



PARK POLICY RECOMMENDATION

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Title: Coit Tower Ballot Measure, June 2012

Date: March 8, 2012

Recommendation:

SFPA should formally oppose the June ballot measure pertaining to Coit Tower, publish this document to support and explain that position, and commit to working with the Recreation and Park Department, Arts Commission and neighborhood leaders to ensure Coit Tower, its frescoes and Pioneer Park are well maintained.

Contact: Meredith Thomas, Director of Policy and Stewardship
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Policy Area: Legislation; advisory-only ballot measure

Key Deadlines:

Ballot Arguments

March 15th: Official Proponent/Opponent Arguments

March 19th: Paid ballot arguments

June 5th: Election

Description/Analysis

Issue:

Coit Tower is an international icon, tourist destination and park. The facility is comprised of the historic tower, which contains murals (actually frescoes) managed by the Arts Commission, observation space, a concession, and surrounding Pioneer Park all managed by Recreation and Park Department (RPD). The parking lot is under the jurisdiction of the Department of Public Works. Coit Tower hosts an estimated visitorship of over 200,000 people annually and is surrounded by a residential neighborhood.

Currently, RPD estimates that it spends approximately \$55,000 annually for operations and maintenance of Coit Tower and \$215,000 annually for operations and maintenance of Pioneer Park.

RPD oversees a contracted concessionaire to manage the gift shop and food concession as well as the fee-based elevator service and private events. The five-year average of gross revenue, FY06/07- FY10/11 is approximately \$950,000 annually. RPD is paid a percentage of concession and elevator fees averaging approximately \$700,000 annually, making Coit Tower one of the largest earned revenue sources for RPD in the system. Currently, RPD is engaged in a process to select a new concessionaire.

The Arts Commission has an annual maintenance and conservation budget of approximately \$75,000 for 4,000 objects, 800 of which are incorporated into public

facilities such as Coit Tower. Currently, there is no dedicated annual funding for maintenance of the murals at Coit Tower. The murals received a restoration in 1990 with no major repair since. Episodic repair to ongoing wear and tear of the murals has taken place every 20-30 years since their creation. The porous cement that Coit Tower is comprised of absorbs water in a manner that leaves behind salts that accumulate on the murals and these deposits are currently building up and highly visible. Additionally, there is damage to the murals on the second floor likely caused by the elevator repair work conducted last year.

RPD and the Arts Commission are working together to address the needed mural repair work as well as develop a mechanism to fund ongoing maintenance. In conjunction with the current Request For Proposals (RFP) RPD has issued for the concession at Coit Tower, RPD has pledged \$250,000 to the Arts Commission for restoration of the murals as well as one percent of future annual gross revenues for ongoing maintenance. RPD and the Arts Commission have not entered into this agreement in writing but both agencies publicly discuss this agreement. The restorationist who repaired the murals in 1990 is currently completing an assessment of restoration needs for Coit Tower that will include a plan to repair the murals. The assessment is due at the end of March and we do not yet have a sense of the scale of repair that may be needed to the building as a whole. The 1990 restoration of the murals cost \$125,000. Staff from the Arts Commission told SFPA staff that the plan to commit one percent of gross revenue to ongoing maintenance of the murals should be sufficient. Additionally, while they are not sure that the \$250,000 will cover the full cost of repair, much of the work needing to be done is considered routine repair similar to the type periodically required over the lifespan of the murals. The Art Commission staff do not view the current state of the mural damage to be outside of typical wear and tear.

Public outcry occurred in 2007 when RPD released an initial RFP for a new concessionaire. That RFP would have dramatically increased the scale of the tourist attraction. Lack of proposals and public concern resulted in the RFP being amended several times over several years. It also resulted in the 2008 community-developed Coit Tower Concession Principals and Goals, a guidance document presented to RPD. While not officially accepted by RPD as policy, much of the recommendations in the document were incorporated into the current RFP. However, there is still notable disagreement about the appropriateness and frequency of private special events at Coit Tower, with many neighborhood leaders unhappy with plans for ongoing opportunities for private events.

