

File No. 141147

Committee Item No. _____
Board Item No. 7

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee Date January 7, 2015

Board of Supervisors Meeting. Date January 13, 2015

Cmte Board

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Completed by: Linda Wong Date January 2, 2015
Completed by: L.W. Date January 8, 2015

1 [Appropriation and De-Appropriation - Hosting the PGA World Golf Championship
2 Tournament - Recreation and Park - \$1,300,000 - FY2014-2015]

3 **Ordinance appropriating \$1,300,000 to the Recreation and Park Department for the**
4 **costs associated with hosting the PGA World Golf Championship Tournament at TPC**
5 **Harding Park Golf Course; and appropriating and de-appropriating \$500,000 to**
6 **reimburse the Recreation and Park Department for revenue lost during the closure of**
7 **the golf course.**

8
9 **Note:** **Unchanged Code text and uncodified text** are in plain Arial font.
10 **Additions to Codes** are in *single-underline italics Times New Roman font.*
11 **Deletions to Codes** are in ~~*italics Times New Roman font.*~~
12 **Board amendment additions** are in double underlined Arial font.
13 **Board amendment deletions** are in ~~Arial font.~~
14 **Asterisks (***)** indicate the omission of unchanged Code
15 subsections or parts of tables.

16 Be it ordained by the People of the City and County of San Francisco:

17 Section 1. The sources of funding outlined below are herein appropriated to reflect the
18 funding available in FY2014-2015. Under the terms of the City's Master Tournament
19 Agreement with the PGA Tour, the Tour will reimburse the City for the costs associated with
20 the 2015 tournament including revenue lost during the closure of Harding Park for the
21 tournament.

22 **SOURCES Appropriation**

23	Fund	Index/Project Code	Subobject	Description	Amount
24	2S GOL CPR	RECGOLPGA /	35499	PGA TOUR	\$800,000
25	GOLF FUND -	PRPGLFPGWC15		REIMBURSEMENT	

1	CONTINUING			FOR TOURNAMENT	
2	PROJECTS			EXPENSES	
3					
4	2S GOL NPR GOLF	RECGOLFHARD	35499	PGA TOUR	\$500,000
5	FUND – ANNUAL			REIMBURSEMENT	
6	NONPROJECT			FOR LOST GREENS	
7	CONTROLLED			FEES	
8	Total SOURCES Appropriation				<u>\$1,300,000</u>

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10 Section 2. The sources of funding outlined below are herein de-appropriated to reflect

11 the funding available in FY2014-2015.

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13 **SOURCES De-Appropriation**

14	Fund	Index/Project Code	Subobject	Description	Amount
15	2S GOL NPR GOLF FUND –	RECGOLFHARD	62631	LOST GREENS	\$500,000
16	ANNUAL NONPROJECT			FEES	
17	CONTROLLED				
18					
19	Total SOURCES De-Appropriation				<u>\$500,000</u>

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21 Section 3. The uses of funding outlined below are herein appropriated in FY2014-2015

22 for the costs associated with the World Golf Championship Tournament.

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24 **Uses Appropriation**


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Fund	Index/Project Code	Subobject	Description	Amount
2S GOL CPR	RECGOLFGA /	06P00	GOLF TOURNAMENT	\$800,000
GOLF FUND -	PRPGLFPGWC15		EXPENSES	
CONTINUING PROJECTS				
Total USES Appropriation				\$800,000

Section 4. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this Ordinance as necessary to conform with Generally Accepted Accounting Principles.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: 
THOMAS OWEN
Deputy City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: 
BEN ROSENFELD
Controller

