



London N. Breed, Mayor
Philip A. Ginsburg, General Manager

Date: November 1, 2018

To: Recreation and Park Commission
Operations Committee

Through: Phil Ginsburg, General Manager

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

Subject: Golden Gate Park- Extension of Outside Lands Music Festival Permit

Agenda Item Wording

Discussion and possible action to recommend that the Board of Supervisors approve the Second Amendment to the City's Use Permit with Another Planet Entertainment for the annual three-day music festival in Golden Gate Park (aka "Outside Lands"), to extend the term for an additional 10 years and to update certain provisions related to rents and cost reimbursements based on cost of living and other increases, with terms substantially the same as the draft dated October 22, 2018. (ACTION ITEM)

Strategic Plan

Objective 1.2: Strengthen the quality of existing Parks & Facilities

Objective 2.3: Work with partners and neighborhood groups to activate parks through organized events, activities, and unstructured play

Objective 3.1: Increase public investment to better align with infrastructure needs and service expectations.

Background

In 2009, the Recreation and Park Department (the "Department") entered a Use Permit dated April 1, 2009 (the "2009 Permit") with Another Planet Entertainment (the "Permittee") for the production of an annual three-day Outside Lands Music Festival in Golden Gate Park. In 2012, the Department entered the First Amendment to the 2009 Permit dated December 5, 2012 (the "First Amendment") extending the term of the permit to 2021 and making other changes. The 2009 Permit, as amended by the First Permit, is referred to herein as the "Existing Permit."

Benefits to the Department. Since the first Outside Lands Festival in 2008, the Permittee has contributed the following rent payments to the Department:

Year	Rent	Gardener/Polo Regeneration	Total
2008	\$815,000		\$815,000
2009	\$1,028,000		\$1,028,000
2010	\$1,058,777		\$1,058,777
2011	\$1,450,747		\$1,450,747
2012	\$1,720,549		\$1,720,549
2013	\$2,121,547	\$ 104,250.00	\$2,225,797
2014	\$2,313,474	\$ 104,250.00	\$2,417,724
2015	\$2,901,453	\$ 104,250.00	\$3,005,703
2016	\$3,073,175	\$ 104,250.00	\$3,177,425
2017	\$3,297,773	\$ 104,250.00	\$3,402,023
2018	\$3,266,773	\$ 104,250.00	\$3,371,023
Total	\$23,047,268	\$625,500	\$23,672,768

In addition to the rent payments, since 2013, the Permittee has conducted an annual fundraising off-site concert during the Festival which has resulted in a total contribution of over \$115,000 to a combination of the Department’s scholarship fund and the Parks Alliance. In addition, the Permittee has funded a gardener to assist with maintenance of the Golden Gate Meadows and Polo Fields and contributed \$15,000 per year for maintenance and supplies for the Polo Fields. Finally, the Permittee reimburses the costs of overtime incurred by staff during the load-in, load-out and event and any repairs required from the event.

Benefits to the City. In addition to the benefits to the Department, Outside Lands has become a part of the cultural fabric of San Francisco, highlighting the City’s music, arts and culinary offerings. The event has drawn over 2 million visitors to Golden Gate Park and contributes an estimated \$66 million annually to the City’s economy. In October 2018, the Outside Lands Festival was one of three festivals nominated by the Billboard Live Music Awards as the top music festival.

In 2011, Another Planet Entertainment engaged Professor Patrick Tierney, Chair of the San Francisco State University Department of Recreation and Leisure Studies to conduct an Economic Impact Report on the Festival. Professor Tierney found that the event, which employs over 4,000 people, contributes more than \$64 million to San Francisco’s economy with significant spending in the City’s hotel and restaurant industries. In 2017, Another Planet Entertainment commissioned an updated study by Marin Economic Consulting Group. The study concluded that in 2017, the festival contributed economic output of \$66.8 million to San Francisco and \$75 million to the greater Bay Area through a combination of increased jobs (over 700), hotel stays (41,448 hotel nights), and related food and beverage sales and taxes.

