

File No. 211295

Committee Item No. 5

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget and Finance Committee Date February 2, 2022

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Completed by: Brent Jalipa Date January 28, 2022

Completed by: Brent Jalipa Date \_\_\_\_\_

1 [Park Code - Admission Fees at the Gardens of Golden Gate Park]

2  
 3 **Ordinance amending the Park Code to waive fees for admission by San Francisco**  
 4 **residents to the Japanese Tea Garden and the Conservatory of Flowers; to authorize**  
 5 **the Recreation and Park Department to waive or discount other admission fees at these**  
 6 **facilities as well as at the San Francisco Botanical Garden (all three collectively, “the**  
 7 **Gardens”); to fund these changes by reauthorizing the Recreation and Park**  
 8 **Department to set admission fees for non-resident adults at the Gardens through**  
 9 **flexible pricing, based on certain factors and to ensure consistency among all three**  
 10 **Gardens; and affirming the Planning Department’s determination under the California**  
 11 **Environmental Quality Act.**

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

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

20 Section 1. Environmental Findings.

21 The Planning Department has determined that the actions contemplated in this  
 22 ordinance comply with the California Environmental Quality Act (California Public Resources  
 23 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
 24 Supervisors in File No. 211295 and is incorporated herein by reference. The Board affirms  
 25 this determination.

1 Section 2. Background.

2 (a) In 2019, the City enacted Ordinance No. 194-19, which, among other things,  
3 authorized the Recreation and Park Department (“RPD”) to set non-resident adult admission  
4 fees for the Japanese Tea Garden, the Conservatory of Flowers, and the San Francisco  
5 Botanical Garden (collectively, “the Gardens”) through a defined system of flexible pricing.  
6 Under this system, RPD could increase non-resident adult admission fees once per year by  
7 up to 50% (at certain times only), and could authorize decreases of any amount, based on  
8 factors such as public demand, facility conditions, and rates at comparable facilities. This  
9 system was to remain in place until at least June 30, 2021. In 2021, the City extended flexible  
10 pricing at the Gardens by enacting Ordinance No. 131-21, which provided that flexible pricing  
11 could continue until December 7, 2021, “unless extended by ordinance.”

12 (b) San Francisco residents are already entitled to free admission at the Botanical  
13 Garden. The Board of Supervisors finds it is in the public interest to extend this policy to the  
14 other Gardens, and to authorize the Recreation and Park Department to develop further  
15 waivers and discounts in order to allow for coordination among the Gardens with respect to  
16 special conditions and exhibits. Likewise, the Board of Supervisors also finds it is reasonable  
17 to re-authorize flexible pricing for non-resident adults at the Gardens, to help offset the costs  
18 of the waivers and discounts, and to help pay for general operating expenses, purchase or  
19 lease supplies, equipment, and materials for the facilities, and to raise funds for future capital  
20 projects necessary to maintain existing levels of service.

21  
22 Section 3. Article 12 of the Park Code is hereby amended by revising Sections 12.05,  
23 12.34, and 12.46, and deleting Section 12.50, as follows:

24 **SEC. 12.05. JAPANESE TEA GARDEN.**

25 (a) The following fees shall be charged for admission to the Japanese Tea Garden:

<b>Age/Category</b>	<b>S.F. Residents</b>	<b>Non-Residents</b>
Adult	<del>\$0.00</del> <del>5.00</del>	\$7.00
Senior (65+)	<del>\$0.00</del> <del>3.00</del>	\$5.00
Youth (12—17 years)	<del>\$0.00</del> <del>3.00</del>	\$5.00
Child (5—11 years)	<del>\$0.00</del> <del>1.50</del>	\$2.00
Child (4 years and under)	\$0.00	\$0.00

~~With respect to the non-resident Adult fees, the~~ The Department General Manager or the General Manager's designee may ~~once per year~~ approve a temporary increase~~s~~ of up to 50% ~~to the non-resident Adult fees upon not less than 30 days' notice, applicable during the months of March through October only,~~ and/or may approve decreases to any category of fees at any time, based on one or more of the following factors: fluctuations in customer demand at particular times or on particular days or dates, rates at comparable facilities, adverse weather conditions, ~~and~~ facility conditions, operating costs, and for tickets covering multiple garden admissions.

\* \* \* \*

**SEC. 12.34. CONSERVATORY OF FLOWERS FEES.**

(a) **Admission Fees.** The following fees shall be charged for admission to the Conservatory of Flowers:

<b>Age/Category</b>	<b>S.F. Residents</b>	<b>Non-Residents</b>
Adults	<del>No fee</del> <del>\$5.00</del>	\$7.00
Youth 12-17 and Seniors 65 and over	<del>No fee</del> <del>\$3.00</del>	\$5.00
Children 5-11	<del>No fee</del> <del>\$1.50</del>	\$2.00
Children 4 and under	No fee	No fee

San Francisco school groups K-12 with prior scheduling	No fee	<u>No fee</u>
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~~With respect to the non-resident Adult fees, the~~ Department General Manager or the General Manager's designee may ~~once a year~~ approve a temporary increase~~s~~ of up to 50% to the non-resident Adult fees upon not less than 30 days' notice, applicable on Fridays, Saturdays and Sundays only, and/or may approve decreases to any category of fees at any time, based on one or more of the following factors: fluctuations in customer demand at particular times or on particular days or dates, rates at comparable facilities, adverse weather conditions, ~~and~~ facility conditions, operating costs, and for tickets covering multiple garden admissions.

\* \* \* \*

**SEC. 12.46. COUNTY FAIR BUILDING AND BOTANICAL GARDEN FEES.**

\* \* \* \*

(d) The Department shall charge the following fees for entrance to the Botanical Garden:

<b>Age/Category</b>	<b>Non-San Francisco Residents</b>
Adults	\$7.00
Youth 12-17 and Seniors 65 and over	\$5.00
Children 5-11	\$2.00
Children 4 and under	No charge
Families (2 adults and all children 17 years and under residing in the same household)	\$15.00

~~With respect to the non-resident Adult fees, the~~ Department General Manager or the General Manager's designee may ~~once a year~~ approve a temporary increase~~s~~ of up to 50% to the non-resident Adult fees upon not less than 30 days' notice, applicable on Saturdays and Sundays

1 ~~only~~, and/or may approve decreases to any category of fees at any time, based on one or more  
2 of the following factors: fluctuations in customer demand at particular times or on particular  
3 days or dates, rates at comparable facilities, adverse weather conditions, ~~and~~ facility  
4 conditions, and for tickets covering multiple garden admissions.

