

File No. 100488

Committee Item No. 4

Board Item No. 12

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Sub - Committee: Budget and Finance

Date: May 19, 2010

Board of Supervisors Meeting

Date: 5/25/10

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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OTHER

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Completed by: Andrea S. Ausberry

Date Friday, May 14, 2010

Completed by: A. Ausberry

Date May 20, 2010

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

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1 [Recreation and Park Department – Coit Tower Non-Resident Fees]

2
3 Ordinance amending the San Francisco Park Code, Article 12, by amending
4 Section 12.06, to establish non-San Francisco Resident fees for the elevator at Coit
5 Tower, and making environmental findings.

6 NOTE: Additions are single-underline italics Times New Roman;
7 deletions are ~~strike through italics Times New Roman~~.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strikethrough-normal~~.

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

11 Section 1. Findings.

12 The Planning Department has determined that the actions contemplated in this
13 Ordinance are in compliance with the California Environmental Quality Act (California Public
14 Resources Code section 21000 et seq.). Said determination is on file with the Clerk of the
15 Board of Supervisors in File No. 100488 and is incorporated herein by reference.

16
17 Section 2. The San Francisco Park Code is hereby amended by amending
18 Section 12.06, to read as follows:

19 **SEC. 12.06. COIT TOWER.**

20 (a) The following fees shall be charged for admission to Coit Tower:

Age/Category	Admission Fee	<u>Elevator Fee</u> <u>Non-San Francisco Residents</u>
Adult	\$5.00	<u>\$7.00</u>
Senior (65+)	\$3.00	<u>\$5.00</u>
Youth (12 – 17 years)	\$3.00	<u>\$5.00</u>

1	Child (5 – 11 years)	\$1.50	<u>\$2.00</u>
2	Child (4 years and under)	\$0.00	<u>\$0.00</u>

3
4 (b) Audio tours: Upon development, and approval by the Commission, of an audio tour
5 for Coit Tower, the entrance fee for the facility shall be increased by \$1.00 to cover the cost of
6 rental of the tour. The rental fee for the audio tour without admission to the rest of the facility
7 will be \$3.00.

8
9 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

10 By: 
11 VIRGINIA DARIO ELIZONDO
12 Deputy City Attorney

Items 4 & 5 Files 10-0488 and 10-0469	Department: Recreation and Park Department
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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinances would amend the San Francisco Park Code, Article 12, (a) Section 12.46 to establish new admission fees at the Botanical Garden in Golden Gate Park for non-San Francisco residents (File 10-0469); and Section 12.06 to establish increased elevator fees at Coit Tower for non-San Francisco residents (File 10-0488); and make environmental findings.

Key Points

- Currently, there are no fees charged by RPD to visit the Botanical Garden. If the proposed ordinance is approved, San Francisco residents would still be able visit the Botanical Garden for free. However, under the proposed ordinance, non-San Francisco residents would incur new fees and RPD would realize additional new revenues, which will offset RPD's General Fund expenses.
- Currently, although admission to Coit Tower is free, San Francisco residents and non San Francisco residents are currently charged the same fees, varying by age of the visitor, to ride the elevator to the top of Coit Tower. Under the proposed ordinance, while these fees would remain the same for San Francisco residents, increased fees would be imposed for non-San Francisco residents, ranging from \$.50 to \$2.00, or increases of 33% to 67%.

Fiscal Impacts

- RPD estimates that imposing a new non-San Francisco resident entry fee for the Botanical Garden would generate approximately \$250,000 of new revenues in FY 2010-2011. RPD also estimates that imposing increased non-San Francisco resident elevator fees for Coit Tower would generate approximately an additional \$200,000 in FY 2010-2011. This additional \$450,000 of revenues would reduce the required General Fund contributions to the Department.

Policy Issues

- RPD currently has a two-tiered entry fee in which San Francisco residents are charged lower fees than non-San Francisco residents for (a) playing golf, or (b) entrance into the Conservatory of Flowers and (c) entrance into the Japanese Tea Garden. Imposing further two-tier fees structures, may generate higher potential revenues for the RPD, but may also potentially discourage some non-San Francisco residents from visiting Coit Tower and/or the Botanical Garden.