<p>Files 14-1150, 14-1147 Items 1 and 2</p>	<p>Department: Recreation and Park Department (RPD)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed resolution (File 14-1150) would approve the fourth amendment to the existing Master Tournament Agreement between the Recreation and Park Department and the PGA Tour to (1) amend the schedule of PGA Tour tournaments at Harding Park, (2) revise the schedule and terms of payments by the PGA Tour to the Recreation and Park Department. • The proposed ordinance (File 14-1147) would appropriate \$1,300,000 in PGA Tour reimbursements to the Recreation and Park Department, including \$800,000 for the Department’s maintenance and labor costs and \$500,000 to replace the Department’s lost revenues at Harding Park during the PGA Tour event. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The Recreation and Park Department entered into the Master Tournament Agreement with the PGA Tour in 2002 that set the event schedule and payment terms for PGA Tour events held at Harding Park. The Master Tournament Agreement has been amended three times from 2002 to 2012. • The proposed fourth amendment would revise the (a) schedule of PGA Tour events to be held at Harding Park, resulting in two required events in 2015 and 2025 respectively, and four optional events at the discretion of the PGA Tour; and (b) terms of PGA Tour’s reimbursement of the Recreation and Department’s costs to host PGA Tour events and participation in each event’s gross operating revenues. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • While the Master Tournament Agreement provided for the Recreation and Park Department to participate in the PGA Tour’s gross operating revenues for each event, the threshold for the Department’s participation was higher than the gross operating revenues received by the PGA Tour for each event. Therefore, the Department has not previously received a percentage of the PGA Tour’s gross operating revenues under the Master Tournament Agreement, although the Department incurs ongoing cost to maintain Harding Park to meet PGA Tour standards. • Subsequent to the December 10, 2014 Budget and Finance Committee meeting, the Recreation and Park Department renegotiated the terms of the proposed fourth amendment to lower the threshold for percentage rent. As a result, the Recreation and Park Department estimates receiving \$1,350,981 in participation revenues from two required and one optional PGA Tour events in addition to reimbursements from the PGA Tour for the Department’s costs to host each event. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed resolution and ordinance. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

City Charter Section 9.118(a) states that contracts entered into by a department, board or commission that will generate revenue in excess of \$1 million or any modification of that contract is subject to Board of Supervisors approval.

City Charter Section 9.105 states that the Board of Supervisors shall approve by ordinance all amendments to the Annual Appropriation Ordinance after the Controller certifies the availability of funds.

Background**Harding Park Golf Course and the Golf Fund**

The Board of Supervisors approved the establishment of the Golf Fund (File 02-0197) in 2002. Under the Administrative Code, revenues from the Recreation and Park Department's golf courses are deposited into the Golf Fund. The Golf Fund does not fully cover the Recreation and Park Department's costs for operating and maintaining the golf courses, resulting in an annual General Fund subsidy to the Golf Fund.

When the Board of Supervisors approved establishing the Golf Fund, the Board also authorized spending \$16,627,627 in State Proposition 12 grant funds on the renovation of Harding Park Golf Course (Harding Park). Revenues from the Golf Fund are to be used to reimburse the Open Space Fund for use of the State Proposition 12 grant funds to renovate Harding Park. To date, the Golf Fund has reimbursed \$7,929,000 of the \$16,627,627 to the Open Space Fund.

PGA Tour Master Tournament Agreement

In 2002, the Board of Supervisors approved a resolution approving a Master Tournament Agreement between the Recreation and Park Department and the Professional Golfers' Association Tour, Inc. (PGA Tour) for the PGA Tour to use Harding Park for PGA Tour Championship tournaments. Under the terms of the existing agreement, the PGA Tour was to hold a PGA Tour Championship Tournament at Harding Park three times over a nine-year period commencing on January 1, 2006.

Under the original Master Tournament Agreement, the PGA Tour would reimburse the Department \$250,000 for maintenance costs incurred for each PGA Tour tournament. If the Department incurred maintenance costs in excess of \$250,000, the PGA Tour would reimburse the Department up to an additional \$130,000. The PGA Tour would also provide \$250,000 for golf course improvements. Therefore, the PGA Tour would pay the Department between \$500,000 and \$630,000 per tournament, with \$250,000 allocated to Harding Park course improvements. In addition, the First Tee Program (a youth organization that promotes life skills through golf) would receive \$250,000 per tournament from the PGA Tour.

First Amendment

The Board of Supervisors approved the first amendment to the Master Tournament Agreement in March 2004. Instead of the PGA Tour having three tournaments over nine years, the PGA Tour would host five tournaments over a 15-year period commencing in 2005.

Second Amendment

The Board of Supervisors approved the second amendment to the Master Tournament Agreement in May 2007, which increased the number of PGA Tour tournaments to be held at Harding Park from five to six, and changed which tournaments the PGA Tour would host at Harding Park.

Between 2014 and 2020

The second amendment also included optional events to be held at Harding Park at the option of the PGA Tour including either: (a) the Presidents Cup, (b) a PGA Tour Playoff event, (c) the Bridgestone Invitational¹, (d) the Cadillac Championship² or, (e) the Accenture Match Play Championship³.

