

SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT  
MANAGEMENT DISTRICT PLAN  
SAN FRANCISCO, CALIFORNIA

*Formed Under California Streets and Highways Code Sections 36600 et seq.  
"Property and Business Improvement District Law of 1994," Augmented by Article  
15 of the San Francisco Business and Tax Regulations Code*

SUBMITTED TO:

THE SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT  
STEERING COMMITTEE

THE HOTEL BUSINESS OWNERS AND OPERATORS OF THE  
PROPOSED SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT AND

THE SAN FRANCISCO BOARD OF SUPERVISORS

*PRESENTED BY:*

NEW CITY AMERICA INC.

AMENDED AS OF JANUARY 1, 2014

*As amended in conformance with the Board of Supervisors Resolution to Establish  
The Tourism Improvement District  
Adopted by the Board of Supervisors on December 16, 2008*

**SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT  
MANAGEMENT DISTRICT PLAN  
DECEMBER 9, 2008  
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## A. EXECUTIVE SUMMARY

### OVERVIEW

Travel and tourism is San Francisco's largest industry, generating over \$8 billion in annual economic impact.<sup>1</sup> However, the San Francisco Convention & Visitors Bureau (hereinafter "SFCVB"), which operates the convention and hotel sales and marketing efforts for San Francisco, does not have adequate, reliable resources to grow or even maintain current market share of the convention, business and leisure business.<sup>2</sup> The hotel industry is a significant employment sector in the City and it relies on a robust travel and tourism industry for its survival. San Francisco competes for tourist and convention business with cities throughout the world. Some of those destinations such as San Diego and Los Angeles are taking away a significant market share of the tourism business from San Francisco due to their improved marketing/promotion activities and convention facility budgets. As a result local hotels need more resources. Expanding the SFCVB marketing and sales programs and improving the Moscone Convention Center, will immediately and directly help the local hotel industry better compete for business.

The Board of Directors of the SFCVB, comprised of representatives of all segments of the San Francisco tourism community, including hotels, attractions, and transportation providers, created the Sustainable Funding Task Force (hereinafter the "Task Force"). The Task Force explored various ways to increase marketing and programs for attracting convention, business and leisure visitors to the City. In January 2008, after six months of review, the Task Force chose a strategy employed by other cities in California, most recently the city of San Diego, whereby a business-based hotel assessment district is established to fund a specific set of services and improvements that directly benefits their industry sector.

In March 2008, the Task Force established a Tourism Improvement District Steering Committee, which hired New City America Inc., a company that has formed 8 property and/or business assessment districts in the City, to serve as its primary consultant in the development of a citywide Tourism Improvement District (hereinafter "TID").<sup>3</sup>

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1 See Appendix 1 for 2007 Estimate of Visitor Volume and Spending Report by SFCVB and Destination Analysts.

2 See Appendix 2 for comparative destination marketing organization budgets.

3 Since October 2007, the Sustainable Funding Task Force and/or the Tourism Improvement District Steering Committee, have met thirteen times. The dates of those meetings were: October 1, 2007, November 13, 2007, January 22, 2008, March 12, 2008, April 8, 2008, May 19, 2008, June 11, 2008, July 1, 2008, August 27, 2008, September 17, 2008, October 6, 2008, November 11, 2008 and December 2, 2008.

The proposed TID is a key strategy designed to strengthen the local tourism hotel industry by 1) increasing funding available for SFCVB-created marketing programs that specifically target tourist hotels; and 2) by renovating and expanding the City's Moscone Center convention facilities.<sup>4</sup>

If adopted, the TID will be implemented in coordination with other revenue generating strategies recommended by the Task Force. The TID proposes to assess each tourist hotel in San Francisco a percentage of gross revenue from tourist rooms. The TID will be divided into two geographic areas to coincide with the expected benefits to be derived from establishment of the TID. Zone 1 includes tourist hotels that are anticipated to benefit more directly from the SFCVB marketing programs and convention facility upgrades proposed in this plan. Zone 2 includes tourist hotels that are generally located farther from the convention center facilities and related tourist attractions, and with somewhat different access to the City's transportation infrastructure, and as a result derive benefits somewhat less directly than tourist hotels located in Zone 1. The formulas used to calculate assessments in each zone are set forth below. The proposed TID would go into effect on January 1, 2009 with services beginning on July 1, 2009 and has a term of 15 years.

#### BENEFITS OF ADDITIONAL RESOURCES

The TID assessment revenues will approximately double funding currently available for SFCVB marketing and sales programs focused on tourist hotels, and will replace City general fund contributions to the SFCVB. In addition, the TID funds will approximately triple the current funds available to the Moscone Convention Center five-year capital improvement plan.

The Task Force is continuing to develop programs whereby additional tourist-serving businesses can contribute to targeted SFCVB activities and improvements. The focus here will be on enhanced tourist marketing programming for other specific types of businesses within the tourism and hospitality sectors such as: retail centers, rental cars, San Francisco International Airport (SFO), land and sea tour operators and other hospitality and non-hotel sector businesses.

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<sup>4</sup> See Appendix 3 for TID Marketing Budget and Moscone Convention Center Capital Improvement Plan.

## TID START DATE, ASSESSMENT FORMULA, COLLECTION PROCESS & PROJECTED REVENUE

If the TID is established, tourist hotels in San Francisco will be assessed as follows beginning on January 1, 2009:

- During years 1-5 of the TID, tourist hotels in Zone 1 will be assessed 1.5% of gross revenues from tourist rooms, and tourist hotels in Zone 2 will be assessed 1% of gross revenues from tourist rooms;
- During years 6-15 of the TID the assessment rate will decrease and, tourist hotels in Zone 1 will be assessed 1% of gross revenues from tourist rooms, and tourist hotels in Zone 2, will be assessed 0.75% of gross revenue from tourist rooms.

The TID assessment will be collected by the Office of the Treasurer and Tax Collector of the City and County of San Francisco (hereinafter the "Treasurer and Tax Collector"). The Treasurer and Tax Collector shall transfer the assessment payments on a monthly basis to a non-profit corporation known as the San Francisco Tourism Improvement District Management Corporation (hereinafter "SFTIDMC"). The SFTIDMC will manage and administer the TID pursuant to a management contract with the City as approved by the Board of Supervisors. The management contract may also include provisions identifying and defining procedures for collection and enforcement of the assessment, including, for example, hotel and recordkeeping requirements, audits, assessment of penalties and interest, claims, and refunds. No bonds will be issued to fund the TID.

TID assessments are projected to generate approximately **\$27,000,000** in year one and be allocated as follows:

Two-thirds or approximately **\$18,000,000** (representing the assessment for Zone 1 tourist hotels that constitutes 1% of gross revenues from tourist rooms, and the assessment for Zone 2 tourist hotels that constitutes 0.75% of gross revenues from tourist rooms) will be allocated to hotel-specific SFCVB marketing and sales programs as well as the associated operational costs of the SFCVB and the SFTIDMC.

One-third or approximately **\$9,000,000** (representing the assessment for Zone 1 tourist hotels that constitutes 0.5% of gross revenues from tourist rooms, and the assessment for Zone 2 tourist hotels that constitutes 0.25% of gross revenues from tourist rooms) for the first five years of the District would be allocated to the renovation and upgrade of the Moscone Convention Center, as well as to planning, engineering, design and

entitlements for the possible expansion of the Moscone Convention Center. It is expected that a substantial portion of the \$9,000,000 will be applied to the renovation and upgrade of the Moscone Convention Center.

A proportional allocation would also be applied to the associated TID operational costs.

The City shall not collect assessments from any hotel or distribute assessments to the SFTIDMC unless and until the City authorizes the execution and delivery of approximately \$35 million of its certificates of participation, the proceeds of which would be used to pay for certain capital improvements at the Moscone Convention Center that will not be funded by the TID assessment funds.

**MANAGEMENT AND EXPENDITURE OF TID ASSESSMENT FUNDS**

The SFTIDMC will administer and allocate all TID revenues. The SFTIDMC will be governed by a Board of Directors ("SFTIDMC Board"), with the majority of seats allocated to the hotel industry and the balance of seats allocated to other visitor-related organizations in San Francisco.

The SFTIDMC Board will have full authority to manage the expenditure of all assessment funds collected through the TID for the purposes described in this Management Plan. The SFCVB will present an annual budget to the SFTIDMC outlining its hotel-specific marketing operations programs as well as Moscone upgrade programs that need funding from the TID assessments.

**SUMMARY OF TID ELEMENTS**

Businesses to be Assessed:	All tourist hotels operating in the City and County of San Francisco that generate revenue from tourist rooms shall be included in the District throughout the term of the TID. Tourist hotels will be divided into two zones, as explained below. This will be a business-based district only.
Categories of Services and Improvements:	<ol style="list-style-type: none"> <li>1. Hotel-specific marketing and promotions programs of the SFCVB, including associated operational costs for staff, administrative support and services, administration of SFCVB satellite offices, and adequate reserve funds for the SFCVB.</li> <li>2. Moscone Convention Center (North, South and West facilities) capital improvements/renovations/upgrades; and planning, design, engineering, and entitlement activities and services associated with the Moscone</li> </ol>

	<p>Convention Center expansion improvements.</p> <p>3. Contingency/Reserve/Operation and Administration of the TID</p>
Zones and Rates of Assessment, Assessment Formula:	<p>The City's tourist hotels will be divided into two zones, based largely on geographic proximity to the Moscone Convention Center and access to the regional and City transportation infrastructure. Tourist hotels in Zone 1 will be 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 will be 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.</p>
Location and Rationale for Zones:	<p>Zones have been created as part of the TID to reflect the proportion of special benefits that hotels in each zone will receive from expenditure of funds by the TID. Factors taken into account in creating the Zones include:</p> <ol style="list-style-type: none"> <li>a. Proximity to Moscone Center and the convention activity that fills rooms due to Moscone Center;</li> <li>b. Concentration of tourist hotel rooms in proximity to Moscone Center creates a critical mass of tourist hotel rooms providing the visitor with additional amenities when visiting the City;</li> <li>c. Access and proximity to the existing transportation infrastructure, (BART and MUNI), which allows for easy access to the Convention Center, and</li> <li>d. The anticipated increase in room occupancies and room rates resulting from the proximity to the Convention Center and convention related activities.<sup>5</sup></li> </ol> <p>The following hotels in the City and County of San Francisco will be included in Zone 1 of the TID:</p> <ul style="list-style-type: none"> <li>• 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</li> </ul>

<sup>5</sup> See Appendix 4 for PFK Report on Historical Performance of the SF Lodging Market as compared to Convention Activity.



