



London N. Breed, Mayor
Philip A. Ginsburg, General Manager

Date: December 19, 2019

To: Recreation and Park Commission
Operations Committee

Through: Phil Ginsburg, General Manager

From: Lisa Bransten, Director of Partnerships
Dana Ketcham, Director Property Management, Permits and Reservations

Subject: Golden Gate Park 150th Anniversary - Temporary Observation Wheel Installation

Agenda Item Wording

Discussion and possible action to authorize the Department to enter into a permit with SkyStar Wheel, LLC for the temporary installation (not to exceed one year) of an observation wheel on the eastern side of the Music Concourse area located beyond the Music Concourse Bowl behind the Francis Scott Key monument and bordering Music Concourse Drive with terms substantially the same as the term sheet dated December 9, 2019. Approval of this proposed action by the Commission is the Approval Action as defined by S.F. Administrative Code Chapter 31.

Strategic Plan

Objective 1.2: Strengthen the quality of existing Parks & Facilities

Objective: 1.4: Preserve and celebrate historic and cultural resources

Objective: 2.3: Work with partners and neighborhood groups to activate parks through organized events, activities, and unstructured play

Background

Golden Gate Park is celebrating its 150th Anniversary in 2020. The Department is coordinating a number of special events and installations to celebrate the anniversary. In 1894, as part of the Midwinter Exposition, Golden Gate Park installed a number of rides including an Observation Wheel. A photo showing that historic installation is in Exhibit A.

Staff believes that bringing an Observation Wheel to Golden Gate Park will enable the Department to highlight and celebrate the anniversary, drawing many visitors to Golden Gate Park during this year-long celebration and will help modern visitors experience the fun and grandeur of the 1894 Midwinter Exposition.

The Observation Wheel will be installed on the eastern side of the Music Concourse area located beyond the Music Concourse Bowl behind the Francis Scott Key monument and bordering Music Concourse Drive. See Exhibit A for map, photos and project renderings.

Observation Wheel Details

Currently installed in Cincinnati, Ohio, the Observation Wheel has previously been featured in Norfolk, Virginia, as well as Waterfront Park in Louisville, Kentucky. The operators have a similar wheel in operation in Atlanta's Centennial Olympic Park.

The Observation Wheel is 130 feet in diameter by 150 feet in height and is set on a base structure that is 72 feet by 57 feet. The installation would also include temporary fencing around the observation wheel as well ancillary and support fixtures and lighting.

The wheel needs support fixtures for seismic safety. The support fixtures proposed are four 24-inch piers, to an appropriate depth as dictated by the geotechnical report, with an 8-foot by 8-foot platform to create a stable base for the observation wheel. The base would be above the existing grassy area with the piers supporting the full weight of the wheel and support structures. The piers would be installed with a drill. The installation would take approximately two weeks to pour the foundation and assemble the wheel. This installation would not create any vibrations and minimal noise. There would be no grading associated with the installation.

As part of the permit to operate the observation wheel, the permittee will restore the site to original conditions including removing the top six to eight feet of the piers, backfilling with soil that was removed and re-sodding the grass.

The temporary installation would begin in early March 2020 and have its grand opening to the public on April 4, 2020. After its opening, the observation wheel will operate for a 10-month period with rides conducted daily from 10:00 am to 10:00 pm. The observation wheel and related equipment will be fully removed from the project site by March 2021.

The wheel operation may also include food and beverage and merchandise tents.

Proposed Permit

The Department has been in discussion with the SkyStar Wheel, LLC (the "Operator"), regarding the proposed installation of the Observation Wheel. The Observation Wheel will be transported to San Francisco and assembled on site. The permit would be structured where the Operator would be responsible for the expense to build out, operate, and dismantle the wheel.

The Department has negotiated with the Operator the proposed terms contained in the "Summary of Terms" below and outlined in the attached Term Sheet dated December 9, 2019 (Exhibit B). We are currently in the final stage of negotiating the terms of the proposed permit.

