

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR MONTHLY MEETING

Thursday, April 13, 2006

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, April 13, 2006, in the Trustees' Board Room, War Memorial Opera House, President Bashford presiding.

ROLL CALL

Present: President Bashford, Vice President Horn, Trustee Bechtle, Trustee Moscone, Trustee Reynolds, Trustee Shultz, Trustee Tsakopoulos-Kounalakis;

Absent: Trustee Farrow, Trustee Haas, Trustee Jarman, and Trustee Pelosi.

Staff Present: Elizabeth Murray, Managing Director
Gregory Ridenour, Assistant Managing Director/Executive Secretary

APPROVAL OF MINUTES

President Bashford called for approval of the minutes of the March 9, 2006 regular meeting of the Board. On motion of Trustee Shultz, seconded by Trustee Reynolds, the minutes were unanimously approved.

MANAGING DIRECTOR'S REPORT

Rental Requests: Ms. Murray reported that rental requests mailed to Trustees include requests from each of the San Francisco Opera and San Francisco Symphony for 2006 opening night activities. She stated that remaining rental requests are routine, and requested their approval. On motion of Trustee Shultz, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 06-12

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the following rental requests are hereby approved:

WAR MEMORIAL OPERA HOUSE

San Francisco Opera Guild	September 8, 2006	\$6,650.00
Opera Opening Night Gala – Parking Lot Tent for Pre- and Post-Performance Activities		
Use of 2006-07 catering exemption		
Opera Opening Night – Intermission Reception for corporate benefactors		
Grand Tier North Lobby		

LOUISE M. DAVIES SYMPHONY HALL

San Francisco Symphony	September 6, 2006	\$6,000.00
Symphony Opening Night – Parking Lot Tent for Pre- and Post-Concert Activities		
Pre-Dinner Cocktail Reception – Orchestra Level Lobby		
Use of 2006-07 catering exemption		

George Washington Carver Elementary Rehearsal and Performance of Children's Choral Concert	May 28, 2006	\$2,000.00 vs. 10% \$4,000.00 maximum
SMI Entertainment "Beautiful Challenge" 2006 Sumi Jo Recital	June 8, 2006	\$2,000.00 vs. 10% \$5,500.00 maximum
Another Planet Entertainment Kristen Chenoweth	July 18, 2006	\$2,100.00 vs. 10% \$6,000.00 maximum

HERBST THEATRE

Mike Thornton Capitol Steps, a musical political satire	June 8, 2006	\$1,050.00
Peter Kuchnicki Red Dot Americas Design Awards Show	October 5, 2006	\$1,050.00
Chamber Music San Francisco Vladimir Kuzmenko, Tenor	May 20, 2007	\$630.00
Hastings College of Law Breakfast Reception and Orientation	August 14, 2006	\$650.00
Lt. Jerry Novakovitch VFW Post 1525 Lecture by Dr. Diane Evans and Dr. Thomas Farr of JPL/NASA Labs	September 16, 2006	\$500.00
Film Noir Foundation Charlie Haden's Quartet West "A Night in Noir City"	May 27, 2006	\$600.00
Omni Foundation for the Performing Arts 2005-06 Guitar Series	January 27, 2007 April 14, 2007 May 5, 2007	\$630.00
University of the Pacific White Coat Ceremony	July 12, 2006	\$630.00
DSL Alumni Association of Northern California Kundurana Chorale Concert	May 26, 2006	\$600.00

Additional Rental Requests: Ms. Murray requested approval of additional rental requests as submitted. On motion of Trustee Bechtle, seconded by Trustee Reynolds, the following resolution was unanimously adopted:

RESOLUTION NO. 06-13

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the following additional rental requests are hereby approved:

HERBST THEATRE

Symphony Parnassus Concert	June 3, 2007	\$630.00
Comite Mexicano Civico Patriotico Mexican Independence (El Grito) Event	September 15, 2006	\$630.00

Arts Task Force Update: Ms. Murray stated that Trustees were mailed a copy of the San Francisco Arts Task Force Report of Findings and Recommendations, issued in March 2006. She said the Arts Task Force report has been submitted to the Mayor and Board of Supervisors, and that there will be a hearing on the report at the Supervisors' Government, Audit and Oversight Committee on Monday, April 24, at 1:00 p.m. Ms. Murray said that Trustees were also mailed a copy of a report entitled "Another View of the Arts Task Force Recommendations," signed by representatives of approximately 40 arts organizations, which report was also submitted to the Mayor and Board of Supervisors. Ms. Murray stated she will continue to report to the Trustees on any developments related to the Arts Task Force report.