5 \* \* \* \*

6  
7 ~~**SEC. 12.50. SUNSET PROVISIONS.**~~

8 ~~—(a) Consistent with Ordinance No. 194 19, the paragraph in Section 12.06(a) that authorizes~~  
9 ~~temporary increases and decreases of non-resident Adult fees at the Coit Tower Elevator, and any such~~  
10 ~~increases or decreases that the Department General Manager may have approved pursuant to that~~  
11 ~~paragraph, shall be deemed to have expired by operation of law on June 30, 2021.~~

12 ~~—(b) Unless extended by ordinance, the paragraphs in Sections 12.05(a), 12.34(a), and~~  
13 ~~12.46(a) that authorize temporary increases and decreases of non-resident Adult fees at certain~~  
14 ~~specialty attractions, adopted via Ordinance No. 194 19, and any such increases or decreases that the~~  
15 ~~Department General Manager may have approved pursuant to those paragraphs, shall expire by~~  
16 ~~operation of law on December 7, 2021. Upon expiration of those paragraphs, the City Attorney shall~~  
17 ~~cause those paragraphs, the above-referenced paragraph of Section 12.06(a), and this Section 12.50 to~~  
18 ~~be removed from the Park Code.~~

19  
20 Section 4. Effective Date.

21 This ordinance shall become effective 30 days after enactment. Enactment occurs  
22 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
23 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
24 Mayor's veto of the ordinance.

1 Section 5. Scope of Ordinance.

2 (a) In enacting this ordinance, the Board of Supervisors intends to amend only  
3 those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation  
4 marks, charts, diagrams, or any other constituent parts of the Municipal Code that are  
5 explicitly shown in this ordinance as additions, deletions, Board amendment additions, and  
6 Board amendment deletions in accordance with the "Note" that appears under the official title  
7 of the ordinance.

8 (b) The various codified fees presented as existing Code text in Section 3 of this  
9 ordinance do not necessarily reflect the fees that are currently applicable. Pursuant to Park  
10 Code Section 12.20, the Controller adjusts those fees on an annual basis to reflect changes in  
11 the Consumer Price Index. This ordinance is not intended to invalidate any adjustments under  
12 Section 12.20 that the Controller has previously approved.

13

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15 APPROVED AS TO FORM:  
16 DAVID CHIU, City Attorney

17

18 By: /s/ \_\_\_\_\_

19 MANU PRADHAN  
20 Deputy City Attorney

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23

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## **LEGISLATIVE DIGEST**

[Park Code - Admission Fees at the Gardens of Golden Gate Park]

**Ordinance amending the Park Code to waive fees for admission by San Francisco residents to the Japanese Tea Garden and the Conservatory of Flowers; to authorize the Recreation and Park Department to waive or discount other admission fees at these facilities as well as at the San Francisco Botanical Garden (all three collectively, “the Gardens”); to fund these changes by reauthorizing the Recreation and Park Department to set admission fees for non-resident adults at the Gardens through flexible pricing, based on certain factors and to ensure consistency among all three Gardens; and affirming the Planning Department’s determination under the California Environmental Quality Act.**

### Existing Law

The Park Code sets different rates for children, adults and seniors to be admitted to the Japanese Tea Garden the Conservatory of Flowers, and San Francisco Botanical Garden. San Francisco residents receive discounts at the Japanese Tea Garden and Conservatory of Flowers, and do not pay any fees at the Botanical Garden.

In 2019, the City enacted Ordinance No. 194-19, which, among other things, authorized the Recreation and Park Department (“RPD”) to set non-resident adult admission fees for the Gardens through a defined system of flexible pricing. Under this system, RPD could increase non-resident adult admission fees once per year by up to 50% (at certain times only), and could authorize decreases of any amount, based on factors such as public demand, facility conditions, and rates at comparable facilities. This system was to remain in place until at least June 30, 2021. In 2021, the City extended flexible pricing at the Gardens by enacting Ordinance No. 131-21, which provided that flexible pricing could continue until December 7, 2021, unless extended by ordinance.

### Amendments to Current Law

The ordinance would waive all admission fees for San Francisco residents at the Japanese Tea Garden and Conservatory of Flowers, to make the fees at those facilities consistent with the Botanical Garden. The ordinance would also authorize RPD to develop further waivers and discounts in order to allow for coordination among the Gardens with respect to special conditions and exhibits. To help offset the costs of these waivers and discounts and to cover general expenses, the ordinance would also re-authorize flexible pricing for non-resident adults at the Gardens, at any time following notice to the public.

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<b>Items 4 &amp; 5</b> <b>Files 21-1305 &amp; 21-1295</b> <i>(Continued from 1/26/22 meeting)</i>	<b>Department:</b> Recreation & Parks
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## EXECUTIVE SUMMARY

### Legislative Objectives

- **File 21-1305:** The proposed resolution would approve an amendment to the lease and management agreement with the San Francisco Botanical Garden Society to also include the Japanese Tea Garden and the Conservatory of Flowers as part of the leased premises.
- **File 21-1295:** The proposed ordinance would amend the Park Code to waive admission fees for San Francisco residents to the Japanese Tea Garden and the Conservatory of Flowers and reauthorize the Recreation and Park Department to set admission fees for non-resident adults at the Japanese Tea Garden, the Conservatory of Flowers, and the Botanical Garden through flexible pricing.

### Key Points

- The Botanical Garden Society (SFBGS) is responsible for admissions collections and other services for the Botanical Garden. The Conservatory of Flowers is currently managed by the Parks Alliance, and the Department is typically responsible for managing admissions at the Japanese Tea Garden in addition to garden maintenance. Under the proposed amendment, SFBGS would provide these same services to the Japanese Tea Garden and the Conservatory of Flowers. Non-profit costs are covered by admission revenues.

### Fiscal Impact

- The Department estimates savings of \$383,484 from joint management of the gardens due to consolidation of admission staffing and resulting in lower admissions costs than historical spending for the three gardens. The proposed budget includes an annual deposit of \$514,105 to the City's Garden Improvement Fund for maintenance and improvement of the gardens.
- The Department estimates that waiving resident fees at the gardens would result in \$271,385 in annual lost revenue, but that this would be off-set by higher non-resident adult admission fees. Any net revenue would be assigned to the City's Garden Improvement Fund.

### Policy Consideration

- The original lease and management agreement with the Botanical Garden Society approved by the Board of Supervisors was not competitively procured and may be extended through May 2043. Because management of the three gardens has never been competitively procured, we do not know if costs are reasonable or if there are other providers that would bid on a competitive solicitation.

### Recommendations

- Approval of Files 21-1305 and 21-1295 are policy matters for the Board of Supervisors.

## 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.

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

## BACKGROUND

### Current Lease and Management Agreement

Under an existing lease and management agreement between the Recreation and Parks Department and the nonprofit organization, San Francisco Botanical Garden Society, the San Francisco Botanical Garden Society is responsible for visitor services, admissions collections, educational programming, marketing, and other services to support operations of the Botanical Garden in Golden Gate Park. The existing agreement was effective beginning in December 2013 and expires December 2023 and includes two options to extend for ten years each.

