



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*

## OTIS ELEVATOR

*Inquiries about the Advocate? Call Governmental Affairs Director Ken Cleaveland (415)362-2662x11(kenc@boma.com)*

### **BOMA Power Pool Phase 3 Does Not Happen**

The BOMA San Francisco Phase 3 Power Pool offer from PG & E Energy Services was withdrawn June 1<sup>st</sup> when it was determined we did not have the minimum 50 new buildings signed up. The commodity-only deal was offered in two different packages: a fixed rate discount and a variable rate discount. The term was for three years. Although disappointed, the BOMA Energy Committee will continue to seek proposals from energy vendors interested in supplying our aggregated group of commercial power users who wish to be represented through a BOMA discounted purchasing agreement and model contract. The commodity portfolio for PG & E Energy Services is being purchased by ENRON. The Energy Committee will meet July 12, 2000 at the BOMA office (10 a.m.). Any member interested in this issue is welcome to attend. It will be our first meeting with ENRON, who will continue to supply our Phase 1 power pool/4 year contract buildings through March 31, 2002. **Note: Some of our Phase 1 four-year contract buildings have received bills for their meters from PG & E ES. These should be discarded and not paid as the cost of meters was absorbed in the cost of the commodity in the four year deals. Please call Ken Cleaveland if you have any questions.**

### **BOMA Recycling Task Announces 2000 Recycler Awards @ "Dinner at the Dump"**

The first annual Commercial Office Recycler of the Year awards program was held June 21, 2000 at Golden Gate Disposal and Recycling's offices, in conjunction with the BOMA Associate's "Dinner at the Dump" social event. It was a huge success, and a great deal of fun. Bubblevescent, a local group of recycling enthusiasts, presented a fashion show using all-recycled materials from bubble wrap to cardboard, paper, and plastic. Betsy Rosenberg of KCBS' radio show *Trash Talk* was our celebrity master of ceremonies. Entries were received from 12 buildings. The winners are in **bold**:

One Sansome Street (Citicorp Center)

**100 Pine Street (Best Large Building) (Margot Crosman, Prop. Mgr., Danielson Whitehead Inc.)**

**500 Sansome Street (Best Small Building) (Holly Breger, Prop. Mgr., PM Realty Group)**

**SMG - Moscone Center (Best Mixed-Use Building) (Kathleen Hennesey, Recycling Manager)**

Hills Plaza (345 Spear Street)

One Bush Street

Metro Center (950 Tower Lane, Foster City)

China Basin Landing (185 Berry Street)

Russ Building (235 Montgomery Street)

**State Compensation Insurance Fund (1275 Market St.) (Best Single Tenant) (Mabel Fong, Prop. Mgr.)**

Pacific Telesis Center (One Montgomery Street)

Embarcadero Center West

Details on the winners' success stories in implementing a successful recycling program that is making a difference in reducing their solid waste will be presented in future brownbag forums and in articles published by BOMA.

## **BOMA Telecom Task Force to Host Seminar July 27<sup>th</sup>**

BOMA's Telecom Task Force will be presenting a top-notch seminar Thursday, July 27<sup>th</sup> from 8:30 – 11:30 a.m. at the Sheraton Palace Hotel, prior to our annual luncheon with **Mayor Willie Brown, Jr.** The program will feature speakers on several key concerns of property owners and managers:

- *How can we position our buildings to meet the telecom needs of our existing and future tenants?* This portion of the program will feature **Robert Froberg**, Senior Vice President of Intellispace, who will give us a glimpse of the future where all buildings will be expected to be portals for high speed communications and related services.
- *How do building managers appropriately respond to their tenants' telecom needs?* This segment will feature a panel of building managers (**Justin Solomon** of HCV Pacific Partners LLC and **Kirsten Walraven** of Seagate Properties) and telecom consultants (**Glen Carolo**, NetsWork, Inc and others) who will conduct an interactive session on how they deal with the many telecom needs of their tenants.
- *What do our tenants want?* This session will focus on the recent BOMA International survey of tenants' needs and will enlighten you on their attitudes regarding telecom services and what our tenants believe are building management's responsibilities to facilitate these installations. A copy of the book "Critical Connections", which provides extensive details on this survey, will be part of the seminar materials.
- *What are current legal and regulatory rules owners must follow regarding providing access?* **Manuel Fishman**, Esq, a partner with Bartko, Zankel Tarrant and Miller, will inform members regarding their legal rights and responsibilities and will review model contracts that ensure you will be in compliance with the law.

**DON'T MISS THIS ESSENTIAL "BEST PRACTICES" SEMINAR! (Sponsorships are also available!)**

## **City Parking Director to Meet with BOMA Transportation Task**

Fred Hamdun, the City's new Director of Parking and Traffic, will meet with BOMA's Transportation Task Force Thursday, July 20, 2000 at 12:00 p.m. at the BOMA office. Lunch will be provided courtesy of Dave Collins of **AMPCO System Parking**. Mr. Hamdun replaced Stuart Sunshine, who transferred to SFO to help facilitate the airport's \$2 billion expansion program. BOMA members are invited to attend but must pre-register with Ken Cleaveland.

## **BOMA's Governmental Affairs Committee Grapples with Growth Limitations Issue**

The commercial real estate market in SF is red hot, with under 1% vacancy rates in most buildings. So, too, are the concerns of local business and government leaders, who see the 1986 **Prop M** initiative, passed by the city's voters, as severely restricting their attempts to approve new office development demanded by the booming high-tech/internet industries. This initiative established a cap of 950,000 square feet/year of new commercial office space. This limit will stop all new private developments over the next several years (with the exception of Mission Bay and government projects which are given priority) unless something is done to amend the ordinance. Unchanged, this law will have serious consequences on rents in existing buildings, and may force out long-term tenants, especially small businesses. Both the San Francisco Chamber of Commerce and SPUR (San Francisco Planning and Urban Research institute) are working on proposals that amend the ordinance and have recently presented drafts to the Mayor and the Board of Supervisors for their consideration and possible support. BOMA is taking the time to thoroughly study and evaluate these proposals. Stay tuned...

## **Is BOMA-SF-PAC Asking All the Right Questions?**

BOMA's PAC recently put together a series of questions to ask current and potential candidates for the San Francisco Board of Supervisors. The City will divide into 11 districts beginning with the November elections and persons running for the Board will run from specific districts rather than at large, as they do now. According to the City Elections office, over 100 people have filed to run for the Board of Supervisors. BOMA created its candidate's questionnaire to help determine which persons are the most business-friendly and able to win election or re-election. Here are some of the questions we are asking: (If you have one you would like us to add, call BOMA ASAP!)

1. How would you deal with the City's current severe parking shortage?
2. How would you improve transportation, traffic mitigation, and mass transit service in San Francisco?
3. What is your position on commercial rent controls?
4. Will you support establishing pedestal newsracks throughout the City?
5. What is your position on the currently-proposed "Living Wage" legislation?
6. What is your position on legislating collective bargaining requirements on private businesses?
7. How would you deal with growth limitation laws that restrict commercial development and push up rents?
8. How important is the creation of new jobs in your district? What kinds of jobs and training do you want?
9. How would you propose we increase more housing, both market-rate and affordable, in San Francisco?
10. How would you propose we reform the City's General Assistance program?

## **BOMA California PAC Update**

BOMA advocates on behalf of its members in Sacramento under the able leadership of **Les Spahnn** (Heim, Noack, Kelly & Spahnn), our BOMA California Executive Director. Recent political activity has included:

- Establishing a President's Club for key BOMA political action committee contributors
- Contributing to number of Bay Area legislators including Senator **John Burton**, Senator **Byron Sher**, Assembly Members **Carole Migden**, **Kerry Mazzoni**, **Kevin Shelley** and two candidates for the Assembly, Democrats **Joe Canciamilla** (a current Contra Costa County Supervisor) and **Joe Nation** (a Marin County small businessman). The state PAC also contributed to Senator **Jim Brulte**, the State Senate Republican leader, and to the Assembly Democratic Business PAC.

