Resolution (1) declaring the intention of the Board of Supervisors to establish a business-based business improvement district to be known as the “Tourism Improvement District” and levy a multi-year assessment on identified hotel businesses in the district, (2) approving the management district plan for the district, (3) ordering and setting a time and place for a public meeting and a public hearing thereon, (4) approving the form of the Notice of Public Meeting and Public Hearing and Assessment Ballots, and (5) directing the Clerk of the Board of Supervisors to give notice of the public meeting and public hearing as required by law.

WHEREAS, The Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code, commencing with Section 36600 (the "Law"), authorizes cities to establish property and business improvement districts to promote the economic revitalization and physical maintenance of such districts; and,

WHEREAS, Section 36603 of the Law recognizes the authority of Charter cities to adopt ordinances providing for different methods of levying assessments for similar or additional purposes from those set forth in the Law; and,

WHEREAS, Article 15 of the San Francisco Business and Tax Regulations Code ("Article 15") augments certain procedural and substantive requirements relating to the formation of property and business improvement districts and the assessments on real property or businesses within such districts; and,

WHEREAS, The Law and Article 15 authorize the City to levy and collect assessments on businesses within such districts for the purpose of providing improvements and promoting
activities and business-related services that specially benefit identified businesses located within such districts; and,

WHEREAS, The Law and Article 15 impose additional procedural and substantive requirements relating to assessments on businesses within a proposed property and business improvement district; and,

WHEREAS, The Board of Supervisors finds that the business-related services, activities and improvements to be funded with assessments on defined businesses within the proposed district will confer substantial special benefits on the assessed businesses over and above the general benefits to the public at large from such services, activities and improvements; and,

WHEREAS, The business owners who will pay more than 50% (fifty percent) of the total amount of assessments on businesses within the proposed district signed and submitted to the Clerk of the Board of Supervisors a petition (the "Petition") requesting that the Board of Supervisors establish a business-based assessment district to be named the "Tourism Improvement District" and levy assessments on defined hotel businesses located in the proposed district to fund hotel business-related services, activities and improvements within the district; and,

WHEREAS, A Management District Plan entitled the "Tourism Improvement District Management District Plan" containing information about the proposed district and assessments required by Section 36622 of the Law, including but not limited to a map of the district in sufficient detail to locate each business to be assessed, a description of the boundaries of the district, the name of the district, the total annual amount chargeable to the entire district, the duration of the payments, the business-related services, activities and improvements to be funded by the assessments for each year and the maximum cost thereof, the method and basis upon which the assessments are calculated in sufficient detail to allow
each business owner to calculate the amount of the assessment to be levied against his or
her business, a statement that no bonds will be issued to finance this district, the time and
manner of collecting the assessments, and a list of the businesses to be assessed, has been
submitted to the Clerk of the Board of Supervisors; and,

WHEREAS, evidence supporting the assessments within the proposed district has
been submitted to the Clerk of the Board of Supervisors as an Appendix to the Management
District Plan; now, therefore, be it

RESOLVED, That the Board of Supervisors declares as follows:

Section 1. Pursuant to Section 36621(a) of the Law and Article 15, the Board of
Supervisors declares its intention to form a property and business improvement district to be
designated as the "Tourism Improvement District" ("TID" or "District") for a period of 15 years,
and to levy and collect assessments against all defined hotel businesses in the District for a
period of 15 years, commencing January 1, 2009. The District will not be formed, however, if
business owners representing a majority of the assessments to be collected vote against
formation of the District. Ballots shall be weighted according to the proportional financial
obligation of each affected hotel business, in relation to the total proposed assessments for
the District. The District term will commence January 1, 2009 with services beginning July 1,
2009, following the first disbursement of assessment revenues to the TID management
corporation. No bonds will be issued to finance this District.

Section 2. The Board of Supervisors hereby approves the Management District
Plan, including the estimates of the costs of the business-related services, activities and
improvements set forth in the plan, and the assessment of said costs on the businesses that
will specially benefit from such services, activities and improvements, including the Appendix
of documentation regarding the elements of the Plan. A copy of the Management District Plan
is on file with the Clerk of the Board of Supervisors in File No.081338. The Clerk of the Board
shall make the Management District Plan, Appendix, and other documents related to the
District and included in the record before the Board of Supervisors, available to the public for
review during normal business hours, Monday through Friday 8:00 a.m. through 5:00 p.m.,
excluding legal holidays.

Section 3. The exterior boundaries of the District and the Zones within the District
are as set forth in the map contained in the Management District Plan on file with the Clerk of
the Board of Supervisors in File No. 081338, and incorporated herein by reference. The
exterior boundaries of the District, and the Zones within the District, are described as follows:

- The District includes all tourist hotels generating revenue from tourist rooms that
  operate in the City and County of San Francisco during the term of the District, and
  so the exterior boundaries of the District are the same as the contiguous boundary
  of the municipal corporation City and County of San Francisco.