### Proposed Gardens of Golden Gate Park

The Recreation and Parks Commission seeks to bring the Botanical Garden, Japanese Tea Garden, and the Conservatory of Flowers under joint management. The three gardens would be referred to collectively as “the Gardens of Golden Gate Park.”

Currently, all three gardens are separately managed. As mentioned above, the Botanical Garden is managed under a lease and management agreement with the San Francisco Botanical Garden Society. The Conservatory of Flowers is currently managed under a license with the San Francisco Parks Alliance. The license has been in holdover status since it expired in 2012. The Recreation and Parks Department is primarily responsible for managing admissions at the Japanese Tea Garden in addition to garden maintenance.<sup>1</sup> However, the San Francisco Botanical Garden Society has managed admissions collections for the Japanese Tea Garden during the COVID-19 pandemic according to a supplemental agreement to the existing lease and management agreement.

### Admission Fees

The Park Code establishes admission fees for the San Francisco Botanical Garden, the Japanese Tea Garden, and the Conservatory of Flowers. There are different rates for children, adults, and seniors. San Francisco residents do not pay any fees at the Botanical Garden and receive discounts at the Japanese Tea Garden and Conservatory of Flowers.

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<sup>1</sup> According to Recreation and Parks Department staff, the Department receives support from the Friends of the Japanese Tea Garden and a concessionaire operates the historic Tea House and Gift Shop.

In 2019, the Board of Supervisors authorized the Recreation and Park Department to set non-resident adult admission fees for the three gardens through “flexible pricing” (File 19-0629). This allowed the Department to temporarily increase or decrease the fees based on factors such as public demand, facility conditions, and rates at comparable facilities. The Department could only increase prices once per year by up to 50% and was only permitted to increase prices during certain times of the year depending on the facility. The existing law permits price increases for non-resident adults as follows:

- **Botanical Garden:** Increases only on Saturdays and Sundays
- **Conservatory of Flowers:** Increases only on Fridays, Saturdays, and Sundays
- **Japanese Tea Garden:** Increases only March through October

The flexible pricing system was scheduled to sunset on June 30, 2021, but the Board of Supervisors authorized the extension of flexible pricing at the gardens until December 7, 2021 (File 21-0653). The 2019 flexible pricing legislation also allowed the General Manager to adjust non-resident admission fees for Coit Tower, however that authority was never implemented and expired in June 2021.

## DETAILS OF PROPOSED LEGISLATION

### File 21-1305

The proposed resolution would approve an amendment to the lease and management agreement with the San Francisco Botanical Garden Society to also include the Japanese Tea Garden and the Conservatory of Flowers as part of the leased premises. The term of the agreement with the Botanical Garden Society remains unchanged.

### File 21-1295

The proposed ordinance would amend the Park Code to:

- Waive admission fees for San Francisco residents to the Japanese Tea Garden and the Conservatory of Flowers;
- Authorize the Recreation and Park Department to waive or discount other admission fees at the Japanese Tea Garden, the Conservatory of Flowers, and the Botanical Garden;
- Re-authorize the Recreation and Park Department to set admission fees for non-resident adults at the three gardens through flexible pricing; and
- Affirm the Planning Department’s determination that all associated actions comply with the California Environmental Quality Act.

### **Selection of San Francisco Botanical Garden Society**

Chapter 23.33 of the Administrative Code requires that leases be competitively bid unless competitive bidding procedures are impractical or impossible. The Department determined that holding a competitive bid for the lease and management of the Conservatory of Flowers and the Japanese Tea Garden would not be practical or feasible given the San Francisco Botanical Garden Society’s specialized knowledge and experience pertaining to specialty gardens, its existing

agreement for the Botanical Garden, and the assumed benefits from bringing the three gardens under joint management. Therefore, the Department is proposing to amend the existing lease and management agreement to include the two other gardens. The Board of Supervisors authorized the waiver of the requirement under Chapter 23.33 of the Administrative Code that the existing lease and management agreement be competitively bid, given the San Francisco Botanical Garden Society's specialized knowledge and experience in 2013 (File 13-0537). At that time, the Department estimated that the value of the services provided by the lease was \$2.1 million annually, which exceeded the fair market value of the annual rent of \$384,062, as estimated by an appraiser. The Department has not conducted a new appraisal of the Botanical Garden nor of the Japanese Tea Garden or the Conservatory of Flowers.

### **Services Provided**

Under the existing agreement, the San Francisco Botanical Garden Society is responsible for managing the following aspects of the Botanical Garden operations: visitor services, admissions collection, educational programming, marketing, volunteer program coordination, special events, and community relations. The Department is responsible for garden maintenance and oversight, including strategic and master site planning, plant collections development and documentation, signage, as well as improvements, renovations, and maintenance of the Botanical Garden. As described below in the Fiscal Impact Section, costs for these services are covered by admission fees and the Botanical Garden Society pays the City a base rent of \$100 per year.

Under the proposed amendment to the lease and management agreement, the San Francisco Botanical Garden Society would provide the same services that it currently provides at the Botanical Garden to the Japanese Tea Garden and the Conservatory of Flowers. Similarly, the Department would continue to be responsible for garden maintenance, facility maintenance, and oversight at all three gardens.

### **Admissions Receipts**

According to Exhibit E of the proposed amendment to the lease and management agreement, fees paid for admission to the three gardens may only be used for the benefit of the three gardens. The San Francisco Botanical Garden Society (SFBGS) would collect admission fees and remit them in full to the Department. The Department would allocate monies collected monthly in the following order:

- a) SFBGS expenses associated with collection of admission fees, such as personnel costs, office supplies, and rent or related fees for equipment;
- b) Department expenses associated with maintenance and oversight of the gardens of \$4.4 million per fiscal year;
- c) SFBGS education and community outreach expenditures of \$650,000 per fiscal year;

- d) The balance of admission receipts would be paid into the “Gardens of Golden Gate Park Improvement Fund,” which would be maintained by the City.<sup>2</sup>

This reflects the allocation model in the existing agreement for the Botanical Garden. According to the Department, admission receipts from the Japanese Tea Garden historically accrued to the Department’s general fund and were used for costs associated with managing admissions and maintenance of all of the gardens. According to Department staff, admission receipts from the Conservatory of Flowers have not been paid directly to the Department. According to a November 2021 Budget and Legislative Analyst Report, *Relations between Recreation and Parks Department and San Francisco Parks Alliance*, there is no provision for a minimum guaranteed amount of admissions receipts to be allocated to the Department in the 2003 agreement with the San Francisco Parks Alliance.

