

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
REGULAR MONTHLY MEETING

Thursday, July 8, 2010

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, July 8, 2010, in the Trustees' Board Room, War Memorial Opera House, President Bechtle, presiding.

ROLL CALL

Present: President Bechtle, Vice President Shultz, Trustee Bashford, Trustee Davis, Trustee Horn, Trustee Myatt, Trustee Pelosi;

Absent: Trustee Jarman, Trustee Moscone, Trustee Wilsey;

Staff Present: Elizabeth Murray, Managing Director

APPROVAL OF MINUTES

President Bechtle called for approval of the minutes of the June 10, 2010 regular meeting of the Board. On motion of Vice President Shultz, seconded by Trustee Horn, the minutes were unanimously approved.

PRESIDENT'S REPORT

Passing of former Trustee Bella Farrow: President Bechtle stated that all of the Trustees were greatly saddened to learn of the passing of former Trustee Bella Farrow on June 19. Bella was a dedicated member of the Board of Trustees for 11 years, from 1999 to 2010, and was committed to the growth and success of the War Memorial and its licensees. President Bechtle stated that Bella was truly a great lady with energetic dedication to philanthropic causes, and that she will be greatly missed by many people. She asked that a letter be sent from the Board to Bella's son extending the Trustees' condolences and sympathies and asked that today's meeting be adjourned in memory of former Trustee Bella Farrow.

Opera and Symphony Summer Seasons: President Bechtle reported that the San Francisco Opera closed its Summer Season on Friday, July 2, and on behalf of the Board she extended congratulations to the Opera on a superb Summer Season. President Bechtle stated that the San Francisco Symphony's "Summer & the Symphony" season opened on June 1, and will continue through July 25. On behalf of the Board, President Bechtle extended best wishes to the Symphony for a successful summer season.

MANAGING DIRECTOR'S REPORT

Rental Requests: Ms. Murray reported that rental requests mailed to Trustees are routine and requested their approval. On motion of Trustee Myatt, seconded by Trustee Bashford, the following resolution was unanimously adopted:

RESOLUTION NO. 10-22

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

Goldman Environmental Foundation Goldman Environmental Prize Awards Ceremony & Reception	April 11, 2011	\$5,150.00
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LOUISE M. DAVIES SYMPHONY HALL

Live Nation Worldwide Louis CK	September 17, 2010	\$2,500.00 vs. 10% \$6,500.00 maximum
Live Nation Worldwide Kathy Griffin	September 18, 19, 2010	\$5,000.00 vs 10% \$13,000.00 maximum
San Francisco Unified School District Music in Schools Benefit Concert	May 18, 2011	\$2,500.00
UCSF School of Nursing Graduation Ceremony & Reception	June 9, 2011	\$3,900.00

HERBST THEATRE

John Bisceglie That Kid Can Sing!	August 22, 2010 September 5, 2010	\$4,500.00
Foundation for National Progress Pop-Up Magazine, Issue 4	September 9, 2010	\$800.00
Long Now Foundation Seminar Programs	September 21, 2010 December 16, 2010	\$1,600.00
Southern Poverty Law Center Donor Presentation & Film Screening	September 26, 2010	\$800.00
Art Institute of California – San Francisco Student Orientations/Graduation Ceremonies	October 1, 2010 December 17, 2010 January 7, 2011 June 17, 2011	\$2,200.00
Melody Chorus Society Concert	October 31, 2010	\$800.00
Rigpa Fellowship Sogyal Rinpoche	November 19, 2010	\$800.00
Theatreworks USA Student Programs	November 19, 2010 March 7, 2011 April 11, 2011 May 6, 2011	\$3,600.00
Earplay Concerts	February 7, 2011 March 28, 2011	\$1,600.00

Ensemble Parallèle Philip Glass's Orphée	February 23-27, 2011	\$3,700.00
Wharton School of Business Graduation Ceremony	May 8, 2011	\$800.00
SFSU Dept. of Health Education Graduation Ceremony	May 20, 2011	\$550.00
Drew School Graduation Ceremony	May 26, 2011	\$800.00
San Francisco Opera Guild Ring Insight	June 13, 2011	\$800.00
Fashion Institute of Design & Merchandising Graduation Ceremonies	June 16, 2011	\$1,350.00

Additional Rental Requests: Ms. Murray reported that additional rental requests are routine, and she requested their approval. On motion of Trustee Horn, seconded by Vice President Shultz, the following resolution was unanimously adopted:

RESOLUTION NO. 10-23

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

HERBST THEATRE

California Institute of Integral Studies The Music and Sound of Afghanistan	April 23, 2011	\$800.00
The Bay School of San Francisco Class of 2010 Graduation Ceremony & Rehearsal	June 7, 10, 2011	\$1,050.00

Community Benefit District Report: Ms. Murray made an informational report regarding a proposed Civic Center Community Benefit District ("CBD"). Ms. Murray stated that a CBD is a neighborhood organization that works to provide services throughout the district consistent with the desires of property owners and residents of the district. CBD services are funded through an assessment placed on every parcel in the boundaries of the district. Property owners, through a CBD Steering Committee, determine the boundaries of the district, the priority of services as well as the costs of services. CBD services could include safety services, sidewalk sweeping, graffiti removal, homeless outreach services, beautification programs, promotional events, neighborhood advocacy and grant applications.