- These tourist hotels are divided into two zones, Zone 1 and Zone 2:
  -- Zone 1 includes 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 16th 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 16th Street as if it
    continued east to the Bay.
  -- Zone 2 includes all tourist hotels with addresses west of Van Ness Avenue and
    South Van Ness Avenue, and all tourist hotels south of 16th Street.

  Reference should be made to the detailed map and the list of businesses, in order to
determine which hotels are in which zone.

Section 4. A public meeting on the proposed establishment of the District and the
levy and collection of assessments starting January 1, 2009 and continuing through
December 31, 2023, shall be conducted by the Government Audit and Oversight Committee
of the Board of Supervisors on November 17, 2008 at 10:00 a.m. or as soon thereafter as the
matter may be heard, in Room 263, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco,
California, 94102. At this public meeting, the Committee will hear public testimony regarding
the proposed formation of the District and levy of new assessments, that may include
testimony regarding the boundaries of the District, the proposed types of business-related
services, improvements and activities to be provided by the District, and other matters related
to the District.

Section 5. A public hearing on the proposed establishment of the District and the levy
and collection of assessments starting January 1, 2009 and continuing through December 31,
2023, shall be conducted before the Board of Supervisors on December 16, 2008 at 3:00 p.m.
or as soon thereafter as the matter may be heard, in the Board’s Legislative Chambers,
Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At
this public hearing the Board of Supervisors will hear public testimony regarding the proposed
formation of the District, assessments, and boundaries of the District, including testimony from
all interested persons for or against establishment of the District, the extent of the District, the
levy of the assessments, the furnishing of specific types of business-related services,
 improvements and activities, and other matters related to the District. The Board of
Supervisors may waive any irregularity in the form or content of any written protest, and at the
public hearing may correct minor defects in the proceedings. All protests submitted by
affected business owners and received prior to the conclusion of the public testimony portion
of the public hearing shall be tabulated to determine whether a majority protest exists.

Section 6. The Board of Supervisors hereby approves the form of the Notice of
Public Meeting and Public Hearing and Assessment Ballot which are on file with the Clerk of
the Board of Supervisors in File No.081338.
Section 7. The proposed business-related services, improvements or activities for the District include two components: For years one through fifteen, marketing and promotions by the San Francisco Convention and Visitors Bureau; and in addition, for years one through five, Moscone Convention Center upgrades and renovation plus planning for possible expansion.

The fifteen-year San Francisco Convention and Visitors Bureau (SFCVB) component will consist of:

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, such as enhanced print, radio, web and television advertisement, improved event services, technological improvements for online room booking; and
   - Marketing and promotion staff oversight.
   - These SFCVB marketing and promotions 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 reimbursement of cost of services and other expenses to the City Treasurer and Tax Collector and other City departments for collection and disbursement of the assessment and related administration functions.

- 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, setting 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.

The five-year Moscone Convention Center component will consist of:

1. Renovation and upgrades, including capital improvements to Moscone Center North, South and West, such as state of the art technology upgrades and various structural projects.

2. Monitoring of TID funds provided for the improvements to Moscone 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 Center as a whole, such as architectural engineering fees for the proposed expansion.
4. Contingency/Reserves for unforeseen costs and escalation for improvement areas listed under #1 and #2 above; and for a proportionate share of the TID administrative costs and expenses related to the administration of the new non-profit management corporation that will administer the TID revenues, including reimbursement of cost of services and other expenses to the City Treasurer and Tax Collector and other City departments for collection and disbursement of the assessment and related administration functions.

Section 8. The annual assessment proposed to be levied and collected for the first year of the District (calendar year 2009) is $27,000,000. The amount of the annual assessment to be levied and collected for year two through year fifteen (calendar year 2010 through calendar year 2023) may increase or decrease annually according to the gross revenue from tourist rooms. The total maximum assessment that could be collected for years one through five the district, is $182,043,000. The total maximum assessment that could be collected for years six through fifteen the district, is $735,085,395. The total maximum assessment that could be collected for years one through fifteen of the district, is $917,128,395.

Section 9. The Clerk of the Board is directed to give notice of the public meeting and public hearing as provided in the Property and Business Improvement District Law of 1994 (California Streets and Highways Code §§36600 et seq.), California Government Code §54954.6, San Francisco Charter Section 16.112, San Francisco Administrative Code Section 67.7-1, and San Francisco Business and Tax Regulations Code Article 15.
Resolution (1) declaring the intention of the Board of Supervisors to establish a business-based business improvement district to be known as the “Tourism Improvement District” and levy a multi-year assessment on identified hotel businesses in the district, (2) approving the management district plan for the district, (3) ordering and setting a time and place for a public meeting and a public hearing thereon, (4) approving the form of the Notice of Public Meeting and Public Hearing and Assessment Ballots, and (5) directing the Clerk of the Board of Supervisors to give notice of the public meeting and public hearing as required by law.

October 28, 2008 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Chu, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval
Absent: 1 - Ammiano
I hereby certify that the foregoing Resolution was ADOPTED on October 28, 2008 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

10/30/2008
Date Approved

Mayor Gavin Newsom