### **Admission Fee Changes (File 21-1295)**

The proposed ordinance would waive admission fees for residents and re-authorize and standardize flexible pricing for adult non-residents. The proposed ordinance would allow the Department to increase prices for non-resident adults only by up to 50% of the Park Code set fee upon 30 days’ notice to the public rather than just once per year and does not constrain price increases to certain months or days unlike the existing law. The Department could also decrease fees at any time. In addition, the proposed ordinance would also remove the sunset date for flexible pricing, allowing the Recreation and Park Department to continue using flexible pricing at the three gardens indefinitely. Fee changes must be due to changes in demand at particular days and times, adverse weather, or facility conditions.

#### *Flexible Pricing Use at the Gardens*

The Recreation and Parks Department provided an update on flexible pricing at the three gardens to the Board of Supervisors in May 2021. The regular non-resident adult admission fee was \$9 at all three gardens until FY 2020-21 when it was increased to \$10 at the Japanese Tea Garden and the Conservatory of Flowers and in FY 2021-22 when it increased to \$10 at the Botanical Garden due to allowable CPI increases. According to that report, flexible pricing for non-resident adults was applied as follows:

- Botanical Garden: Applied on the weekends starting in November 2019 with a \$3 increase.
- Conservatory of Flowers: Applied on the weekends starting in October 2019 with a \$2 increase.
- Japanese Tea Garden: Applied starting in March 2020 through September 2020 with a \$2 increase. In October 2020, the price was adjusted back to \$10, and the \$2 increase was restored starting in March 2021.

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<sup>2</sup> According to the proposed amendment, expenditures from the Gardens of Golden Gate Park Improvement Fund may only be used for expenses associated with maintenance, renovation, and improvement of the gardens, unless the Recreation and Park Commission and the San Francisco Botanical Garden Society otherwise agree in writing.

*Other City Departments Use of Flexible Pricing*

At the request of a Supervisor, we completed a short survey of City entities that charge for use of City property.

Our survey found that the Recreation and Parks Department uses a flexible pricing structure for golf fees, which allows the General Manager to adjust resident and tournament rates based on demand, prices at other golf courses, and course conditions.<sup>3</sup> The Academy of Sciences uses dynamic admissions pricing, which varies by day and time. However, the Fine Arts Museums, which include the De Young and Legion of Honor Museums, does not use dynamic pricing for admissions, though the museums charge higher fees for special exhibits.

Additionally, we found that the San Francisco Municipal Transportation Agency (SFMTA) uses dynamic pricing (referred to as transportation demand management) for garage and parking meter fees, both of which are generally based on demand. According to SFMTA staff, since the implementation of dynamic pricing in 2011, garage fees have generally increased and parking meter fees have fluctuated between \$0.50 and \$10 per hour based on demand for curb space. Garage and parking meter fees are adjusted by SFMTA staff.

**Performance of Botanical Garden Society**

The existing lease and management agreement does not have performance metrics. Data provided by the Recreation and Parks Department show that admissions increased from 240,000 in FY 2011-12 to 424,000 in FY 2018-19 (the last full year before COVID-19), an increase of 76.7%.

**FISCAL IMPACT**

The Recreation and Parks Department developed the Gardens of Golden Gate Park budget based on actual spending from FY 2018-19 due to the impact of COVID-19 on subsequent years. Exhibit 1 below summarizes the sources and uses of the proposed amended lease and management agreement.

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<sup>3</sup> Park Code Section 12.12(d), which relates to municipal golf courses, states that the General Manager may discount resident rates by 50% and increase them by 25%; tournament rates may be increased by 50%.

**Exhibit 1: Sources and Uses of Proposed Gardens of Golden Gate Park**

<b>Sources</b>	<b>Botanical Garden</b>	<b>Conservatory of Flowers</b>	<b>Japanese Tea Garden</b>	<b>Total</b>
Admissions Receipts	\$1,393,527	\$1,047,127	\$4,280,000	\$6,720,654
<b>Total Sources</b>	<b>\$1,393,527</b>	<b>\$1,047,127</b>	<b>\$4,280,000</b>	<b>\$6,720,654</b>
<b>Uses</b>				
SFBGS Admissions Cost	536,998	323,202	306,203	1,166,403
Rec & Park Operating Expenses	287,573	250,000	3,865,000	4,402,573
SFBGS Education and Community Engagement Expenses	287,573	250,000	100,000	637,573
Garden Improvement Fund	281,383	223,925	8,797	514,105
<b>Total Uses</b>	<b>\$1,393,527</b>	<b>\$1,047,127</b>	<b>\$4,280,000</b>	<b>\$6,720,654</b>

Source: Recreation and Parks Department

Note: Admission receipts are based on FY 2018-19 fees. At that time, flexible pricing was not in use for adult non-residents, and adult residents paid discounted fees at the Conservatory of Flowers and the Japanese Tea Garden and no admission fee at the Botanical Garden.

As shown above, the proposed budget includes \$4.4 million in operating expenses for the Recreation and Parks Department for maintenance and oversight of the three gardens. According to Department staff, the estimates are based on three years of spending and include costs associated with 27.15 FTE positions (including 14.25 FTE Gardeners, 4.0 Nursery Specialists, 2.25 Custodians, and other maintenance positions), deferred maintenance, and materials and supplies. City costs are expected to increase from \$3.9 million in FY 2018-19 to \$4.4 million in the first year of the proposed agreement due to increases in City salary and benefits costs and costs associated with maintenance of the Conservatory of Flowers, which was previously paid for by the San Francisco Parks' Alliance out of admissions revenue. Attachment 1 compares the proposed budget to FY 2018-19 actual expenses for the three gardens.

The Department estimates savings of \$383,484 from joint management of the gardens compared to FY 2018-19 expenses, due to consolidation of admission staffing and resulting in lower admissions costs than historical spending for the three gardens. The proposed budget assumes annual admission levels are the same as FY 2018-19 levels.

The savings would support an increase of \$150,000 in education and community engagement programming for the San Francisco Botanical Garden Society to cover the additional facilities as well as increases in the Recreation and Parks Department budget described above. The proposed amended lease and management agreement would result in an estimated annual deposit of \$514,105 to the Gardens of Golden Gate Park Improvement Fund. This reflects an increase from prior year deposits to the Garden Improvement Fund because admission receipts from the Conservatory of Flowers and the Japanese Tea Garden were not previously deposited to a dedicated improvement fund.

**Admission Fee Changes (File 21-1295)**

As noted above, under the proposed ordinance, fees for resident admissions are waived at the Conservatory of Flowers and the Japanese Tea Garden to align with current practices at the Botanical Garden, and the Department could raise fees for non-residents by a maximum of \$5, up to \$15 at all three gardens. Exhibit 2 below shows the number of visitors and total admissions revenue for the three gardens for FY 2018-19. Admissions were lower in subsequent years due to the impacts of COVID-19. In FY 2018-19 non-resident adult admission fee collections across the three gardens accounted for approximately three-quarters of total admissions revenue.