Under the second amendment, the PGA Tour would pay the Recreation and Park Department an up-front facility fee equal to the Department's actual costs to host the PGA Tour tournaments up to \$1,000,000. Tournament costs include Harding Park maintenance costs and the Department's lost revenues from the closure of Harding Park during the tournaments. In addition to the up-front fee, the PGA Tour would pay the Department 6.66 percent of gross operating revenues realized by the PGA Tour in excess of \$10,000,000.

Third Amendment

The Board of Supervisors approved a third amendment to the Master Tournament Agreement in May 2012 that (a) revised the schedule of PGA Tour tournaments that the PGA Tour would host at Harding Park and (b) increased the number of PGA Tour events from six to seven and added two optional events for a potential total of nine events.

Table 1 below shows the previous and currently scheduled tournaments under the Master Tournament Agreement as agreed to under the first, second, and third amendments.

¹ The Bridgestone Invitational is one of the annual World Golf Championships, a group of four annual events for male professional golfers.

² The Cadillac Championship is one of the annual World Golf Championships.

³ The Accenture Match Play Championship is one of the annual World Golf Championships.

Table 1: Previously Held and Currently Scheduled PGA Tour Golf Tournaments

Year	Event	Status
2005	American Express Championship	Held
2009	The Presidents Cup	Held
2010	Charles Schwab Championship	Held
2011	Charles Schwab Championship	Held
2013	Charles Schwab Championship	Held
2015	Charles Schwab Championship, Championship Tour Event, or \$500,000 cancellation payment	Cancelled
2016	PGA Tour playoff event	Pending
2017-2019	PGA Tour Option <ul style="list-style-type: none"> • PGA Tour playoff event • World Golf Championship • Presidents Cup 	Pending
2021	PGA Tour Option: Presidents Cup	Pending

Source: Recreation and Park Department

If the PGA Tour did not host the Charles Schwab Championship or Championship Tour Event at Harding Park in 2015, as listed in Table a above, then the PGA Tour is required to pay the Recreation and Park Department \$500,000 as a cancellation fee. The PGA Tour will not host either event and has made a \$200,000 payment to date with \$300,000 outstanding and due by December 31, 2015.

DETAILS OF PROPOSED LEGISLATION

File 14-1150

The proposed resolution would approve the fourth amendment to the existing Master Tournament Agreement between the Recreation and Park Department and the PGA Tour to (1) amend the schedule of PGA Tour tournaments at Harding Park, (2) change the cancellation payments payable by the PGA Tour to the Department in the event that certain tournaments are not held at Harding Park, (3) require the PGA Tour to reimburse the Department for maintenance and labors costs by an amount of up to \$1,100,000 to \$1,375,000, depending on the event and (4) change the revenue-sharing thresholds under the Master Tournament Lease.

Under the proposed fourth amendment, the PGA Tour would host two major golf tournaments at Harding Park in 2015 and in 2025 and would increase the number of optional tournaments to be held at the discretion of the PGA Tour from two to four.

The new schedule of tournaments would be as follows:

2015 Guaranteed: World Golf Championships – Cadillac Match Play.

2016 – 2018 Option: Up to three tournaments at the sole discretion of the PGA Tour. These tournaments could include a World Golf Championship, PGA Tour Tournament, or PGA Tour Playoff Event.

2021 – 2023 Option: One additional tournament at the sole discretion of the PGA Tour. These tournaments could include a World Golf Championship, PGA Tour Tournament, or PGA Tour Playoff Event.

2025 Guaranteed: Presidents Cup.

Under the proposed fourth amendment, if the PGA Tour decided not to hold either of the two guaranteed events – the World Golf Championships/Cadillac Match Play in 2015 and Presidents Cup in 2015 - then the PGA Tour would have to make a cancellation payment to the Recreation and Park Department in the amount of \$1,000,000 per event.

This schedule completely replaces the previous schedule that was authorized under the third amendment to the Master Tournament Lease. The third amendment included a mandatory cancellation payment of \$500,000, payable by the PGA Tour to the Recreation and Park Department by December 31, 2015, if the PGA Tour did not host either the Charles Schwab Tournament or a Championship Tour Event in 2015. Under the proposed fourth amendment, the cancellation payment owed to the Department for the Charles Schwab Tournament or Championship Tour Event that was to take place in 2015 would be reduced from \$500,000 to \$400,000 in recognition of the fact that the PGA Tour is hosting the World Golf Championships-Cadillac Match Play event at Harding Park in 2015. As discussed above, the PGA Tour has paid \$200,000 of that \$400,000 and will be required to pay the remaining \$200,000 by December 31, 2014, one year earlier than was required under the previously approved third amendment.

