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

**September 26, 2019 – 9:00-11:00 a.m.
Grand Hyatt Hotel (Union Square Room, 36th Floor)
345 Stockton Street, San Francisco, CA 94108**

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 September 26, 2019 at the Grand Hyatt Hotel at the Union Square Room (36th Floor), at 345 Stockton 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: Stephen Brett (Phone), Jordan Buckley (Phone), J. Timothy Falvey, James C. Flood, Rodrick Graham, Shirley Howard-Johnson, Russell D. Keil, Jr., Rusty Middleton, Mike Petricca, Jim Sangiacomo, Julie Taylor (Treasurer), Don Thomas (Services Committee Chair; Phone) 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, and Karl Bijan (Block by Block).

The following guests were in attendance: Evan J. Kaizer (Hotel Stratford).

Summary of Actions Taken by the Board of Directors

On September 26, 2019 the Board of Directors took the following actions:

- As moved by Rodrick Graham and seconded by Jim Sangiacomo, 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 Shirley Howard-Johnson, the Board unanimously approved the Board meeting minutes from July 25, 2019.
- As moved by Russ Keil and seconded by Rusty Middleton, the Board unanimously approved to submit the Annual Report to the City of San Francisco.
- As moved by Jim Sangiacomo and seconded by Rodrick Graham, the Board unanimously approved the lease of 323 Geary Street, Suite 318.
- As moved by Julie Taylor and seconded by Rodrick Graham, the Board unanimously approved the contract amendment with Block by Block for expanded services November – December 2019 and approved to accept Block by Block's proposal for the use of banked hours to hire additional staff effective 10/1/19.

- As moved by Julie Taylor, and seconded by Shirley Howard-Johnson, the Board unanimously approved the overnight security policy and approved RFP for distribution.
- As moved by J. Timothy Falvey and seconded by Julie Taylor, the Board unanimously approved the 18-19FY audit report.
- As moved by Russ Keil, and seconded by Julie Taylor, the Board unanimously approved the Unaudited Financial report at 8/31/19.
- As moved by Jim Sangiacomo, and seconded by Julie Taylor, the Board unanimously approved the USBID development policy.
- As moved by Russ Keil, and seconded by J. Timothy Falvey, the Board unanimously approved the letter of support for Medmen cannabis dispensary.
- The motion to approve the ballot measure position slate passed with 9 in favor and 3 opposed as motioned by Russ Keil and seconded by Jim Sangiacomo.
- As moved by Rodrick Graham and seconded by Julie Taylor, the Board unanimously approved the agreement with Off the Grid for 2019 Winter Walk event management.
- As moved by J. Timothy Falvey and seconded by Julie Taylor, the Board unanimously approved the new Marketing Committee Chairs.

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, the Board President, called the meeting to order at 9:05am. Karin Flood also welcomed the Board and thanked the Grand Hyatt and Rusty Middleton for hosting the first paperless Board meeting. Rusty took the floor to introduce himself and gave a brief explanation on how to use the tablets for the meeting. Introductions were made.
2. Call for Public Comment – Wes called for public comment. Seeing none, he moved onto the next item.
3. Executive Director’s Report- The following updates were provided:
 - a. **City Contract Update**
The City contract is being negotiated. There are newly added sections to the City Contract. One of the new requirements for the City Contract is to count the vacancies in the district, which has to include the square footage and the previous property owner contact information. Staff is asking for some revisions.
 - b. **Miracle Messages Award**
Karin announced that the Union Square Foundation received the Miracle Messages Choose Love Award for Compassionate Citizenship during the Miracle Messages Event on August 27, 2019. The award is in the process of being framed.
 - c. **Mayor’s SFPD Ambassador Program & MTA Proposal**
Karin updated the Board that there has been no movement regarding the SFPD Ambassador Program. The USBID is currently waiting to hear back from the Chief of Police. In addition, SFMTA proposed to staff Ambassadors at the Cable Car Turnaround for the month of October to increase safety.
 - d. **Executive Committee met on June 27, 2019.**
 - Letter of support for 220 Post retail to office conversion
City Center Realty Partners, LLC gave a presentation in regards to converting 220 Post Street from retail to office.

- Moving forward with lease for 323 Geary St, Suite 318
- Begin RFP process for reviewing insurance brokers
- Letters of opposition to 3 potential mobile food facilities in the district
- Renewed Union Square Foundation Board terms of Tim Falvey and Ron Yen (to 2021)
- Extended Zarrina's internship to December 31, 2019. (CLOSED)

Action: As moved by Rodrick Graham and seconded by Jim Sangiacomo, the Board unanimously approved the Executive Director's Report including ratifying the Executive Committee's actions from June 2019.

4. **Action to approve prior meeting minutes of July 25, 2019** – Members were asked to review and approve the minutes from July 25, 2019.

Action: As moved by Don Thomas and seconded by Shirley Howard-Johnson, the Board unanimously approved the Board meeting minutes from July 25, 2019.

