

[Lease of City Property - The Golden Gate Yacht Club - 1 Yacht Road - \$85,000 Annual Minimum Rent Guarantee]

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Ordinance approving a lease between the City and County of San Francisco and The Golden Gate Yacht Club, a California non-profit corporation, for City property at 1 Yacht Road, with initial annual rent at the greater of 10% gross receipts or \$85,000, a term of 18 years, and youth programming and general public access requirements; waiving the Administrative Code’s market rent determination requirement that otherwise would apply to this lease; and affirming the Planning Department’s determination under the California Environmental Quality Act.

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

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

Section 1. Background and Findings.

(a) The western portion of the Marina Yacht Harbor (“West Harbor”) is a recreational boating harbor with a clubhouse, grounds, parking area, and berth space, under the jurisdiction of the Recreation and Park Commission (“Commission”) and managed by the Recreation and Park Department (“Department”).

(b) Under Chapter 437 of the California Statutes of 1935, as amended, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 190464, the West Harbor must be used for aquatic, recreational, boulevard, park, and playground purposes, and can be leased to non-profit entities organized to develop and promote aquatic sport.

1 (c) Under Charter Section 4.113, the Department is directed to promote and foster a
2 program providing for organized public recreation of the highest standard.

3 (d) Under a lease dated as of July 25, 1991, as modified by a first amendment dated
4 as of February 1, 1999 (as amended, the "Original Lease"), a copy of which is on file with the
5 Clerk of the Board of Supervisors in File No. 190464, The Golden Gate Yacht Club, a
6 California non-profit corporation ("Tenant"), leases the portion of the West Harbor known as 1
7 Yacht Road for use as a non-profit recreational boating and racing oriented yacht club.

8 (e) The Original Lease is on a month-to-month basis. The Tenant and the Department
9 have negotiated a new 18-year lease ("New Lease"), a copy of which is on file with the Clerk
10 of the Board of Supervisors in File No. 190464, for 1 Yacht Road ("Premises") as described
11 and depicted in the New Lease.

12 (f) To ensure the Premises are available to the general public for aquatic, recreational,
13 boulevard, park, and playground purposes, and to further a public purpose, the New Lease
14 requires the Tenant to provide a youth sailing program, allow certain public access to the
15 Premises for a daily use fee, make its membership open to the general public on a first-come,
16 first-served basis subject to reasonable limitations, and to obtain the Commission's prior
17 approval to any changes to the Tenant's bylaws, membership policies, public access fees, or
18 dues.

19 (g) The proposed rent for the New Lease reflects the Tenant's public access and
20 programming obligations.

21 (h) On September 20, 2018, the Commission adopted Resolution No. 1809-0107 to
22 recommend that the Board of Supervisors approve the New Lease. A copy of said Resolution
23 is on file with the Clerk of the Board of Supervisors in File No. 190464.

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1 Section 2. Waiver of Administrative Code Requirement for Market Rent Determination.

2 (a) The New Lease requires initial annual rent at the greater of 10% gross receipts or
3 \$85,000. Because the Premises can only be used for aquatic, recreational, boulevard, park
4 and playground purposes, and the New Lease requires Tenant to provide youth programming
5 and certain general public access, it is not appropriate to determine the Market Rent, as
6 defined in Administrative Code Section 23.2, of the Premises.

7 (b) Accordingly, the Market Rent determination requirement in Administrative Code
8 Section 23.30 is hereby waived for the New Lease.

9 Section 3. Environmental Findings.

10 In a letter dated May 29, 2019, a copy of which is on file with the Clerk of the Board of
11 Supervisors in File No. 190464, the Planning Department has determined that the actions
12 contemplated in this ordinance comply with the California Environmental Quality Act
13 (California Public Resources Code Sections 21000 et seq.). The Board of Supervisors affirms
14 this determination.

15 Section 4. Approval of New Lease.

16 (a) The Department's General Manager is authorized to execute and deliver the New
17 Lease, to perform all acts required of the City under the New Lease, and to enter into
18 amendments or other modifications to the New Lease (including, without limitation, attaching
19 and modifying its exhibits) that the General Manager, in consultation with the City Attorney,
20 determines are in the best interest of the City, do not materially decrease the City's benefits,
21 do not materially increase the City's obligations or liabilities, do not authorize any activities
22 without pursuing all required regulatory and environmental review and approvals, and are
23 necessary or advisable to complete the transactions which the New Lease contemplates and
24 effectuate the purpose and intent of this ordinance.

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1 (b) Within 30 days of the New Lease being fully executed by all parties, the
2 Department shall provide the final lease agreement to the Clerk of the Board of Supervisors
3 for inclusion in File No. 190464, the official file for this ordinance.

4 Section 5. Public Access. The Board urges Tenant to make Tenant's facilities open to
5 the public, not just members, on all days and hours that the Premises are open for business.

6 Section 56. Effective Date. This ordinance shall become effective 30 days after
7 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
8 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
9 of Supervisors overrides the Mayor's veto of the ordinance.

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11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA, City Attorney

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14 By: _____
15 CAROL WONG
16 Deputy City Attorney
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