Ms. Murray stated that War Memorial staff and resident licensee representatives have attended meetings regarding the proposed Civic Center CBD for the last two years. She said the process is now at a point where a petition will be sent to all Civic Center property owners in the next 60 to 90 days to determine support for the CBD proposal. She noted that Civic Center is unique in that the majority of property is government owned rather than privately held. Ms. Murray stated that based on initial discussions with the Office of the City Attorney, the War Memorial Board of Trustees will respond to the petition on behalf of the War Memorial properties; the Board of Supervisors will respond on behalf other City-owned Civic Center properties.

Ms. Murray stated that as any CBD assessment to the War Memorial would likely need to be passed on to the War Memorial's licensees, War Memorial staff will be consulting and working with licensees to gather their

input prior to the Trustees' considering and acting on the Civic Center CBD petition. She said that staff would keep the Board informed as this matter progresses.

SECRETARY'S REPORT

Revenue, Appropriations and Housekeeping Expenditures Reports for June 2010: In the absence of Ms. Norris, Ms. Murray referred to the Revenue, Appropriations, and Housekeeping Expenditures Reports for June 2010, and requested approval of housekeeping expenditures as submitted. Ms. Murray noted that while June 30, 2010 marked the end of the fiscal year 2009-10, revenue and expenditure amounts in the June Secretary's Report do not reflect final fiscal year amounts. She stated that final revenue and expenditure reports for FY 2009-10 will be presented to the Board in October 2010. On motion of Vice President Shultz, seconded by Trustee Horn, the following resolution was unanimously adopted:

RESOLUTION NO. 10-24

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. WM10282 through WM10304, and Interdepartmental Work Order No. WM1025 are hereby approved.

COMMITTEE REPORTS

Veterans Building Project Committee:

Proposals and plans for future Veterans Building space programming and utilization in conjunction with Veterans Building Seismic Upgrade and Improvements Project: Trustee Horn reported that the Veterans Building Project Committee met on July 7, 2010, to continue its hearing and discussion on proposals and plans for future Veterans Building space programming and utilization. He stated that the City's 2010-11 budget, approved by the Mayor and Board of Supervisors, includes \$15 million for commencement of the approximate two-year design phase for the Veterans Building Seismic Renovation. The \$15 million will be realized from the sale of Certificates of Participation in approximately January 2011. Trustee Horn stated we are therefore at the juncture of needing to finalize Veterans Building post-retrofit space programming for incorporation into the project design.

Trustee Horn stated that at the Committee's last meeting in January 2010, the Committee reviewed and recommended approval of the San Francisco Opera's proposal to add an annex to the Veterans Building to accommodate space needs of the Opera. The Committee also reviewed and discussed preliminary Veterans Building space planning diagrams. Trustee Horn noted that since the January meeting, the San Francisco Opera re-evaluated the financial and physical feasibility of a Veterans Building annex, and developed an alternative proposal for the development and utilization of space in the Veterans Building, without an annex. Also, during the last six months, War Memorial staff continued to work with our pre-design architect Mark Cavagnero Associates on developing updated Veterans Building space utilization plans.

Trustee Horn reported on the Committee's consideration of two items:

San Francisco Opera proposal for development and utilization of Veterans Building basement and 4th floor space: Trustee Horn reported that Michael Simpson, Director of Finance & Administration for the San Francisco Opera, presented to the Committee a revised proposal whereby the Opera would build-out and occupy space on the basement and 4th floor levels of the Veterans Building. Where the Opera's previously proposed construction of a Veterans Building annex would require an Opera investment of \$60 million, this alternative plan, which meets all of the Opera's needs with the exception of a scene shop, would require an Opera investment estimated at \$20 million. This investment would include renovations of three large spaces on the 4th floor for rehearsal and event purposes. These three spaces would be utilized by the Opera for 6 months of the year; the War Memorial would be able to make these spaces available to other organizations during the other 6 months of the year. The balance of 4th floor space would be used by the Opera for office purposes; the Opera would also utilize two available spaces in the basement for Opera storage and support. The Committee was

enthusiastic about this proposal which achieves the Trustees' goals of providing public spaces on the 4th floor and which provides private funding to create these new public spaces.

