Date: November 7, 2019

To: Recreation and Park Commission
   Operations Committee

Through: Philip Ginsburg, General Manager

From: Dana Ketcham, Director of Property Management, Permits and Reservations

Subject: Golden Gate Park Tennis Center – Operating Agreement

Agenda Item Wording
Discussion and possible action to authorize the Department to enter into an Operating Agreement with Lifetime Activities for the public purpose of operating the Golden Gate Park Tennis Center and offering tennis programs and related activities for a period of up to 8 years with terms substantially the same as the term sheet dated October 22, 2019.

Strategic Plan
Strategy 1: Inspire Place
   Objective 1.2: Strengthen the quality of existing parks and facilities

Strategy 2: Inspire Play
   Objective 2.1: Strengthen the quality, responsiveness, and accessibility of recreation programs
   Objective 2.2: Strengthen and promote the safety, health, and well-being of San Francisco’s youth and seniors
   Objective 2.3: Work with partners and neighborhood groups to activate parks through organized events, activities, and unstructured play

Strategy 3: Inspire Investment
   Objective 3.1: Increase public investment to better align with infrastructure needs and service expectations
   Objective 3.2: Broaden engagement and strengthen external communications with park users and park partners

Background
On April 17, 2019, in partnership with the Tennis Coalition of San Francisco (TCSF) and the San Francisco Parks Alliance (SFPA), the San Francisco Recreation and Park Department (the Department) broke ground to begin the process of transforming the 125-year-old tennis center in Golden Gate Park (Tennis Center) into one of the best public tennis centers in the nation. With the installation of court lights, the public will have the opportunity for additional playtime each year. The renovated Tennis Center will include 17 new USTA-regulation tennis courts, a sunken feature court, and a dedicated pickleball court. Off the court, players will enjoy a new 7,756 square foot clubhouse with a player’s lounge, recreation room, locker room and kitchen and a 3,400 square foot garden area for viewing the tennis courts, socializing with other players, and relaxing after a game.
The redesigned clubhouse in the Tennis Center also includes a dedicated classroom to expand the Department’s Tennis and Learning Center (TLC) program that provides after school tennis instruction, academic tutoring, and leadership development to youth from underserved San Francisco neighborhoods. The TLC program will launch a middle school program in the new Tennis Center.

Authorization of Grant Acceptance Agreement, Memorandum of Understanding, and Request for Proposals for Tennis Center Operations
On February 15, 2018, the San Francisco Recreation and Park Commission (Commission) authorized the Department to enter into a grant acceptance agreement with the SFPA for the grant valued at approximately $24,000,000 for construction services to renovate the Tennis Center, approved a Memorandum of Understanding (MOU) with the SFPA regarding future operations of the Tennis Center, and authorized the Department to issue a Request for Proposals (RFP) to select an operator for the Golden Gate Park Tennis Center. The MOU outlined RFP requirements such as:

- The Department shall endeavor to enter into an agreement with an Operator to oversee the day-to-day operations of the Tennis Center
- To select the Operator, the Department will conduct an RFP Process with the intent of attracting and retaining a highly qualified, experienced tennis professional (or entity) with a track record of successfully managing large tennis centers
- The following factors will be accorded significant weight in choosing the Operator: the level of experience fully operating and managing a tennis center the size of the Tennis Center; how well the operations plan meets the MOU’s objectives; the business plan and financial projections provided; and the financial capability and proposed financial terms submitted
- To select the Operator, the Department will form a selection panel that will make a recommendation to the San Francisco Recreation and Park Commission for approval

The MOU also provides requirements for ongoing communication between the community, the Department, and the Operator. There will be quarterly operations meetings with the Department, the Operator, and SFPA (as described below, the Department is requiring these meetings to be monthly during the first year of operation). The MOU also provides for the establishment of a Tennis Center Advisory Committee (TCAC) to be formed by the SFPA. The TCAC will have members from the SFPA and TCSF and other members of the community that demonstrate an interest in the betterment of tennis. At least one member of the TCAC must be over 60.

Issuance of RFP
The Department issued the RFP for an Operator for the Tennis Center on August 7, 2018 as authorized by the Commission. With the new clubhouse, garden area, and the court lights, the RFP envisioned an Operator in charge of the daily management and annual operations planning of the Tennis Center. The Operator will ensure tennis is accessible and affordable for children, youth, and adults of all ages in San Francisco and maintain a welcoming atmosphere with well-organized and well-maintained facilities, programs and activities to connect players at all levels, and a professional staff to support the increased public use of the Tennis Center. The RFP also envisioned a mutually collaborative, transparent, and flexible relationship between the Operator, the tennis community, and the Department.

