



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”



TOURISM IMPROVING DISTRICT 2009-2016

SFTIDMC ANNUAL REPORT

TOURISM IMPROVEMENT DISTRICT 2009/10

Marketing efforts

- Added a citywide sales manager in Washington D.C.
- Booked 1,751,210 room nights for future citywide and self-contained meetings; 102% of optimal year target
- Established a comprehensive visitor research program
- Launched a marketing program to attract LGBTQ travel to San Francisco

Improvements to Moscone Convention Center

- Upgraded lobbies, meeting rooms, pre-function space, restrooms and kitchen. Upgraded elevators and escalators.
- Added digital displays and telecom/data cabling upgrades
- Met new ADA requirements



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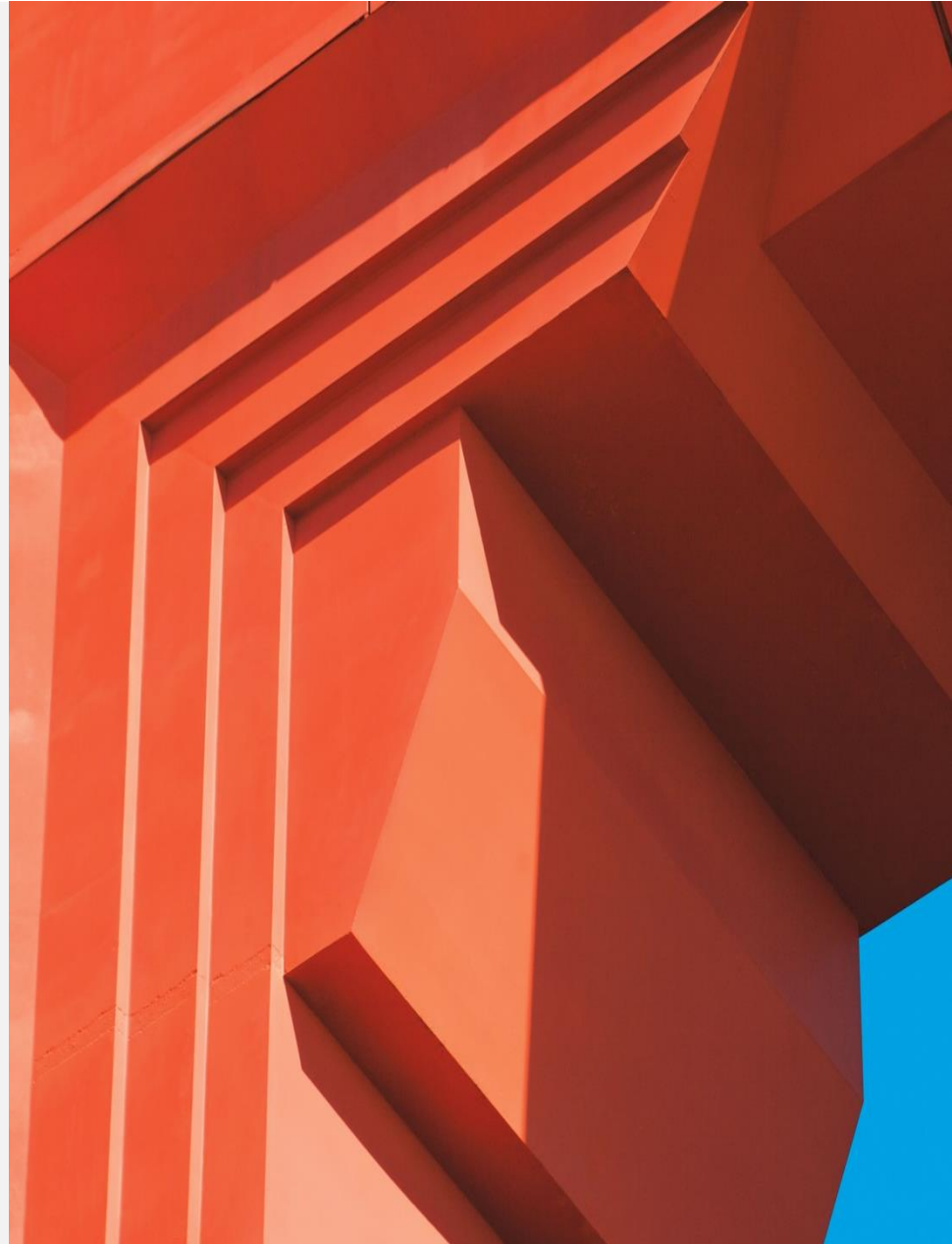
TOURISM IMPROVEMENT DISTRICT 2010/11