**Exhibit 2: Total Visitors and Admissions Revenue, FY 2018-19**

<b>Facility</b>	<b>Resident</b>	<b>Non-Resident Adult</b>	<b>Non-Resident Other <sup>a</sup></b>	<b>Other Free <sup>b</sup></b>	<b>Total Visitors</b>
Botanical Garden	211,719	107,056	54,339	63,618	436,732
Conservatory of Flowers	20,338	74,383	49,064	25,042	168,827
Japanese Tea Garden	29,400	380,145	100,364	246,270	756,179
<b>Total Visitors</b>	<b>261,457</b>	<b>561,584</b>	<b>203,767</b>	<b>334,930</b>	<b>1,361,738</b>
<b>Admissions Revenue</b>	<b>\$271,385</b>	<b>\$5,054,301</b>	<b>\$1,221,695</b>	<b>\$0</b>	<b>\$6,547,381</b>
Percent of Total Revenue	4.1%	77.2%	18.7%	0.0%	100.0%

Source: Recreation and Parks Department

<sup>a</sup> Non-Resident other includes discounted admissions for children and senior non-residents.

<sup>b</sup> Other Free includes free admissions for low-income residents and non-residents, free admissions hours at the gardens, and other free admissions.

Note: FY 2018-19 revenues for the Botanical Garden was \$1.2 million, \$1.0 million for the Conservatory of Flowers, and \$4.3 million for the Japanese Tea Garden.

Recreation and Parks Department staff estimate that waiving resident fees at the Conservatory of Flowers and the Japanese Tea Garden would result in \$271,385 in annual lost revenue based on admission fee collections for residents in FY 2018-19, as shown above. The Department estimates this lost revenue would be more than off-set by increased revenue from reauthorizing flexible pricing for non-resident adult admission fees. Non-resident admission fees are currently \$10 at each of the three gardens. If the Department increased admission fees for non-residents by \$2 up to \$12 for the entire year, admission receipts would increase by approximately \$1.1 million based on FY 2018-19 admissions data from the Department. If non-resident adult admissions decrease because of the \$2 price increase, the increased revenue would be lower than \$1.1 million but would likely still cover the \$271,385 in lost revenue from waiving admission fees for residents. Under the proposed lease and management agreement, any surplus revenue would be assigned to the City's Gardens of Golden Gate Park Improvement Fund for expenses associated with maintenance, renovation, and improvement of the gardens.



**POLICY CONSIDERATION****Agreement Amendment**

The proposed lease and management agreement amendment (File 21-1305) allows the Botanical Garden Society, which operates the Botanical Garden, to operate the Japanese Tea Garden, typically operated by City staff, and the Conservatory of Flowers, currently operated by the San Francisco Parks Alliance. According to Recreation and Parks Department staff, the Botanical Garden Society temporarily took over admission operations at the Japanese Tea Garden during the pandemic and City staff have been re-assigned to recreation centers.

Net revenues from the Conservatory of Flowers, which previously went to the San Francisco Parks Alliance, together with revenues from the Japanese Tea Garden and Botanical Garden, will all be provided to the Recreation and Parks Department account to cover Department staffing costs and facility maintenance costs. Overall, City costs are expected to increase from \$3.9 million in FY 2018-19 to \$4.4 million in the first year of the proposed agreement due to increases in City salary and benefits costs and costs associated with maintenance of the Conservatory of Flowers, which was previously paid for by the San Francisco Parks' Alliance out of admissions revenue. Beyond that, the proposed agreement does not expand the scope of City services related to the gardens.

The original lease and management agreement with the Botanical Garden Society approved by the Board of Supervisors was not competitively procured and may be extended through May 2043. Aside from expanding operations to include the Japanese Tea Garden and Conservatory of Flowers, the proposed lease and management agreement amendment is generally consistent with the original agreement approved by the Board of Supervisors. Lease and management of each of the three gardens has never been competitively procured. The Botanical Garden Society has been operating the Botanical Garden since 1955. The Japanese Tea Garden has been operated by the City, and the Conservatory of Flowers has been operated by the San Francisco Parks' Alliance since it reopened in 2003. The Department believes that the Botanical Garden Society is uniquely suited to operate garden admissions, given the organization's \$20 million endowment and fundraising capacity that may be used to fund garden improvements, strong community ties, and network of volunteers.

Because management of the three gardens has never been competitively procured, we do not know if costs are reasonable or if there are other providers that would bid on a competitive solicitation. We therefore consider approval of the proposed resolution (File 21-1305) to be a policy matter for the Board of Supervisors.

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As noted above, the proposed ordinance (File 21-1295) would eliminate residential admission fees for the three gardens and continue to allow dynamic pricing for non-resident adult admission fees. The \$271,385 annual revenue loss from the elimination of residential admission fees could

be offset by an increase of \$0.50 in non-resident admission fees.<sup>4</sup> If the proposed ordinance modifying the garden admission fees is not approved, the admission fees for the gardens are expected to cover the operating expenses of both the Botanical Garden Society and the City for all three gardens. If the non-resident fees are increased beyond that breakdown point, all additional net revenue would accrue to an improvement fund dedicated to garden improvements.

We consider approval of the proposed ordinance (File 21-1295) to be a policy matter for the Board of Supervisors.

## RECOMMENDATIONS

1. Approval of File 21-1305 is a policy matter for the Board of Supervisors.
2. Approval of File 21-1295 is a policy matter for the Board of Supervisors.

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<sup>4</sup> In FY 2018-19, the three gardens had 561,584 visitors. Therefore, a \$0.50 increase in admissions fees with the same number of visitors would equate to \$280,792 in new revenues.

## Attachment 1

**Exhibit 3: Proposed Gardens of Golden Gate Park Budget Compared to FY 2018-19 Actuals (All Gardens)**

<b>Sources</b>	<b>FY 2018-19 Actuals</b>	<b>Proposed Budget</b>	<b>Difference</b>	<b>Percent Difference</b>
Admissions Receipts	\$6,568,309	\$6,720,654	\$152,345	2.3%
<b>Total Sources</b>	<b>\$6,568,309</b>	<b>\$6,720,654</b>	<b>\$152,345</b>	<b>2.3%</b>
<b>Uses</b>				
SFBGS Admissions Cost	1,549,857	1,166,403	(383,454)	-24.7%
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<i>Botanical Garden</i>	287,573	287,573	0	0.0%
<i>Conservatory of Flowers</i>	0	250,000	250,000	
<i>Japanese Tea Garden</i>	3,626,770	3,865,000	238,230	6.6%
SFBGS Education and Community Engagement Expenses	487,573	637,573	150,000	30.8%
Garden Improvement Fund	209,409	514,105	304,696	145.5%
<b>Total Uses</b>	<b>\$6,161,182</b>	<b>\$6,720,654</b>	<b>\$559,472</b>	<b>9.1%</b>

Source: Recreation and Parks Department

Note: FY 2018-19 actuals do not include Rec & Park operating costs for the Conservatory of Flowers. Garden Improvement Fund amounts for FY 2018-19 are less than the difference between sources and SFBGS and City uses because, under the existing license agreement with the San Francisco Parks Alliance, net revenues from the Conservatory of Flowers are provided to the City.

