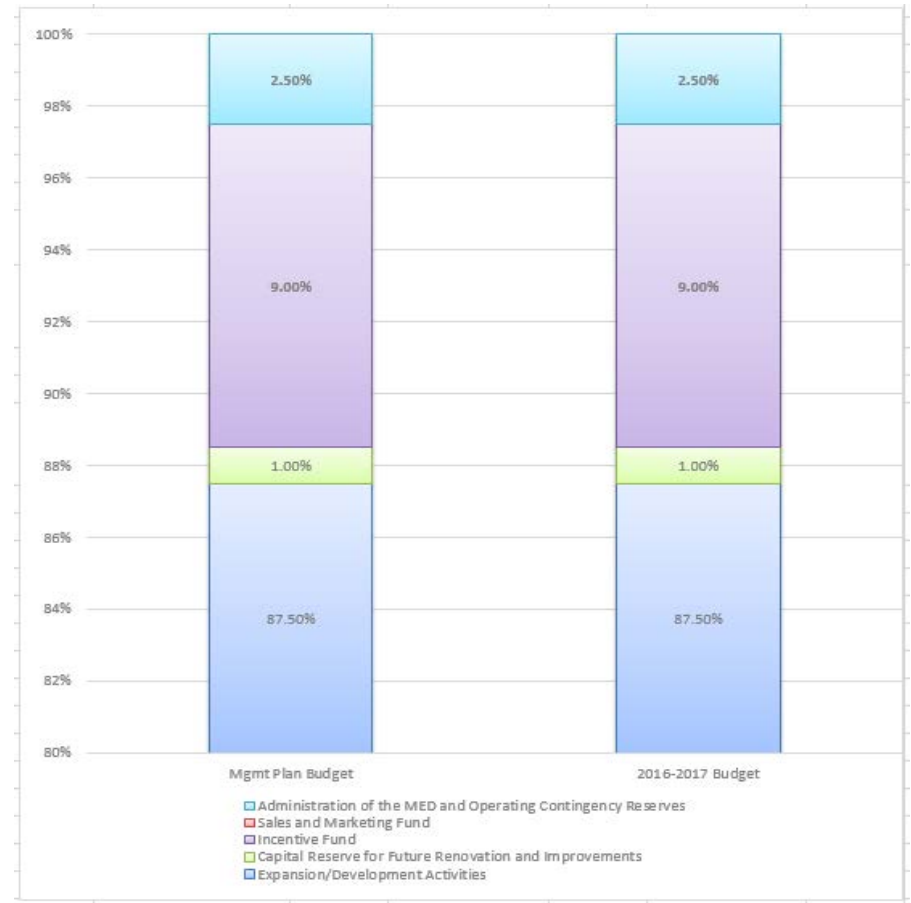
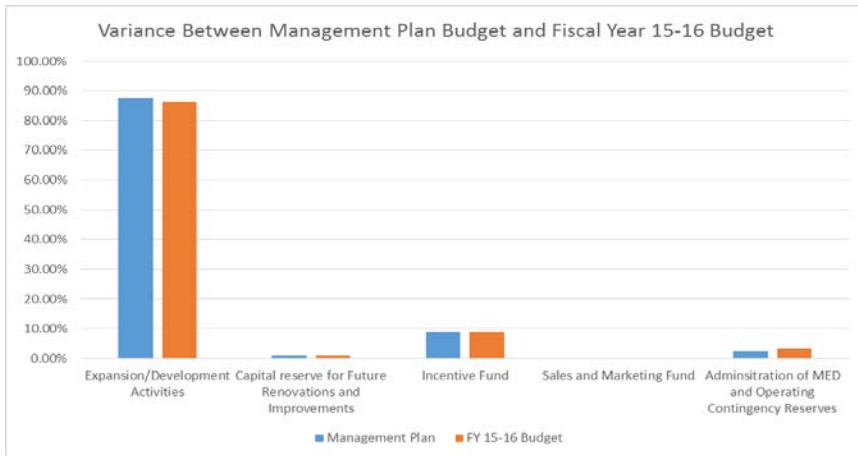
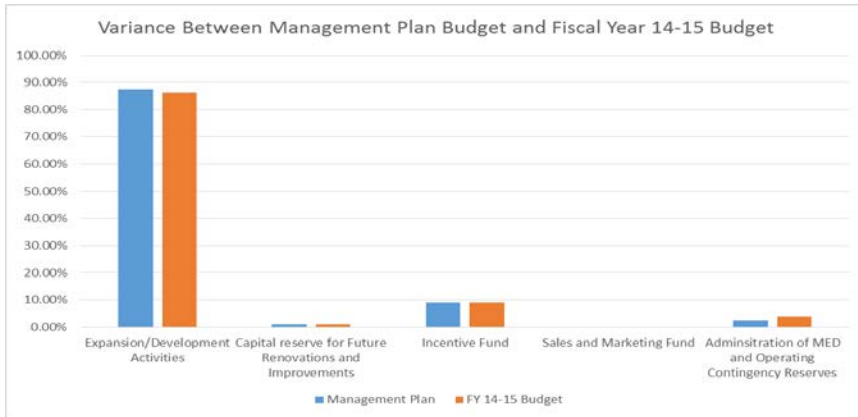
- Expansion of the Moscone Convention Center (development, construction, financing)
- Moscone Convention Center Incentive Fund
- Moscone Convention Center Sales & Marketing Fund
- Future Capital Improvements and Renovations
- Administration and Reserves