Recommendations

- Amend the proposed ordinance (File 10-0488) to change "Admission Fees" to "Elevator Fee for San Francisco Residents" on line 21 of the first page.
- Approval of the proposed ordinances, as amended, is a policy decision for the Board of Supervisors.

MANDATE STATEMENT**Mandate Statement**

Article 12 of the San Francisco Park Code specifies the fees that are currently charged for various Recreation and Park facilities. Section 12.06 specifies fees currently charged for Coit Tower. Section 12.46 specifies fees currently charged for the County Fair Building and the Botanical Garden.

Charter Section 2.109 provides that within 30 days of submission by the Mayor, the Board of Supervisors shall approve or reject any rate, fee or similar charge to be imposed by any department, official, board or commission, by ordinance. On April 13, 2010, the Mayor submitted the proposed two ordinances to the Board of Supervisors. Ms. Cheryl Adams of the City Attorney's Office advises that the proposed fee increases are still subject to the Board of Supervisors approval.

Background

Currently, the Recreation and Park Department operates and maintains the Botanical Garden located in Golden Gate Park, near 9th Avenue. Under an existing Memorandum of Understanding (MOU), the San Francisco Botanical Society, a nonprofit organization, provides educational programming with classes, docents, youth programming and school tours conducted in the Botanical Garden and operation of a book store and library, adjacent to the Botanical Garden, at no cost to the Recreation and Park Department (RPD). In addition, RPD is currently working with the San Francisco Botanical Society to plan and construct a new nursery and "Center for Sustainable Gardening" in the Botanical Garden, which would ultimately be donated as a gift to the City.

Currently, the RPD does not charge any fees for entrance into the Botanical Garden.

Coit Tower, located on Telegraph Hill above North Beach, is owned by the City, but managed and maintained under a concessionaire agreement between RPD and Fashion House, Inc., which expired January 31, 2003. Currently, the RPD does not charge any fees to visit Coit Tower, but charges visitors varying fees depending on their age, to ride the elevator to the top of Coit Tower. Under the existing month-to-month holdover agreement, Fashion House, Inc. operates the Coit Tower elevator and RPD receives 90 percent of the revenues charged by Fashion House, Inc. to visitors who ride the Coit Tower elevator.

In addition, RPD receives the following percentages of gross receipts from Fashion House, Inc.'s other operations at Coit Tower, including a gift shop (20.26%), food concession (15.26%), tour guides (10%), special events (40%) and viewing machines (50%).

On February 5, 2010, RPD issued a Request for Proposal (RFP) for a new concessionaire agreement for operation and maintenance of Coit Tower. The proposals are due in early July, 2010.

DETAILS OF PROPOSED LEGISLATION

The two proposed ordinances would amend Article 12 of the San Francisco Park Code. One proposed ordinance (File 10-0469) would amend Section 12.46 to establish, for the first time, new admission fees to the Botanical Garden in Golden Gate Park to be charged only to non-San Francisco residents and make environmental findings in accordance with the California Environmental Quality Act (CEQA).

Currently, there are no fees charged by RPD for the Botanical Garden. If the proposed ordinance is approved, San Francisco residents would still be able use the Botanical Garden for free¹.

The proposed new fees for non-San Francisco residents to enter the Botanical Garden are shown in Table 1 below:

Table 1: Proposed New Botanical Garden Fees

Age/Category	Proposed New Non-San Francisco Residents Admission Fee
Adults	\$7.00
Youth 12-17 and Seniors 65 and over	\$5.00
Children 5-11	\$2.00
Children 4 and under	No charge
Families (2 adults and all children under 17 years residing in the same household)	\$15.00

The second proposed ordinance (File 10-0488) would amend Section 12.06 to establish increased elevator fees at Coit Tower for non-San Francisco residents and make environmental findings in accordance with CEQA.

Currently, admission to Coit Tower is free. However, all visitors both San Francisco residents and non-San Francisco residents, are currently charged fees, varying by age of the visitor, to ride the elevator to the top of Coit Tower for an enhanced view of the Bay Area.