Summary of Terms

| <i>Terms:</i> | Details |
|---------------------------------|---|
| <i>Term:</i> | <p>Installation may begin on Monday, March 2, 2020. The Wheel will have its Grand Opening to the General Public on April 4, 2020. The Wheel will operate for a ten (10) month “Term” commencing on April 4, 2020, ending February 7, 2021. Prior to the Grand Opening on April 4, 2020, the Operator may in coordination with RPD have a series of Soft Openings of the Wheel to allow for operational preparedness. Strike will begin on Monday, March 1, 2021 and the Wheel will be fully removed by March 15, 2021.</p> |
| <i>Permitted Use:</i> | <p>The Operator shall at their sole expense build out, operate and dismantle the Wheel at the eastern end of the Music Concourse in Golden Gate Park (the “Music Concourse”) owned by the Recreation and Park Department (the “Department”).</p> <p>The Operator may also add other concessions including food and beverage and seasonal merchandise.</p> |
| <i>Rent:</i> | <p>For each calendar month throughout the Term Operator shall pay to the Parks Alliance to help fund the celebration of the 150th Anniversary of Golden Gate Park a monthly revenue share equal to:</p> <ul style="list-style-type: none"> • \$1.00 per General Admission ticket sold • \$0.75 for each Senior, Children’s ticket sold • 6% of VIP Experience tickets sold • 5% of gross receipts received from customers for all food and beverage concession revenues |
| <i>Permit Area Restoration:</i> | <p>Operator shall reimburse City for its cost to restore the Permit Area to the condition it was in prior to Permittee’s activities at the property. This includes, but is not limited to, re-sodding of grass areas, replacement of any irrigation lines or sprinklers and restoration of any park grounds or native vegetation impacted by Permittee in the immediate vicinity of the Wheel. The permittee will restore the site to original conditions including removing the top six to eight feet of the piers, backfilling with soil that was removed and re-sodding the grass.</p> |

| Terms: | Details |
|-----------------------------|--|
| <i>Admission Fee</i> | <p>The admission fees for Rides are listed below; provided however that on April 4, 2020 there will be no charge. Any changes to these fees must be approved by the General Manager who may also authorize a fee for a VIP experience.</p> <p>General Admission: \$18.00 Seniors, Children under 13 years: \$12.00</p> |
| <i>Additional Benefits:</i> | <p>Permittee shall provide RPD with:</p> <ul style="list-style-type: none"> • 500 complimentary General Admission tickets per month for the Term of the Agreement. • Twenty five (25) VIP Experience Packages to be used at any time during the Term of the Agreement. • Grand Opening on April 4, 2020 shall include free rides to the general public from 10:00am to 10:00pm. |

Environmental Review -

The project has been reviewed by the Planning Department (Case No. 2019-022126PRG) and is expected to receive a Categorical Exemption under Class 1 and Class 3.

Staff Recommendation:

Department staff recommends that the Commission authorize the General Manager to negotiate and enter into on behalf of the Department a use permit with SkyStar Wheel, LLC in accordance with the terms above.

Supported By:

San Francisco Parks Alliance
California Academy of Sciences
de Young Museum
Nancy Bechtle Co-Chair Golden Gate Park 150 Honorary Committee
Rodney Fong Co-Chair Golden Gate Park 150 Honorary Committee

Opposed By:

No Known Opposition

Attachments:

Exhibit A - Renderings of Proposed Observation Wheel and Historic Photos
Exhibit B – Term Sheet dated December 9, 2019