The RFP required that the Operator’s programming work around the Department’s requirements to keep certain courts available for the TLC program, the Department’s summer camp, and San Francisco high school matches and tournaments. The Operator will be responsible for working with the Department to plan for long term maintenance of the Tennis Center. A Maintenance Fund will be funded with the
Operator’s rent payments to the Department and used for Tennis Center maintenance to keep the Tennis Center performing at the highest level. A portion of the Maintenance Fund will also be used to support the TLC program.

The RFP pre-bid meeting was on August 30, 2018 and included a visit to the Tennis Center site. This meeting was attended by tennis professionals from eight different organizations. Over 40 questions were received during the question submission period.

RFP responses were due on December 14, 2018 and two respondents (Respondents) submitted responsive proposals.

Selection Committee Review of Lifetime
A Selection Committee, composed of experts in public projects, urban recreation, tennis programming, and finance, reviewed and evaluated the proposals. The Selection Committee met on March 19, 2019 to review and evaluate the proposals and interview the Respondents. Site visits to the Respondents’ facilities were conducted in April and May 2019. The Selection Committee met again on May 21, 2019, discussed the results of the site visits, and selected Lifetime Activities (Lifetime) as the recommended Operator.

The Selection Committee and Department staff did a substantial due diligence evaluation of Lifetime and their operations including two unannounced site visits. At those visits, the Selection Committee members were unanimously impressed with Lifetime’s staff, the quality of informational signage, the cleanliness of the facility and that overall quality of the operation. The Selection Committee unanimously supported the selection of Lifetime.

Background on Lifetime
Started in 1993, Lifetime provides operational and management services for municipal tennis centers in the Bay Area. Lifetime currently operates and manages five tennis centers for the cities of Cupertino, Pleasanton, Santa Clara, Sunnyvale, and Walnut Creek, California. Each of these cities has exercised one or more extension options with Lifetime. Cupertino’s contract term was renewed in 2018 for a 6-year extension and a total term of 30 years. With over 26 years of operating municipal tennis centers, Lifetime is firmly established within the Bay Area tennis community and well-respected for its variety of program offerings, accountability to the communities it serves, and excellent management of its facilities.

The Lifetime team focus is to listen to and learn from the communities where they operate. Each community is provided with unique recreational experiences tailored for that community. Lifetime has a history of experience with mutually collaborative, transparent, and flexible relationships with local tennis communities and the cities where they operate. In Walnut Creek, the Community Tennis Association in Walnut Creek has over 1,200 members; in Sunnyvale, there are over 160 USTA teams; there are 1,000 weekly students using the facilities in Cupertino, and over 1,500 people attended a Halloween Fun Night in Pleasanton. Programming and events at the five tennis centers include lessons, clinics, socials, drop-in play, reserved courts, school teams, youth and adult leagues, facility rentals, and annual tournaments. Lifetime also administers a youth scholarship program, organizes middle school tennis leagues, puts on tennis events for the community such as the Halloween Fun Night, and participates in community fundraisers for U.S. service members and the Alzheimer’s Association.

Along with the operational experience, Lifetime also has extensive experience maintaining lighted, multi-court tennis centers with pro shops, cafes, and multi-purpose rooms. Since 1993, Lifetime has contributed over $5,000,000 towards maintaining municipal tennis centers. Seen as a leader in the industry, Lifetime...
shares annual comparative data on fees and services with other municipalities, established California’s first municipal tennis database with 50 locations, and was a consultant for the operation and opening of the tennis center in McKinney, TX.

Dana Gill, CEO and founder of Lifetime, is a former collegiate/touring player, Elite USPTA certified pro, and was ranked number 1 in the U.S. Men’s 45s and participated in the 2017 World Team and Individual Championships as a member of the U.S. National Tennis Team. Mr. Gill has built a strong team of professionals who support Lifetime’s locations throughout the Bay Area: the Chief Operating Officer has been with Lifetime for over 20 years, the Chief Administrative Officer has been with Lifetime over 12 years, the proposed Golden Gate Park Tennis Center General Manager has been with Lifetime for over 5 years, the Tennis Director has a tenure of over 8 years, the Senior Director of Activities also has over 8 years, and the Maintenance Manager has been with Lifetime for over 12 years.

Proposed Operating Agreement
Since the selection of Lifetime, Department staff has negotiated a Term Sheet for the proposed Operating Agreement between the Department and Lifetime Activities. The Term Sheet can be found in Exhibit A. The Department and Lifetime will finalize the negotiation of the Operating Agreement with terms substantially in the same form as the Term Sheet dated October 16, 2019 with final provisions to be approved by the General Manager substantially in the form of the Term Sheet. Below is a summary of key terms in the Term Sheet including any modification from the previously approved RFP.

