

File No. 120222

Committee Item No. 7  
Board Item No. 3

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance SUB-Committee Date: March 28, 2012

Board of Supervisors Meeting

Date 4/10/12

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget & Legislative Analyst Report          |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |

#### OTHER

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Completed by: Victor Young

Date: March 23, 2012

Completed by: Victor Young

Date: 3-29-12

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [North Beach Branch Library - Environmental Findings and Bond Proceeds]

2  
3 **Ordinance adopting environmental findings with respect to the North Beach Branch**  
4 **Library and approving the expenditure on the North Beach Branch Library of bond**  
5 **proceeds of lease revenue bonds previously authorized and issued to finance various**  
6 **projects under the Branch Library Improvement Program, as further described herein;**  
7 **granting general authority to City officials to take certain actions in connection with the**  
8 **expenditure of bond proceeds; and ratifying previous actions taken in connection**  
9 **therewith.**

10  
11 Be it ordained by the People of the City and County of San Francisco:

12 Section 1. Findings. The Board of Supervisors of the City and County of San  
13 Francisco (the "Board") hereby finds and declares as follows:

14 A. On November 6, 2007, the voters of the City and County of San Francisco (the  
15 "City") approved Proposition D, which extended the Library Preservation Fund (the "Fund"), as  
16 codified in Section 16.109 of the City Charter, and authorized the Board to issue revenue  
17 bonds or other evidences of indebtedness, or to incur lease financing or other obligations,  
18 payable from any available funds pledged or appropriated by the Board for such purpose, the  
19 proceeds of which are to be used for the purposes set forth in Section 16.109(d) of the City  
20 Charter; and,

21 B. By resolution adopted on October 2, 2008, the San Francisco Public Library  
22 Commission (the "Library Commission") determined to utilize lease revenue bonds to finance  
23 a portion of certain projects under the Branch Library Improvement Program (the "Project")  
24 and, pursuant to said Section 16.109(d), formally requested the Mayor of the City (the  
25

1 "Mayor") to recommend and this Board to authorize, the issuance and sale of lease revenue  
2 bonds for such purposes; and,

3 C. Pursuant to Ordinance No. 268-08, passed by the Board on November 25, 2008  
4 and signed by the Mayor on December 19, 2008, (the "Ordinance") the Board authorized the  
5 issuance and sale by the City and County of San Francisco Finance Corporation (the  
6 "Corporation") pursuant to said Section 16.109 of an aggregate principal amount of not to  
7 exceed \$36,000,000 of lease revenue bonds in order to finance the costs of the Project; and,

8 D. The Corporation, a California nonprofit public benefit corporation, has been  
9 formed for the purpose, among others, of facilitating lease financings for the City; and,

10 E. The Corporation issued and sold on March 17, 2009 an aggregate principal  
11 amount of \$34,265,000 of lease revenue bonds (the "Bonds") to finance the Project; and

12 F. Pursuant to Section 1.L of the Ordinance ("Findings") the North Beach Branch  
13 Library ("the North Beach Project") was one of six specific projects expected to be financed  
14 with Bond proceeds; and

15 G. Pursuant to Section 17 of the Ordinance ("Adoption of Findings of Department of  
16 City Planning") the Board found and declared that the North Beach Project was subject to  
17 further required environmental review under the California Environmental Quality Act  
18 ("CEQA") and that the expenditure of Bond proceeds on the North Beach Project would be  
19 limited to feasibility planning and environmental review purposes; and,

20 H. On April 21, 2011, the Planning Commission, in Motion No. 18321, certified the  
21 Final Environmental Impact Report for the North Beach Public Library and Joe DiMaggio  
22 Playground Master Plan Project (State Clearinghouse No. 2009042130) (FEIR) and, in Motion  
23 No. 18322, adopted environmental findings in accordance with the California Environmental  
24 Quality Act (Public Resources Code Sections 21000 et seq.) related to the project. On April  
25 25, 2011, the Library Commission, in Resolution No. 2011-03, and the Recreation and Park