Trustee Horn stated that the Opera's tenant improvements to the basement and 4th floor would fit within the War Memorial's timeline for renovation of the Veterans Building with a projected reopening date of January 2015. He said that once these spaces are developed, the Opera would pay rent as they do in all the other spaces they occupy within the Center.

Trustee Horn reported that following discussion, the Committee voted unanimously to recommend to the full Board that the Trustees approve in concept the Opera's proposal to develop and utilize Veterans Building space on the basement and 4th floors; and that the Trustees authorize the Opera and War Memorial staff to develop terms and conditions of a potential Memorandum of Understanding between the Opera and War Memorial regarding the Opera's development and utilization of Veterans Building space.

Following discussion, and on motion of Trustee Horn, seconded by Vice President Shultz, the following resolution was unanimously adopted:

RESOLUTION NO. 10-25

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendations of its Veterans Building Project Committee, and that the Board of Trustees:

- Approves in concept the San Francisco Opera's proposal to develop and utilize Veterans Building space on the basement and 4th floors; and
- Authorizes the San Francisco Opera and War Memorial staff to develop terms and conditions of a potential Memorandum of Understanding between the Opera and War Memorial regarding the Opera's development and utilization of Veterans Building space.

Veterans Building space programming: Trustee Horn reported that Committee members reviewed updated Veterans Building space planning diagrams prepared for the War Memorial by Cavagnero Associates. These diagrams reflect public programming goals previously identified by the Trustees including new and expanded public programming on the first floor such as galleries, ticket services, café, and expanded and accessible support space for Herbst Theatre. The diagrams also reflect modifications to veterans' office and meeting room spaces as well as to office and support spaces for the War Memorial and other occupants.

Trustee Horn stated that in discussion, it was noted that while the Trustees have determined that a Museum or Gallery is desired on the north side of the 1st floor, the Trustees have not confirmed the occupant of this space. He stated that the San Francisco Arts Commission has expressed interest in this space; the American Legion War Memorial Commission has also noted their interest in operating a veterans/military museum in this space. Trustee Horn stated that both the Commission and the Arts Commission have been asked to provide a business plan for operating a museum on the 1st floor by September 1, 2010, so the Trustees may review and consider the allocation of this space.

Trustee Horn stated that it was noted by the Committee that despite numerous requests over many years to the American Legion War Memorial Commission regarding their post-renovation needs for space in the Veterans Building, the War Memorial has never received input from the Commission. He stated that any input the Commission may want to provide must be submitted immediately and no later than September 1, 2010, as the War Memorial must be prepared to begin the design development phase at the end of this year. Trustee Horn reported that Commission representatives present at the Committee meeting stated they were working on plans and would be submitting their input very soon.

Trustee Horn reported that no action was taken by the Committee on this item. The Committee will meet again during the next 2-3 months to further review, and ultimately approve, Veterans Building space planning recommendations.

Building Committee:

San Francisco Symphony Proposal – Exterior signage and banners at Davies Symphony Hall and Zellerbach Rehearsal Hall: Trustee Pelosi reported that the Building Committee met earlier in the day to consider revised proposals of the San Francisco Symphony to add exterior signage and banners at Davies Symphony Hall and Zellerbach Rehearsal Hall.

Trustee Pelosi recapped that at the June meeting, the Board adopted recommendations of the Building Committee to approve certain of the Symphony's requests for exterior signage, including 1) permanent Van Ness Avenue-facing crown signage, with letters mounted on the rail at the top of the building façade to identify "Louise M. Davies Symphony Hall;" and 2) seasonal banner signage mounted on fixed brackets under the two "ear" balconies and six banners at the First Tier windows. As reported last month, the Building Committee made no recommendations on three additional signage elements requested by the Symphony, pending additional study by the Symphony.

Trustee Pelosi stated that the Symphony presented to the Committee its revised proposal for the three additional signage elements, including:

- Installation of two new 3-panel lighted display cases on the exterior of Davies Symphony Hall at: 1) the Van Ness entrance and 2) the Hayes Street musicians' entrance. The Symphony would have exclusive use of these display panels for their 2011-12 centennial season; thereafter, one display panel at each location would be available for use by the War Memorial for other licensees.
- Installation of six free-standing, two-sided lighted display vitrines in the Grove Street Plaza at the corner of Grove Street and Van Ness Avenue. The Symphony would have exclusive use of these display vitrines for their 2011-12 centennial season; thereafter, two of the six vitrines would be available for use by the War Memorial for other licensees.
- Installation of exterior banner-wraps (super-graphics) on the south and west facing upper facades of Zellerbach Rehearsal Hall (corner of Franklin and Hayes Streets) for the Symphony's 2011-12 centennial season.

