

Gavin Newsom, Mayor
Recreation and Park Commission
Minutes
May 3, 2007

President Martin called the regular meeting of the Recreation and Park Commission to order on Thursday, May 3, 2007 at 2:11 p.m.

Roll Call

Present

Larry Martin

Tom Harrison

Jim Lazarus

David Lee

Gloria Bonilla

Absent

Meagan Levitan

President Martin announced that items number 3, 6 and 10 were removed from calendar and that no action would be taken on item number 11.

GENERAL CALENDAR

PINE LAKE IMPROVEMENT PROJECT

Staff Report

Pine Lake Park occupies the western portion of Stern Grove and Pine Lake Park. Within Pine Lake Park is Pine Lake (also known as Laguna Puerca), a 3.44-acre natural freshwater pond. The lake does not support any recreational activities, such as swimming or fishing, but serves as a scenic natural resource. Between the lake and Stern Grove is Pine Lake Meadow, which includes an elongated grassy expanse used by neighborhood residents as a dog play area and a parking lot. Near the lake is Pine Lake Field House, a 1,000 square-foot concrete block structure used for a children's summer day camp. In addition, there is an outdoor barbecue area and a campfire circle. The park is heavily forested with eucalyptus trees, except in the meadows.

A six-phase \$36,000,000 master plan was developed for Stern Grove and Pine Lake Park. The renovation of Pine Lake and the adjacent meadow is of highest priority, along with the renovation of the recently completed Stern Grove Concert Meadow.

Original bids received for this project were significantly over budget. To prepare the project for re-bidding, the scope of the Pine Lake and Pine Lake Meadow Improvement project was modified to include: hazardous tree removal, construction of a new path on the north side of the meadow, resurfacing of the existing asphalt access road/path, installation of a new automatic irrigation system in the meadow, meadow renovation (seeded lawn), installation of piping from the existing well at the east end of the meadow to Pine Lake to maintain the desired lake water level, minor erosion control and installation of benches, tables, trash receptacles and drinking fountains. Alternate bid items included: A-1 New Picnic Area, A-2 New Trellis Area, A-3 Campfire Area Renovation, A-4 New Well Pump and Pumphouse, A-5 Hazardous Tree Removal, A-6 Pine Lake Parking Lot Modification, A-7 Slope Repair North of Field House. Bids for this scope were within budget and a construction contract was awarded by the Recreation and Park Commission

to McGuire and Hester, Inc. in April 2006 for the base bid and all alternates for \$2,659,100. Construction began in August 2006 and will be completed in June 2007.

Work around the lake was removed from the construction documents and was bid separately. Bidding this work separately saved in general contracting fees, and allows the Department to use State Recreational Trails Grant funding. The scope of work for this contract includes removal of invasive plants within Pine Lake, revegetation of the lake banks, installation of lake access point and lake overlook, construction of a rock water source at the pipe outlet, repaving of the path north of Pine Lake. Bids for this work once again were well over budget. With the limited window to complete lake work outside the nesting season approaching, the scope of lake work was reduced to include removal of invasive plants within Pine Lake and transplantation of lake bank plants. This contract was successfully awarded by the Recreation and Park Commission to Aquatic Environment, Inc. in November 2006 for \$428,445. This work began in January 2007 and will be completed in May 2007.

The remaining work removed from the lake contract includes installation of lake access point and lake overlook, and retaining walls and repaving of the path north of Pine Lake. These items are identified scope for the RZH Grant funds. By separating the two construction contracts listed above, costs were saved and can now be applied to complete the grant scope via change order to the Pine Lake Meadow Contract with McGuire Hester, Inc., within the project budget.

The Recreation and Park Commission approved the conceptual design for Pine Lake and Pine Lake Meadow as part of the Stern Grove and Pine Lake Park Improvement Plan in November 2003.

Cost and Source of Funding:

Cost: \$5,104,000 (Total Project Budget for Pine Lake and Meadow)
Source: 2000 Neighborhood Park Bond
Open Space Fund
RZH Grant
Recreational Trails Grant

Environmental Review:

CEQA and NEPA reviews have been completed. Project has received a CEQA Mitigated Negative Declaration.

Pros: Approval of this request fulfills scope identified in grants and is available in the overall budget
Cons: Completed project would not fulfill grant scope identified and funds may need to be returned.

Patrick Skain spoke of the Pine Lake Meadow and the improvement around the Lake area. He addressed his concerns of the meadow not being in shape for the day camp and parking on the meadow for the Stern Grove concerts and suggested possibly parking on Wawona. Nancy Wuerfel also stated her concerns about parking on the meadow during the concerts and explained why parking on Wawona would not be feasible.

On motion by **Commissioner Lazarus** and duly seconded, the following resolution was unanimously adopted:

RES. NO. 0705-001

RESOLVED, That this Commission does approve a 12% increase to the construction contract with McGuire Hester, Inc. for the Pine Lake Improvement Project (DPW JO# 0850J(R) by the amount of \$325,000 (the entire amount designated for the Lake Overlook and North Trail and Wall Improvements change order work). The original contract was awarded for the amount of \$2,659,100 and the 10% contingency amount of \$265,910 remains available for unanticipated change order work for the project. Approval of this change order shall not require further reporting to the Commission for change orders utilizing and not exceeding the remaining 10% contingency balance in accordance with Administrative Code Section 6.22(H)(1).

UPPER NOE VALLEY RECREATION CENTER REDESIGN OF DOG PLAY AREA

This item was removed from calendar.

