

File No. 250520

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: June 5, 2025

Board of Supervisors Meeting:

Date: _____

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Prepared by: Monique Crayton

Date: May 30, 2025

Prepared by: _____

Date: _____

Prepared by: _____

Date: _____

1 [Permit Issuance - FIL Partners, LLC - Kezar Stadium - Golden City Football Club - Permit Fee
2 Equal to \$1,500 Per Game Plus \$750 Per Hour]

3 **Resolution approving and authorizing a Permit between the Recreation and Park**
4 **Department (RPD) and FIL Partners, LLC for the Golden City Football Club to use Kezar**
5 **Stadium for their home games, plus use of other fields for practices, for an initial term**
6 **of 15 years with three five-year extension options, for a permit fee equal to \$1,500 per**
7 **game plus \$750 per hour, reimbursement of RPD expenses, a share of revenues and a**
8 **specified number of tickets and the completion of certain stadium improvements,**
9 **effective upon approval of this Resolution; determining that Permit fee is appropriate**
10 **and that the Permit will serve a public purpose in accordance with Administrative**
11 **Code, Sections 23.30 and 23.33; affirming the Planning Department's determination**
12 **under the California Environmental Quality Act; and authorizing the RPD General**
13 **Manager to enter into any amendments or modifications to the Permit that do not**
14 **materially increase the obligations or liabilities to the City and are necessary to**
15 **effectuate the purposes of the Permit or this Resolution.**

16
17 WHEREAS, Kezar Stadium was the founding home field for the San Francisco 49ers
18 who played there from 1946 to 1970, and in 1989, the original Kezar Stadium was demolished
19 and replaced with the new Kezar Stadium; among other things the new Stadium reduced the
20 number of seats from 60,000 to a potential capacity of 15,000, the track was enlarged, and
21 the stadium was built into the ground; and

22 WHEREAS, Since 1991, Kezar Stadium has been used primarily for games for school
23 teams and school track meets; however, it has been used over the years by a variety of
24 colleges and semi-professional and professional teams, and in 2017 was used for one year by
25 a professional soccer team; and

1 WHEREAS, Since 2017, RPD has explored finding another professional soccer team
2 to use Kezar Stadium as its home base to provide San Francisco families with the opportunity
3 to watch high-level soccer in the City; and

4 WHEREAS, In late 2023, FIL Partners approached RPD about the possible use of
5 Kezar Stadium for a new franchise team, called Golden City Soccer Club (GCSC), based in
6 San Francisco to play in the MLS Next Pro league; MLS Next Pro is a professional men's
7 soccer league that is the second tier of Major League Soccer (MLS); and

8 WHEREAS, Since late 2023, RPD has met with FIL Partners to explore having GCSC
9 play its home games at Kezar Stadium, while ensuring that San Francisco's youth and school
10 programs would not be displaced and that Kezar Stadium's track would remain available to
11 the public; FIL Partners concurrently met with MLS Next Pro to learn league requirements
12 (one of which was to identify a venue for home games) and also met with experts to identify
13 needs to renovate Kezar Stadium to improve player and fan experiences; and

14 WHEREAS, FIL Partners has indicated the team's desire and commitment to make up-
15 front improvements of over \$10 million to Kezar Stadium to improve the fan and player
16 experience in exchange for rent credits, and school teams using Kezar Stadium support the
17 improvements and the proposal for how to balance football play with soccer play; and

18 WHEREAS, FIL Partners has received support for the approval from MLS Next Pro to
19 field a team in San Francisco provided that it has a suitable stadium; Kezar Stadium meets
20 those needs; and

21 WHEREAS, City policy is to do a competitive bid for agreements but it would have
22 been "impractical or impossible" given the requirement for a team to obtain approval from the
23 league; and
24
25

1 WHEREAS, The parties seek to enter into a Permit as generally described in the May
2 15, 2025 Term Sheet, a copy of which is on file with the Clerk of the Board of Supervisors in
3 File No. 250520 and is incorporated herein by reference; and

4 WHEREAS, As described in the Term Sheet, the Permit will include the following key
5 terms and conditions:

6 (a) Term: Fifteen years with three five-year options (First two options are at GCFC
7 discretion; third option requires agreement by both GCFC and RPD). When
8 exercising each of the first two options, GCFC must fund or place into a separate
9 maintenance fund account \$1 million to cover life-cycle replacements and repairs
10 to Kezar Stadium.

11 (b) Permit Areas: Use of Kezar Stadium, Kezar Triangle and certain practice fields.

12 (c) Permitted Uses: Home games and practices of GCFC on dates and times to be
13 approved by RPD.

14 (d) Stadium Improvements of at least \$10 million:

- 15 • Renovate and Redo Turf: \$5.75 million (to be completed prior to first games);
- 16 • Install Improved Scoreboard & Sound: \$0.5 million;
- 17 • Improve Concession Area: \$0.25 million;
- 18 • ADA Compliance Amount to be determined based on investment in
19 compliance with ADA requirements;
- 20 • Total Improvements Estimate: \$10 million.

21 (e) Rent: Rent will include the following

- 22 • Games at Kezar: Fees for Commercial Teams of \$1,500 per game plus \$750
23 per hour;

- Percentage of Ticket Sales: RPD will not receive any percentage of ticket sales for the first ten years. After year ten, RPD will receive 10% of ticket sales to the extent the amount is greater than all other costs paid to RPD;
- Practices: Standard Park Code Fees;
- Tickets: 38 tickets to RPD for each home game, for RPD to distribute to the City's underserved community and for Department-specific uses. At least 30 tickets will be distributed to the City's underserved community.

(f) Reimbursement of Out-of-Pocket Expenses: GCFC shall reimburse RPD for all out-of-pocket expenses relating to GCFC's permitted use including staff overtime.

(g) Rent Credit: GCFC shall be entitled to receive credit against Rent for games at Kezar Stadium for the value of all Stadium improvements provided that RPD's total permit fees received for any fiscal year for Kezar Stadium are at least \$55,000.

WHEREAS, The market rent, in light of the terms and conditions of the Permit, and available and relevant data is less than \$45 per square foot, and the Permit Fee furthers the public purpose of providing needed capital improvements to Kezar Stadium and providing San Francisco residents the opportunity to watch professional soccer games in San Francisco; and

WHEREAS, On May 15, 2025, RPD presented the Term Sheet along with the foregoing information to the Recreation and Park Commission, which adopted Resolution No. 2505-007 finding that the Permit fees are appropriate, finding that reliance on competitive bidding procedures for the Permit would be impractical and/or impossible, and recommending that the Board of Supervisors authorize the RPD General Manager to issue a permit consistent with the Term Sheet; and

1 WHEREAS; The execution of the Permit requires approval of the Board of Supervisors
2 under Section 9.118(c) of the San Francisco Charter; and

3 WHEREAS, The Planning Department has determined that the actions contemplated in
4 this Resolution comply with the California Environmental Quality Act (California Public
5 Resources Code Sections 21000 et seq.); said determination is on file with the Clerk of the
6 Board of Supervisors in File No. 250520 and is incorporated herein by reference; the Board
7 affirms this determination; now, therefore, be it

8 RESOLVED, That the Board of Supervisors hereby authorizes the RPD General
9 Manager, or their designee, to take all appropriate actions on behalf of the City to execute,
10 enter into, and perform its obligations under the Permit with terms substantially similar to the
11 Term Sheet on file with the Clerk of the Board of Supervisors, and any other documents that
12 are necessary or advisable to the purpose of this Resolution and the Permit; and, be it

13 FURTHER RESOLVED, That the Permit Fee, taking into account the terms and
14 conditions of the Permit, is sufficient to meet the requirements of Administrative Code, Section
15 23.30; and be it

16 FURTHER RESOLVED, That the Permit serves a proper public purpose sufficient to
17 meet the requirements of Administrative Code, Section 23.33; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the RPD General
19 Manager, or their designee, to enter into any further modifications, additions and amendments
20 to the Permit, including to any of its exhibits, that the RPD General Manager determines, in
21 consultation with the City Attorney, are in the best interests of the City, do not materially
22 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
23 purposes of the Permit, and are in compliance with all applicable laws including the City's
24 Charter; and, be it

1 FURTHER RESOLVED, That the Recreation and Park Department shall provide a
2 copy of the Permit to the Clerk of the Board for inclusion into the official file within 30 days of
3 the Permit being fully executed by all parties.



Kezar and Practice Facility License Term Sheet May 15, 2025

Licensors: City of San Francisco, San Francisco Recreation and Parks Department
Licensee: FIL Partners LLC, owner of Golden City FC, an MLS Next Pro Soccer Team (“GCFC or Tenant”)

Term: 15 years with three 5-year options. First two options to renew will be solely at GCFC discretion; provided that GCFC has provided additional capital maintenance as described under Capital Maintenance below. For option three both parties must agree to renew.

Properties: **Kezar Stadium:** for home games and as described in the Kezar Stadium Usage section
Kezar Triangle and Arguello Hub: Available to GCFC for all games to host match-day events
Boxer Stadium and Other RPD Athletic Fields: May be used for practices pending availability and subject to regular permit policies.

Improvements to be made by Licensee: (50% made prior to 1st game and remainder over following 2 years) subject to Permit Fees credit described below for renovations to Kezar Stadium only.

Kezar Stadium Improvements Estimated Costs:

Renovate and Redo Turf	\$5.75m (to be completed prior to first games)
Improve Seating and Press Box	\$2.5m
Install Improved Scoreboard & Sound	\$0.5m
Improve Concession Area	\$0.25m
ADA Compliance	Amount to be determined based on investment in compliance with ADA requirements
Total improvements estimated to be:	\$10 m

The Department may agree to allow GCFC to do other capital improvements for Kezar Stadium and may include them in the defined Kezar Stadium Improvements (for purposes of rent credits). The details of all improvements to Kezar Stadium must be approved in writing by the Department and shall become property of the Department upon the expiration or termination of the Permit. GCFC shall be responsible for the cost of any ADA upgrades triggered by their desired or necessary improvements to Kezar Stadium.

GCFC shall be responsible for the cost of maintaining and repairing any improvements that they install.

This agreement may be terminated by the Department if

- The 1st game is not played at Kezar Stadium by the end of September 2027 with 50% of required improvements completed as that date.
- The remaining required improvements are not completed within 2 years following the 1st game or September 1, 2029, whichever is later.

Capital Maintenance: Over the life of this lease Kezar Stadium will require additional funds for capital maintenance. Prior to the exercise of each five year option, GCFC shall fund or place into a separate maintenance fund account \$1 million to cover life-cycle replacements or repairs.



Kezar Stadium Usage:

Game Use: GCFC shall have the right to use Kezar Stadium for home league and non-league soccer matches. The total number of regular season league matches is expected to be 15 per year (but subject to increase if MLS Next Pro increases total games). There may be additional regular season league matches and non-league matches, but in no event more than 20 GCFC matches per year without approval of the General Manager (excluding playoff matches if GCFC qualifies for playoffs). The schedule of matches will be coordinated between the Department and GCFC, who will coordinate with MLS Next Pro to accommodate the Existing Uses.

Existing Uses to be accommodated shall be the following. Final determination of schedules will be made by RPD.

- High School and Middle School track meets in the spring in similar numbers and dates to those played in the past two years.
- High School and Middle School track practices.
- RPD Summer Camps which use a portion of the field in the summer for their activities.
- Public access to run the track except that on game days access will be restricted.
- High School Football games in the fall for Mission High School, SHCP, the Bruce Mahoney Game and the Turkey Bowl subject to the below Football Game Scheduling Provisions
- RPD may continue to permit high school soccer games and playoff games if they do not interfere with GCFC's games and in accordance with normal restrictions on field wear.

Football Game Scheduling Provisions: MLS does not allow football lines to appear on the field during soccer games. As a result, the Department will work with GCFC and the football teams to identify at least two blocks each year when the field can be lined and used for the following games:

- Mission High school – up to 3 regular season games
- SHCP – up to 3 regular season games
- The annual Bruce Mahoney game
- Possible Playoff games for either team in November or possible preseason games in September
- The Turkey Bowl game

In order to allow schedules to be developed, by November 15 of each year GCFC shall notify RPD of available weekends for football play who will in turn notify the high schools. By Jan 15, schools will notify RPD of the proposed game schedule to be mutually agreed upon between RPD, Mission, SHCP, SI (when hosting Mahoney), and GCFC. Because of the time needed to rehabilitate the field and remove football lines, the blocks shall include:

- 3 weekends of play starting in the last weekend of September through the first weekend of November (based on season start and end weeks). These weekends will be back-to-back.
- 1 weekend of play to accommodate possible playoff games (if possible) or 1 weekend of play in September to accommodate preseason games. Both schools must use the same option.
- Thanksgiving Day for the Turkey bowl

GCFC will cover all additional costs required for maintenance of field due to increased use and need to remove and add football lines.

Use of Kezar Stadium - Field Maintenance and Community Impact

The Department and GCFC will work together to manage use of Kezar Stadium for other purposes to prevent undue wear and tear; to ensure proper field maintenance and rest; and to limit impacts on the neighboring community.

1. **Usage:** Use of Kezar for games more than 2 or 3 times for games in a calendar week (depending on the type of use and season) will be limited and consistent with historic practices for Kezar with respect to total usage.
2. **Ensure Maintenance Rest:** Kezar field shall be closed for rest and reseeding as needed to maintain the field.
3. **Use for Practices:** No team or group (including GCFC) will be able to use Kezar for basic team practices, except that GCFC will be allowed to have light practice the day before any GCFC Kezar match in coordination with RPD maintenance.