Under the proposed ordinance, the existing Coit Tower fees to ride the elevator would remain the same for San Francisco residents but increased fees would be charged to non-San Francisco residents. The current and proposed fees to ride the elevator at Coit Tower and the dollar and percentage increase for each category of fees are shown in Table 2 below:

¹ Ms Katharine Petrucione of RPD advises that San Francisco residents would be required to show identification, such as a drivers license, with a San Francisco address to obtain free admission.

Table 2: Current and Proposed Coit Tower Fees to Ride Elevator

Age/Category	Current and Proposed Elevator Fee (No Change) for San Francisco Residents	Proposed Increased Elevator Fee For Non-San Francisco Residents	Increase in \$ / % Fees for Non-San Francisco Residents
Adult	\$5.00	\$7.00	\$2.00/40%
Senior (65+)	\$3.00	\$5.00	\$2.00/67%
Youth (12-17 years)	\$3.00	\$5.00	\$2.00/67%
Child (5-11 years)	\$1.50	\$2.00	\$.50/33%
Child (4 years and under)	\$0.00	\$0.00	\$0.00

On May 13, 2010, the Planning Department determined that the proposed two ordinances are in compliance with the California Environmental Quality Act (CEQA).

FISCAL ANALYSIS

Table 3 below identifies the existing FY 2009-2010 revenues and the projected FY 2010-2011 revenues that are anticipated to be generated from the proposed new and increased fees, assuming both ordinances are approved and effective July 1, 2010.

Table 3: Existing and Projected Revenues from Proposed Fee Increases

File No.	Fee Description	FY 2009-2010	FY 2010-2011	
		Projected Revenue	Projected Revenue	Increase*over FY 2009-2010
10-0557	Botanical Garden New Fee	\$0	\$250,000	\$250,000
10-0488	Coit Tower Increased Fees	\$500,000 ²	\$700,000	\$200,000

² Coit Tower is budgeted at \$450,000 in FY 2009-2010, but the Recreation and Park Department anticipates receiving approximately \$50,000 more than budgeted, or approximately \$500,000.

As shown in Table 3 above, the proposed new and increased fees are projected to generate approximately \$450,000 of additional revenue for RPD in FY 2010-2011. Ms. Katharine Petrucione, the Chief Financial Officer for the Recreation and Park Department, anticipates that the additional \$450,000 of revenues for FY 2010-2011, would continue in FY 2011-2012.

According to Ms. Petrucione, all of the projected revenues would accrue to General Fund revenues allocated directly to RPD. Coit Tower revenues are budgeted by Recreation and Park as Citywide Services, such that these additional revenues would be used to support the Department's general operations. The Botanical Garden revenues would be budgeted with Golden Gate Park and used to directly support operations in Golden Gate Park. Ms. Petrucione advises that both of these additional revenue sources would reduce the required General Fund contributions to the Department.

Ms. Petrucione advises that RPD expends approximately \$1,600,000 annually to operate and maintain the Botanical Garden in Golden Gate Park. In addition, the San Francisco Botanical Society funds the cost of approximately \$86,500 for one RPD gardener in the Botanical Gardens. As noted above, RPD does not currently charge any fees pertaining to the Botanical Garden and therefore RPD generates no revenues from the Botanical Garden to offset RPD's annual costs.

Ms. Petrucione advises that RPD does not currently budget any operating expenses for Coit Tower operations. Currently, based on the existing concessionaire agreement, RPD anticipates receiving approximately \$607,000 of revenues in FY 2009-2010 from Coit Tower operations, based on the percentages of gross receipts specified above.

POLICY ISSUES

Two-Tier Fees

Ms. Petrucione notes that RPD currently has a two-tiered entry fee in which San Francisco residents are charged lower fees than non-San Francisco residents for (a) playing golf at one of RPD's five golf courses, (b) entrance into the Conservatory of Flowers and (c) entrance into the Japanese Tea Garden. Both the Conservatory of Flowers and the Japanese Tea Garden are located in Golden Gate Park. The Conservatory of Flowers and the Japanese Tea Garden entry fees currently charged to San Francisco residents and non-residents are the same as are being proposed to ride the elevator at Coit Tower, under the proposed ordinance. Ms. Petrucione notes that the projected additional revenues, of \$450,000 annually, as shown in Table 3 above, reflect an anticipated reduction of approximately 15 percent in attendance at Coit Tower for non-SF residents, if the proposed new fees are implemented.