Exhibit A
Renderings and Historic Photos

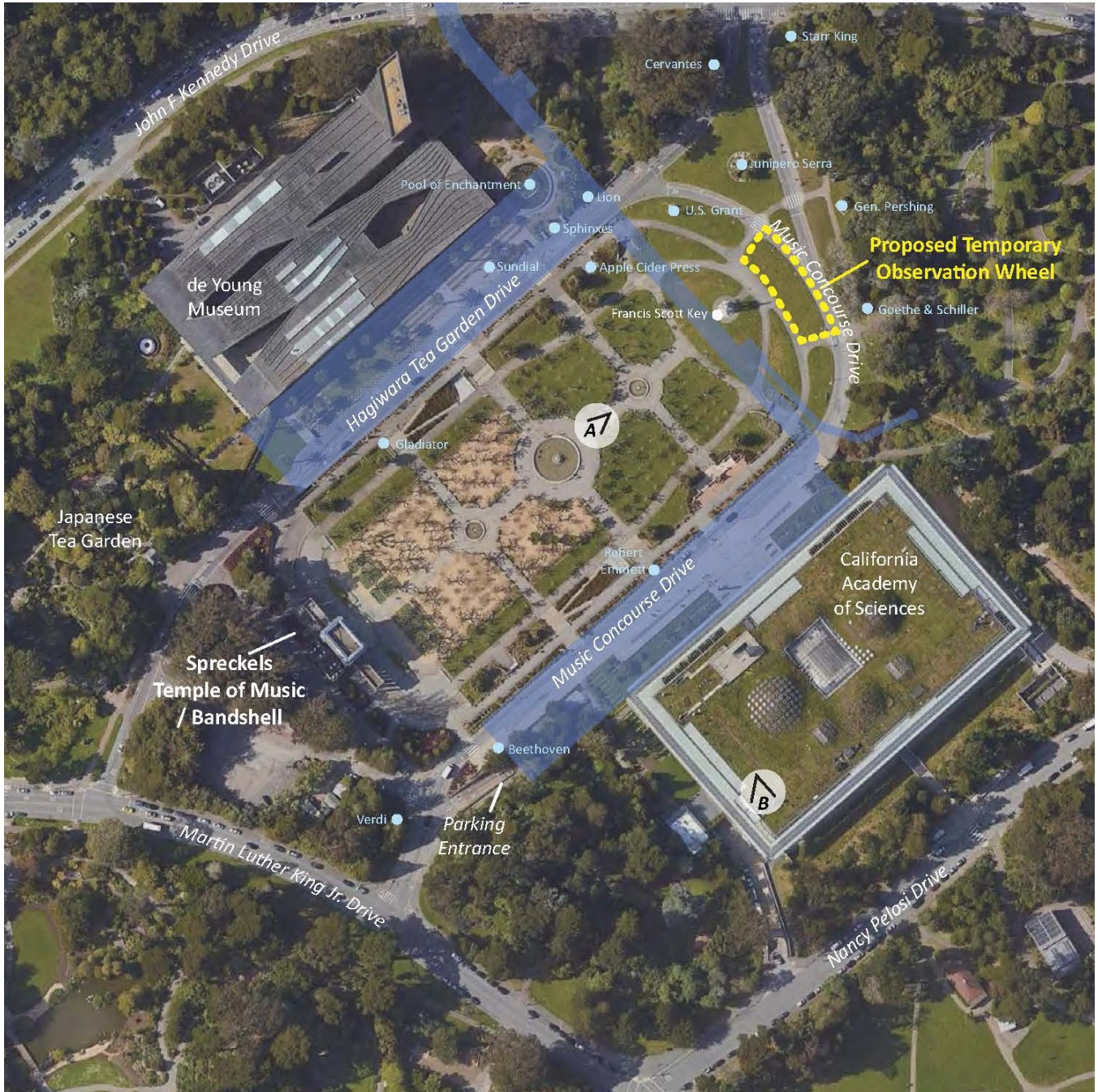




Figure 1: People walking in the Music Concourse in front of the Francis Scott Key monument, from viewpoint A



Figure 2: As seen above viewpoint B, a rendering of Proposed Temporary Observation Wheel Project





Figure 3: Photograph of Golden Gate Park Music Concourse from 1894 California Midwinter International Exposition