Use of Kezar Stadium - Competing Sports Events

GCFC is making a significant investment into improving Kezar Stadium and wants to ensure that its brand is protected within use of the field.

- **Non-soccer:** Use of Kezar as a Home Field by a professional non-soccer sports team shall require the consent of GCFC.
 - Home field shall mean the designated field where a professional non-soccer sports team plays more than 3 times a year.
- **RPD Initiated Soccer:** RPD may initiate the use of Kezar for adult soccer teams provided that for any team the use shall be limited to one-time per team within any last twelve month ("LTM") period
- **Soccer Matches:** GCFC shall have the following rights with respect to any ticketed soccer matches
 - Right to manage and control all food concessions with split to be negotiated with user
 - Right to manage stadium operations to ensure that installations are used appropriately
 - Right to Co-Brand with RPD
 - RPD and GCFC will share profits 50/50 after payment of RPD's standard permit fee

Locker Rooms:

- GCFC shall have the right to use the locker rooms in Kezar Pavilion for up to 6 hours before and 3 hours after each game provided that Kezar Pavilion will not be available during its renovation and access may be limited due to Kezar Pavilion use for high school basketball.
- Prior to the completion of the renovation of Kezar Pavilion, RPD will make reasonable efforts to provide GCFC with space to place mobile locker rooms at no expense to GCFC for use of the space in the area surrounding Kezar. Available space is limited. GCFC will have access to a room for referees before, after and during games.

Concessions: GCFC shall have the right to have concessions that will offer food, merchandise and alcohol to attendees similar to other sporting venues. Any sale of alcohol shall be subject to approval by the San Francisco Police Department in accordance with standard requirements.

GCFC may rent Kezar Triangle and the Arguello Hub on game days provided that at all times access will remain open to the Department's maintenance facility. They may be used for concessions and festivities.

Annual Operating Plan: At least sixty (60) days before the commencement of Permittee's regular season, Permittee shall submit to the General Manager an Annual Operating Plan for review and approval. The Operating Plan shall enumerate in detail the Permittee's Transportation Plan and Security Plan and plans to ensure that the Kezar track is protected.

Transportation Plan Permittee shall submit a comprehensive Transportation Plan to the Department for review and approval. The Transportation Plan shall encourage public and alternative transportation options and shall be included in all home league match publicity. At the request of the Department, Permittee shall be required to modify the Transportation Plan.

Arrangements for Traffic and Safety: Permittee shall make all necessary arrangements with the San Francisco Police Department, Department of Parking and Traffic, San Francisco Municipal Transit Authority, and San Francisco Fire Department to ensure that all home league matches are conducted in a safe, orderly, and organized manner.



Amplified Sound: The use of amplified sound during games for play-by-play announcement is strictly prohibited. Permittee shall not install any sound system without consultation with neighboring communities and written approval by the Department.

Boxer and Other City Field Usages

On a rotating basis, certain designated soccer pitches will be made available for GCFC team practices per the normal permitting process and fees. All fees will be subject to the Credit Against Certain Fees below. Generally, team practices shall be held on weekdays and will end prior to 3:00 PM each day in order to ensure that the practices are during times when the Department has excess capacity, and existing users will not be displaced.

Permit Fees:

Home League Matches: For *each* home league match approved by the Department, Permittee shall pay the following Permit Fees which are subject to annual CPI adjustments in accordance with rates set by the Controller under Section 12.20 of the Park Code. The below amounts are subject to the Credit Against Certain Fees section below:

- | | |
|-----------------------------|---------|
| 1. Kezar Fixed Event Fee | \$1,500 |
| 2. Kezar Hourly Event Fee | \$750 |
| 3. Kezar Triangle Event Fee | \$750 |

Percentage of Ticket Sales: The Department will not receive any percentage of ticket sales for the first ten years. After year ten, the Department will receive 10% of ticket sales to the extent the amount is greater than all other costs paid to the Department. This permit fee is subject to the Credit Against Certain Fees section below.

Tickets: As part of the required Permit Fees, GCFC will also provide 38 tickets to the Department for each home game, for the Department to distribute to the City's underserved community and for Department-specific uses. At least 30 tickets will be distributed to the City's underserved community.

Annual Minimum Permit Revenue: GCFC will ensure that RPD's total permit fees received for any fiscal year are at least \$55,000 (subject to CPI increases) (the "Minimum Permit Revenue"). By June 1 of each year, the Department will notify GCFC if permit revenue received from others will be less than the Minimum Permit Revenue. Any difference owed will be payable annually by June 15 by GCFC.

Practice Fields: Permittee shall pay fees for practice fields in accordance with rates set forth by the San Francisco Park Code. The current fees are set forth on the Department's website. These fees are subject to the Credit Against Certain Fees section below.

Reimbursement for Costs: Permittee shall regularly reimburse Department for all costs reasonably incurred by City for home league matches, including without limitation, cost of Park Ranger security, grounds preparation, facility operation, and repairs. Likely additional staffing fees include the following:

Kezar Park Ranger	8 staff for 4 hours
Kezar Electrician	1 person for 4 hours
Kezar Grounds Crew	2 staff for 4-6 hours
Kezar Event Manager	1 staff for 8 hours
Kezar Facility Staff	1 staff for 12 hours
Kezar Custodial	Varies based on attendance but a minimum of 2 for 4 hours
Kezar Custodial - post game	6 staff for 4 hours or possibly arrange for your own custodial



In addition, Permittee shall be required to reimburse other City departments with regulatory of permitting authority including without limitation, San Francisco Police Department, Department of Parking and Traffic, and the San Francisco Fire Department. Those agencies have separate permit fees and must be paid by GCFC.

Additional Resources for Field Maintenance: Permittee and the Department shall annually agree to Permittee providing additional resources for field maintenance including equipment, seed and gardening staff due to the increased usage by GCFC.

Credit Against Certain Fees: Permittee shall be entitled to receive credit against certain Permit Fees in an amount equal to properly documented and approved costs of Kezar Stadium Improvements; provided that the Annual Minimum Permit Revenue, any Reimbursements for Costs and any Additional Resources for Field Maintenance shall not be subject to offset.

Additional Community Benefits:

GCFC shall regularly provide both free and discounted tickets to both the general Bay Area community and to the soccer community as part of its mission to bring the world's most inclusive sport to the world's most inclusive city.

Other Items:

Limitations on Signage: Permittee shall not display any signs or advertisements without the prior consent of the General Manager, in his sole discretion. All signage must comply with San Francisco Park Code Section 3.07(b)(3). The Department will use its best efforts to allow installation of signage at Kezar that says Kezar Stadium, Home of the Golden City Football Club.

Ongoing Fan Experience Review: Permittee and RPD shall together periodically review the fan experience with an objective to continually improve it, provided that RPD shall not be required to incur any additional expenses.



Daniel Lurie, Mayor

Kat Anderson, Commission President
Philip A. Ginsburg, General Manager

Draft 5 8 pm

Date: May 17, 2025

To: Recreation and Park Commission

Through: Phil A. Ginsburg, General Manager

From: Dana Ketcham, Director of Property Management and Permits and Reservation

Subject: Kezar Stadium – Long-Term Permit to Enter and Use Property

Agenda Item Wording

Discussion and possible action to (1) recommend that the Board of Supervisors approve a permit to FIL Partners, LLC, substantially in the form of the term sheet dated May 15, 2025, for an initial term of 15 years with three 5-year options, so that the Golden City Football Club can use Kezar Stadium for its home games; and (2) find that the permit will serve a public purpose. Approval of this proposed action by the Commission is the Approval Action as defined by S.F. Administrative Code Chapter 31.”

Background

Historic Kezar Stadium: Kezar Stadium was built in the 1920’s following a gift of the land from Mary Kezar for a cost of \$300,000. Historically, Kezar was the home of many teams. In its early years it hosted track and field competitions, motorcycle racing, auto racing, rugby, lacrosse, soccer, baseball, boxing, cricket, and football. Local colleges like USF and Stanford, as well as San Francisco Polytechnic High School, also used the stadium for games. In 1926 the stadium also became the home of the East-West Shrine Game. Since the 1920’s it has been the home of the two biggest high school football games each year, the SFUSD Championship Football Game (the “Turkey Game”) and the St. Ignatius versus Sacred Heart Cathedral Prep Game (the “Bruce Mahoney Game”).

Kezar Stadium was the founding home field for the San Francisco 49ers who played there from 1946 to 1970. It was also the location of the first home games of the Oakland Raiders. The 1970 NFC Championship Game was the last professional football game ever played at Kezar Stadium. After that final game, the 49ers moved across the City to the Department’s more modern Candlestick Park where they played for 43 years (1971-2013) before moving, again, to Santa Clara. Following the departure of the 49ers in 1970, Kezar Stadium was used for a series of concerts in the 1970’s but also fell into disrepair.

New Kezar Stadium: In 1987, the voters passed Proposition D which paved the way for the destruction of the original Kezar Stadium and subsequent replacement with the new Kezar Stadium for a cost of \$6 million. The original Kezar Stadium was demolished in 1989 and the new stadium completed in 1991. Among other things, the new stadium reduced the number of seats from 60,000 to a potential capacity of 15,000, the track was enlarged, and the stadium was built into the ground.



1991 – Present Day Kezar Stadium Use: Since 1991, Kezar Stadium has been used primarily for games for school teams and school track meets. However, it has been used over the years by a variety of colleges and semi-professional and professional teams including:

- San Francisco Bay Area Seals (soccer) (1998-1999)
- San Francisco Freedom (cricket) (2004)
- San Francisco Dragons (lacrosse) (2006-2007)
- California Victory (soccer) (2007)
- San Francisco Stompers FC (soccer) 2012, 2014
- San Francisco Dogfish (ultimate) (2013)
- Bay Area Breeze (women's soccer) (2013)
- Stanford Red and White Game (2010-2012)
- College Lacrosse Showcase (2010-2013)
- San Jose Earthquakes (soccer) (2010, 2012, 2013, 2014)
- Club America Soccer (2011)
- Manchester City (soccer) (2011)
- NCAA Battle of the Bay Lacrosse (2012, 2013)
- Next Gen Ultimate Tour (2012, 2013)
- SF Nighthawks (women's soccer) (2010-Present)
- SF City Soccer (2015-Present-also using Boxer)
- El Farolito SC (2019-Present-also using Boxer)
- Sueno Aliznza National Showcase (2012)
- San Francisco Deltas (2017)

San Francisco Deltas (2017): In 2017 the Commission approved a 5-year permit to the San Francisco Deltas, North American Soccer League professional soccer team (the “Deltas”) for a period of up to 5 years to hold between 15 and 20 games. As part of the permit, the Delta’s did a number of improvements to the stadium including new field lighting, new seating to replace wooden benches, ADA platform additions, internet fiber installation, and cosmetic facelifts to the locker room facilities. The Commission authorized the Delta’s to sell alcohol at their games which was the first time that alcohol was allowed. Since that time the Department has continued to allow alcohol sales at Kezar events. The Deltas held their inaugural season and developed protocols for traffic management, public safety and clean up. They had a very successful season in terms of community impact and filled the stadium for the final playoff game on November 17, 2017. Unfortunately, the Deltas ceased operations shortly after their inaugural season. Since then, the Department has continued to seek a professional team to make Kezar its home.

Proposed Major League Soccer Next Pro Soccer Team

Background on MLS Next Pro: MLS Next Pro is a professional men’s soccer league in the United States and Canada that is the second tier of Major League Soccer (MLS). The league launched in 2022 with 21 teams and has grown to 29 teams playing in 2026 and 4 additional teams announced. The teams are divided into Eastern and Western conferences and their season runs from spring to fall, starting in March. MLS Next Pro is led by Charles Altchek, a long-time MLS executive.



FIL Partners and GCFC: In late 2023, FIL Partners approached the Department about the possible use of Kezar Stadium for a new franchise team based in San Francisco. Concurrently they met with MLS Next Pro to learn league requirements (one of which was to identify a venue for home games) and other MLS Next Pro ownership groups to understand potential challenges. They also met with experts to identify needs to renovate Kezar to improve player and fan experiences.

FIL Partners has received support for the approval from MLS Next Pro to field a team in San Francisco if it has a suitable stadium. Kezar Stadium meets those needs. FIL Partners is led by Geoff Oltmans and Marc Rohrer, both who are long-time San Francisco residents. The team will be called Golden City FC (GCFC). The Department has held a series of meetings with Mr. Oltmans and Mr. Rohrer. The ownership group has indicated the team's desire and commitment to make up front improvements to the Stadium to enhance the fan and player experience. FIL will fund and implement these improvements in exchange for rent credits. The Department participated in these discussions without first soliciting competitive bids as the league's eligibility requirements for a soccer club to operate made the competitive bid process impractical or impossible in this instance.

Overview of Agreement with Golden City FC

Game Days: GCFC seeks to use Kezar Stadium for their home games beginning in 2026 or 2027. These proposed home games would be played from March to October. However, there is a likelihood that the league will shift to the international soccer season calendar from August to May at some point. Across its regular season, GCFC anticipates 15 home games will be played at Kezar, with additional preseason and playoff games (if they qualify). There may also be non-league matches. Per the terms of the proposed Permit, in no event shall Kezar Stadium be used for more than 20 games per season (excluding playoff games) without the approval of the General Manager. Should MLS Next Pro decide to increase the total games in a season, Golden City FC will also accordingly increase the number of home games.