<p><b>Items 7 &amp; 8</b> <b>Files 21-1305 &amp; 21-1295</b></p>	<p><b>Department:</b> Recreation &amp; Parks</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>• <b>File 21-1305:</b> The proposed resolution would approve an amendment to the lease and management agreement with the San Francisco Botanical Garden Society to also include the Japanese Tea Garden and the Conservatory of Flowers as part of the leased premises.</li> <li>• <b>File 21-1295:</b> The proposed ordinance would amend the Park Code to waive admission fees for San Francisco residents to the Japanese Tea Garden and the Conservatory of Flowers and reauthorize the Recreation and Park Department to set admission fees for non-resident adults at the Japanese Tea Garden, the Conservatory of Flowers, and the Botanical Garden through flexible pricing.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• The Botanical Garden Society (SFBGS) is responsible for admissions collections and other services for the Botanical Garden. The Conservatory of Flowers is currently managed by the Parks Alliance, and the Department is typically responsible for managing admissions at the Japanese Tea Garden in addition to garden maintenance. Under the proposed amendment, SFBGS would provide these same services to the Japanese Tea Garden and the Conservatory of Flowers. Non-profit costs are covered by admission revenues.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The Department estimates savings of \$383,484 from joint management of the gardens due to consolidation of admission staffing and resulting in lower admissions costs than historical spending for the three gardens. The proposed budget includes an annual deposit of \$514,105 to the City’s Garden Improvement Fund for maintenance and improvement of the gardens.</li> <li>• The Department estimates that waiving resident fees at the gardens would result in \$271,385 in annual lost revenue, but that this would be off-set by higher non-resident adult admission fees. Any net revenue would be assigned to the City’s Garden Improvement Fund.</li> </ul> <p style="text-align: center;"><b>Policy Consideration</b></p> <ul style="list-style-type: none"> <li>• The original lease and management agreement with the Botanical Garden Society approved by the Board of Supervisors was not competitively procured and may be extended through May 2043. Because management of the three gardens has never been competitively procured, we do not know if costs are reasonable or if there are other providers that would bid on a competitive solicitation.</li> </ul> <p style="text-align: center;"><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>• Approval of Files 21-1305 and 21-1295 are policy matters for the Board of Supervisors.</li> </ul>	

## 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.

City Charter Section 2.105 states that all legislative acts shall be by ordinance, approved by a majority of the members of the Board of Supervisors.

## BACKGROUND

### Current Lease and Management Agreement

Under an existing lease and management agreement between the Recreation and Parks Department and the nonprofit organization, San Francisco Botanical Garden Society, the San Francisco Botanical Garden Society is responsible for visitor services, admissions collections, educational programming, marketing, and other services to support operations of the Botanical Garden in Golden Gate Park. The existing agreement was effective beginning in December 2013 and expires December 2023 and includes two options to extend for ten years each.

### Proposed Gardens of Golden Gate Park

The Recreation and Parks Commission seeks to bring the Botanical Garden, Japanese Tea Garden, and the Conservatory of Flowers under joint management. The three gardens would be referred to collectively as “the Gardens of Golden Gate Park.”

Currently, all three gardens are separately managed. As mentioned above, the Botanical Garden is managed under a lease and management agreement with the San Francisco Botanical Garden Society. The Conservatory of Flowers is currently managed under a license with the San Francisco Parks Alliance. The license has been in holdover status since it expired in 2012. The Recreation and Parks Department is primarily responsible for managing admissions at the Japanese Tea Garden in addition to garden maintenance.<sup>1</sup> However, the San Francisco Botanical Garden Society has managed admissions collections for the Japanese Tea Garden during the COVID-19 pandemic according to a supplemental agreement to the existing lease and management agreement.

### Admission Fees

The Park Code establishes admission fees for the San Francisco Botanical Garden, the Japanese Tea Garden, and the Conservatory of Flowers. There are different rates for children, adults, and seniors. San Francisco residents do not pay any fees at the Botanical Garden and receive discounts at the Japanese Tea Garden and Conservatory of Flowers.

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<sup>1</sup> According to Recreation and Parks Department staff, the Department receives support from the Friends of the Japanese Tea Garden and a concessionaire operates the historic Tea House and Gift Shop.

In 2019, the Board of Supervisors authorized the Recreation and Park Department to set non-resident adult admission fees for the three gardens through “flexible pricing” (File 19-0629). This allowed the Department to temporarily increase or decrease the fees based on factors such as public demand, facility conditions, and rates at comparable facilities. The Department could only increase prices once per year by up to 50% and was only permitted to increase prices during certain times of the year depending on the facility. The existing law permits price increases for non-resident adults as follows:

- **Botanical Garden:** Increases only on Saturdays and Sundays
- **Conservatory of Flowers:** Increases only on Fridays, Saturdays, and Sundays
- **Japanese Tea Garden:** Increases only March through October

The flexible pricing system was scheduled to sunset on June 30, 2021, but the Board of Supervisors authorized the extension of flexible pricing at the gardens until December 7, 2021 (File 21-0653). The 2019 flexible pricing legislation also allowed the General Manager to adjust non-resident admission fees for Coit Tower, however that authority was never implemented and expired in June 2021.

## DETAILS OF PROPOSED LEGISLATION

### File 21-1305

The proposed resolution would approve an amendment to the lease and management agreement with the San Francisco Botanical Garden Society to also include the Japanese Tea Garden and the Conservatory of Flowers as part of the leased premises. The term of the agreement with the Botanical Garden Society remains unchanged.

### File 21-1295

The proposed ordinance would amend the Park Code to:

- Waive admission fees for San Francisco residents to the Japanese Tea Garden and the Conservatory of Flowers;
- Authorize the Recreation and Park Department to waive or discount other admission fees at the Japanese Tea Garden, the Conservatory of Flowers, and the Botanical Garden;
- Re-authorize the Recreation and Park Department to set admission fees for non-resident adults at the three gardens through flexible pricing; and
- Affirm the Planning Department’s determination that all associated actions comply with the California Environmental Quality Act.