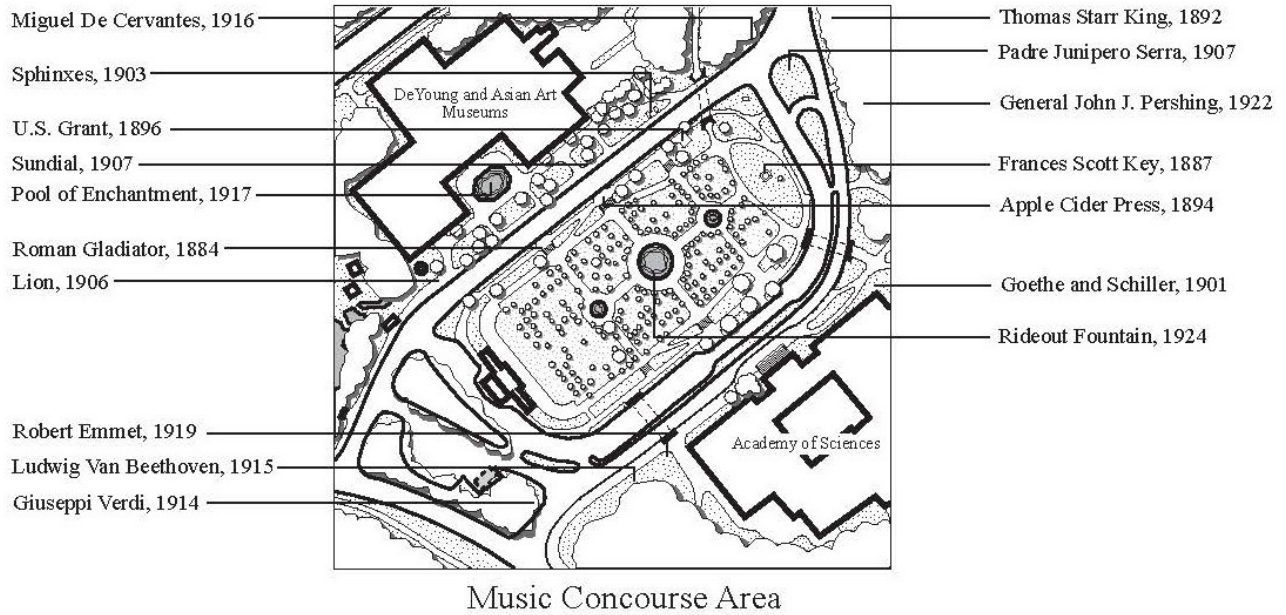


Figure 3: Monuments and Statues in the Music Concourse Area, as recorded in the 1998 Golden Gate Park Master Plan.

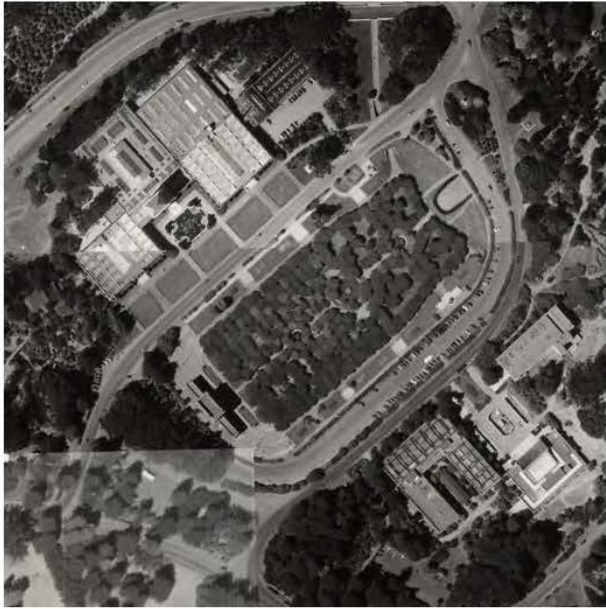


Figure 1: U.S. Geological Survey, 1938



Figure 2: U.S. Geological Survey, 1946



Figure 3: U.S. Geological Survey, 1993

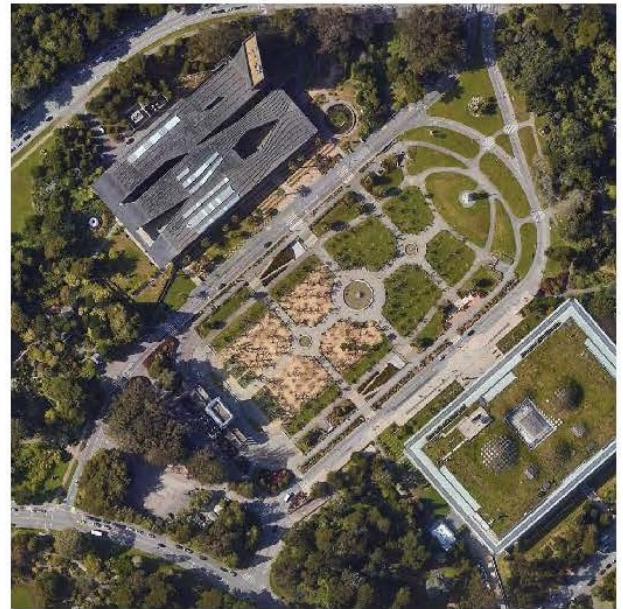


Figure 4: Google, 2019

Exhibit B

Observation Wheel: Term Sheet December 9, 2019

TERM SHEET

**Permit Agreement between
San Francisco Recreation and Parks Department
and
SkyStar Wheel, LLC and/or assigns to an affiliated entity
Relating to Use of a Portion of the Music Concourse in Golden Gate Park**