5. Discussion regarding Board election results and welcome to new Board!
Karin gave a brief recap of the Board election results. Out of 15% weighted assessments to be returned in favor from all property owners in the district, the USBID received 25.8%, confirming the new Board members. Karin gave a warm welcome to all the new Board members!

6. Review of 2018-2019FY Annual Report and action to approve report for submission to City of San Francisco.
Karin led a discussion and went through the Annual Report draft with the Board. A brief discussion took place among members.

Action: As moved by Russ Keil and seconded by Rusty Middleton, the Board unanimously approved to submit the Annual Report to the City of San Francisco.

7. Discussion and action to approve lease of 323 Geary Street, Suite 318.
The USBID was offered a potential lease for an office space right next to the VCC room (suite 317). Karin noted that it's a good size for the new expanded member services in the coming months, and suite 317 will act as a resting place for the soon-to-be SFPD Ambassadors as well as the 10B officers. The added rent cost for suite 318 is \$729/month which is a very economical rate. The Board reviewed the lease agreement for Suite 318.

Action: As moved by Jim Sangiacomo and seconded by Rodrick Graham, the Board unanimously approved the lease of 323 Geary Street, Suite 318.

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

a. **Services & Public Safety** – Chris Boss

Chris informed the Board the Services Committee met on Tuesday.

- Operations report for July & August 2019
Karl Bijan directed the Board to the July and August Operations Report. He gave a brief update on the district's clean and safe statistics and key events and happenings. He reported that the district will be broken in two zones starting November 1. Furthermore, he noted that Block by Block will be scheduling monthly district walks with Marisol Pastran, the new Public Information Officer from DPW. Karl reported that graffiti removal has decreased, and quality of life issues have been consistent. Also, the ashtrays from the Big Belly trash cans have been missing, and the USBID is working on resolving the issue by securing them with a cable.

- Discussion and **action** to approve contract amendment with Block by Block for expanded services November – December 2019 and to accept Block by Block proposal for the use of banked hours to hire additional staff effective 10/1/2019

Block by Block has proposed a contract amendment for the increased services beginning November 1 (through December 31). The goal is to get 20% wage increase by November (an additional 17% since the 3% increase in July) and add approximately 12 staff to meet the service level needs of the new management plan. SFMTA reached out to the USBID to staff two Ambassadors by the Cable Car Turnaround and a proposal was submitted to MTA using Block by Block estimates (in essence MTA is buying banked hours). Furthermore, Block by Block proposed using their banked hours to hire additional staff during the month of October.

Action: As moved by Julie Taylor and seconded by Rodrick Graham, the Board unanimously approved the contract amendment with Block by Block for expanded services November – December 2019 and approved to accept Block by Block’s proposal for the use of banked hours to hire additional staff effective 10/1/19.

- Discussion and **action** to approve overnight security policy and to approve RFP for distribution
Bri and Chris have been working on the RFP for the overnight security policy. Bri informed the Board that beginning January 1, 2020, there will be overnight security around the district. She gave a brief explanation of the policy highlighting key expectations in the RFP.

Action: As moved by Julie Taylor, and seconded by Shirley Howard-Johnson, the Board unanimously approved the overnight security policy and approved RFP for distribution.

- Big Belly and trash update
Ben updated the Board that all 27 Big Belly cans have been sponsored for a 3 year term. The USBID is currently working on a grant for 3-6 units to be placed in District 6 and District 3. Furthermore, the tubular locks have been placed on all Big Belly cans to prevent the constant break-ins.

b. **Finance & Audit** — Jim Sangiacomo

- Review of audit report for 18-19FY and **action** to approve 18-19FY audit report
Ben directed the Board to the audit report for 18-19FY. He reported that Michelle Ly and Kimberly Robertson from Marcum gave a detailed presentation highlighting key points of the Audit: revenue increased in all categories, investments increased, and liabilities decreased. They gave the USBID an A+ for their unmodified (clean) report.

Action: As moved by J. Timothy Falvey and seconded by Julie Taylor, the Board unanimously approved the 18-19FY audit report.

- **Action** to approve the Unaudited Financial Report at 8/31/2019
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 August 31, 2019. The assessments/core operations have a \$674K deficit through August, but due to additional revenue and reduced expenses, the BID outperformed by \$63K. Furthermore, the USBID brought in more revenue, about \$13K, due to the security camera donation and other budgeted billings to USF including SoMa West CBD revenue. Net assets (reserves) are at \$1.123mil at the end of August. The important change in the next couple

months will be an increase in cost for the Clean & Safe services. Members reviewed the documents and asked questions.

Action: As moved by Russ Keil, and seconded by Julie Taylor, the Board unanimously approved the Unaudited Financial report at 8/31/19.

- Line of credit update
Ben updated the Board that the Line of Credit has been approved; however, after the City Contract has been approved, it may need to be extended mid/late November due to increased services beginning November 1 and the needs for more funds in case the first payment does not arrive until early January.

c. **Public Affairs & Advocacy** – Karin Flood

- DA debate debrief
The USBID, Hotel Council, SF Chamber, and SF Travel co-hosted the District Attorney Forum at the Hilton Hotel on September 18, 2019. Karin noted that it was a good turnout. Each candidate discussed how they would reform the criminal justice system.
- Review, discuss, and action to approve USBID development policy
The USBID receives many requests to take positions on development projects, such as retail office conversion, exterior reconstruction or a liquor license. Bri has been working on developing a policy to formalize how the USBID takes these positions, which also outlines key criteria's for supporting the USBID.

