

SAN FRANCISCO STARTS HERE



**UNION SQUARE BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS REGULAR BI-MONTHLY MEETING**

**July 25, 2019 – 9:00-11:00 a.m.
Macy's
170 O'Farrell Street, San Francisco, CA 94102**

MEETING MINUTES

PURSUANT TO FIVE DAYS NOTICE, a meeting of the Board of the Union Square Business Improvement District (USBID) was held at 9:00am on July 25, 2019 at Macy's at 170 O'Farrell Street, San Francisco.

PUBLIC NOTICE of the meeting was posted at the Main Library and on the USBID's website; notice and documents were sent to Board members via email. Following is a record of those in attendance and the meeting minutes by agenda topic.

In Attendance

The following directors and advisory committee chairs were in attendance: Cammy Blackstone, J. Timothy Falvey, Rodrick Graham, Leah Heil, Shirley Howard-Johnson, Richard Leider, Terry Lewis, Tad Moore, Kelly Powers, Spencer Sechler, Julie Taylor (Treasurer), Don Thomas (Services Committee Chair), Wes Tyler (Board President), and Manuela Anne King (Streetscapes Committee Chair).

The following staff and contract service providers were in attendance: Karin Flood, Benjamin W. Horne, Robbie Silver, Chris Boss, Joshua Chan, Bri Caspersen, Zarrina Yousufzai, Isabella Hershey, Karl Bijan (Block by Block), and Beau Simon (Cooper White and Cooper).

The following guests were in attendance: Jordan Buckley (Paramount Hotels, Inc.), Marcus Mirt (Recology), and Rusty Middleton (Grand Hyatt).

Summary of Actions Taken by the Board of Directors

On July 25, 2019 the Board of Directors took the following actions:

- As moved by Spencer Sechler and seconded by Cammy Blackstone, the Board unanimously approved the Executive Director's Report including ratifying the Executive Committee's actions from June 2019.
- As moved by Don Thomas and seconded by Leah Heil, the Board unanimously approved the Board meeting minutes from May 23, 2019.
- As moved by Rodrick Graham, and seconded by Spencer Sechler, the Board unanimously approved the Board of Director's slate and mailing to members for a vote.
- As moved by Don Thomas, and seconded by J. Timothy Falvey, the Board unanimously approved the 3 year contract with WiLine as the security camera program internet service provider.
- As motioned by Don Thomas, and seconded by J. Timothy Falvey, the Board unanimously approved the 1 year contract with Applied Video Solutions for the security camera program.

- As motioned by Don Thomas, and seconded by Shirley Howard Johnson, the Board unanimously approved the 3 year contract with BigBelly to renew the lease agreement.
- As motioned by Mark Purdy and seconded by Cammy Blackstone, the Board unanimously approved the Unaudited Financial Report at 6/30/2019.
- As moved by Julie Taylor and seconded by Spencer Sechler, the Board unanimously approved the draft budget for the 19-20FY.

Meeting Notes by Agenda Topic

The following notes supplement the actions taken by the Board and provide further information on agenda topics where no action was requested or taken.

1. Call to Order - Observing a quorum present, Wes Tyler called the meeting to order at 9:06am. Introductions were made. Wes thanked Rodrick Graham, the Vice President of the Macy's Flagship store in Union Square, for hosting the Board meeting.
2. Call for Public Comment – Wes called for public comment. He thanked Leah Heil for being Chair of the Renewal Committee. Furthermore, the Board of Directors gave a standing ovation for the USBID staff members for all their hard work during the renewal.
3. Executive Director's Report- The following updates were provided:
 - a. **Renewal**
The USBID has been renewed for another 10 years! Karin thanked the Board Members for submitting their ballots and for supporting the USBID. The Board of Supervisors gave their unanimous support as well. 85% of the votes came in support of renewal (with 70% participating) and there was no opposition at the hearing. Karin also thanked those who spoke during the hearing. Furthermore, Ben acknowledged and thanked each staff member of the USBID for their hard work during renewal.
 - b. **IDA Conference 2019 and award**
Karin informed the Board that she will be attending the IDA conference in Baltimore this year, alongside Robbie and Bri. The USBID will be receiving an Excellency Award for Winter Walk 2018.
 - c. **Executive Committee met on June 27, 2019.**
 - Approved SFPD live access to security cameras on Market during SF Pride Parade
Karin reported that the SFPD asked the USBID if they can gain access to the security cameras on Market Street for the San Francisco Pride Parade on June 30, 2019. The recent Surveillance Technology legislation would be effective by the time of the event raising concerns about the compliance with the policy. The Executive Committee voted to allow the SFPD to have live access to the security cameras on Market St during the Pride Parade for the good of public safety.
 - Named Tad Moore, Shirley Howard Johnson, and Darcy Brown to Union Square Foundation Board
 - Extended Block by Block contract through October (at same rate with 3% staff pay increase)
 - Extended DST contract for 19-20FY (at slightly reduced rate)
 - Approved Letter of support for the City's \$2.8mil budget allocation to SFPD for increased beat cops and Mayor's SFPD Ambassador Program for Union Square

Action: As moved by Spencer Sechler and seconded by Cammy Blackstone, the Board unanimously approved the Executive Director's Report including ratifying the Executive Committee's actions from June 2019.

d. Mayor's SFPD Ambassador Program

During the Union Square Foundation's Annual Luncheon, Mayor London Breed announced the SFPD will be piloting an Ambassador Program in Union Square with retired SFPD Officers. Karin noted that the retired SFPD officers are ready to get started and the Ambassador program will soon rollout in the next couple of months.