The majority of games are expected to be played on Saturdays or Sundays, but weeknight games are also possible. Games will be either in the evenings (no later than a 7:00 p.m. start) or in the afternoons. Soccer games are 90 minutes (two 45 minute halves) with a 15 minute half-time. There is no overtime except during playoffs.

During the games Golden City FC proposes to have concessions that will offer food, merchandise and alcohol to attendees similar to other sporting venues. In addition, Golden City FC intends to rent Arguello Stub and Kezar Triangle for pregame festivities. The operation will be similar to the Deltas.

Term: The term of the agreement is for an initial 15 years with GCFC having the option to renew for two additional 5-year terms provided that GCFC has funded or placed into a separate maintenance fund account \$1 million to cover life-cycle replacements or repairs. In addition, there is a third 5-year renewal option if agreed to by both parties.

Initial Investment: Golden City FC is committing to investing a minimum of \$10 million (50% made prior to 1st game and remainder over following 2 years) subject to Permit Fees credit described below for renovations to Kezar Stadium..

Kezar Stadium Improvements Estimated Costs:

Renovate and Redo Turf	\$5.75m
------------------------	---------



Improve Seating and Press Box	\$2.5m
Install Improved Scoreboard & Sound	\$0.5m
Improve Concession Area	\$0.25m
ADA Compliance	Amount to be determined based on investment in compliance with ADA requirements
Total improvements estimated to be:	\$10 million

The Department may agree to other capital improvements made by GCFC for Kezar Stadium and may include them in the Kezar stadium improvements (for purposes of rent credits). The details of all improvements to Kezar Stadium must be approved in writing by the Department and shall become property of the Department upon the expiration or termination of the Permit. GCFC shall be responsible for the cost of any ADA upgrades triggered by their desired or necessary improvements to Kezar Stadium.

GCFC shall be responsible for the cost of maintaining and repairing any improvements that they install.

Capital Maintenance: Over the life of this permit, Kezar Stadium will require additional funds for capital maintenance. Prior to the exercise of each five-year option, GCFC shall have funded or placed into a separate maintenance fund account of at least \$ 1 million to cover life-cycle replacements or repairs.

Football Game Scheduling Provisions: When initially presented with this proposal, the Department informed GCFC that a long-term permit could be issued only if it ensured that their games would not displace the use of Kezar by our existing youth and school teams.

MLS Next Pro does not allow football lines to appear on the field during soccer games. As a result, the Department will work with GCFC and the SFUSD and Sacred Heart Cathedral (SHC) football teams to identify at least two blocks each year when the field can be lined and used for the following games:

- Mission High school – up to 3 home league matches
- SHC – up to 3 home league matches
- The annual Bruce Mahoney game
- Possible Playoff games for either team in November or possible preseason games in September
- The Turkey Bowl game

To allow schedules to be developed, by November 15 of each year GCFC shall notify RPD of available weekends for football play who will in turn notify the high schools. By Jan 15, schools will notify RPD of the proposed game schedule to be mutually agreed upon between RPD, Mission, SHCP, SI (when hosting Mahoney), and GCFC.

Because of the time needed to rehabilitate the field and remove football lines, the blocks shall include:

- 3 weekends of play starting in the last weekend of September through the first weekend of November (based on season start and end weeks). These weekends will be back-to-back.
- 1 weekend of play to accommodate possible playoff games (if possible) or 1 weekend of play in September to accommodate preseason games. Both schools must use the same option.
- Thanksgiving Day for the Turkey bowl.



The Department has discussed with the representatives of the SFUSD, Sacred Heart Cathedral and St. Ignatius. to review possible schedules. They are very excited about the improvements to the field and are comfortable with the proposal in regards to scheduling.

Practices: Golden City FC also desire to utilize certain designated soccer pitches on a rotating basis for practices. It is important to note that the team's contemplated practice schedule is set to occur during off-peak hours (weekdays before 2:30 p.m.) and will not interfere with or disrupt any current users of the fields.

Use of Kezar Stadium- Field Maintenance and Community Impact

The Department and GCFC will work together to manage use of Kezar Stadium for other purposes to prevent undue wear and tear; to ensure proper field maintenance and rest; and to limit impacts on the neighboring community.

- Usage: Use of Kezar for games more than two or three times for games in a calendar week (depending on the type of use and season) will be limited and consistent with historic practices for Kezar with respect to total usage.
- Ensure Maintenance Rest: Kezar field shall be closed for rest and reseeding as needed to maintain the field.
- Use for Practices: No team or group (including GCFC) will be able to use Kezar for basic team practices, except that GCFC will be allowed to have light practice the day before any GCFC Kezar match in coordination with RPD maintenance.

Use of Kezar Stadium- Competing Sports Events

GCFC is making a significant investment in improving Kezar Stadium and wants to ensure that its brand is protected within use of the field.

- Non-soccer: Use of Kezar as a Home Field by a professional non-soccer sports team shall require the consent of GCFC. Home field shall mean the designated field where a professional non-soccer sports team plays more than 3 times a year.
- RPD Initiated Soccer: RPD may initiate the use of Kezar for adult soccer teams provided that for any team the use shall be limited to one-time per team within any last twelve month ("LTM") period.
- Soccer Matches: GCFC shall have the following rights with respect to any ticketed soccer matches
 - Right to manage and control all food concessions with split to be negotiated with user.
 - Right to manage stadium operations to ensure that installations are used appropriately
 - Right to Co-Brand with RPD
 - RPD and GCFC will share profits 50/50 after payment of RPD's standard permit fee

Locker Rooms:

GCFC shall have the right to use the locker rooms in Kezar Pavilion for up to six hours before and three hours after each game provided that Kezar Pavilion will not be available during its renovation and access may be limited due to Kezar Pavilion use for high school basketball. Prior to the completion of the renovation of Kezar Pavilion, RPD will make reasonable efforts to provide GCFC with space to place mobile locker rooms at no expense to GCFC for use of the space in the area surrounding Kezar. Available space is limited. GCFC will have access to a room for referees before, after and during games.



Proposed Permit – Terms and Conditions

Permittee	Golden City Football club, dba GCFC, a FIL Partners, LLC
Term	Fifteen (15) years
Extension Term	Three 5-year options (First two options at GCFC discretion, third option both GCFC and the Department must agree)
Permit Areas	<ol style="list-style-type: none">1. Kezar Stadium including locker rooms in Kezar Pavilion2. Kezar Triangle3. Certain Designated Soccer Pitches for use as practice fields4. Certain areas around Kezar stadium to provide temporary locker rooms and for storage of game day equipment
Permitted Uses	<p><u>Home League Matches</u> Subject to the approval of the Department each year, Kezar Stadium shall be made available to Permittee for <i>home league matches</i>. In no event shall Kezar Stadium be used for team practices except pregame walk arounds.</p> <p><u>Team Practices</u> On a rotating basis, certain designated soccer pitches will be made available for team practices. At all times, team practices shall be held on weekdays and will end prior to 2:30PM each day.</p> <p><u>Locker Room Space</u> Certain designated space around Kezar Stadium shall be made available if possible for use as a locker room and for storage of game day equipment.</p>
Stadium Improvements	Prior to the start of Permittee’s inaugural season in 2026 or 2027, Permittee shall be required to make at least 50% of requirement improvements with the remainder made within the next 2 years. Permittee shall not perform any improvements without first obtaining the written consent of the Department’s General Manager.
Ownership of Improvements	All improvements to Kezar Stadium shall become property of the Department upon the expiration or termination of the Permit.
Annual Operating Plan	At least sixty (60) days before the commencement of Permittee’s regular season, Permittee shall submit to the General Manager an Annual Operating Plan for review and approval. The Operating Plan shall enumerate in detail the Permittee’s Transportation Plan and Security Plan.
Transportation Plan	Permittee shall submit a comprehensive Transportation Plan to the Department for review and approval. The Transportation Plan shall encourage public and alternative transportation options and shall be included in all home league match



	publicity. At the request of the Department, Permittee shall be required to modify the Transportation Plan.						
Arrangements for Traffic and Safety	Permittee shall make all necessary arrangements with the San Francisco Police Department, Department of Parking and Traffic, San Francisco Municipal Transit Authority, and San Francisco Fire Department to ensure that all home league matches are conducted in a safe, orderly, and organized manner.						
Amplified Sound	The use of amplified sound during games for play-by-play announcement is strictly prohibited.						
Food and Beverage Sales	Permittee shall be entitled to operate concessions at Kezar Stadium for the sale of food and beverage usually sold at sporting events. At all times, Permittee shall conduct concession operations in compliance with all applicable rules and regulations.						
Restrictions on Alcohol Sales	The sale of alcoholic beverages must end eighty (80) minutes after the start of a match. The sale of beer and wine may be available generally in the Stadium. The sale of spirits may be available only in designated ticketed areas, and the consumption of spirits shall be strictly limited to such designated ticketed areas. Permittee shall coordinate with the Department and SFPD to develop a comprehensive Alcohol Monitoring Plan, which plan can be revised at the request of the Department. The Monitoring Plan, location, price, conditions of any and all alcohol sales must be approved in advance in writing by the General Manager.						
Permit Fees	<p><u>Events - Home League Matches</u> For <i>each</i> match approved by the Department, Permittee shall pay the following fees which are subject to annual CPI adjustments:</p> <table> <tr> <td>1. Kezar Fixed Event Fee</td><td>\$1,500</td></tr> <tr> <td>2. Kezar Hourly Event Fee</td><td>\$750</td></tr> <tr> <td>3. Kezar Triangle Event Fee</td><td>\$750</td></tr> </table> <p><u>Practice Fields</u> Permittee shall pay fees for practice fields in accordance with rates set forth by the San Francisco Park Code.</p> <p><u>Tickets</u>: As part of the required Permit Fees, GCFC will also provide 38 tickets to the Department for each home game, for the Department to distribute to the City's underserved community and for Department-specific uses. At least 30 tickets will be distributed to the City's underserved community.</p>	1. Kezar Fixed Event Fee	\$1,500	2. Kezar Hourly Event Fee	\$750	3. Kezar Triangle Event Fee	\$750
1. Kezar Fixed Event Fee	\$1,500						
2. Kezar Hourly Event Fee	\$750						
3. Kezar Triangle Event Fee	\$750						
Percentage of Ticket Sales	The Department will not receive any percentage of ticket sales for the first 10 years. After year ten, the Department will receive 10% of ticket sales to the extent the amount is greater than all other costs paid to the Department. This permit fee is subject to the Credit Against Certain Fees section below.						



Credit Against Certain Fees	Permittee shall be entitled to receive credit against fees for matches, practices and percentage of ticket sales in an amount equal to properly documented and approved costs of Kezar Stadium Improvements; provided that the Annual Minimum Permit Revenue (described below), any Reimbursements for Costs and any Additional Resources for Field Maintenance shall not be subject to offset.
Annual Minimum Permit Revenue	GCFC will ensure that the Department's total permits fees received for any fiscal year are at least \$55,000 (subject to CPI increases) ("Minimum Permit Revenue"). By June 1 of each year, the Department will notify GCFC if permit revenue received from others will be less than the Minimum Permit Revenue. Any difference owed will be payable annually by June 15 to the Department by GCFC.
Additional Resources for Field Maintenance	Permittee and the Department shall annually agree to Permittee providing additional resources for field maintenance including equipment, seed and gardening staff due to the increased usage by GCFC.
Limitations on Signage	Permittee shall not display any signs or advertisements without the prior written consent of the General Manager, in his sole discretion. All signage must comply with San Francisco Park Code Section 3.07(b)(3). The Department will use its best efforts to allow installation of signage at Kezar says, "Kezar Stadium, Home of the Golden City Football Club".

Reasons for the Department's Support

The Department supports this proposal as it provides the residents of San Francisco the chance to attend a top-quality soccer game in the City. GCFC will also provide much-needed improvements to Kezar Stadium, including a complete refurbishment of the grass, drainage and irrigation; a new sound system and a new scoreboard. The wooden stands at Kezar Stadium are rotting in many places and will be improved, as well as additional ADA improvements. The final list of improvements and the design of those improvements would still need to be approved by the General Manager and would need to undergo any required regulatory approvals. Finally, the permit enables continuing use of Kezar stadium by school groups and the public. The Department staff believes that it meets a public purpose.

The Department recognizes the length of the agreement is essential for GCFC to ensure they have a stadium and to obtain the needed capital investment. The Department believes that there are adequate safeguards in place to ensure that Kezar will remain open for public use and that there will be adequate protection against undue neighborhood impact.



Community Outreach and Concerns

GCFC has begun meeting with community groups and will continue to meet with them as they develop plans for stadium operations. It is anticipated that the stadium plans will be at least as robust as the Deltas.

Staff Recommendation:

Department staff recommend that the Commission authorize (1) the Department to enter into the permit with FIL Partners LLC (GCFC) and find that the permit will serve a public purpose.