1 Commission, in Resolution No. 1104-023, also adopted environmental findings and took  
2 various approval actions related to the project. On June 7, 2011, the Board of Supervisors, in  
3 Motion No. M11-0091, affirmed the Planning Commission's certification of the FEIR. A copy  
4 of this Board Motion is on file with the Clerk of the Board of Supervisors in File No. 110615  
5 and is incorporated herein by reference. In June 2011, the Board of Supervisors adopted  
6 Ordinance No. 0102-11 to approve a zoning map amendment for 701 Lombard Street and Joe  
7 DiMaggio Playground. As part of this Ordinance, the Board of Supervisors adopted  
8 environmental findings and incorporated by reference the above mentioned Planning  
9 Commission, Library Commission, and Recreation and Park Commission motions and  
10 resolutions. A copy of this Ordinance is on file with the Clerk of the Board of Supervisors in  
11 File No. 110312 and is incorporated herein by reference. The Board also took other actions  
12 related to this project in Ordinance No. 0101-11 (Vacation of a portion of Mason Street) and  
13 Resolution No. 0278-11 (Authorizing use of real property at 701 Lombard consistent with the  
14 Joe DiMaggio Playground Master Plan Project). A copy of this Ordinance and Resolution are  
15 on file with the Clerk of the Board of Supervisors in File Nos. 110316 and 110677,  
16 respectively, and are incorporated herein by reference. For purposes of this Ordinance  
17 concerning expenditure of bond proceeds, the Board of Supervisors finds that there is no new  
18 information of substantial importance, no project changes, and no changes to the  
19 circumstances under which the project is undertaken that would change the conclusions of the  
20 FEIR, and hereby relies on the environmental findings it previously adopted as part of  
21 Ordinance No. 0102-11 for the actions contemplated herein; and

22 I. The City now desires to expend Bond proceeds on construction costs related to  
23 the North Beach Project.

24 Section 2. Approval of Expenditure of Bond Proceeds. The Board hereby authorizes  
25 the expenditure of Bond proceeds on construction costs related to the North Beach Project.

1           I.     The City now desires to expend Bond proceeds on construction costs related to  
2 the North Beach Project.

3           Section 2. Approval of Expenditure of Bond Proceeds. The Board hereby authorizes  
4 the expenditure of Bond proceeds on construction costs related to the North Beach Project.

5           Section 3. General Authority. The Mayor, the City Attorney, the Controller, the  
6 Director of Public Finance, the City Librarian, the Clerk of the Board and other officers of the  
7 City and their duly authorized deputies and agents are hereby authorized and directed,  
8 jointly and severally, to take such actions and to execute and deliver such certificates,  
9 agreements, requests or other documents, as they may deem necessary or desirable to  
10 carry out the provisions of this Ordinance.

11          Section 4. Ratification of Prior Actions. All actions authorized and directed by this  
12 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

13          Section 5. File Documents. All documents referred to as on file with the Clerk of the  
14 Board are in File No. 120222.

15  
16  
17  
18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20 By: Kenneth David Roux  
21 Kenneth David Roux  
22 Deputy City  
23  
24  
25

Mayor Lee  
**BOARD OF SUPERVISORS**

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2/28/2012

**LEGISLATIVE DIGEST**

[North Beach Branch Library -- Environmental Findings and Bond Proceeds]

**Ordinance adopting environmental findings with respect to the North Beach Branch Library and approving the expenditure on the North Beach Branch Library of bond proceeds of lease revenue bonds previously authorized and issued to finance various projects under the Branch Library Improvement Program, as further described herein; granting general authority to City officials to take certain actions in connection with the expenditure of bond proceeds; and ratifying previous actions taken in connection therewith.**

Existing Law

This is new legislation.

Amendments to Current Law

Not applicable.