In addition to the economic activity throughout the City, Another Planet employs thousands of local citizens, including musicians, artists, and event staff and contracts with more than 50 San Francisco restaurants to operate the food concessions at the Festival. Preference is provided to local merchants to be vendors during the event. During 2018, nearly 7,500 people were employed to work directly as

part of the festival. Each year a summer job fair is held by the Permittee in the neighborhoods surrounding Golden Gate Park to hire residents to serve open positions during the event and during 2018, 93 people were hired through the job fair. Finally, \$10,000 per year is available to fund neighborhood initiatives.

In addition to the above, Outside Lands Works (OLW) is a charitable fund that invests in the cultural vitality of the Bay Area through grants to regional music and arts education programs. Outside Lands Works supports opportunities for locals, young and old, to explore and share their unique talents, ideas, and creative contributions with the world. During 2018, OL supported seven regional nonprofits:

- Bay Area Girls That Rock Camp
- Creativity Explored
- Jared Kurtin Music Therapy Program at UCSF Benioff Children’s Hospital Oakland
- Richmond District Neighborhood Center
- San Francisco Community Music Center
- Women's Audio Mission
- Youth Arts Exchange

Limits on Environmental Impact. The Festival has also worked hard to limit its impact on the environment and is considered one of the best of any major event in the world. In 2018, they increased the waste diversion by an additional 1% to 92% waste diversion, that means that 92% of refuse is diverted from landfill.

Existing Permit Terms

Below is a summary of the basic terms of the Existing Permit.

Term	Permittee would be permitted to host the Festival annually in Golden Gate Park through 2021.
Permitted Use	Production of a three-day Music Festival in Golden Gate Park with a daily attendance capacity of 75,000 people.
Minimum Rent	Minimum permit fee increases by \$50,000 each year but beginning in 2018, Minimum Rent would be capped at \$1,400,000.
Percentage Rent	11% of Gross Ticket Revenue (Ticket revenue less taxes, processing costs and Additional Rent)
Additional Rent	\$1.25 per ticket sold.
Amplified Sound Terms	Sound must end by 10 pm on Fri and Sat and 9:40 pm on Sunday. Permittee will be required to utilize additional delay towers to reduce sound levels when attendance exceeds certain levels and shall deploy sound monitors to measure sound pressure levels throughout the surrounding neighborhoods.
Endowed Gardener	Permittee shall contribute \$89,250 per year to endow a

	gardener to assist with maintaining the Polo Fields, Hellman Hollow, Lindley Meadow and other Festival areas throughout the year.
Polo Field Regeneration Fee	Permittee shall contribute \$15,000 annually to provide for materials and supplies to maintain the Polo Fields at an appropriate standard.
Annual Fundraiser for RPD	Permittee will be required to host an annual fundraiser to benefit the Department.
Community Benefit Funds	Permittee shall provide \$10,000 per year to fund improvements or benefit programs benefiting neighborhoods surrounding Golden Gate Park
Annual Job Fair	Permittee shall hold an annual job fair in the neighborhoods surrounding Golden Gate Park to attempt to hire qualified residents to serve option positions during the event.

Proposed Second Permit Amendment

With the contract set to expire after the 2021 Festival, the Permittee has approached the Department about the desire to extend the Existing Permit at this time. In order to negotiate talent and equipment, the Permittee needs to be able to contract out a minimum of three years.

The Department has negotiated a Second Permit Amendment that would allow the Permittee to continue to hold the event in Golden Gate Park through 2031 (Attachment C). The Department negotiated this extension in light of the significant efforts that Another Planet has taken to continue to address community concerns, the extensive knowledge it has garnered in safely and responsibly hosting large concerts in such a sensitive environment, the significant public awareness and following of Outside Lands and the financial success that the event now experiences.