- Permittee Contact:** SkyStar Wheel, LLC
1610 Des Peres Road Ste 130
St Louis MO 63131
- Todd Schneider, Managing Partner
todd@skyviewatlanta.com, (314) 308-2783
- Al Mers, Managing Partner
al@skyviewatlanta.com, (314) 809-3871
- City Contact:** San Francisco Recreation and Park Department
Permits and Reservations
McLaren Lodge in Golden Gate Park
501 Stanyan Street
San Francisco, CA 94117
(415) 831-2700 (Main Reception Line)
- Permit Area:** The Permit Area shall be limited to the eastern part of the Music Concourse which is located within Golden Gate Park in San Francisco, CA, as shown in Exhibit A. The remainder of the Concourse will remain open for use by the public.
- Permitted Use:** The Permit Area will be used by Permittee to place a Giant Observation Wheel ("Wheel") that is one hundred thirty feet (130') in diameter by one hundred thirty-eight feet (138') in height, on a base structure that is seventy-two feet (72') by fifty-seven feet (57'), and related facilities in connection with the 150th Anniversary of Golden Gate Park ("GGP"). The wheel features 36 climate controlled cabins; with a total maximum occupancy not to exceed 216 persons. See Attachment D for complete Specifications. Rides on the Wheel consist of four rotations lasting a total of twelve (12) minute (generally referred to herein as "Rides"). Permittee shall conduct Rides daily from 10:00am to 10:00pm with slight adjustments for weather, weekends and special events. Permittee shall be allowed to sell food, non-alcoholic beverages, photos and wheel related merchandise within the Permit area as well; provided that it does not conflict with the

food and beverage offerings of existing concessions. All menu items and pricing of food and beverage concessions shall be subject to the pre-approval of the General Manager. Permittee shall develop an Operations Plan, further describing Permittee's use of the Permit Area, that will be attached and incorporated into the Permit and subject to City's approval.

Term:

Permittee may in coordination with RPD begin installation on Monday, March 2, 2020. The Wheel will have its Grand Opening to the General Public on April 4, 2020. The Wheel will operate for a ten (10) month "Term" commencing on April 4, 2020, ending February 7, 2021. Prior to the Grand Opening on April 4, 2020, the Operator may in coordination with RPD have a series of Soft Openings of the Wheel to allow for operational preparedness. Strike will begin on Monday, March 1, 2021. The Wheel will be fully removed by March 15, 2021.

Admission Fees:

The admission fees for Rides are listed below; provided however that on April 4, 2020 there will be no charge. Any changes to these fees must be approved by the General Manager who may also authorize a fee for a VIP experience

- General Admission: \$18.00
- Seniors, Children under 13 years: \$12.00

Permit Fees:

Revenue-Sharing: For each calendar month throughout the Term Permittee shall pay to the Parks Alliance to help fund the celebration of the 150th Anniversary of Golden Gate Park a monthly Permit Fee generated through Permittee's use of the Permit Area during said calendar month equal to:

- \$1.00 per General Admission ticket sold
- \$0.75 for each Senior, Children's ticket sold
- 6% of VIP Experience tickets sold
- 5% of gross receipts received from customers for all food and beverage concession revenues

Permit Area Restoration:

As part of the permit to operate the observation wheel, the Permittee will incorporate Public Works Standard Construction Measures in relation to the removing fill material. The Permittee is also required to restore the site to original conditions, which includes removing of the top six to eight feet of the piers, backfilling with soil that had been previously removed, replacement of any irrigation lines or sprinklers and restoration of any other par grounds or native vegetation impacted by Permittee in the immediate vicinity of the Wheel.

Complimentary Activations:

Permittee shall provide RPD with:

- 500 complimentary General Admission tickets per month for the Term of the Agreement.

- Twenty five (25) VIP Experience Packages to be used at any time during the Term of the Agreement.
- Grand Opening on April 4, 2020 shall include free rides to the general public from 10:00am to 10:00pm.

Public Access Use:

City shall provide Permittee with reasonable notice of any dates and/or times during which City’s use of Permit Area (including City-permitted events held within the vicinity of the Permit Area) may prevent Permittee from conducting any Activations above and beyond normal Wheel operations.

Promotion and Marketing:

Permittee shall use good-faith efforts to cooperate with City on matters of public relations and media responses related to the Permit. Any documents retained by the City shall be subject to the disclosure requirements of the City’s Sunshine Ordinance and the California Public Records Act. Any response to an inquiry by a news or community organization to Permittee in reference to the Permit shall include coordination of message prior to a response and a recommendation to contact the San Francisco Recreation and Park Department. All media contacts will be specifically directed to the Department’s Director of Policy and Public Affairs

Permittee shall include the Department logo on all promotional (print collateral and online advertisements) and informational materials (brochures, flyers, pamphlets and event-related emails). The SFRPD logo should be of a sufficient size, be placed in a prominent and visible space (above the fold on the event homepage), and should link back to SFRPD home page at <http://sfrecpark.org>.

