

MINUTES
WAR MEMORIAL BOARD OF TRUSTEES
VETERANS COMMITTEE
Tuesday, August 8, 2017

The Veterans Committee of the Board of Trustees of the War Memorial of San Francisco met at 10:00 a.m. on Tuesday, August 8, 2017, in the Trustees' Board Room, War Memorial Opera House, Chair Myatt, presiding.

ROLL CALL

Present: Chair Myatt, Trustee Davis, Trustee Levin, Trustee Walker, President Horn, *Ex officio*, Vice President Bechtle, *Ex officio*

Absent: Trustee Pelosi

Staff Present: Elizabeth Murray, Managing Director

REGULAR ITEMS

1. **Notice of Space Allocation from American Legion War Memorial Commission for Swords to Plowshares:**

Chair Myatt stated there is one item on today's agenda of the Veterans Committee, consideration and adoption of recommendations on the Notice of Space Allocation from the American Legion War Memorial Commission for Swords to Plowshares seeking to occupy space in the Veterans Building.

Chair Myatt stated that in advance of today's meeting, Committee members received the July 24, 2017 letter from the American Legion War Memorial Commission submitting a revised Notice of Space Allocation concerning Swords to Plowshares' proposed occupancy of space in the Veterans Building. Committee members also received Swords to Plowshares' letter dated July 20, 2017, and Veterans Building 3rd floor plan indicating spaces requested for Swords to Plowshares' occupancy. Finally, Committee members received a copy of the War Memorial Board of Trustees' Policy Governing Allocation of Space in the Veterans Building to Patriotic Organizations.

Chair Myatt stated that the Notice of Space Allocation proposes to allocate to Swords to Plowshares a total of 8,655 – 9,740 square feet of space on the 3rd floor of the Veterans Building. This includes:

- Approximately 2,735 square feet of space in Suite 313, which suite is currently allocated to the American Legion Posts and which space includes an individual office previously allocated by the Board to the Korean War Memorial Foundation;
- Approximately 4,200 square feet of space in Suite 310, which suite is currently unallocated and unfinished; and
- Approximately 1,720 to 2,805 square feet in Suite 301-302, which space is currently allocated to the War Memorial and in use by the War Memorial and other building occupants.

Chair Myatt stated that Swords to Plowshares' letter describes the organizations' mission and services and describes the particular services Swords would propose to house and operate in the Veterans Building, including Employment, Case Management and Legal services to veterans; and Executive Resource Development, Policy, Finance and other supportive functions. Swords envisions approximately 60 employees working in the space, most of them full-time.

Chair Myatt stated that Swords to Plowshares is prepared to invest the funds necessary to finish Suite 310, and to remodel other currently finished spaces at their expense, with all alterations subject to approval of the

Trustees. Swords has stated it is prepared to enter into an occupancy agreement with the City and County of San Francisco and to comply with occupancy terms, covenants and conditions stated therein including payment of all utilities, services and material of every character used in or about the premises at a rate annually approved by the Board of Trustees.

Chair Myatt stated that prior to opening the floor for discussion, he would first call on Paul Cox, Chair of the American Legion War Memorial Commission, and then John Beam, Chief Financial Officer of Swords to Plowshares, to address the Committee on the Notice of Space Allocation.

Paul Cox, Chair of the American Legion War Memorial Commission, thanked the Committee for considering this today. He said it has been the War Memorial Commission's intention since 2010 to try to bring services for veterans into the Veterans Building, so they are pleased to invite Swords to Plowshares into the building. Mr. Cox stated that Swords has certain space requirements in order to have a viable operation here with 60 employees. He also stated that the Korean War Memorial Foundation has sent a letter to President Horn indicating they are willing to move from room 313A to the second floor so as to accommodate Swords' occupancy of Suite 313, but they are requesting some consideration of the occupancy fees they are currently paying.