Attachments:

Exhibit A – Term Sheet



Exhibit A

Kezar and Practice Facility License Term Sheet May 15, 2025

Licensor: City of San Francisco, San Francisco Recreation and Parks Department
Licensee: FIL Partners LLC, owner of Golden City FC, an MLS Next Pro Soccer Team ("GCFC or Tenant")

Term: 15 years with three 5-year options. First two options to renew will be solely at GCFC discretion; provided that GCFC has provided additional capital maintenance as described under Capital Maintenance below. For option three both parties must agree to renew.

Properties: **Kezar Stadium:** for home games and as described in the Kezar Stadium Usage section
Kezar Triangle and Arguello Hub: Available to GCFC for all games to host match-day events
Boxer Stadium and Other RPD Athletic Fields: May be used for practices pending availability and subject to regular permit policies.

Improvements to be made by Licensee: (50% made prior to 1st game and remainder over following 2 years) subject to Permit Fees credit described below for renovations to Kezar Stadium only.

Kezar Stadium Improvements Estimated Costs:

Renovate and Redo Turf	\$5.75m (to be completed prior to first games)
Improve Seating and Press Box	\$2.5m
Install Improved Scoreboard & Sound	\$0.5m
Improve Concession Area	\$0.25m
ADA Compliance	Amount to be determined based on investment in compliance with ADA requirements
Total improvements estimated to be:	\$10 m

The Department may agree to allow GCFC to do other capital improvements for Kezar Stadium and may include them in the defined Kezar Stadium Improvements (for purposes of rent credits). The details of all improvements to Kezar Stadium must be approved in writing by the Department and shall become property of the Department upon the expiration or termination of the Permit. GCFC shall be responsible for the cost of any ADA upgrades triggered by their desired or necessary improvements to Kezar Stadium.

GCFC shall be responsible for the cost of maintaining and repairing any improvements that they install.

This agreement may be terminated by the Department if

- The 1st game is not played at Kezar Stadium by the end of September 2027 with 50% of required improvements completed as that date.
- The remaining required improvements are not completed within 2 years following the 1st game or September 1, 2029, whichever is later.

Capital Maintenance: Over the life of this lease Kezar Stadium will require additional funds for capital maintenance. Prior to the exercise of each five year option, GCFC shall fund or place into a separate maintenance fund account \$1 million to cover life-cycle replacements or repairs.



Kezar Stadium Usage:

Game Use: GCFC shall have the right to use Kezar Stadium for home league and non-league soccer matches. The total number of regular season league matches is expected to be 15 per year (but subject to increase if MLS Next Pro increases total games). There may be additional regular season league matches and non-league matches, but in no event more than 20 GCFC matches per year without approval of the General Manager (excluding playoff matches if GCFC qualifies for playoffs). The schedule of matches will be coordinated between the Department and GCFC, who will coordinate with MLS Next Pro to accommodate the Existing Uses.

Existing Uses to be accommodated shall be the following. Final determination of schedules will be made by RPD.

- High School and Middle School track meets in the spring in similar numbers and dates to those played in the past two years.
- High School and Middle School track practices.
- RPD Summer Camps which use a portion of the field in the summer for their activities.
- Public access to run the track except that on game days access will be restricted.
- High School Football games in the fall for Mission High School, SHCP, the Bruce Mahoney Game and the Turkey Bowl subject to the below Football Game Scheduling Provisions
- RPD may continue to permit high school soccer games and playoff games if they do not interfere with GCFC's games and in accordance with normal restrictions on field wear.

Football Game Scheduling Provisions: MLS does not allow football lines to appear on the field during soccer games. As a result, the Department will work with GCFC and the football teams to identify at least two blocks each year when the field can be lined and used for the following games:

- Mission High school – up to 3 regular season games
- SHCP – up to 3 regular season games
- The annual Bruce Mahoney game
- Possible Playoff games for either team in November or possible preseason games in September
- The Turkey Bowl game

In order to allow schedules to be developed, by November 15 of each year GCFC shall notify RPD of available weekends for football play who will in turn notify the high schools. By Jan 15, schools will notify RPD of the proposed game schedule to be mutually agreed upon between RPD, Mission, SHCP, SI (when hosting Mahoney), and GCFC.

Because of the time needed to rehabilitate the field and remove football lines, the blocks shall include:

- 3 weekends of play starting in the last weekend of September though the first weekend of November (based on season start and end weeks). These weekends will be back-to-back.
- 1 weekend of play to accommodate possible playoff games (if possible) or 1 weekend of play in September to accommodate preseason games. Both schools must use the same option.
- Thanksgiving Day for the Turkey bowl

GCFC will cover all additional costs required for maintenance of field due to increased use and need to remove and add football lines.

Use of Kezar Stadium - Field Maintenance and Community Impact



The Department and GCFC will work together to manage use of Kezar Stadium for other purposes to prevent undue wear and tear; to ensure proper field maintenance and rest; and to limit impacts on the neighboring community.

1. **Usage:** Use of Kezar for games more than 2 or 3 times for games in a calendar week (depending on the type of use and season) will be limited and consistent with historic practices for Kezar with respect to total usage.
2. **Ensure Maintenance Rest:** Kezar field shall be closed for rest and reseeding as needed to maintain the field.
3. **Use for Practices:** No team or group (including GCFC) will be able to use Kezar for basic team practices, except that GCFC will be allowed to have light practice the day before any GCFC Kezar match in coordination with RPD maintenance.

Use of Kezar Stadium - Competing Sports Events

GCFC is making a significant investment into improving Kezar Stadium and wants to ensure that its brand is protected within use of the field.

- **Non-soccer:** Use of Kezar as a Home Field by a professional non-soccer sports team shall require the consent of GCFC.
 - Home field shall mean the designated field where a professional non-soccer sports team plays more than 3 times a year.
- **RPD Initiated Soccer:** RPD may initiate the use of Kezar for adult soccer teams provided that for any team the use shall be limited to one-time per team within any last twelve month ("LTM") period
- **Soccer Matches:** GCFC shall have the following rights with respect to any ticketed soccer matches
 - Right to manage and control all food concessions with split to be negotiated with user
 - Right to manage stadium operations to ensure that installations are used appropriately
 - Right to Co-Brand with RPD
 - RPD and GCFC will share profits 50/50 after payment of RPD's standard permit fee

Locker Rooms:

- GCFC shall have the right to use the locker rooms in Kezar Pavilion for up to 6 hours before and 3 hours after each game provided that Kezar Pavilion will not be available during its renovation and access may be limited due to Kezar Pavilion use for high school basketball.
- Prior to the completion of the renovation of Kezar Pavilion, RPD will make reasonable efforts to provide GCFC with space to place mobile locker rooms at no expense to GCFC for use of the space in the area surrounding Kezar. Available space is limited. GCFC will have access to a room for referees before, after and during games.

Concessions: GCFC shall have the right to have concessions that will offer food, merchandise and alcohol to attendees similar to other sporting venues. Any sale of alcohol shall be subject to approval by the San Francisco Police Department in accordance with standard requirements.



GCFC may rent Kezar Triangle and the Arguello Hub on game days provided that at all times access will remain open to the Department's maintenance facility. They may be used for concessions and festivities.

Annual Operating Plan: At least sixty (60) days before the commencement of Permittee's regular season, Permittee shall submit to the General Manager an Annual Operating Plan for review and approval. The Operating Plan shall enumerate in detail the Permittee's Transportation Plan and Security Plan and plans to ensure that the Kezar track is protected.

Transportation Plan Permittee shall submit a comprehensive Transportation Plan to the Department for review and approval. The Transportation Plan shall encourage public and alternative transportation options and shall be included in all home league match publicity. At the request of the Department, Permittee shall be required to modify the Transportation Plan.

Arrangements for Traffic and Safety: Permittee shall make all necessary arrangements with the San Francisco Police Department, Department of Parking and Traffic, San Francisco Municipal Transit Authority, and San Francisco Fire Department to ensure that all home league matches are conducted in a safe, orderly, and organized manner.

Amplified Sound: The use of amplified sound during games for play-by-play announcement is strictly prohibited. Permittee shall not install any sound system without consultation with neighboring communities and written approval by the Department.

Boxer and Other City Field Usages

On a rotating basis, certain designated soccer pitches will be made available for GCFC team practices per the normal permitting process and fees. All fees will be subject to the Credit Against Certain Fees below. Generally, team practices shall be held on weekdays and will end prior to 3:00 PM each day in order to ensure that the practices are during times when the Department has excess capacity, and existing users will not be displaced.

Permit Fees:

Home League Matches: For *each* home league match approved by the Department, Permittee shall pay the following Permit Fees which are subject to annual CPI adjustments in accordance with rates set by the Controller under Section 12.20 of the Park Code. The below amounts are subject to the Credit Against Certain Fees section below:

- | | |
|-----------------------------|---------|
| 1. Kezar Fixed Event Fee | \$1,500 |
| 2. Kezar Hourly Event Fee | \$750 |
| 3. Kezar Triangle Event Fee | \$750 |

Percentage of Ticket Sales: The Department will not receive any percentage of ticket sales for the first ten years. After year ten, the Department will receive 10% of ticket sales to the extent the amount is greater than all other costs paid to the Department. This permit fee is subject to the Credit Against Certain Fees section below.

Tickets: As part of the required Permit Fees, GCFC will also provide 38 tickets to the Department for each home game, for the Department to distribute to the City's underserved community and for Department-specific uses. At least 30 tickets will be distributed to the City's underserved community.



Annual Minimum Permit Revenue: GCFC will ensure that RPD's total permit fees received for any fiscal year are at least \$55,000 (subject to CPI increases) (the "Minimum Permit Revenue"). By June 1 of each year, the Department will notify GCFC if permit revenue received from others will be less than the Minimum Permit Revenue. Any difference owed will be payable annually by June 15 by GCFC.

Practice Fields: Permittee shall pay fees for practice fields in accordance with rates set forth by the San Francisco Park Code. The current fees are set forth on the Department's website. These fees are subject to the Credit Against Certain Fees section below.

Reimbursement for Costs: Permittee shall regularly reimburse Department for all costs reasonably incurred by City for home league matches, including without limitation, cost of Park Ranger security, grounds preparation, facility operation, and repairs. Likely additional staffing fees include the following:

Kezar Park Ranger	8 staff for 4 hours
Kezar Electrician	1 person for 4 hours
Kezar Grounds Crew	2 staff for 4-6 hours
Kezar Event Manager	1 staff for 8 hours
Kezar Facility Staff	1 staff for 12 hours
Kezar Custodial	Varies based on attendance but a minimum of 2 for 4 hours
Kezar Custodial - post game	6 staff for 4 hours or possibly arrange for your own custodial

In addition, Permittee shall be required to reimburse other City departments with regulatory of permitting authority including without limitation, San Francisco Police Department, Department of Parking and Traffic, and the San Francisco Fire Department. Those agencies have separate permit fees and must be paid by GCFC.

Additional Resources for Field Maintenance: Permittee and the Department shall annually agree to Permittee providing additional resources for field maintenance including equipment, seed and gardening staff due to the increased usage by GCFC.

Credit Against Certain Fees: Permittee shall be entitled to receive credit against certain Permit Fees in an amount equal to properly documented and approved costs of Kezar Stadium Improvements; provided that the Annual Minimum Permit Revenue, any Reimbursements for Costs and any Additional Resources for Field Maintenance shall not be subject to offset.

Additional Community Benefits:

GCFC shall regularly provide both free and discounted tickets to both the general Bay Area community and to the soccer community as part of its mission to bring the world's most inclusive sport to the world's most inclusive city.

Other Items:

Limitations on Signage: Permittee shall not display any signs or advertisements without the prior consent of the General Manager, in his sole discretion. All signage must comply with San Francisco Park Code Section 3.07(b)(3). The Department will use its best efforts to allow installation of signage at Kezar that says Kezar Stadium, Home of the Golden City Football Club.



Ongoing Fan Experience Review: Permittee and RPD shall together periodically review the fan experience with an objective to continually improve it, provided that RPD shall not be required to incur any additional expenses.





RECEIVED 8/3
BOARD OF SUPERVISORS
SAN FRANCISCO
2025 MAY 14 AM08:47

May 12, 2025

Dear Distinguished Supervisors,

I am writing you today about the public/private partnership you are exploring with Marc Rohrer and the Golden City Football Club regarding Kezar Stadium. I read about your project in SF Gate, and I believe I have a way to make your partnership much more beneficial to the City and Mr. Roher.

I am the executive director of an environmental non-profit who deconstructs improvements on properties, then redistributes locally and recycles the building materials, keeping them out of our landfills. We are new to the Bay Area, and currently have five chapters, with two more scheduled to come online in the near future. The benefit is a fair market value tax deduction for the appraised value of the improvements on the property (the structure), giving Mr. Roher potentially hundreds of thousands to millions of dollars more for his project, via tax deduction, thus lowering the financial onus on the taxpayers of San Francisco. Being a 501(c)(3) environmental non-profit organization we cannot give a tax deduction to a government agency, because you don't pay taxes, but by getting Mr. Roher more money via tax deduction, that helps the taxpayers of San Francisco.

I know this sounds too good to be true, but it has been a deduction that the IRS gives that has been around since the inception of the IRS Code. We have been in business for 26 years and have never been questioned about, denied a deduction by, or audited by the IRS. We are in perfect standing with them. I have attached some information about our organization and indices to back up our claim of donation and deduction. This is not a thrift-store style deduction. This is based on fair market value given by an IRS-qualified appraiser.