Marketing efforts

- Hosted International Pow Wow 2011
- Maintained and/or enhanced all principal existing sales programs at SFCVB
- Launched a new marketing campaign called, “49 hours of San Francisco – Arts 7 Culture” to drive overnight visitation to San Francisco
- Began renovation of Visitor Center at Hallidie Plaza

Services and Improvements to Moscone Convention Center

- Pursued LEED Gold Certification
- Variable-speed control and other HVAC upgrades



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TOURISM IMPROVEMENT DISTRICT 2011/12

Marketing efforts

- Hosted 1,000 travel industry professionals to San Francisco for familiarization tours
- Generated 759 new tourism leads and 91 new programs
- Hosted trade shows and promotional events in the U.S., Canada, Asia, Europe, and Australia
- Conventions generated 1,150 meetings with \$1.1 billion in direct spending
- Continued 49 Hours and Dine about Town campaigns

Improvements to Moscone Convention Center

- Installed the most robust convention WiFi system in the country

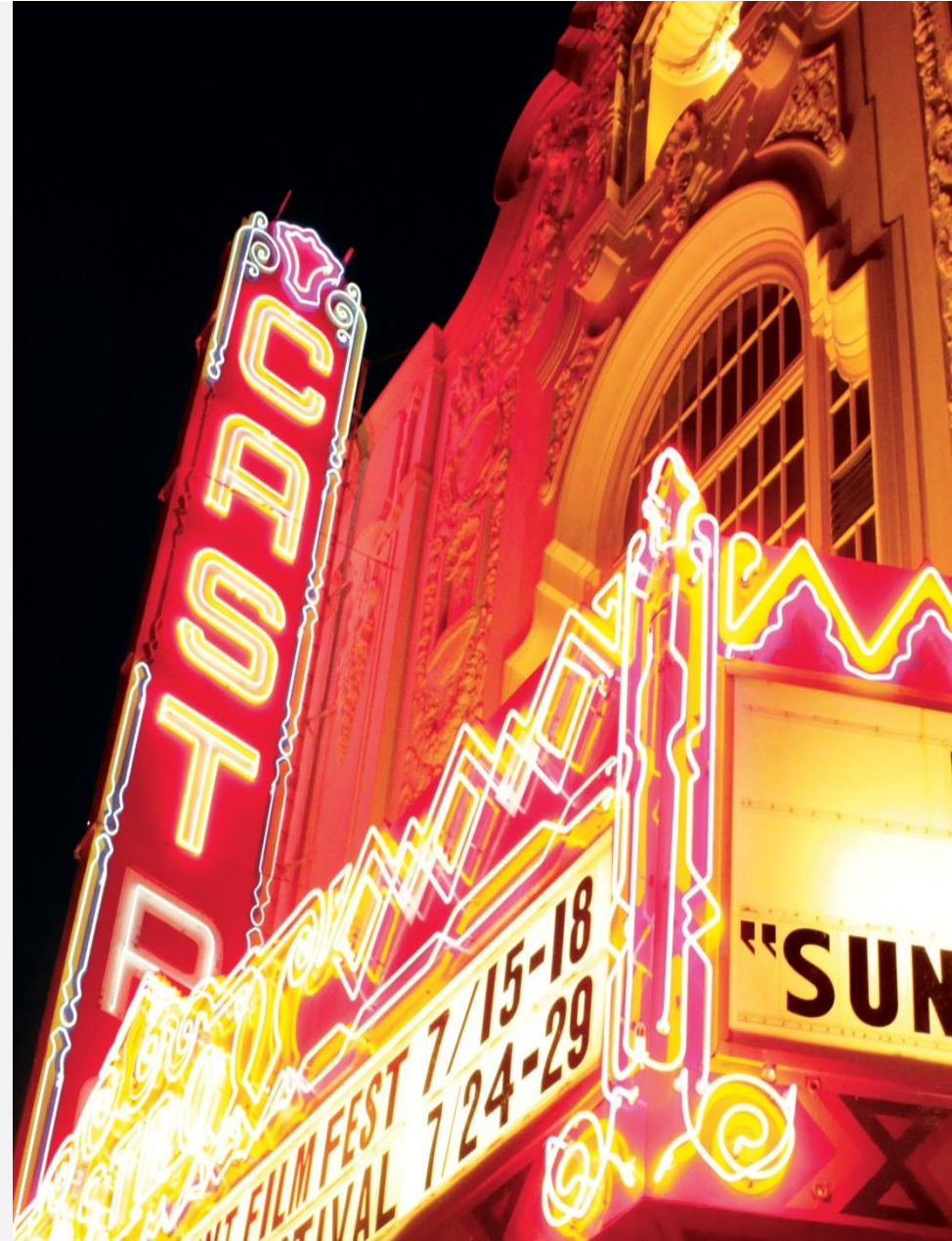


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TOURISM IMPROVEMENT DISTRICT 2012/13

Marketing efforts

- 1,285 meetings held in San Francisco
- More than 2 million room nights booked
- 425,000 visitors at the Visitor Information Center
- More than 4 million international visitors to San Francisco
- Over 6 billion media domestic and international media impressions, which equates to more than \$31 million in value



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TOURISM IMPROVEMENT DISTRICT 2012/13 CONTINUED

Improvements to Moscone Convention Center

- Initiated stages for Moscone Convention Center Expansion
- Retained architecture and engineering firm to begin conceptual design for expansion
- Completed concept design for Moscone Expansion
