1	[Lease and Operating Agreement - Golden Gate Park Golf Development Foundation - Golden	
2	Gate Park Golf Management and Operation - Annual Base Rent \$275,000]	
3	Resolution approving and authorizing a Lease and Operating Agreement between the	
4	City and County of San Francisco, acting by and through its Recreation and Park	
5	Department (RPD), and Golden Gate Park Golf Development Foundation for the	
6	management and operation of the clubhouse and golfing operations at Golden Gate	
7	Park Golf, located at 970-47th Avenue, for an initial term of six years, with one option to	
8	extend the term for an additional nine years, with an annual base rent of \$275,000 plus	
9	a share of revenues, effective upon approval of this Resolution; determining that the	
10	rental rate under the Agreement is appropriate and that the Agreement will serve a	
11	public purpose in accordance with Administrative Code, Sections 23.30 and 23.33;	
12	adopting findings declaring that the Property is "exempt surplus land" under the	
13	California Surplus Lands Act; and to authorize the RPD General Manager to enter into	
14	amendments or modifications to the Lease that do not materially increase the	
15	obligations or liabilities to the City and are necessary to effectuate the purposes of the	
16	Lease or this Resolution.	
17		
18	WHEREAS, The Golden Gate Park Golf Course (the "GGP Golf Course") is a nine-hole	
19	golf course located at 970-47th Avenue, with a pro-shop, driving range, and food service	
20	facilities, under the jurisdiction of the Recreation and Park Department ("RPD"); and	

WHEREAS, The clubhouse and golfing operations at the GGP Golf Course have

WHEREAS, On June 21, 2022, RPD issued a Request for Proposals ("RFP") for a new

historically been administered under a lease and operating agreement; and

agreement for the lease, management and operation of the GGP Golf Course; and

25

24

21

22

1	WHEREAS, Golden Gate Park Golf Development Foundation, a California nonprofit
2	public benefit corporation ("GGPGDF"), a nonprofit affiliate of the First Tee and the current
3	operator of the GGP Golf Course, responded to the RFP and was selected by RPD to serve
4	as the official leaseholder and operator for the GGP Golf Course; and
5	WHEREAS, The parties seek to enter into a Lease and Operating Agreement ("Lease
6	and Operating Agreement"), a copy of which is on file with the Clerk of the Board of
7	Supervisors in File No. 221247 and is incorporated herein by reference; and
8	WHEREAS, The Lease and Operating Agreement includes the following key terms and
9	conditions:
10	(a) Term. The initial term shall be approximately six (6) years, subject to GGPGDF's
11	option to the extend the term for one (1) additional nine (9) year extension period,
12	commencing on the date immediately following the Expiration Date provided that
13	the GGPGDF has completed the Minimum Required Capital Improvements
14	described below.
15	(b) Rent. GGPGDF shall pay Base Rent, Share of Green Fee Receipts, the Equipment
16	Subsidy and Share of Concessions Revenue, as defined below.
17	1. Base Rent. For the first Calendar Year following the completion of the rebuild
18	of the clubhouse and every Calendar Year thereafter annual Base Rent shall
19	be \$275,000, payable monthly.
20	2. Shared Green Fee Receipts. In addition to the Base Rent, GGPGDF shall
21	pay a Share of Greens Fee Receipts in accordance with the following
22	schedule:
23	Annual Greens Fee Receipts: City's Share of Greens Fee Receipts:
24	Less than \$450,000 0%
25	\$450,000 to \$500,000 100%