Trustee Pelosi reported that during the Committee's discussion, Brent Assink, Executive Director of the San Francisco Symphony, stated that the Symphony would like to reserve the option of returning to the War Memorial in the future with proposals to install interior banners in Davies Symphony Hall windows. It was also noted by the War Memorial, and acknowledged by the Symphony, that the Symphony would be responsible for obtaining any and all approvals from other agencies for their exterior signage and banner installations and for subsequent maintenance and repair of the Grove Street Plaza vitrines.

Trustee Pelosi stated that following discussion, the Committee voted unanimously to recommend approval of the Symphony's revised proposals for exterior signage and banners. Following discussion, and on motion of Trustee Horn, seconded by Vice President Shultz, the following resolution was unanimously adopted:

RESOLUTION NO. 10-26

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendations of its Building Committee, and approves the revised exterior signage proposals of the San Francisco Symphony to 1) install two 3-panel display cases on the exterior of Davies Symphony Hall; 2) install six free-standing display vitrines in the Grove Street Plaza at the corner of Grove Street and Van Ness Avenue; and 3) for the 2011-12 Symphony centennial season only, install exterior banner-wraps on the exterior of Zellerbach Rehearsal Hall; subject to the conditions discussed by the Committee and noted in the Committee report.

REGULAR ITEMS

San Francisco Opera & Ballet request to implement Phase 4 upgrades to the Opera House Stage Rigging System: President Bechtle stated that Trustees have received a copy of the June 30 letter from the San Francisco Opera and San Francisco Ballet requesting to proceed with the final Phase 4 upgrades to the Opera House Stage Rigging System.

President Bechtle stated that Opera House stage rigging equipment was installed in 1997, as part of the Committee to Restore the Opera House's investment for improvements. Upon CROH's dissolution, CROH transferred ownership of the rigging equipment to the War Memorial, with responsibility for rigging equipment maintenance assigned to the San Francisco Ballet and Opera. She stated that after 10 years of heavy use, the Ballet and Opera began upgrading and replacing parts of the stage rigging system. She noted that over the last four years, the Ballet and Opera, with the approval of the War Memorial, have undertaken three phases of rigging upgrades at a total cost of \$2.6 million, split equally between the Opera and Ballet.

President Bechtle reported that the Opera and Ballet now request to proceed with the final Phase 4 upgrades to the rigging system, which will cost approximately \$3.6 million to be implemented beginning in the fall of 2010 and concluding prior to the Opera's 2011 summer presentation of Wagner's 'Ring' Cycle. This final phase will provide new steel frames and motors, completing the motorization of the counterweight rigging system.

President Bechtle stated that War Memorial staff has reviewed this request, including review of project details by the War Memorial Building and Grounds Superintendent and Stage Electrician, and is recommending approval of this request. She added that the Ballet/Opera's implementation of the Phase 4 stage rigging upgrades will be subject to the War Memorial's standard three-party agreement amongst the War Memorial, Ballet/Opera, and Ballet/Opera's contractor, Stage Technologies. President Bechtle noted that Drew Landmesser and Lefty Lefcourt, Production Directors for the Opera and Ballet respectively, are present to respond to any questions.

Following discussion, and on motion of Trustee Horn, seconded by Vice President Shultz, the following resolution was unanimously adopted:

RESOLUTION NO. 10-27

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby approves the request from the San Francisco Ballet and San Francisco Opera to proceed with implementation of Phase 4 upgrades to the Opera House Stage Rigging System, subject to standard contractual arrangements with the War Memorial.

San Francisco Opera request to install special exhibitions in the Opera House main lobby during the 2010 Opera Fall Season: President Bechtle stated that Trustees received a copy of the July 1 letter from the San Francisco Opera requesting permission to install displays in Opera House lobbies for the Opera's upcoming 2010 Fall Season. She noted there has been considerable recent discussion amongst Trustees about the appropriateness of various displays in Opera House lobbies, and therefore, she referred this request to the Board's Building Committee for consideration and adoption of recommendations to be reported to the Board at next month's meeting.

GOOD AND WELFARE

Trustee Myatt reported that meetings of the Working Group for the San Francisco Veterans Memorial are continuing. He stated that the artist RFQ period ends on July 31, 2010, and that selection of artist finalists is targeted for September 2010.

ADJOURNMENT

There being no further business, President Bechtle adjourned the meeting at 2:35 p.m. in memory of former Trustee Bella Farrow.

Jennifer E. Norris
Executive Secretary