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Moscone inks \$500M expansion deal

Convention center taps Sares Regis to relieve space crunch

Premium content from San Francisco Business Times by J.K. Dineen, Reporter

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A division of the Sares Regis Group has been selected to oversee the expansion of the **Moscone Convention Center**, an estimated \$500 million project intended to allow San Francisco to remain competitive in attracting and retaining large conventions.

The San Francisco Tourism Improvement District has hired SRGNC CRES LLC, a division of **Sares Regis Group of Northern California**, to oversee the architectural design and engineering of an expansion of the Moscone Convention Center.

SRGNC will work on behalf of the TID in close cooperation with representatives of the city, including the San Francisco Department of Public Works and the Office of Economic and Workforce Development. Work will begin immediately with the goal of selecting a team no later than June.

"We have launched the process to expand Moscone Center to meet demand for larger conventions, enabling organizations to continue meeting in San Francisco and contribute important economic benefits to the city," said [Dan Kelleher](#), chairman of the TID's board of directors. "SRGNC's experience in entitlements, engineering, and construction makes the firm a great fit to move this important project forward."

Other companies in the running for the "owner's representative" job included San Francisco-based Conversion Management Associates and Jones Lang LaSalle. Sares Regis is currently overseeing two major public construction projects, a new jail for San Mateo County and an emergency operations facility in Marin County.

The first public step in formulating an expansion plan comes as some of the larger conventions have either already outgrown Moscone or have informed the San Francisco Travel Association that they will no longer be able to hold conventions in San Francisco if Moscone is not enlarged in the next five years.

Moscone currently has 700,000 square feet but the space is split between three buildings. San Diego, San Francisco's primary West Coast competitor, has 615,000 square feet of contiguous space with plans to grow to 1 million. Nine conventions in San Francisco have received record-breaking attendance in the past five months, continuing a trend that has been tracked since 1998. The American Association of Orthopedic Surgeons annual meeting recently said it would not hold its meeting here anymore, an estimated loss of \$49 million to the city.

[Joe D'Alessandro](#), president and CEO of the San Francisco Travel Association, which receives money through the TID, emphasized that the field is wide open as far as expansion alternatives.

Possibilities include expanding eastward under Third Street and incorporating the mid-block parcel currently occupied by the Moscone parking garage. The facility could also be expanded under Howard Street or Folsom Street. One earlier option, incorporating the old telephone building at 680 Folsom St., is no longer an option because that structure, which is undergoing a renovation, has been leased by Macy.com and Riverbed Technology.

"There is no plan for expansion in place at this time, though we are evaluating several potential options," said D'Alessandro. "It's all speculative at this point and still a long way from having any specific plans."

Funding could come for the Tourism Improvement District, which will generate an estimated \$24 million this fiscal year, and other public sources.

D'Alessandro said he would like to see the new Moscone open in 2017 or 2018 by the latest. He said multiple growing conventions have said they would need more space by that point in order to keep coming to San Francisco.

"What we want to do is move as quickly as we possibly can," he said. "We have customers who say they will not be able to stay in San Francisco if we don't expand and customers who say they want to come but can't because Moscone is too small."

He said the conceptual idea of Moscone expansion has the backing of organized labor, Mayor [Ed Lee](#), the Board of Supervisors and the business community.

"There are many unknowns, but the one thing we can be certain of is that San Francisco needs more meeting space if it is to remain competitive with other destinations," D'Alessandro said. "Conventions are a major part of the tourism industry that fuels the city's economy. We cannot afford to fall behind."

[Jeff Birdwell](#), president of commercial development at SRGNC, said the first order of business will be selecting an architecture team. The TID has already issued a request for qualification for an architect. Responses are due May 4.

SRGNC will include [Donald Young](#) of D.R. Young Associates on its project team. Young has been a project manager on a number of major projects in San Francisco, including the **California Academy of Sciences** and the upcoming **San Francisco Museum of Modern Art** expansion.

"It's a landmark facility, the most financially successful convention center on a square foot basis in the United States," said Birdwell. "We have an opportunity to expand it in a thoughtful way while preserving and enhancing the Yerba Buena Gardens, which is some of the most cherished public space in San Francisco. The basics are there that if thoughtfully put together you can do the right thing in a spectacular way."

J.K. Dineen covers real estate for the San Francisco Business Times.