John Beam, Chief Financial Officer of Swords to Plowshares, stated that Swords hopes to move most of their services into the Veterans Building.¹ He said Swords has been working with veterans in San Francisco since 1974 and that Swords is a good citizen in the City, having brought \$220 million into the City over the last 10 years to help the City address the issue of homelessness. Mr. Beam stated the work done by Swords is completely in concert with the purpose of the Veterans Building and Swords will be proud to be a building occupant.

Chair Myatt opened the floor to comments and questions from the Committee.

Trustee Walker asked Mr. Cox what effect there would be on the American Legion's activities by giving up Suite 313 to Swords to Plowshares. Mr. Cox responded that Suite 313 was originally intended to be occupied by the American Legion Department of California, the state offices of the American Legion, who have been in the Veterans Building since 1932. He said that during the building renovation, the Department of California decided to move the state offices to central California. Mr. Cox said that Suite 313 has remained essentially empty since the move-back into the Veterans Building and the allocation of Suite 313 to Swords will not have any adverse effect on the American Legion Posts as the second floor space allocated to the Posts is currently sufficient for their needs.

In response to Trustee Walker's inquiry regarding Swords' plans to improve Suite 310, Mr. Cox referred to the 3rd floor plan distributed to the Committee which shows a preliminary layout of both private offices and cubicle workstations.

Trustee Walker inquired about the third area, Suite 301-302, requested by the Commission and Swords. Ms. Murray responded that this space of approximately 2,800 square feet is currently allocated to the War Memorial and includes two conference rooms, one office for the War Memorial's stage electrician and two small storage areas. She said the conference rooms are available to all building occupants, including veterans organizations, and are currently used actively by War Memorial, Arts Commission, Grants for the Arts and the Opera. Ms. Murray stated that allocation of this space to Swords to Plowshares would require War Memorial to vacate the space which she feels would be a hardship on War Memorial and other building occupants.

¹At the request of Trustee Walker during approval of minutes at the September 14, 2017 meeting of the War Memorial Board of Trustees, Mr. Beam later clarified via email the meaning of "most" in his statement as follows: "Considering all of the many services Swords provides to veterans in the San Francisco Bay Area, it would be incorrect to say that most are moving to the Veterans Building. We do plan to move most of the services and staff currently at 1060 Howard Street. However, in addition to the drop-in/triage services that will remain at 1060 Howard Street, Swords provides permanent and transitional housing to hundreds of veterans at seven housing sites in San Francisco. None of these housing services will be moving to the Veterans Building. We also have a Service Center in Oakland, and none of those services will be moving to the Veterans Building. So while the services moving to the Veterans Building are critical and wide-ranging, they would not constitute "most" of Swords' services."

Mr. Beam responded that the proposed plan is to accommodate Swords' legal department in some or all of Suite 301-302. Mr. Cox added that the American Legion Posts have five meeting rooms on the second floor and they would be happy to share those meeting rooms with other building occupants on a first-come first-serve basis. He said they are happy to negotiate on this item including looking at moving Swords' legal department to space allocated to the American Legion Posts on the second floor.

Ms. Murray noted that one of the items sent to Committee members prior to today's meeting was the Policy adopted by the Board Governing Allocation of Space in the Veterans Building to Patriotic Organizations. She stated the policy provides that incoming patriotic organizations shall initially be assigned space that is already allocated to the American Legion Posts, and further provides that if the currently allocated space is fully utilized based on an annual review of space utilization then the Board would consider space outside of the currently allocated space. Ms. Murray stated that we have not at this time made any determination that the 22,800 square feet of space currently allocated to the American Legion Posts is fully utilized and, in fact, preliminary data indicates that it is not fully utilized. She stated that staff will be returning to the Committee with a draft of the process for measuring and evaluating occupancy utilization.

President Horn noted that in an earlier meeting with the Commission and Swords, the War Memorial asked for a schematic as to how Swords could be accommodated within the space already allocated to the Posts, and such a schematic was provided. He asked why this schematic was not submitted. Mr. Beam responded that the Commission was unwilling to put forward a proposal that reallocated space currently allocated for veterans purposes to Swords to Plowshares beyond that of Suite 313 because the Commission did not think the constituent Posts would support such a proposal.