## **BOMA California Legislative Update**

BOMA California tracks a vast number of bills introduced each year in the state legislature. Key bills of continuing interest are detailed below with BOMA's position noted.

- **AB 651** (Wright) This is the infamous Mandatory Telecom Access bill that would prohibit telecom providers from paying fees for access to private buildings. Currently in the Senate Judiciary Committee. BOMA strongly opposes.
- **AB 1316** (Correa) This broker lien bill was sponsored by the California Association of Realtors, but is now being dropped as a legislative priority. BOMA has consistently opposed this bill as overkill legislation.
- **AB 1901** (Cedillo) This legislation would create the Urban Initiative Act to revitalize under and un-used commercial buildings in downtown/urban areas by converting them into mixed-use projects. BOMA supports.
- **AB 2259** (Wiggins) This bill would establish a CA Building Rehabilitation Council, with statutory BOMA representation, to develop recommendations on building rehab guidelines. BOMA is currently neutral.
- **AB 2436** (Wildman) This bill would require the licensing and bonding of janitorial contractors. BOMA opposed original bill but is neutral on amended more-limited version.
- **SB 471** (Solis) This bill would require owners of works of improvements costing \$5 million+ to provide specified types of security for the contractor's benefit. BOMA opposes this bill.
- **SB 1877** (Alarcon) This legislation would require newly-hired janitorial contractors to hire employees of the previous contractor for a specified period of time and would allow termination only for cause. BOMA opposes.

## **Fire Sprinklers In The Hot Seat Again**

Berding & Weil, the attorneys who represented BOMA International on an earlier class-action suit involving failed O-ring Omega sprinklers, reported that another Central Sprinkler Company product, their glass bulb (GB) series, are also failing when put to the test. In fact, one fire in Southern California has already been attributed to this defect. Underwriters Laboratory (UL) reported in February of this year that certain Model GB sprinklers may "leak or not operate in a fire because they require a higher water pressure to operate than is available in some buildings." BOMA recommends its members immediately investigate their sprinkler systems if the following GB series sprinklers are in use: GB, GB-ALPHA, GB-J, GB-QR, GB-EC, GB-RS, GB-20, GB-20QR, GBR, GB-R1, GB-R2, GBR-LF, GB4, BG4-EC, GB4-FR, GB4-QREC, BB1, BB2, BB3, SD1, SD2, SD3, HIP, ROC, LF AND WS. For questions regarding a new class action effort to recover costs associated with the testing/removal and replacement of these sprinkler heads, please contact Jeffrey Cereghino or Dan Rottinghaus at 415-782-2680.

## **Upcoming Educational Events @ BOMA San Francisco**

- July 27: BOMA Telecom Task Force Seminar w/Updated Telecom Guide @ Palace Hotel
- July 27: BOMA Monthly Luncheon with **Mayor Willie Brown, Jr.** @ Palace Hotel
- September 28: BOMA Governmental Affairs Seminar @ Palace Hotel
- September 28: BOMA Monthly Luncheon with BOMA-Cal Lobbyist **Les Spahnn** @ Palace Hotel
- October 26: BOMA Monthly Luncheon @ Palace Hotel
- November 30: BOMA Building Codes Task Force Seminar @ Palace Hotel
- November 30: BOMA Monthly Luncheon @ Palace
- December 7: BOMA Holiday Party @ Gabbiano's Restaurant, 1 Ferry Plaza (behind the Ferry Building )

**\* \* \* OTIS ELEVATOR \* \* \***

Commercial and High-Rise Elevator Specialists

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