	<p>it continued north to the Bay, and north of 16<sup>th</sup> Street as if it continued east to the Bay.</p> <p>The following tourist hotels in the City and County of San Francisco will be included in Zone 2:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>
<p>Annual Budget and Duration:</p>	<p>The TID will have a duration of 15 years. The annual budget for year one is projected to be approximately \$27,000,000 during the first year. Of that amount, approximately \$18,000,000 will be allocated for programs and operations of the SFCVB and the costs of administration of the TID, and approximately \$9,000,000 will be allocated toward the renovation and upgrade of the City-owned Moscone Convention Center, as well as fund the planning, engineering and design for the possible expansion of the Moscone Center.</p> <p>The maximum total assessment for the first five years of the TID is \$182,043,000. While the assessment formula will remain constant, actual assessments collected are expected to fluctuate annually, depending on market conditions. Although actual dollar amounts collected may vary, the proportionate allocations to the SFCVB component and to the Moscone Convention Center component are expected to remain approximately the same for all five years (two-thirds to SFCVB, one-third to Moscone Convention Center).</p> <p>During years 6-15 of the TID, it will generate a maximum total assessment of \$735,085,395 for hotel-specific marketing programs and associated operational costs of the SFCVB, and the operational and administrative costs of the TID.</p> <p>No bonds will be issued to fund this TID.</p>
<p>Annual Changes:</p>	<p>The assessment formula shall remain unchanged for the duration of the TID. The annual total gross revenue from tourist rooms is expected to fluctuate annually based on market conditions. The maximum TID assessment collected will not exceed the annual maximum assessment schedule as stated in this plan.</p>

<p>Definition of “gross revenues from hotel rooms” and types of hotel room visitors to be assessed</p>	<p>For purposes of calculating the TID assessment, “gross revenue from tourist rooms” means: the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom whatsoever. Gross revenue from tourist rooms will include only the following charges, regardless of how such charges are characterized:</p> <ul style="list-style-type: none"> <li>• Charges for a guest room (including non-refundable deposits) regardless of whether the guest uses the room</li> <li>• Charges for additional guests to occupy the room</li> <li>• Charges for guaranteeing the availability of a room (sometimes referred to as guaranteed “no-show” charges) regardless of whether the guest uses the room (excluding event attrition fees and event cancellation fees paid by event organizers)</li> </ul> <p>For purposes of this plan, “tourist room” and “guest room” are used interchangeably.</p> <p>Gross revenue from tourist rooms <i>does not</i> include</p> <p>(a) charges for guest rooms occupied by permanent residents, defined as: “Any occupant as of a given date who has or shall have occupied, or has or shall have the right of occupancy, of any guest room in a hotel for at least 30 consecutive days next preceding such date;”</p> <p>(b) revenue from the lodging of airline crews, <i>i.e.</i>, lodging provided to airline cockpit and/or cabin crews pursuant to an agreement between a hotel and an airline, which is in furtherance of or to facilitate such crews’ performance of their jobs for the airline, including layovers between flights; or</p> <p>(c) the City’s Transient Occupancy Tax collected on the room rent and remitted to the City and County of San Francisco.</p> <p>d) charges for guest rooms located in non-profit, purely private social clubs that make guest rooms available only for the use of their members. The term “purely private social clubs” means non-profit, private membership clubs, whose primary purpose is social, which are owned by a limited membership, and which do not advertise or promote the use of their facilities by the public. Further, entities that allow guest rooms to be occupied by non-members, including via reciprocal arrangements with other clubs or organizations or</p>
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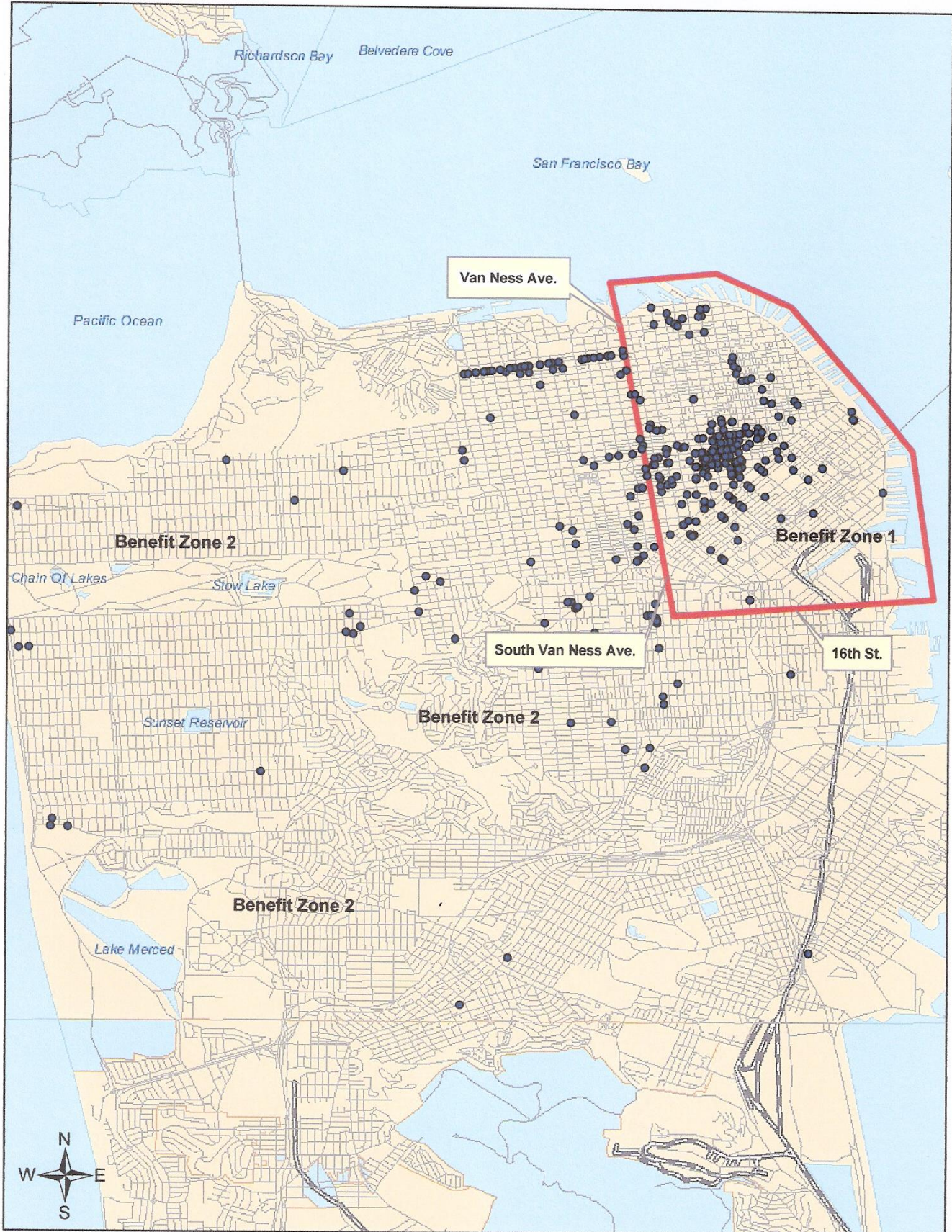
	upon referral of a member, shall not constitute “purely private social clubs” as defined herein.
Formation:	District formation requires submission of petitions from hotel business owners/operators representing at least 50% of the total proposed assessments, followed by approval of a resolution of intention to form the TID by the Board of Supervisors (BOS) of the City and County of San Francisco, a public meeting and a public hearing, a special weighted ballot election resulting in no majority protest to establish the TID by hotel business owners/operators, and a final vote of approval by BOS in support of the establishment of the TID.

## **B. SAN FRANCISCO TOURISM IMPROVEMENT DISTRICT**

### **B.1. DISTRICT BOUNDARIES AND MAP**

See map on page 12, below, for boundaries of the proposed TID, including zones, and locations of assessed tourist hotels, which are represented as dots on the map. See pages 27-36 for the list of tourist hotels in the proposed TID, including for each hotel the zone location and address.

# San Francisco Tourism Improvement District



## **B.2. SERVICES & IMPROVEMENTS PLAN AND BUDGET**

This services & improvements plan and budget describes the activities to be funded by the TID assessment.