Action: As moved by Jim Sangiacomo, and seconded by Julie Taylor, the Board unanimously approved the USBID development policy.

- Review and action to approve letter of support for Medmen (532 Sutter) cannabis dispensary
Medmen, a cannabis dispensary located on 532 Sutter, gave a presentation highlighting their business model. They gave a brief outline of what to expect of MedMen as a retailer in the District and a timeline for their business permit in the City's approval process. They asked the USBID for their support.

Action: As moved by Russ Keil, and seconded by J. Timothy Falvey, the Board unanimously approved the letter of support for Medmen cannabis dispensary.

- Review, discuss, and action to approve ballot measures position slate
On Election Day, there will be 6 ballot measures to vote on. Karin informed the Board that at the last Public Affairs Meeting, committee members were encouraged to take one or two measures and give a detailed presentation on each, as well as take a position. A discussion followed regarding which positions the USBID should take.

Action: As motioned by Russ Keil and seconded by Jim Sangiacomo to approve the ballot measure position slate passed with 9 in favor, and 3 opposed.

- C3R funding process update
Karin informed the Board that she has been meeting regularly with Peskin's Office and the City Administrator regarding the process of retrieving the C3R funds to the USBID. She is currently waiting to hear back from them.

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

- Winter walk 2019 update, discussion and **action** to approve agreement with Off the Grid for 2019 Winter Walk event management

Robbie updated the Board that the Winter Walk is back, thanks to Lee Hepner and Aaron Peskin's office for working diligently to make Winter Walk happen. It will be a transition year for the USBID due to the opening of Stockton Street. Winter Walk this year will be held on the two blocks of Maiden Lane and one block of Grant Avenue. In order to close Maiden Lane and Grant Avenue, they have to go through the ISCOTT permitting process. Furthermore, the USBID will be working with Off the Grid again, splitting all costs (expense and sponsorships) in half. The goal is to raise \$300,000 in sponsorships for Winter Walk.

Action: As moved by Rodrick Graham and seconded by Julie Taylor, the Board unanimously approved the agreement with Off the Grid for 2019 Winter Walk event management.

- Holiday Décor
Robbie updated the Board that the Union Square Foundation and USBID will be splitting costs to light the 16 Palm Trees in Union Square. Lower Powell Street lights will be done in-house. He noted that the USBID has reached out to DPW to install the snowflakes in Hallidie Plaza and is currently waiting to hear back.
- Campton Place project updates
Manuela updated the Board that the P4P application has been moving forward, only a few changes need to be made. She further noted that the Arts Commission approved Meryll Pataky's neon light art project for Campton Place. The proposed project should be up by late spring/early summer of 2020.
- Hallidie Plaza art installation (R-Evolution)
The R-Evolution art project still has to go through the Department of Public Works. Joaquin Torres from OWED will be meeting with the Mayor to discuss the future of R-Evolution and get DPW's approval before getting a permit from the Recreation & Parks department.

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

- Discussion and **action** to approve new Marketing Chairs
The Marketing Committee has found their new Marketing Chair and Vice Chair. Matthew Coleman, Salon Manager from Harry Winston, will be the Marketing Chair, and handling majority of the administrative work. Christopher Huth, Wedding & Gift Registry Manager from Macy's, will be the Vice Chair. Christopher will be handling all marketing events and outreach.

Action: As moved by J. Timothy Falvey and seconded by Julie Taylor, the Board unanimously approved the new Marketing Committee Chairs.

- Wine Walk – October 17, 2019
The USBID will be hosting the Art and Fashion Wine Walk on October 17, 2019. Check-In will be at the Macy's Wine Bar. It's a Member event; all Board members are welcome.
- Rockin Holiday Fundraiser – December 11, 6-9pm at Starlight Room
The Union Square Foundation's Rockin' Holiday Fundraiser, supporting DST and Miracle Messages, will be held at the newly renovated Lizzie's Starlight Room on December 11, 2019.

Robbie guided the Board through the sponsorship deck highlighting the different sponsorship levels. All Board members are invited to attend or sponsor.

- District Guides

The USBID is in the process of redoing their district guides to make it more convenient for the modern day tourist. They will be pocket sized, highlighting key locations around Union Square. The Guides will be formalized by the end of the month.

CLOSED SESSION (SEE CLOSED SESSION MINUTES)

9. Discussion and action to approve hiring Member Services Team Lead effect 10/1/2019.

10. Announcements & New Business

- Union Square Wine Walk October 17, 2019
- Next Executive Committee Meeting October 24, 2019
- Next Board Meeting November 21, 2019 – 9:00 a.m. Location TBD
- Rockin' Holiday Fundraiser, December 11, 2019 6-9pm (Starlight Room)

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