

1 [Lease Amendment - Golden Gate Yacht Club - Marina Yacht Harbor - \$2,040,000]

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3 **Resolution authorizing the General Manager of the Recreation and Park Department to**
4 **execute a second lease amendment, to commence following Board approval, with the**
5 **Golden Gate Yacht Club to reflect new slip configuration for the Marina Yacht Harbor,**
6 **and execute a 24-year lease extension with annual base rent of \$85,000 for an**
7 **approximate total of \$2,040,000.**

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9 WHEREAS, The Marina Yacht Harbor is a recreational boating harbor, with clubhouse,
10 grounds, parking area, and approximately 359 linear feet of berth space, under the jurisdiction
11 of the Recreation and Park Department (“the Department”); and

12 WHEREAS, On July 25, 1991, City and Golden Gate Yacht Club entered into a lease
13 agreement (the “Original Lease”) for the purpose of operating and maintaining a non-profit
14 recreational boating and racing oriented yacht club; and

15 WHEREAS, On February 1, 1999, the original lease was amended whereby, among
16 other matters, the term of the lease was reduced, Lessee was granted an option to extend the
17 term of the lease, and the percentage Annual Minimum Rent Guarantee for each year
18 beginning January 1, 2000 was set at \$54,000; and

19 WHEREAS, In 2013 the Department completed the \$27.3 million San Francisco West
20 Harbor Renovation Project which replaced and reconfigured the docks and floating slips within
21 the West Harbor; and

22 WHEREAS, With the renovations now complete, the Department must amend the
23 lease to accurately reflect the slips that will be assigned for Lessee’s use; and

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1 WHEREAS, The Recreation and Park Department has negotiated a proposed second
2 amendment with the Golden Gate Yacht Club (“Lessee”), a copy of which is on file with the
3 Clerk of the Board of Supervisors under File No. 130974 (the “Lease”); and

4 WHEREAS, The proposed second amendment includes the following key terms and
5 conditions:

- 6 (a) Term. The current agreement expires in 2017. The proposed amendment would
7 extend the current lease for twenty four (24) years through 2041.
- 8 (b) Option Term. The current agreement contains a five-year option to extend. The
9 proposed amendment would eliminate the five-year option.
- 10 (c) Rent. The proposed amendment increases the Annual Minimum Rent received by
11 City to \$85,000. The percentage rent of 10% of gross revenues will remain in
12 place.
- 13 (d) Berths. Per the current lease, Lessee is entitled to 359 linear feet of berth space.
14 Due to the new West Harbor configuration, the proposed amendment will increase
15 the leased premises to 370 linear feet of berth space.
- 16 (e) Improvements. The proposed amendment would require Lessee to make certain
17 improvements to the premises such as: (i) installation of an elevator; (ii) upgrades to
18 further comply with the American with Disabilities Act; (iii) installation of a new
19 public access ramp to adjacent piers within Marina West Harbor. The total value of
20 these improvements is \$598,000. Lessee shall receive a rent credit of the lesser of
21 \$44,000 or one-half of the total cost of installing the new public access ramp.
- 22 (f) Maintenance Fund. The proposed amendment would require Lessee to establish a
23 maintenance fund. Each year, Lessee is obligated to submit the lessor of 3% of
24 gross revenue or \$45,000. Further, Lessee is required to submit to the Department
25 an annual proposal for the expenditure of such funds which shall be subject to

1 Department approval. Upon expiration of the Lease, any unexpended funds will
2 become property of the City.

3 (g) Educational Activities. The proposed amendment requires Lessee to operate
4 youth educational and sailing programs. Such programs will offer all San Francisco
5 and local youth an opportunity to learn about the sport of sailing and the Bay's
6 unique marine environment.

7 WHEREAS, On September 19, 2013, the Recreation and Park Commission voted
8 unanimously by Resolution No. 1309-014 to recommend that the Board of Supervisors
9 approve the Lease; now, therefore, be it

10 RESOLVED, That the Board hereby approves the second amendment to the Lease
11 and authorizes the Recreation and Park Department General Manager to execute and deliver
12 the Lease to Lessee, and to perform all acts required of the City thereunder; and, be it

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

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1 FURTHER RESOLVED, That the Board of Supervisors approves, confirms, and ratifies
2 all prior actions taken by the officials, employees, and agents of the City with respect to the
3 Lease, and, be it

4 FURTHER RESOLVED, That within thirty (30) days of the lease amendment being fully
5 executed by all parties the Recreation and Park Department shall provide the final lease
6 amendment to the Clerk of the Board for inclusion into the official file.

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