- Formed Moscone Expansion District BID



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TOURISM IMPROVEMENT DISTRICT 2013/14

Marketing efforts

- \$1.3 billion in direct spending from visitors
- More than 1.9 million room nights booked
- Partnered with SFO on new air service
- Hosted over 1,000 travel professionals
- 4.5 billion media impressions which equates to more than \$300 million in value

Services and Improvements to Moscone Convention Center

- Oversaw community outreach plan for Moscone Expansion Project
- Published Moscone Expansion Project's Draft Environmental Report



TOURISM IMPROVEMENT DISTRICT 2014/15

Marketing efforts

- Sales mission to Washington, DC and Chicago reaching over with over 110 meeting planners

SanFrancisco.travel

- 5+ million visitors , \$300+ million in economic impact

Social Media

- Facebook 62+ million impressions
- Twitter 169,000+ followers
- Instagram 100,000+ followers



TOURISM IMPROVEMENT DISTRICT 2015/16

Marketing efforts

- **Never the Same. Always San Francisco.**
 - 69.7 million impressions
 - \$41.6 million in economic impact

SanFrancisco.travel

- 6.3+million visitors

Sales

- 1,579,988 room nights booked
- 1,347 meetings held in San Francisco
- \$1.17 billion in direct spending

Visitor Information Center

- 292,000+ visitors
- 18 languages spoken



MOSCONE EXPANSION DISTRICT 2014-2015 & 2015-2016

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MOSCONE EXPANSION DISTRICT 2014/15

Expansion Project

- Architectural Design: Skidmore Owing & Merrill
- Construction Manager/General Contractor: Webcor Builders
- SFPW: Project Mangers
- The project will result in 509,000 contiguous square feet for client use (largest currently 260,000)



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MOSCONE EXPANSION DISTRICT 2014/15

