



The BOMA San Francisco

# ADVOCATE

An Update on Legislative, Regulatory, and Political Issues Affecting Commercial Real Estate

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*This Issue of the BOMA-San Francisco Advocate Is Brought To You By*  
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## **BOMA San Francisco 2000 Advocacy Report Card**

The year has passed by so quickly! Much has been accomplished at BOMA San Francisco during 2000 that deserves a quick review. Much of it was directly related to meeting the advocacy goals set by BOMA's leadership in its strategic plan: to be recognized as the voice of commercial real estate. This mission was admirably fulfilled through the following successful volunteer committees and task forces. Here are their stories:

1. **Building Codes Task Force.** This task force met regularly throughout the year, usually in the fourth week of the month, and held several special meetings with officials at the Department of Building Inspections, and the SF Fire Department. The TF also sponsored a very well-attended codes and permit processes seminar last month. The task force will continue in 2001 with Jeffrey Feldman (IA Associates) as chair and Tawni Frank (CAC Real Estate Management) as Vice-Chair.
2. **Solid Waste Recycling Task Force.** This task force also met regularly (1<sup>st</sup> Thursday of each month) in 2000, and will do so in 2001. The TF created a new Commercial Office Recycler of the Year award program and recognized the winners at BOMA's Dinner at the Dump last June. It also re-published the very popular Commercial Office Recyclers Guide with an up-to-date list of vendors willing to pick up materials from offices from furniture to sheetrock, and held six brown-bag luncheons on specific recycling topics. Mark Rumpler (Hines) and Chris Levaggi (Golden Gate Disposal) will remain chair and vice-chair for 2001.
3. **Telecommunications.** This task force held two well-received seminars on telecommunications policies, and re-issued an updated handbook for writing contracts and operational guidelines for telecom providers interested in serving commercial office buildings. The task force also arranged several building tours during the year to ascertain how buildings can efficiently accommodate new telecom installations. The 2001 chair will be Kathy Mattes (McCarthy Cook) while legal input will continue from this year's chair, Manny Fishman (Bartko, Zankel, Tarrant & Miller).
4. **Transportation.** This task force was charged with advocating one of BOMA's top public policy objectives for 2000: the creation of more parking resources for the city, especially in the South of Market area. The task force met regularly with the Department of Parking and Traffic, held a press briefing on the impending crisis over lost parking in the City, and sponsored a well-attended luncheon program on this subject in May. The chair, Tim Leonoudakis (City Park) will continue as chair in 2001.
5. **Energy Committee.** This committee was expanded to include representatives from BOMA East Bay and BOMA Silicon Valley locals this year. It continues to monitor the energy crisis for members, and attempted to create a third power pool for BOMA buildings earlier in the year, which did not get the required participation levels to be launched. Undaunted, the committee is currently working with Enron to forge a new long-term contract for electricity that will provide our members with reliable power at a predictable price. Fred Smothers (Kennedy Wilson) will step down as co-chair of the committee in 2001 while Dale Tate (Glenborough Realty Trust) will remain the committee chair and Tod McKelvy (Berding & Weil) will continue as Vice Chair.

6. **Governmental Affairs.** This key BOMA committee was extremely active with a series of regular meetings throughout the year featuring guest speakers on local issues from SPUR, Mission Bay, the Department of Public Works, the SF Board of Supervisors, David Binder Research and others. Under the able leadership of Margot Crosman (Unico Properties) as Chair, and Fred White (Cushman & Wakefield) as Vice Chair, the committee debated many different issues important to commercial property owners and managers including the "Living Wage", parking, telecom access, transit service, homelessness, commercial development restrictions, etc. Even greater challenges lie ahead for this committee in 2001, as the local economy slows down, and a new Board of Supervisors takes control of our city government.
7. **BOMA-SF-PAC.** This committee raised significant funds to assist business-friendly candidates in 2000, but saw its efforts crushed by no-growth advocates and their followers in the last election. Nevertheless, BOMA's PAC fully expects the new Supervisors to work with the business community and property owners to address the city's major problems. BOMA's PAC will pursue a good working relationship with each of the new (and returning) supervisors to be a resource for information they need when addressing issues that could potentially impact commercial real estate owners in the City.