Background Information

Ordinance approving adopting environmental findings with respect to the North Beach Branch Library and approving the expenditure on the North Beach Branch Library of bond proceeds of lease revenue bonds previously authorized and issued to finance various projects under the Branch Library Improvement Program. In 2007, the voters of the City approved Proposition D, which extended the Library Preservation Fund, as codified in Section 16.109 of the City Charter, and authorized the Board to issue revenue bonds or other evidences of indebtedness, or to incur lease financing or other obligations, payable from any available funds pledged or appropriated by the Board for such purpose, the proceeds of which are to be used for the purposes set forth in Section 16.109(d). The City, acting through its City and County of San Francisco Finance Corporation, issued and sold in 2009 \$34,265,000 of lease revenue bonds (the "Bonds") to finance the costs of various projects under the Branch Library Improvement Program. In authorizing the issuance of the Bonds, the Board found and declared that the North Beach Branch Library was subject to further required environmental review under the California Environmental Quality Act and that the expenditure of Bond proceeds on the North Beach Branch Library would be limited to feasibility planning and environmental review purposes. This ordinance adopts certain environmental findings with respect to the North Beach Branch Library and authorizes the expenditure of bond proceeds with respect to the North Beach Branch Library.

Items 7 and 8  
Files 12-0222 and 12-0223

Department:  
San Francisco Public Library, Controller's Office of Public  
Finance

## EXECUTIVE SUMMARY

### Legislative Objectives

- File 12-0222: The proposed ordinance would appropriate a total of \$6,259,742, including (a) \$5,778,742 in Library Preservation Fund unappropriated fund balance and (b) \$481,000 in interest earnings from the Branch Library Improvement Program (BLIP) General Obligation Bond proceeds for the completion of the North Beach Branch Library.
- File 12-0223: The proposed ordinance would (a) approve environmental findings for the North Beach Branch Library, (b) approve the expenditure of bond proceeds from the lease revenue bonds previously authorized and issued to finance various projects under the BLIP now available from Program-wide Reserves for the construction of the North Beach Branch Library; (c) grant general authority to City officials to take certain actions in connection with the expenditure of bond proceeds, and (d) ratify previous actions.

### Key Points

- The BLIP includes (a) renovation of 16 branch libraries, (b) replacing three branch libraries with new facilities, (c) replacing four leased branch libraries with new City-owned buildings, (d) constructing one new branch library in Bayview, and (e) renovating a new Library Support Services Center at 190 9th Street. Of the 24 branch libraries, only the Mission Bay and the North Beach Branch Libraries are not yet completed.

### Fiscal Impact

- File 12-0222: The proposed ordinance would provide a total of \$6,259,742, including \$5,778,742 in Library Preservation Fund unappropriated fund balance and \$481,000 in interest earning from the BLIP General Obligation Bond proceeds for the completion of the North Beach Branch Library project, increasing the total BLIP budget from \$189,999,608 to \$196,259,350.
- Approval of the Library's requested \$5,778,742 from the Library Preservation's unappropriated fund balance for the North Beach Branch Library project would reduce the Fund Balance from \$17,307,437 to \$11,528,695.
- File 12-0223: The proposed ordinance would approve the environmental findings for the North Beach Branch Library which allows expenditure of lease revenue bonds proceeds for construction at the North Beach Branch Library.
- On February 16, 2012, the Library's Commission reallocated \$4,788,832 of BLIP Program-wide Reserves, including proceeds from lease revenue bonds for the construction of the North Beach Branch Library. In total, an additional \$11,048,574 would be provided for the North Beach Branch Library project, which would increase the current \$3,500,000 budget to \$14,548,574.

### Recommendations

- Approve the proposed two ordinances (Files 12-0222 and 12-0223).

**MANDATE STATEMENT / BACKGROUND****Mandate Statement**

Charter Section 9.105 provides that amendments to the appropriation ordinance be approved by ordinance by the Board of Supervisors, after the Controller certifies the availability of funds. Charter Section 16.109 allows the Library Commission to request, and upon recommendation of the Mayor, the Board of Supervisors to authorize the issuance of revenue bonds on behalf of the Public Library for the acquisition, construction, rehabilitation, and/or improvement of property or to purchase equipment.

In accordance with the California Environmental Quality Act (CEQA), any public agency that wants to approve a project that has a potential to result in a direct physical change in the environment must comply with CEQA by adopting specific findings prior to the approval of the project. City Administrative Code Sections 31.16 and 31.17 authorize the Board of Supervisors to review and affirm the Planning Commission's certification of the final Environmental Impact Report (EIR), in order to adopt environmental findings and approve the project.