Permittee shall provide to RPD for review all media and marketing material related to the Permit that references Department properties of print or electronic publication.

The Department’s website shall include information regarding Permittee’s Activations.

Improvements and Alterations:

Within the Permit Area, Permittee shall be allowed to install one (1) temporary Giant Observation Wheel (“Wheel”) that is one hundred thirty feet (130’) in diameter by one hundred thirty-eight feet (138’) in height, on a base structure that is seventy-two feet (72’) by fifty-seven feet (57’), along with other temporary ancillary and support facilities outside of the Wheel including fencing around those facilities (together collectively referred to herein as the “Improvements”). The design, specifications, location, access routes and logistics for installation, operation, maintenance and removal of the Improvements by Permittee must be approved by City prior to their installation, use, and/or removal. Permittee and City shall work together to develop an “Improvements Exhibit” that will address these issues and will be incorporated into the Permit and made a condition of Permittee’s use of the Permit Area. No staking will be allowed except with the specific written

consent of the City and it is highly likely that staking will not be possible in many areas.

Permittee's Insurance: See Attachment B for Permittee's Insurance requirements.
(Note: Subject to review by the City Risk Manager)

Restrooms: Permittee may bring onto the site temporary restroom facilities, subject to the approval on City. Permittee shall secure all necessary approvals from all appropriate regulatory entities for the installation, maintenance and removal of any temporary restroom facilities. The proposed type, number, locations and maintenance plan for any temporary restroom facilities shall be identified in the Permit prior to its execution.

Maintenance: Permittee accepts use of the Permit Area in its "As-Is" condition. Permittee shall maintain the Permit Area in a safe, clean, sanitary and sightly condition throughout the Term. City shall maintain the Permit Area to its normal standards throughout the term, including the cutting of grass and/or other vegetation in and around the Permit Area.

Waste Management: Permittee shall contract for trash, green waste, recycling and human waste containment and collection services and shall secure and dispose of such waste in a manner acceptable to City.

Utilities: Permittee shall work with City and the local utility provider(s) to provide all necessary utilities to the Permit Area. City shall reasonably cooperate with Permittee and such utility providers in those efforts. Permittee shall develop a "Utility Plan" for City's review, which City may approve or reject in it's sole and absolute discretion. Permittee shall not have access to any utilities controlled by the Department which may diminish the service capacity otherwise available to the Department.

Security: Permittee shall ensure that the Permit Area and all Improvements are secured and safe at all times. Permittee shall be allowed to post security guards within the Permit Area 24/7, subject to the approval of and in coordination with the Department's Park Rangers.

City Contracting Requirements: Permittee shall comply with all applicable City contracting requirements, including but not limited to, the City's Non-Discrimination in Benefits Ordinance (SF Admin. Code Sec. 12B.2(b)), Prevailing Wages and Working Conditions Ordinances (SF Admin Code Sections 21C and 23.61 – RPD standard Permit Language attached hereto as Attachment C), and Conflict of Interest provisions (Article III, Chapter 2 of City's Campaign and Governmental Code).

Compliance with Law and City Requirements: Permittee shall comply with all applicable City requirements and all policies of the recreation and park commission. Permittee's temporary improvements and operations shall be in compliance with all applicable

rules, regulations and codes, including, without limitation, those of the San Francisco Fire Department, San Francisco Department of Public Health, the San Francisco Planning Department, and the San Francisco Office of Labor Standards Enforcement.

This letter is a preliminary statement of City's general intentions. It is understood that City and Permittee mutually intend that neither party shall have any binding contractual obligation to the other relative to the terms specified herein until a formal Permit agreement has been prepared, reviewed and approved by each parties' counsel and has been fully executed with all necessary approvals and delivered by the parties.