In response to an inquiry from Trustee Levin, Mr. Beam stated that Swords currently occupies 15,000 square feet of space on three floors at 1060 Howard Street. They envision retaining 5,000 square feet at 1060 Howard Street for their intake and triage units, with all other units moving to the Veterans Building. He said while it would be better to have the legal section at the Veterans Building they could be elsewhere if Veterans Building Suite 301-302 were not available.

Trustee Walker asked what is the proposed term for Swords to Plowshares' occupancy. Mr. Murray stated that the task before the Committee today is to consider and recommend space allocation. Staff will then work with Swords on occupancy agreement specifics including the term, and staff will then submit all proposed occupancy agreement terms and conditions to the Veterans Committee for consideration.

Trustee Walker stated that in light of the fact that Suite 313 which is currently allocated to the American Legion Posts can be relinquished to Swords to Plowshares without any adverse effect on the American Legion's activities, and in as much as Swords is willing to undertake tenant improvements at its expense to outfit Suite 310 and that Suite 310 is presently unoccupied, he would make a motion to allocate Veterans Building Suites 313 and 310 to be available to Swords to Plowshares. He further moved that we reserve the existing uses in Suite 301-302.

President Horn stated that the allocation of Suite 313 to Swords to Plowshares needs to be specifically subject to the Korean War Memorial Foundation agreeing to relocate their office to a second floor office and subject to approval of an amended occupancy agreement between the War Memorial and Korean War Memorial Foundation. Trustee Walker agreed to amend his motion with this stipulation, and the motion was seconded by Trustee Levin.

In discussion on the motion, President Horn stated he supports the motion and is delighted Swords to Plowshares will be coming into the building, will make a major investment and will be a partner with the War Memorial and other building occupants. He stated that in adopting this motion, the record should be clear that by making an allocation of currently unallocated space to Swords to Plowshares, the Trustees are not making a finding that the 22,800 square feet of space currently allocated to the Posts for veterans use is fully utilized. Ms. Murray added that the record should also reflect that the allocation of 4,200 square feet in Suite 310 to Swords to Plowshares is not increasing the amount of space allocated to the American Legion Posts; rather it is allocated directly to Swords to Plowshares for their use and occupancy.

During public comment on the motion, Mr. Cox thanked the Committee for its consideration. He stated they

understand this action does not mean the Trustees think the Posts' are fully utilizing the space already allocated to them. He said the Posts have tried to be good partners in the building and have made investments to make their space more utilizable and better used. He again added that the Posts are happy to share their spaces with other users of the building.

There being no further public comment, Chair Myatt closed public comment, and he called for a vote on the motion before the Committee.

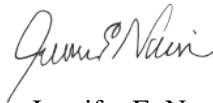
The following recommendation was unanimously adopted:

RECOMMENDED, To the Board of Trustees of the War Memorial of San Francisco that:

- We approve the allocation of Veterans Building Suite 313, which is currently allocated to the American Legion Posts, to Swords to Plowshares, with the stipulation that allocation of individual office 313A is subject to the Korean War Memorial Foundation's agreement to relocate their office from 313A to a second floor office and subject to approval of an amended occupancy agreement between the War Memorial and Korean War Memorial Foundation; and
- We approve the allocation of Veterans Building Suite 310, which is currently unallocated and unfinished space, to Swords to Plowshares. This allocation of space does not increase the amount of space allocated to the American Legion Posts; and
- We reserve the existing uses in Suite 301-302 for continued use and occupancy by the War Memorial and other building tenants; and
- The record will reflect that by approving the allocation of currently unallocated space to Swords to Plowshares, the Board of Trustees is not making a finding that the 22,800 square feet of space currently allocated to the American Legion Posts is fully utilized.

ADJOURNMENT:

There being no further business, Chair Myatt adjourned the meeting at 11:00 a.m.



Jennifer E. Norris
Executive Secretary