

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.**

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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

21 WHEREAS, The clubhouse and golfing operations at the GGP Golf Course have
22 historically been administered under a lease and operating agreement; and

23 WHEREAS, On June 21, 2022, RPD issued a Request for Proposals ("RFP") for a new
24 agreement for the lease, management and operation of the GGP Golf Course; and

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%

\$500,000 to \$700,000	0%
Above \$700,000	50% if the operator has met the Minimum Maintenance Standards

3. Equipment Subsidy. GGPGDF shall pay City an equipment subsidy of \$53,000 per year to be used to purchase and lease equipment to maintain the GGP Golf Course.
4. Concession Revenue Share. GGPGDF shall pay City 33% of all Concession Revenues in excess of \$300,000, each Calendar Year.
5. Adjustment Prior to Reopening of the Clubhouse: RPD is in the process of rebuilding the clubhouse which was destroyed by fire with an expected completion date in Fall 2023. The above amounts are adjusted to lower amounts until the Clubhouse is rebuilt and reopened reflecting the limited facilities.
6. Annual Adjustments: All of the above amounts and limits are subject to adjustment for cost of living changes.

(c) Use and Operations. GGPGDF shall operate the GGP Golf Course as a fee-based, public nine-hole golf course and practice facility together with a related learning center, golf pro-shop and food and beverage operation. All golf fees shall comply with the Park Code.

(d) Minimum Required Capital Improvements. As a condition precedent to GGPGDF's exercise of the Extension Option, GGPGDF will have completed not less than \$2,000,000 of capital Improvements within three (3) years of the commencement of the Lease and Operating Agreement to improve the irrigation system, drainage, pathways and other elements of the Golf Course with changes to be approved by the General Manager.

1 (e) Golf Course Maintenance. City personnel shall continue to maintain the Golf
2 Course; and

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

12 WHEREAS, The market rent for the GGP Golf Course in light of the terms and
13 conditions of the Lease and Operating Agreement and available and relevant data is less than
14 \$45 per square foot, and the rent furthers the public purpose of allowing the GGP Golf Course
15 to be operated as a golf course open to the public, with recreational programs benefiting youth
16 and the general community, and with greens fees and discounted rates as set forth in the
17 Park Code; and

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

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

1 RESOLVED, That the Board of Supervisors hereby authorizes the RPD General
2 Manager, or their designee, to take all actions on behalf of the City to execute, enter into, and
3 perform its obligations under the Lease and Operating Agreement substantially in the form
4 filed with the Clerk of the Board of Supervisors in File No. 221247, and any other documents
5 that are necessary or advisable to effectuate the purpose of this Resolution and the Lease
6 and Operating Agreement; and, be it

7 FURTHER RESOLVED, That the rent for the GGP Golf Course, taking into account the
8 terms and conditions of the Lease and Operating Agreement, is sufficient to meet the
9 requirements of Administrative Code, Section 23.30; and, be it

10 FURTHER RESOLVED, That the Lease and Operating Agreement serves a proper
11 public purpose sufficient to meet the requirements of Administrative Code, Section 23.33; and,
12 be it

13 FURTHER RESOLVED, That the GGP Golf Course is "exempt surplus land" as defined
14 by California Government Code, Section 542221, for the reasons set forth above; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the RPD General
16 Manager, or their designee, to enter into any further modifications, additions and amendments
17 to the Lease and Operating Agreement, including to any of its exhibits, that the RPD General
18 Manager determines, in consultation with the City Attorney, are in the best interests of the
19 City, do not materially increase the obligations or liabilities of the City, are necessary or
20 advisable to effectuate the purposes of the Lease, and are in compliance with all applicable
21 laws including the City's Charter; and, be it

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City and County of San Francisco

Tails Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 221247

Date Passed: February 14, 2023

Resolution approving and authorizing a Lease and Operating Agreement between the City and County of San Francisco, acting by and through its Recreation and Park Department (RPD), and Golden Gate Park Golf Development Foundation for the management and operation of the clubhouse and golfing operations at Golden Gate Park Golf, located at 970-47th Avenue, for an initial term of six years, with one option to extend the term for an additional nine years, with an annual base rent of \$275,000 plus a share of revenues, effective upon approval of this Resolution; determining that the rental rate under the Agreement is appropriate and that the Agreement will serve a public purpose in accordance with Administrative Code, Sections 23.30 and 23.33; adopting findings declaring that the Property is "exempt surplus land" under the California Surplus Lands Act; and to authorize the RPD General Manager to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

February 08, 2023 Budget and Finance Committee - RECOMMENDED

February 14, 2023 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 221247

I hereby certify that the foregoing Resolution was ADOPTED on 2/14/2023 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

2/16/23

Date Approved