Under the proposed fourth amendment, the PGA Tour would (1) be required to host a total of two events at Harding Park including the World Golf Championship-Cadillac Match Play in 2015 and the Presidents Cup in 2025, and (2) would increase the number of optional events, at the sole discretion of the PGA Tour from two to four.

Based on an inquiry by the Budget and Legislative Analyst's Office, the Recreation and Park Department revised the proposed fourth amendment subsequent to the December 10, 2014 Budget and Finance Committee meeting to require the Department to submit invoices to the PGA Tour no later than 60 days following the conclusion of each event.

File 14-1147: The proposed ordinance would appropriate \$1,300,000 in PGA Tour reimbursements to Recreation and Park Department, including \$800,000 for maintenance and labor costs at Harding Park in preparation for the World Golf Championship-Cadillac Match Play that will be held at Harding Park from April 29, 2015 to May 3, 2015; and \$500,000 to replace revenues that will be lost while Harding Park is closed for use by the PGA Tour.

FISCAL IMPACT

Proposed Fourth Amendment (File 14-1150)

Under the proposed resolution (File 14-1150), the Recreation and Park Department is to receive reimbursements from the PGA Tour for maintenance and labor costs and payment for lost

revenues in an amount ranging from up to \$1,100,000 to \$1,375,000, depending on the event, as shown in Table 2 below.

In addition, the Recreation and Park Department is to receive a percentage of PGA Tour event gross operating revenues over a certain threshold that varies by event, as shown in Table 2 below.

Subsequent to the December 10, 2014 Budget and Finance Committee meeting, the Recreation and Park Department renegotiated a lower threshold amount for receipt of percentage revenues as noted in Table 2 below.

Table 2: PGA Tour Payments to the Recreation and Park Department Under the Proposed Fourth Amendment to the Master Tournament Agreement

2015	Match Play Event	Reimbursement Up to \$1,100,000, payable by the PGA Tour to the Recreation and Park Department by no later than 45 days after receipt of invoices.	AND 6.66% of gross operating revenues greater than \$4,000,000. (The prior version of the fourth amendment provided for 6.66% of gross operating revenues greater than \$8,000,000.)
2016 -2018, 2021-2023	Optional Events	Reimbursement up to \$1,100,000 as adjusted for inflation from September 2013, payable by the PGA Tour to the Recreation and Park Department by no later than 45 days after receipt of invoices.	AND 6.66% of gross operating revenues greater than \$9,000,000. (The prior version of the fourth amendment provided for 6.66% of gross operating revenues greater than \$8,000,000 or \$10,000,000 depending on the event selected by the PGA Tour)
2025	Presidents Cup	Reimbursement up to \$1,375,000, as adjusted for inflation from September 2013, payable by the PGA Tour to the Recreation and Park Department by no later than 45 days after receipt of invoices.	AND 6.66% of gross operating revenues greater than \$9,500,000. (The prior version of the fourth amendment provided for the greater of \$1,375,000 reimbursements or 9% of gross operating revenues, whichever is greater.)

Source: Original and Revised Fourth Amendment to the Master Tournament Agreement

Under the proposed fourth amendment, the Recreation and Park Department is to be reimbursed by the PGA Tour for the maintenance and labor costs and lost revenues to host each PGA Tour event at Harding Park up to a maximum reimbursement amount of \$1,100,000 to \$1,375,000, depending on the event and as shown in Table 2 above. According to Ms. Katie Petrucione, Recreation and Park Department Director of Finance and Administration, the

Department does not anticipate that the Department's costs and lost revenues for hosting each PGA Tour event will exceed the maximum reimbursement amount under proposed fourth amendment.

While the second and third amendments to the Master Tournament Agreement provided for the Recreation and Park Department to participate in the PGA Tour's gross operating revenues exceeding \$10,000,000 per event, the PGA Tour's gross operating revenues never exceeded this threshold and the Recreation and Park Department never received percentage revenues for these events. The PGA Tour's gross operating revenues from the five events held at Harding Park from 2005 through 2013 ranged from \$1,236,000 to \$8,453,000, as shown in Table 3 below.

