

1 [Permit Amendment - Outside Lands Music Festival - Eight Additional Years]

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3 **Resolution, pursuant to Charter Section 9.118, approving and authorizing an**
4 **amendment to the Permit with Another Planet Entertainment for the production of the**
5 **annual Outside Lands Music Festival to extend the term eight additional years,**
6 **increase the authorized capacity of the event to 75,000, modify components of the**
7 **permit fee and rent payments, and provide for funds to pay for materials and supplies**
8 **to maintain the Polo Fields and to endow a gardener for work within the festival**
9 **premises; affirming a categorical exemption under the California Environmental Quality**
10 **Act for the amendment; and ratifying prior actions.**

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12 WHEREAS, The City and County of San Francisco (the "City") owns the parcel of land
13 commonly referred to as Golden Gate Park (the "Park"), which is under the administrative
14 jurisdiction of the City's Recreation and Park Commission; and,

15 WHEREAS, Another Planet Entertainment LLC, a Delaware limited liability company
16 ("Another Planet"), is a concert production company; and,

17 WHEREAS, The Recreation and Park Commission on December 4, 2008, authorized
18 the Recreation and Park Department ("RecPark") to issue a Request for Qualifications to
19 select a concert promoter to produce an annual multi-day festival in Golden Gate Park, the
20 proceeds of which are intended to benefit RecPark; and,

21 WHEREAS, RecPark received proposals from three concert promoters, which were
22 evaluated by a six-member selection committee and ranked on how well they met the project
23 objectives and selection criteria described in the solicitation; and,

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1 WHEREAS, The selection panel unanimously recommended Another Planet to the
2 Recreation and Park Commission to produce the three-day festival, due in part to the
3 following:

4 (a) Another Planet’s knowledge and experience with producing large scale events in
5 Golden Gate Park, including 2008 Outside Lands and 2004 Dave Matthews concert;

6 (b) Another Planet’s proposed event highlighting the park, as well as local music, art,
7 culture and food;

8 (c) Another Planet’s detailed outreach/mitigation plan that built on their prior year’s
9 efforts and included a community hotline, coordination with 311, coordination with relevant
10 City agencies, outreach to neighbors, and outreach to attendees using mass advertising and
11 targeted emails; and

12 (d) Another Planet’s proposed financial terms, which allowed for a base rent and
13 participation rent formula that maximizes revenue to RecPark; and,

14 WHEREAS, The City and Another Planet entered into a Permit dated April 1, 2009,
15 (the "Permit"), under which Another Planet was given the right to produce the annual three
16 day Outside Lands Music Festival (the “Festival”) in Golden Gate Park from 2009 through
17 2013 on terms and conditions specified in the Permit; and,

18 WHEREAS, Including the 2008 Festival, Another Planet has produced five annual
19 Festivals in Golden Gate Park which have been attended by over 600,000 people; and,

20 WHEREAS, In producing these events, Another Planet has worked closely with the
21 surrounding communities, and, in tandem with RecPark, has developed significant expertise
22 in developing and implementing measures to avoid or reduce negative impacts of the Festival;
23 and,

1 WHEREAS, These measures to avoid or reduce negative impacts, many of which
2 RecPark has since required other large events in the Park to implement, have included an
3 arborist's review of the site plans, a sound technicians review of the acoustic plans and
4 monitoring of the sound impacts in the community, deploying Parking Control Officers and tow
5 trucks near the Festival to quickly respond to blocked driveways and other parking violations;
6 a robust annual outreach plan including a mailer to all homes and businesses within four
7 blocks of the Park; deploying crews to clean-up litter in the surrounding neighborhoods and a
8 comprehensive transportation plan that encourages Festival attendees to arrive by Muni,
9 private shuttles, bicycle or by walking; and,

10 WHEREAS, Since the Festival's inception, Another Planet, in collaboration with the
11 community, RecPark, Police Department, Fire Department, Municipal Transportation Agency
12 and the Mayor's Office of Special Events, has continually refined its operational plans for the
13 Festival; and,

14 WHEREAS, Located in the City's largest park, the Festival highlights not only the
15 beauty of the Park but in booking dozens of local bands, hiring local artists to decorate the site
16 and utilizing over 50 local restaurants to operate the food concessions, the Festival celebrates
17 and promotes San Francisco's culture; and,

18 WHEREAS, With up to 50,000 San Franciscans attending each year and an even
19 larger number of visitors attending, the Festival has become part of the cultural fabric of the
20 City and a highlight of the City's summer event calendar; and,

21 WHEREAS, Over the past five years, the Festival has developed into one of the
22 preeminent concerts in North America and has received international acclaim; and,

23 WHEREAS, Rolling Stone Magazine said in 2011 "This was the year that Outside
24 Lands finally became the festival it always promised to be, which is to say, one of the greats"

1 and ABC has referred to the Festival as “one of the most prestigious festivals in America”;
2 and,

3 WHEREAS, Rolling Stone Magazine has additionally said, “More than a cookie-cutter
4 American rock festival, Outside Lands takes advantage of its setting in Golden Gate Park by
5 pointedly celebrating all that is the Bay Area.” Its a strategy that really makes this event, now
6 in its fifth year, stand apart from any other festival in its class; and,

7 WHEREAS, Consistent with the increased recognition as one of the premiere festivals
8 in the nation, attendance increased substantially in recent with years with both the 2011 and
9 2012 Festivals selling out; and,

10 WHEREAS, This increase in prominence and attendance has resulted in a significant
11 increase in rent payments made by the Festival to RecPark, with the Festival’s 2012 rent
12 payment surpassing the 2009 rent payment by nearly \$700,000; and,