### MARKETING AND OPERATIONS OF SFCVB:

1% of gross revenue from tourist rooms in Zone 1 tourist hotels, and 0.75% of gross revenue from tourist rooms in Zone 2 tourist hotels, to be in place for 15 years shall fund:

1. Marketing and Promotions by the SFCVB for the benefit of tourist hotels, including but not limited to:
  - Satellite office operations and start up costs;
  - Satellite office staffing;
  - Marketing and promotions programs;
  - Marketing and promotion staff oversight;
  - Shall not be duplicative of existing marketing and promotional programs funding by other Business Improvement Districts and Community Benefit Districts in the City;
2. SFCVB Operations and Administrative Support
3. SFCVB Contingency and Reserves
4. Contingency/Reserves/Administration Costs of the TID
  - Will be used to cover unforeseen costs and escalation for services and improvements listed under 1 - 3, above
  - Will be used to cover administrative costs and expenses related to the administration of the new non-profit management corporation that will administer the TID revenues, including but not limited to reimbursement of cost of services and other expenses to the City Treasurer and Tax Collector, the Office of the City Attorney, the Controller's Office, and other City departments for audit, collection and disbursement of the assessment and related administration functions. Administration, assessment and enforcement functions related to the TID assessment are contingent on the management contract between the City and the TID.
  - Includes payment of up to \$400,000 to cover costs incurred in forming the TID, including costs incurred by the TID steering committee, the San Francisco Convention & Visitors Bureau and by the City and County of San Francisco during the formation process. Such reimbursable costs include, for example, costs arising out of or related to preparation of the management plan, development of the petitions and ballots, administration of the election process related to the petition and ballots, set up the TID assessment billing

and collection systems by the City and County of San Francisco, reimbursement of actual costs to the City Treasurer and Tax Collector, and related consultant and attorney fees, consistent with Section 1511(d) of the San Francisco Business and Tax Regulations Code.

SERVICES AND IMPROVEMENTS TO MOSCONE CONVENTION CENTER: (SEE TABLE D-2)

0.5% of gross revenue from tourist rooms in Benefit Zone 1 tourist hotels, and 0.25% of gross revenue from tourist rooms in Benefit Zone 2 tourist hotels, to be in place for five years, shall fund, for the benefit of tourist hotels:

1. Renovation and upgrades shall include capital improvements to Moscone Convention Center North, South and West;
2. Monitor expenditures of TID assessment funds for improvements to the Moscone Convention Center;
3. Design, engineering, planning and entitlements (permits issued by the Planning Department or other regulatory agencies) activities and services pertaining to the proposed expansion of Moscone Convention Center as a whole.
4. Contingency/Reserves/Administration of the TID. Includes payment of unforeseen costs and escalation for improvement areas listed under #1 and #2 above; and a proportionate share of SFTIDMC administrative and operational costs and expenses related to the administration of the new non-profit management corporation that will administer the TID revenues, including but not limited to reimbursement of cost of services and other expenses to the City Treasurer and Tax Collector and other City departments for audit, collection and disbursement of the assessment and related administration functions. Administration, assessment and enforcement functions related to the TID assessment are contingent on the management contract between the City and the TID.

**B.3. ASSESSMENTS, ASSESSMENT METHODOLOGY, AND ZONES**

SPECIAL BENEFITS OF THE PROPOSED TID

The proposed TID will provide funds to the SFCVB to develop and implement a hotel-specific marketing program as well as a program to renovate and improve the Moscone Convention Center in order to benefit tourist hotels and ensure that these industry drivers continue to fuel a robust tourism and hospitality sector. During the first year of operation, it is anticipated that the TID will collect and spend approximately \$27,000,000.

The hotel-specific marketing and promotions component of that overall budget is estimated to be \$18,000,000, representing approximately 67% of the overall first year TID budget. These marketing and promotional benefits funded by the TID will take the form of a comprehensive marketing programming for assessed hotels including enhanced print, radio, web and tv advertisement; improved event services; technological improvements including enhanced online room booking, which will result in increased advertising exposure, increased occupancies, increased room rates, and increased overall commercial activity in the tourist hotels and their related auxiliary enterprises.

The Moscone Convention Center upgrade and improvements component of the overall budget is estimated to be \$9,000,000, representing approximately 33% of the overall first year TID budget. The benefits to tourist hotels will take the form of an improved facility with state-of-the-art technology upgrades and new convention fixtures and equipment, which will result in increased advertising exposure, increased occupancies, increased room rates, and increased overall commercial activity in the tourist hotels and their related auxiliary enterprises.

The current SFCVB budget is \$15,466,000, which in 2006 helped to generate \$1.594 billion in spending on hotel accommodations by visitors to San Francisco. In its first year, the TID assessments will fund SFCVB marketing and promotions programs which currently generate approximately \$302,000,000 in hotel room revenue. In its first year, the TID assessments will increase the SFCVB marketing and promotions budget by approximately \$7,500,000 and is expected to produce an additional \$49,000,000 in hotel room revenue. In total, the first-year TID assessments will fund SFCVB marketing and promotions programs which are expected to generate approximately \$351,000,000 in hotel room revenue, an amount that far exceeds the \$18,000,000 in TID assessment.

The current Moscone Convention Center upgrade and improvement budget is \$2,357,000. In its first year, the TID assessments will increase the Moscone Convention Center upgrade and improvement budget by approximately \$6,643,000 which is critical to ensuring that existing convention business equivalent to more than \$17,000,000 in annual hotel room revenue will continue to choose Moscone Convention Center for their groups. In addition, the improvements and upgrades supported by the TID assessments are projected to help generate an additional \$11,000,000 in annual hotel room revenue from new Moscone Convention Center customers. In total, the upgrades and improvements to the Moscone Convention Center are projected to generate more than \$28,000,000 in annual hotel room revenue, an amount



that far exceeds the \$9,000,000 in TID assessments to be applied to Moscone upgrades and improvements<sup>6</sup>.

The percentage assessment that each hotel will pay to the TID is reasonably expected to be proportionate to the benefit each hotel will receive. A 2002 study shows that tourism promotion return on investment ratios yielded 592% and 385% returns for two states with targeted and robust tourism promotion budgets. In general the study shows that robust tourism promotion spenders (i.e., Convention and Visitor Bureaus) enjoy lucrative returns on their promotional investments, both in overall return on investment and in revenue generated per person.<sup>7</sup>

A 2005 study of the economic impact of conventions, convention site selection processes, and the impact of destination marketing and CVB operations shows that when convention facilities are properly maintained and well marketed, there is a vast economic impact to the hotel industry.<sup>8</sup>

#### FACTORS USED IN ASSESSING TID TOURIST HOTELS

For purposes of calculating the TID assessment, "gross revenue from tourist rooms" means: the consideration received for occupancy valued in money, whether received in money or otherwise, including all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom whatsoever. Gross revenue from tourist rooms will include only the following charges, regardless of how such charges are characterized:

- Charges for a guest room (including non-refundable deposits) regardless of whether the guest uses the room
- Charges for additional guests to occupy the room
- Charges for guaranteeing the availability of a room (sometimes referred to as guaranteed "no-show" charges) regardless of whether the guest uses the room (excluding event attrition fees and event cancellation fees paid by event organizers)

For purposes of this plan, "tourist room" and "guest room" are used interchangeably.

Gross revenue from tourist rooms *does not* include

(a) charges for guest rooms occupied by permanent residents, defined as: "Any occupant as of a given date who has or shall have occupied, or has or shall

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<sup>6</sup> See Appendix 5 for the Economic Impact of Conventions, and Benefits of Destination Marketing, and Convention Centers, to Tourist Hotel and Tourism-Related Businesses.

<sup>7</sup> See Appendix 6 for article "Examining the Economic Value of Publicity and Promotional Activities among State Tourism Communication Programs."

<sup>8</sup> See Appendix 7 for abstract "A Review of Economic Value Drivers in Convention and Meeting Management Research"

have the right of occupancy, of any guest room in a hotel for at least 30 consecutive days next preceding such date;”

(b) revenue from the lodging of airline crews, *i.e.*, lodging provided to airline cockpit and/or cabin crews pursuant to an agreement between a hotel and an airline, which is in furtherance of or to facilitate such crews' performance of their jobs for the airline, including layovers between flights; or

(c) the City's Transient Occupancy Tax collected on the room rent and remitted to the City and County of San Francisco.

(d) charges for guest rooms located in non-profit, purely private social clubs that make guest rooms available only for the use of their members. The term “purely private social clubs” means non-profit, private membership clubs, whose primary purpose is social, which are owned by a limited membership, and which do not advertise or promote the use of their facilities by the public. Further, entities that allow guest rooms to be occupied by non-members, including via reciprocal arrangements with other clubs or organizations or upon referral of a member, shall not constitute “purely private social clubs” as defined herein.

#### TID ZONES

Tourist hotels in Zone 1 will be 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 of the proposed TID. Tourist hotels in Zone 2 will be 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, of the proposed TID.

Zone boundaries were created based upon the difference in special benefits that tourist hotels will receive from TID.

Zones have been established based upon:

- Proximity to Moscone Center and the convention activity that fills rooms due to Moscone Center;
- Concentration of tourist hotel rooms in proximity to Moscone Center creates a critical mass of tourist hotel rooms providing the visitor with additional amenities when visiting the City;
- Access and proximity to the existing transportation infrastructure, (BART and MUNI), which allows for easy access to the Convention Center; and
- The anticipated increase in room occupancies and room rates resulting from the proximity to the Convention Center and convention related activities.

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.