### **BOMA Moves to Addresses Energy Crisis for Office Buildings**

BOMA California has just commenced a study of the impact of higher energy prices and potentially unreliable service on commercial office buildings and their tenants in the state. The study, due out in late January, is being produced by Carl Pechman, an energy consultant with a firm called Power Economics. BOMA will share this study's results with policymakers, who are currently considering the various options for dealing with this crisis. Energy costs have historically comprised approximately 25-30% of most Californian office buildings' operational costs. That could rise substantially over the next year if caps are lifted in PG & E and So Cal Edison's service territories. (rates have already skyrocketed in San Diego), Much has already been done to make most Class A buildings as energy efficient as possible, including retrofitting light fixtures, upgrading chillers, and insulating windows, but additional conservation measures may be required. These include adjusting thermostats to lower temperatures in the winter and higher temperatures in the summer, reducing lighting in common areas, and limiting the number of operating elevators. Governor Davis recently ordered state buildings to do a number of things in a Stage 2 or 3 emergency: resetting thermostats, closing blinds on all south and west facing windows, turning off lights in unused rooms, requiring all employees to turn off their computers, copiers and other equipment at night, and discontinuing use of microwave ovens, toaster ovens and coffee machines until the emergency has passed. Locally, BOMA San Francisco is still negotiating to secure power for its members through a group purchase program with Enron, and details are expected to be released next month.

### **San Francisco Elects (almost completely) New Board of Supervisors**

San Francisco's voters elected 7 new Supervisors in the 11 newly-created districts on December 12<sup>th</sup>. Only **Supervisors Tom Ammiano, Mark Leno, Gavin Newsom** and **Leland Yee** survived the onslaught on incumbents, many of whom were considered too close to special interests and the Mayor. The two downtown districts will be represented by **Aaron Peskin** (District 3-Financial District/Nob/Russian/Telegraph hills/North Beach) and **Chris Daly** (District 6 – South of Market and Tenderloin areas). (See story below.) Much is at stake for the City's property owners, so BOMA will work to create positive working relationships with all of the new Supervisors to ensure effective communication channels are always in place. The new Board may be tempted to enact a number of commercial development restrictions, possibly new taxes, and other legislation that could be injurious to the business community. BOMA's members are a permanent part of the City's built environment and house over 8,200 businesses and approximately 250,000 workers daily.

### **A Tale of Two Downtown Supervisors-elect...**

Supervisor-elect **Aaron Peskin** is the new Supervisor for most of downtown SF. He is a long-time resident of North Beach, where he and his wife Nancy Shanahan own a small flat. A lifelong environmentalist, Peskin is president of an environmental non-profit that secures water rights for Native Americans in Nevada. Aaron has been very active in neighborhood issues in District 3 and currently serves as President of the Telegraph Hill Dwellers, which has over 750 members and represents the residents of Telegraph Hill and North Beach. He led the fight that saved the historic Colombo Building from the wrecking ball and worked vigorously against the construction of a new North Beach garage. Supervisor-elect **Chris Daly** is a longtime fighter for neighborhoods. He has worked as coordinator of the Mission Agenda organization and has worked on behalf of tenants' rights in residential hotels in the Tenderloin. His track record in defending San Francisco's renters earned him the unanimous endorsement of the San Francisco Tenants Union. Chris led the effort to defeat Proposition E (1998), which would have repealed rent control on residential structures with four or fewer units, and worked to pass Proposition G (1998), which restricted owner move-ins from evicting seniors and people with disabilities. He also created an innovative program with the Fire Department, hotel residents and nonprofit groups to prevent residential hotel fires.

## **SF Transbay Terminal Future Plans Presentation January 23, 2001 @ BOMA Office**

The first meeting of the BOMA Governmental Affairs Committee will feature Karen Alschuler, the Director of Planning for SMWM, who will review the latest plans for the rebuilding and revitalization of the Transbay Terminal at the BOMA office at 12:00 p.m. on Tuesday, January 23<sup>rd</sup>. Lunch provided courtesy of CB Richard Ellis. Reservations required; seating is limited. Call Ken Cleaveland at 415-362-2662, ext 11 to attend.

