

Coit Tower Lease



Request for Proposals

- In October of 2011, the Department issued a Request for Proposals (RFP) for the management and operation of the concessions at Coit Tower.
- The RFP included input from years of discussions with surrounding neighborhood groups such as the Telegraph Hill Dwellers (THD) and the Pioneer Park Project (PPP) and includes the goals and objectives from the “Coit Tower Concession Principles and Goals,” document developed by the aforementioned neighborhood associations and presented to the Department. These include but are not limited to:
 - Creating a high quality bookstore featuring items related to Coit Tower, the historic murals and San Francisco
 - Improving visitor flow in the main gallery and gift store
 - Implementing a mural protection plan for the concessionaire



Selection of Coit Tower LLC



- In June of 2012 the Recreation and Park Commission unanimously selected Terry Grimm, as the preferred operator for Coit Tower.
- Mr. Grimm is a Bay Area local that has extensive management and operational experience through his work starting successful family businesses including the popular Anchor Oyster Bar, the Kenwood Inn and Spa in Northern California and Sorento Imports.
- The Lessee proposes to operate a high quality concession at Coit Tower with a robust docent program that will help to highlight and protect the murals.



Proposed Lease Terms

Term	Five (5) years with a possible option to extend for three (3) additional years.										
Permitted Use	Operate the elevator with professionally dressed and knowledgeable staff, manage and operate a high quality Bookstore, manage and operate a robust docent tours program and manage and operate the telescopic viewing machines that surround the parking lot at Coit Tower.										
Annual Minimum Rent	\$662,400 with an annual CPI increase.										
Percentage Rent	Percentage rent shall be the aggregate of the following percentages of the respective categories of Gross Receipts: <table data-bbox="966 556 1642 728"> <tr> <td>Admission Receipts</td> <td>90%</td> </tr> <tr> <td>Bookstore</td> <td>20%</td> </tr> <tr> <td>Audio Tours and Binocular Rentals</td> <td>10%</td> </tr> <tr> <td>Telescopic Viewers</td> <td>50%</td> </tr> <tr> <td>Student or Docent Lead Tours</td> <td>10%</td> </tr> </table>	Admission Receipts	90%	Bookstore	20%	Audio Tours and Binocular Rentals	10%	Telescopic Viewers	50%	Student or Docent Lead Tours	10%
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Capital Improvements	Lessee shall provide certain approved improvements valued at approximately \$75,000										



Operations

Coit Tower LLC will conduct the follow operations at Coit Tower:

- Admissions sales and Elevator
- Docent Tours
- Bookstore featuring high quality interpretative items
- Telescopic Viewing Machines



Improvements

- Lessee proposes to make the following improvements:
 - Paint the tower viewing area and handrails
 - Install a wireless security camera system
 - Install custom shelving and lighting in the Bookstore
 - Paint the Bookstore interior
 - Clean and seal the main gallery floor
 - Steam clean all exterior walkways and staircase
 - Improve gallery flow with strategically placed Point of Sale systems



Financial Benefit to Department

- Over the previous five years the Department has received an average of \$748,362 per year from the Coit Tower concession.
- Under the proposed lease and with the renovation project and mural restoration project complete, the Department anticipates receiving an average of \$1,311,774 per year.
- This is a projected increase of \$563,412 per year and \$2,817,060 over the course of the five-year term.



Thank You