GLENRIDGE COOPERATIVE NURSERY SCHOOL

Staff Report

Glenridge Cooperative Nursery School (the “Glenridge”) is currently operating on a one-year extension to a two-year revocable permit that began, collectively, on September 1, 2004 and will end at midnight on June 30, 2007. Glenridge is requesting a new permit with the City for the continued use of the Silver Tree Building for their childcare and educational activities.

Staff has been advised by the Capital Projects division that a permit period of three years will not inhibit any possible work to be done in Glen Canyon. After this permit period of three years, the renovation plans for the area may be more clearly defined. The proposed permit includes the following terms and conditions:

- The term will be for three years, and more specifically: August 15, 2007 to June 15, 2008, from August 15, 2008 to June 15, 2009 and from August 15, 2009 to June 15, 2010. (As the school’s actual use, including opening and closing maintenance periods, is approximately 10 months, the permit term is better reflected by arranging the terms from August 15th to June 15th. The exact moving in and out dates are arranged each year and the school is billed proportionately for the months of June and August.) The school has always cooperated with the schedule and needs of the Department’s Summer Day Camp programs.
- The monthly rental rates will be: Year 1 = \$1,582.50; Year 2=\$1,665.00; Year 3=\$1,747.50
- Security deposit to be increased each year to an amount equal to a monthly rental payment for that year.
- A list of caretaker responsibilities is included as part of the Plan of Operations.

The Department presently receives \$1,500 per month for approximately 10 months of use of the Silver Tree building. The school had been paying considerably below fair market value and the Department began to gradually increase the monthly rent amount beginning with the last permit. The fair market value of the property has been most recently listed at \$1.50 per square foot, which would be \$46,395 annually (3,093 sq. ft. x \$1.50) for 10 months of occupancy. This, however, is for a building in better condition and offering more amenities than Silver Tree and would include janitorial services. In addition to protecting the building in the daytime during the school year, the school regularly performs a variety of caretaker duties more fully described in the attached list. The limited access to the facility is another valid reason for lowering the \$1.50 per sq. ft. rate. Real Estate has recommended the following deductions in the past: \$.12 when tenant pays utilities and there are no janitorial services included; \$.20 for the limited physical access to the Silver Tree building in the canyon; and, \$.05 for non-year-round access. Staff suggests that an additional 50% deduction be granted in association with the caretaker function provided by Glenridge (the Commission has previously granted a 50% rental offset in connection with caretaker services rendered at other Department locations). With the approval of this permit and the proposed staff rentals rates, the per sq. ft. rate will be increased from the current \$.485 to \$.565.

Fair Market Value per Sq. Ft.	\$1.50
Utility Services	(0.05)
Janitorial Services	(0.07)
Limited Physical Access to Facility	(0.20)
Limited Yearly Use of Facility	<u>(0.05)</u>
Sub-Total:	\$1.13
Caretaker Responsibilities (50% of Sub-Total)	(0.565)

Proposed New Cost per Square Foot \$0.565

The school, over the last several years has taken the lead in reducing vehicular traffic in Glen Canyon. Through their efforts in establishing rules for walking rather than riding into the school, Glenridge has set an environmentally sound example for other users of the canyon. Several years ago, the Glen Canyon was plagued by persistent disagreement among a diverse group of users of the area. Again, Glenridge has taken the lead to reach out and bring these factions more in tune with each other to create a multi-use and friendly environment. I have received very positive reports from Department recreation staff about their dealings with the school.

Additionally, the school has received two grants during the past two years resulting in new linoleum flooring upstairs and downstairs, automatic sinks for the restrooms, peepholes for the doors and new windows for downstairs. These additions also benefit Recreation and Park programs that take place in the summer in the building.

If the Commission approves the above proposed monthly permit fees, the Department will receive annual rent of approximately \$15,825 in Year 1, \$16,650 in Year 2 and \$17,475 in Year 3.

Pros: This use generates revenue from a site ill-suited for other commercial uses. More importantly it provides a presence in an isolated location that would be subject to even more vandalism if it were left empty. The school continues to improve the space for all users through successful grantwriting and other fundraising efforts.

Cons: Staff cannot identify specific negatives in renewing this revocable permit.

On motion by **Commissioner Bonilla** and duly seconded, the following resolution was unanimously adopted:

RES. NO. 0705-002

RESOLVED, That this Commission does approve a new three-year revocable permit to Glenridge Cooperative Nursery School for the use of the Silver Tree Building in Glen Canyon.

GOLDEN GATE PARK - PANHANDLE

Staff Report

The installation is being proposed between Clayton and Cole Streets in the Panhandle Park, on the asphalt area just west of the basketball courts and near the park bathrooms.

The Panhandle Bandshell is a proposed full scale, traditional bandshell constructed predominately from reclaimed materials-including car hoods, circuit boards and plastic bottles. The project will engage community members through its design and installation and by providing a performance stage for acoustic (non-amplified) neighborhood performances throughout the summer.

Pros: Supports the City's goal of more public art in public space.

Cons: This particular artwork may become a target for graffiti and possible vandalism.