### **Selection of San Francisco Botanical Garden Society**

Chapter 23.33 of the Administrative Code requires that leases be competitively bid unless competitive bidding procedures are impractical or impossible. The Department determined that holding a competitive bid for the lease and management of the Conservatory of Flowers and the Japanese Tea Garden would not be practical or feasible given the San Francisco Botanical Garden Society’s specialized knowledge and experience pertaining to specialty gardens, its existing

agreement for the Botanical Garden, and the assumed benefits from bringing the three gardens under joint management. Therefore, the Department is proposing to amend the existing lease and management agreement to include the two other gardens. The Board of Supervisors authorized the waiver of the requirement under Chapter 23.33 of the Administrative Code that the existing lease and management agreement be competitively bid, given the San Francisco Botanical Garden Society's specialized knowledge and experience in 2013 (File 13-0537). At that time, the Department estimated that the value of the services provided by the lease was \$2.1 million annually, which exceeded the fair market value of the annual rent of \$384,062, as estimated by an appraiser. The Department has not conducted a new appraisal of the Botanical Garden nor of the Japanese Tea Garden or the Conservatory of Flowers.

### **Services Provided**

Under the existing agreement, the San Francisco Botanical Garden Society is responsible for managing the following aspects of the Botanical Garden operations: visitor services, admissions collection, educational programming, marketing, volunteer program coordination, special events, and community relations. The Department is responsible for garden maintenance and oversight, including strategic and master site planning, plant collections development and documentation, signage, as well as improvements, renovations, and maintenance of the Botanical Garden. As described below in the Fiscal Impact Section, costs for these services are covered by admission fees and the Botanical Garden Society pays the City a base rent of \$100 per year.

Under the proposed amendment to the lease and management agreement, the San Francisco Botanical Garden Society would provide the same services that it currently provides at the Botanical Garden to the Japanese Tea Garden and the Conservatory of Flowers. Similarly, the Department would continue to be responsible for garden maintenance, facility maintenance, and oversight at all three gardens.

### **Admissions Receipts**

According to Exhibit E of the proposed amendment to the lease and management agreement, fees paid for admission to the three gardens may only be used for the benefit of the three gardens. The San Francisco Botanical Garden Society (SFBGS) would collect admission fees and remit them in full to the Department. The Department would allocate monies collected monthly in the following order:

- a) SFBGS expenses associated with collection of admission fees, such as personnel costs, office supplies, and rent or related fees for equipment;
- b) Department expenses associated with maintenance and oversight of the gardens of \$4.4 million per fiscal year;
- c) SFBGS education and community outreach expenditures of \$650,000 per fiscal year;

- d) The balance of admission receipts would be paid into the “Gardens of Golden Gate Park Improvement Fund,” which would be maintained by the City.<sup>2</sup>

This reflects the allocation model in the existing agreement for the Botanical Garden. According to the Department, admission receipts from the Japanese Tea Garden historically accrued to the Department’s general fund and were used for costs associated with managing admissions and maintenance of all of the gardens. According to Department staff, admission receipts from the Conservatory of Flowers have not been paid directly to the Department. According to a November 2021 Budget and Legislative Analyst Report, *Relations between Recreation and Parks Department and San Francisco Parks Alliance*, there is no provision for a minimum guaranteed amount of admissions receipts to be allocated to the Department in the 2003 agreement with the San Francisco Parks Alliance.

### **Admission Fee Changes (File 21-1295)**

The proposed ordinance would waive admission fees for residents and re-authorize and standardize flexible pricing for adult non-residents. The proposed ordinance would allow the Department to increase prices for non-resident adults only by up to 50% of the Park Code set fee upon 30 days’ notice to the public rather than just once per year and does not constrain price increases to certain months or days unlike the existing law. The Department could also decrease fees at any time. In addition, the proposed ordinance would also remove the sunset date for flexible pricing, allowing the Recreation and Park Department to continue using flexible pricing at the three gardens indefinitely. Fee changes must be due to changes in demand at particular days and times, adverse weather, or facility conditions.

#### *Flexible Pricing Use at the Gardens*

The Recreation and Parks Department provided an update on flexible pricing at the three gardens to the Board of Supervisors in May 2021. The regular non-resident adult admission fee was \$9 at all three gardens until FY 2020-21 when it was increased to \$10 at the Japanese Tea Garden and the Conservatory of Flowers and in FY 2021-22 when it increased to \$10 at the Botanical Garden due to allowable CPI increases. According to that report, flexible pricing for non-resident adults was applied as follows:

- Botanical Garden: Applied on the weekends starting in November 2019 with a \$3 increase.
- Conservatory of Flowers: Applied on the weekends starting in October 2019 with a \$2 increase.
- Japanese Tea Garden: Applied starting in March 2020 through September 2020 with a \$2 increase. In October 2020, the price was adjusted back to \$10, and the \$2 increase was restored starting in March 2021.

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<sup>2</sup> According to the proposed amendment, expenditures from the Gardens of Golden Gate Park Improvement Fund may only be used for expenses associated with maintenance, renovation, and improvement of the gardens, unless the Recreation and Park Commission and the San Francisco Botanical Garden Society otherwise agree in writing.



*Other City Departments Use of Flexible Pricing*

At the request of a Supervisor, we completed a short survey of City entities that charge for use of City property.

Our survey found that the Recreation and Parks Department uses a flexible pricing structure for golf fees, which allows the General Manager to adjust resident and tournament rates based on demand, prices at other golf courses, and course conditions.<sup>3</sup> The Academy of Sciences uses dynamic admissions pricing, which varies by day and time. However, the Fine Arts Museums, which include the De Young and Legion of Honor Museums, does not use dynamic pricing for admissions, though the museums charge higher fees for special exhibits.

Additionally, we found that the San Francisco Municipal Transportation Agency (SFMTA) uses dynamic pricing (referred to as transportation demand management) for garage and parking meter fees, both of which are generally based on demand. According to SFMTA staff, since the implementation of dynamic pricing in 2011, garage fees have generally increased and parking meter fees have fluctuated between \$0.50 and \$10 per hour based on demand for curb space. Garage and parking meter fees are adjusted by SFMTA staff.

**Performance of Botanical Garden Society**

The existing lease and management agreement does not have performance metrics. Data provided by the Recreation and Parks Department show that admissions increased from 240,000 in FY 2011-12 to 424,000 in FY 2018-19 (the last full year before COVID-19), an increase of 76.7%.

**FISCAL IMPACT**

The Recreation and Parks Department developed the Gardens of Golden Gate Park budget based on actual spending from FY 2018-19 due to the impact of COVID-19 on subsequent years. Exhibit 1 below summarizes the sources and uses of the proposed amended lease and management agreement.

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<sup>3</sup> Park Code Section 12.12(d), which relates to municipal golf courses, states that the General Manager may discount resident rates by 50% and increase them by 25%; tournament rates may be increased by 50%.

