



Annual Board of Directors Bi-Monthly Meeting

May 25, 2023 – 9:00 -11:30 am
Hybrid via Zoom or in person
The Axiom Hotel, 28 Cyril Magnin (Lower Level, Hub Room)

MINUTES

In attendance

The following directors and advisory committee chairs were in attendance in person: Mark Purdy (Board President, Julie Taylor (Treasurer), Jordan Buckley, Shirley Howard-Johnson, Wes Tyler, J. Timothy Falvey, David Lewin, Maxine Papadakis, Evan J. Kaizer, Don Thomas, Terry Lewis, Mark Sullivan, Michael Petricca, Russ Keil Jr.,

The following directors and advisory committee chairs were in attendance via zoom: none.

The following staff and contract service providers were in attendance: Marisa Rodriguez (CEO), Benjamin W. Horne (CFO), Ken Rich (COO), Lance Gorée (Director of Services), Zarrina Yousufzai (Finance & HR Associate), Eva Schouten (Public Realm Associate), Melanie Medina (Executive Assistant), Jessica Chilingirian (Digital Marketing Associate) Beau Simon (Legal Counsel), Derreck Hughs (Block by Block), Semu One Bear (Block by Block), Johnny Linares (Block by Block), Tinea Adams (Block by Block), Joseph Shelley (Legion), and Ricky Soares (Legion).

Guests – Lauren Ellis, Spencer Sechler, Blake Ogilive, Courtenay Wendell, Jessica Bettencourt, Sebastien Pfeiffer, Tammy Brock, Pamela Garvey, Jason Chen, Justin Moore, and Ray DiGiacomo.

Summary of Actions Taken by the Board of Directors

On March 23, 2023, the Board of Directors took the following actions. No public comment was received prior to any action item:

- **Action:** The Board unanimously approved the Executive Director's report including ratifying the Executive Committee actions from April 2023 as motioned by Wes Tyler and seconded by Julie Taylor.
- **Action:** The Board unanimously approved the March 23, 2023, minutes as motioned by Don Thomas and seconded by Mark Sullivan.
- **Action:** The Board unanimously approved the three new Board members as motioned by Don Thomas and seconded by Jordan Buckley.
- **Action:** The Board unanimously approved the renew terms of the Board officers as motioned by Evan Kaizer and seconded by Mark Sullivan.
- **Action:** The Board unanimously approved the Board slate and election ballot as motioned by Evan Kaizer and seconded by Shirley Howard Johnson.
- **Action:** The Board unanimously approved the unaudited financial report at 4/30/23 as motioned by Tim Falvey and seconded by Julie Taylor.
- **Action:** The Board unanimously approved the assessment rate with a 3% increase for 23-24FY as motioned by J. Timothy Falvey and seconded by Evan Kaizer.



- **Action:** The Board unanimously approved the audit/tax engagement letter with Perotti and Carrade as motioned by Russ Keil Jr. and seconded by Shirley Howard Johnson.
- **Action:** The Board unanimously approved the renewal of the \$1mil line of credit with City National Bank and named Marisa Rodriguez, CEO and Julie Taylor, Treasurer as signers as motioned by Mark Sullivan and seconded by Tim Falvey.
- **Action:** The Board unanimously approved contracting with Block by Block for clean and safe services as motioned by Mark Purdy and seconded by Evan Kaizer.
- **Action:** The Board unanimously approved the contracting with Legion for security services as motioned by Mark Purdy and seconded by Evan Kaizer.
- **Action:** The Board unanimously approved the letter of support for the hotel development project at 420 Sutter Street as motioned by Mark Purdy and seconded by Lauren Ellis.

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, roll call, and welcome and introduction to Marriott Union Square.

Observing a quorum present, Marisa Rodriguez called the meeting to order at 9:05 a.m. Introductions made, and roll call taken. Ben thanked Garry Cox and Jeremy Kueffner from the Axiom Hotel for their generosity and hospitality in hosting the meeting.

2. Public Comment

Marisa Rodriguez called for public comment. Ray DiGiacomo asked when it was best appropriate to make public comment about the board slate and an individual candidate and was asked to wait for item six of the agenda. No additional public comment was received.

3. CEO's report

- Bloom

Marisa thanked all the participants of Union Square in Bloom and encouraged those to visit all the blooms using the passport created by the marketing team at the Alliance. The initiative has grown to over 30 locations participating and is a big success.