Ernestine Weiss stated that people had suggested Sharon Meadow as a better location for this project so it wouldn't disturb neighbors on the rim of the proposed site. She asked that the Commission rethink this location. David Mische, a neighbor on Clayton and Oak Streets, stated that after considering the pros and cons of this item that he was in full support of project. Joseph Pred representing Burning Man, spoke in support of the bandshell project. He believed that the project was important to the cultural vitality of San Francisco and that interactive public art would inspire children and adults to explore their artistic creativity. Rebecca Throne, an 18-year resident of the North of the Panhandle Neighborhood, fully supported this project. She believed it would be a worthwhile avenue for local community interaction and would also prove to be a great showplace for creative use and recycled materials. Kevin Terhune a resident of Hayes Valley and musician, felt that this project would set an amazing example for the rest of the county and the world as how beauty can arise from waste. He hoped the Commission would approve the project. Mary Helen Briscoe representing the Panhandle Residents Organization Stanyan/Fulton stated that they care deeply about the park. Since the project started in February and without any input from the organization,

she felt that it had been imposed upon them. As of today there were still many people who had not been notified. She stated that the organization supported art but not performance art. Dr. Wayne Lanier stated that he lives less than 300 feet from the proposed site. He noted that there had been complaints about drumming and gas powered amplifiers in the exact area where the bandshell was being proposed. He did not believe that the sponsors had addressed the issue of night drummers and illegal bands. Carmen Mauk, a resident at Divisadero and Haight, stated that she was in full support of this item as people were already performing there. She also believed that if the community was invested and all the stakeholders were involved something bigger than just people performing happens. John Prochnow homeowner/resident on Golden Gate Avenue stated that he was in support of the bandshell believed this was another implement of community building. Christine Elbel, lives one and half blocks north of the Panhandle, spoke against the project in the Panhandle. She believed that the proposal was misguided and potentially harmful to the neighborhood. The sponsors did not convene neighborhood meetings, did not distribute information flyers to all neighbors within a two to three block radius and only sought neighborhood association endorsement from a group whose boundaries don't include the proposed site. Colleen Flynn with the Neighborhood Parks Council stated that they had worked with the Black Rock Arts Foundation to link the Foundation with an active group which was the North of Panhandle Neighborhood Association about a year ago. NPC believed that this project would bring extra eyes on the park, more stewardship to the park, would create an area where the community could gather and most of all would have the ability to have the community come together and get to know each other. Scott Burchardt stated that this was a great way to get the people out and think about the important issue of greening. He also stated that he supported the park and all of the art projects that bring the community together with a very noble cause. Howard Chabner stated that he and his wife have lived on Fell Street for over 18 years. They were very concerned that this would become a magnet for homeless encampments and drug use at night, and increased traffic, garbage, parking problems, noise and graffiti. He also stated that there was no wheelchair accessible path of travel to the proposed site from Clayton Street on the north side of the Panhandle. Doerte Murray opposed the project due to noise. She reminded the Commission that the Department promised them about two years ago that there would be no more entertainment in the Panhandle because of its close proximity to residential neighborhoods. Megan Mersbach spoke in support of the project as this was a temporary project and it was an interesting piece for the City to bring to an area that is not looked after. Jeremy Paul stated that events and projects like this were part of the urban fabric and why one would live in the City. People who live around the Panhandle live there for both the benefits and consequences of living near a park. Noah Miller gave a brief history of bands that had played in the area. He stated that he lived about 200 feet away from the proposed site and supported the project. Kathleen Fung property owner and resident on Fell Street stated that she agreed with Mr. Chabner and many other people in the neighborhood who had voiced their opposition to this project. Her main concern was that there were so many neighbors who were against this site. She was also concerned about graffiti and the removal of graffiti. Angele Rice, a resident of Fell near Clayton, also spoke in opposition to this item. She reiterated what others had said in that neighbors who would be directly effected by this were not notified or part of the planning. She felt that building it was not bad, but that the location wasn't good. Michael Varner representing the North of the Panhandle Neighborhood Association, stated that they had worked closely with the Foundation and were in support of the project. Jill Manton, Program Director of Public Art at the San Francisco Arts Commission, expressed the full support of the Arts Commission on this project. She stated they found it to be innovative, fun, attractive and they applauded Black Rock efforts to bring more temporary art into the City. She urged the Commission to support it. Jason Willis voiced his support for the project – he believed that a project like this provided a sense of community as well a sense of pride in the City and community. Karen Crommie resident of the Haight, stated that she belonged to four groups in the Haight Asbury and not one had this brought to their meeting. She strongly urged the Commission not to pass this. Fredricka Fleming stated that she has lived on Fell Street between Cole and Clayton for 50 years. She supported the project and stated that the more excitement in the Panhandle the happier she was. Aimee Ellis a resident near the Panhandle stated that she was thrilled by the idea of the structure being put in the Panhandle. Linda Banovac a resident on Fell Street directly across from the proposed site, noted that the testimony today was on art, but this is performance art which was entirely different. She also stated her concerns about homelessness and drug use. Will Chase a resident at Oak and Central stated that he was one of the organizers of the project. This bandshell was an opportunity to provide a space for people to galvanize, collect and gather around the arts. Marcus Guillard a contributing artist to this project stated that their intention all along was to support the community, reach out and make it a community project, bringing

unique art and entertainment including puppet shows for children. Stephen Worsley stated that he was neutral but felt there were some important points being made about art versus temporary art. His concerns were on graffiti and removal of graffiti. Chloe Good stated that she was an avid user of the Panhandle and to see artwork there that would build community would be something that she would like to see. She stated NPC had received letters of support from the Haight Asbury Neighborhood Association and the Haight Asbury Improvement Association. She urged the Commission to support this item. Nathan S. resident of the Panhandle stated that he supported this project and one reason was because San Francisco was a magnet for art and causes that bring people here to see and to be inspired. Scott K. the arts representative of the Western SOMA Citizens Planning Task Force, felt that Golden Gate Park as public land was an essential resource for the arts and entertainment crossover activities. He stated that the Black Rock Arts Foundation was an incredibly responsible group. Tiffany Harker stated that she goes to the Panhandle often and fully supports this project.

There was detailed discussion by the Commission.