Term: 8-year term with no extension options. Originally the Department’s RFP contemplated a 5-year term. However, due to the substantial start up costs in the operation and in order to increase the minimum annual guarantee from Lifetime’s original proposal, Department staff is recommending an 8-year term.

Use: The Operator will be responsible for coordinating the operation of the Tennis Center with the goal of ensuring that it is welcoming to all and balances the desires and needs of a variety of users including public court rentals, access for the Department’s youth programs, access for San Francisco high school matches, league and USTA matches, lessons and clinics to be offered by the Operator, tournaments, pickleball, and special events such as social programs.

The proposed Term Sheet further clarifies the operation of the Department’s summer camp and Lifetime’s summer camp. The Department will offer its historic Learning and Fun Tennis (LAFT) camp at the Tennis Center for the first six to seven weeks of the summer. LAFT camp will have dedicated use of five courts from 7 am to 6 pm and use of the TLC classroom and recreation room. For the remaining three to four weeks of the summer, LAFT camp will be located in another part of the city, most likely in a neighborhood in southeast part of San Francisco. TLC will remain at the Tennis Center for all weeks of the summer and use the TLC classroom and three tennis courts.

During the weeks that LAFT camp is in session at the Tennis Center, Lifetime can program tennis camps at another location in the city. After LAFT camp ends for the summer at the Tennis Center, Lifetime may offer tennis camps for four to five weeks at the Tennis Center. The Operator may offer clinics at the Tennis Center at any time during the summer with a limit of one and half hours per clinic. The clinics may be offered for a full week (five days) or weekly on a certain day. The Operator may also offer high performance tennis camps for players ranked in the top 100 by age division or with a Universal Tennis Rating of 4.5 or higher.
The Operator will have use of all areas of the Tennis Center except:

- The TLC classroom
- The recreation room
  - During after school hours of 3 pm to 6 pm on Monday through Friday
  - During the summer LAFT sessions from 7 am to 6 pm on Monday through Friday
  - The Recreation Room will be shared by TLC and LAFT during the LAFT summer camp weeks and will be shared by the TLC and the Operator during Operator summer camp weeks
- Courts 1, 2, and 3 will be reserved for TLC program during after school hours of 3 pm to 6 pm on Monday through Friday and from 7 am to 6 pm on Monday through Friday during the summer
- Courts 4 and 5 will be reserved for the LAFT camp from 7 am to 6 pm on Monday through Friday during the summer weeks that camp is in session. The LAFT camp will also share use of the TLC courts.

**Operations Plan**: An annual Operations Plan will be developed and finalized before the Tennis Center opens to the public, it will be based on meetings with Department staff and community members, and the annual Operations Plan will be subject to the General Manager’s approval. The annual Operations Plan will include at a minimum:

- Proposed programming for next fiscal year
- Facility improvement requests for the next fiscal year
- Operational benchmarks with targets, measures, and descriptions
- Community meetings with Tennis Center Advisory Committee (TCAC)

The Annual Operations Plan will be reviewed and updated each year.

**Rent**: The quarterly rent payments received by the Department will be the higher of the minimum annual guaranteed (MAG) or five percent of gross receipts.

<table>
<thead>
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<th>Year</th>
<th>MAG Rent</th>
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<td>1</td>
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<td>8</td>
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Year 1 will be pre-paid and deposited into the Maintenance Fund.

Total at Year 5 will be $275,000.

Total at Year 8 will be $500,000.

**Hours of Operation**: The tennis courts will be open to the public from 7 am to 10 pm, Sunday through Saturday, subject to adjustment after review of the usage over the first 6 to 12 months of operations. Any changes will require the approval of the General Manager. The Tennis Center will be closed on Thanksgiving, Christmas Eve at 12:30 pm, Christmas Day, New Year’s Eve at 12:30 pm, and New Year’s Day.

**Website and Reservation System**: Operator will have a website for the Tennis Center and provide an online reservation system that will allow users to easily reserve the courts and sign up for programs. The online reservation system should also provide a customer relationship management system. The
Operator, with community input, will set the rules for online reservations. The Operator will also accept reservations over the phone and in-person at the Tennis Center.