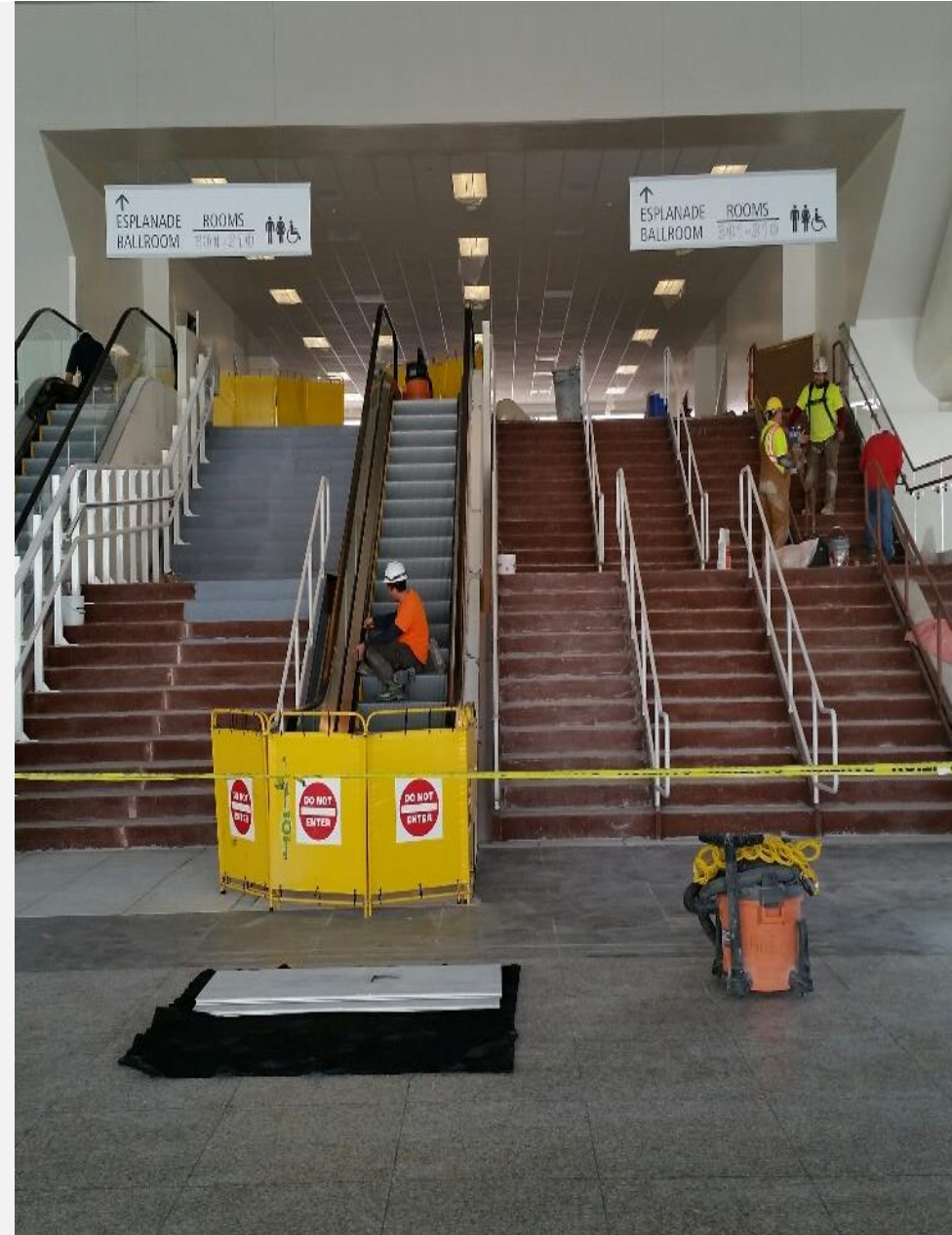
Expansion Project Background

- Replaces 25,000 square feet of existing truck parking and ramps with new pedestrian enhancements
- Adds over 12,000 square feet of new public open space
- Provides a new tot lot connected to the children's play area
- Improves 3rd street pedestrian experience by widening the sidewalks
- Introduces retail and outdoor dining
- Improves pedestrian access to existing gardens from Howard St. and introduces more activity at pedestrian level



MOSCONE EXPANSION DISTRICT 2014/15

- Construction began on the Moscone Expansion Project in the Fall of 2014.
 - Temporary connector
 - Truck ramp reconfiguration
 - Utility relocation
 - Building services relocation – AC/AV/Data/Telecom
- Timeline | Fall 2014- end of 2018.
- \$500+ million dollar expansion and renovation
- Four phases of construction to allow the building to remain operational
- Continued communications with Convention clients that are booked through the construction years.



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MOSCONE EXPANSION DISTRICT 2014/15

Capital Reserve project to install new air wall panels with door locks at Moscone West was completed.

