

1 [Lease of concession properties within the Japanese Tea Garden in Golden Gate Park.]

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3 **Resolution authorizing and approving the execution, delivery and performance of a**
4 **Lease for the management and operation of the concessions associated with the**
5 **Japanese Tea Garden in Golden Gate Park.**

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7 WHEREAS, The Recreation and Park Commission approved a public Request for
8 Proposals through Resolution #0810-009 to solicit proposals for the management and
9 operation of the concession opportunities associated with the Japanese Tea Garden; and,

10 WHEREAS, The Recreation and Park Department unanimously adopted the Selection
11 Committee's findings in scoring the 10 submitted proposals and finding Murata's Café Hana
12 as the selected respondent; and,

13 WHEREAS, A copy of the lease is on file with the Clerk of the Board of Supervisors
14 under File No. 090836 (the "Lease"); and,

15 WHEREAS, The Lease includes the following terms and conditions:

16 (a) Term. The Initial Term will run from the effective date of the Lease, September
17 1, 2009, through August 31, 2014

18 (b) Option Term. Lessee must notify City within 150 days prior to the expiration of
19 the Initial Term to request one 5-year option. City may accept or reject the option
20 request and may renegotiate financial terms.

21 (c) Rent. Lessee shall pay to the City the greater of the base rent (Minimum Annual
22 Guaranty) of \$200,000 per year (payable as \$16,666.66 per month) and a
23 certain percentages of the various income stream: Tea House 30%, Gift Shop
24 Sales 25%, Curio Stand Sales 25%, Audio Tour Sales 50% and Bus Parking
25 Fees 40%.

1 (d) Additional Compensation. City will benefit from improvements made to the
2 concession buildings through the \$500,000 gift from Jack Hirose, to be
3 dispersed through the San Francisco Japantown Foundation. Murata will also
4 pay \$12,000 annually into the Japanese Tea Garden Gift Fund for the use of
5 approved work to enhance and improve the Tea Garden.

6 WHEREAS, The Recreation and Park Commission reviewed and considered the
7 Lease, and recommended approval to the Board of Supervisors on June 4, 2009 (RecPark
8 Resolution No. 0906-012); now, therefore, be it

9 RESOLVED, That the Board approves the Lease and authorizes the Recreation and
10 Park Department General Manager to execute and deliver the Lease to Lessee, and to
11 perform all acts required of the City thereunder; and, be it

12 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
13 with respect to the Lease are hereby approved, confirmed and ratified; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors authorizes the Recreation and
15 Park Department General Manager to enter into any modifications to the Lease (including
16 without limitation, the exhibits) that the General Manager determines, in consultation with the
17 City Attorney, are in the best interests of the City, do not decrease the rent or otherwise
18 materially increase the obligations or liabilities of the City, are necessary or advisable to
19 effectuate the purposes of the Lease or this Resolution, and are in compliance with all
20 applicable laws, including the City's Charter.

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