13 WHEREAS, A 2011 Economic Impact Report, a copy of which is on file with the Clerk
14 of the Board in File No. _____, placed the annual economic impact of the
15 Festival to San Francisco at over \$60,000,000 with the lodging and restaurant industries
16 receiving the largest benefits; and,

17 WHEREAS, The Economic Impact Report estimated that the Festival was responsible
18 for an additional \$7,000,000 of economic activity in other Bay Area counties; and,

19 WHEREAS, Due to its location in the western end of the Park, the benefits of the
20 Festival extend to numerous locally operated small businesses in the Sunset and Richmond
21 that are not benefitted by other events closer to downtown or the City’s waterfront; and,

22 WHEREAS, The Festival hires over 4,000 employees for the event and, according to
23 the Economic Impact Report, is responsible for creating the equivalent of 683 full-time
24 positions in San Francisco; and,

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BOARD OF SUPERVISORS

1 WHEREAS, Under the Permit approved by the Board of Supervisors, the term of the
2 Permit currently expires after the 2013 Festival; and,

3 WHEREAS, The City and Another Planet have negotiated a proposed amendment of
4 the Permit (the "Permit Amendment") in substantially the form on file with the Clerk of the
5 Board in File No. _____, which includes, among other provisions, the
6 following significant terms:

7 (1) Extending the Permit term to grant Another Planet the right to produce the Festival
8 for an additional eight years;

9 (2) Increasing the daily attendance capacity of the Festival to 75,000 people;

10 (3) Increasing the Percentage Rent from 10% of gross revenue to 11% of gross
11 revenue;

12 (4) Increasing the Additional Rent from \$1.00 per ticket sold to \$1.25 per ticket sold;

13 (5) Beginning in 2019, capping the Minimum Permit Fee at \$1,400,000;

14 (6) Adjusting the Payment Schedule;

15 (7) Requiring Another Planet to host an annual Recreation and Park Department
16 Fundraiser;

17 (8) Requiring Another Planet to contribute funds annually, in addition to the other
18 payments due under the Permit, to endow a gardener to assist in maintaining the Festival
19 premises throughout the year;

20 (9) Requiring Another Planet to contribute \$15,000 annually, in addition to other
21 payments due under the Permit, to provide for materials and supplies to assist with
22 regenerating the Polo Fields in the Park after the Festival each year;

1 (10) Requiring Another Planet to produce at its own expense a limited number of
2 RecPark promotional signs, approved by RecPark in advance, to be placed throughout the
3 Festival site;

4 (11) Requiring Another Planet to donate a customary and reasonable number of
5 Festival tickets to the Parks Alliance or another non-profit organization benefiting park causes
6 for the purpose of donor recognition;

7 (12) Requiring Another Planet to employ sound monitoring professionals to measure
8 sound levels in the neighborhoods surrounding the Park throughout the Festival each year
9 and to utilize one set of delay speakers in the Polo Fields when attendance exceeds 40,000
10 persons and two sets of delay speakers when attendance exceeds 55,000 persons; and,

11 WHEREAS, The City's Planning Department has found that the Permit Amendment is
12 categorically exempt from environmental review under the California Environmental Quality
13 Act (a copy of these findings is on file with the Clerk of the Board of Supervisors in File No.
14 _____, and are incorporated herein by reference); and,

15 WHEREAS, As set forth in Administrative Code Sections 2.6-1 and 23.33, it is the
16 policy of the Board of Supervisors to require competitive bidding procedures before approving
17 certain contracts and leases, except where competitive bidding is impractical or impossible;

18 now, therefore, be it

19 RESOLVED, That the Board of Supervisors finds that due to (1) the significant
20 experience of Another Planet in operating the Festival in the sensitive park environs and
21 showcasing the City and Bay Area and the economic contributions, including the increased
22 rent paid by the Another Planet in recent years as the Festival has grown, (2) the limited
23 duration of the Festival each year, and the availability of the multiple City properties for
24 musical and other special events, and (3) the competitive process that was performed by

1 RecPark in awarding the initial permit to Another Planet for the Festival, that competitive
2 bidding for the Festival is impractical or impossible, and therefore is not required in this
3 instance; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
5 authorizes the execution, delivery and performance by the City of the Permit Amendment,
6 subject to the approval of the Permit Amendment by the City's Recreation and Park
7 Commission, in its sole discretion; and, be it

8 FURTHER RESOLVED, That subject to the preceding paragraph, the Recreation and
9 Park General Manager is authorized to execute and deliver the Permit Amendment in
10 substantially the form filed with the Clerk of the Board in File No. _____, and to take any
11 and all steps necessary or appropriate to effectuate the execution, delivery and performance
12 of the Permit Amendment. The Recreation and Park General Manager, at his or her
13 discretion and in consultation with the City Attorney and the City's Controller, is authorized to
14 enter into any additions, amendments, or other modifications to the Permit Amendment that
15 the General Manager determines are in the best interests of the City and do not materially
16 increase the obligations or liabilities of the City or materially decrease the payments or other
17 benefits to the City, and are necessary or advisable to effectuate the purpose and intent of
18 this Resolution; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors approves and accepts the
20 \$89,250 annual contribution in the Permit Amendment for a gardener to assist RecPark with
21 maintaining the Festival site throughout the year, subject to the budgetary and appropriations
22 provisions of the Charter; and, be it

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1 FURTHER RESOLVED, That the Board of Supervisors affirms the Planning
2 Department's determination that the Permit Amendment is categorically exempt from
3 environmental review under the California Environmental Quality Act ; and, be it

4 FURTHER RESOLVED, That any and all actions previously taken by City employees
5 or officials regarding the Permit Amendment are hereby ratified and approved.

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