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SAN FRANCISCO CONVENTION & VISITORS BUREAU

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## **NEWS**

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### **San Francisco Approves New Tourism Improvement District**

Dec. 17, 2008 - San Francisco's hotel owners and operators have approved the Tourism Improvement District (TID) proposed by the San Francisco Convention & Visitors Bureau (SFCVB). San Francisco Mayor Gavin Newsom and Board of Supervisors President Aaron Peskin also supported the TID as an integral part of the city's economic stimulus efforts. The TID was passed yesterday, without opposition, at the final Board of Supervisors meeting for 2008.

The new TID, designed to fund capital improvements, upgrades and expansion analysis for Moscone Convention Center, as well as for the first time ensuring stable and adequate funding for the SFCVB to market San Francisco as the premier destination for conventions and leisure travel, will be an assessment of 1 to 1.5 percent of room revenue for all hotels within San Francisco city limits.

"This Tourism Improvement District is an investment in tourism, San Francisco's number one industry and number one employer," said San Francisco Mayor Gavin Newsom. "This TID will not only benefit our local hotels and their employees, but every visitor we welcome into our city. These visitors spent over \$8 billion in 2007 and we need to ensure that these same visitors continue to come to San Francisco for both business and pleasure."

"Today, the City and County of San Francisco approved \$45 million in funds for Moscone Center improvements. This program will ensure that Moscone is the most state-of-the-art convention center in the nation," said San Francisco Board of Supervisors President Aaron Peskin. "Additionally, assessment revenue raised from the hotels is expected to generate \$18 million for marketing San Francisco as a destination and \$9 million for improvements and upgrades to Moscone Center in the first year alone. This plan will help create jobs and ensure that our tourism economy continues to grow in the future"

Without the establishment of the TID, the SFCVB and Moscone Center could have faced major budget challenges, which would have led to reduced services for convention and meeting customers and indefinite postponement of Moscone Center improvements and upgrades, and ultimately reduced economic impact for the city.

"Today's approval of a Tourism Improvement District is a landmark for the future of San Francisco and a breakthrough for the travel industry," said Joe D'Alessandro, president and CEO, SFCVB. "For San Francisco to remain competitive, it was crucial that we develop a long-term strategy that would ensure a steady revenue flow necessary to continue to promote San Francisco as one of the world's premier destinations. I applaud San Francisco hotel owners and operators for investing in the future of San Francisco."

The city's tourist hotels will be divided into two zones, based largely on geographic proximity to Moscone Center and the regional and city transportation infrastructure. The 1.5 percent assessment of gross revenue from tourist hotel rooms in Zone 1 will add \$3 to the guest folio based on a room rate of \$200. The 1 percent assessment of gross revenue from tourist hotel rooms in Zone 2 will add \$2 the guest folio based on a room rate of \$200. In Aug. 2008 (the last recorded data available from PKF Consulting), the average daily room rate in San Francisco was \$186.51. Currently, visitors pay a 14 percent hotel tax.

On Oct. 7, 2008, petitions for the Tourism Improvement District (TID) were sent to San Francisco hotel general managers asking the City and County of San Francisco to take steps to form a citywide Tourism Improvement District. As of Oct. 20, nearly 90 percent of the petitions were returned supporting the proposed TID. In early November ballots were sent from the Office of Elections to hotel owners and operators who were given 45 days to submit their votes by ballot to the City. The ballots were counted Dec. 16, with 95 percent of the returned weighted vote supporting the TID. The 15-year assessment will begin Jan. 1, 2009.

Additional information on the Tourism Improvement District may be found at <http://www.SFCVB.org/members/TID.asp>

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The [San Francisco Convention & Visitors Bureau](#) is a private, not-for-profit organization that markets the City as a leisure, convention and business travel destination. With more than 1,700 members, the SFCVB is one of the largest membership-based tourism promotion agencies in the country. Tourism, San Francisco's largest industry, generates in excess of \$8.2 billion annually for the local economy. The SFCVB business offices are located at 201 Third St., Suite 900, San Francisco, CA 94103. The Bureau also operates the Visitor Information Center at Hallidie Plaza, 900 Market St. at the corner of Powell and Market streets. For more information, call 415-974-6900 or visit [www.onlyinsanfrancisco.com](http://www.onlyinsanfrancisco.com)

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