I am asking for the opportunity to meet with you all, along with Mr. Roher, to better explain our program and how it can help both the City and Mr. Roher. This is a new way of doing things. Last year, between our SoCal chapter and our Scottsdale/Paradise Valley chapter, we kept over 160 million pounds of reusable/recyclable building materials out of the landfills and issued over \$36 million in tax deductions.

Please look into our company, if you have doubts. We have a sterling reputation and think this would be a very beneficial program for everyone involved, especially the Earth.

Thank you for your time and consideration.

Gena Eales, Executive Director
personal cell (406) 381-1645

Harvest Eco-Salvage EIN #81-4731530 www.HarvestEcoSalvage.org
Harvest Eco-Salvage, HarvestWest, HarvestMarin, HarvestAustin, HarvestDenver

Harvest eco-salvage introduction:

“It can be immensely profitable to do things a better way.”

James Wilson Rouse, Pioneering Developer and Philanthropist

Harvest eco-salvage is something new to the construction, real estate, and non-profit worlds. Harvest eco-salvage, a 501(c)(3) non-profit is an environmentally based non-profit that offers a valuable service to your clients and your community.

We were tired of seeing reusable and recyclable building materials go to the landfills because it was the fastest and easiest solution. As veterans of the construction industry we pioneered an IRS-approved program that creates an incentive to schedule the project time to deconstruct and recycle the real estate improvements scheduled for replacement. Our program works best for major renovations to total tear-downs for either residential or commercial projects. Currently we average keeping 90% of the donated scope of work out of the landfills.

The donor receives a real-estate appraised (FMV) tax deduction, the reusable and recyclable building materials are salvaged and freely distributed to other non-profits and recycling facilities, and skilled jobs in our community are created.

We operate as compliance officers for the deconstruction process. We train your crews in deconstruction or recommend deconstruction contractors, arrange for the distribution of salvaged materials, manage inventory of the donation, and comply with all IRS requirements. then issuing the deduction. Our program fees are a fraction of the donation value, and the donor pays our costs to operate. We are proud of the fact that we have a 26-year history with the IRS with no rejected or questioned donations.

ADDITIONAL INFORMATION

1. We start with a site review of the scope of work.
2. The donor then hires an IRS-qualified real estate appraiser to determine the donation value of the scope of work. This has to be a direct transaction between the donor and the appraiser, per IRS rules. We have list of IRS-qualified appraisers we can offer.
3. If the donor wants to proceed after reviewing the donation value and our program costs, we work with the general contractor to schedule the project. The donor signs our donation contract and pays a 50% retainer of our costs. This contract must be between the donor and Harvest, as per IRS rules.

4. Upon completion of the scope of work, the donor is billed the remainder of our costs, and the tax package for their donation is prepared.
5. We maintain records of each donation for seven years.
6. All donors are encouraged to visit our website (www.harvestecosalvage.org) for additional information and to consult their tax advisor. who is encouraged to direct their questions about our program to us.
7. We find that when the donor and their tax pro conference with us, everyone is educated about our process.

IRS RULES

- A. The life of a real estate appraisal for donation is 60 days. Within 60 days of the date of the appraisal the donation must be made (signed contract and retainer) or a new appraisal is required. Once the donation is made, the donor has five years in which to use the value of the donation.
- B. No restrictions can be placed upon the donation, meaning the donor cannot direct where the salvaged materials are donated to.
- C. The donation must be conveyed to Harvest as appraised. The initial walk-through inventory must match the site upon the start of our process. (It must be clear to all involved that these items are the property of Harvest and they cannot help themselves to the improvements on site).
- D. The program costs paid by the donor to Harvest are not tax deductible, as they received a service from us.

COMMON QUESTIONS

- q. Does this deduction apply towards capital gains?
 - a. We are told by the IRS the donation only applies to income. Your tax pro would have the final say on how the donation is applied.
- q. Does this type of donation trigger an audit?
 - a. That has not been our experience. We have had a couple of donors audited, but we have never had a donation we issued questioned, revised, or refused by the IRS since our inception in 1999.
- q. Can I donate materials from my project to my church, school, etc.?
 - a. No, you cannot direct the distribution of the salvaged materials. The property must convey as appraised.
- q. Can we have a demo party at the house and let our family demo walls, like on HGTV?
 - a. The property must transfer as appraised, and once the donation is made, it belongs to Harvest, and we don't want it demolished, we need it deconstructed

so the materials remain reusable. It would also be an insurance nightmare for us all.

- q. Can the deduction be extended past the five-years?
- a. No. This is a use it or lose it rule from the IRS.

- q. Is there an ownership timeline for this deduction?
- a. If the donor plans on living at the donation address or has owned the property for two years, they can apply the highest donation value (50% reduction of income). If the property is newly acquired and is being flipped, the IRS will determine the percentage of the donation that can be applied per year.

- q. Where do the salvaged materials go?
- a. We are required by the IRS to donate to other 501(c)(3) non-profits who can use them for their charitable purposes. They supply us with itemized receipts to account for the donation.

- q. What happens to the foundations and concrete or asphalt?

- a. Concrete is crushed in to man-made gravel used in every type of new construction. Concrete is 100 percent recyclable. Asphalt is ground and reheated and used for roadways, roofing, and waterproofing. Asphalt is 100 percent recyclable. Reinforcing metals and metal roofing is 100 percent recyclable. Wood is recyclable in to many diverse materials. New, innovative material recycling options are being implemented daily for previously non-recyclable building materials.

Thank you for your interest in our environmental program. Please go to www.harvestecosalvage.org for more information and videos. If you have further questions or interest in our program, please contact us. We currently have five offices. All contact information is on our website. Mother Earth thanks you, and so do we.

Tax Implications of Non-Cash Charitable Donations of Real Estate Improvements: Introduction

Charitable giving plays a significant role in society, and the federal tax code acknowledges this through provisions allowing deductions for contributions made to qualified organizations.¹ While cash donations are common, non-cash charitable contributions, encompassing various forms of property, also constitute a vital source of support for numerous charitable endeavors and offer tax benefits to donors.¹ Among the diverse types of non-cash donations, the contribution of improvements made to real estate presents a unique scenario that requires careful consideration of specific Internal Revenue Service (IRS) guidelines and regulations. Unlike the donation of an entire property, the contribution of improvements alone necessitates a nuanced understanding of how these enhancements are treated for tax deductibility purposes. Adherence to the established IRS framework is paramount to substantiate such contributions and ensure the availability of the associated tax benefits.³

Defining Real Property and Improvements for Tax Purposes

To properly understand the tax implications of donating real estate improvements, it is essential to establish the definitions of "real property" and "improvements" as used by the IRS. Real property generally encompasses land and anything permanently affixed to it.⁵ This includes not only the physical ground but also structures like buildings and other attachments. Improvements to real property are typically defined as additions or modifications that enhance the property's value, prolong its useful life, or adapt it to new uses.⁶ Examples of improvements can range from constructing a new building or adding a significant extension to an existing one, to undertaking substantial renovations such as remodeling a kitchen or bathroom, or installing permanent fixtures. For the purpose of charitable donations, these improvements can be considered integral to the real property itself. However, depending on the specific circumstances, particularly concerning ownership and the nature of the donation, improvements might also be treated distinctly from the underlying land and existing structures.

General Principles of Non-Cash Charitable Donations

Several fundamental requirements govern the deductibility of non-cash charitable donations. First and foremost the donation must be made to a qualified organization, which typically includes entities recognized as tax-exempt under section 501(c)(3) of the Internal Revenue Code and classified as public charities.⁵ The IRS provides resources to verify the qualified status of an organization, emphasizing that contributions to non-qualified entities or individuals are generally not deductible.⁴ Secondly, to qualify as a

charitable contribution, the donor must relinquish dominion and control over the donated property, meaning they must give up ownership and the ability to direct its use.¹² This ensures that the donation genuinely benefits the charitable organization. The amount of the charitable contribution for non-cash property is generally limited to the fair market value (FMV) of the property at the time it is contributed.⁵ Fair market value represents the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.⁹ It is important to note that if the donated property has decreased in value since its acquisition, the deduction is limited to its FMV at the time of donation; the donor cannot deduct the loss in value.⁵ Finally, to claim a deduction for charitable contributions, taxpayers must typically itemize their deductions on Schedule A (Form 1040) rather than taking the standard deduction.⁴

Donating Improvements on Real Estate: An Overview

The donation of improvements on real estate can manifest in various forms. A donor might construct a new building on land they own and then donate the entire improved property. Alternatively, they could undertake significant renovations to an existing property and subsequently donate the enhanced real estate. Even smaller, yet permanent, fixtures added to a property and then donated as part of the real estate transfer fall under this category. A crucial distinction arises when considering whether the improvements were made to property owned by the donor or to property they do not own, such as leased property. The ownership of the underlying real estate has a substantial impact on the tax deductibility and treatment of the donated improvements.⁵ The tax treatment will vary depending on these ownership factors and the specific circumstances surrounding the donation.

Determining the Fair Market Value of Donated Improvements

Determining the fair market value of donated property, including real estate improvements, is a critical step in claiming a charitable deduction. IRS Publication 561, titled "Determining the Value of Donated Property," serves as the primary guide for taxpayers and appraisers in this process.³ As previously mentioned, FMV is defined as the price at which the property would change hands between a willing buyer and a willing seller.⁵ Several valuation methods are relevant when assessing the FMV of real estate improvements:

- **Comparable Sales:** This method involves comparing the improved property with similar properties in the same or comparable area that have recently been sold.²⁰ Adjustments are made to the selling prices of the comparable properties to account for differences in factors such as size, condition, location, and the date of sale, to arrive at an estimated FMV for the donated property.

- **Replacement Cost New or Reproduction Cost Minus Observed**

Depreciation: This approach estimates the current cost of constructing a new building or replicating the improvements, and then subtracts depreciation to account for physical wear and tear, functional obsolescence (outdated features or design), and economic obsolescence (external factors affecting the property's desirability).²⁰ While this method can set an upper limit on value, it is often used in conjunction with other methods.

- **Capitalization of Income:** This method is primarily used for income-producing properties and values the property based on its potential to generate income.²³ While less directly applicable to improvements themselves, if the improvements lead to a demonstrable increase in the rental income of the property, this could be a relevant factor in the overall valuation.

Given the complexities inherent in valuing real estate, especially when significant improvements are involved, a detailed and professional appraisal is often necessary to accurately determine the FMV.²³ Qualified appraisers possess the expertise to consider various factors, apply appropriate valuation methods, and understand local market conditions to provide a reliable assessment.

Appraisal Requirements for Donated Real Estate Improvements

The IRS has specific requirements regarding appraisals for certain non-cash charitable contributions. Generally, a qualified appraisal is required when the claimed deduction for an item or a group of similar items exceeds \$5,000.² This threshold applies to the fair market value of the donated property, which would include the value of any improvements. A "qualified appraisal" must be conducted by a "qualified appraiser" and must meet specific criteria outlined by the IRS.² A qualified appraiser is an individual who has earned an appraisal designation from a recognized professional appraiser organization or has met certain minimum education and experience requirements, regularly prepares appraisals for pay, and is not an excluded individual {such as the donor or the recipient charity in certain circumstances}.³³ The appraisal must adhere to the substance and principles of the Uniform Standards of Professional Appraisal Practice (USPAP) and include specific information such as a detailed description of the property, the valuation date, the appraiser's qualifications, the method used for valuation, and the fair market value determined.³³

When claiming a deduction for non-cash contributions exceeding \$500, taxpayers must also file Form **8283**, "Noncash Charitable Contributions," with their tax return.² Section B of this form requires a summary of the qualified appraisal for donations exceeding \$5,000, including the appraiser's signature.²⁴ For deductions exceeding

\$500,000 for a contribution of property, including real estate, the qualified appraisal must be attached to the tax return.¹⁰

Limitations on Charitable Contribution Deductions for Real Estate Improvements

The amount of the charitable contribution deduction that can be claimed for donations, including those of real estate improvements, is subject to limitations based on the donor's Adjusted Gross Income (AGI).⁵ These limitations vary depending on the type of charitable organization receiving the donation. Public charities, often referred to as 50% limit organizations, generally allow for higher deduction limits compared to certain other organizations, which may fall under a 30% or 20% AGI limit. Harvest eco-salvage falls under the 50% category.⁵

Real estate improvements that have been held for more than one year are typically considered capital gain property.⁵ When donating capital gain property to a public charity, the deduction is generally limited to 30% of the donor's AGI at its fair market value.⁵ However, the donor has the option to elect a 50% AGI limit if they reduce the deduction by the amount of appreciation in the property's value.⁵ If the charitable contribution exceeds these annual AGI limitations, the excess amount can generally be carried forward and deducted over the next five years.²⁵

Special Considerations

Improvements to Property Owned by the Donor

When a donor makes improvements to their own real property and subsequently donates the entire improved property to a qualified charity, the amount of the charitable deduction is based on the fair market value of the property at the time of the donation, which includes the value added by the improvements.²⁶ The donor's cost basis in the property will include the original purchase price plus the cost of any improvements made.⁹ This basis is relevant for determining the potential capital gain if the property had been sold instead of donated, particularly if the property was held long-term.