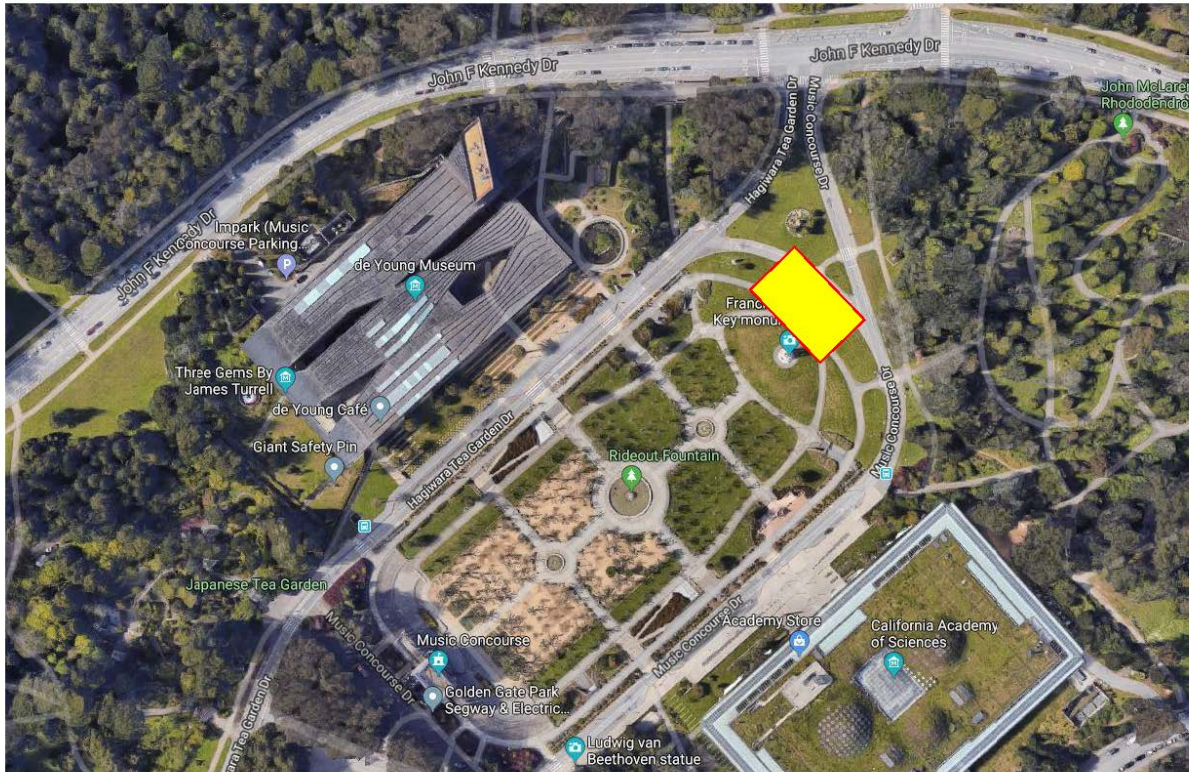
Nothing in this proposal shall be deemed to impose on either party any obligation to continue negotiations and either party shall have the right to discontinue negotiations without incurring any obligation or liability to the other.

ATTACHMENT A
Depiction of Permit Area

Activation Site



Activation Site





ATTACHMENT B
Permittee's Insurance Requirements

(A) Permittee shall procure and keep in effect at all times during the term of this Permit, at Permittee's expense, insurance as follows:

(i) Commercial General Liability Insurance with limits not less than \$20,000.00 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including coverages for Contractual Liability, Personal Injury, Independent Contractors, and Products Liability Coverages. Excess or umbrella coverage that follows form may be used to comply with this requirement.

(ii) Business Automobile Liability Insurance with limits not less than \$1,000,000 per each occurrence, Combined Single Limit for Bodily Injury and Property Damage, including coverages for Owned and Non-owned and hired auto coverage, as applicable.

(iii) Workers' Compensation Insurance in statutory amounts with Employer's Liability Coverage with limits of not less than \$1,000,000 each accident. The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

(B) All liability policies required hereunder shall provide for the following:

(i) Name as additional insureds the City and County of San Francisco, its Recreation and Park Commission and Recreation and Park Department, and their officers, agents and employees; and

(ii) Specify that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Permit and that insurance applies separately to each insured against whom claim is made or suit is brought.

(C) All policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, to City.

(D) Prior to the commencement date of this Permit, Permittee shall deliver to City certificates of insurance in form and with insurers satisfactory to City, evidencing the coverages required hereunder, together with complete copies of the policies at City's request. In the event Permittee shall fail to procure such insurance, or to deliver such policies or certificates, City may immediately terminate this Permit and all rights granted to Permittee herein.

(E) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general aggregate limit shall be double the occurrence or claims limits specified above.

