BOARD of SUPERVISORS

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MEMORANDUM

Date: July 11, 2023

To: Planning Department

From: Brent Jalipa, Clerk of the Budget and Finance Committee

Subject: Board of Supervisors Legislation Referral - File No. 230710
Permit Issuance - Another Planet Entertainment LLC - Polo Field Concerts - Minimum Permit Fee of $1,400,000 Per Year for a Two-Day Event and $2,100,000 for a Three-Day Event

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☒ California Environmental Quality Act (CEQA) Determination
(California Public Resources Code, Sections 21000 et seq.)
- ☒ Ordinance / Resolution
- ☐ Ballot Measure

☐ Amendment to the Planning Code, including the following Findings:
(Planning Code, Section 302(b): 90 days for Planning Commission review)
☐ General Plan ☐ Planning Code, Section 101.1 ☐ Planning Code, Section 302

☐ Amendment to the Administrative Code, involving Land Use/Planning
(Board Rule 3.23: 30 days for possible Planning Department review)

☐ General Plan Referral for Non-Planning Code Amendments
(Charter, Section 4.105, and Administrative Code, Section 2A.53)
(Required for legislation concerning the acquisition, vacation, sale, or change in use of City property; subdivision of land; construction, improvement, extension, widening, narrowing, removal, or relocation of public ways, transportation routes, ground, open space, buildings, or structures; plans for public housing and publicly-assisted private housing; redevelopment plans; development agreements; the annual capital expenditure plan and six-year capital improvement program; and any capital improvement project or long-term financing proposal such as general obligation or revenue bonds.)

☐ Historic Preservation Commission
- ☐ Landmark *(Planning Code, Section 1004.3)*
- ☐ Cultural Districts *(Charter, Section 4.135 & Board Rule 3.23)*
- ☐ Mills Act Contract *(Government Code, Section 50280)*
- ☐ Designation for Significant/Contributory Buildings *(Planning Code, Article 11)*

Please send the Planning Department/Commission recommendation/determination to Brent Jalipa at Brent.Jalipa@sfgov.org.

[Permit Issuance - Another Planet Entertainment LLC - Polo Field Concerts - Minimum Permit Fee of $1,400,000 Per Year for a Two-Day Event and $2,100,000 for a Three-Day Event]

Resolution authorizing the Recreation and Park Department to issue a permit for Another Planet Entertainment LLC to hold a ticketed concert at the Golden Gate Park Polo Fields on the Friday, Saturday, and Sunday following the Outside Lands Festival in 2024, 2025 and 2026, in exchange for a minimum permit fee $1,400,000 per year for a two-day event and $2,100,000 for a three-day event for a three-year term to commence in 2024; and affirming a categorical exemption under the California Environmental Quality Act.

WHEREAS, The City and County of San Francisco (the "City") owns the parcel of land commonly referred to as Golden Gate Park (the "GGP"), which is under the administrative jurisdiction of the City's Recreation and Park Commission; and,

WHEREAS, Another Planet Entertainment LLC, a Delaware limited liability company (“Another Planet” or “Permittee”), is a concert production company that organizes the annual Outside Lands Festival which has been taking place in GGP since 2009; and,

WHEREAS, The Outside Lands Festival takes place in the western part of GGP, including on the Polo Fields, and the Board of Supervisors when it approved an extension of the Outside Lands Festival permit found that the Another Planet has made Outside Lands a great success (Resolution No. 156-19); and

WHEREAS, The Recreation and Park Department (“RPD”) is proposing to enter into another permit with Another Planet to produce either two or three concerts at the Polo Fields on the Friday, Saturday and/or Sunday immediately following Outside Lands Festival, in 2024-2026, in order to generate additional revenue to support RPD’s budget which is facing

significant constraints due to reduction of general fund support and increased labor and health care costs.

WHEREAS, Holding the Polo Fields Concerts on the weekend immediately following the Outside Lands Festival will allow some of the infrastructure from the previous weekend to be used, albeit with a reduced footprint, which will minimize the event's impact on the public and the park, and allow for just one load-in and one load-out which will be completed by the Wednesday following the completion of the Polo Field Concerts, so just five days later than the OSL Festival; and

WHEREAS, The Polo Fields Concerts will generate a minimum of $1,400,000 for each year of concerts with a potential 50% increase if a third concert is produced in any year preventing budget cuts; and