Moscone Expansion Incentive Fund | \$1.26 million

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



by John Louie

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MOSCONE EXPANSION DISTRICT 2015/16

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 Expansion Incentive Fund | \$2+ million

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



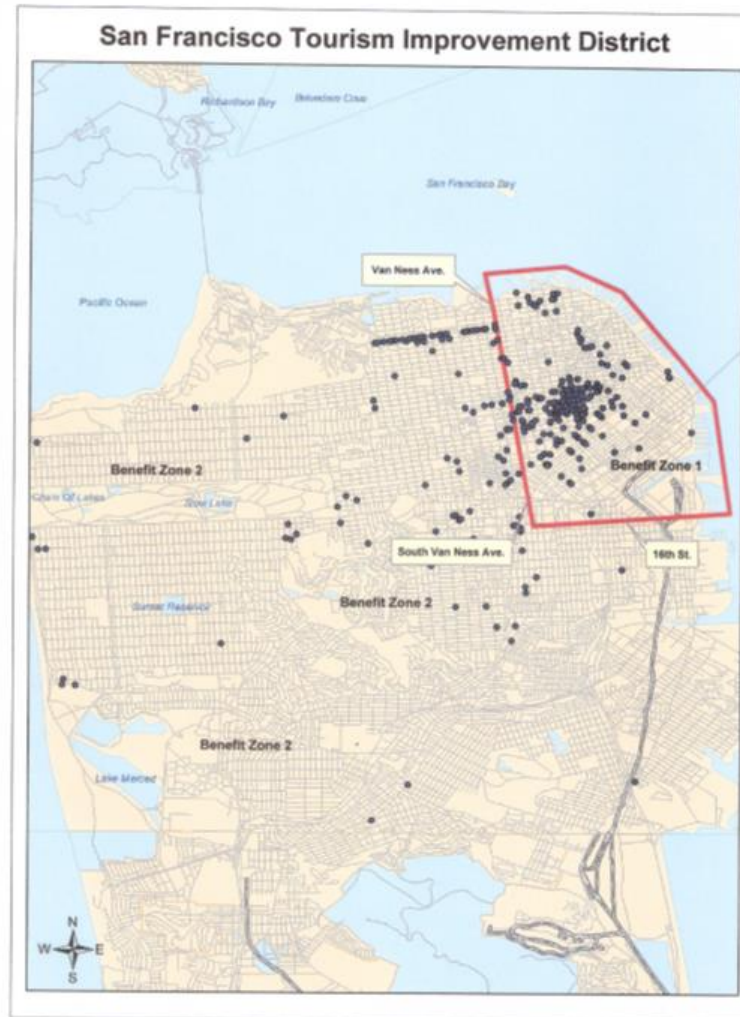
Resolutions TID & MED Annual Reports

TID: FYs 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, and 2015-2016

MED: FYs 2014-2015 and 2015-2016



Assessments & Zones



TID & MED Formation

District	Type	Year 1 Assessment Budget*	Year Formed	Expires
TID	Business-Based	\$27,000,000	1/1/2009	12/31/2023
MED	Business-Based	\$19,332,000	2/5/2013	6/20/2045



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 is 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