As described below, the amendment retains the basic terms of the existing contract but updates it for cost of living increases that were not covered by the First Amendment. In addition, the Existing Permit, limited the Minimum Rent to \$1.4 million. However, given the significant contribution of the prior few years, the Department believes that the Minimum Rent should be increased to provide great budgetary certainty for the Department. Below are the updated terms:

Term	Permittee would be permitted to host the Festival annually in Golden Gate Park through 2031.
Minimum Rent	Minimum permit fee increases to \$2.5 million starting in 2019 and then increase by \$75,000 each year.
Additional Rent	Would remain at \$1.25 per ticket sold through 2019, then increase to \$1.50 in 2020, \$1.75 in 2024 and \$2.00 in 2028.

Endowed Gardener	Contribution would increase from \$89,250 to the current annual cost of a gardener in 2019 (\$107,201) and then increase by cost of living each year.
Polo Field Regeneration Fee	Ground regeneration fee of \$15,000 would be adjusted each year starting in 2019 for cost of living changes
Community Benefit Funds	Community benefit funds would increase to provide \$25,000 per year to projects in each of District 1 and District 4, the Districts adjacent to the festival footprint. The amounts will increase to \$30,000 per year in 2026.

Addressing Community Concerns Through Festival Operations

In coordination with the community and District Supervisor since 2009, the Permittee and the Department have instituted protocols to minimize the impact of the event on the surrounding community. These protocols were the subject of a hearing before the Board of Supervisors in 2009 and 2011 and the Recreation and Park Commission in 2009. Since 2012, the Permittee and the Department have held annual meetings with the community to address concerns and adjust the protocols. In addition, the Permittee maintains a Community Hotline during the event to be able to quickly respond to event changing issues.

The protocols focus on both planning and responding. Below is a list of the steps taken in response to community concerns. Many of these measures were proposed by members of the surrounding community and have proven so successful, that the Department now requires promoters of other large events to incorporate them into their operating plans. These protocols include:

- Pre-event meetings with the members of the surrounding community.
- Establishing a community hotline to address community complaints during the Festival on a real time and immediate basis.
- Mailing to all residents within 4 blocks of the park (over 28,000 homes) with event information including road closures, details regarding limited park access, event dates and amplified sound hours as well as other pertinent event information.
- Placing advertisements with event information in the Richmond Review, Sunset Beacon, the Sing Tao Daily and putting the same information on the Outside Lands website in multiple languages.
- Optimizing muni service to safely and efficiently move as many event goers via public transportation as possible.
- Placing parking control officers and tow trucks around the park to quickly respond to blocked drive ways and other parking violations.
- Having crews available to clean-up debris in the surrounding neighborhoods and placing portable toilets in the neighborhoods to accommodate those leaving the festival.
- Sound monitors to respond to sound complaints and measure sound levels and impact of bass. Such information is used to adjust the sound equipment in real time to minimize the impact on the surrounding community (see below for more details).

- Beginning in 2016 and increasing each year, adjusted the transportation plan to address the problems created by increased use by festival goers of Transportation Network Companies, Uber and Lyft (“TNCs) (see below for more details).
- The load-in and load-out have impacted bike paths through the park. In response to concerns, signage has been erected and dedicated replacement bike lanes have been created.

In addition to all of the above, the Department, Permittee, Police Department, Fire Department, Municipal Transportation Agency, Department of Emergency Management and the Mayor’s Office of Special Events (“OSL Interagency Task Force”) undertake a months-long planning process each year to review the site, operational, security and transportation plans as well as to identify issues from the previous year and modify event details accordingly.

During recent community meetings, the three primary issues of concern raised by the surrounding communities have been amplified sound, traffic congestion due to TNCs and closure of portions of Golden Gate Park during the load-in and load outs. Below is a summary of action that has been taken and will continue to be addressed under the new contract.

Amplified Sound. In 2012, the Permittee together with Park Rangers began responding to sound complaints by going to those locations and measuring sound levels. They take both sound measurements and assess the impact of the bass sound (which cannot be separately measured). Readings are relayed back immediately so that sound levels can be adjusted. Because of the nature of the climate and weather on a particular day in San Francisco, sound bounces in different ways and continuous adjustments need to be made.

