PLEASE USE THESE BALLOT PROCEEDING DOCUMENTS INSTEAD, FOR THE PROPOSED MOSCONE EXPANSION DISTRICT/ASSESSMENTS:

- REVISED/REPLACEMENT AFFIDAVIT OF IDENTIFICATION,
- DUPLICATE BALLOT, AND
- REVISED CONFIDENTIAL ESTIMATE OF ASSESSMENT

DATE: December 11, 2012

TO:  
   Insert Ownership Name
   Insert Hotel Name

FROM: City and County of San Francisco

SUBJECT: Please use these three enclosed ballot proceeding documents for the proposed Moscone Expansion District (MED) assessments, instead of those mailed to your hotel December 7, 2012
   - Revised/Replacement Affidavit of Identification,
   - Duplicate Ballot, and
   - Revised Confidential Estimate of Assessment

Please use these three enclosed ballot proceeding documents instead of those mailed to your hotel December 7, 2012, regarding the proposed establishment of a new business-based assessment district and levy of assessments, to be known as the Moscone Expansion District (MED):

- Revised/Replacement Affidavit of Identification (the Affidavit mailed December 7, 2012 inadvertently partially referenced a different assessment district);
- Duplicate Ballot (for convenience); and,
- Revised Confidential Estimate of Assessment for your hotel (an incorrect formula was inadvertently applied in the Confidential Estimate mailed to your hotel December 7, 2012).

Please refer to the Original Ballot Package Mailed to your hotel on December 7, 2012 for reference to the following supplemental materials:

- Resolution of Intention to Establish the Moscone Expansion District
- Moscone Expansion District Management Plan
- Notice of Public Meeting & Public Hearing & Assessment Ballot Proceeding
- Board of Supervisors Notice of Public Meeting and Public Hearing (in English, Spanish, & Cantonese)

A. Please return the Revised/Replacement Affidavit of Identification and Duplicate Ballot to the Department of Elections by February 5, 2013.

1. Whether or not you have already returned your original ballot and affidavit that were mailed to you December 7, 2012, please now fill out and sign the attached Revised/Replacement
Affidavit of Identification and Duplicate Ballot and send both documents in the enclosed pre-addressed envelope to the City and County of San Francisco Department of Elections.

2. If mailed to the Department of Elections, the envelope must be received at the pre-addressed Post Office Box on the return envelope no later than 12 o’clock noon on February 5, 2013; or if delivered in person, the envelope must be received in Room 48, San Francisco City Hall, One Dr. Carlton B. Goodlett Place, San Francisco, no later than 3:00 p.m. on February 5, 2013.

3. Alternatively, the Revised/Replacement Affidavit of Identification and Duplicate Ballot may be submitted during the Board of Supervisors public hearing on this matter, scheduled to commence at 3:00 p.m. on February 5, 2013 in the Board of Supervisors Legislative Chamber, Room 250 City Hall, One Dr. Carlton B. Goodlett Place, San Francisco.

4. You may withdraw your ballot and submit a new or changed ballot in place of a ballot previously submitted, at any time prior to the conclusion of the public testimony portion of the Board of Supervisors hearing scheduled February 5, 2013. The Department of Elections will have a table in front of the Board Chambers on the day of the public hearing to collect ballots submitted in person. If the public testimony portion of the hearing is continued to a later date, the deadline for submission of ballots will likewise be extended until the close of public testimony on that date.

5. Only ballots with original signatures - not photocopies of signatures - will be accepted.

6. The City and County of San Francisco will not accept or tabulate a ballot which is a photocopy without an original signature; which is unsigned; which lacks an identifiable “yes” or “no” vote; or which appears to have been tampered with based upon its appearance or method of delivery.

7. The assessment ballot itself shall be treated as a disclosable public record during and after the tabulation of the assessment ballots.

8. At the conclusion of the public testimony portion of the public hearing, the City and County of San Francisco Department of Elections and Office of the Treasurer/Tax Collector will tabulate the ballots, including those received during the public testimony portion of the public hearing. If more than one ballot has been submitted by a hotel, the last submitted ballot will be the ballot tabulated.

If the number of ballots received at the hearing is such that it is not feasible to accurately tabulate the ballots that day, the Board of Supervisors may continue the meeting to a later date for the purpose of obtaining the final tabulation.

9. The Board of Supervisors will not impose the assessment and establish the district, if business owners representing a majority of assessments to be collected vote against formation of the District.

10. If tourist hotels representing at least 50% of the total estimated assessments proposed to be levied on all tourist hotels in the District cast ballots, and at least two-thirds of the returned
weighted ballots are in favor of the formation of the District and levy of assessments, the Board of Supervisors will vote on whether to establish the District and levy the assessments. A majority vote of the Board of Supervisors is required to establish the District and levy the assessments.

11. The “Weight” calculated for the ballot election is determined by the assessment each tourist hotel will pay into the district compared to the total assessments estimated to be collected in year one. Year one maximum assessment collection estimates are based on 12 months of projected collections at the assessment formula of 1.25% and 0.3125% for tourist hotels located in Zones 1 and 2 respectively, calculated on the assessable gross room revenue from tourist rooms of calendar year 2011 as reported by hotels. The City will tabulate the petition and ballot results and will assign a “weight” to each hotel based on its calendar year 2011 assessable gross room revenue from tourist rooms in relation to its portion of the total MED assessment.