TID Service Areas

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

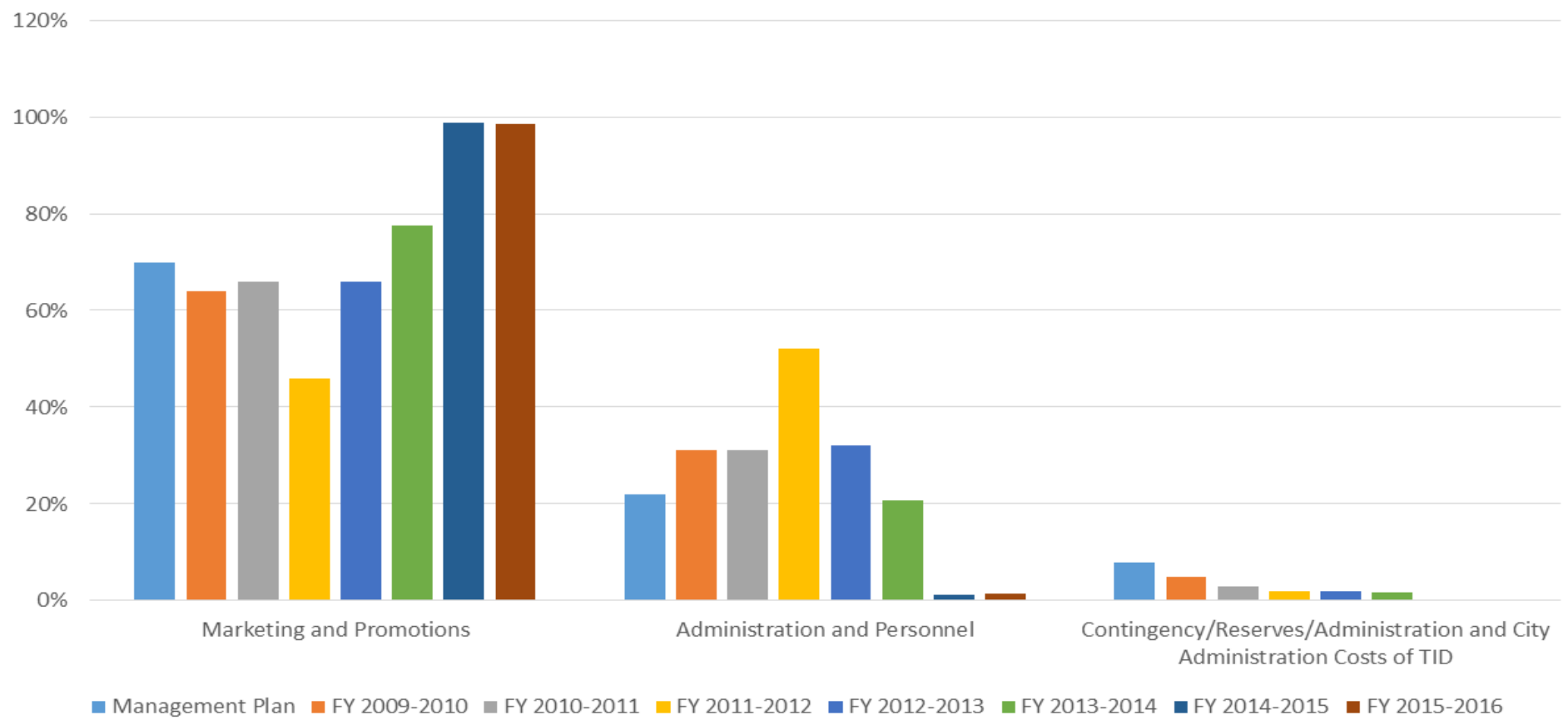
MED Service Areas

- 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

Variance Between Management Plan Budget and Fiscal Year Budget



TID Budget Vs. Actuals

BENCHMARK 2: The variance between the budget amount and actual expenses within a fiscal year.

ANALYSIS: TID met this requirement

Service Category	Variance Budget Vs. Actual						
	09-10	10-11	11-12	12-13	13-14	14-15	15-16
Marketing and Promotions	+19.8%	+1.1%	+4.2%	+1.9%	+2%	-1.1%	+2%
Administration and Personnel	-18.3%	-.7%	-3.6%	-2.3%	-3.8%	+1.1%	-.2%
Contingency/Reserves/Administration and City Administration Costs of the TID	-1.5%	-.4%	-.6%	+4%	+1.8%	0%	0%



TID Carryover

	<u>FY 09-10</u>	<u>FY 10-11</u>	<u>FY 11-12</u>	<u>FY 12-13</u>	<u>FY 13-14</u>	<u>FY 14-15</u>	<u>FY 15-16</u>
SFCVB Marketing and Operations	\$12,175,000		\$6,800,000	\$7,624,545	\$9,409,633	\$11,558,987	\$7,758,049
Administration and Personnel	\$600,000	\$6,343,295					
Contingency/Reserves/Administration and City Administrations Costs of the TID		\$671,390	\$671,390	\$671,390	\$671,390	\$671,390	\$674,106
Moscone Convention Center	\$5,995,000	\$7,559,000	\$291,092	\$1,211,603	\$2,986,444	\$2,986,444	
Capital and Incentive Funds							\$2,998,526
Total Designated Amount for Future Years	\$12,865,355.00	\$14,573,685.00	\$7,762,994.00	\$9,507,538.00	\$13,067,467.00	\$15,216,821.00	\$11,430,681.00