In addition, Ms. Petrucione advises that the San Francisco Botanical Society retained a consultant³ to survey other botanical gardens across the country regarding admission fees and attendance. Based on this analysis, the Botanical Society consultant estimated the Botanical

³ The San Francisco Botanical Society retained the private consultants, Dean Runyon Associates, in 2005 to conduct this study, which was updated in 2009.

Garden could generate an estimated \$250,000 of revenue annually from charging the proposed new admission fees to non-San Francisco residents. If the proposed new Botanical Garden admission fees are approved by the Board of Supervisors, Ms. Petrucione advises that RPD would amend its MOU with the San Francisco Botanical Society to provide that the Botanical Society would be responsible for collecting the proposed new fees on behalf of the City, at no additional cost to the City.


Under the proposed two ordinances, RPD's two-tier fee system would be expanded. The proposed two ordinances do not change the fees currently charged to San Francisco residents to visit either Coit Tower or the Botanical Garden. However, the proposed two ordinances would impose higher fees and potentially generate greater revenues from non-San Francisco residents who visit Coit Tower and/or the Botanical Garden. At the same time, imposing higher fees on non-San Francisco residents may discourage some non-San Francisco residents from visiting Coit Tower and/or the Botanical Garden.

Recommended Amendments to Ordinance

In order to clarify the proposed ordinance (File 10-0488) which increases the elevator fees at Coit Tower for non-San Francisco residents, the Budget and Legislative Analyst recommends that the fee chart included on line 21 of the first page of the proposed ordinance be amended to change "Admission Fees" to "Elevator Fee for San Francisco Residents". This amendment will differentiate the Elevator Fees charged to San Francisco residents from the increased Elevator Fees to be charged to non-San Francisco residents.

RECOMMENDATIONS

1. Amend the proposed ordinance (File 10-0488) to change "Admission Fees" to "Elevator Fee for San Francisco residents" on line 21 of the first page.
2. Approval of the proposed ordinances, as amended, is a policy decision for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Avalos
 Supervisor Mirkarimi
 Supervisor Elsbernd
 President Chiu
 Supervisor Alioto-Pier
 Supervisor Campos
 Supervisor Chu
 Supervisor Daly
 Supervisor Dufty
 Supervisor Mar

Supervisor Maxwell
 Clerk of the Board
 Cheryl Adams
 Controller
 Greg Wagner



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *GC* Mayor Gavin Newsom *GN*
RE: Recreation and Park Department – Coit Tower Non-Resident Fees
DATE: April 13, 2010

Dear Madame Clerk:

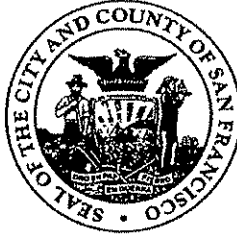
Attached for introduction to the Board of Supervisors is the ordinance amending the San Francisco Park Code, Article 12, by amending Section 12.06, to establish non-San Francisco Resident fees for the elevator at Coit Tower, and making environmental findings.

I request that this item be scheduled in the Budget and Finance Committee.

Should you have any questions, please contact Starr Terrell (415) 554-5262.

100485

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Planning Department
Environmental Review Officer

FROM: Angela Calvillo, Clerk of the Board

DATE: April 20, 2010

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Budget and Finance Committee

The Board of Supervisors Budget and Finance Committee has received the following, which is being referred to the Planning Department for determination as to whether the proposed fee increase will impact the environment.

Please provide your findings within 10 days from the date of referral.

File: 100488

Recreation and Park Department – Coit Tower Non-Resident Fees

Please return this cover sheet with the Commission's response to **Andrea Ausberry Assistant Clerk, Budget and Finance Committee.**

cc: Nannie Turrell, Major Environmental Analysis
Brett Bollinger, Major Environmental Analysis

RESPONSE FROM PLANNING DEPARTMENT - Date: 5/13/10

No Comment
 Recommendation Attached

Brett Bollinger for
Bill Wycko, Environmental Review Officer

*CEQA Guidelines
Section 15273, Statutory
Exemption
Rates, Tolls, Fees & Charges.
Brett Bollinger*

Referral - Fees

2/27/08