Generally, to claim a charitable contribution deduction, the donation must consist of the donor's entire interest in the property.⁵ Donating a partial interest property is typically not deductible.⁵ Therefore, if a donor makes improvements to real property they do not own, such as a friend's house or a leased property, the donation of those improvements might be considered a donation of a partial interest and may not be deductible.¹² The rationale is that the donor does not own the underlying asset to which the improvement is attached.

Improvements to Leased Property

The tax implications of a tenant making improvements to a leased property and then donating those improvements to a charity are particularly complex.⁵ The treatment depends significantly on whether the improvements become the property of the landlord upon donation or at the termination of the lease. Generally, the party who owns the improvements

is entitled to take depreciation deductions.⁴⁷ If the improvements revert to the landlord, the tenant's donation might be viewed as primarily benefiting the landlord, rather than directly the charity, unless the donation is structured through the landlord. Given the intricacies involved, it is strongly recommended that tenants in such situations consult with a qualified tax advisor to understand the specific implications and potential deductibility of their contributions.

Examples and Illustrations

Example 1: Donation of an Improved Personal Residence

Suppose a homeowner invests \$50,000 in renovating their kitchen and bathrooms. Several years later, they donate their entire house, including these improvements, to a qualified charity. At the time of donation, the fair market value of the property, considering the recent renovations and overall market conditions, is appraised at \$400,000. Since the claimed deduction exceeds \$5,000, the homeowner must obtain a qualified appraisal from a qualified appraiser and complete Section B of Form 8283. The amount of their charitable contribution deduction will be \$400,000, subject to the AGI limitations for capital gain property donated to public charities (generally 30% of AGI).

Conclusion

Donating improvements to real estate to qualified charitable organizations can offer significant tax benefits. However, it is crucial for donors to understand and adhere to the IRS guidelines concerning qualified organizations, fair market valuation, appraisal requirements, deduction limitations, and substantiation. The tax treatment can vary depending on whether the improvements are made to property owned by the donor or another party, with donations of improvements to non-owned property, particularly leased property, presenting unique complexities. Given the potential intricacies involved, individuals or entities considering such donations are strongly advised to seek guidance from a qualified tax professional or legal counsel. This will help ensure compliance with all applicable IRS regulations and maximize the potential tax benefits based on their specific circumstances.¹³

**HARVEST ECO-SALVAGE
NON-CASH CHARITABLE TAX DONATION EXPLAINED**

Table 1: Summary of Appraisal Requirements Based on Value

Donation Value	Appraisal Requirement	Form 8283 Section
Over \$500 but not over \$5,000	Generally not required, but FMV must be substantiated.	Section A
Over \$5,000 (except for certain exceptions like publicly traded securities)	Qualified written appraisal from a qualified appraiser required.	Section B
Over \$500 for a single article of clothing or household item not in good use condition	Qualified appraisal required.	Section B
Over \$500,000	Qualified appraisal must be attached to the tax return.	Section B

Table 2: AGI Limitations for Charitable Contributions

Type of Contribution	AGI Limit
Cash to public charities	60%
Noncash to public charities	50%
Capital gain property to public charities (FMV deduction)	30% (with option for 50% if FMV is reduced by appreciation)
To certain other organizations	Generally, the smaller of 30% of AGI or 50% of AGI minus contributions to public charities
Capital gain property to certain other organizations	20%

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HARVEST ECO-SALVAGE
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May 2025

Subject: Letter of Support Golden City Football Club at Kezar Stadium

Dear San Francisco Recreation and Park Commission,

I write to you today to express my support for the establishment of Golden City Football Club in San Francisco.

I have been director of the SF Glens for 14 years and currently oversee the youth academy and adult programs. I have seen many soccer ventures in my time and currently run my own USL League 2 and USL W League program in San Francisco.

I am particularly excited about the prospect of bringing an MLS Next Pro team to our city through Golden City Football Club. While still in its formative stages, their vision for soccer in San Francisco is truly inspiring and promises to create a team with strong community ties that align with our city's values of inclusivity and civic pride.

This project would revitalize the historic Kezar Stadium, preserving an iconic venue while breathing new life into a space cherished by generations of San Franciscans. The endeavor has the potential to bring neighbors together, create new traditions, and add to the rich tapestry of our city's sporting culture, representing more than just a sports team, but an investment in our community's future.

Best regards,

Mike McNeill
General Manager
San Francisco Glens Soccer Club

CC:
Supervisor Bilal Mahmood
General Manager, San Francisco Recreation and Parks Department Phil Ginsburg

OFFICE OF THE MAYOR
SAN FRANCISCO



DANIEL LURIE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Adam Thongsavat, Liaison to the Board of Supervisors
RE: [Permit Issuance - FIL Partners, LLC - Kezar Stadium - Annual Base Rent \$XXXX]
DATE: May 13, 2025

Resolution approving and authorizing a Permit between the Recreation and Park Department (RPD) and FIL Partners, LLC for the Golden City Football Club to use Kezar Stadium for their home games, plus use of other fields for practices, for an initial term of 15 years with three 5-year extension options, for a permit fee equal to \$1,500 per game plus \$750 per hour, reimbursement of RPD expenses, a share of revenues and a specified number of tickets and the completion of certain stadium improvements; determining that Permit fee is appropriate and that the Permit will serve a public purpose in accordance with Administrative Code, Sections 23.30 and 23.33; affirming the Planning Department's determination under the California Environmental Quality Act; and authorizing the RPD General Manager to enter into any amendments or modifications to the Permit that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Permit or this Resolution.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 250520

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
Office of the Clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
Hank Heckel	415-831-6821
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
RPD Recreation and Park	hank.heckel@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR FIL Partners, LLC	TELEPHONE NUMBER 4152739796
STREET ADDRESS (including City, State and Zip Code) 415 De Haro St. #306, San Francisco CA 94107	EMAIL info@goldencityfootballclub.org

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S) 	ORIGINAL BID/RFP NUMBER 	FILE NUMBER (If applicable) 250520
DESCRIPTION OF AMOUNT OF CONTRACT \$10,000,000		
NATURE OF THE CONTRACT (Please describe) Permit between the Recreation and Park Department (RPD) and FIL Partners, LLC for the Golden City Football Club to use Kezar Stadium for their home games, plus use of other fields for practices, for an initial term of 15 years with three 5-year extension options, for a permit fee equal to \$1,500 per game plus \$750 per hour, reimbursement of RPD expenses, a share of revenues and a specified number of tickets and the completion of certain stadium improvements in an estimated amount of \$10 million.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Oltmans	Geoff	Shareholder
2	Rohrer	Marc	Shareholder
3	Suro	Paco	CEO
4			
5			
6			
7			
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9			
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11			
12			
13			
14			
15			
16			
17			
18			
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20			
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27			
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34			
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9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

☐ Check this box if you need to include additional names. Please submit a separate form with complete information. Select "Supplemental" for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK BOS Clerk of the Board	DATE SIGNED
---	--------------------

President, District 8
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6968
Fax No. 554-5163
TDD/TTY No. 544-5227

RAFAEL MANDELMAN

PRESIDENTIAL ACTION

Date:

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

(Primary Sponsor)

Title.

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

Meeting

(Date)

(Committee)

Start Time:

End Time:

Temporary Assignment:

Partial

Full Meeting



Rafael Mandelman, President
Board of Supervisors

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. (415) 554-5184
Fax No. (415) 554-5163
TDD/TTY No. (415) 554-5227

MEMORANDUM

Date: May 20, 2025
To: Planning Department/Planning Commission
From: Monique Crayton, Government Audit and Oversight Committee
Subject: Board of Supervisors Legislation Referral - File No. 250520
[Permit Issuance - FIL Partners, LLC - Kezar Stadium - Golden City Football Club -
Permit Fee Equal to \$1,500 Per Game Plus \$750 Per Hour]

- ☒ California Environmental Quality Act (CEQA) Determination
(*California Public Resources Code, Sections 21000 et seq.*)
 - ☒ Ordinance / Resolution
 - ☐ Ballot Measure
- ☐ Amendment to the Planning Code, including the following Findings:
(*Planning Code, Section 302(b): 90 days for Planning Commission review*)
 - ☐ General Plan ☐ Planning Code, Section 101.1 ☐ Planning Code, Section 302
- ☐ Amendment to the Administrative Code, involving Land Use/Planning
(*Board Rule 3.23: 30 days for possible Planning Department review*)
- ☐ General Plan Referral for Non-Planning Code Amendments
(*Charter, Section 4.105, and Administrative Code, Section 2A.53*)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)
- ☐ Historic Preservation Commission
 - ☐ Landmark (*Planning Code, Section 1004.3*)
 - ☐ Cultural Districts (*Charter, Section 4.135 & Board Rule 3.23*)
 - ☐ Mills Act Contract (*Government Code, Section 50280*)
 - ☐ Designation for Significant/Contributory Buildings (*Planning Code, Article 11*)

Please send the Planning Department/Commission recommendation/determination to Monique. Crayton at monique.crayton@sfgov.org.



CEQA Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)
REC & PARK: Kezar Stadium Tenant Improvement Project		1700001
Case No.		Permit No.
2025-003798ENV		
<input type="checkbox"/> Addition/ Alteration	<input type="checkbox"/> Demolition (requires HRE for Category B Building)	<input type="checkbox"/> New Construction
<p>Project description: The San Francisco Recreation and Parks Department proposes an in-kind replacement initiative aimed at modernizing Kezar Stadium. The scope includes the replacement and installation of new turf and an upgraded irrigation system. The project proposes renovations to the stadium seating, including in-kind replacements of seating and the potential modification of some areas to standing sections. Internal improvements would be made to the press room within its existing footprint. Additional improvements include upgraded concession areas and the installation of a new scoreboard (16 feet high and 30 feet wide) behind the eastern goal post to replace the existing scoreboard that is mounted above the stadium restrooms. The proposed scoreboard would be positioned on the grass hillside at the eastern end lines for improved visibility. Americans with Disabilities Act improvements would be made to the existing pathways and restroom facilities to enhance accessibility throughout the stadium. The project would also replace the existing sound and public address (PA) system.</p> <p>Please see page 4 for a complete project description.</p>		

EXEMPTION TYPE

The project has been determined to be exempt under the California Environmental Quality Act (CEQA).	
<input checked="" type="checkbox"/>	Class 1 - Existing Facilities. (CEQA Guidelines section 15301) Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/>	Class 3 - New Construction. (CEQA Guidelines section 15303) Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/>	Class 32 - In-Fill Development. (CEQA Guidelines section 15332) New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below: (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. (b) The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses. (c) The project site has no value as habitat for endangered rare or threatened species. (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality. (e) The site can be adequately served by all required utilities and public services.
<input type="checkbox"/>	Other _____
<input type="checkbox"/>	Common Sense Exemption (CEQA Guidelines section 15061(b)(3)). It can be seen with certainty that there is no possibility of a significant effect on the environment.

ENVIRONMENTAL SCREENING ASSESSMENT

Comments:

Please see page 4.

Planner Signature: Don Lewis

PROPERTY STATUS - HISTORIC RESOURCE

PROPERTY IS ONE OF THE FOLLOWING:

<input checked="" type="checkbox"/>	Category A: Known Historical Resource.
<input type="checkbox"/>	Category B: Potential Historical Resource (over 45 years of age).
<input type="checkbox"/>	Category C: Not a Historical Resource or Not Age Eligible (under 45 years of age).

PROPOSED WORK CHECKLIST

Check all that apply to the project.

<input type="checkbox"/>	Change of use and new construction. Tenant improvements not included.
<input checked="" type="checkbox"/>	Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	Addition(s) not visible from any immediately adjacent public right-of-way for 150 feet in each direction; or does not extend vertically beyond the floor level of the top story of the structure, or does not cause the removal of architectural significant roofing features.
<input type="checkbox"/>	Façade or storefront alterations that do not remove, alter, or obscure character -defining features.
<input type="checkbox"/>	Restoration based upon documented evidence of a building's historic condition , such as historic photographs, plans, physical evidence, or similar buildings.
Note: Project Planner must check box below before proceeding.	
<input checked="" type="checkbox"/>	Project is not listed.
<input type="checkbox"/>	Project involves scope of work listed above.

ADVANCED HISTORICAL REVIEW

Check all that apply to the project.