On motion by **Commissioner Lazarus** and duly seconded, the following resolution was unanimously adopted:

RES. NO. 0705-003

RESOLVED, That this Commission does approve a request from the Black Rock Arts Foundation for the temporary placement of a “Bandshell” made entirely out of recycled and reused material at Clayton and Cole in the Panhandle Park from with the following conditions: 1) Setup will begin on May 21, 2007 with breakdown by September 10, 2007 and event dates start June 15, 2007 and end September 2, 2007, 2) there must be posted on the artwork or adjacent to it Rule and Regulations on use, permit process on where permits may be necessary for larger groups of users and the hours of closure, 3) posted hours of closure would be 8:00 p.m. to 10:00 a.m. recognizing some flexibility there with what the proponents have suggested the actual hours of availability would be, 4) there would be no amplified sound allowed without approval by the Commission through the normal amplified sound policy, 5) that the General Manager be empowered to revoke the permit upon finding by the General Manager of significant ongoing violations of the terms and conditions of the permit, 6) that the bandshell be constructed in a manner that protects children and others walking around it from injury and prevents climbing on the structure and **FURTHER RESOLVED**, That the Commission does urge the General Manager to assign park patrol to regularly scheduled drive-throughs to the bandshell site and to report to the Commission on the status of the project and its impacts if any at the Commission meeting of July 5, 2007.

ART INSTALLATIONS AT A VARIETY OF RECREATION AND PARK LOCATIONS

Staff Report

This is a request from Open Skies” to place temporary art installations, free exhibitions, discovery tours, workshops and educational materials at Alamo Square, Brooks Park, Esprit Park, Fillmore/Turk Mini-Park, Gilman Playground, Golden Gate Park, John McLaren Park, Lafayette Park, Mission Dolores Park, Panhandle, and Washington Square from October 19-21, 2007 and to adjust temporary encroachment permit fees from \$5,000 to \$2,000 (\$200 encroachment fee x 10 sites).

Open Skies unites 15 contemporary Artists with 10 San Francisco neighborhood parklands to deliver site-specific art projects of all media for residents, and city visitors. Through free exhibitions, discovery tours, workshops, and educational materials, Open Skies offers a rich synthesis of inspiring artistic visions, dynamic educational programming, and constructive civic engagement.

Pros: Supports the City’s goal of more public art in public space

Cons: This artwork may become a target for a graffiti and possible vandalism.

Elliot Lessing, Project Director and curator for Open Skies stated that they were a new organization and were applying for grants to support and fund the project. The request for a reduction in fees was because they were new organization and to keep their costs reasonable. Part of the project’s goal was to invite community members to explore and discover new parks. Colleen Flynn with the Neighborhood Parks Council stated that they had a successful working relationship with Mr. Lessing in the past. The Neighborhood Park Council’s role was that they have linked Mr. Lessing to the neighborhood park groups that exist in these 10 sites to make sure that they were participating by giving park tours and history of the

park. Stef P. stated that the Commission should support art and for this item that would be by lowering fees.

On motion by **Commissioner Bonilla** and duly seconded, the following resolution was adopted:

RES. NO. 0705-004

RESOLVED, That this Commission does approve a request from the Center for Outdoor Contemporary Art and Neighborhood Parks Council for project "Open Skies" to place temporary art installations, free exhibitions, discovery tours, workshops and educational materials at Alamo Square, Brooks Park, Esprit Park, Fillmore/Turk Mini-Park, Gilman Playground, Golden Gate Park, John McLaren Park, Lafayette Park, Mission Dolores Park, Panhandle, and Washington Square from October 19-21, 2007 but does not approve the request to adjust the temporary encroachment permit fees.

Ayes: Bonilla, Harrison, Lee and Martin

Noes: Lazarus

WASHINGTON SQUARE

Removed from calendar

GOLF MANAGEMENT PLAN

Per the Commission's direction to staff on February 15, 2007, the Recreation and Park Department has conducted a detailed fiscal analysis of several golf course management options. Upon completion of that review, staff recommend two options: a **pure nonprofit management model, and a new "hybrid" model**. This recommendation is made based on the extent to which each of the options considered meet a set of five critical policy objectives [See Table 1]. These objectives are:

Eliminate the General Fund subsidy of the city's golf courses. This clear mandate from the Board of Supervisors is at the core of the decisions and trade-offs the Department faces in managing the golf courses. Table 2 shows the General Fund subsidy of golf required under each option, in Fiscal Year 2008, and five years from now, in Fiscal Year 2012. Under this criterion, the nonprofit management and hybrid models fare best, requiring the least General Fund subsidy in FY 2008.

Address the long term capital needs of each course. As responsible stewards of the city's property assets, RPD must ensure that a plan is in place to address the long term capital needs of each site - whether as a golf course, or some other recreational use. As golf courses, approximately \$11 million in capital work is needed for the "facelift" recommended by the National Golf Foundation ("NGF"). If Lincoln or Sharp were to be converted to a park- with a mixture of passive and active recreation uses - at least \$10 million would be needed for each. Conversion of Sharp to a Natural Area would increase its capital cost to about \$23 million.

Ensure livable wages and benefits for all employees working on city golf courses. Whether employed directly by the Recreation and Park Department, or by another entity, RPD is committed to ensuring that all employees working on the city's courses and parks receive a livable wage and adequate benefits. If the nonprofit or hybrid options were adopted, the nonprofit would be required to utilize union labor, and therefore enter into a collective bargaining agreement with the selected union(s). This arrangement is similar to that at the City's garages, or the MTA Paratransit contract. In both cases, the city's contractors utilize union labor, but provide the overall service in a more cost-effective manner.

Keep golf affordable as a recreational activity for San Francisco residents. Recreation and Park's mission is to provide a wide spectrum of affordable, accessible recreational activities for the residents of San Francisco. Golf is an important part of those offerings, and must stay affordable relative to the regional market.

