

1 [Amendment - San Francisco Tourism Improvement District Management District Plan]

2
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.**
7

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
25

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:

3
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.

15
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:

16
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)

9
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.

3
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)

7
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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City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 131127

Date Passed: December 10, 2013

Resolution approving an amendment to the San Francisco Tourism Improvement District Management District Plan, in accordance with California Streets and Highways Code, Section 36636, to require monthly, instead of quarterly, assessment, collection and distribution of assessment funds by the Office of the Treasurer and Tax Collector.

December 04, 2013 Budget and Finance Committee - AMENDED

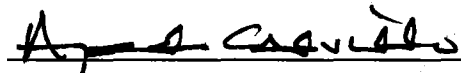
December 04, 2013 Budget and Finance Committee - RECOMMENDED AS AMENDED

December 10, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 131127

I hereby certify that the foregoing Resolution was ADOPTED on 12/10/2013 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor


Date Approved