

**MINUTES**  
**WAR MEMORIAL BOARD OF TRUSTEES**  
**REGULAR BOARD MEETING**

**Thursday, November 8, 2018**

The Board of Trustees of the War Memorial of San Francisco met in regular session at 2:00 p.m. on Thursday, November 8, 2018, in the Trustees' Board Room, War Memorial Opera House, President Bechtle presiding.

**ROLL CALL**

Present: President Bechtle, Vice President Walker, Trustee Davis, Trustee Horn, Trustee Levin, Trustee Moscone, Trustee Myatt and Trustee Wilsey

Absent: Trustee Lui, Trustee Pelosi and Trustee Shultz

Staff Present: Elizabeth Murray, Managing Director, and Jennifer Norris, Assistant Managing Director

**APPROVAL OF MINUTES**

President Bechtle called for approval of the minutes of the October 11, 2018 Veterans Committee meeting. On motion of Trustee Moscone and seconded by Trustee Wilsey, the minutes were unanimously approved.

President Bechtle called for approval of the minutes of the October 11, 2018 Presentors Liaison Committee meeting. On motion of Trustee Wilsey and seconded by Trustee Myatt, the minutes were unanimously approved.

President Bechtle called for approval of the minutes of the October 11, 2018 regular meeting of the Board. On motion of Trustee Wilsey and seconded by Trustee Moscone, the minutes were unanimously approved.

**MANAGING DIRECTOR'S REPORT**

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

**RESOLUTION NO. 18-43**

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the November 8, 2018 rental requests are hereby approved.

**Additional Rental Requests:** Ms. Murray stated that additional rental requests distributed today to Trustees are routine and requested their approval. On motion of Trustee Moscone, seconded by Trustee Horn, the following resolution was unanimously adopted:

**RESOLUTION NO. 18-44**

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that the November 8, 2018 additional rental requests are hereby approved.

## SECRETARY'S REPORT

**Revenue, Appropriations and Housekeeping Expenditures Reports for October 2018:** Ms. Norris stated that Revenue, Appropriations and Housekeeping Expenditures reports for October 2018 have been distributed to Trustees, and she requested approval of October 2018 housekeeping expenditures as submitted.

On motion of Trustee Myatt, seconded by Trustee Wilsey, the following resolution was unanimously adopted:

### RESOLUTION NO. 18-45

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that Purchase Order Nos. PO231724 through PO242426 are hereby approved.

## COMMITTEE REPORTS

### Veterans Committee:

Trustee Myatt, Chair of the Veterans Committee, reported that the Committee met earlier today to consider and adopt recommendations on the allocation of space in the Veterans Building to Swords to Plowshares.

Trustee Myatt said that at the August 2017 meeting of the Board, the Trustees approved the Notice of Space Allocation submitted by the American Legion War Memorial Commission for Swords to Plowshares and approved the allocation of Veterans Building Suite 313, currently allocated to the American Legion Posts, to Swords to Plowshares. Simultaneously, the Trustees approved the allocation of Veterans Building Suite 310, currently an unallocated and unfinished space, to Swords to Plowshares. These approvals were subject to the Trustees' subsequent approval of Swords to Plowshares' proposed tenant improvements to the spaces and to the Trustees' subsequent approval of the Veterans Building occupancy agreement to be entered into by the War Memorial and Swords to Plowshares.

Trustee Myatt stated that the Committee reviewed and considered Swords to Plowshares' proposed tenant improvement plans for Veterans Building Suites 310 and 313. The tenant improvements are typical office space improvements and should be fully implemented in a 5-month period. The cost of Swords to Plowshares' tenant improvements is projected at \$1.2 million.

Trustee Myatt stated that the Committee also reviewed and considered the draft occupancy agreement to be entered into by the War Memorial and Swords to Plowshares. This agreement provides for Swords to Plowshares' occupancy of approximately 6,822 square feet of office space on the Veterans Building third floor for a 15-year term effective approximately November 13, 2018. Under this agreement, Swords will pay to War Memorial utilities and service costs of \$16.34 per square foot per year, with such cost subject to adjustment by the Board of Trustees on July 1 of each calendar year during the term. He noted that the full occupancy agreement includes all of the City's standard and required provisions for leases and other agreements.

Trustee Myatt reported that the Veterans Committee also acknowledged the letter from the American Legion War Memorial Commission stating that the Commission, at its meeting on November 6, voted to reconfirm its previous decision to install Swords to Plowshares in Veterans Building Suite 313 for a 15-year term.

Trustee Myatt stated that following discussion, the Veterans Committee voted unanimously to recommend to the Board of Trustees the approval of the Veterans Building tenant improvements proposed by Swords to Plowshares and the approval of the Occupancy Agreement between the War Memorial and Swords to Plowshares for Swords' occupancy of space in the Veterans Building. Following further discussion, and on motion of Trustee Myatt and seconded by Trustee Levin, the following resolution was unanimously adopted:

### RESOLUTION NO. 18-46

RESOLVED, By the Board of Trustees of the War Memorial of San Francisco that it hereby adopts the report and recommendations of its Veterans Committee and approves the proposed tenant improvements to be implemented by Swords to Plowshares in Veterans Building Suites 310

and 313; and further approves the proposed Occupancy Agreement between the War Memorial and Swords to Plowshares for Swords' occupancy of 6,822 square feet of office space on the third floor of the Veterans Building for a 15-year term effective approximately November 13, 2018, pursuant to the Trustees' "Policy Governing Allocation of Space in the Veterans Building to Patriotic Organizations."