Provide a high quality golf experience for San Francisco residents and all golfers. At some point, an extremely affordable course in disrepair is less attractive to customers than a reasonably

priced course in good condition. The NGF study suggests that golf quality is suffering due to poor course conditions at Lincoln and Sharp. Any solution adopted by the Department must ensure that a reasonable and effective level of maintenance will be provided at each course. Staff utilized these policy objectives criteria to evaluate each option for managing the courses. As summarized in the following table, the nonprofit and hybrid models are the only options that address each of these policy objectives.

TABLE 1: GOLF COURSE MANAGEMENT OPTIONS BY CRITERIA

Golf Management Options	POLICY OBJECTIVES/CRITERIA				
	Eliminates GF subsidy of golf	Addresses long-term capital need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Status Quo	No	No	Yes	Yes	No
Nonprofit Management	Yes	Yes	Yes	Yes	Yes
City Adopts NGF	No	No	Yes	Yes	Yes
Course Closure	No	No	Yes	N/A	N/A
Increase fees \$9	No	No	Yes	Yes	No
Increase fees at Harding	No	No	Yes	No	Yes
Hybrid	Yes	Partial	Yes	Yes	Yes

Most importantly, the nonprofit and hybrid models are also the two options that most effectively address the Board of Supervisors' mandate - to eliminate the General Fund subsidy of golf. **Table 2: Comparison of Golf Management Options - Fiscal Impact** shows the General Fund subsidy required in FY 2008 and 2012 under each option considered. In 2012, only the nonprofit and hybrid models make the Golf Fund solvent.

TABLE 2 COMPARISON OF GOLF MANAGEMENT OPTIONS – FISCAL IMPACT

Description	Golf Surplus (Deficit) \$ millions FY2008 FY2012		City's Capital Costs
Status Quo. Continue as is - existing levels of maintenance and capital investment.	(2.0)	(3.4)	None
Nonprofit Management. Long term lease with nonprofit that manages courses, makes capital investment.	(0-9)	1.0	None
City Adopts NGF Recommendations. Revenues same as NGF proposal; city maintenance levels increased to NGF recommendations.	(2.8)	(3.4)	\$10m +
Course Closure - Lincoln or Sharp. Close either Lincoln or Sharp and convert to alternate recreational use. Other courses at status quo.	(1.8)	(3-0)	\$10m -\$23m +
Flat Fee Increase - All Courses. Increase all fees (resident and nonresident) at all courses by \$9; implement higher levels of maintenance.	(2.6)	(3-0)	None
Fee Increase - Harding only. To close \$1 .4 m deficit, fees at Harding Park are increased by 50%. Play drops 10% in response to fee increase. Other courses status quo.	(0.3)	(1.2)	None
Hybrid. Nonprofit takes over Harding and Lincoln. Sharp Park closed, leased to Pacifica, or managed by nonprofit. GGP and McLaren remain the same.	(0.1)	0.8	None, or \$10m -\$23m + (close course)

DISCUSSION

Per the Commission's direction to staff at the February 15, 2007 meeting, Recreation and Park Department (RPD) staff have further explored and refined several options for managing the city's golf courses:

- **Status Quo.** RPD continues to manage and maintain the courses; the city continues to provide General Fund subsidy for their support.
- **Nonprofit Management.** RPD adopts the nonprofit management model proposed by NGF. Similar to the city garages, the city would lease the courses to a nonprofit that would be responsible for managing the courses' day to day operations and long term capital rehabilitation.
- **City Adopts NGF Recommendations.** RPD adopts NGF's recommendations - enhanced maintenance, better marketing, proposed capital investments -but implements those recommendations using city staff and resources.
- **Course Closure.** In this scenario, RPD closes either Sharp or Lincoln golf course, and converts the land for an alternative recreational use.
- **Increase Fees.** The city raises fees, either across the board at all courses, or targeting the largest deficit areas.
- **Hybrid Model.** A new option for the Commission, this model assumes nonprofit management of Harding/Fleming, Lincoln, and possibly Sharp, with status quo for Golden Gate Park and McLaren/Gleneagles.

Each of the options was evaluated for its potential to successfully address the following policy goals:

- **Eliminate the General Fund subsidy** of the city's golf courses;

- **Address the long term capital needs** of each course;
- **Ensure livable wages and benefits** for all employees working on city golf courses;
- **Keep golf affordable** as a recreational activity relative to the region for San Francisco residents; and
- **Provide a high quality golf experience** for San Francisco residents and all golfers.

Staff prepared a detailed fiscal analysis of each of the golf course management options. Five-year fiscal projections are attached in Appendix A (Exhibits 1 through 6). The following sections explain in more detail the assumptions behind each scenario, and the associated fiscal impacts.

STATUS QUO

Neither the Board of Supervisors nor the Department feels continuing on the current course of action is fiscally viable. This option runs in direct contradiction to the mandate issued by the Board of Supervisors in June 2006, increasing the General Fund subsidy required over time rather than reducing it. The National Golf Foundation predicted that by FY 2012, the Golf Fund would face a \$3.0 million annual deficit. Adjusting NGF's projections for known labor/MOU increases, and recent play levels, RPD staff projects a deficit of \$3.4 **million** by 2012.

Addressing the capital needs of the courses would further exacerbate the fiscal deficit, adding a one time General Fund capital cost of \$10.8 million. Without capital improvements, the Lincoln and Sharp courses will continue to deteriorate.

If we do not change the way we operate the courses, and the Board of Supervisors chooses not to subsidize the Golf Fund, RPD would be forced to close courses and lay off staff.

