

# Golden Gate Park Golf Course Lease

## BACKGROUND

Golden Gate Park Golf Course (“GGP Golf Course” or the “Course”) is a nine-hole par 27 course that is 1,357 yards long. The course is in the western end of Golden Gate Park near 47<sup>th</sup> Avenue and Fulton Street in San Francisco. The Course was originally opened in 1949 as a “Pitch and Putt” course, where the golf holes are shorter distances and are played with a number of smaller clubs. The Course has a putting green, an 8-station driving cage, and a clubhouse.

### Current Status

Due to an arson fire in 2018, construction of a new clubhouse began in Winter 2022 with anticipated completion in Fall 2023/Winter 2024. Since the fire, the golf course has been run from a mobile container.

The new clubhouse will provide a golf pro shop, food and beverage concession, a public restroom, and back-of-the-house utilities and storage. Site improvements will also provide two accessible parking spaces and an accessible pathway to connect the building patio to the golf activities.

### First Tee Program

First Tee began in 1997 as a partnership among the LPGA, the Masters Tournament, the PGA of America, the PGA TOUR, and the USGA to make golf affordable and accessible for all youth. While introducing the game, youth are also accessing a life skills curriculum that supported the development of values found within the game of golf, including honesty, integrity, perseverance and respect. First Tee reaches more than 3.6 million youth annually through national programs delivered at Chapter Program locations.



The First Tee Program - SF Chapter (First Tee SF) was founded in 2004 as part of the renovation of Harding Park. First Tee SF is unique with a driving range campus and classrooms at Harding Park Golf Course. First Tee SF is supported by a Volunteer Board that guides and leads the San Francisco Chapter (which also manages the Golden Gate Park Golf Course) with deep philanthropic roots and commitments to improve and enhance the offerings for the San Francisco youth through golf.

### First Tee SF - Schools Program

- 72 SFUSD Elementary Schools: 8,000 students annually
- 1,500 participants transported annually to TPC Harding Park, GGP, and Visitacion Valley locations

TPC Harding Park (650 students yearly)	Golden Gate Park Golf Course (400 students yearly)	Visitacion Valley Middle School (480 students yearly)
Ulloa	Jefferson	El Dorado
Lakeshore	Francis Scott Key	Visitacion Valley
Diane Feinstein		Cleveland
Robert Louis Stevenson		Sheridan
Lawton		ER Taylor

### **First Tee SF - After-School/Summer Camps**

- 800 participants annually at TPC Harding Park, GGP, Mariners Points and Visitacion Valley locations

### **Future Foursomes**

First Tee SF's highest impact program develops participants from age 10-17 the skills necessary to compete/thrive and become positive contributors to their communities. 48 participants are selected through an application process with economic need as the primary criteria.

- 48 committed participants at no cost
- 80% of participants live under the poverty line
- 88% are on the free lunch program
- 92% of participants will be first-generation students
- \$120,000 in Scholarships awarded annually to Future Foursome alumni for higher education or vocational training



## **LEASE**

### **First Tee, Lessee and Operator**

First Tee of San Francisco (FTSF, or First Tee) is the current lessee and operator of the course, operating through the Golden Gate Park Golf Development Foundation (the "GGPGDF"). In 2011, RPD conducted a Request for Proposal (RFP) for a new operator. In 2013, First Tee was selected and subsequently approved by the Rec and Park Commission and Board of Supervisors. The lease expired in December 2020 and it has been operating on a month-to-month basis since that time.

On June 21, 2022, RPD launched a new RFP for the course. The RFP looked for a new operator and suggested that proposals could include a plan to renovate the irrigation infrastructure as the system is so old, many parts are hard to find and maintain.

The Department proposes to move forward with a response submitted by First Tee, operating through the GGPGDF.

## **PROPOSED LEASE AND MANAGEMENT AGREEMENT**

**Term:** 6 years with an option to extend for 9 additional years if the Minimum Required Capital Improvements described below are completed within 3 years of the initial term.

**Rent:**

- \$275,000 annual Base Rent
- \$53,000 annually for maintenance equipment
- Green Fee Revenue Share Allocation structure:
  - **\$0 to \$475,000** in revenue, then it will go to GGPGDF (\$328,000 used to make the above payments be used to us)
  - **\$450,000 to \$500,000** in revenue, then it will go to RPD
  - **\$500,000 to \$700,000** in revenue, then it will go to GGPGDF
  - **Over \$700,000 in revenue**, then it will go to Maintenance Standard Incentive (50% of revenue > \$700K to RPD)
- 33% of all Concession Revenue > \$300K to RPD (food & beverage, lessons, events, rentals, merchandise)
- All amounts CPI-indexed

**RPD anticipates revenues in the first year of reopening of approximately \$483,000 and expenses of \$503,000.**

**Maintenance and Operations**

- RPD does all of the course maintenance.
- The First Tee will manage the day-to-day operations, welcoming guests, taking tee times, providing food and beverage and other services. They also have the right to maintain a classroom and use the course for their program. They like this location as it provides a good learning opportunity for children with a driving range and short course.
- The provisions provide certain maintenance standards must be met to share in revenue over \$700,000. The standards require a log of certain periodic maintenance and an annual meeting to discuss what is and what is not working.

**Minimum Required Capital Improvements:** The goal of this project is to replace the irrigation system which is outdated. Many of the irrigation parts cannot be repaired and coverage of the course is limited by irrigation requiring staff spend significant time to maintain it.

As part of the irrigation project, the course will be reseeded and other minor maintenance modifications will be made. All work will be performed by First Tee and will comply with city requirements including prevailing wage. Expected cost of \$2,000,000.

**NEXT STEPS – LEGISLATIVE PROCESS****Recreation and Park Commission**

The Commission approved the Department's GGP Golf Course lease on October 20, 2022.

**Board of Supervisors**

Approval from the Board of Supervisors. First hearing on February 8, 2023 at Budget and Finance Committee.