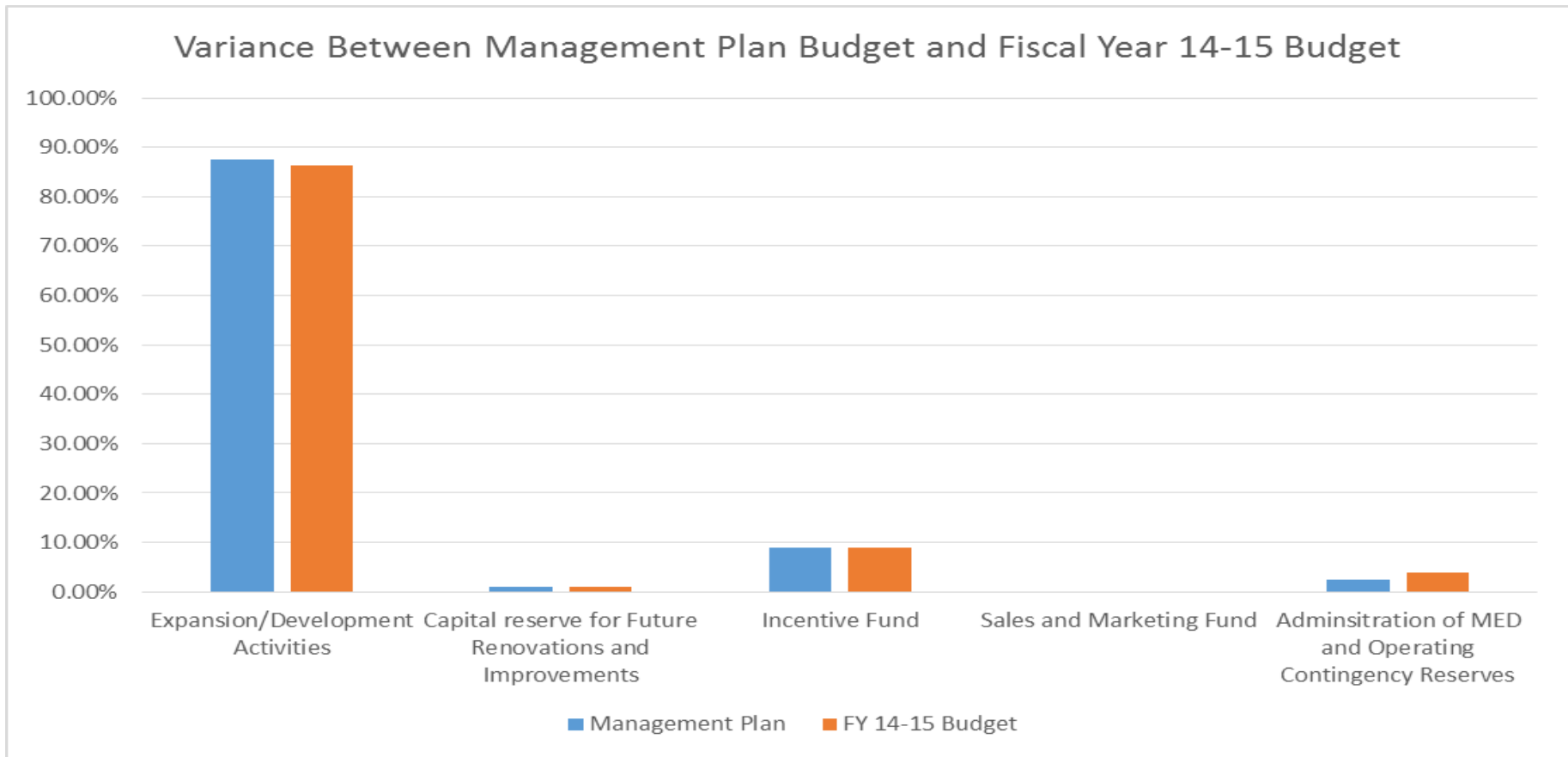
Findings & Recommendations for TID

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

- The TID was successful in implementing its Management Plan.
- The TID met all benchmark requirements.
- District website has some broken links.
- Brown Act