In the fall of 2011 an effort was launched to compel RPD to curtail commercial activity and private events, as well as direct revenue generated at Coit Tower to preserving and protecting the murals (frescoes), building and park. The effort was initiated after the current RFP was released without local residents being notified of any public meeting to discuss the RFP prior to release. A successful ballot petition spearheaded by resident Jon Golinger gathered 16,383 signatures to place the following advisory-only measure on the June 2012 local ballot:

It shall be the policy of the people of the City and County of San Francisco to protect Coit Tower and preserve the historic murals inside Coit Tower by strictly limiting commercial activities and private events at Coit Tower and by prioritizing the funds receive by the City from any concession operations at Coit Tower for preserving Coit Tower murals, protecting and maintaining the Coit Tower building, and beautifying Pioneer Park around Coit Tower.
(<http://sfgov2.org/index.aspx?page=2969>)

Thus far, the Sierra Club, Coalition for San Francisco Neighborhoods and the West of Twin Peaks Central Council have all endorsed the measure. Many coalitions have yet to hold their formal election endorsement meetings though SFPA staff have been told that the San Francisco Chamber of Commerce, SPUR, Committee on Jobs, SF Travel, and the Labor Council are considering opposing the measure.

Both RPD and the Arts Commission have sent letters to the Director of Elections expressing concern over the measure. RPD notes the critical role revenue from Coit Tower plays in supporting the park system citywide and lack of replacement revenue should commercial activities at Coit Tower be severely limited or stopped. The Arts Commission feels that the measure is too vague and potentially overly restrictive, resulting in a reduction of critical revenue from which the murals benefit.

Policy Considerations:

The main issues surrounding the June ballot measure, collaboration between RPD and the Arts Commission and the retention of a new concessionaire at Coit Tower are: resource allocation, deferred maintenance, conservation of historic art, public access and the role and type of commercial activity at Coit Tower as a mechanism to fund the park system as a whole and the facility itself.

The key questions for SFPA to consider are:

1. Will the June ballot measure related to Coit Tower achieve its intention to preserve the historic resources and improve the park?
2. How would the measure be implemented and who will enforce it?
3. What are the unintended impacts of reducing revenue generation at Coit Tower?
4. Is the proposed collaboration between the Arts Commission and RPD an appropriate step toward repairing and maintaining the murals?
5. What precedent would implementation of this measure set and how would it impact the park system?

Rationale for Recommendation:

The proposed ballot measure is vague and advisory-only. It is unlikely to achieve the author's goals of preserving and maintaining Coit Tower, the murals and Pioneer Park as no mechanisms were developed for implementation and no new source of funding was identified to replace reduced commercial activity.

The current collaboration between the Arts Commission and RPD should be supported and codified in writing. Dedicated, ongoing revenue for mural maintenance as planned by both agencies is appropriate. SFPA should work with the agencies and neighborhood leaders to ensure improved maintenance of Coit Tower and Pioneer Park is achieved.

Leveraging the destination-nature of Coit Tower through revenue generation to support the park system as a whole is appropriate. While Coit Tower and Pioneer Park should be maintained and managed in a manner consistent with the intensity of use and the needs of the facilities, the additional revenue generated should be used to support aspects of the park and recreation system that appropriately do not make money for RPD. This ballot measure could set a dangerous precedent that restricts earned revenue only to those facilities able to generate revenue, leaving many neighborhood park and recreation facilities behind.

Financial Considerations

Given the vague nature of the measure, the financial impact is unclear. Additionally, the opportunity to place a new concessionaire at Coit Tower in conjunction with ongoing discussions with neighbors about the appropriateness and role of special events at Coit Tower make future ongoing revenue somewhat unclear.

Using the five-year average, RPD receives about \$700,000 in gross annually from the Coit Tower concession. It is important to note that outdoor food and beverage

concessions were not consistently operated during that five-year period, nor were special private events and the elevator required a \$55,000 modernization in FY10/11.

The revenue generated at Coit Tower is currently unrestricted and RPD has the ability to apply it to the budget as needed.

Respectfully Submitted by:

SFPA Director of Policy & Stewardship

Recommendation Approved:

SFPA Policy Council Chair