Based upon the data available at the time of the writing of this Management Plan, it is estimated that assessed hotels will contribute the following percentage of revenues to the TID during Year One, and that these percentages will remain approximately the same for each year of the TID:

Table D-1  
TID hotels by Zone and Projected TID Assessment Percentage, Year One

Zone	# of hotels	Projected TID Assessment Percentage, Year One
1	234 hotels	67.6%
2	115 hotels	32.4%
Total	349 hotels	100%

**ANNUAL ASSESSMENT CHANGES, ANNUAL BUDGET, DURATION**

The assessment formula shall remain unchanged for the 15-year duration of the TID. The dollar amount of assessment is expected to fluctuate up or down based on the annual total gross revenue from tourist rooms, which will depend on market conditions. Although actual dollar amounts collected may vary, the proportionate allocations to the SFCVB component and to the Moscone Convention Center component are expected to remain approximately the same for all five years (two-thirds to SFCVB, one-third to Moscone Convention Center). The maximum TID assessment will not exceed the annual maximum assessment schedule as stated in this plan.

The TID assessment is projected to generate approximately \$27,000,000 during the first year and a maximum total of \$182,043,000 for the first five years. Of that, \$18,000,000 will be allocated and spent during first year for the marketing and operations of the SFCVB and the administration of the TID, and an estimated \$9,000,000 in year one will be allocated and spent toward the following improvements and services: the renovation and upgrade of the City-owned Moscone Convention Center, as well as funding of the planning, engineering and design for the possible expansion of the Moscone Convention Center, and a proportionate share of the TID administrative and operational costs. During years 6-15, it is projected that the TID will generate a total maximum of

\$735,085,395 for the marketing and operations and administration services and improvements of the SFCVB, and administrative and operational costs of the SFTIDMC.

No more than a total maximum of \$917,128,395 in assessment funds will be collected during the 15 year term of the TID. The maximum TID assessment in each year will not exceed the amounts set forth in Tables D-4 and D-5. This maximum assessment for each year reflects a potential 15% increase over the previous year's maximum assessment.

Table D-2  
 YEAR ONE OF THE 15 YEAR MARKETING AND SFCVB PROGRAM SERVICES AND IMPROVEMENT  
 BUDGET <sup>9</sup>

<b>TID: Types of Services and Improvements – 15 year plan</b>	<b>Percent of Budget Allocated to Types of Services,</b>	<b>Annual Budget</b>
<b>Marketing and Promotions</b> , including contingencies and reserves such as: ad creation and media placement, marketing, operation and start up costs related to satellite CVB offices, contracted and SFCVB staff related to this function of the budget, and contingencies and reserves.	70%	\$ 12,500,000
<b>Administration and Personnel for Operations of the SFCVB</b>	22%	\$ 4,000,000
<b>Contingency/Reserves/Administration Costs of the TID</b> ; surplus funds in this category, at the conclusion of any year may be transferred to other service categories upon a vote of the SFTID. Will be used to cover administrative costs and expenses related to the administration of the new non-profit management corporation that will administer the TID revenues, including but not limited to reimbursement of cost of services and other expenses to the City Treasurer and Tax Collector, the Office of the City Attorney, the Controller's Office, and other City departments for audit, collection and disbursement of the assessment and related administration functions. Administration, assessment and enforcement functions related to the TID assessment are contingent on the management contract between the City and the TID. Also includes payment of up to \$400,000 to cover costs incurred in forming the TID, including costs incurred by the TID steering committee, the San Francisco Convention & Visitors Bureau and by the City and County of San Francisco during the formation process. Such reimbursable costs include, for example, costs arising out of or related to preparation of the management plan, development of the petitions and ballots, administration of the election process related to the petition and ballots, set up the TID assessment billing and collection systems by the City and County of San Francisco, reimbursement of actual costs to the City Treasurer and Tax Collector, and related consultant and attorney fees, consistent with Section 1511(d) of the San Francisco Business and Tax Regulations Code.	8%	\$ 1,500,000
<b>Total</b>	<b>100%</b>	<b>\$ 18,000,000</b>

<sup>9</sup> See Appendix 8 for the current SFCVB budget which does not include additional TID funding. Refer to Appendix 3 for the 15-year SFCVB marketing plan.

TABLE D-3  
 YEAR ONE OF THE 5 YEAR MOSCONE CONVENTION CENTER UPGRADE AND EXPANSION BUDGET  
 FUNDED BY THE TID<sup>10</sup>

<b>TID: Types of Services and Improvements – 5 year plan</b>	<b>Percent of Budget Allocated to Types of Services and Improvements</b>	<b>Annual Budget</b>
Moscone Convention Center Upgrade and Expansion	80%	\$ 7,200,000
Administration, Contract Management and oversight of TID assessment funds allocated for improvements to the Moscone Convention Center	10%	\$ 900,000
Contingency/Reserves; at the conclusion of any year surplus funds in this category may be transferred to other service categories upon a vote of the SFTIDMC.  Includes payment of unforeseen costs and escalation for the two improvement areas listed just above; and a proportionate share of the SFTIDMC administrative and operational costs and expenses related to the administration of the new non-profit management corporation that will administer the TID revenues, including but not limited to reimbursement of cost of services and other expenses to the City Treasurer and Tax Collector and other City departments for audit, collection and disbursement of the assessment and related administration functions. Administration, assessment and enforcement functions related to the TID assessment are contingent on the management contract between the City and the TID.	10%	\$ 900,000
<b>Total</b>	<b>100%</b>	<b>\$ 9,000,000</b>

<sup>10</sup> See Appendix 3 for the 5-year Moscone Convention Center Capital Improvement Plan.

TABLE D-4  
 PROJECTION OF MAXIMUM MARKETING AND OPERATIONS ASSESSMENTS OVER THE LIFE OF THE  
 DISTRICT FOR SFCVB MARKETING AND OPERATIONS – 15 YEARS

YEAR OF THE TID	CALENDAR YEAR	Total Maximum Annual TID Assessment Revenue for SFCVB Marketing & Operations
1	2009	\$ 18,000,000
2	2010	\$ 20,700,000
3	2011	\$ 23,805,000
4	2012	\$ 27,375,750
5	2013	\$ 31,482,113
6	2014	\$ 36,204,429
7	2015	\$ 41,635,094
8	2016	\$ 47,880,358
9	2017	\$ 55,062,412
10	2018	\$ 63,321,773
11	2019	\$ 72,820,039
12	2020	\$ 83,743,045
13	2021	\$ 96,304,502
14	2022	\$ 110,750,177
15	2023	\$ 127,362,704
<b>TOTAL ASSESSMENTS</b>		<b>\$856,447,395</b>

TABLE D-5  
 PROJECTION OF MAXIMUM IMPROVEMENT-RELATED ASSESSMENTS  
 FOR MOSCONE CONVENTION CENTER SERVICES, IMPROVEMENTS AND EXPANSION – 5 YEARS

YEAR OF THE TID	CALENDAR YEAR	Total Maximum Annual TID Assessment Revenue for Moscone Services/Improvements
1	2009	\$ 9,000,000
2	2010	\$ 10,350,000
3	2011	\$ 11,902,500
4	2012	\$ 13,687,875
5	2013	\$ 15,741,056
<b>TOTAL ASSESSMENTS</b>		<b>\$ 60,681,431</b>

**B.4. TIME AND MANNER OF COLLECTING AND DISTRIBUTING ASSESSMENTS; ENFORCEMENT**

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

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.

**B.5. NUMBER OF YEARS ASSESSMENTS WILL BE LEVIED; ESTABLISHMENT AND DISESTABLISHMENT**

The City shall not collect assessments from any hotel or distribute assessments to the SFTIDMC unless and until the City authorizes the execution and delivery of approximately \$35 million of its certificates of participation, the proceeds of which will be used to pay for certain capital improvements at the Moscone Convention Center that will not be funded by the TID assessment funds.

This TID will be established for a period of fifteen years beginning on January 1, 2009, with services beginning July 1, 2009. The assessments levied during years 1-5 will be 1.5% of gross revenue from tourist rooms for tourist hotels located in Zone 1 and 1% of gross revenues from tourist rooms for tourist hotels located in Zone 2. The assessments levied during years 6-15 will be 1% of gross revenue from tourist rooms for tourist hotels located in Zone 1, and 0.75% of gross revenues from tourist rooms for tourist hotels located in Zone 2.

**ESTABLISHMENT**

The TID formation requires submission of petitions from hotel business owners/operators representing at least 50% of the total proposed first year assessments, followed by approval of a resolution of intention to form the TID by the Board of Supervisors (BOS) of the City and County of San Francisco, a public meeting and a public hearing, a special weighted ballot election of hotel business owners/operators that does not result in a majority protest against establishment of the TID and a final vote of approval by BOS in support of the establishment of the TID.



The petition and the ballot vote weighted count will be based on the assessment formula of 1.5% and 1% for tourist hotels located in Zones 1 and 2 respectively, of calendar year 2007 gross room revenue from tourist rooms, as reported by hotel. The City will tabulate the petition and ballot results and will assign a "weight" to each hotel based on its calendar year 2007 gross room revenue from tourist rooms in relation to its portion of the total TID assessment.

Once the affected hotel business owners/operators representing a minimum of 50% of the tourist hotel assessments in the City, by weight, have submitted petitions in support of forming the TID, the Board of Supervisors may adopt a Resolution of Intent to establish the District and levy the assessments. The City will mail out assessment ballots and notice of a public meeting and a public hearing to the affected hotel business owners/operators included in the proposed District.