Table 3: PGA Tour's Gross Operating Revenues per Event

Year	Event	Gross Operating Revenues
2005	American Express Championship	\$4,929,000
2009	President's Cup	8,453,000
2010	Charles Schwab Cup Championship	1,466,000
2011	Charles Schwab Cup Championship	1,640,000
2013	Charles Schwab Cup Championship	<u>1,236,000</u>
Total		\$17,724,000

Source: Recreation and Park Department

As noted above, the Recreation and Park Department revised the proposed fourth amendment subsequent to the December 10, 2014 Budget and Finance Committee meeting to lower the threshold for percentage rent, as shown in Table 2 above. As a result, the Recreation and Park Department estimates that the Department will receive from \$79,920 to \$1,032,300 in percentage revenues per event under the revised fourth amendment, as shown in Table 4 below.

Table 4: Estimated Percentage of Gross Operating Revenues to be Paid by the PGA Tour to the Recreation and Park Department

Year	Event	Required/Optional	PGA Tour's Estimated Gross Operating Revenues	Threshold for Department Participation	Percent of Gross Operating Revenues	Estimated Revenues to the Department
2015	Cadillac Match Play	Required	\$5,200,000	\$4,000,000	6.66%	\$79,920
2017	The Barclay's	Optional	12,585,000	9,000,000	6.66%	238,761
2025	President's Cup	Required	<u>25,000,000</u>	9,500,000	6.66%	<u>1,032,300</u>
Total			\$42,785,000			\$1,350,981

Source: Recreation and Park Department

According to Mr. Tom Hart, Recreation and Park Department Property Manager, the PGA Tour provided the estimates for gross operating revenues for each of the three PGA Tour events listed in Table 4 above: Mr. Hart states that the estimate of \$25,000,000 for the President’s Cup gross operating revenues in 2025, which is almost 3x the President’s Cup gross operating revenues of \$8,453,000 in 2009, is reasonable because (a) the two most recent President Cup events earned \$17,000,000 in Australia in 2011 and \$19,000,000 in Ohio in 2013, and (b) five additional President Cup events are scheduled between 2013 and 2025, resulting in increased interest in the event.

Supplemental Appropriation (File 14-1147)

The proposed ordinance appropriates \$1,300,000 in Golf Fund monies, of which \$800,000 is to be used for the Department’s maintenance and labor costs and \$500,000 is to replace the Department’s lost revenues to host the World Golf Championships-Cadillac Match Play tournament in 2015. These funds of \$1,300,000 will be reimbursed by the PGA Tour under the proposed fourth amendment, as shown in Table 5 below.

Table 5: Sources and Uses of Funds

Sources of Funds	
PGA Tour Reimbursement for Labor and Maintenance Costs and Lost Revenues	\$1,100,000
PGA Tour Cancellation Fee	200,000
Total Sources	\$1,300,000
Uses of Funds	
Recreation and Park Department Labor and Maintenance Costs	\$800,000
Recreation and Park Department Lost Revenues	500,000
Total Uses	\$1,300,000

Source: Recreation and Park Department

According to the proposed ordinance, the Controller will record transfers between funds and adjust the accounting treatment of sources and uses appropriated in the proposed ordinance to reconcile the Recreation and Park Department’s expenditures with reimbursements received from the PGA Tour.

According to Ms. Petrucione, the Recreation and Park Department has spent in FY 2014-15 \$158,282 of the \$800,000 allocated to maintenance and labor at Harding Park as shown in Table 6 below.

Table 6: Expenditures for Maintenance and Labor at Harding Park June to November 2014

Maintenance Employees Overtime Costs	\$79,953
Maintenance Employees Fringe Benefits	29,595
Materials and Supplies	48,734
Subtotal, Expenditures Through November 15, 2014	\$158,282
Additional Maintenance Employees Overtime Costs	331,125
Additional Maintenance Fringe Benefits	32,067
Additional Materials and Supplies	211,266
Professional Service Contracts to Renovate the Driving Range	67,260
Subtotal, Estimated Additional Expenditures in FY 2014-15	\$641,718
Total Actual and Estimated Expenditures in FY 2014-15	\$800,000

According to Ms. Petrucione, the \$500,000 reimbursement for lost revenues payable by the PGA Tour to the Recreation and Park Department would be deposited to the Golf Fund to pay for standard expenditures from the Golf Fund as included in the FY 2014-15 Annual Appropriation Ordinance as approved by the Board of Supervisors.