**Background****2000 Branch Library Improvement Program General Obligation Bond**

In November 2000, San Francisco voters approved a \$105,865,000 Branch Library Improvement Program (BLIP) General Obligation Bond to seismically upgrade, increase accessibility, modernize with technology, expand and improve San Francisco's 24 branch libraries and the Library's Support Services Center. The BLIP General Obligation Bond measure was specifically intended to (a) renovate 19 branches libraries, (b) replace four leased branch libraries with new City-owned buildings, (c) construct one new branch library in Mission Bay, and (d) renovate a new Library Support Services Center at 190 9<sup>th</sup> Street.

Through actions taken in March 2007, February 2008, and September 2008, the Library Commission approved a final revised plan for the Branch Library Improvement Program that includes: (a) renovating 16 branch libraries, (b) replacing three branch libraries with new facilities, (c) replacing four leased branch libraries with new City-owned buildings, (d) constructing one new branch library in Mission Bay, and (e) renovating a new Library Support Services Center at 190 9<sup>th</sup> Street.

As shown in the Attachment as of February 29, 2012, of the 24 branch library projects included in the BLIP, 22 branches and the Support Services Center are complete and open. Currently, the Bayview Branch Library is under construction and the North Beach Branch Library is in the construction bid and award phase.

**Library Preservation Fund Lease Revenue Bonds**

In 1994, San Francisco voters approved Proposition E, a Charter Amendment that created the Library Preservation Fund, a dedicated fund to be used exclusively by the Public Library to provide library services and materials and operate library facilities. Proposition E requires the City to maintain (a) a baseline which would not be less than the amount appropriated to the



Public Library's budget in FY 1992-93 and (b) set aside two and one-half cents (\$0.025) for each one hundred dollars (\$100) assessed valuation from annual Property Taxes for the Library Preservation Fund. In November 2007, San Francisco voters approved a Charter Amendment for a 15-year extension (from Fiscal Year 2008-2009 through Fiscal Year 2023-2024) of the Library Preservation Fund that (a) reset the baseline to the amount appropriated to the Public Library in FY 2006-07, (b) maintained the \$0.025 annual set-aside for the Library Preservation Fund, and (c) authorized the Board of Supervisors to issue lease revenue bonds to finance the completion of the Branch Library Improvement Program, as codified in Section 16.109 of the City's Charter. Such lease revenue bonds would be repaid with revenues from the Library Preservation Fund.

In November, 2008, the Board of Supervisors authorized the San Francisco Finance Corporation, a nonprofit entity created by the City to facilitate lease financing, to issue a not-to-exceed \$36,000,000 of lease revenue bonds to be repaid with available Library Preservation Funds in order to complete the financing of six branch libraries: Anza, Bayview, Golden Gate Valley, Merced, North Beach, and Ortega, under the Branch Library Improvement Program (BLIP). On March 17, 2009, the San Francisco Finance Corporation issued and sold \$34,265,000 of such BLIP lease revenue bonds.

According to Ms. Maureen Singleton, Chief Financial Officer of the San Francisco Public Library, the \$34,265,000 lease revenue bond issuance was anticipated to be the first of two BLIP lease revenue bond issuances, estimated to total a not-to-exceed \$48,400,000. However, a February 28, 2012 memorandum from City Librarian Luis Herrera to the City's Capital Planning Committee reported that an improved construction climate, combined with enhanced program management practices, resulted in savings on both completed and awarded branch library projects. Such savings will allow the Public Library to fully fund the Bayview Branch Library project, now under construction, and allow the completion of the remaining North Beach Branch Library with BLIP Program-wide Reserves<sup>1</sup> (\$5,841,074 was available as of February 2012), together with the proposed subject supplemental appropriation of General Obligation Bond interest earnings, and available Library Preservation Fund unappropriated fund balance. As a result, Ms. Singleton, reports that the second issuance of the lease revenue bonds is not expected to occur.