The Board of Supervisors will hold a public meeting and a public hearing after mailing the ballots and notices. After the weighted ballots are counted the Board may form the TID and levy the assessments unless there is a majority protest opposing formation of the district. "Weight" is determined by the percentage of monetary contribution (assessment) each hotel business owner/operator will pay to the TID, in relation to the total TID assessment. A majority protest exists if written protests are received from businesses representing 50% or more of the total assessments proposed to be levied, and in that case the Board may not proceed to form the district.

#### DISESTABLISHMENT

Each year that the TID is in existence there will be a 30-day period during which the hotel business owners/operators will have the opportunity to request disestablishment of the TID. This 30-day period begins each year on the anniversary of the date the Board of Supervisors established the TID. Within that 30-day period, if a written petition is submitted by the TID-assessed businesses representing 50% or more of the assessments levied, the TID shall be disestablished by the Board of Supervisors.

Without regard to any petition filed by hotel business owners/operators, a majority of the Board of Supervisors (six members) may initiate disestablishment at any time based on improper actions by the SFTIDMC, such as misappropriation of funds, malfeasance, or violations of law.

A supermajority (eight members) of the Board of Supervisors may initiate disestablishment proceedings for any reason. All outstanding indebtedness must be paid prior to disestablishment of the TID.

## B.6. TOURISM IMPROVEMENT DISTRICT TIMELINE

TABLE G-1  
TIMELINE FOR DISTRICT FORMATION

<b>Task</b>	<b>Time task is anticipated to be, or was completed</b>
Final approval of Management District Plan by TID Steering Committee	September
Circulate petitions endorsing plan to affected TID hotel business owners/operators	October 6 <sup>th</sup>
Submit minimum 50% weighted petitions endorsing Plan and proposed assessments to the Board of Supervisors (BOS)	October 17 <sup>th</sup>
BOS Introduction of Resolution of Intent to Form the TID, public hearing at BOS, final vote on Resolution of Intent	Late October
BOS holds public meeting	Mid-November
Ballots due, final public hearing at BOS, ballots counted, District formed.	December 16 <sup>th</sup>
San Francisco TID Management Corporation formed, management contract with City executed	December 2008 –March 2009
TID Assessment becomes effective	January 1, 2009
First Quarterly TID Assessment payment transferred to SFTIDMC	May 2009
TID services initiated	July 1, 2009

## B.7. MANAGEMENT OF THE TOURISM IMPROVEMENT DISTRICT

A non-profit TID Management Corporation (SFTIDMC) will be formed to administer the San Francisco Tourism Improvement District. The SFTIDMC will be governed by a Board of Directors ("SFTIDMC Board").

Once the TID has been established by the Board of Supervisors, the current TID Steering Committee will begin to establish the SFTIDMC, which will obtain a business registration certificate from the Tax Collector's Office, obtain and provide verification of non-profit status, create by-laws, obtain insurance, and complete other requirements imposed by law and/or the management contract with the City and County of San Francisco. The current TID Steering Committee is cognizant of the need to have this non-profit SFTIDMC be very transparent and responsive to all sectors of the diverse TID hotel community.

In addition to allocating funds in support of the SFCVB and the Moscone Center as set forth in this Management District Plan, the SFTIDMC may hire paid staff and retain sub-contractors, such as the SFCVB, to implement the services and improvements as outlined in this plan. The SFTIDMC may reallocate funding within the service categories, not to exceed 10% of the annual budgeted amount for the category, consistent with the Management Plan. If the SFTIDMC wishes to reallocate funding between the SFCVB and the Moscone Convention Center, as represented in Tables D-2 through D-5, above, it may do so by seeking to modify this management plan and by obtaining such approvals as may be required by law.

The SFTIDMC Board seats shall be fixed at eleven (11), a majority of which shall be filled by persons representing tourist hotels. Further, a majority of board members shall be present or former directors of the SFCVB. Allocation of the seats shall be to the following sectors, and /or appointees:

- Six (6) seats shall be filled with appointees representing tourist hotels;
- One (1) seat shall be filled by the SFCVB Chair;
- One (1) seat shall be filled by a representative of Moscone Convention Center;
- Three (3) seats shall be at-large from the tourism business community of San Francisco;

The SFTIDMC Board may make rules and procedures that aid in the implementation and intent of the TID Management Plan.

The SFTIDMC Board shall aim to meet the following operational objectives for the TID consistent with the provisions of this plan:

- *Fund programs in support of the SFCVB and the Moscone Convention Center that best respond to the top priorities of San Francisco Tourism Improvement District stakeholders;*
- *Maximize coordination with the City and County of San Francisco and other business improvement districts and community benefit districts to avoid duplication of services and improvements and to leverage resources;*
- *Ensure delivery of services and improvements through a cost-effective, non-bureaucratic and easy to access organizational structure; and*
- *Provide accountability and responsiveness to those who pay assessments into the District.*

#### PUBLIC ACCESS TO MEETINGS AND TID RECORDS

When conducting any business related to TID activities the SFTIDMC and its governing Board are subject to the Ralph M. Brown Act (Government Code

§§54950 *et seq.*) and the California Public Records Act (Government Code §§6250 *et seq.*). SFTIDMC and governing Board meetings regarding any TID business shall be open to the public. Any SFTIDMC records concerning the TID are subject to public inspection in accordance with the California Public Records Act (Government Code §§6250 *et seq.*).

### **B.8. LIST OF TOURIST HOTELS IN TOURISM IMPROVEMENT DISTRICT BY ZONE**

All tourist hotels operating in the City and County of San Francisco that generate revenue from tourist rooms shall be included in the TID and assessed throughout the term of the TID, as more specifically provided for in this plan. Tourist hotels will be divided into two zones, by location. Following is a list of tourist hotels in each zone, as known to proponents at the time this Management District Plan is issued.

<b>Hotel</b>	<b>Address</b>	<b>Zip Code</b>	<b>Zone 1</b>
1184-1198 JACKSON ST APTS	1184 JACKSON ST	94133	Zone 1
ABIGAIL HOTEL THE	246 MCALLISTER ST	94102	Zone 1
ADANTE HOTEL	610 GEARY ST	94102	Zone 1
ALDRICH HOTEL	439 JONES ST	94102	Zone 1
ALEXANDER INN	415 O'FARRELL ST	94102	Zone 1
AMERICA HOTEL	1075 POST ST	94109	Zone 1
AMERICAS BEST VALUE INN SOMA	10 HALLAM ST	94103	Zone 1
AMSTERDAM HOSTEL	749 TAYLOR ST	94108	Zone 1
ANDREWS HOTEL THE	624 POST ST	94109	Zone 1
ARGONAUT HOTEL	495 JEFFERSON ST	94109	Zone 1
ARTMAR HOTEL	433 ELLIS ST	94102	Zone 1
BALBOA HOTEL	120 HYDE ST	94102	Zone 1
BALDWIN HOTEL	321 GRANT AVE	94108	Zone 1
Baldwin House Hotel	74 6th St	94103	Zone 1
BALMORAL RESIDENCE CLUB	1010 BUSH ST	94109	Zone 1
BAY BRIDGE MOTEL	966 HARRISON ST	94107	Zone 1
BEL-AIR HOTEL	344 JONES ST	94102	Zone 1
BERESFORD ARMS HOTEL	701 POST ST	94109	Zone 1
BERESFORD HOTEL	635 SUTTER ST	94102	Zone 1
BEST WESTERN AMERICANIA	121 7TH ST	94103	Zone 1
BEST WESTERN CARRIAGE INN	140 7TH ST	94103	Zone 1
BEST WESTERN CIVIC CENTER	364 9TH STREET	94103	Zone 1
BILTMORE HOTEL	735 TAYLOR ST	94108	Zone 1
BOHEMIAN CLUB	624 TAYLOR ST	94108	Zone 1
BROADWAY MANOR INN	2201 VAN NESS AVE	94109	Zone 1
CABLE CAR COURT HOTEL	1499 CALIFORNIA ST	94109	Zone 1

Caldrake Hotel	1541 California St	94109	Zone 1
CALIFORNIA HOTEL	910 924 GEARY ST	94109	Zone 1
CAMPTON PLACE SF A TAJ HOTEL	340 STOCKTON ST	94108	Zone 1
CARLTON HOTEL	1075 SUTTER ST	94109	Zone 1
CARTWRIGHT HOTEL ALARKSPUR HTL	524 SUTTER ST	94102	Zone 1
CASA MELISSA	615 UNION ST	94133	Zone 1
CASTLE INN MOTEL	1565 BROADWAY ST	94109	Zone 1
CATHEDRAL HILL HOTEL	1101 VAN NESS AVE	94109	Zone 1
CENTRAL YMCA	220 GOLDEN GATE AVE	94102	Zone 1
CHANCELLOR HOTEL	433 POWELL ST	94102	Zone 1
CHARLIE HOTEL	1030 GEARY ST	94109	Zone 1
CHASE HOTEL	1278 MARKET ST	94109	Zone 1
CIVIC CENTER INN	790 ELLIS ST	94109	Zone 1
CLUB QUARTERS IN SAN FRANCISCO	424 CLAY ST	94111	Zone 1
Columbia Hotel	411 O'Farrell St	94102	Zone 1
COLUMBUS MOTOR INN	1075 COLUMBUS AVE	94133	Zone 1
COMMODORE HOTEL	825 SUTTER ST	94109	Zone 1
CORNELL HOTEL dba "Cornell Hotel De France"	715 BUSH ST	94108	Zone 1
COURTYARD BY MARRIOTT AT FW	580 BEACH ST	94133	Zone 1
COVA HOTEL	655 ELLIS ST	94109	Zone 1
CROWNE PLAZA dba "Hotel 480"	480 SUTTER ST	94108	Zone 1
DAKOTA HOTEL	606 POST ST	94109	Zone 1
DAYS INN CIVIC-CENTER	465 GROVE ST	94102	Zone 1
DESMOND HOTEL	42 6TH ST	94103	Zone 1
DONNELLY HOTEL	1272 MARKET ST	94109	Zone 1
ECONO LODGE	825 POLK ST	94109	Zone 1
EDDY HOTEL	640 EDDY ST	94109	Zone 1
EMBASSY U M A dba "Embassy Hotel"	610 POLK ST	94102	Zone 1
EMPEROR NORTON	615 POST ST	94109	Zone 1
Europa Hotel	310 Columbus Ave	94133	Zone 1
EXECUTIVE HOTEL VINTAGE CT LLC	650 BUSH ST	94108	Zone 1
FAIRMONT HOTEL SAN FRANCISCO	950 MASON ST	94108	Zone 1
Fitzgerald Hotel	620 Post St	94109	Zone 1
FLAMINGO INN	114 7TH ST	94103	Zone 1
FOUR SEASONS HOTEL SF	757 MARKET ST	94103	Zone 1
GALLERIA PARK HOTEL	191 SUTTER ST	94104	Zone 1
GARLAND HOTEL	505 OFARRELL ST	94102	Zone 1
GATEWAY INN	438 O'FARRELL ST	94102	Zone 1
GOLDEN EAGLE HOTEL	402 BROADWAY ST	94133	Zone 1
GOLDEN GATE HOTEL	775 BUSH ST	94108	Zone 1
GRAND HYATT ON UNION SQUARE	333 POST ST	94108	Zone 1