### REGULAR ITEMS

#### Civic Center Community Benefit District – Update on renewal plans:

Ms. Murray stated that in 2010, Civic Center property owners created the "Civic Center Community Benefit District." She noted that Community Benefit Districts, or "CBDs" are relatively common in San Francisco and are assessment districts in which property owners vote to assess themselves for services that are delivered to the district.

Ms. Murray stated that the process of approving a CBD requires firstly a petition phase to determine property owners' interest. If favorable petitions representing 30% of the total proposed assessments are received, the Board of Supervisors may adopt a Resolution of Intent to propose establishing the CBD and to levy CBD assessments for a specific term. If such a resolution is approved, assessment ballots are then mailed to all property owners. More than 50% of the returned weighted ballots must be in support of the CBD for the Board of Supervisors to vote on CBD authorization.

Ms. Murray stated that in 2010, the Board of Trustees considered the Civic Center CBD proposal and cast petitions in the affirmative for the formation of the Civic Center CBD. The proposed CBD assessment to the War Memorial in 2010 was \$56,200, and subject to a maximum 3% increase over the 10-year term of the CBD. As part of its consideration in 2010, the Board of Trustees heard from its resident licensees, the Ballet, Opera and Symphony, all of whom were in support of the CBD proposal and all of whom agreed to a rental rate increase that would cover the cost of the War Memorial's CBD assessment. The Civic Center CBD was subsequently approved by the Board of Supervisors for a 10-year term.

Ms. Murray said that the 2010 newly-formed Civic Center CBD, a not-for-profit corporation, proceeded to name a board of directors and hire a director to implement the planned CBD services which included safety ambassadors, advocacy, beautification, cleaning and maintenance and public space and sidewalk activation. Ms. Murray stated that since the formation of the Civic Center CBD, the War Memorial's annual CBD assessment has grown from \$56,262 in FY 2011-12 to \$65,870 in FY 2018-19.

Ms. Murray stated that as the 10-year term of the Civic Center CBD is close to expiration, the CBD's board of directors is starting the process to renew the CBD for a term of 15 years. As part of the renewal, the CBD board of directors is proposing to expand the district which will consist of two zones, and to expand the CBD staff for marketing and public space activation and additional street cleaning services. Based on the CBD's preliminary budget and assessment formulas, the War Memorial's CBD assessment beginning in FY 2019-20 would increase to approximately \$165,000, an increase of 150% over the current year assessment. Jennifer Norris, who serves on the Civic Center CBD board, has been involved in renewal deliberations and has expressed a number of concerns of the War Memorial department, including the CBD's proposed significant budget increases in several areas. Nevertheless, it is likely the CBD renewal plan will move forward with this larger budget and larger assessments.

Ms. Murray stated that the process for approving the CBD renewal will be the same as the 2010 process and will start with a petition phase which could take place as early as January 2019. At the time of the petition phase, more specific information about proposed CBD assessments and services will become available. She noted that because this matter may be before the board in early 2019, staff is providing this preliminary update report and asking that the matter of the CBD renewal be referred to the Budget and Finance Committee.

President Bechtle thanked Ms. Murray for this report and referred the matter of the Civic Center Community Benefit District renewal to the Board's Budget and Finance Committee.

### **GOOD AND WELFARE**

Trustee Myatt reported that the World War I Armistice Commemoration Committee continues to develop exhibits and event activities related to the Armistice Centennial. He stated that on Sunday, November 11, 2018 at 4:00 p.m., there will be a ceremony in the Veterans Building Green Room honoring the WWI centennial.

Trustee Levin stated that the traditional Veterans Day parade will take place on Sunday, November 11, 2018 from 11:00 a.m. to 1:00 p.m. at Fisherman's Wharf. He added that there will be bell ringing all over San Francisco at 11:00 a.m.

### **PUBLIC COMMENT**

Paul Cox, Chair of the American Legion War Memorial Commission, distributed cards titled "The American Experience, The Great War | World War I" announcing the Veterans Gallery Exhibition from November 9, 2018 to January 17, 2019 from 1:00 p.m. to 8:00 p.m. daily. Mr. Cox invited everyone to come and see the exhibit in the Veterans Gallery in the Veterans Building main lobby.

Maddy McBirney, a Hayes Valley resident, stated her belief that a mural on the large blank north facing wall of Zellerbach Rehearsal Hall would add vibrancy to the neighborhood. She asked if this would be possible and if so if it would be under the jurisdiction of the War Memorial Board of Trustees. President Bechtle referred Ms. McBirney to War Memorial staff.

### **ADJOURNMENT**

There being no further business to come before the Board, President Bechtle adjourned the meeting at 2:45 p.m. in honor of all veterans of United States conflicts.



Jennifer E. Norris  
Executive Secretary