Arts Supplemental Appropriation: Ms. Murray reported that Trustees were mailed a copy of a proposed ordinance, introduced by Supervisor Fiona Ma, to appropriate \$7.8 million to City arts agencies from the currently projected FY 2005-06 surplus of \$137 million. She said that Supervisor Ma's proposed ordinance included additional funding for each of six City arts programs, including \$1.75 million for the War Memorial. Ms. Murray stated this was one of eight proposed supplemental appropriations introduced by members of the Board of Supervisors for use of the projected surplus. She reported that the Board of Supervisors has now recommended approval of supplemental appropriations totaling approximately \$50 million, including \$250,000 to the San Francisco Arts Commission for neighborhood community arts programs. Ms. Murray stated that the remainder of the proposed \$7.8 million supplemental appropriation for arts funding was tabled by the Supervisor's Budget and Finance Committee.

SECRETARY'S REPORT

Revenue, Appropriations and Status of Building Projects Reports for April 2006: Mr. Ridenour referred to the Revenue, Appropriations, and Status of Building Projects Reports for April 2006, and requested a resolution to approve housekeeping expenditures as submitted. On motion of Trustee Reynolds, seconded by Trustee Moscone, the following resolution was unanimously adopted:

RESOLUTION NO. 06-14

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM06500111 through WM06500149 are hereby approved.

REGULAR ITEMS

Veterans Building Seismic/Life Safety Upgrade - Capital Project Planning Update: Ms. Murray stated that in follow-up to Board Resolution Nos. 05-35 and 05-36 adopted in October 2005, regarding Veterans Building Seismic/Life Safety capital project planning, she asked Ben Rosenfield, representing the City's Capital Planning Committee, to attend today's meeting to provide a status report on the Capital Planning Committee's recommendations for financing and scheduling Veterans Building seismic and life safety improvements.

Ms. Murray stated that the City's Capital Planning Committee was created by ordinance in August 2005, and is required to annually submit to the Mayor and Board of Supervisors a ten-year capital plan which shall include an assessment of the City's capital infrastructure needs, the investments required to meet identified needs, and a plan of finance to fund capital investments. She said that during the last several months, the War Memorial has worked with Capital Planning Committee staff to identify annual, periodic and one-time capital needs of the War Memorial complex, most particularly on plans to finance and implement Veterans Building seismic and life safety upgrades. Ms. Murray stated that the Capital Planning Committee's first ten-year plan, commencing with FY 2006-07, is due to be submitted to the Mayor and Board of Supervisors on May 1, 2006, and she asked Mr. Rosenfield to update the Trustees on the Committee's prioritization of and financing proposals for Veterans Building improvements relative to the Committee's ten-year plan.

Mr. Ben Rosenfield, Assistant City Administrator and staff representative for the Capital Planning Committee, stated that the Committee is working to complete its first ten-year plan, and he presented an overview of the Committee's preliminary draft recommendations. He provided a high level summary of major capital needs for general fund and hotel tax funded City facilities, showing a need for approximately \$4.2 billion over the next ten years. Mr. Rosenfield stated that based on the debt program constraints assumed by the Committee, the plan identifies capital funding over the ten-year horizon of \$2.1 billion in General Obligation Bond proceeds and \$250 million in General Fund debt service payments. Mr. Rosenfield stated that because legislation requires that capital expenditures recommended in the plan be limited to identified and proposed revenue sources, significant capital needs remain unmet in the draft plan, and the Committee has had to prioritize capital expenditures to first address critical life safety and risk mitigation at mission critical facilities.

Mr. Rosenfield stated that the Committee's preliminary draft recommendations for the Veterans Building provide for a two-phase renovation of the building to be funded by General Fund debt (Certificates of Participation), which funding becomes available towards the end of the ten-year plan. The first phase would provide funding of \$20 million in 2008 for interim seismic bracing of the Herbst Theatre; second phase funding of \$110 million would become available in 2013 for the full seismic and life safety upgrade.