1	\$500,000 to \$700,000	0%
2	Above \$700,000	50% if the operator has met the Minimum
3		Maintenance Standards
4	3. Equipment Subsidy. GGPG	DF shall pay City an equipment subsidy of
5	\$53,000 per year to be used	d to purchase and lease equipment to maintain
6	the GGP Golf Course.	
7	4. Concession Revenue Share	e. GGPGDF shall pay City 33% of all Concession
8	Revenues in excess of \$300	0,000, each Calendar Year.
9	5. Adjustment Prior to Reopen	ing of the Clubhouse: RPD is in the process of
10	rebuilding the clubhouse wh	nich was destroyed by fire with an expected
11	completion date in Fall 2023	3. The above amounts are adjusted to lower
12	amounts until the Clubhous	e is rebuilt and reopened reflecting the limited
13	facilities.	
14	6. Annual Adjustments: All of t	he above amounts and limits are subject to
15	adjustment for cost of living	changes.
16	(c) Use and Operations. GGPGDF sha	all operate the GGP Golf Course as a fee-based,
17	public nine-hole golf course and pr	actice facility together with a related learning
18	center, golf pro-shop and food and	beverage operation. All golf fees shall comply
19	with the Park Code.	
20	(d) Minimum Required Capital Improve	ements. As a condition precedent to GGPGDF's
21	exercise of the Extension Option, (GGPGDF will have completed not less than
22	\$2,000,000 of capital Improvement	ts within three (3) years of the commencement of
23	the Lease and Operating Agreeme	ent to improve the irrigation system, drainage,
24	pathways and other elements of th	e Golf Course with changes to be approved by

the General Manager.

(e) Golf Course Maintenance.	City personnel sha	all continue to ma	intain the Golf
Course; and			

(f) Instruction and Portable Classroom Trailer. GGPGDF has the sole right and authority to provide golf instruction at the GGP Golf Course and must offer programs and instruction to the general public at reasonable rates and use efforts to include economically disadvantaged youth in all junior golf programs and camps, either through reduced rates or scholarship programs. GGPGDF shall offer classroom instruction in a mobile classroom trailer unit described in the Lease and Operating Agreement that will be placed at the northernmost end of the parking lot, which will not be affixed to the premises by any means whatsoever and which will be removed at the end of the term.

WHEREAS, The market rent for the GGP Golf Course in light of the terms and conditions of the Lease and Operating Agreement and available and relevant data is less than \$45 per square foot, and the rent furthers the public purpose of allowing the GGP Golf Course to be operated as a golf course open to the public, with recreational programs benefiting youth and the general community, and with greens fees and discounted rates as set forth in the Park Code; and

WHEREAS, On October 20, 2022, RPD presented a term sheet for the Lease and Operating Agreement along with the foregoing information to the Recreation and Park Commission, and the Recreation and Park Commission adopted Resolution No. 2210-004, approving the terms of the Lease and Operating Agreement, and recommending that the Board of Supervisors approve the Lease and Operating Agreement; and

WHEREAS, The execution of the Lease and Operating Agreement requires the approval of the Board of Supervisor's under Section 9.118 (a) and (c) of the San Francisco Charter; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby authorizes the RPD General Manager, or their designee, to take all actions on behalf of the City to execute, enter into, and perform its obligations under the Lease and Operating Agreement substantially in the form filed with the Clerk of the Board of Supervisors in File No. 221247, and any other documents that are necessary or advisable to effectuate the purpose of this Resolution and the Lease and Operating Agreement; and, be it FURTHER RESOLVED, That the rent for the GGP Golf Course, taking into account the terms and conditions of the Lease and Operating Agreement, is sufficient to meet the requirements of Administrative Code, Section 23.30; and, be it FURTHER RESOLVED, That the Lease and Operating Agreement serves a proper public purpose sufficient to meet the requirements of Administrative Code, Section 23.33; and, be it FURTHER RESOLVED, That the GGP Golf Course is "exempt surplus land" as defined by California Government Code, Section 542221, for the reasons set forth above; and, be it FURTHER RESOLVED, That the Board of Supervisors authorizes the RPD General Manager, or their designee, to enter into any further modifications, additions and amendments to the Lease and Operating Agreement, including to any of its exhibits, that the RPD General Manager determines, in consultation with the City Attorney, are in the best interests of the City, do not materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Lease, and are in compliance with all applicable laws including the City's Charter; and, be it // // //

//

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1	FURTHER RESOLVED, That the Recreation and Park Department shall provide a			
2	copy of the Lease and Operating Agreement to the Clerk of the Board for inclusion into the			
3	official file within 30 days of the Lease and Operating Agreement being fully executed by all			
4	parties.			
5				
6	Recommended:			
7				
8				
9	<u>/s/</u> Phil Ginsburg			
10	Phil Ginsburg General Manager Recreation and Park Department			
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				