	Eliminates GF subsidy of golf	Addresses long-term capital need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Status Quo	No	No	Yes	Yes	No

NONPROFIT MANAGEMENT

The nonprofit management model is based on the National Golf Foundation's report and recommendations. Staff has modified NGF's model slightly, to provide consistency in cost assumptions. As described by NGF, the nonprofit model has the following components:

- **Long Term (30+ years) lease arrangement for Harding, Lincoln, Sharp, and Golden Gate Park.** The RFP should include requirements for capital improvements, maintenance standards, and green fee guidelines for residents.
- **"Face-lift" rehabilitation of Lincoln and Sharp Courses.** Rather than a full Harding-type renovation, NGF outlines a series of more modest capital investments needed to improve playing conditions and operational efficiency. The nonprofit is responsible for the private financing or fundraising for capital at the courses; the golf courses bear no additional debt financing outside of the Open Space payment.
- **Enhanced maintenance and staffing levels.** Staffing is increased at the courses.
- **Management expertise.** Management of the nonprofit and the courses is by professionals with significant experience in the golf business.
- **Unionized labor.** Non-city labor receive competitive wages well above the city's minimum and livable wage laws, and almost comparable benefits packages (25% benefits versus the city's 33%). The nonprofit would enter into a collective bargaining agreement with the selected union(s).
- **Moderate fee increases after capital improvements.** With much needed renovations at Lincoln and Sharp, NGF proposes the enactment of moderately higher rates for residents, and

considerably higher rates for non-residents at Lincoln and Sharp Park. These fee increases generate additional revenue, but keep play affordable and competitive with the regional market.

- **Resident ID Card revenue stays with the City.** Given the substantial capital investments required, NGF recommends that the city keep Resident ID Card revenue (worth about \$300,000 currently), but shift all other revenue and expenditures to the nonprofit operator.

As seen in Exhibit 2, the nonprofit golf operation begins to break even in FY 2010, and reach net income of **\$1.0 million** in FY 2012.

The nonprofit model meets all five of the Department's desired policy goals. In addition, this proposal has an ancillary benefit to the Department - all staff working at the city's courses would be reassigned to the city's neighborhood parks, addressing current staff shortages.

	Eliminates GF subsidy of golf	Addresses long-term capital need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Nonprofit Management	Yes	Yes	Yes	Yes	Yes

CITY ADOPTS NGF RECOMMENDATIONS

The Commission requested that staff explore the viability of the City adopting and implementing the National Golf Foundation's recommendations. In this model, as seen in Exhibit 3, we utilized NGF's revenue projections, and calculated the cost of NGF's proposed, staffing levels using city labor rates. This model, unfortunately, fails to generate a net income for the Golf Fund, and would require additional General Fund subsidy. Even if, as with the nonprofit model, capital financing were to be obtained privately, staffing costs quickly outpace the fee increases justified by the increased level of maintenance. In FY 2012, the courses would face a **\$3.4 million** annual deficit.

	Eliminates GF subsidy of golf	Addresses long-term capital Need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
City Adopts NGF	No	No	Yes	Yes	Yes

COURSE CLOSURE

Staff evaluated course closure as an option for two courses: Sharp and Lincoln. These two courses seem to offer the most public benefit if converted to another use, due to their location, scenic views, and natural assets. For Lincoln, staff estimates that the city would need to fund 16 gardeners and some related maintenance staff at over \$3.2 million annually to maintain Lincoln at Prop C standards. Similarly, staff estimates that Sharp Park would require \$4.7 million annually to maintain at Prop C standards. If Sharp were converted to a natural area, maintenance costs would be much lower.

Converting these parks to Natural Areas would also require a significant investment, ranging from \$9 million to \$22 million for Lincoln and from \$13 million to \$32 million for Sharp. The capital costs of converting either Lincoln or Sharp could vary dramatically depending on the final configuration and intended use of the site. These additional capital needs would increase RPD's system-wide need of \$1.7 billion.

It is important to note that the future uses of Sharp Park affect not only San Francisco residents, but the residents of Pacifica as well. Given the significant recreational and economic benefits associated with a local golf course, the City of Pacifica has expressed a strong interest in assuming management of the golf course. RPD staff are currently in discussion with Pacifica on their proposal.

	Eliminates GF subsidy of golf	Addresses long-term capital Need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Course Closure	No	No	Yes	N/A	N/A

INCREASE FEES AT COURSES

Two factors must be evaluated when considering fee increases at any of the courses:

- Course quality and maintenance. Customers must get what they pay for; increased fees require an improved level of maintenance and course conditions.
- Competitiveness within the regional golf market. San Francisco's courses must compete within a larger market of private and municipal golf courses. If the city raises fees above the regional market rate, customers will choose to play at regional courses even more than now.

Appendix B provides a comparison of greens fees at municipal golf courses in the Bay Area.

In response to the Commission's request, staff developed two fee-increase scenarios. These scenarios assume the increased maintenance staffing included in the "City Adopts NGF Recommendations" model.

(a) Raise all greens fees at all courses by \$9

This scenario is an attempt to support golf operations with a modest across-the-board increase. It assumes no loss in play in response to the fee increase. Unfortunately, this increase makes only a small dent in the golf operating deficit, leaving a \$2.6 million shortfall in FY 2008, which grows to **\$3.0 million** in FY 2012.

	Eliminates GF subsidy of golf	Addresses long-term capital Need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Increase fees \$9	No	No	Yes	Yes	Yes

(b) Address the largest portion of the deficit by increasing fees at Harding/Fleming.