Ms. Murray stated that the Capital Planning Committee's draft recommendations for the Veterans Building are modeled after one of the options—Option "C"—identified in the "Veterans Building Life Safety Study (2005)" for implementing phased improvements. The Option C scenario in the Life Safety Study provides for an immediate first phase of minimal upgrades only, including seismic bracing but achieving no improvement in seismic/structural soundness; with the second phase of a full seismic and life safety retrofit to occur five to seven years later. This was not the preferred option in the Study, but was identified as an alternative in the event that funding for a full upgrade was not immediately available. Ms. Murray noted that the Trustees previously concurred that a two-phase construction plan is impractical and unfeasible for a variety of reasons, which lead to the Board's Resolution No. 05-36, strongly and urgently recommending that the City approve and develop a plan to implement a full seismic and life safety retrofit of the Veterans Building as expeditiously as possible.

Ms. Murray stated that she plans to present an alternative proposal to the Capital Planning Committee at its meeting on Monday, April 17, which would provide for completion of a full Veterans Building seismic/life safety retrofit within the next five to six years. This proposal—or a similar modeled proposal—would designate a portion of hotel tax revenue growth over the next four years for Veterans Building capital funding, then securing debt against the future growth of this designated portion of hotel tax revenue. She stated that under this financing plan, the total cost to the City for the Veterans Building retrofit would be approximately \$101 million, versus total costs of \$130 million identified in the Capital Planning Committee draft plan.

President Bashford noted the Trustees' disappointment in the Capital Planning Committee's preliminary recommendations for the Veterans Building, and stated that the Trustees strongly urge the Capital Planning Committee to consider Ms. Murray's alternate proposal as well as all other options to fund and implement Veterans Building seismic and life safety improvements in one phase and within the shortest time frame. President Bashford also asked that the Trustees' Building Committee continue monitoring this matter, and schedule meetings as necessary to consider and make recommendations on Veterans Building Seismic and Life Safety Upgrade capital planning issues and strategies.

Department of Public Works - Proposed Van Ness Avenue Streetscape Improvements: Ms. Murray stated that Trustees have received copies of a staff summary and diagram regarding the Department of Public Works' proposed "Van Ness Avenue Streetscape Improvements Project." She noted that proposed project improvements include new street trees, raised planters with ornamental railings, decorative paving and sidewalk repairs, and new street furnishings.

Ms. Murray stated that the War Memorial first learned of this project in January 2006, when staff was invited to attend a meeting to view preliminary conceptual plans. She said that staff raised several project design concerns at the preliminary meeting as well as during a subsequent meeting attended by representatives of

War Memorial licensees. She noted that staff has sent a letter to the project team reiterating these concerns which include the layout of new tree plantings, the proposed elimination of existing inset loading zones in front of the Opera House and Veterans Building, and any potential for a reduction in street parking.

Ms. Murray reported that the DPW project team held a public design review meeting on April 5, 2006, and is now preparing to make a presentation to the Arts Commission's Civic Design Review Committee. Ms. Murray stated that as the Van Ness Avenue Streetscape Improvements Project includes proposed changes to the streetscape bordering the War Memorial buildings, staff is recommending that this matter be referred to the Board's Building Committee to hear from the Streetscape project team, and to consider and make recommendations on project plans that impact or affect War Memorial buildings, grounds and/or operations.

President Bashford referred this matter to the Board's Building Committee for consideration and recommendation.

MISCELLANEOUS CORRESPONDENCE

Letter from Jerome Sapiro, representing Alexander Hamilton Post of American Legion: President Bashford reported that Trustees have received a copy of the letter from Jerome Sapiro, of the Sapiro Law Firm, representing Alexander Hamilton American Legion Post #448 in regards to the Post's use of Veterans Building room 202 for rehearsals of the San Francisco Lesbian/Gay Freedom Band. President Bashford stated that Trustees have also received a copy of a letter from Ingrid E. Sarembe of American Legion Post #505, regarding use of veterans' space in the Veterans Building. President Bashford referred these letters to War Memorial staff for review, response and consultation with the Office of the City Attorney as necessary.

ADJOURNMENT

There being no further business, President Bashford adjourned the meeting at 3:25 p.m.

Gregory P. Ridenour
Executive Secretary