



Edwin M. Lee, Mayor  
Philip A. Ginsburg, General Manager

**Date:** May 7, 2015

**To:** Recreation and Park Commission  
Operations Committee

**Through:** Philip A. Ginsburg, General Manager  
Dana Ketcham, Director of Property and Permits

**From:** Cassandra Costello

**Subject:** Extension of the Kezar Management Agreement Extension

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### **Agenda Wording**

Discussion and possible action to approve an extension of the Management Agreement with ABC Parking on a month to month basis.

### **Background**

The Department entered into a management agreement (the "Agreement") with ABC Parking (ABC) in 2005 for the management and operation of the 290 space Kezar surface parking lot (the "Parking Lot"). See **Exhibit A**. The Parking lot is adjacent to Kezar Stadium, the Haight Street commercial corridor and the eastern most entrance to Golden Gate Park. The Agreement expired in 2010 and provided that ABC could continue to operate on a month to month basis for up to 36 months. ABC has been operating on a month to month basis since that time.

### **Recent Audit**

A recently completed audit performed by the Controller's Office of the City and County of San Francisco (the "Audit") found that ABC correctly reported gross revenues. However, the Audit noted that the ABC had continued to operate on a month to month basis for a period of time beyond the 36 months allowed under the Agreement. The Audit recommended that the Department obtain approval from the Recreation and Park Commission (the "Commission") for an extension of the Agreement beyond 36 months after its expiration.

The Department is currently studying uses that would retain the valuable parking that the Parking Lot provides to the public, while possibly expanding uses to other recreational activities such as playing fields. The Department plans to come back to the Commission with a proposed RFP package once internal discussions had concluded. In order to comply with the audit recommendation and the Agreement, the Department is requesting an extension of the agreement with ABC on a month to month basis until the RFP process has concluded and a new agreement is in place.

**Financial Benefit to the Department**

The Department pays a monthly management fee of \$21,400 per month to ABC in addition to minor expenses such as credit card reimbursement fees and valet management fees. The Department retains the net revenues from the Parking Lot averaging about \$700,000 per year for the past five years. See chart below for actual net revenues to the Department.

FY	Net Revenues to RPD
2009/2010	\$584,024.30
2010/2011	\$649,001.32
2011/2012	\$737,591.27
2013/2014	\$764,801.91
2014/2015	\$777,720.26

**Staff Recommendation**

Staff recommends that the Commission approve the extension of the Agreement with ABC to continue to operate the Parking Lot on a month to month basis until an RFP is released for the site and a new agreement is in place.

**Attachments:**

Exhibit A-Management Agreement between the Department and ABC Parking