(F) Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit and, without lapse, for a period of three (3) years beyond the Permit expiration, to the effect that, should any occurrences during the Permit term give rise to claims made after expiration of the Permit, such claims shall be covered by such claims-made policies.

(G) Upon City's request, Permittee and City shall periodically review the limits and types of insurance carried pursuant to this Section. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Permittee for risks comparable to those associated with the Permit Areas, then City in its sole discretion may require Permittee to increase the amounts or coverage carried by Permittee hereunder to conform to such general commercial practice.

(H) Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations under this Permit or any of Permittee's other obligations hereunder. Notwithstanding anything to the contrary in this Permit, this Permit shall terminate immediately, upon the lapse of any required insurance coverage. Permittee shall be responsible, at its expense, for separately insuring Permittee's personal property.

ATTACHMENT C
Wages and Working Conditions Standard Permit Language

Wages and Working Conditions.

(a) **Generally.** Any undefined, initially-capitalized term used in this subsection shall have the meaning given to such term in San Francisco Administrative Code Section 23.61. Tenant require its Contractors and Subcontractors performing (i) labor in connection with a “public work” as defined under California Labor Code Section 1720 et seq. (which includes certain construction, alteration, maintenance, demolition, installation, repair, carpet laying, or refuse hauling work if paid for in whole or part out of public funds) or (ii) Covered Construction, at the Premises to (1) pay workers performing such work not less than the Prevailing Rate of Wages, (2) provide the same hours, working conditions and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with San Francisco Administrative Code Section 23.61 (collectively, “Prevailing Wage Requirements”). Tenant agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements.

Tenant shall include, and shall require its subtenants and Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Section 23.61. Each such Construction Contract shall name the City and County of San Francisco, affected workers, and employee organizations formally representing affected workers as third-party beneficiaries for the limited purpose of enforcing the Prevailing Wage Requirements, including the right to file charges and seek penalties against any Contractor or Subcontractor in accordance with San Francisco Administrative Code Section 23.61. Tenant’s failure to comply with its obligations under this Section shall constitute a material breach of this Lease. A Contractor’s or Subcontractor’s failure to comply with this Section will enable the City to seek the remedies specified in San Francisco Administrative Code Section 23.61 against the breaching party. For the current Prevailing Rate of Wages, see www.sfgov.org/olse/prevailingwages or call the City’s Office of Labor Standard Enforcement at 415-554-6235.

(b) **Prevailing Wages for Theatrical Workers, Broadcast Services, Loading and Unloading, Security Guard Services and Trade Show Work.** Pursuant to Administrative Code Chapter 21C, unless excepted, Contracts, Leases, Franchises, Permits and Agreements issued or granted by the City for the use of City property shall require payment of not less than the Prevailing Rate of Wages to any Individual engaged in theatrical or technical services related to the presentation of a Show (21C.4); Broadcast Services (21C.9); loading or unloading materials, goods, or products into or from a Commercial Vehicle on City property (21C.10); Security Guard Services (21C.11); or Exhibit, Display, or Trade Show Work at a Special Event (21C.8); . Capitalized terms in this Section that are not defined in this agreement shall have the meanings provided in Administrative Code Chapter 21C. Permittee agrees to comply with and be fully bound by, and to require its Subcontractors to comply with and be fully bound by, the provisions of Chapter 21C, including, without limitation, the payment of any penalties for noncompliance and other remedies available to the City. The provisions of Chapter 21C are hereby incorporated by reference and made a part of this agreement. Permittee shall cooperate fully with the Labor Standards Enforcement Officer and any other City official or employee, or any of their respective agents, in the administration and enforcement of the requirements of Chapter 21C, including, without limitation, any investigation of noncompliance by Permittee or its Subcontractors. Permittee agrees that the City may inspect and/or audit any workplace or job site involved in or related to the performance of this agreement, including, without limitation, interviewing Permittee’s and any Subcontractor’s employees and having immediate access to employee time sheets, payroll records, and paychecks for inspection. Permittee may obtain a copy of the current Prevailing Rate of Wages from City by contacting its Office of Labor Standards Enforcement. Permittee acknowledges that the City’s Board of Supervisors may amend such Prevailing Rate of Wages and agrees that Permittee and any Subcontractors shall be bound by and shall fully comply with any such amendments by the Board of Supervisors.

To view the provisions of Administrative Code Chapter 21C please go to
http://www.amlegal.com/nxt/gateway.dll?f=templates&fn=default.htm&vid=amlegal:sanfrancisco_ca

ATTACHMENT D
Specifications