- Recent news and Mayor's announcement

The mayor held a press conference announcing her commitment and support (\$6mil) to the Powell Street corridor to attract businesses and beautify the space. Discussion took place regarding traffic controls along Powell Street.

- Gator Donation

The gators have been purchased, arrived at the SFPD facilities, and will be out in the district hopefully in June. The MOU is still in the process of being finalized and executed.

- Suit Up Evet- June 16

The Alliance has partnered with Macy's, the DA's office, SFPD, and several organizations to help support 15 young women to help build their confidence and self-esteem through a 6-week program including Macy's providing make overs and new professional attire. There will be a runway show revealing the young women's new early career outfits on June 16th at Macy's followed by a dinner at John's Grill.



- Executive Committee met on April 27, 2023, and approved:
 - Letter of support for the mayor's tax incentive policy
 - Letter of support for zoning changes
- CLOSED SESSION
- Handling of potential employee conflict of interest.
 - Eliminating advance sick time policy

Action to accept the Executive Director's report including ratifying the Executive Committee actions from April 2023.

Action: The Board unanimously approved the Executive Director's report including ratifying the Executive Committee actions from April 2023 as motioned by Wes Tyler and seconded by Julie Taylor.

4. **Action to approve prior meeting minutes of March 23, 2023**

Action: The Board members reviewed the minutes, and the Board unanimously approved the March 23, 2023, minutes as motioned by Don Thomas and seconded by Mark Sullivan.

5. **Introduction to Convene (Blake Ogilive, VP Operations)**

Convene is a new business in Union Square that offers meeting and workspaces with a focus on high level hospitality. They will be occupying two floors at the 100 Stockton building. Blake Ogilive, the VP of Operations with Convene, informed the Board about the work Convene does and how their addition to the district will be beneficial to conventions, boutique hotels, and local businesses.

6. **Board of Directors updates and election**

Ben announced that Michael Petricca will be retiring from the Academy of the Arts and will not be renewing his term on the Board (which will end is June 2023). Ben thanked Mike for his time and commitment to the Alliance over the last 4 years and all wished Mike well in his retirement. Mike thanked the Alliance for having him.

The three applications for the new Board members were presented. First Lauren Ellis, owner of CK Contemporary, an art gallery on Powell Street. She started her time at the Alliance as a committee member for the Public Affairs committee and has shown her commitment to helping Union Square recover. Second, Spencer Sechler, Director of Business Development with ACE parking. Spencer has been a part of the Board previously, has been on the Union Square Foundation Board for a couple years and prior to that served on the Union Square Association board. Spencer wants to get reinvolved because of his connection to Union Square (his company operates a garage in the district) and wants to utilize his historical perspective of the neighborhood and organization. Finally, Clif Clark, General Manager of the Westin St. Francis was presented. Clif was not present however Marisa spoke on his behalf and stated the large imprint the Westin St. Francis has in Union Square and the importance to have them be part of the Union Square Alliance.

Action: The Board unanimously approved the three new Board members as motioned by Don Thomas and seconded by Jordan Buckley.



Ben stated the current terms of the Board officers were expiring in June and asked the Board to approve the renewal of their officer terms. Mark Purdy, President, Don Thomas, Vice President, Julie Taylor, Treasurer, and Stephen Brett as Secretary.

Action: The Board unanimously approved the additional terms of the Board officers as motioned by Evan Kaizer and seconded by Mark Sullivan

Ben presented the ballot and other documents that will be mailed to property owners of Union Square to vote in the Boards election and described the voting process which will occur in June and July 2023.

At this point, Ray DiGiacomo, a resident in the Union Square area, provided public comment and stated his concerns and objection with Marcus Mirt's status on the Union Square Alliance Board and his ongoing issues with Recology's trash pickup times (and related noise) for the neighborhood. No discussion took place after the comment.

Action: The Board unanimously approved the Board slate and election ballot as motioned by Evan Kaizer and seconded by Shirley Howard Johnson.

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

a) **Streetscapes and Public Realm (Manuela King)**

• **SF Live Grant and plans**

Starting in July, the Alliance will be hosting a Saturday music series at Union Square Park running through September paid for by the SF Live grant. This will be the pilot program to next year's summer music series. The marketing for the pilot program will be in-house and be in line with Bloom.

• **SF Economic Recovery Grant and related projects**

The SF Economic Recovery Grant, also known as RFP 224, is an extension of last year's economic grant that funded the 2022 holiday market. The amended grant will now help fund Bloom 2023, additional maintenance at Hallidie Plaza, new furniture for Union Square Park, and the 2023 holiday season. The grant will also fund a research study at Hallidie to determine how to best utilize the space.