4. **Action to approve prior meeting minutes of May 23, 2019** – Members were asked to review and approve the minutes from May 23, 2019.

Action: As moved by Don Thomas and seconded by Leah Heil, the Board unanimously approved the Board meeting minutes from May 23, 2019.

5. **Post renewal timeline and strategic objectives review**

Ben directed the Board to the post renewal objectives handout and reviewed the goals for July to the end of the year. Now that the BID is renewed, he noted that there is a lot of work to do to launch the new services. From July through October, the BID will maintain current service levels and the security camera program will become fully funded by assessments (\$15,000-20,000/month) as the Silicon Valley Community Foundation grants for operating the system are exhausted. Most new services and increased service levels will be launched November 1 in time for the holiday season. The new assessments will be received in December and 24/7 Member Services will start January 1. Member Services will be brought in house by July 1. To begin the new services before the new assessments are received, the BID has increased its line of credit that may need to be used this year and every year going forward.

6. **Discussion regarding Board of Director's (BOD) slate and board and election and action to approve BOD slate to be mailed to members.**

Karin directed the Board members to the Board Slate handout. She noted that half of Board members' terms are ending and that there are no term limits if they would like to stay on. Furthermore, there are five new potential Board Members who would like to join the USBID Board of Directors: Corinna Luebbe (General Manager of the Taj Campton Place), Jordan Buckley (Managing Director of Paramount Hotels, Inc.), Mike Petricca (Vice President of Campus Safety at the Academy of Art University), Rusty Middleton (General Manager of the Grand Hyatt), and Marcus Mirt (Operations Manager of Recology). Rusty Middleton, Jordan Buckley, and Marcus Mirt introduced themselves to the BOD. A closed discussion took place among members regarding the potential new members' qualifications.

Ben further explained the process for the Board election. If the Board approves the slate, a ballot will be mailed to all property owners. Fifteen percent of weighted assessments must return the ballots and 50% of the returned ballots must be in support. The new Board will take effect on October 1.

Action: As moved by Rodrick Graham, and seconded by Spencer Sechler, the Board unanimously approved the Board of Director's slate to be mailed to members.

7. **To Receive the BID's Advisory Committee reports and to take action to approve several Committee recommendations:**

- a. **Services & Public Safety** – Don Thomas

Don informed the Board the Services Committee met on Tuesday and they are now receiving crime statistics from the SFPD.

- Operations report for May & June 2019

Karl Bijan directed the Board to the May and June Operations Report. He gave a brief update on the district's clean and safe statistics and key events and happenings. He reported that trash is an ongoing problem in Union Square—1 hour every morning is spent on Campton alone because of overturned cans and garbage. However, he mentioned that Senator Elizabeth Warren stopped by Union Square and met Raven and thanked him for keeping Union Square clean. Furthermore, graffiti is up by over 100% and 10B incidences have increased by nearly a third since this time last year.

Ben thanked Rusty Middleton for the toter-locking pilot program idea. Recology and the USBID team will now be locking some trash cans in the district to see if it will stop people from rummaging through them. Ben also thanked Rusty and Wes Tyler for hosting the Clean and Safe Team Appreciation Lunch.

- Discussion and action to approve 3 year contract with WiLine for security camera program Internet Connectivity.

Ben informed the Board that WiLine, who are the internet service provider for the security cameras around the district, has proposed a 3 year deal that increases the camera's bandwidth without an increase in the rate. The contract will cost \$144,000 over 3 years. Members asked questions and discussed.

Action: As moved by Don Thomas, and seconded by J. Timothy Falvey, the Board unanimously approved the 3 year contract with WiLine for the security camera program internet provider.

- Discussion and action to approve 1 year contract with Applied Video for security camera program maintenance and expansion.

Furthermore, Ben noted that Applied Video Solutions also offered to extend the contract with the USBID for 1 year with minimal cost increase and an additional site and upgraded firewall.

Action: As motioned by Don Thomas, and seconded by J. Timothy Falvey, the Board unanimously approved the 1 year contract with Applied Video Solutions for the security camera program.

- Discussion and **action** to approve 3 year contract with BigBelly to renew lease agreement. Ben explained that BigBelly proposed a 3 year contact to renew their lease agreement with the USBID. Cans previously were \$3,500 each for sponsorships will now be \$2,000 and the contract cost is decreasing from \$55,000/year to \$31,000/year. They are asking for 3 years paid up front for the discounted price. No additional trash receptacles will be added because they were only willing to lease them at full retail price and the City may provide some funding for these.