B. A Revised Confidential Estimate of Assessment for your hotel is also enclosed, for your information and review.

1. A Revised Confidential Estimate of Assessment for your hotel from the City Treasurer and Tax Collector is also enclosed for your information and review; this Revised document replaces the Confidential Estimate mailed to you on December 7, 2012 (which inadvertently utilized an incorrect assessment rate for the calculation).

2. The estimated year one assessment for your business is based on 2011 gross revenue from tourist rooms as reported to the Treasurer/Tax Collector by hotels.

3. DO NOT return this Revised Confidential Estimate of Assessment with your hotel’s completed Revised/Replacement Affidavit of Identification and Duplicate Ballot.

4. The correct assessment rate formula was described in the Moscone Expansion District Management Plan and related documents mailed to your hotel on December 7, 2012, including the “Notice of Public Meeting & Public Hearing and Assessment Ballot Proceeding,” as follows:

   **Zone 1:**
   - With respect to gross revenue from tourist rooms generated during the period beginning with commencement of the assessment through December 31, 2013, the assessment shall be 0.50% of gross revenue from tourist rooms.
   - With respect to gross revenue from tourist rooms generated beginning January 1, 2014 until the termination of the District, the assessment in Zone 1 shall be 1.25% of gross revenue from tourist rooms.

   **Zone 2:**
   - With respect to gross revenue from tourist rooms generated during the period beginning with commencement of the assessment until the termination of the District, the assessment shall be 0.3125% of gross revenue from tourist rooms.
Annual revenues generated from assessments will fluctuate over the life of the District based on actual gross revenues from tourist rooms, subject to the maximum assessment set forth in the Management District Plan.

5. The District shall include all tourist hotels operating in the City & County of San Francisco that generate revenue from tourist rooms, and which are located in the following geographic areas:

Zone 1: 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: Tourist hotels with addresses:
- West of Van Ness Avenue and South Van Ness Avenue, and
- South of 16th Street.

A map of the District and a list of existing tourist hotels within the District are set forth in the Management District Plan. Because this is a business-based District, tourist hotels that open for business within the District in the future will also be subject to the assessment.

6. The proposed activities and improvements for the District to be funded with district assessments include:

- Planning, design, engineering, entitlement, construction, project management and related services for expansion of the Moscone Convention Center, including related payments for any bond, financing lease (including certificates of participation) or similar obligations of the City. The proposed Project improvements are estimated to cost up to $500 million.
- Funding of a Moscone Convention Center Incentive Fund, which will be used to attract significant meetings, tradeshows and conventions to San Francisco via offset of rental costs.
- Funding of a Moscone Convention Center Sales & Marketing Fund to provide increased funding for sales and marketing of convention business, with a focus on generating increased revenues for hotels that pay the assessment.
- Funding a Capital Improvements and Renovations Fund, including funding for future upgrades, expansion, renovation, and capital improvements to the Moscone Convention Center.
- Allocation of funds to pay for District formation, operation and administration, and to establish and maintain a contingency reserve.

1. The Board of Supervisors will hold a Public Meeting on the proposed establishment of Moscone Expansion District and levy of assessments on January 23, 2013 at 11:00 a.m., or as soon thereafter as the matter may be heard, at the Board’s Budget & Finance Committee, in the Legislative Chamber, Room 250 City Hall, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. At this Public Meeting the Board Committee will hear testimony regarding the proposed assessment district and levy of assessments. The public meeting may be convened and heard before another appropriate Board Committee as designated by the President of the Board of Supervisors.

2. The Board of Supervisors will hold a Public Hearing on the proposed establishment of Moscone Expansion District and levy of assessments at 3:00 p.m. on February 5, 2013 or as soon thereafter as the matter may be heard, in the Board’s Legislative Chambers, Room 250 Second Floor, City Hall, One Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At this Public Hearing, the Board will hear testimony regarding the proposed assessment district and levy of assessments.

3. In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the Public Meeting or Public Hearing on this matter may submit written comments to the City prior to the time the Public Meeting or Public Hearing begins. These comments will be made a part of the official public record in this matter, and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, San Francisco Board of Supervisors, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102.

4. The reason for the Public Meeting and Public Hearing and balloting is to consider and possibly establish a Business Improvement District to be known as the “Moscone Expansion District” and levy a multi-year assessment on defined tourist hotel businesses in the district. The annual assessments would last for 32 years.

   The boundaries of the proposed Moscone Expansion District, Zone 1 and Zone 2, and further information regarding the district’s proposed activities, improvements, management, maximum assessments, and anticipated financing structure, are described in the Board of Supervisors “Resolution of Intention--Moscone Expansion Business Improvement District” (Resolution No.416-12) and in the MED Management District Plan, as mailed to your hotel December 7, 2012.

Should you have any questions, please call or write to: Mr. Cuong Quach, Department of Elections, Room 48, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. Telephone: (415) 554-4342, cuong.quach@sfgov.org.