Of the \$2.8 million deficit projected for FY 2008 under the "City Adopts NGF" scenario, \$2.1 million is at Harding. Accordingly, staff examined what level of fee increase would be required to address Harding/Fleming's deficit. In the case of Harding/Fleming, rates are already at the top of the regional market. Presumably, further increases will lead some golfers to play elsewhere.

Assuming that play drops by 10% in response to fee increases, the following increases would eliminate, or nearly eliminate, the deficit at Harding/Fleming in FY08:

- Raise fees by 50% on both nonresidents and residents;
- Raise fees by 65% only on nonresidents; or,
- Raise fees by 130% on residents (roughly equivalent to eliminating resident rates).
-

It is reasonable to believe that such large increases would result in more than a 10% drop in play. Even if the assumption of minimal lost play holds, a one-time fee increase does not address the ongoing structural deficit. At current growth in expenditures, the course will go into deficit in the near future.

	Eliminates GF subsidy of golf	Addresses long-term capital Need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Increase fees at Harding	No	No	Yes	No	Yes

HYBRID MODEL

Through the process of analyzing each of the above models, RPD staff also developed a sixth option for the Commission's consideration. This hybrid possesses many of the benefits of the nonprofit management model, but also allows for a more measured, incremental approach to management of the courses. In this scenario, McLaren/Gleneagles and Golden Gate continue to operate as-is; Harding/Fleming and Lincoln are managed by the nonprofit; and Sharp Park is closed, leased to the City of Pacifica, or managed by the nonprofit.

The model presumes private capital financing by the nonprofit for Lincoln. Sharp's capital solution, however, is more tentative, with three potential options:

- The General Fund assumes the capital cost of renovating and maintaining Sharp as a park;
- The City of Pacifica, as a long-term lessee, finances necessary capital improvements and takes over management of course's daily operations;
- The nonprofit finances Sharp capital improvements and manages the golf course along with Harding/Fleming and Lincoln.
-

Assuming that Sharp's capital and operating liabilities are addressed effectively, this model breaks even in FY 2009, and in FY 2012, generates \$0.75 million in net income for the courses.

As with the pure nonprofit model, this scenario has the ancillary benefit of providing more gardeners to fill staffing shortages in the City's parks.

	Eliminates GF subsidy of golf	Addresses long-term capital Need	Ensures livable wages & benefits	Keeps golf affordable	High-quality recreational activity
Hybrid	Yes	Partial	Yes	Yes	Yes

RECOMMENDATION

Given the Department's policy goals, staff recommend that the nonprofit management and hybrid models represent the best options to address the short and long term challenges facing the city's golf courses. Staff requests that the Commission direct staff to report on these findings to the Board of Supervisors in the next few weeks, and recommend both the nonprofit management and hybrid models to the Board for their consideration.

The Commission had detailed discussion around this.

Zachery Salom, Chair of the Golf Committee for Laborers Local 261 and a greens keeper at Lincoln Golf Course, stated the Laborers Local 261 in solidarity with the SF Labor Council were adamantly opposed to the privatization of public land and the privatization of San Francisco public golf courses. They believed there were several options that still needed to be explored to help solve the current fiscal problems including advertising, naming or corporate sponsorship. V Burns hoped that the Commission continued doing what they expressed – they had good ideas. He stated that when he had googled “ San Francisco golf” there was hardly any mention of the San Francisco courses. Mark Duane operator of Sharp Park Golf Course presented a proposal to the Commission in which he had tried to satisfy the needs of San Francisco, Pacifica and the environmental issues at hand at Sharp Park. He discussed current business and the proposal. Tom Weathered suggested that the Department did not currently have the capacity to adequately manage the golf courses. He reviewed the NFG report which stated that there was no golf course manager.