Action: As motioned by Don Thomas, and seconded by Shirley Howard Johnson, the Board unanimously approved the 3 year contract with BigBelly to renew the lease agreement.

b. **Finance & Audit** — Ben Horne

- **Action** to approve the Unaudited Financial Report at 6/30/2019

Ben directed the Board to the Unaudited Financial Reports for review. He reported that the Finance Committee met last week and voted to recommend the Board approve the Unaudited Financial Reports at June 30, 2019. The assessments core/operations have a \$159,000 year to

date surplus. The USBID assessment operations had a \$508K positive revenue variance, due to the Winter Walk and in-Kind sponsorships. Overall deficit was \$247K due to the continued depreciation on the security camera network. Net assets (reserves) are at \$1.8million at 6/30/2019. Ben further reported the audit process is starting. Members reviewed the documents and asked questions.

Action: As motioned by Mark Purdy and seconded by Cammy Blackstone, the Board unanimously approved the Unaudited Financial Report at 6/30/2019.

- Update on Line of Credit and Discussion and review regarding 19-20FY budget draft and action to approve the draft budget for the 19-20FY.
Ben reported that the BID ended the fiscal year with about half of the assessment budget remaining, but to roll out the new services before the new assessments are received and as all grant funds become exhausted, the BID may need to borrow a line of credit (Nov). The current line of credit will be extended through November 30. The BID will then contract with the City, and the line of credit will be increased from \$500,000 to \$1M. Ben reviewed the budget memo and summary budget document. Members reviewed and asked questions.

Action: As moved by Julie Taylor and seconded by Spencer Sechler, the Board unanimously approved the draft budget for the 19-20FY.

c. **Streetscapes and Public Realm**—Manuela King

- Winter Walk or holiday activation
Robbie informed the Board that Winter Walk can no longer be on Stockton St due to the costs of rerouting the buses and the politically contentious nature of the location. It is proposed to relocate Winter Walk to be on the two blocks of Maiden Lane and on Grant Avenue between O’Farrell and Post. Furthermore, Robbie reported the Winter Walk Stakeholder meeting was successful, however, there were logistical concerns. A RFQ was sent to 3 event management firms and 2 responses have been received. A committee of 5 will be convened to review the proposals.
- Campton Place project updates
Manuela reported that the Campton Place Stakeholders meeting was very successful and the project received tremendous community support. The Plazas for People application is being finalized and submitted very soon. She further noted that Meryll Pataky will be attending the next Streetscapes Committee meeting in August to present her light art installation for Campton Place.
- Hallidie Plaza art installation (R-Evolution)
The R-Evolution art piece is still a work in progress. Bri informed the Board that the next step is to get DPW’s support as well as a permit from the Recreation and Parks Department.

d. **Marketing & Communications**—Robbie Silver

- Marketing Chair
Robbie informed the Board that the Marketing Committee is looking for a new chair to lead the committee.
- Lunch on the Lane and Maiden Lane updates

The Lunch on the Lane schedule is Tuesday, Wednesday, and Thursdays now. There will be live music every day starting July 25 until October 17. Robbie invited everyone to join Christmas in July after the BOD Meeting.

- District Guides
Furthermore, Robbie noted that the district guides will be redone and made into one to make them more digital friendly.
- Rebranding and name change
The Board previously decided to rename the Union Square Business Improvement District to the Union Square Alliance. An RFP for rebranding the organization will be sent out by the end of the calendar year, and a steering committee will be formed to go through the rebranding process.

e. **Public Affairs & Advocacy-** Karin Flood

- 152 Geary cannabis dispensary update
Karin informed the Board that a stakeholder meeting was held with the proposed operators of the 152 Geary retail cannabis store. The proposed retailer's business permit continues to advance through the review process, despite the BID's opposition. It is likely that an individual stakeholder will pull a Discretionary Review if Planning approves the permit.
- C3R Funds allocation process update
Furthermore, Karin reported that she met with Naomi Kelly, the City Administrator, to discuss the process of the Foundation obtaining the C3R funds. The funds must go towards Capital improvement projects, which includes long term art projects such as R-Evolution. Robbie and Karin are working on a proposed process for the funds to be obtained by the Foundation to be reviewed by Naomi.
- DA Debate (September 18, 5-7pm)
Karin invited the Board to the District Attorney Forum on September 18, 2019. The USBID is co-hosting with SF Travel, the Chamber, and the Hotel Council. Members were asked to attend.
- USBID development policy
The USBID is drafting a development policy that outlines the process for the BID taking positions on development projects, such as retail to office conversions, liquor licenses, transportation projects, façade improvements, etc. The Public Affairs Committee has reviewed an initial draft and the Board will review a final draft in September.
- Other legislative updates
Karin informed the Board some of the tax measures including the CEO tax and the IPO tax have been pulled from the November ballot.

8. Announcements & New Business

- Next Executive Committee Meeting August 22, 2019
- Next Board Meeting September 26, 2019 – 9:00am. Location TBD
- Rodrick announced that Macy's is completing its remodel in October.
- Leah Heil asked if the Board could reduce or eliminate the use of paper at Board meetings.
- Karin asked the Board for a host for September's meeting.

9. Adjournment- The meeting was adjourned at 11:00am.