

LEGISLATIVE DIGEST

[Lease of City Property - Dolphin Swimming and Boating Club - 502 and 504 Jefferson Street - Gross Receipts Rent]]

Ordinance approving a lease between the City and County of San Francisco and Dolphin Swimming and Boating Club, a California non-profit corporation, for City property at 502 and 504 Jefferson Street, with an annual rent of 10% of all gross receipts that are not derived from its annual Dolphin Day and 4% of all gross receipts that are derived from its annual Dolphin Day, a term of 25 years, 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.

Existing Law

Under San Francisco Administrative Code Section 23.30, leases that require the approval of the Board of Supervisors must have a determination of Market Rent (as defined in San Francisco Administrative Code Section 23.2) based on available and relevant data.

Amendments to Current Law

If adopted, the proposed ordinance would authorize the lease of City property at 502 and 504 Jefferson Street (“Premises”) to Dolphin Swimming and Boating Club (“Tenant”) without a Market Rent determination.

Background Information

The Tenant currently leases the Premises under a lease that is scheduled to terminate on June 30, 2028. The Tenant is planning substantial improvements to the Premises (subject to City’s approval of the final designs, plans and specifications for them as required in the Lease) and would like a lease term that matches the useful life of those anticipated improvements. Because the Premises can only be used for aquatic recreational purposes and the new lease requires the Tenant to provide general public access to the Premises, there is not available and relevant data to determine the Market Rent of the lease.

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