

[Lease - Golden Gate Park Golf Foundation - \$225,000 Annual Base Rent]

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Resolution authorizing the General Manager of the Recreation and Park Department to execute a five-year lease, with one two-year option to extend, with the Golden Gate Park Golf Foundation, for the management and operation of the clubhouse and golfing operations at Golden Gate Park Golf Course, with annual base rent of \$225,000.

WHEREAS, The Golden Gate Park Golf Course is a nine-hole golf course, with a pro-shop, driving range, and food service facilities, under the jurisdiction of the Recreation and Park Department; and

WHEREAS, The clubhouse and golfing operations at Golden Gate Park Golf Course have historically been administered under a lease; and

WHEREAS, On December 15, 2011, the Recreation and Park Commission by Resolution No. 1112-004 approved the issuance of a Request for Proposals (“RFP”) for a new concessionaire for the management and operation of the Golden Gate Park Golf Course; and

WHEREAS, On February 16, 2012, the Recreation and Park Commission, by Resolution No. 1202-018, unanimously adopted the RFP Selection Committee’s recommendation that the lease be awarded to The First Tee of San Francisco as the highest scoring respondent to the RFP, and authorized Recreation and Park Department staff to commence lease negotiations with The First Tee; and

WHEREAS, The First Tee of San Francisco established a new 501 (c)(3) non-profit organization called the Golden Gate Park Golf Foundation, to serve as the official leaseholder and operator for the Golden Gate Park Golf Course; and

1 WHEREAS, The Recreation and Park Department has negotiated a lease with the
2 Golden Gate Park Golf Foundation (“Lessee”), a copy of which is on file with the Clerk of the
3 Board of Supervisors under File No. 130776 (the “Lease”); and

4 WHEREAS, The Lease includes the following key terms and conditions:

- 5 (a) Term. The initial term will run five years from November 1, 2013 through October
6 31, 2018.
- 7 (b) Option Term. Lessee shall have the option to extend the term for an additional two
8 (2) years, provided that Lessee completes \$150,000 in capital improvements to the
9 golf course or its improvements.
- 10 (c) Rent. Lessee shall pay the Recreation and Park Department \$225,000 per year as
11 a base rent, subject to annual increases based on the annual increase in the
12 Consumer Price Index at the commencement of the extension term and each year
13 thereafter, if the extension option is exercised. Lessee shall also pay the
14 Department 100% of any annual greens fees collected from the golf course above
15 \$350,000 to \$500,000, and 50% of any such fees collected above \$500,000 in a
16 lease year. Rates for green fees are set by the Board of Supervisors.
- 17 (d) Use and Operations. Lessee shall operate the golf course as a fee-based public
18 nine-hole golf course and practice facility together with a related learning center ,
19 golf pro-shop and food and beverage operation.
- 20 (e) Capital Improvements or Upgrades. Lessee shall perform at least \$150,000 of
21 capital improvements or capital upgrades to the golf course or its improvements or
22 facilities, which shall benefit the golf course and its facilities, not merely Lessee or
23 Lessee's programs, from a list to be developed by Lessee and the Department's
24 General Manager. If Lessee and the General Manager have not identified
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1 appropriate improvements or upgrades within one year after the Lease
2 commencement date, the General Manager may establish the list of improvements.

3 (f) Instruction and Portable Classroom Trailer. Lessee has the sole right and authority
4 to provide golf instruction at the golf course and must offer programs and instruction
5 to the general public at reasonable rates and use efforts to include economically
6 disadvantaged youth in all junior golf programs and camps, either through reduced
7 rates or scholarship programs. Lessee shall offer classroom instruction in a mobile
8 classroom trailer unit described in the Lease that will be placed at the northernmost
9 end of the parking lot, which will not be affixed to the premises by any means
10 whatsoever and which will be removed at the end of the Lease term.

11 (g) Golf Course Maintenance. Golf course maintenance will continue to be performed
12 by City personnel and other routine maintenance will be performed by Lessee.

13 WHEREAS, On April 23, 2013, the Planning Department determined that the actions
14 contemplated in this resolution are consistent, on balance, with the City's General Plan and
15 eight priority policies of Planning Code Section 101.1. The Board adopts this determination
16 as its own. A copy of said determination, General Plan Referral, Case No. 2013.0139R, is on
17 file with the Clerk of the Board of Supervisors in File No. 130776, and is incorporated herein
18 by reference; and

19 WHEREAS, The Planning Department has determined that the actions contemplated in
20 this resolution comply with the California Environmental Quality Act (California Public
21 Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the
22 Board of Supervisors in File No. 130776 and is incorporated herein by reference; and

23 WHEREAS, On July 18, 2013, the Recreation and Park Commission voted
24 unanimously by Resolution No. 1307-007 to recommend that the Board of Supervisors
25 approve the Lease; now, therefore, be it

1 RESOLVED, That the Board hereby approves the Lease and authorizes
2 the Recreation and Park Department General Manager to execute and deliver the Lease to
3 Lessee, and to perform all acts required of the City thereunder; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the Recreation and
5 Park Department General Manager to enter into additions, amendments, or other
6 modifications to the Lease (including, without limitation, preparation and attachment of, or
7 charges to, any or all of the exhibits) that the General Manager, in consultation with the City
8 Attorney, determines are in the best interest of the City, do not materially decrease the
9 benefits of the Lease to the City, do not materially increase the obligations or liabilities of the
10 City, do not authorize the performance of any activities without pursuing all required regulatory
11 and environmental review and approvals, and are necessary or advisable to complete the
12 transactions which the Lease contemplates and effectuate the purpose and interest of this
13 resolution, such determination to be conclusively evidenced by the executions and delivery by
14 the General Manager of the Lease and any such additions, amendments, or other
15 modifications that that document; and be it

16 FURTHER RESOLVED, That the Board of Supervisors approves, confirms, and ratifies
17 all prior actions taken by the officials, employees, and agents of the City with respect to the
18 Lease.