<input type="checkbox"/>	Reclassification of property status. (<i>Attach HRER Part I relevant analysis; requires Principal Preservation Planner approval</i>) <input type="checkbox"/> Reclassify to Category A <input type="checkbox"/> Reclassify to Category C <input type="checkbox"/> Lacks Historic Integrity <input checked="" type="checkbox"/> Lacks Historic Significance
<input type="checkbox"/>	Project involves a known historical resource (CEQA Category A)
<input type="checkbox"/>	Project does not substantially impact character-defining features of a historic resource (see Comments)
<input type="checkbox"/>	Project is compatible, yet differentiated, with a historic resource.
<input type="checkbox"/>	Project consistent with the Secretary of the Interior Standards for the Treatment of Historic Properties
Note: If ANY box above is checked, a Preservation Planner MUST sign below.	
<input type="checkbox"/>	Project can proceed with EXEMPTION REVIEW. The project has been reviewed by the Preservation Planner and can proceed with exemption review.
Comments by Preservation Planner: Please see page 4.	
Preservation Planner Signature: Michelle Langlie	

EXEMPTION DETERMINATION

<input checked="" type="checkbox"/>	No further environmental review is required. The project is exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.	
	Project Approval Action: Recreation and Park Commission Hearing	Signature: Don Lewis 05/13/2025
<p>Supporting documents are available for review on the San Francisco Property Information Map, which can be accessed at https://sfplanninggis.org/pim/. Individual files can be viewed by clicking on the Planning Applications link, clicking the "More Details" link under the project's environmental record number (ENV) and then clicking on the "Related Documents" link.</p> <p>Once signed and dated, this document constitutes an exemption pursuant to CEQA Guidelines and chapter 31 of the San Francisco Administrative Code. Per chapter 31, an appeal of an exemption determination to the Board of Supervisors shall be filed within 30 days after the approval action occurs at a noticed public hearing, or within 30 days after posting on the planning department's website (https://sfplanning.org/resource/ceqa-exemptions) a written decision or written notice of the approval action, if the approval is not made at a noticed public hearing.</p>		

Full Project Description

The San Francisco Recreation and Parks Department proposes an in-kind replacement initiative aimed at modernizing Kezar Stadium. The scope includes the replacement and installation of new turf and an upgraded irrigation system. The project proposes renovations to the stadium seating, including in-kind replacements of seating and the potential modification of some areas to standing sections. Internal improvements would be made to the press room within its existing footprint. Additional improvements include upgraded concession areas and the installation of a new scoreboard (16 feet high and 30 feet wide) behind the eastern goal post to replace the existing scoreboard that is mounted above the stadium restrooms. The proposed scoreboard would be positioned on the grass hillside at the eastern end lines for improved visibility. Americans with Disabilities Act improvements would be made to the existing pathways and restroom facilities to enhance accessibility throughout the stadium.

The project would also replace the existing sound and public address (PA) system with a state-of-the-art system designed to enhance audio quality within the stadium while reducing sound impact outside the stadium. The proposed speaker system would replace the existing system and would be installed in the same locations. The existing system includes a total of 9 speakers each mounted on an approximately 30-foot-tall pole (5 speakers are located on the south side of the field while 4 speakers are located on the north side). The new system would operate with the same speaker poles, same volume levels, and with the same frequency of use as the current system. The existing speaker system is used in a limited capacity—primarily for introducing players, announcing substitutions and scoring, acknowledging sponsors, and signaling the start of track meet events. Music use is restricted to the national anthem only. This pattern of use would remain unchanged with the new system, which would continue to serve approximately 90 percent of events. The number of events and attendees would be similar to existing conditions (approximately 100 events). As outlined in San Francisco Park Code Section 7.03 and 7.05, a permit from RPD would be required for any event which utilizes sound amplification equipment. A typical amplified sound permit would state that noise levels may not exceed 80 decibels from approximately 100 feet from perimeter for all special events. Any new permits issued would require permittees to comply with this established noise limit.

Environmental Screening Comments (Continued)

The proposed project would not result in a substantial permanent increase in ambient noise levels in the project vicinity or expose persons in excess of noise level standards. The proposed project would replace the existing amplification system at the stadium with a new sound system. The new sound system would be designed to direct sound away from the neighbors during events. As outlined in San Francisco Park Code Section 7.03 and 7.05, a permit from the Recreation and Parks Department would be required for any event which utilizes sound amplification equipment. A typical sound permit issued by RPD would state that noise levels may not exceed 80 decibels from approximately 100 feet from perimeter for all special events. The number of events and attendees would be similar to existing conditions (approximately 100 events). Implementation of the project would not result in an expansion or an intensification of the existing use at Kezar Stadium.

On 5/9/2025, planning department staff archaeologist determined that implementation of RPD Standard Archaeological Measure I (Discovery during Construction) applies to the proposed project.

Advanced Historical Review Comments (Continued)

Upgrades to non-historic stadium (constructed circa 1990) including new turf, upgraded irrigation system, in-kind replacements of seating, replacement of sound PA system. Additional improvements include upgraded concession areas and the installation of a new scoreboard (16-ft high and 30-ft wide) behind the eastern goal post. ADA upgrades to existing pathways and restrooms. No impact to Historic District.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
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TDD/TTY No. (415) 554-5227

MEMORANDUM

TO: Phil Ginsburg, General Manager, Recreation and Parks Department

FROM: Monique Crayton, Assistant Clerk, Government Audit and Oversight Committee

DATE: May 20, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following Resolution request, introduced on May 13, 2025:

File No. 250520

Resolution approving and authorizing a Permit between the Recreation and Park Department (RPD) and FIL Partners, LLC for the Golden City Football Club to use Kezar Stadium for their home games, plus use of other fields for practices, for an initial term of 15 years with three five-year extension options, for a permit fee equal to \$1,500 per game plus \$750 per hour, reimbursement of RPD expenses, a share of revenues and a specified number of tickets and the completion of certain stadium improvements, effective upon approval of this Resolution; determining that Permit fee is appropriate and that the Permit will serve a public purpose in accordance with Administrative Code, Sections 23.30 and 23.33; affirming the Planning Department's determination under the California Environmental Quality Act; and authorizing the RPD General Manager to enter into any amendments or modifications to the Permit that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Permit or this Resolution.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: monique.crayton@sfgov.org.

CC:
Office of Chair Fielder
Office of Supervisor Mahmood
Sarah Madland, Recreation and Parks Department
Beverly Ng, Recreation and Parks Department
Ashley Summers, Recreation and Parks Department

RECREATION AND PARK COMMISSION
City and County of San Francisco
Resolution Number 2505-007

**KEZAR STADIUM – LONG-TERM PERMIT TO ENTER AND USE
PROPERTY**

RESOLVED, This Commission does (1) recommend that the Board of Supervisors approve a permit to FIL Partners, LLC, substantially in the form of the term sheet date May 15, 2025, for an initial term of 15 years with three 5-year options, so that the Golden City Football Club can use Kezar Stadium for its home games; (2) find that the permit will serve a public purpose; (3) find that a competitive bid would have been impractical or impossible in this instance.

Adopted by the following vote:

Ayes	5
Noes	0
Absent	2

I hereby certify that the foregoing resolution was adopted at the Recreation and Park Commission meeting held on May 15, 2025.



Ashley Summers, Commission Liaison

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

May 30, 2025

TO: Government Audit and Oversight Committee

FROM: Budget and Legislative Analyst 

SUBJECT: June 5, 2025 Government Audit and Oversight Committee Meeting

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Item	File	Page
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Item 2 File 25-0520	Department: Recreation and Park Department
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would approve a permit between the Recreation and Park Department (RPD) and FIL Partners, LLC for the Golden City Football Club (GCFC) to use Kezar Stadium for their home games for an initial term of 15 years with three five-year options to extend. The resolution also finds that awarding the permit without a competitive solicitation will serve a public purpose by providing \$10 million in improvements to a public facility and providing access to professional soccer to City residents. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> Kezar Stadium is in the southeastern corner of Golden Gate Park and is primarily used for games for school teams and track meets. FIL Partners approached RPD in late 2023 about the potential use of the stadium for a new professional team within the Major League Soccer Next Pro league to be called Golden City Football Club (GCFC). The league requires that new teams identify a stadium for home games. RPD negotiated the terms of the proposed permit without soliciting competitive bids because the league's eligibility requirements made it impractical or impossible to solicit competitive bids. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> GCFC would pay at least \$10 million in tenant improvements within the first three years for use of Kezar Stadium. In addition, GCFC would pay \$1 million for capital maintenance prior to exercising each five-year extension option for a total of \$3 million if all options are exercised. The permit also establishes permit fees for every home game and shared ticket sales revenue starting in Year 11 but provides GCFC with a credit against these fees equal to the amount of tenant improvements. GCFC may pay additional fees to RPD if the amount of permit fees or ticket sales revenue owed exceeds the remaining credit. Based on a model provided by RPD, this may not occur within the first 20 to 25 years of the agreement. If GCFC does not pay any additional fees, the City benefit from the permit over the first 25 years would be \$12 million or \$480,000 annually (\$3.16 per square foot). <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> The first two options to extend are solely at GCFC's discretion, and the third option is subject to agreement by both the City and GCFC. Effectively, the City is agreeing to a 25-year term with one five-year option to extend. According to RPD staff, the term was negotiated given GCFC's level of investment in the facility (\$10 million), which will benefit the public. <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> Request that RPD clarify the term sheet to state RPD may terminate the agreement if the total cost of improvements is not at least \$10 million. Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(c) states that any lease, modification, amendment or termination of a lease that had an initial term of ten years or more, including options to extend, or that had anticipated revenues of \$1 million or more is subject to Board of Supervisors approval.

Administrative Code Section 23.30 states that the Board of Supervisors shall approve all leases on behalf of the City as landlord by resolution for which the term is longer than a year and costs over \$15,000 per month. Leases of City-owned property can be for less than market rent if the lease is for a proper public purpose with Board of Supervisors' approval.

Administrative Code Section 23.33 states that leases that are expected to produce more than \$2,500 per month in revenue are to be awarded through a competitive bidding process unless it is impractical or impossible. Leases awarded without a competitive process must be in an amount of at least the fair market value of the leased property unless the lease serves a public purpose.

BACKGROUND**Kezar Stadium**

Kezar Stadium is located in the southeastern corner of Golden Gate Park and is primarily used for games for school teams and track meets, but it has also been used by college and semi-professional and professional teams. The existing stadium was built in 1991 and has a capacity of 15,000.

In 2017, the Recreation and Park Commission approved a five-year permit to the San Francisco Deltas, a new professional soccer team (previously in the North American Soccer League), to use Kezar Stadium for their home games. However, after playing in Kezar Stadium for one season, the Deltas ceased operations. SF Gate reported that the average attendance for the season was 2,600 despite the team's good performance.¹

Proposed MLS Next Pro Soccer Team

The Recreation and Park Department (RPD) is proposing that a new professional soccer team use the Kezar Stadium for home games. According to the RPD memo on the proposed permit, FIL Partners² approached RPD in late 2023 about the potential use of the stadium for a new professional team within the Major League Soccer Next Pro³ league to be called Golden City Football Club (GCFC). The league requires that new teams identify a stadium for home games.

¹ <https://www.sfgate.com/sports/article/San-Francisco-Deltas-closure-NASL-championship-12327418.php>

² FIL Partners is a limited liability company that includes Geoff Oltmans and Marc Rohrer as shareholders and Paco Suro as chief executive officer.

³ According to the RPD memo, MLS Next Pro is a professional men's soccer league in the second tier of Major League Soccer. In 2022, the league was established with 21 teams in the US and Canada and will grow to 29 teams in 2026.

RPD negotiated the terms of the proposed permit without soliciting competitive bids because the league's eligibility criteria made it impractical or impossible to solicit competitive bids. Existing teams in the league already have a home stadium identified, and any new expansion team is required to demonstrate to the league that they have a stadium before being granted a franchise. There is not a pool of potential new teams seeking a home stadium.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve a permit between the Recreation and Park Department and FIL Partners, LLC for the Golden City Football Club (GCFC) to use Kezar Stadium for their home games for an initial term of 15 years with three five-year options to extend. The permit would have to be consistent with the term sheet in the legislative file for this item. GCFC would fund an estimated \$10 million in capital improvements in the first three years, which would offset permit fees owed in the initial term. The resolution also finds that awarding the permit without a competitive solicitation will serve a public purpose, in accordance with Administrative Code 23.33, and that the permit fee is appropriate and does not require an appraisal. According to RPD staff, the public purpose is providing a soccer experience to San Francisco residents and providing funding of needed improvements to Kezar Stadium which would benefit San Francisco school groups that use it for games and track meets.

Key terms are shown in Exhibit 1 and discussed below.

Exhibit 1: Key Terms of Proposed License Term Sheet

Premises	Kezar Stadium (for home games) Kezar Triangle and Arguello Hub (for game-day events) Boxer Stadium and other RPD athletic fields (for practice)
Use	Permittee will use Kezar stadium for home games and non-league games for up to a total of 20 games per year (excluding playoff games). The number of home games is expected to be 15 per year.
Existing Uses	Permittee will coordinate with RPD to schedule games and accommodate existing uses including as high school and middle school games and track practices, RPD summer camps, high school football games, public access to run on the track. Permittee and RPD will coordinate to manage use of the stadium to prevent undue wear and team and ensure field maintenance.
	<u>Competing sports events</u> <ul style="list-style-type: none"> • Permittee must consent to use of Kezar as a home field (i.e., more than three games) for another professional non-soccer sport team • Permittee must consent to RPD permitting use for adult soccer teams beyond once per year • Permittee will have additional rights for any ticketed soccer matches of other teams, including the right to manage food concessions and split revenues with the user, the right to manage

stadium operations, the right to co-brand with RPD, and the right to share profits with RPD after payment of RPD's standard permit fee

Initial Term	15 years
Options to Extend	Three 5-year options to extend; first two options to renew solely at Permittee's discretion; third option to renew subject to agreement by both parties
Tenant Improvements	Permittee must complete improvements estimated to be \$10 million, including: <ul style="list-style-type: none"> • renovation of turf • seating and press box improvements • scoreboard and sound improvements • concession area improvements, and • required ADA improvements
Capital Maintenance Fund	Prior to exercise of each five year option, permittee will fund or will place into a dedicated maintenance fund \$1 million for capital maintenance, up to a total of \$3 million if all three options are exercised
Concessions	Permittee may have concessions offering food, alcohol, and merchandise. Permittee may also rent Kezar Triangle and the Arguello Hub on game days for concessions and festivities. RPD does not receive a share of concessions revenue.
Permit Fees	For each <u>home game</u> , permittee will pay the following, subject to annual CPI adjustments and the credit against certain fees : <ul style="list-style-type: none"> • Fixed Event Fee (\$1,500) • Hourly Event Fee (\$750) • Triangle Event Fee (\$750) For <u>practice fields</u> , permittee will pay fees in accordance with rates in the Park Code, subject to the credit against certain fees
Percentage of Ticket Sales	RPD will not receive any percentage of ticket sales in the first ten years. After year 10, RPD will receive the greater of: (a) permit fees specified above for each home game, or (b) 10% of ticket sales, subject to the credit against certain fees
Credit Against Certain Fees	Permittee will receive a credit against permit fees and percentage of ticket sales in an amount equal to approved costs of stadium improvements; The annual minimum permit revenue and city cost reimbursement are not subject to the credit
Annual Minimum Permit Revenue	Permittee will ensure that RPD's total permit fees received from all users of Kezar Stadium are at least \$55,000 annually, subject to CPI increases.
City Cost Reimbursement	Permittee will reimburse RPD for costs the department incurs for home games, such as the cost of Park Ranger security, grounds preparation, and facility operation and repairs. Permittee must also reimburse other City departments such as the Police, Fire, and parking/traffic control services.
Tickets	Permittee will provide 38 tickets to RPD for each home game. At least 30 will be distributed to the community and up to 8 may be used for "department-specific uses," including for City staff.