## **New BOMA SF Security/Emergency Preparedness Task Force in 2001?**

Should BOMA create a new task force in 2001 to thoroughly review and assess the current state of security and emergency preparedness of our building members? Your feedback is desired! Potential projects for this task force could be to develop a locally focused guidebook with checklists, local and state requirements, and vendor resource listings, sponsor a security seminar, and organize tours to buildings with exemplary security and emergency systems in place. Register your interest by calling Ken Cleaveland at the BOMA office (415-362-2662, ext 11.)

## **New Rules for Political Contributions in San Francisco**

Effective January 1, 2001, new rules go into effect in San Francisco restricting the amount of money to \$500 that any person or company can contribute to any political action committee, including BOMA's three committees (one for candidates, one for ballot measures, and one for independent expenditures) in a calendar year. Total contributions from any individual or firm cannot exceed \$3,000 a year. This does not include the \$500 maximum contribution allowed by any person or firm to local candidates in the general election or the \$250 maximum allowed contribution to local candidates in any run-off election race. Prop O also will start public financing for candidates for the Board of Supervisors who meet certain eligibility criteria. However, the city's maximum allowable expenditure is capped at \$2 per registered voter. Any BOMA member who renders any service to the City, furnishes any supplies, equipment or materials to the City, or sells or leases any land or building space to or from the City is prohibited from contributing to any candidate whose office would have to approve any such contract. The latter prohibition only applies during any "commencement of negotiations" and ends with either the completion or termination of the contract negotiations.

## **SF Supervisor Mark Leno Introduces New Parking Garage/Lot Legislation**

Supervisor Mark Leno introduced legislation December 18<sup>th</sup> requiring all public parking garages and lots to install revenue control equipment that would provide customers with time / date stamped receipts and would confirm accuracy of the number of cars parked in the garage during that day for revenue collection purposes by the city. [San Francisco currently adds a 25% tax on all parking rates charges by parking lot operators as a way of discouraging car usage in town.] BOMA Transportation Task Force reps met with the Supervisor to suggest better ways of accomplishing the intent of the legislation (more accurate accounting of parking tax revenues) without causing unnecessary economic harm to the many small businesses that operate parking facilities and who may not have the resources to staff a facility. The legislation will come up for public comment and review next month after the new Board is installed January 8<sup>th</sup>.

## **New Program From Armstrong Allows Building Owners To Recycle Old Ceiling Tiles**

Armstrong World Industries, the world's largest manufacturer of acoustical ceilings, has announced a program that allows building owners to recycle their old ceiling tiles rather than dumping them in landfills. As part of the program, the company will even pay the cost of shipping the old ceilings to its plant, which it uses as raw materials in the manufacture of new acoustical ceilings. The program is the first of its kind to offer reclamation as an earth- friendly alternative to landfill disposal of old commercial ceilings from renovation projects. The program involves three steps: verifying that their old ceiling tiles can be recycled, stacking their old ceiling tiles on pallets and wrapping them for pick-up, and, once there is a full trailer load of old ceilings, contacting Armstrong to arrange for a truck to pick up the material. Additional information on the ceiling recycling program may be obtained by calling 1-888-CEILINGS (1-888-234-5464).

## **What Are Your Priorities for 2001?**

The Union Square Association, an organization of downtown retailers, recently polled its members on what they thought were the key areas the City should address next year. Not surprisingly, their members cited aggressive panhandling and homelessness as Priority #1 with clean/safe streets ranked #2. San Francisco Beautiful did a similar poll of its membership and determined similar priorities of reducing graffiti, keeping city streets clean, implementing the pedestal news rack program, maintaining neighborhood character, and reducing the number of billboards in the city. What would you say to the same question? Commercial growth protections? More parking? Faster permitting processes? Email your concerns to [Kenc@boma.com](mailto:Kenc@boma.com) and I will share them with BOMA's Governmental Affairs Committee!