POLICY CONSIDERATION

Although the Recreation and Park Department has not previously received a percentage of the PGA Tour’s gross operating revenues under the Master Tournament Agreement, the Department incurs ongoing costs to maintain Harding Park to meet PGA Tour standards. In addition, while the Golf Fund is responsible for Harding Park expenses, Golf Fund revenues are insufficient to maintain the City’s golf courses, resulting in annual General Fund subsidies of \$4,961,627 in FY 2014-15, which includes a General Fund subsidy of an estimated \$2.4 million to Harding Park. Under the proposed fourth amendment, the Department estimates receiving percentage revenues for two required and one optional PGA Tour events of \$1,350,981, as shown in Table 4 above. These revenues are in addition to reimbursements by PGA Tour to the Department for the Department’s labor and maintenance costs and lost revenues to host PGA Tour events.

RECOMMENDATION

Approve the proposed resolution and ordinance.



Edwin M. Lee, Mayor
Philip A. Ginsburg, General Manager

Date: October 7, 2014
To: Recreation and Park Commission
From: Katie Petrucione^{KEP}, Director of Administration and Finance
Re: Supplemental Appropriation Request for the 2015 WGC Match Play Tournament

Agenda Item Wording

Discussion and possible action to approve a supplemental appropriation request to the Mayor and the Board of Supervisors in the amount of \$1.3 million to support the 2015 World Golf Championship Match Play Tournament at TPC Harding Park Golf Course.

Background

On July 2, 2014 the City announced its intention to revise its master tournament agreement with the PGA Tour. The revised agreement will bring three new golf tournaments to TPC Harding Park, the World Golf Championship (WGC) from April 27 through May 3, 2015, the PGA Championship in 2020 and the President's Cup in 2025. The 2015 WGC Match Play Tournament will be in a pool format with a field of the world's top 64 golfers.

The PGA Tour has agreed to pay the Recreation and Park Department (RPD) up to \$1.3 million to fund the costs of hosting the WGC tournament and to repay revenue lost during the closure of the golf course for approximately three weeks leading up to and during the tournament. During the tournament, the TPC Harding organization will provide catering to the players, officials and guests using the clubhouse.

The City decided to bring the 2015 WGC tournament to San Francisco after the department had completed its budget for FY '14-'15. In order to establish appropriation authority for the revenue and expenses associated with the tournament RPD must ask the Mayor and the Board of Supervisors to approve a supplemental appropriation to amend the '14-'15 budget.

Tournament Scope of Work

Preparation for the 2015 tournament began in July and requires the department to complete a significant amount of work in a short period of time. The scope of work leading to the tournament includes rebuilding the nine bunkers at Fleming, resodding the practice driving range at Fleming, weed removal, kikuyu grass removal, fairway top dressing and overseeding and extensive tree work at both Harding and Fleming. The Harding agronomy staff, including gardeners, plumbers, truck drivers, operating engineers and arborists, must accomplish the majority of these tasks before the start of the rainy season in November. The compressed schedule will require staff to undertake much of this work on overtime.

The week of the WGC tournament, the Harding crew will work an estimated 330 hours of overtime daily, watering the course, repairing damage, such as divots, from the day's play and moving holes. After the tournament ends, staff will restore the areas of the course affected by the PGA Tour's hospitality facilities.

Summary of Supplemental

The supplemental appropriation will be in the amount of \$1.3 million. The proposed budget is:

Backfill Lost Revenue	\$500,000
Salaries and Fringe Benefits	\$472,000
Services	\$68,000
Material and Supplies	
Agronomy	\$240,000
IPM	\$10,000
Championship Expenditures	\$10,000
Total Material and Supplies	\$260,000
Total	\$1,300,000

Next Steps

The department will submit the supplemental ordinance to the Mayor's Office for approval and then introduce the ordinance at the Board of Supervisors in November.

Recommendation

RPD staff recommends that the Commission approve the supplemental appropriation request to the Mayor and the Board of Supervisors.

Support

PGA Tour
PGA of America
TPC Harding

Opposition

None known.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Appropriation and De-Appropriation – Hosting the PGA World Golf
Championship Tournament – Recreation and Park - \$800,000 – FY 2014-
2015
DATE: November 4, 2014

Attached for introduction to the Board of Supervisors is an ordinance appropriating \$800,000 to the Recreation and Park Department for the costs associated with hosting the PGA World Golf Championship Tournament at TPC Harding Park Golf Course, and appropriating and de-appropriating \$500,000 to reimburse the Recreation and Park Department for revenue lost during the closure of the golf course.

Should you have any questions, please contact Nicole Wheaton (415) 554-7940.

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SAN FRANCISCO
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