He confirmed that Lincoln Golf Club supported the proposal to turn the operations of the courses over to a nonprofit. Robert Dalziel stated that the reason the Department was losing money was because unlike Harding some of the courses look like a dump. He let Commission know that if the courses were fixed up the Department would make money. John Mikulin supported Commissioner Harrison's idea that the courses should remain in public ownership and management and stay that way in perpetuity. He offered some operational strategies and presented recommendations to the Commission. Alex Felstiner with Local 2 communicated two critical concerns to the Commission: 1) all golf course employees must have the right to retain their jobs regardless of any change in operations and 2) consistent with San Francisco's labor ordinance, all San Francisco golf employees have the right to choose a union free from intimidation and harassment. Sue Digre, a Pacifica City Council Member, stated that they were very eager and pleased to work in collaboration with the City of San Francisco, if that was possible. If the cities collaborated, mandates could be met. She stated that Sharp Park was known for affordability. Mari Brumm-Merrill, the Parks, Beaches and Recreation Director for the City of Pacifica stated that the City Council was unanimously in support of collaborative efforts with the City of San Francisco and the PUC to resolve any existing issues in the Sharp Park property located in the City of Pacifica. As the Sharp Park Golf Course area was in the wetlands the environmental impacts would become imminent if converted into playfields. The current use of the property protects the situation as the access was restricted and golfers do not penetrate the wetlands. Elizabeth Claycomb, City of Pacifica Project Coordinator, stated that the City of Pacifica had intimate knowledge of the topography, environmental challenges and the utilities facilities infrastructure in and around the Sharp Park Golf Course. The close proximity to this property and the City's environmental restoration experience and ability to help cut costs associated with water delivery and irrigation allows them to co-facilitate environmental projects in the golf course expediently and effectively with San Francisco, the PUC and whatever management group or entity assumes the operation and maintenance of the course. Julie Lancelle, a Pacifica City Council Member, added that the Sharp Park Golf Course and open space were critical and valuable resources for the City of Pacifica. The City was dedicated to keeping both the golf course and the important biological and environmental resources as a community asset. She stated that they supported the hybrid option and would like to work with the current operators of the course and with the City of San Francisco to further develop a plan. She also stated that the City of Pacifica respectfully requested that the Commission consider its interest in collaborating with San Francisco. Rich Weidman with National Park Service GGNRA, stated that the National Park Service was interested in what happened to Sharp Park. GGNRA would like to work with the City of San Francisco and the City of Pacifica to discuss any further options for the site. Chloe Good representing the Neighborhood Parks Council and the Coalition for the Equitable Use of Open Space, presented the Commission with a petition with approximately 1800 signatures. She stated that they were opposed to removing more than 440 acres of parkland from public control. They believed that one or more of the public golf courses should be decommissioned and adapted for other recreational facilities and urged the Commission to hold up the vote. Nancy Wuerfel complimented the staff on the work to date and complimented Commissioner Harrison for pointing out that there are more hybrids to create. She suggested that all the data was not in yet and that the Department should look at adding some revenue sources that hadn't been considered. She introduced additional issues: 1) what would happen to the excess income of any of these golf arrangements, 2) what were the lessons learned from the experience from the Department of Parking and Traffic with their leases to nonprofits as revealed in Budget Analyst Reports and a Civil Grand Jury Report, 3) what staffing level would the Department need to have to oversee the leases and the courses the same way the Department of Parking and Traffic was required to do and 4) how would the public achieve accountability and transparency over any of the golf operations proposed? Barbara Elliott, a member of the Golden Gate Women's Soccer League, stated that there had been a limited amount of fields to use in San Francisco. Although most of their games were played out of San Francisco, the majority of the players live in San Francisco. Jill Lohnsbury with the Golden Gate Women's Soccer League stated that she had seen the decline. She suggested that the Commission look at taking a course, make it into a different type of facility and the type of revenue it could generate. Sean Sweeney stated that the basic philosophy facing the Commission was that the Department provided recreation to the City and County of San Francisco to everyone that lives in the City. He asked why is a single recreation action being singled out – golf. He stated that golf currently provides 85% of its operating expenses through green fees while swimming pools provide 5%. The pools are subsidized to the point of 95% and golf to 15%. He continued that golf in Fiscal

Year 05-06 paid to CALCAP \$496, 791, paid the Department's Overhead Fund \$971,240 and paid Open Space \$935, 420. These overhead funds matched what the deficit was. The Department through golf provided a service to seniors of the City. Taking away fields from one age group and giving it to another was not the solution. Ernestine Weiss stated that the Department should have a marketing person to promote golf.

The Commission had detailed discussion on this item.
No action was taken on this item.

PUBLIC COMMENT

Ernestine Weiss stated that the reason the park is failing is because of the lack of staff, specifically park patrol. She also asked that the Commission not issue permits that go to 8:00 p.m. – 5:00 p.m. should be the latest. Stephen Worsley spoke about Coit Tower and Telegraph Hill and asked if the Commission would be moving forward with a 10-year lease. Esther Lee stated that she was there in regard to item number six which was removed from calendar. She believed the removal was in violation of the Sunshine laws. She explained her concerns and frustrations with project staff and requested that the item be calendared again. Ms. Lee presented the Commission with a letter signed by approximately 50 people who opposed the expansion of the DPA. Bob Allen stated that he too was opposed the expansion of the DPA. This was something they had been concerned about for sometime and they had been trying to get an opportunity to voice their concerns. He requested this item be put on calendar again so it could be discussed. Mr. Allen then suggested some compromises. Seth Kevin, an Upper Noe resident, stated that the expansion was a late arriving plan and suggested five reasons why it was a bad plan: 1) danger, 2) pollution, 3) noise, 4) ugliness and 5) futility. Christine Sekino, a resident on Day Street, gave a brief history of the dog play area renovation. She stated that they were now being confronted with the expansion of the current dog play area and believed that the one-shoe-fits-all policy of dog play areas was ill conceived. She too asked that the Commission reconsider the expansion. Rebecca Woodson, a resident on Day Street, almost directly across from the dog play area, also thought the removal of the item from calendar was violation of the Sunshine laws and said she would defer to the City Attorney on that point. She emphasized to the Commission how concerned the neighbors were about what was going on in their neighborhood and that they had not had an adequate opportunity to be heard on this issue. She asked that the item be put on the agenda. Emeric Kalman spoke of his concerns to privatize services and asked that the Commission not accept any more initiatives to privatize services in the park. He also spoke on the problem of the water - now the Department is benefiting from free water but that would change shortly and the Department would have to start paying. Christopher Faust, a Noe neighbor, spoke on behalf of his neighbors who used the dog run. He stated that the plans to expand the dog play area along Day Street were from years of planning, community meetings and hearings before the Dog Advisory Committee and the Commission – including those issues raised by neighbors in the last few months. He felt that if the expansion were stopped it teaches the public that there is no reason to respect the process of community meeting and public hearing. Pete Woulfe also a resident of Noe Valley stated that the item was on the agenda as a placeholder. There was a meeting with Supervisor Dufty, Department staff and 80 members of the public at which the proposals from the neighbors who opposed this were again reviewed. He stated that the current plan met DPA guidelines, ADA compliance and brought everything up to code. He stated that the first meeting was in April of 1999 so there was plenty of time for input. David Pilpel informed the Commission that he met with Steven Haines in regard to parking on Pine Lake Meadow during the Stern Grove concerts – a concern of neighbors. He also advised the Commission that there had been an invitation to a representative of the Department to come speak before the Association Board.

ADJOURNMENT

The Regular meeting of the Recreation and Park Commission was adjourned at 5:55 p.m.
Respectfully submitted,

Margaret A. McArthur
Commission Liaison