GRANT HOTEL INC	753 BUSH ST	94108	Zone 1
GRANT PLAZA HOTEL	465 GRANT AVE	94108	Zone 1
GROSVENOR HOUSE - "Grosvenor Suites"	899 PINE ST	94108	Zone 1
HALCYON HOTEL	649 JONES ST	94102	Zone 1
HANDLERY UNION SQUARE HOTEL	260 OFARRELL ST	94102	Zone 1
HARBOR COURT HOTEL	165 STEUART ST	94105	Zone 1
HARCOURT HOTEL	1105 LARKIN ST.	94109	Zone 1
HAVELI HOTEL	37 6TH ST	94103	Zone 1
HELEN HOTEL	166 TURK ST	94102	Zone 1
HERBERT HOTEL	161 POWELL ST	94102	Zone 1
HERITAGE MARINA HOTEL	2550 VAN NESS AVE	94109	Zone 1
HILTON S F FINANCIAL DISTRICT	750 KEARNY ST	94108	Zone 1
HILTON S.F. FISHERMAN'S WHARF	2620 JONES ST	94133	Zone 1
HILTON SAN FRANCISCO	333 O'FARRELL ST	94102	Zone 1
HOLIDAY INN - CIVIC CENTER	50 8TH ST	94103	Zone 1
HOLIDAY INN EXPRESS HOTEL	550 NORTH POINT ST	94133	Zone 1
HOLIDAY INN FISHERMAN'S WHARF	1300 COLUMBUS AVE	94133	Zone 1
HOLIDAY INN GOLDEN GATEWAY	1500 VAN NESS AVE	94109	Zone 1
HOTEL AMERICA dba "Aida Hotel"	1087 MARKET ST	94109	Zone 1
Hotel Astoria	510 Bush St	94108	Zone 1
HOTEL BIJOU	111 MASON ST	94102	Zone 1
HOTEL BOHEME	444 COLUMBUS AVE	94133	Zone 1
HOTEL BRITTON	112 7TH ST	94103	Zone 1
HOTEL DALWONG dba "Stratford Hotel"	242 POWELL ST	94102	Zone 1
HOTEL DES ARTS	447 BUSH ST	94108	Zone 1
HOTEL DIVA	440 GEARY ST	94102	Zone 1
HOTEL FUSION	140 ELLIS ST	94102	Zone 1
HOTEL GRIFFON	155 STEUART ST	94105	Zone 1
HOTEL KRUPA	700 JONES ST	94109	Zone 1
HOTEL MARK TWAIN	345 TAYLOR ST	94102	Zone 1
HOTEL METROPOLIS	25 MASON ST	94102	Zone 1
HOTEL MILANO	55 5TH ST	94103	Zone 1
HOTEL MONACO	501 GEARY ST	94102	Zone 1
HOTEL NIKKO SAN FRANCISCO	222 MASON ST	94102	Zone 1
Hotel Olympic	140 Mason Street	94102	Zone 1
HOTEL PALOMAR	12 4TH ST	94103	Zone 1
HOTEL REX	562 SUTTER ST	94102	Zone 1
HOTEL TRITON	342 GRANT AVE	94108	Zone 1
HOTEL UNION SQUARE	114 POWELL ST	94102	Zone 1
HOTEL VERONA	317 LEAVENWORTH ST	94102	Zone 1
HOTEL VITALE	8 MISSION ST	94105	Zone 1

HOTEL WHITCOMB	1231 MARKET ST	94103	Zone 1
HUNTINGTON HOTEL & BUSINESSES	1075 CALIFORNIA ST	94108	Zone 1
HYATT AT FISHERMAN'S WHARF	555 NORTH POINT ST	94133	Zone 1
HYATT REGENCY SAN FRANCISCO	5 EMBARCADERO CENTER	94111	Zone 1
IL TRIANGOLO HOTEL	524 COLUMBUS AVE	94133	Zone 1
INN AT SUTTER-STOCKTON dba "Allison Hotel	417 STOCKTON ST	94108	Zone 1
INN AT UNION SQUARE THE	440 POST ST	94102	Zone 1
INTERCONTINENTAL SAN FRANCISCO	888 HOWARD STREET	94103	Zone 1
JONES HOTEL	515 JONES ST	94102	Zone 1
JW MARRIOTT SAN FRANCISCO	500 POST ST	94102	Zone 1
KENSINGTON PARK HOTEL	450 POST ST	94102	Zone 1
KING GEORGE HOTEL	334 MASON ST	94102	Zone 1
LAYNE HOTEL	545 JONES ST	94102	Zone 1
LE MERIDIAN	333 BATTERY ST	94111	Zone 1
LUZ HOTEL	725 GEARY ST	94109	Zone 1
MANDARIN ORIENTAL SAN FRAN	222 SANSOME ST	94104	Zone 1
MARINE MEMORIAL ASSN dba "Marines Memorial Club & Hotel	609 SUTTER ST	94102	Zone 1
MARK HOPKINS HOTEL dba "InterContinental Mark Hopkins"	999 CALIFORNIA ST	94108	Zone 1
MAXWELL HOTEL	386 GEARY ST	94102	Zone 1
MAYFLOWER HOTEL	975 BUSH ST	94109	Zone 1
MERIT HOTEL	1105 POST ST	94109	Zone 1
METROPOLITAN CLUB	640 SUTTER ST	94108	Zone 1
MITHILA HOTEL	972 SUTTER ST	94108	Zone 1
MONTICELLO INN THE	127 ELLIS ST	94102	Zone 1
MOSSER FINANCIAL HOTEL	640 CLAY ST	94111	Zone 1
MOTEL 6	895 GEARY ST	94109	Zone 1
NATIONAL HOTEL	1139 MARKET ST	94103	Zone 1
NAZARETH HOTEL	556 JONES ST	94102	Zone 1
New Central Hotel	1412 Market St	94102	Zone 1
NOB HILL HOTEL	835 HYDE ST	94109	Zone 1
NOB HILL INN CITY PLAN ETC	1000 PINE ST	94109	Zone 1
NOB HILL LAMBOURNE	725 PINE ST	94108	Zone 1
NOB HILL MOTOR INN	1630 PACIFIC AVE	94109	Zone 1
NORMANDIE HOTEL	251 9TH ST	94103	Zone 1
Oak Hotel	587 15th St	94102	Zone 1
OLYMPIC CLUB THE	524 POST ST	94102	Zone 1
OMNI SAN FRANCISCO HOTEL	500 CALIFORNIA ST	94104	Zone 1
ORCHARD GARDEN HOTEL	466 BUSH ST	94108	Zone 1
ORCHARD HOTEL	665 BUSH ST	94108	Zone 1