Fees: The court fees are set in the San Francisco Park Code and will be as follows (subject to annual CPI adjustments):

<table>
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<tr>
<th>Hourly Rates*</th>
<th>Residents</th>
<th>Non-Residents</th>
</tr>
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<tbody>
<tr>
<td>Weekdays</td>
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<td>Weekends &amp; evenings</td>
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<td>Seniors**</td>
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<td>Youth**</td>
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</tr>
<tr>
<td>USTA matches***</td>
<td>$18</td>
<td>$18</td>
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*Reservations can be reserved by the half hour.

**Senior and youth discounted fees are available only during off peak hours. The off-peak hours will be established by the Operator but are expected to be weekdays before 3 pm for seniors and before 6 pm for youth.

***Fees for non-USTA tournaments will be subject to negotiations but will in no event be less than the USTA rate.

Pickleball fees will be assessed based either as a pickleball court fee (the same as above) or as a per person fee equivalent to the above fees and assuming doubles play (so Senior Pickleball players would pay $1 per hour per person).

Other fees including camps, clinics, group play, challenge courts, rental and event fees will be set annually by the Operator as part of the budget in the Operating Plan.

Concessions: The Operator will offer a variety of concessions including: rentals (e.g. ball machines); retail sales of balls and tennis equipment; repair and restringing of racquets; and pre-packaged, prepared food and beverages (including coffee).

Community Relations: The Operator will be responsible for meeting regularly with the Tennis Center Advisory Committee (TCAC) to garner input on operations and in order to balance the various demands for the tennis courts. The Operator will meet monthly during the first year of operations and then quarterly with the Department and TCAC to discuss Tennis Center operations and performance.

Quarterly Participation Report: The Operator will submit a quarterly participation report that breaks down the types of Tennis Center users such as the number of resident/non-resident players; types of lessons and programs provided; number of adult, senior, and youth (under 18 years old) players; number of pickleball players; camps; USTA teams; court use hours/vacant hours; etc.

Annual Reports: On or before the date which is 90 days following the close of each Agreement Year during the Term and 90 days following the end of the Term, Operator shall deliver to the Department:

- Annual Gross Receipts Statement
- Annual itemized income statement with Gross Receipts by department, expenditures, and a cash flow table
- Annual report detailing the hourly percentage of court time devoted to players under the age of 18 and the general public.
Daily Tennis Court Maintenance: The Operator will be responsible for ensuring that the tennis courts are cleaned daily and prepared and ready for play including the following: court cleaning, net replacement and maintenance, paint touch up to lines and striping, clean drinking fountains, provide scorecards, clean the path between courts, and make available for rent the following equipment including sweepers, ball baskets, and ball machines.

Daily Maintenance of Other Facilities: The Operator will be responsible for maintaining all other areas of the facility on a daily basis except landscaping. This work includes: cleaning the building, the patio, walkways, and the restroom; maintenance and small repairs (plumbing, building light replacements, hinges); minor paint touch ups; and cleaning the furniture. The TLC classroom shall be cleaned twice weekly by the Operator’s staff.

Structural Replacements and Repairs: The Department will be responsible for maintaining basic building operations including heat/AC, roof, electrical, plumbing other than small blockages, and building painting and long-term maintenance of doors, windows, and court lighting (including replacement of light fixtures). City shall make reasonable efforts to maintain and repair the lights and light fixtures of the tennis courts with a target of assessing and/or addressing any issues within 10 business days.

Maintenance Fund: The Maintenance Fund will cover the future capital needs to sustain the Tennis Center at a high standard. Anticipated expenditures include, among other things, repair and/or replacement of windscreens, furniture and equipment, fencing, court resurfacing, and court lines. The Maintenance Fund can also be used for repairing any unforeseen damage (e.g. from storms or accidents) not covered by the Operator’s insurance.

The Department, in consultation with the San Francisco Parks Alliance, the Operator, and the Tennis Center Advisory Committee, will annually review the amounts held in the Maintenance Fund and plan the annual Maintenance Budget. Expenditures from the Maintenance Fund that are already included within the Maintenance Budget shall be deemed approved and shall occur promptly in coordination with the Department. Expenditures from the Maintenance Fund in excess of or otherwise not contemplated by the Maintenance Budget shall be permitted if approved by the Department after consultation with the Operator, the San Francisco Parks Alliance, the Tennis Coalition SF, and the TCAC.

In the event that the Maintenance Fund is not sufficient for replacement or repairs, the Department will be responsible for making necessary repairs.

Utilities: The Operator will be responsible for installing and maintaining the Tennis Center’s security system (e.g. cameras and content recording systems), internet service, and phone connections. The project will install wiring for security cameras and motion detectors. The Department will be responsible for utilities and services such as water, sewer, electricity, garbage removal, and landscaping.

