

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 California Streets and Highways**  
5 **Code, Section 36636, to require monthly, instead of quarterly, assessment, collection**  
6 **and distribution of assessment funds 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

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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 assessments by the hotels, and quarterly distribution  
5 of assessment funds to the District, stating:

6  
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,

13  
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.

21  
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 assessment funds;  
21 and,

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

1 monthly, instead of quarterly, assessment, payment, and distribution of funds based on gross  
2 revenue collected for tourist rooms each month (the "SFTIDMC Letter"), a copy of which is on  
3 file with the Clerk of the Board of Supervisors in File No. 131127, which is declared to be a  
4 part of this resolution as if set forth fully; and,

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

8 WHEREAS, The Planning Department has determined that the actions contemplated in  
9 this Resolution comply with the California Environmental Quality Act (California Public  
10 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the  
11 Board of Supervisors in File No. 131127 and is incorporated herein by reference;

12 now, therefore, be it

13 RESOLVED, that the Board of Supervisors declares as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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