December 30, 2020

The Honorable Garrett L. Wong
Presiding Judge
Superior Court of California, County of San Francisco
400 McAllister Street, Department 206
San Francisco, CA 94102

Subject: Civil Grand Jury Report - Sustain Our City’s High Performing Moscone Convention Center

Dear Judge Wong:

The Board of Supervisors’ Government Audit and Oversight Committee conducted a public hearing on December 3, 2020, to review the findings and recommendations of the 2019-2020 Civil Grand Jury report, entitled “Sustain Our City’s High Performing Moscone Convention Center.”

Prior to the Committee meeting, the following City Departments submitted required responses to the Civil Grand Jury:

- Office of the Mayor:
  Received November 30, 2020;
- City Administrator:
  Received November 30, 2020;
- Office of the Economic and Workforce Development:
  Received November 30, 2020;
- Police Department:
  Received November 30, 2020;
- Office of the Controller:
  Received November 30, 2020

During the December 3, 2020 meeting, the Government Audit and Oversight Committee prepared a resolution responding to the requested findings and recommendations identified in the report. The response was prepared by Resolution No. 587-20 (File No. 201124) and enacted on December 23, 2020.

By this message, the Office of the Clerk of the Board of Supervisors is transmitting their response (Resolution No. 587-20) to your attention.

(Continues on next page)
If you have any questions, please contact John Carroll, Government Audit and Oversight Committee Clerk at (415) 554-4445, or via email to john.carroll@sfgov.org.

Sincerely,

Angela Calvillo
Clerk of the Board

jec:bjj:ams

c: Sophia Kittler, Mayor’s Office
Andres Power, Mayor’s Office
Sally Ma, Mayor’s Office
Rebecca Peacock, Mayor’s Office
Anne Pearson, Office of the City Attorney
Ben Rosenfield, City Controller
Todd Rydstrom, Office of the Controller
Peg Stevenson, Office of the Controller
Mark de la Rosa, Office of the Controller
Ken Bukowski, Acting City Administrator, Office of the City Administrator
Lihmeei Leu, Office of the City Administrator
Tal Quetone, Office of the City Administrator
Alisa Somera, Office of the Clerk of the Board
Severin Campbell, Office of the Budget and Legislative Analyst
Reuben Holober, Office of the Budget and Legislative Analyst
Ellie Schafer, 2020-2021 Foreperson, San Francisco Civil Grand Jury
Jaime Guandique, 2019-2020 Foreperson, San Francisco Civil Grand Jury
Rasha Harvey, 2018-2019 Foreperson, San Francisco Civil Grand Jury
Peter Mills, 2019-2020 San Francisco Civil Grand Jury
John Noguchi, Director of Convention Facilities
Joaquin Torres, Director, Office of Economic and Workforce Development
J’Wel Vaughan, Office of Economic and Workforce Development
Anne Taupier, Office of Economic and Workforce Development
Lisa Pagan, Office of Economic and Workforce Development
William Scott, Police Chief, Police Department
Rowena Carr, Police Department
Lili Gamero, Police Department
Diana Oliva-Aroche, Police Department
Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2019-2020 Civil Grand Jury Report, entitled “Sustain Our City’s High Performance Moscone Convention Center;” and urging the Mayor to cause the implementation of accepted findings and recommendations through her department heads and through the development of the annual budget.

WHEREAS, Under California Penal Code, Section 933 et seq., the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on the findings and recommendations contained in Civil Grand Jury Reports; and

WHEREAS, In accordance with California Penal Code, Section 933.05(c), if a finding or recommendation of the Civil Grand Jury addresses budgetary or personnel matters of a county agency or a department headed by an elected officer, the agency or department head and the Board of Supervisors shall respond if requested by the Civil Grand Jury, but the response of the Board of Supervisors shall address only budgetary or personnel matters over which it has some decision making authority; and

WHEREAS, Under San Francisco Administrative Code, Section 2.10(a), the Board of Supervisors must conduct a public hearing by a committee to consider a final report of the findings and recommendations submitted, and notify the current foreperson and immediate past foreperson of the civil grand jury when such hearing is scheduled; and

WHEREAS, In accordance with San Francisco Administrative Code, Section 2.10(b), the Controller must report to the Board of Supervisors on the implementation of recommendations that pertain to fiscal matters that were considered at a public hearing held by a Board of Supervisors Committee; and
WHEREAS, The 2019-2020 Civil Grand Jury Report, entitled “Sustain Our City’s High Performing Moscone Convention Center” (“Report”) is on file with the Clerk of the Board of Supervisors in File No. 201123, which is hereby declared to be a part of this Resolution as if set forth fully herein; and

WHEREAS, The Civil Grand Jury has requested that the Board of Supervisors respond to Finding Nos. F1, F2, F3, F4, F5, F6, F7, F8, and F9, as well as Recommendation Nos. R1, R2, R3, and R4, contained in the subject Report; and

WHEREAS, Finding No. F1 states: “MED and TID assessments to support convention sales and San Francisco Travel are a key support to Moscone’s competitiveness and success;” and

WHEREAS, Finding No. F2 states: “Currently, strong Moscone and San Francisco value propositions attract corporate and association conventions to the city, underpinning a robust convention business;” and

WHEREAS, Finding No. F3 states: “Moscone’s primary economic benefit to San Francisco is indirect, deriving from conventions that help fill hotel rooms and support local travel and tourism-related activities;” and

WHEREAS, Finding No. F4 states: “Moscone’s convention business supports a significant travel and tourism-based workforce that is largely local, vital, and diverse;” and

WHEREAS, Finding No. F5 states: “Economic activity due to Moscone’s conventions is a significant part of the City’s entire tourism sector, about one fifth of it;” and

