

BOARD of SUPERVISORS



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May 6, 2019

File No. 190463

Lisa Gibson
Environmental Review Officer
Planning Department
1650 Mission Street, Ste. 400
San Francisco, CA 94103

Dear Ms. Gibson:

On April 30, 2019, Supervisor Stefani introduced the following proposed legislation:

File No. 190463

Ordinance approving a Lease between the City and County of San Francisco and the South End Rowing Club, a California non-profit corporation, for City property at 500 Jefferson Street, with an annual rent of 10% of all gross receipts that are not derived from the Alcatraz Invitational and 4% of all gross receipts that are derived from the Alcatraz Invitational, for a term of 25 years to commence following Board approval, with an option to extend for 24 years, and general public access requirements; waiving the Administrative Code's market rent determination requirement that otherwise would apply to this Lease; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board


By: Linda Wong, Assistant Clerk
Budget and Finance Sub-Committee

Attachment

c: Joy Navarrete, Environmental Planning
Laura Lynch, Environmental Planning

1 [Lease of City Property - South End Rowing Club - 500 Jefferson Street - Gross Receipts
2 Rent]

3 **Ordinance approving a Lease between the City and County of San Francisco and the**
4 **South End Rowing Club, a California non-profit corporation, for City property at 500**
5 **Jefferson Street, with an annual rent of 10% of all gross receipts that are not derived**
6 **from the Alcatraz Invitational and 4% of all gross receipts that are derived from the**
7 **Alcatraz Invitational, for a term of 25 years to commence following Board approval,**
8 **with an option to extend for 24 years, and general public access requirements; waiving**
9 **the Administrative Code's market rent determination requirement that otherwise would**
10 **apply to this Lease; and affirming the Planning Department's determination under the**
11 **California Environmental Quality Act.**

12 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.
14 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
15 **Board amendment additions** are in Arial font.
16 **Board amendment deletions** are in ~~Arial font~~.
17 **Asterisks (* * * *)** indicate the omission of unchanged Code
18 subsections or parts of tables.

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Background and Findings.

19 (a) The premises at 500 Jefferson Street ("Original Premises") at the eastern portion of
20 Aquatic Park is a recreational swimming and boating clubhouse, dock, and beach, under the
21 jurisdiction of the Recreation and Park Commission ("Commission") and managed by the
22 Recreation and Park Department ("Department").

23 (b) Under Chapter 88 of the California Statutes of 1923, a copy of which is on file with
24 the Clerk of the Board of Supervisors in File No. _____, the State of California granted the
25 Original Premises to City for use in conjunction with other City property used as an aquatic

1 park.

2 (c) Under Charter Section 4.113, the Department is directed to promote and foster a
3 program providing for organized public recreation of the highest standard.

4 (d) Under a lease dated as of July 1, 1979, as modified by a first amendment dated as
5 of July 1, 1979 (as amended, the "Original Lease"), a copy of which is on file with the Clerk of
6 the Board of Supervisors in File No. _____, The South End Rowing Club, a California non-
7 profit corporation ("Tenant"), leases the Original Premises for use as a non-profit recreational
8 swimming- and boating-oriented recreational club.

9 (e) The Original Lease expires June 30, 2029. The Tenant and the Department have
10 negotiated a new 25-year lease ("New Lease"), a copy of which is on file with the Clerk of the
11 Board of Supervisors in File No. _____, for the Original Premises and a portion of
12 adjacent land and water (the "Dock Area") under the jurisdiction of the Port Commission
13 ("Port") on which the clubhouse dock extends from the Original Premises, as described in a
14 Memorandum of Understanding between the Commission and the Port dated as of
15 _____, 2019 ("MOU"), a copy of which is on file with the Clerk of the Board of
16 Supervisors in File No. _____.

17 (f) To ensure the Original Premises are available to the general public for aquatic
18 recreational purposes, and to further a public purpose, the New Lease requires the Tenant to
19 allow certain public access to the Original Premises and the Dock Area (together, the
20 "Premises") for a daily use fee, make its membership open to the general public on a first-
21 come, first-served basis subject to reasonable limitations, and to obtain the Commission's
22 prior approval of any changes to the Tenant's bylaws, membership policies, public access
23 fees, or dues.

24 (g) The proposed gross receipts rent for the New Lease reflects Tenant's public
25 access and repair and maintenance obligations for the Premises.

1 (h) The Premises abuts the Hyde Street Pier, which is under the Port's jurisdiction, and
2 to provide Tenant with the secondary access for the Premises required by the City's
3 Department of Building Inspection, the New Lease grants Tenant a license for access over the
4 portion of the Hyde Street Pier described in the MOU on the terms described in the New
5 Lease and the MOU.

6 (i) On September 20, 2018, the Commission adopted Resolution No. 1809-008 to
7 recommend that the Board of Supervisors approve the New Lease. A copy of said Resolution
8 is on file with the Clerk of the Board of Supervisors in File No. _____.

9 Section 2. Waiver of Administrative Code Requirement for Market Rent Determination.

10 (a) The New Lease requires an annual rent of 10% of all gross receipts that are not
11 derived from the Alcatraz Invitational and 4% of all gross receipts that are derived from the
12 Alcatraz Invitational. Because the Premises can only be used for aquatic recreational
13 purposes, and the New Lease requires Tenant to provide general public access, it is not
14 appropriate to determine the Market Rent, as defined in Administrative Code Section 23.2, of
15 the Premises.

16 (b) Accordingly, the Market Rent determination requirement in Administrative Code
17 Section 23.30 is hereby waived for the New Lease.

18 Section 3. Environmental Findings.

19 The Planning Department has determined that the actions contemplated in this
20 ordinance comply with the California Environmental Quality Act (California Public Resources
21 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
22 Supervisors in File No. _____. The Board affirms this determination.

23 Section 4. Approval of New Lease.

24 (a) The Department's General Manager is authorized to execute and deliver the New
25 Lease, to perform all acts required of the City under the New Lease, and to enter into

1 amendments or other modifications to the New Lease (including, without limitation, attaching
2 and modifying its exhibits) that the General Manager, in consultation with the City Attorney,
3 determines are in the best interest of the City, do not materially decrease the City's benefits,
4 do not materially increase the City's obligations or liabilities, do not authorize any activities
5 without pursuing all required regulatory and environmental review and approvals, and are
6 necessary or advisable to complete the transactions which the New Lease contemplates and
7 effectuate the purpose and intent of this ordinance.

8 (b) Within 30 days of the New Lease being fully executed by all parties, the
9 Department shall provide the final lease agreement to the Clerk of the Board of Supervisors
10 for inclusion in File No. _____, the official file for this ordinance.

11 Section 5. Effective Date. This ordinance shall become effective 30 days after
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
14 of Supervisors overrides the Mayor's veto of the ordinance.

15
16 APPROVED AS TO FORM:
17 DENNIS J. HERRERA, City Attorney

18
19 By: _____

20 CAROL WONG
21 Deputy City Attorney

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