• **Alley Lighting**

The Alliance has the approval from seven out of the eleven property owners at Campton Alley to add bistro lights to the alley. Discussion took place regarding why not all the property owners have agreed to the project. In addition, the staff hopes that Elwood Alley will be activated with a mural and lighting (paid for by grants).

• **Powell Street**

The topic was discussed during the CEO's report.

• **Streetscapes and Public Realm priorities**

A list of the streetscapes and public realm committee priorities was presented to the Board. The focus will be on public activation at Union Square Park, upkeep of Hallidie Plaza, Maiden Lane, and alleyway activations throughout the district.



b) Finance & Audit (Jim Sangiacomo)

- **Action to approve the Unaudited Financial Report at 4/30/23.**

Ben provided a summary of the Unaudited Financial Report at 4/30/23. The Alliance has an overall surplus of \$750K as the second assessment was received in April 2023. The organization had a slight negative budget variance of \$6K overall (\$67K positive variance from Core less \$73K other). The assessments/core operations are outperforming the budget by \$67K due to expenses being under budget in the clean and safe category and additional misc. generated revenues. Marketing expenses were slightly over budget (\$24K) due in part to delays with the additional grants and related projects. There is a large Other Revenues negative variance (\$924K) due to delays with the Economic Recovery Grant and with the SF Live Grant. The Larsen lighting grant and security camera grant projects are facing delays due in part to challenges with property permissions. The organization spent less of Other Funds (\$850K).

The USBID assessment operation expenses were near management plan levels with 73% on clean & safe (includes security cameras), 13% on marketing and 14% on admin. The forecast for the fiscal year is a total deficit of \$287K. The approved budget was \$381K deficit. Our goal is to break even for the fiscal year. This will be challenging due to delays with the grants, grant structure and increasing costs of services. Net assets (reserves) are at \$3mil and cash balance was \$3.15mil at 4/30/23.

Action: The Board unanimously approved the unaudited financial report on 4/30/23 as motioned by J. Timothy Falvey and seconded by Julie Taylor.

- **23-24FY budget draft review and action on assessment rate for 23-24FY**

Ben provided a draft summary of the budget for 23-24FY. Discussion took place regarding the delay in contracts being signed and how that is impacting the budget. The finance committee met on May 18th and recommended to set the increase in the assessment rate for 23-24FY to 3%. The Board could have increased this to 5% but with the challenging economic times the Finance Committee and Board recommended only 3%.

Action: The Board unanimously approved the assessment rate with an increase of 3% for 23-24FY as motioned by J. Timothy Falvey and seconded by Evan Kaizer.

- **Action to approve audit/tax engagement letter with Perotti and Carrade**

Perotti and Carrade provided an engagement letter to do the audit for 22-23FY as well as preparing the 990 documents for the Alliance and the Foundation. This will be their second audit with the Alliance after last year's audit went smoothly. A potential liability disclosure regarding risk has been included in the letter as a measure of full disclosure to the Alliance. Discussion took place regarding their service rate compared to Marcum. Members expressed positive feedback on the selection of Perotti.

Action: The Board unanimously approved the audit/tax engagement letter with Perotti and Carrade as motioned by Russ Keil Jr. and seconded by Shirley Howard Johnson.

- **Line of credit update and action to approve \$1mil line of credit and signers.**

City National Bank will renew the line of credit of \$1mil at the same interest rate as it has been (prime plus 1.25%). There will be two signers for the account, Marisa Rodriguez, CEO of the Union Square Alliance, or Julie Taylor, Treasurer of the Union Square Alliance.



Action: The Board unanimously approved renewing the \$1mil line of credit with City National Bank and approved signers of Marisa Rodriguez, CEO or Julie Taylor, Treasurer as motioned by Mark Sullivan and seconded by J. Timothy Falvey.