WHEREAS, Finding No. F6 states: “Compared to many cities’ competing venues, high local hotel costs, labor costs, and Moscone facility costs make contracting future conventions a significant challenge (notwithstanding current MED and TID assessments);” and
WHEREAS, Finding No. F7 states: “Compared to some cities’ competing venues, convention planner and conventioneer concerns about insecurity (real and perceived) in San Francisco make contracting and retaining future conventions a significant challenge;” and

WHEREAS, Finding No. F8 states: “Unwelcome street behaviors and uncleanliness that bother convention attendees and exhibitors have been important reasons for convention planners of medium and large size events to select venues in other cities;” and

WHEREAS, Finding No. F9 states: “In the face of San Francisco’s challenges in the areas of (i) event hosting costs, (ii) street blight and (iii) unwelcome street behavior, increasing Moscone’s pricing discounts could at least partly offset these to more effectively attract and retain convention events;” and

WHEREAS, Recommendation No. R1 states: “Renew the current Tourism Improvement District that expires December 31, 2023 to at least maintain then current levels of TID assessments and other terms no less favorable than the current agreement;” and

WHEREAS, Recommendation No. R2 states: “Starting with FY 2021/2022 city budget, supplement current MED assessments with an additional general fund allocation of at least $2,500,000 to provide additional discounts to Moscone gross rental charges, targeting multi-year deals with priority organizations, subject to case by case approval by the City’s Director of Convention Facilities;” and

WHEREAS, Recommendation No. R3 states: “Effective with conventions taking place after July 1, 2021, the Police Department must assign at least an additional 3 uniformed beat patrol officers per 10,000 expected event attendees, dedicated to patrolling areas extending four or more blocks from any side of Moscone Convention Center during the 8 busiest convention hours overlapping daily start and end times;” and

WHEREAS, Recommendation No. R4 states: “By June 30, 2021, establish a task force comprised of at least (i) ASM Global, (ii) Community Behavioral Health Services, (iii)
Convention Facilities Department, (iv) the San Francisco Hotel Council, (v) San Francisco Police Department, and (vi) San Francisco Travel, to develop a comprehensive strategic plan for event security and street management, to achieve a goal of 25% or fewer ‘needs improvement’ responses in convention post-event surveys for security and street cleanliness;” and

WHEREAS, In accordance with California Penal Code, Section 933.05(c), the Board of Supervisors must respond, within 90 days of receipt, to the Presiding Judge of the Superior Court on Finding Nos. F1, F2, F3, F4, F5, F6, F7, F8, and F9, as well as Recommendation Nos. R1, R2, R3, and R4 contained in the subject Report; now, therefore, be it

RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F1; and be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F2; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F3; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F4; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they agree with Finding No. F5; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree partially with Finding No. F6 for reason as follows: Moscone Center remains one of the highest in-demand destinations among the nation’s first-tier venues for conventions and visitors before the pandemic despite costs, because conventioneers consider a variety of factors to determine the overall value of hosting events in the City; and, be it
FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree partially with Finding No. F7 for reason as follows: Moscone Center remains one of the highest in-demand destinations among the nation’s first-tier venues for conventions and visitors before the pandemic despite real and perceived security, because conventioneers consider a variety of factors to determine the overall value of hosting events in the City; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree partially with Finding No. F8 for reason as follows: Moscone Center remains one of the highest in-demand destinations among the nation’s first-tier venues for conventions and visitors before the pandemic despite street behaviors and cleanliness, because conventioneers consider a variety of factors to determine the overall value of hosting events in the City; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports to the Presiding Judge of the Superior Court that they disagree with Finding No. F9 for reason as follows: There are many contributing factors to conventioneers’ decisions, San Francisco should focus on long-lasting competitive advantages by elevating the overall value of hosting conventions at Moscone Center; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R1 will not be implemented because the renewal of the Tourism Improvement District is subject to a public and democratic process that includes input from hotels, tourism industry leaders, and the City and County of San Francisco; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R2 will not be implemented because the City is unable to commit additional General Fund given the City’s future fiscal uncertainty due to the COVID-19 public health emergency; and, be it
FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R3 will not be implemented because the City is unable to commit additional resources to San Francisco Police Department to assign at least an additional 3 uniformed beat patrol officers per 10,000 expected event attendees given the City’s future fiscal uncertainty due to the COVID-19 public health emergency; and, be it

FURTHER RESOLVED, That the Board of Supervisors reports that Recommendation No. R4 will not be implemented because the City has already established an active relationship with various city departments and organizations that oversees event security and street management; and, be it

FURTHER RESOLVED, That the Board of Supervisors urges the Mayor to cause the implementation of the accepted findings and recommendations through her department heads and through the development of the annual budget.
Resolution responding to the Presiding Judge of the Superior Court on the findings and recommendations contained in the 2019-2020 Civil Grand Jury Report, entitled "Sustain Our City’s High Performance Moscone Convention Center;" and urging the Mayor to cause the implementation of accepted findings and recommendations through her department heads and through the development of the annual budget.

December 03, 2020 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

December 03, 2020 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

December 15, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 201124

I hereby certify that the foregoing Resolution was ADOPTED on 12/15/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Unsigned

London N. Breed
Mayor

12/23/2020
Date Approved
I hereby certify that the foregoing resolution, not being signed by the Mayor within the time limit as set forth in Section 3.103 of the Charter, or time waived pursuant to Board Rule 2.14.2, became effective without her approval in accordance with the provision of said Section 3.103 of the Charter or Board Rule 2.14.2.

AngeLe Calvillo
Clerk of the Board

12/23/2020

Date

File No.
201124