

1 [Lease of City Property - South End Rowing Club - 500 Jefferson Street - Gross Receipts  
2 Rent]

3 Ordinance approving a Lease between the City and County of San Francisco and the  
4 South End Rowing Club, a California non-profit corporation, for City property at 500  
5 Jefferson Street, with an annual rent of 10% of all gross receipts that are not derived  
6 from the Alcatraz Invitational and 4% of all gross receipts that are derived from the  
7 Alcatraz Invitational, for a term of 25 years to commence following Board approval,  
8 with an option to extend for 24 years, and general public access requirements; waiving  
9 the Administrative Code's market rent determination requirement that otherwise would  
10 apply to this Lease; and affirming the Planning Department's determination under the  
11 California Environmental Quality Act.

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

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

18 Section 1. Background and Findings.

19 (a) The premises at 500 Jefferson Street ("Original Premises") at the eastern portion of  
20 Aquatic Park is a recreational swimming and boating clubhouse, dock, and beach, under the  
21 jurisdiction of the Recreation and Park Commission ("Commission") and managed by the  
22 Recreation and Park Department ("Department").

23 (b) Under Chapter 88 of the California Statutes of 1923, a copy of which is on file with  
24 the Clerk of the Board of Supervisors in File No. 190463, the State of California granted the  
25 Original Premises to City for use in conjunction with other City property used as an aquatic

1 park.

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

4 (d) Under a lease dated as of July 1, 1979, as modified by a first amendment dated as  
5 of July 1, 1979 (as amended, the "Original Lease"), a copy of which is on file with the Clerk of  
6 the Board of Supervisors in File No. 190463, The South End Rowing Club, a California non-  
7 profit corporation ("Tenant"), leases the Original Premises for use as a non-profit recreational  
8 swimming- and boating-oriented recreational club.

9 (e) The Original Lease expires June 30, 2029. The Tenant and the Department have  
10 negotiated a new 25-year lease ("New Lease"), a copy of which is on file with the Clerk of the  
11 Board of Supervisors in File No. 190463, for the Original Premises and a portion of adjacent  
12 land and water (the "Dock Area") under the jurisdiction of the Port Commission ("Port") on  
13 which the clubhouse dock extends from the Original Premises, as described in a  
14 Memorandum of Understanding between the Commission and the Port dated as of  
15 September 20, 2018 ("MOU"), a copy of which is on file with the Clerk of the Board of  
16 Supervisors in File No. 190463.

17 (f) To ensure the Original Premises are available to the general public for aquatic  
18 recreational purposes, and to further a public purpose, the New Lease requires the Tenant to  
19 allow certain public access to the Original Premises and the Dock Area (together, the  
20 "Premises") for a daily use fee, make its membership open to the general public on a first-  
21 come, first-served basis subject to reasonable limitations, and to obtain the Commission's  
22 prior approval of any changes to the Tenant's bylaws, membership policies, public access  
23 fees, or dues.

24 (g) The proposed gross receipts rent for the New Lease reflects Tenant's public  
25 access and repair and maintenance obligations for the Premises.

1 (h) The Premises abuts the Hyde Street Pier, which is under the Port's jurisdiction, and  
2 to provide Tenant with the secondary access for the Premises required by the City's  
3 Department of Building Inspection, the New Lease grants Tenant a license for access over the  
4 portion of the Hyde Street Pier described in the MOU on the terms described in the New  
5 Lease and the MOU.

6 (i) On September 20, 2018, the Commission adopted Resolution No. 1809-008 to  
7 recommend that the Board of Supervisors approve the New Lease. A copy of said Resolution  
8 is on file with the Clerk of the Board of Supervisors in File No. 190463.

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

10 (a) The New Lease requires an annual rent of 10% of all gross receipts that are not  
11 derived from the Alcatraz Invitational and 4% of all gross receipts that are derived from the  
12 Alcatraz Invitational. Because the Premises can only be used for aquatic recreational  
13 purposes, and the New Lease requires Tenant to provide general public access, it is not  
14 appropriate to determine the Market Rent, as defined in Administrative Code Section 23.2, of  
15 the Premises.

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

18 Section 3. Environmental Findings.

19 The Planning Department has determined that the actions contemplated in this  
20 ordinance comply with the California Environmental Quality Act (California Public Resources  
21 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
22 Supervisors in File No. 190463. The Board affirms this determination.

23 Section 4. Approval of New Lease.

24 (a) The Department's General Manager is authorized to execute and deliver the New  
25 Lease, to perform all acts required of the City under the New Lease, and to enter into

1 amendments or other modifications to the New Lease (including, without limitation, attaching  
2 and modifying its exhibits) that the General Manager, in consultation with the City Attorney,  
3 determines are in the best interest of the City, do not materially decrease the City's benefits,  
4 do not materially increase the City's obligations or liabilities, do not authorize any activities  
5 without pursuing all required regulatory and environmental review and approvals, and are  
6 necessary or advisable to complete the transactions which the New Lease contemplates and  
7 effectuate the purpose and intent of this ordinance.

8 (b) Within 30 days of the New Lease being fully executed by all parties, the  
9 Department shall provide the final lease agreement to the Clerk of the Board of Supervisors  
10 for inclusion in File No. 190463, the official file for this ordinance.

11 Section 5. Effective Date. This ordinance shall become effective 30 days after  
12 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
13 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
14 of Supervisors overrides the Mayor's veto of the ordinance.

15  
16 APPROVED AS TO FORM:  
17 DENNIS J. HERRERA, City Attorney

18  
19 By:

  
20 CAROL WONG  
21 Deputy City Attorney  
22 n:\financlas2019\0200555\01356856.docx



City and County of San Francisco

Tails

Ordinance

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

**File Number:** 190463

**Date Passed:** July 30, 2019

Ordinance approving a Lease between the City and County of San Francisco and the South End Rowing Club, a California non-profit corporation, for City property at 500 Jefferson Street, with an annual rent of 10% of all gross receipts that are not derived from the Alcatraz Invitational and 4% of all gross receipts that are derived from the Alcatraz Invitational, for a term of 25 years to commence following Board approval, with an option to extend for 24 years, 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.

July 17, 2019 Budget and Finance Sub-Committee - RECOMMENDED

July 23, 2019 Board of Supervisors - PASSED ON FIRST READING

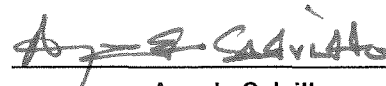
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

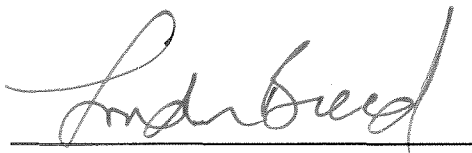
July 30, 2019 Board of Supervisors - FINALLY PASSED

Ayes: 10 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani and Yee  
Excused: 1 - Walton

File No. 190463

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 7/30/2019 by the Board of Supervisors of the City and County of San Francisco.

  
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board

  
\_\_\_\_\_  
London N. Breed  
Mayor

8.9.19  
\_\_\_\_\_  
Date Approved