Note – at this point, the Marketing and Communications report was moved up in the agenda. The item was originally item 7e but was moved to 7c.

c) Marketing and Communications (Mark Sullivan)

- Annual Lunch
The Union Square Foundation met its fundraising goal of almost \$130K for the Annual Lunch. United Airlines was the premiere sponsor, coming in at \$15K. It was a great celebration and very positive, well attended and many City representatives as well as community leaders were present.
- Union Square in Bloom
The Union Square community has come together to participate in Union Square in Bloom. There are 28 bloomed businesses, over 30 floral inspired cocktails, 3 bloom hotel packages, and 1 bloom couture dress showcased in Haute Living Magazine. The kickoff event took place on Mother's Day with a live salsa band, ice cream, a bar and more at Union Square Park. A bloom passport has been created to capture all the blooms in the district and provide a trail for everyone to discover the blooms throughout Union Square.
- Social Media Updates
During the month of March, there was a large focus on holidays such as St. Patrick's Day and Mother's Day. April consisted of business spotlights and highlighting community partners while May content solely focused on Union Square in Bloom.
- Holiday Planning
The Alliance is in the process of planning the holiday season. The goal is to close Stockton Street and create Winter Walk to activate the streets with music, food, and drinks. This may be challenging due to re-routing of the MTA bus lines.

d) Public Affairs & Advocacy (Erik Murray)

- Rezoning
The planning commission unanimously approved the zoning changes in Union Square that will allow for zoning flexibility on all upper floors of current buildings. It will next be taken to the Land Use and Transportation Committee before it goes before the full Board of Supervisors for approval and implementation.
- SFMTA- Tom Maguire
Tom Maguire, Director of the Streets Division of the SFMTA, spoke to the PAC committee regarding the SFMTA's priorities in Union Square which is the Powell Street Promenade. The Alliance and MTA would like to upgrade the promenade as a short-term project as larger funding can be allocated for the bigger project at hand.
- Discussion and **action** to approve letter of support for hotel development at 420 Sutter Street



There is a new development project at 420 Sutter Street for a new boutique hotel. The developer's architecture spoke to the PAC committee of the proposed project and asked for the Alliance's support once they go in front of the city to approve the project.

Action: The Board unanimously approved the letter of support for the hotel development project at 420 Sutter Street as motioned by Mark Purdy and seconded by Lauren Ellis.

- Additional cleaning budget request from Bloomingdales
Bloomingdales have requested that the Alliance overlook Mission Street where Bloomingdales is to assist with clean and safe services.

e) Services & Public Safety (Don Thomas)

- Bigbelly Updates
No updates were given at this time.
- Discussion regarding Union Square Park services
Ben told the Board that the contract negotiations are still in process, but it appears that there will be an increase in services for the Park but that some of the services may be performed by other contractors.
- RTP Committee Update
The topic was not discussed.
- Block by Block updates and Legion Updates and presentations
Tinea Adams, Operations Manager of Block by Block, provided a summary of the operations report from March and April. Derreck Hughes, VP of Operations, informed the Board of the changes Block by Block will be implementing moving forward after the RFP process. The company will work on retaining and attracting ambassadors, reporting their statistics differently through District360 and improving their operations reports, and assisting with events to best maximize their services without detracting from their core district services.

Joe Shelley, founder of Legion Corporation, thanked the Alliance for their partnership of the past three years and is looking forward to continuing working with the Alliance. Legion plans on continuing to build and enhance the partnership with Block by Block by integrating with District 360, work on retention rates of employees, include additional training and work alongside SFPD to better equip employees to handle nonphysical interactions, and potentially include a bike patrol unit.

Both Block by Block and Legion representatives were dismissed from the meeting for the Board to have discussion and act on the contracts for both companies.

Ken informed the Board of the RFP selection process that led to the final two candidates. A selection committee consisting of community members was formed and met twice. The first meeting was to vet the proposals received and narrow it down to two candidates for each type of service. At the following meeting the committee interviewed the candidates that were chosen from the pool and made a recommendation to bring the selected candidates to the Services and Public Safety meeting.



- Review and **action** to approve contracting for clean and safe services.

Discussion took place regarding Block by Block's service improvements over the years and the price difference compared to other companies.

Action: The Board unanimously approved contracting for clean and safe services as motioned by Mark Purdy and seconded by Evan Kaizer.

- Review and **action** to approve contracting with security service.

Discussion took place regarding Legion's commitment to the neighborhood and their growth over the years working with the Alliance.

Action: The Board unanimously approved the contracting with security services as motioned by Mark Purdy and seconded by Evan Kaizer.

8. Announcements & New Business

Upcoming meetings were reviewed by Marisa.

- Next Executive Committee Meeting June 22, 2023 – 9:00am
- Next Board Meeting July 27, 2023 – 9:00 am (TBD). David Lewin agreed to host the next Board meeting at the Grand Hyatt.

9. Adjournment