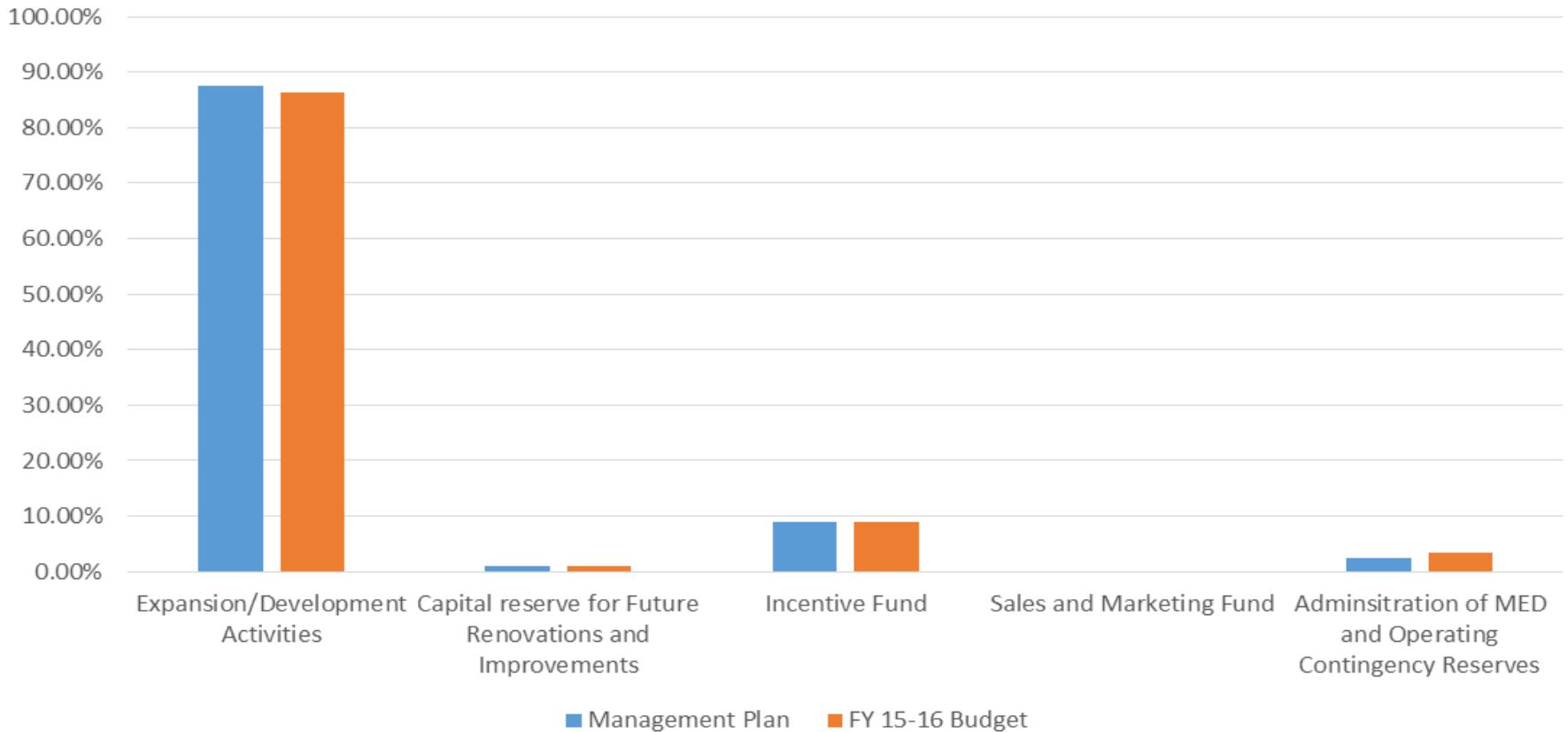


MED Management Plan vs. Annual Budgets



MED Management Plan vs. Annual Budgets

Variance Between Management Plan Budget and Fiscal Year 15-16 Budget



MED Budget vs Actuals

BENCHMARK 2: The variance between the budget amount and actual expenses within a fiscal year.

ANALYSIS: MED met this requirement

Service Category	Variance Budget Vs. Actual	
	14-15	15-16
Expansion/Development Activities	+3.0%	-7.0%
Capital reserve for Future Renovations and Improvements	+0.7%	0.0%
Incentive Fund	-1.5%	+8.5%
Sales and Marketing Fund	0%	0%
Administration of MED and Operating Contingency Reserves	-2.2%	-1.5%



Carryover

	FY 14-15	FY 15-16
Development and Expansion	\$15,153,895	\$27,750,446
Capital Fund	\$138,207	\$260,337
Incentive Fund	\$2,658,424	\$2,190,688
Contingency/Reserve	\$564,010	\$879,121
Total Designated Amount for Future Years	\$18,514,536.00	\$31,080,592.00



Findings & Recommendations for MED

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

- The MED was successful in implementing its Management Plan.
- The MED met all benchmark requirements.
- District website has some broken links.
- Brown Act



CITY & COUNTY OF SAN FRANCISCO GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

SEPTEMBER 6, 2017