PACIFIC UNION CLUB	1000 CALIFORNIA ST	94108	Zone 1
PALACE HOTEL	2 NEW MONTGOMERY ST	94105	Zone 1
PALO ALTO HOTEL	1685 SACRAMENTO ST	94109	Zone 1
PARC 55 HOTEL	55 CYRIL MAGNIN	94102	Zone 1
PARK HOTEL LLC	325 SUTTER ST	94108	Zone 1
PETITE AUBERGE	863 BUSH ST	94108	Zone 1
PHOENIX HOTEL	601 EDDY ST	94109	Zone 1
PONTIAC HOTEL	138 6TH ST	94103	Zone 1
POST HOTEL	589 POST ST	94102	Zone 1
POTTER HOTEL	1288 MISSION ST	94103	Zone 1
POWELL HOTEL	28 CYRIL MAGNIN ST	94102	Zone 1
PRESCOTT HOTEL	545 POST ST	94102	Zone 1
PROPARK AMERICA WEST LLC	500 POST ST	94102	Zone 1
QUALITY INN-SAN FRANCISCO dba "Comfort Inn By the Bay	2775 VAN NESS AVE	94109	Zone 1
RADISSON AT FISHERMAN'S WHARF	250 BEACH ST	94133	Zone 1
RAMADA LIMITED - DOWNTON	240 7TH ST	94103	Zone 1
RAM'S HOTEL	80 9TH ST	94103	Zone 1
RED COACH MOTOR LODGE	700 EDDY ST	94109	Zone 1
RENOIR HOTEL	45 MCALLISTER ST	94102	Zone 1
RITZ CARLTON SAN FRANCISCO THE	600 STOCKTON ST	94108	Zone 1
RODEWAY INN dba "Rodeway Inn San Francisco Downtown"	101 9TH ST	94103	Zone 1
ROYAL PACIFIC MOTOR	661 BROADWAY ST	94133	Zone 1
SAM WONG HOTEL dba "SW Hotel"	615 BROADWAY ST	94133	Zone 1
SAN FRANCISCO INN	579 OFARRELL ST	94102	Zone 1
SAN FRANCISCO MARRIOTT	55 4TH ST	94103	Zone 1
SAN REMO HOTEL THE	2237 MASON ST	94133	Zone 1
SERRANO HOTEL	405 TAYLOR ST	94102	Zone 1
SESTRI HOTEL	1411 STOCKTON ST	94133	Zone 1
SF DOWNTOWN COURTYARD MARRIOTT	299 2ND ST	94105	Zone 1
SF MARRIOTT FISHERMAN'S WHARF	1250 COLUMBUS AVE	94133	Zone 1
SHERATON FISHERMANS WHARF	2500 MASON ST	94133	Zone 1
SHIRLEY HOTEL	1544 POLK ST	94109	Zone 1
SIR FRANCIS DRAKE HOTEL	450 POWELL ST	94102	Zone 1
SONOMA INN	1485 BUSH ST	94109	Zone 1
SOUTH BEACH MARINA APTS	2 TOWNSEND ST	94107	Zone 1
SPAULDING HOTEL LLC	240 OFARRELL ST	94102	Zone 1
ST CLARE HOTEL	1334 VAN NESS AVE	94109	Zone 1
ST MORITZ HOTEL	190 OFARRELL ST	94102	Zone 1
ST PAUL HOTEL	935 KEARNY ST	94133	Zone 1



ST REGIS HOTEL SAN FRANCISCO	657 MISSION ST	94103	Zone 1
STANFORD COURT HOTEL dba "Renaissance Stanford Court"	905 CALIFORNIA ST	94108	Zone 1
STANLEY HOTEL	1544 CALIFORNIA ST	94109	Zone 1
STEINHART HOTEL	952 SUTTER ST	94109	Zone 1
SUITES AT FISHERMANS WHARF O/A	2655 HYDE ST	94109	Zone 1
SUNNYSIDE HOTEL	135 6TH ST	94103	Zone 1
SUNSET HOTEL	161 SIXTH ST	94103	Zone 1
SUTTER/LARKIN ST	1048 LARKIN ST	94109	Zone 1
SWEDEN HOUSE HOTEL	570 OFARRELL ST	94102	Zone 1
SYNERGY CORPORATE HOUSING	685 FOLSOM ST	94108	Zone 1
TAYLOR HOTEL	615 TAYLOR ST	94102	Zone 1
THE CLIFT HOTEL	495 GEARY ST	94102	Zone 1
THE DONATELLO HOTEL	501 POST ST	94102	Zone 1
THE GAYLORD SUITES	620 JONES ST	94102	Zone 1
THE HOTEL ADAGIO	550 GEARY ST	94102	Zone 1
THE HOTEL CALIFORNIA dba "Best Western Hotel California"	580 Geary St	94102	Zone 1
THE MONARCH HOTEL	1015 GEARY ST	94109	Zone 1
THE MOSSER HOTEL	54 4TH ST	94103	Zone 1
THE OPAL SAN FRANCISCO	1050 VAN NESS AVE	94109	Zone 1
THE PICKWICK HOTEL	85 5TH ST	94103	Zone 1
THE RITZ-CARLTON CLUB	690 MARKET ST	94108	Zone 1
THE VILLA FLORENCE	225 POWELL ST	94102	Zone 1
Touchstone Hotel	480 Geary St	94102	Zone 1
TRAVELODGE dba "Bayside Inn at the Wharf"	1201 COLUMBUS AVE	94133	Zone 1
TUSCAN INN AT FISHMANS WHARF	425 NORTH POINT ST	94133	Zone 1
UNION SQUARE PLAZA HOTEL	432 GEARY ST	94102	Zone 1
UNIVERSITY CLUB	800 POWELL ST	94108	Zone 1
USA HOSTELS SAN FRANCISCO dba "Ansonia Hotel"	711 POST ST	94109	Zone 1
UTAH HOTEL	504 4TH ST	94107	Zone 1
VAGABOND INN	385 9TH ST	94103	Zone 1
VAN NESS MOTEL dba "America's Best Inns San Francisco Fisherman's Wharf"	2850 Van Ness Ave	94109	Zone 1
VANTAGGIO SUITES	835 TURK ST	94102	Zone 1
VANTAGGIO SUITES COSMO	761 POST ST	94109	Zone 1
VANTAGGIO SUITES UNION SQR LLC	580 O'FARRELL ST	94102	Zone 1
W SAN FRANCISCO	181 3RD ST	94103	Zone 1
WARWICK REGIS HOTEL THE	490 GEARY ST	94102	Zone 1
WASHINGTON SQUARE INN	1660 STOCKTON ST	94133	Zone 1
WESTERN HOTEL	335 LEAVENWORTH ST	94102	Zone 1
WESTIN S F ON MARKET STREET	50 3RD ST	94103	Zone 1

WESTIN ST FRANCIS THE	335 POWELL ST	94102	Zone 1
WHARF INN THE	2601 MASON ST	94133	Zone 1
WHITE SWAN INN	845 BUSH ST	94108	Zone 1
WINSOR HOTEL	20 6TH ST	94103	Zone 1
WINTON HOTEL	445 OFARRELL ST	94102	Zone 1
WOMENS HOTEL	642 JONES ST	94102	Zone 1
WORLDMARK THE CLUB	590 BUSH ST	94108	Zone 1
YALE HOTEL	633 LARKIN ST	94109	Zone 1
YORK HOTEL	940 SUTTER ST	94109	Zone 1

Hotel	Address	Zip Code	Zone 2
1007 DE HARO RENTALS	1007 DE HARO ST	94107	Zone 2
24 HENRY ST	24 HENRY ST	94114	Zone 2
ADELAIDE HOSTEL LLC	5 DUNCAN ST	94110	Zone 2
ALBION HOUSE INN	135 GOUGH ST	94102	Zone 2
Allen Hotel	1693 Market St	94103	Zone 2
AMAZON MOTEL	5060 MISSION ST	94112	Zone 2
AMERICAS BEST VLE-GOLDEN GATE	2322 LOMBARD ST	94123	Zone 2
AMIT HOTEL	2060 MISSION ST	94110	Zone 2
Archbishop's Mansion	1000 Fulton St	94117	Zone 2
ASCOT HOTEL	1657 MARKET ST	94103	Zone 2
AT THE PRESIDIO TRAVELODGE	2755 LOMBARD ST	94123	Zone 2
BEACH MOTEL	4211 JUDAH ST	94122	Zone 2
BECK'S MOTOR LODGE	2222 MARKET ST	94114	Zone 2
BELVEDERE HOUSE	598 BELVEDERE ST	94117	Zone 2
BEST INN dba "Country Hearth Inn & Suites"	2707 LOMBARD ST	94123	Zone 2
BEST WESTERN HOTEL TOMO	1800 SUTTER ST	94115	Zone 2
BRIDGE MOTEL THE	2524 LOMBARD ST	94123	Zone 2
BUENA VISTA MOTOR INN	1599 LOMBARD ST	94123	Zone 2
CAPRI MOTEL	2015 GREENWICH ST	94123	Zone 2
CARL HOTEL	198 CARL ST	94117	Zone 2
CASA BUENA VISTA RENTAL	783 BUENA VISTA W	94117	Zone 2
CASA FRANCISQUITA	4336 20TH ST	94114	Zone 2
Casa Loma Hotel	610 Fillmore St	94117	Zone 2
CASTILLO INN	48 HENRY ST	94114	Zone 2
CHATEAU TIVOLI	1057 STEINER ST	94115	Zone 2
CHELSEA MOTOR INN	2095 LOMBARD ST	94123	Zone 2
CIVIC CENTER HOTEL	20 12TH ST	94103	Zone 2
COVENTRY MOTOR INN	1901 LOMBARD ST	94123	Zone 2