In addition to monitoring complaints, in 2013, Permittee began to utilize additional delay towers to reduce sound levels needed to reach audiences at the larger attendance stages. Instead of one set of speakers that need to be loud enough to reach the entire meadow, multiple speakers at much lower levels relay the sound back through the audience. For instance, in 2018, four delay towers were used.

The following table shows sound complaints received each year.

Noise Complaints	2011	2012	2013	2014	2015	2016	2017	2018
North	168	95	74	28	28	28	35	74
South	134	50	42	39	18	11	32	111
East	15	7	5	14	0	5	13	19
Unknown	67	28	16	3		3		8
Total	384	180	137	84	46	47	80	212

As a result of the use of these techniques, sound complaints have come down each year except there was significant spike in 2018, especially from the Sunset district, The Permittee responded to the 2018 sound complaints received and complaints went from 118 on Friday to 63 on Saturday to 31 on Sunday. The Permittee is continuing to adjust its delay towers to address these new concerns.

The method used to monitor and respond to sound complaints by adjusting speakers is becoming the standard adopted by other large scale outdoor amplified sound events. The Entertainment

Commission is looking to use similar techniques for events that they permit, for instance at ATT Park which has numerous events during the year, as compared to Outside Lands which is 3 per days per year.

Traffic Issues- TNCs (e.g., Uber and Lyft). Each year a detail Traffic Management Plan is developed to address the traffic around the event and address changes in attendees’ patterns (starting in 2015, the number of attendees using Transportation Network Companies (TNCs) such as Uber and Lyft has grown significantly).

The following table shows annual traffic complaints.

Traffic	2011	2012	2013	2014	2015	2016	2017	2018
North	21	13	10	4	9	3	12	7
South	8	12	2		2		6	6
East	1							
Unknown	35	20	18			2		3
Total	65	45	30	4	11	5	18	16

Complaints historically centered on blocked driveways and congestion at the major entrances. In response, parking control officers and tow trucks were staged around the park to quickly respond to blocked driveways and other parking violations. In addition, traffic police were deployed to monitoring traffic conditions. The Department also started a program to provide large signs to neighbors that they could post in their driveway warning not to block driveways.

In 2015, the OSL Interagency Task Force began to be concerned about the rising number of TNC vehicles around the event. More people had begun to take TNCs instead of driving and parking or using other methods of transportation. Attempts to engage with the TNCs to address the issues did not receive responses at that time. Traffic police was increased to work to address the primary concerns (loading and unloading in unsafe locations and TNC’s double parking and circling the neighborhoods). Beginning in 2016, the OSL Interagency Task Force established a dedicated loading and unloading zone at Washington High School on Balboa Street. In 2018, the OSL Interagency Task Force was able to work directly with the TNCs to establish a number of procedures to monitor and reduce the impacts that are described below.

The following summarize the steps that have been taken to reduce traffic impacts:

- Muni provides increased dedicated service on the 5 Fulton and N Judah lines
 - Approximately 25,000 to 30,000 people took muni to and from the festival
- Permittee contracts with shuttle providers
 - Directly from Civic Center/Bart to and from the event
 - Starting in 2018, directly from outlying areas
 - Oakland
 - Sacramento
 - Mill Valley
 - Palo Alto

- San Jose
 - Moving shuttle pickups inside the park on MLK Drive
 - Addressing TNC Issues
 - Increased traffic enforcement police
 - Creating dedicated drop off and pick up zones
 - In 2016 started at Washington High School on Balboa.
 - In 2018, for the first time worked directly with TNCs to establish
 - Dedicated zones that limit pickups to those areas located on both the north and south side of the park
 - Creating geo-fencing areas that prevent TNCs from picking up rides within congested areas.
 - Shuttles assist with TNCs as they enable attendees to move away from Golden Gate Park to other areas to find TNCs

The OSL Interagency Task Force is exploring additional ways to continue to improve next year. One of the biggest challenges is that in order to create dedicated pick up zones, those areas have to be no parking which creates an issue for neighbors who want to park their own cars. In addition, if the TNC's geofence an area, it means a neighbor that wants to use a TNC cannot call one from their home. For 2019, the expected improvements include:

- Offering single day shuttle passes from Civic Center to the event. Currently the only pass is a 3-day pass for \$48 (\$8 each way). The intent is to offer one day passes to better accommodate attendees who are only attending one day.
- Increased promotion of outlying area shuttles which were first offered in 2018
- Continued geofencing of areas for pick up only during the period of time when the event ends and the vast majority of pickups occur.
- Expanded geofenced areas and other potential measures to reduce congestion
- Posting no parking zones that only apply during the critical hours. One of the major neighborhood complaints is that a block is posted no-parking for the entire weekend but only used for pickups during the last two hours of the festival. Neighbors would like to be able to park there during the day. The challenge is that those areas must be clear at the critical time and towing during that time is difficult.
- Continue to work with TNCs directly to find other ways to mitigate impact

Park Closures: Several community members expressed concerns about the length of closures around the Park due to load-in and load-out. The Department has set the park closure times in order to provide adequate time to safely complete load-in and load-out ensuring both park protection and public safety. Currently the Park Closures are as follows:

- Hellman and Lindley Meadow: Starting Sunday 5 days prior to Festival start through either Wednesday or Thursday after.
- Polo Fields: Starting Monday 11 days prior to Festival start through the Friday after the festival.
- Marx Meadow: Temporary closure for 3 days the week prior to install flooring and tent, reopens for the weekend prior and then closes starting the Monday prior through the Wednesday after the event.

- In response to feedback from bikers, we have kept the bike lanes open on JFK (while closing them to cars) to provide dedicated bike route for bikers during load-in and load out.

By the weekend after the festival, the meadows are all reopened to the public. The Polo fields itself remains closed until the start of the youth soccer season for ground regeneration but the surrounding walking and bike trails are open.

The load-in and load-out times are set so that the following critical steps can be done:

- Ensuring the all vehicles enter on protected and dedicated paths and limit numbers that can enter at any time.
- Extensive dura-decking to reduce ground compaction and ruts
- Flagging tree roots before load in commences to ensure that trees are protected
- Ensuring that the public cannot enter an active loading zone creating public safety issues
- Providing an alternative safe bike route for bikers.

The Department works hard to balance the important need to keep the park open and available to park users while also ensuring that adequate park protections are in place.

Community Outreach

In addition, to the annual community meetings, in connection with the proposed amendment, two community meetings were held, one in the Richmond District at on September 6, 2018 and one in the Sunset District on October 24, 2018.

Supported By:

San Francisco Parks Alliance

International Alliance of Theatrical Stage Employees (IATSE)

Local 261, Laborers' International Union of North America

Local 2785, Retail Delivery Drivers, Driver-Salesmen and Helpers, And Auto Truck Drivers (Teamsters)

San Francisco Community Music Center

SF Travel

Two Roads Hotels, San Francisco

Andy Olive, Community Member and Partner and Manager Hook Fish Co., Sunset District

Christine Raher, resident Richmond District

Chris and Colby Clark, residents Richmond District

Dave Muller, Resident and owner, Outerlands Restaurant, Sunset District

Lauren Crabbe, Resident and Proprietor, Andytown Coffee Roasters, Sunset District

Sarah Bento- San Francisco Residents and Cresco Equipment Rentals

Opposed By:

At the Richmond District community meeting held in connection with the extension on September 6, 2018 the concerns expressed above were raised by community members present at the meeting. At the Sunset District Community meeting on October 24, 2018, there was no opposition expressed.

Staff Recommendation:

Department staff recommends that the Commission recommends that the Board of Supervisors approves the proposed amendment.

Attachments

Exhibit A – Use Permit dated April 1, 2009

Exhibit B – First Amendment to Outside Lands Use Music and Arts Festival Use Permit dated December 5, 2012

Exhibit C – Second Amendment to Outside Lands Use Permit- Draft as of October 25, 2018