Source: Proposed term sheet

Term

The permit has an initial term of 15 years, with three five-year options to extend for a maximum term of 30 years. The first two terms to extend are solely at GCFC's discretion, and the third option is subject to agreement by both the City and GCFC.

Tenant Improvements, Fees, and Ticket Sales

Tenant Improvements

According to the proposed resolution, GCFC will provide stadium improvements of at least \$10 million. The identified tenant improvements include: (a) an estimated \$5.75 million to renovate and redo the turf, (b) an estimated \$2.5 million to improve seating, (c) an estimated \$0.5 million to install a new scoreboard and improve the sound, (d) \$0.25 million for improvements to the concession area, and (e) required ADA improvements associated with the above improvements in an amount to be determined. Although the proposed term sheet lists these improvements and estimates the total associated cost, the term sheet does not specify that GCFC must provide tenant improvements in a specific dollar amount (i.e., at least \$10 million). We recommend that RPD clarify the term sheet to state that RPD may terminate the agreement if the total cost of improvements is not at least \$10 million.

According to RPD staff, the scope of tenant improvements reflects what is needed to meet league standards and also improves the facility for the public. GCFC worked with an athletic field and stadium designer to determine the improvements and estimated costs. Tenant improvements must be approved in writing by RPD.

RPD may terminate the agreement if the first game is not played by the end of September 2027 with 50 percent of requirement improvements completed and if the remaining improvements are not completed within the next two years or September 1, 2029 (whichever is later).

Permit Fees and Ticket Sales

The proposed term sheet provides that GCFC will pay permit fees for each home game including fixed fees associated with each event (\$1,500 for the stadium and \$750 for the triangle) and \$750 per hour the stadium is used (including setting up and cleaning up after events). According to RPD, these reflect the standard Kezar fees plus a 50 percent surcharge. In addition, GCFC will pay standard permit fees to use RPD facilities for practice.

Starting in year 11, RPD will receive the greater of: (a) permit fees described above; or (b) 10 percent of revenue from ticket sales. According to RPD, 10 percent revenue share is comparable to what RPD uses for concerts and park events, and revenue share beginning in year 11, rather than earlier, was negotiated. According to RPD, ticket sale revenue sharing for other permittees ranges from 5 to 11 percent (for example, RPD receives 5 – 11 percent of Outside Lands ticket revenue; see File 23-0710). RPD will not receive a share of concessions revenue, which is consistent with existing practice at Kezar Stadium according to RPD staff.

Rent Credit and Annual Minimum Permit Revenue

GCFC will receive a credit against fees (i.e., permit fees and ticket sales revenue) equal to the actual amount of tenant improvements, i.e., at least \$10 million. However, GCFC must ensure that RPD's total permit fees received from all permittees is at least \$55,000 annually, subject to increases based on the Consumer Price Index. This reflects RPD's current permit revenue for Kezar Stadium and ensures that RPD will not experience a reduction in permit revenue during the term of the permit. According to RPD staff, if the approved tenant improvements exceed \$10 million, the credit will also exceed \$10 million.

City Cost Reimbursement

GCFC will reimburse the City for City costs associated with home games, such as facility operation and repairs and Park Ranger security.

Operations and Maintenance Cost

GCFC will be responsible for the cost of maintaining the tenant improvements. RPD will be responsible for all other operations and maintenance costs not directly associated with home games.

FISCAL IMPACT

Under the proposed permit, GCFC would pay at least \$10 million in tenant improvements within the first three years for use of Kezar Stadium for home games. In addition, GCFC would pay \$1 million for capital maintenance prior to exercising each five-year extension option for a total of \$3 million if all three options are exercised.

If GCFC does not pay any additional fees, GCFC's total cost for the permit over the first 25 years⁴ will be \$10 million for the initial term and \$1 million for each extension, for a total of \$12 million if GCFC exercises the first two extension options. This is equal to \$480,000 per year for the first 25 years or \$3.16 per square foot per year, which is less than the \$45 per square foot that would trigger an appraisal. RPD states that it cannot determine the market rate for the Kezar rental. For this reason, the proposed resolution invokes Administrative Code Sections 23.30 and 23.33, which states that rental of public property may be done without a competitive solicitation and be below market rate if that serves a public purpose.

The permit also establishes permit fees for every home game and shared ticket sales revenue starting in Year 11 but provides GCFC with a credit against these fees equal to the amount of tenant improvements. GCFC may pay additional fees to RPD if the amount of permit fees or ticket sales revenue owed exceeds the remaining credit against certain fees. Based on a model provided by RPD, this may not occur within the first 20 to 25 years of the agreement.

⁴ The term sheet provides for an initial term of 15 years plus three five year options to extend. Because the first two options are solely at the discretion of GCFC to exercise, the City is effectively agreeing to a 25 year term with one option to extend. Therefore, we calculate the revenues to the City over the first 25 years.

Attachment 1 provides the model and certain assumptions to illustrate the fee structure for the first 25 years. Assuming 20 games (the maximum under the permit), eight-hour use of the stadium during games, average ticket price of \$50 in Year 11 (or \$37.20 in Year 1 dollars), and average attendance of 5,000 in Years 11 through 25, GCFC would start paying fees to RPD in Year 24 and would pay a total of \$1.2 million to RPD for Years 24 and 25. If ticket prices or attendance exceed the values in the model, additional fees may be paid to RPD. Similarly if ticket prices, attendance, or number of games are less than the values in the model, no fees pay be paid to RPD.

RPD Kezar Stadium Permit Revenue

Although GCFC may not owe fees to RPD under the proposed fee structure, RPD's permit revenues for Kezar Stadium will not decline compared to current levels under the proposed permit. If RPD permit revenues from all permittees are less than \$55,000, adjusted annually by the Consumer Price Index, GCFC will pay RPD the difference between RPD permit revenue received and the \$55,000 minimum.

Appropriateness of Permit Fees

To assess the appropriateness of the proposed fees we considered the potential profits to GCFC and compared the proposed fees to other relevant agreements.

GCFC Revenues and Expenses

RPD staff report that they did not review GCFC's projected revenues and expenses directly and neither did our office. We modeled potential revenues and expenses for player salaries to assess the level of profits. GCFC will provide \$10 million in upfront costs for use of the stadium. We would expect attendance for a new team to be lower in Year 1, compared to what is assumed by RPD in Year 11 (5,000). Assuming average initial attendance of 2,500 and average ticket price of \$30, GCFC revenues for 20 games in the first year would be \$1.5 million. Assuming GCFC has 25 players and GCFC pays its players salaries of at least \$50,000 annually, GCFC would pay \$1.25 million in salaries, which would leave \$250,000 in revenues after salaries to pay for administrative costs, travel associated with away games, and other operating expenses. Our analysis suggests that the GCFC will need outside funding to remain viable unless it can increase attendance beyond the 2,500 per game that the Deltas achieved.

Comparison to Other Agreements

The proposed GCFC permit has a similar permit fee structure to the Deltas permit, with fixed and hourly fees and a credit against fees for tenant improvements. However, the Deltas permit: (a) required a minimum base payment of \$30,000 per year (which was not subject to the credit); (b) did not include a surcharge on top of existing rates (compared to a 50 percent surcharge for the GCFC permit); and (c) included only \$500,000 in tenant improvements (to be funded by the Deltas) and a shorter term (five years) compared to \$10 million in tenant improvements for the GCFC permit and a term of up to 30 years. GCFC is making a greater investment in the stadium relative to the Deltas with the expectation that they will use the stadium for a longer term. The Deltas permit, which was short term, did not provide RPD with a share of ticket revenues in later

years of the permit.⁵ The tenant improvements plus minimum base fees for the Delta permit was \$650,000, or \$130,000 annually. Adjusting for inflation that is approximately \$170,000 annually, or \$1.12 per square foot, which is less than \$3.16 per square foot for the first 25 years under the GCFC permit (including tenant improvements and capital maintenance funding provided at each extension option).

We also compared the GCFC permit to the Port's ground lease of the China Basin Ballpark where the San Francisco Giants play. The ground lease, which provides exclusive use to the tenant, currently has an annual rent of \$2.7 million, or \$4.93 per square foot, which is greater than the \$3.16 per square foot for the first 25 years under the GCFC permit. The China Basin ground lease, which has a 25-year term and eight options to extend for a maximum term of 66 years, requires that the minimum rent be adjusted annually by the Consumer Price Index and be adjusted based on the fair market value of the property at the first and fifth extension options. The ground lease does not provide shared ticket or concession revenues to the Port.

POLICY CONSIDERATION

Options to Extend

As mentioned above, the first two options to extend are solely at GCFC's discretion, and the third option is subject to agreement by both the City and GCFC. Effectively, the City is agreeing to a 25-year term with one five-year option to extend. GCFC is providing \$10 million in improvements to Kezar stadium, and this term was negotiated given the level of investment according to RPD staff to allow GCFC to amortize those costs over a longer term.

As noted above, RPD may terminate the agreement if the first game is not played by the end of September 2027 with 50 percent of requirement improvements completed and if the remaining improvements are not completed within the next two years or September 1, 2029 (whichever is later). We also recommend that the term sheet state that RPD may terminate the agreement if the tenant improvements are less than \$10 million.

RECOMMENDATIONS

1. Request that RPD clarify the term sheet to state RPD may terminate the agreement if the total cost of improvements is not at least \$10 million.
2. Approve the proposed resolution.

⁵ The Deltas permit required that the Deltas provide 250 tickets for the community and the Department for each game and required that at least 3,000 tickets per game would be sold for \$20 or less. In contract, the GCFC permit requires that GCFC provide 38 tickets for the community and the Department for each game with no constraint for ticket prices.

Appendix 1: Permit Fees, Revenue, and Rent Credit Model

The model below assumes the following:

Hours per game	8
Games per year	20
Permit revenue per game in Year 1	\$8,250
Average ticket price in Year 11	\$50 (\$37.20 in Y1 dollars)
Average tickets sold in Year 11	5,000
Total credit against certain fees	\$10,000,000
Annual CPI increase	3%

Year	Permit Fees	10% of Ticket Revenue	Total Fees Owed (Max of Fees & Ticket Rev)	Credit Against Fees Balance	Fees Paid to RPD (after credit)
Year 1	\$165,000		\$165,000	\$9,835,000	\$0
Year 2	169,950		169,950	9,665,050	0
Year 3	175,049		175,049	9,490,002	0
Year 4	180,300		180,300	9,309,702	0
Year 5	185,709		185,709	9,123,993	0
Year 6	191,280		191,280	8,932,712	0
Year 7	197,019		197,019	8,735,694	0
Year 8	202,929		202,929	8,532,765	0
Year 9	209,017		209,017	8,323,747	0
Year 10	215,288		215,288	8,108,460	0
Year 11	221,746	500,000	500,000	7,608,460	0
Year 12	228,399	515,000	515,000	7,093,460	0
Year 13	235,251	530,450	530,450	6,563,010	0
Year 14	242,308	546,364	546,364	6,016,646	0
Year 15	249,577	562,754	562,754	5,453,892	0
1st Extension					
Year 16	257,065	579,637	579,637	4,874,255	1,000,000
Year 17	264,777	597,026	597,026	4,277,229	0
Year 18	272,720	614,937	614,937	3,662,292	0
Year 19	280,901	633,385	633,385	3,028,907	0
Year 20	289,328	652,387	652,387	2,376,520	0
2nd Extension					
Year 21	298,008	671,958	671,958	1,704,562	1,000,000
Year 22	306,949	692,117	692,117	1,012,445	0
Year 23	316,157	712,880	712,880	299,565	0
Year 24	325,642	734,267	734,267	0	434,702
Year 25	335,411	756,295	756,295	0	756,295
Total			\$11,190,997		\$3,190,997

Source: RPD

Note: this table does not include any reimbursements for RPD costs to operate or maintain Kezar but does include the \$1 million for capital maintenance that is due at each extension.