

1 [Lease of Property at S.F. Marina West Harbor, near the intersection of Marina Boulevard and
2 Fillmore Street, to the St. Francis Yacht Club.]

3 **Resolution authorizing and approving the execution, delivery and performance of a**
4 **lease of real property at the S.F. Marina West Harbor near the intersection of Marina**
5 **Boulevard and Fillmore Street (a portion of Block 0900, Lot 003) to the St. Francis Yacht**
6 **Club for a term of forty (40) years plus the approximately seven (7) years remaining on**
7 **the Club's existing lease; and adopting findings under the California Environmental**
8 **Quality Act and findings pursuant to the City Planning Code Section 101.1.**

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10 WHEREAS, The St. Francis Yacht Club ("Tenant"), a nonprofit organization
11 incorporated for the purpose of developing and promoting aquatic sport, applied to the City
12 and County of San Francisco for the right to use a portion of certain property at the
13 S.F. Marina West Harbor near the intersection of Marina Boulevard and Fillmore Street (a
14 portion of Block 0900, Lot 003) (the "Premises"), which property was acquired by the City
15 pursuant to a grant from the State of California (Chapter Laws 437 reported on Page 1484 of
16 1935 Statutes, as amended by Chapter 1298 of the Statutes of 1963) (the "State Grant"); and,

17 WHEREAS, Under the State Grant, the City is specifically given the power to assign or
18 lease the property described therein to any corporation, club or association organized for the
19 purpose of developing and promoting aquatic sport; and,

20 WHEREAS, Tenant and City entered into a lease agreement dated as of January 28,
21 1965, as amended by a first amendment dated as of December 3, 1973, pursuant to which
22 Tenant leases the property described above from City (the "Existing Lease"). The Existing
23 Lease expires on January 31, 2014; and,

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1 WHEREAS, The City desires to increase the rent paid by Tenant under the Existing
2 Lease and to maximize certain public benefits provided by Tenant, and Tenant desires to
3 extend its occupancy rights in order to maintain and expand its membership; and,

4 WHEREAS, The City, acting through the Recreation and Park Department, has
5 negotiated a new lease to Tenant for the Premises, a copy of which is on file with the Clerk of
6 the Board of Supervisors under File No. _____(the "Lease"); and,

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

8 (a) Term. The term will run from the effective date of the Lease to January 31, 2014
9 (the expiration date of the Existing Lease) and then continue for an additional forty (40) years,
10 ending on January 31, 2054.

11 (b) Base Rent. The initial base rent shall be \$200,134 per year, or \$16,678 per
12 month (the base rent under the Existing Lease is currently \$7,015 per month). Within sixty
13 (60) days following the effective date of the Lease, Tenant shall pay to City the difference
14 between the old rent and the new rent for the period from June 1, 2006 to the effective date.

15 (c) Adjustments to Base Rent. On the fifth (5th) anniversary of the commencement
16 date and every fifth (5th) anniversary thereafter, the base rent will increase to one hundred
17 fifteen percent (115%) of the previous base rent; provided, on the fifteen (15th) and thirtieth
18 (30th) anniversaries of the commencement date, the base rent will be the higher of the set
19 increase set forth above or fifty percent (50%) of the fair market value of the Premises.

20 (d) Lump Sum Payment. Tenant shall pay to City before the end of the ninth (9th)
21 full calendar month of the term One Million Two Hundred Thousand Dollars (\$1,200,000) (the
22 "Lump Sum Payment"). The Lump Sum Payment shall be used for improvements to the
23 S.F. Marina, as approved by City.

24 (e) Public Benefit Program. Tenant shall implement and maintain, at Tenant's sole
25 cost, a public benefit program which shall be updated on each rent adjustment date and

1 approved by the Recreation and Park General Manager. The public benefit program shall be
2 designed to: (1) develop and promote water sports and boating, especially for San Francisco's
3 disadvantaged youth; (2) promote San Francisco as the premiere place to conduct boat races;
4 (3) support local and community activities that positively affect the neighborhood and
5 Premises; and (4) support San Francisco Bay activities including safety enforcement,
6 conservation, sustainable environmental policies, tourism, and sailing education for all ages.
7 The public benefit program will include a recreational boating program for San Francisco
8 youths; and,

9 WHEREAS, The Recreation and Park Commission reviewed and considered the
10 Lease, and recommended approval to the Board of Supervisors on September 21, 2006
11 (RecPark Resolution No. _____); and,

12 WHEREAS, The City's Planning Department has found that the Lease is consistent
13 with the City's General Plan and with the Eight Priority Policies of City Planning Code
14 Section 101.1, and is categorically exempt from Environmental Review, a copy of these
15 findings are on file with the Clerk of the Board of Supervisors under File No. _____,
16 and are incorporated herein by this reference; now, therefore, be it

17 RESOLVED, That the Board of Supervisors hereby finds that the Lease is consistent
18 with the City's General Plan and with the Eight Priority Policies of City Planning Code
19 Section 101.1, and is exempt from Environmental Review for the reasons stated by the
20 Planning Department, and hereby incorporates such findings by reference as though fully set
21 forth in this Resolution; and, be it

22 RESOLVED, That the Board approves the Lease and authorizes the RecPark General
23 Manager and the Director of Property to execute and deliver the Lease to Tenant, and to
24 perform all acts required of the City thereunder; and, be it

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

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the RecPark
4 General Manager to enter into any modifications to the Lease (including without limitation, the
5 exhibits) that the RecPark General Manager determines, in consultation with the City Attorney
6 and the Director of Property, are in the best interests of the City, do not increase the rent or
7 otherwise materially increase the obligations or liabilities of the City, are necessary or
8 advisable to effectuate the purposes of the Lease or this Resolution, and are in compliance
9 with all applicable laws, including the City's Charter.

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