**Exhibit 1: Sources and Uses of Proposed Gardens of Golden Gate Park**

<b>Sources</b>	<b>Botanical Garden</b>	<b>Conservatory of Flowers</b>	<b>Japanese Tea Garden</b>	<b>Total</b>
Admissions Receipts	\$1,393,527	\$1,047,127	\$4,280,000	\$6,720,654
<b>Total Sources</b>	<b>\$1,393,527</b>	<b>\$1,047,127</b>	<b>\$4,280,000</b>	<b>\$6,720,654</b>
<b>Uses</b>				
SFBGS Admissions Cost	536,998	323,202	306,203	1,166,403
Rec & Park Operating Expenses	287,573	250,000	3,865,000	4,402,573
SFBGS Education and Community Engagement Expenses	287,573	250,000	100,000	637,573
Garden Improvement Fund	281,383	223,925	8,797	514,105
<b>Total Uses</b>	<b>\$1,393,527</b>	<b>\$1,047,127</b>	<b>\$4,280,000</b>	<b>\$6,720,654</b>

Source: Recreation and Parks Department

Note: Admission receipts are based on FY 2018-19 fees. At that time, flexible pricing was not in use for adult non-residents, and adult residents paid discounted fees at the Conservatory of Flowers and the Japanese Tea Garden and no admission fee at the Botanical Garden.

As shown above, the proposed budget includes \$4.4 million in operating expenses for the Recreation and Parks Department for maintenance and oversight of the three gardens. According to Department staff, the estimates are based on three years of spending and include costs associated with 27.15 FTE positions (including 14.25 FTE Gardeners, 4.0 Nursery Specialists, 2.25 Custodians, and other maintenance positions), deferred maintenance, and materials and supplies. City costs are expected to increase from \$3.9 million in FY 2018-19 to \$4.4 million in the first year of the proposed agreement due to increases in City salary and benefits costs and costs associated with maintenance of the Conservatory of Flowers, which was previously paid for by the San Francisco Parks' Alliance out of admissions revenue. Attachment 1 compares the proposed budget to FY 2018-19 actual expenses for the three gardens.

The Department estimates savings of \$383,484 from joint management of the gardens compared to FY 2018-19 expenses, due to consolidation of admission staffing and resulting in lower admissions costs than historical spending for the three gardens. The proposed budget assumes annual admission levels are the same as FY 2018-19 levels.

The savings would support an increase of \$150,000 in education and community engagement programming for the San Francisco Botanical Garden Society to cover the additional facilities as well as increases in the Recreation and Parks Department budget described above. The proposed amended lease and management agreement would result in an estimated annual deposit of \$514,105 to the Gardens of Golden Gate Park Improvement Fund. This reflects an increase from prior year deposits to the Garden Improvement Fund because admission receipts from the Conservatory of Flowers and the Japanese Tea Garden were not previously deposited to a dedicated improvement fund.

**Admission Fee Changes (File 21-1295)**

As noted above, under the proposed ordinance, fees for resident admissions are waived at the Conservatory of Flowers and the Japanese Tea Garden to align with current practices at the Botanical Garden, and the Department could raise fees for non-residents by a maximum of \$5, up to \$15 at all three gardens. Exhibit 2 below shows the number of visitors and total admissions revenue for the three gardens for FY 2018-19. Admissions were lower in subsequent years due to the impacts of COVID-19. In FY 2018-19 non-resident adult admission fee collections across the three gardens accounted for approximately three-quarters of total admissions revenue.

**Exhibit 2: Total Visitors and Admissions Revenue, FY 2018-19**

<b>Facility</b>	<b>Resident</b>	<b>Non-Resident Adult</b>	<b>Non-Resident Other <sup>a</sup></b>	<b>Other Free <sup>b</sup></b>	<b>Total Visitors</b>
Botanical Garden	211,719	107,056	54,339	63,618	436,732
Conservatory of Flowers	20,338	74,383	49,064	25,042	168,827
Japanese Tea Garden	29,400	380,145	100,364	246,270	756,179
<b>Total Visitors</b>	<b>261,457</b>	<b>561,584</b>	<b>203,767</b>	<b>334,930</b>	<b>1,361,738</b>
<b>Admissions Revenue</b>	<b>\$271,385</b>	<b>\$5,054,301</b>	<b>\$1,221,695</b>	<b>\$0</b>	<b>\$6,547,381</b>
Percent of Total Revenue	4.1%	77.2%	18.7%	0.0%	100.0%

Source: Recreation and Parks Department

<sup>a</sup> Non-Resident other includes discounted admissions for children and senior non-residents.

<sup>b</sup> Other Free includes free admissions for low-income residents and non-residents, free admissions hours at the gardens, and other free admissions.

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Net revenues from the Conservatory of Flowers, which previously went to the San Francisco Parks Alliance, together with revenues from the Japanese Tea Garden and Botanical Garden, will all be provided to the Recreation and Parks Department account to cover Department staffing costs and facility maintenance costs. Overall, City costs are expected to increase from \$3.9 million in FY 2018-19 to \$4.4 million in the first year of the proposed agreement due to increases in City salary and benefits costs and costs associated with maintenance of the Conservatory of Flowers, which was previously paid for by the San Francisco Parks' Alliance out of admissions revenue. Beyond that, the proposed agreement does not expand the scope of City services related to the gardens.

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be offset by an increase of \$0.50 in non-resident admission fees.<sup>4</sup> If the proposed ordinance modifying the garden admission fees is not approved, the admission fees for the gardens are expected to cover the operating expenses of both the Botanical Garden Society and the City for all three gardens. If the non-resident fees are increased beyond that breakdown point, all additional net revenue would accrue to an improvement fund dedicated to garden improvements.

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Source: Recreation and Parks Department

Note: FY 2018-19 actuals do not include Rec & Park operating costs for the Conservatory of Flowers. Garden Improvement Fund amounts for FY 2018-19 are less than the difference between sources and SFBGS and City uses because, under the existing license agreement with the San Francisco Parks Alliance, net revenues from the Conservatory of Flowers are provided to the City.

BOARD of SUPERVISORS



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January 3, 2022

File No. 211295

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Ste. 400  
San Francisco, CA 94103

Dear Ms. Gibson:

On December 14, 2021, Mayor London Breed introduced the following legislation:

**File No. 211295**

Ordinance amending the Park Code to waive fees for admission by San Francisco residents to the Japanese Tea Garden and the Conservatory of Flowers; to authorize the Recreation and Park Department to waive or discount other admission fees at these facilities as well as at the San Francisco Botanical Garden (all three collectively, "the Gardens"); to fund these changes by reauthorizing the Recreation and Park Department to set admission fees for non-resident adults at the Gardens through flexible pricing, based on certain factors and to ensure consistency among all three Gardens; and affirming the Planning Department's determination under the California Environmental Quality Act.

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

*Brent Jalipa*

By: Brent Jalipa, Assistant Clerk  
Budget and Finance Committee

Attachment

c: Devyani Jain, Environmental Planning  
Joy Navarrete, Environmental Planning  
Don Lewis, Environmental Planning

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

1/19/2022

*Joy Navarrete*

**BOARD of SUPERVISORS**



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January 3, 2022

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