Furnishings: The Tennis Center will be furnished with tables, chairs, sofas, and cabinets for the common areas. The Operator will be responsible for maintaining these items and as needed replacing them. The Operator will also be responsible for providing all the needed start up equipment for the office area.

Personnel: Operator to hire, employ, and/or assign experienced, qualified recreational, repair, management and any other such persons necessary or advisable for the proper operation of the Tennis Center and performance of Operator’s obligations under the Operating Agreement.
Closure of GGP Tennis Courts and Implementation of Free Online Reservation System for Neighborhood Courts

Preparing for the renovation of the Tennis Center included planning for public access to the other courts in the city. The Tennis Center was used by many different groups such as men’s and women’s seniors, high schools, USTA tournaments, and pickleball. These users were used to making court reservations to fit their schedules. Since there are over 60 tennis complexes in San Francisco with over 120 courts for tennis and 14 pickleball courts, the Department implemented an online reservation system for a small portion of these tennis complexes and courts for a test period. Encouraging court reservations at neighborhood courts was the way to ensure that all players at the Tennis Center could find new home courts during the renovation period.

Starting in April 2019, 11 tennis complexes (including 1 pickleball complex) with a total of 21 courts and 6 pickleball courts were made available for reservation through the Department’s web-based system on Spotery. Players can reserve courts in locations around the city and have a guaranteed time and location for their match or tournament. The reservation system proved to be so popular over the summer that the Department added another 12 complexes (including another pickleball complex) with a total of 14 courts and 2 pickleball courts to the reservation system in October 2019. This addition also included single neighborhood courts where players can be guaranteed play time rather than arriving to see that the court has been taken.

Since the Department implemented the reservation system in April, most of the feedback has been positive. Players appreciate the ability to reserve and schedule court time and the opportunity to learn about courts in other neighborhoods. Over the last seven months, there have been 9,328 reservations made for a total of 13,992 hours of play. A map of the neighborhood tennis courts included in the pilot and the additional courts are in Exhibit C.

In addition to the free online reservation system, the Department implemented systems to accommodate USTA Tournament play that historically occurred at Golden Gate Park. The Department entered into an agreement with City College to allow the use of their courts and implemented a system for San Francisco teams to reserve courts for matches either at City College or on four courts at McLaren Park.

Staff Recommendation
Authorize the Department to enter into an Operating Agreement with Lifetime Activities for the public purpose of operating the Golden Gate Park Tennis Center and offering tennis programs and related activities for a period of up to 8 years with terms substantially the same as the term sheet dated October 22, 2019.

Supported By – Additional supporters are provided in Exhibits C, D, E, F
San Francisco Parks Alliance
USTA NorCal
GGPTC USTA Nationals Champs
San Franciscans for Sports + Recreation
Peninsula League Captains
Tennis for America
Gay + Lesbian Tennis Federation
Golden Gate Tennis Club
Chuck Collins, President and CEO, YMCA San Francisco
Peter Wright, Head Tennis Coach, UC Berkeley
Pablo Pires de Almeida, Tennis Coach, University of San Francisco  
Dick Gould, Former Men’s Tennis Coach and Director of Tennis, Stanford University  
Don Collins, Commissioner of Athletics, SFUSD  
Jim Ketcham, Athletic Director, University High School  
Eric Roberts, Youth Board, Tennis Coalition SF  
Peanut Louie Harper, Treasurer and Co-Founder, Harper for Kids  
Tim Harper, President and Co-Founder, Harper for Kids  
Didier Perez, Board President, City Youth Now  
Dave Higaki, Executive Director, East Palo Alto Tennis and Tutoring  
Mike Skinner, Executive Director, Youth Tennis Advantage  
Dan Burke, Executive Director, First Tee  
Inner Sunset Merchants Association  
Inner Sunset Parks Neighbors  
Haight Ashbury Improvement Association  
Friends of Oak Woodlands  
California Academy of Sciences  
San Francisco Lawn Bowling Club  
Brad Gilbert, Tennis Pro  
Harbor Point Foundation  
Olympic Club Foundation  
Tennis Coalition SF

**Opposed by**
None known

**Attachments**
Exhibit A – Term sheet, October 2019  
Exhibit B – Map of neighborhood tennis courts  
Exhibit C – Supporters for Tennis Center Operations  
Exhibit D – Letter of recommendation, Recreation Supervisor, Cupertino  
Exhibit E – Letter of recommendation, Superintendent of Parks, Sunnyvale  
Exhibit F – Letter of recommendation, Director of Arts and Recreation, Walnut Creek