COW HOLLOW MOTOR INN	2190 LOMBARD ST	94123	Zone 2
CRYSTAL HOTEL	2766 MISSION ST	94110	Zone 2
DAYS INN LOMBARD	2358 LOMBARD ST	94123	Zone 2
DAYS INN-SLOAT BLVD	2600 SLOAT BLVD	94116	Zone 2
DOLORES PLACE	3842 25TH ST	94114	Zone 2
DUNCAN HOUSE	173 DUNCAN ST	94110	Zone 2
ECONO LODGE dba "Alpha Inn & Suites	2505 LOMBARD ST	94123	Zone 2
ECONOMY INN	1 RICHARDSON AVE	94123	Zone 2
Edward II Inn	3155 Scott St	94123	Zone 2
EDWARDIAN SAN FRANCISCO HOTEL	1668 MARKET ST	94102	Zone 2
EL CAPITAN HOTEL	2361 MISSION ST	94110	Zone 2
EL DRISCO HOTEL dba "Hotel Drisco"	2901 PACIFIC AVE	94115	Zone 2
EULA HOTEL	3061 16TH ST	94103	Zone 2
EXECUTIVE SUITES INC	1388 SUTTER ST	94109	Zone 2
FRANCISCAN MOTEL	6600 3RD ST	94124	Zone 2
FRANCISCO BAY INN	1501 LOMBARD ST	94123	Zone 2
GEARY PARKWAY MOTEL	4750 GEARY BLVD	94118	Zone 2
GRAYWOOD HOTEL	3308 MISSION ST	94110	Zone 2
GREAT HIGHWAY MOTOR INN	1280 GREAT HWY	94122	Zone 2
GREENWICH INN	3201 STEINER ST	94123	Zone 2
HAYES VALLEY INN dba "Gough Hayes Hotel"	417 GOUGHT STREET	94102	Zone 2
HIDDEN COTTAGE BED & BREAKFAST	1186 NOE ST	94114	Zone 2
HOME AWAY FROM HOME	210 5TH AVE	94118	Zone 2
HOTEL DEL SOL	3100 WEBSTER ST	94123	Zone 2
HOTEL JERRY	3032 16TH ST	94103	Zone 2
HOTEL KABUKI	1625 POST ST	94115	Zone 2
Hotel Majestic	1500 Sutter St	94109	Zone 2
HOTEL MIRABELLE LLC	1906 MISSION ST	94102	Zone 2
HOTEL TROPICANA THE	663 VALENCIA ST	94110	Zone 2
INN 1890	1890 PAGE ST	94117	Zone 2
INN AT THE OPERA	333 FULTON ST	94102	Zone 2
INN GROVE THE	890 GROVE ST	94117	Zone 2
INN ON CASTRO	321 CASTRO ST	94114	Zone 2
INN SAN FRANCISCO THE	943 S VAN NESS AVE	94109	Zone 2
JACKSON COURT CITY SHARES	2198 JACKSON ST	94115	Zone 2
KRISHNA HOTEL	2032 MISSION ST	94110	Zone 2
LA LUNA INN	2555 LOMBARD ST	94123	Zone 2
LAUREL SPE LLC	444 PRESIDIO AVE	94115	Zone 2
LOMBARD MOTOR INN	1475 LOMBARD ST	94123	Zone 2
LOMBARD PLAZA MOTEL	2026 LOMBARD ST	94123	Zone 2

Marina Courtyard Motel	2576 Lombard St	94123	Zone 2
MARINA INN	3110 OCTAVIA ST	94123	Zone 2
METRO HOTEL THE	319 DIVISADERO ST	94117	Zone 2
MISSION INN	5630 MISSION ST	94112	Zone 2
MOFFATT HOUSE	431 HUGO ST	94122	Zone 2
MONTE CRISTO THE	600 PRESIDIO	94115	Zone 2
MY ROSEGARDEN GUEST ROOMS	75 20TH AVE	94121	Zone 2
NEIL HOTEL	2072 MISSION ST	94110	Zone 2
NOE PLACE LIKE HOME	1187A NOE ST	94114	Zone 2
NORMA HOTEL	2697 MISSION ST	94110	Zone 2
OASIS INN UMA	900 FRANKLIN ST	94109	Zone 2
OCEAN PARK MOTEL	2690 46TH AVE	94116	Zone 2
OCEANVIEW MOTEL	4340 JUDAH ST	94122	Zone 2
PACIFIC HEIGHTS INN	1555 UNION ST	94123	Zone 2
PAMELA MCGARRY	2383 GREENWICH ST	94123	Zone 2
PARKER GUEST HOUSE	520 CHURCH ST	94114	Zone 2
PERRAMONT HOTEL 2162 MARKET	2162 MARKET ST	94114	Zone 2
PRESIDIO INN	2361 LOMBARD ST	94123	Zone 2
PRITA HOTEL	2284 MISSION ST	94110	Zone 2
QUEEN ANNE HOTEL	1590 SUTTER ST	94109	Zone 2
RADHA HOTEL	2042 MISSION ST	94110	Zone 2
RAMADA LTD - GOLDEN GATE	1940 LOMBARD ST	94123	Zone 2
RED VICTORIAN BED/BREAKFAST	1665 HAIGHT ST	94117	Zone 2
REDWOOD INN	1530 LOMBARD ST	94123	Zone 2
ROBERTS AT THE BEACH MOTEL	2828 SLOAT BLVD	94116	Zone 2
RODEWAY INN dba "Rodeway Inn San Francisco Civic Center"	860 EDDY ST	94116	Zone 2
SAUER'S GUEST HOUSE	10 JUDAH ST	94122	Zone 2
SEAL ROCK INN MOTEL	545 POINT LOBOS AVE	94121	Zone 2
SF MOTOR INN	1750 LOMBARD ST	94123	Zone 2
STANYAN PARK HOTEL	750 STANYAN ST	94117	Zone 2
Star Motel	1727 Lombard Street	94123	Zone 2
STUDIO ON SIXTH	1387 6TH AVE	94122	Zone 2
SUNSET MOTEL	821 TARAVAL ST	94116	Zone 2
SUPER 8 MOTEL	2440 LOMBARD ST	94123	Zone 2
SURF MOTEL	2265 LOMBARD ST	94123	Zone 2
THE PARSONAGE	198 HAIGHT ST	94102	Zone 2
THE UNION STREET INN	2229 UNION ST	94123	Zone 2
THE WILLOWS INN	710 14TH ST	94114	Zone 2
TOWN HOUSE MOTEL	1650 LOMBARD ST	94123	Zone 2
TRAVELODGE BY THE BAY THE	1450 LOMBARD ST	94123	Zone 2
TRAVELODGE CENTRAL	1707 MARKET ST	94103	Zone 2

TRAVELODGE GOLDEN GATE	2230 LOMBARD ST	94123	Zone 2
TWIN PEAKS HOTEL	2160 MARKET ST	94114	Zone 2
UNION HOTEL	2030 MISSION ST	94110	Zone 2
WELCOME HOME RENTAL PROPERTIES	126 FILLMORE ST	94117	Zone 2
WESTMAN HOTEL	2056 MISSIONS ST	94110	Zone 2
WHITT	1359 4TH AVE	94122	Zone 2

### **C. IN ADDITION TO THE TID: PROPOSED CITY FINANCING OF MOSCONE CONVENTION CENTER IMPROVEMENTS**

The City recognizes the significance of the tourism, leisure and convention industry to the overall economic health of the City. To that end, and in recognition of the critical component that the Moscone Convention Center plays with respect to sustaining growth in this area, and in addition to the proposed establishment of the TID, in December 2008 the City will consider authorizing the execution and delivery of approximately \$35 million of its certificates of participation, the proceeds of which will be used to pay for certain capital improvements at the Moscone Convention Center that will not be funded by the TID assessment funds. The issuance of the certificates of participation will replace City funding for the convention and tourism bureau. When combined with amounts to be derived from the proposed TID, funds spent on capital improvements and long term planning for the Moscone Convention Center will total as much as \$95,000,000 over the five (5) years period. It is expected that such enhancements will provide much needed capital improvements to the Moscone Convention Center, and correspondingly sustain and enhance the City's competitiveness with respect to the convention and tourist and leisure industry.<sup>11</sup>

Further, during the first five years of the TID, the City and the SFTIDMC intend to explore opportunities for further expansion and further improvements to the Moscone Convention Center, including strategies for utilizing tax advantaged public financing. Such financing would supplement (a) the TID assessment funds allocated to Moscone Convention Center under this Plan, and (b) the funds that would be raised from issuance of Certificates of Participation described above.

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<sup>11</sup> See Appendix 9 for the letter San Francisco's top meeting planners sent to the Mayor regarding intent to book elsewhere if funding is not allocated to the maintenance and repair of Moscone Center.

## Appendices

<i>Page Number</i>	<i>Appendix Document Included</i>	<i>Rationale for Inclusion in TID Plan</i>
Appendices   page 2	1. Economic Impact Data for Visitors to San Francisco, 2006 and 2007	Breakdown of number of visitors to the city, and their spending, demonstrating the economic impact of visitors to San Francisco
Appendices   page 5	2. Chart of comparable visitor bureau budgets in U.S.	Graph showing the dollar amounts that other cities allocate to destination sales and marketing efforts
Appendices   page 7	3. Special Assessment Budget	Tourism Improvement District Marketing Program Services and Improvement Assessment Budget and Moscone Convention Center Capital Improvement Plan
Appendices   page 17	4. PKF Report on Historical Performance of the SF Lodging Market as compared to Convention Activity	Shows correlation between hotel room occupancy and room rates and convention activity.
Appendices   page 24	5. Economic impact of conventions and Benefits of destination marketing, and convention centers, to tourist hotel and tourism-related businesses	Report demonstrating the economic impact of conventions, specifically the dollars convention attendees spend while in the city, and rationale showing how special benefit funded marketing efforts and improvements to Moscone Center will benefit tourist hotels contributing to the TID
Appendices   page 32	6. Article "Examining the Economic Value of Publicity and Promotional Activities Among State Tourism Communication Programs"	Report demonstrating the direct economic value to hotels of Convention and Visitor Bureau marketing and promotional expenditures.
Appendices   page 45	7. Abstract "A Review of Economic Value Drivers in Convention and Meeting Management Research"	Report demonstrating the direct economic value to hotels of investment in convention facilities.
Appendices   page 58	8. SFCVB 2008/09 Budget	Current SFCVB Budget
Appendices   page 60	9. Customer Advisory Council letter to Mayor Newsom	Letter from representatives of San Francisco's top meeting clients, requesting funding be directed to the maintenance and repair of Moscone