TID Management Plan vs. Annual Budgets



MED Management Plan vs. Annual Budgets



TID Budget vs. Actuals

Service Category	FY 2013-2014 Variance % Points	FY 2014-2015 Variance % Points	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points
Marketing and Promotions	+2%	-1.1%	+0.2%	-0.3%
Administration and Personnel	-3.8%	+1.1%	-0.2%	+0.3%
Contingency/Reserves/ Administration and City Administration Costs of the TID	+1.8%	0%	0%	0%



MED Budget vs Actuals

Service Category	FY 2014-2015 Variance % Points	FY 2015-2016 Variance % Points	FY 2016-2017 Variance % Points
Expansion/Development Activities	+3.0%	-7.0%	0%
Capital Reserve for Future Renovations and Improvements	+0.7%	-0.0%	0%
Incentive Fund	-1.5%	+8.5%	0%
Sales and Marketing Fund	0%	0%	0%
Administration of MED and Operating Contingency Reserves	-2.2%	-1.5%	0%



TID Carryover

	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>
SFCVB Marketing and Operations	\$9,409,633	\$11,558,987	\$7,758,049	\$6,455,529
Administration and Personnel				
Contingency/Reserves/Administration and City Administrations Costs of the TID	\$671,390	\$671,390	\$674,106	\$683,575
Moscone Convention Center	\$2,986,444	\$2,986,444		
Capital and Incentive Funds			\$2,998,526	\$3,110,962
Total Designated Amount for Future Years	\$13,067,467	\$15,216,821	\$11,430,681	\$10,250,066



MED Carryover

	<u>FY 14-15</u>	<u>FY 15-16</u>	<u>FY 16-17</u>
Development and Expansion	\$15,153,895	\$27,750,446	\$32,103,998
Capital Fund	\$138,207	\$260,337	\$476,392
Incentive Fund	\$2,658,424	\$2,190,688	\$2,300,399
Contingency/Reserve	\$564,010	\$879,121	\$1,068,207
Total Designated Amount for Future Years	\$18,514,536	\$31,080,592	\$35,948,996



Findings & Recommendations for TID & MED

In completing the review of the TID's annual reports and financials, OEWD sets forth the following recommendations:

- The TID & MED was successful in implementing their Management Plan.
- The TID & MED met all benchmark requirements.
- District website continues to be a problem for the organization
 - OEWD has alerted TID/MED ED to these issues
 - TID taking steps to fix broken links but website is still significantly out of date
 - OEWD will review TID/MED websites periodically to ensure functionality
- **Brown Act**
 - During the course of website review, OEWD discovered that the last posted meeting agenda is dated October 30, 2017
 - TID has been made aware that failure to post an agenda to their website prior to a board meeting is a violation of the Brown Act
 - OEWD has recommended TID posts all previous agendas and meeting notes to their website and that they post agendas in advance of meetings in accordance with the Brown Act
 - Furthermore, OEWD recommends the TID & MED provide a timeline of when this work will be completed to OEWD



CITY & COUNTY OF SAN FRANCISCO GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

SEPTEMBER 5, 2018



CITY & COUNTY OF SAN FRANCISCO GOVERNMENT & AUDIT COMMITTEE

SEPTEMBER 5, 2018



TOURISM IMPROVING DISTRICT 2016-17

TOURISM IMPROVEMENT DISTRICT

Sales and Marketing efforts

- Sales missions to Washington, DC and Chicago reaching over with over 220 meeting planners
- Attended over 50 trade shows
- 400,000 visitors per year through the Visitor Information Center
- \$1.3 billion in direct spending from visitors
- Partnered with SFO on new air service
- Hosted over 900 travel professionals
- 5.8 billion media impressions which equates to more than \$375 million in value



SFTIDMC ANNUAL REPORT

TOURISM IMPROVEMENT DISTRICT

SanFrancisco.travel

- 6.3+ million visitors , \$216+ million in economic impact

Social Media

- Facebook 62+ million impressions
- Twitter 216,000+ followers
- Instagram 233,000+ followers

Over 1.58 Million Convention Room Nights Booked



MOSCONE EXPANSION DISTRICT 2016-2017

SFTIDMC ANNUAL REPORT

MOSCONE EXPANSION DISTRICT

- \$551 million dollar fully funded expansion and renovation
- Public/Private partnership
- Construction timeline | Fall 2014 - end of 2018
- Four phases of construction to allow the building to remain operational
- Continued communications with Convention clients that are booked through the construction years



SFTIDMC ANNUAL REPORT

MOSCONE EXPANSION DISTRICT

- Completion of Phase 1
- Start of Phase 3 construction in April 2017
- Howard Street Excavation
- Ongoing community outreach
- Ongoing client mitigation work arounds



SFTIDMC ANNUAL REPORT

MOSCONE EXPANSION DISTRICT

Moscone Expansion Incentive Fund | \$2+ million

- used to attract new clients
- retain current clients during expansion



by John Louie