WHEREAS, The Polo Fields Concerts will leverage and fine-tune Another Planet's existing mitigation plans developed after many years of producing OSL, and Another Planet's production staff will already be in place to continue supporting neighborhood residents and local merchants as impacts arise; the central command post and community hotline to address real-time issues, sound monitoring adjustments, and transportation needs will remain in place; and

WHEREAS, RPD and Another Planet have negotiated a Term Sheet for the Polo Fields Concerts, a copy of which is on file with the Clerk of the Board in File No. 230710, which includes, among other provisions, the following significant terms:

(1) Term**:** Three years beginning in 2024

(2) Premises**:** The certain portion of the premises called Polo Fields, a portion of Lindley Meadow that connects to the Polo Fields and the areas in Golden Gate Park that connect those areas

(3) Event Dates: The event will be held at the Polo Fields in 2024, 2025 and 2026 and will be either two or three of the following dates on the weekend after the OSL Festival: Friday from 2:00 pm to 10:00 pm; Saturday from 2:00 pm to 10:00 pm; Sunday from 2:00 pm to 10:00 pm. Permittee must notify the Department by May 1 of each year of the dates of the Polo Concert for that year.

(4) Permitted Use: Production of a concert open to the public upon purchase of tickets. Permittee must complete all load out of the Polo Fields and Lindley Meadow by 10:00 pm on the Wednesday following the last Polo Concert of each year.

(5) Permit Fee and Financial Terms

a. *Minimum Fees:* Each year, the Permittee will pay the Department the higher of a minimum of $1,400,000 for two-day event and an additional $700,000 for a third day or 5% of the net revenue from the event.

b. *Staff Expense:* The Permittee will be required to reimburse the Department for all staff expenses including staff time to monitor set up and take down and for security. These expenses are expected to total approximately $30,000 per day.

c. *Payment Schedule:* For each year of the Permit (2024, 2025 and 2026), fifty percent of the Minimum Fee will be due by July 15. All remaining fees will be due no later than 30 days following the last Polo concert of that year.

d. *CPI Increases:* The fees will increase by CPI each year.

(6) Community Outreach: Permittee will meet with neighborhood groups at least four months prior to the Polo Concerts to discuss the impact and ways to mitigate the impact.

(7) Security: Permittee will work with private security firm and the San Francisco Police Department, to provide full security for this event at Permittee's own cost.

(8) Other Terms: All other terms of the Permit relating to production of the Polo Concerts will follow the current OSL Use Permit (as amended in 2019) between the Department and the Permittee, including sound mitigation, transportation plans and community hotlines and responses.

WHEREAS, The Planning Department has found that the proposed Permit issuance is categorically exempt from environmental review under the California Environmental Quality Act, and a copy of these findings is on file with the Clerk of the Board of Supervisors in File No. _____, and are incorporated herein by reference; and,

WHEREAS, The Recreation and Park Commission adopted a resolution (No. 2305-005), which is on file with the Clerk of the Board of Supervisors in File No. 230710 and which is incorporated herein by reference, finding that the Permit fees are appropriate, finding that reliance on competitive bidding procedures for the Permit would be impractical and/or impossible, and recommending that the Board of Supervisors authorize RPD to enter into the Permit; now, therefore, be it

RESOLVED, That the Board of Supervisors finds that due to 1) the significant experience of Another Planet in operating festivals in the sensitive park environs and showcasing the City and Bay Area and the economic contributions, including the rent paid by Another Planet under the Permit, 2) the limited duration of the Polo Fields Concerts each year, and the limited availability of City properties for musical and other special events, and 3) unique opportunity to reduce costs and park impacts which is only possible because the Polo Fields Concerts would occur immediately after the Outside Lands Festival on the same infrastructure, that competitive bidding for the Permit is impractical or impossible and therefore not required; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the RPD to execute the Permit substantially in the form as is on file with the Clerk; and, be it

FURTHER RESOLVED, That the RPD General Manager is authorized to execute and deliver the Permit, and to take any and all steps necessary or appropriate to effectuate the execution, delivery and performance of the Permit; the General Manager, at his or her discretion and in consultation with the City Attorney and the City's Controller, is authorized to enter into any additions, amendments, or other modifications to the Permit that the General Manager determines are in the best interests of the City and do not materially increase the obligations or liabilities of the City or materially decrease the payments or other benefits to the City, and are necessary or advisable to effectuate the purpose and intent of this Resolution; and, be it

FURTHER RESOLVED, That the Board of Supervisors affirms the Planning Department’s determination that the Permit issuance is categorically exempt from environmental review under the California Environmental Quality Act.