According to Ms. Singleton, previously approved appropriations by the Board of Supervisors for the Branch Library Improvement Program were approved on a Program-wide basis. Therefore, as each Branch Library is completed, any remaining budgeted funds are closed out to the Library's Program-wide Reserve Fund, which the Library Commission can then reallocate as a source of funding for other Branch Library project costs.

### **North Beach Branch Library**

According to the February 28, 2012 memorandum from the City Librarian, the North Beach Branch Library project was originally budgeted as a renovation project with a small addition, at a preliminary budget of \$3,460,000.

<sup>1</sup> On February 16, 2012, the Library Commission reallocated all of the \$5,841,074 Program-wide Reserve available balance to fully fund the anticipated (a) North Beach Branch Library Project (\$4,788,832), (b) BLIP Program Management costs (\$752,242) and (c) City Attorney costs (\$300,000) through the end of the BLIP.

However, based on community feedback in 2007, followed by a six-month master planning process in 2008, conducted by the Public Library, the Recreation and Park Department (RPD), and the Department of Public Works (DPW), a revised North Beach Branch Library plan was approved.<sup>2</sup> This plan called for demolition of the existing North Beach Branch Library, closure of a portion of adjacent Mason Street, construction of a new 8,500 square foot North Beach Branch Library at 701 Lombard Street and a redesigned larger Joe DiMaggio Park. In May 2009, the Library Commission approved increasing the North Beach Branch Library project design and construction budget by \$40,000 from a total of \$3,460,000 to \$3,500,000 for just the initial design and construction bid phase of the revised project. The construction budget would be in addition to the \$3,500,000 cost

Ms. Singleton reports that in April 2011, the Environmental Impact Report (EIR) for the North Beach Branch Library and Joe DiMaggio Park Master Plan was certified by the Planning Commission. After a subsequent appeal, the EIR certification was upheld by the Board of Supervisors in June, 2011 (Motion M11-0091). However, Ms. Singleton advises that in July 2011, a complaint was filed challenging the EIR. The Public Library intends to proceed with the construction award bidding process, but may choose to wait to commence construction of the North Beach Branch Library project until the EIR challenge is resolved. The Public Library anticipates a June 2012 court date.

## DETAILS OF PROPOSED LEGISLATION

File 12-0222: The proposed ordinance would appropriate \$6,259,742, including (a) \$5,778,742 of Library Preservation Fund unappropriated fund balance and (b) \$481,000 of interest earnings from the Branch Library Improvement Program (BLIP) General Obligation Bond proceeds for the completion of the North Beach Branch Library.

File 12-0223: The proposed ordinance would:

- Approve environmental findings with respect to the North Beach Branch Library, as previously affirmed by the Board of Supervisors in Motion No. M11-0091 related to the Planning Commission's certification of the Final Environmental Impact Report for the North Beach Public Library and Joe DiMaggio Playground Master Plan Project;
- Approve the expenditure on the North Beach Branch Library of bond proceeds previously authorized and issued to finance various other projects under the BLIP now available from Program-wide Reserves, in order to fund construction costs related to the North Beach Branch Library project;
- Grant general authority to City officials to take certain actions in connection with the expenditure of bond proceeds; and ratifies previous actions authorized and directed by this ordinance.

<sup>2</sup>This Plan was approved unanimously by both the Library Commission and Recreation and Park Commission in September 2008.

**FISCAL IMPACTS**

In addition to the above-noted General Obligation Bonds, lease revenue bonds, and available Library Preservation Funds, the BLIP budget includes funding from various other sources, and currently totals \$189,999,608 as shown in Table 1 below.

**Table 1**  
**Current Branch Library Improvement Program Budget**  
**for 24 Branch Libraries and the Library Support Services Center**  
**(As of February 29, 2012)**

Sources	Budget	Expenditures & Encumbrances
Proposition A, November 2000 General Obligation Bonds <sup>3</sup>	\$112,901,580	\$109,913,916
Lease Revenue Bonds – 1st Issue	34,056,156	24,471,113
Friends of the Library <sup>4</sup>	16,000,000	8,800,872
Library Preservation Fund (LPF)	13,501,427	11,811,035
State Proposition 14 Grants <sup>5</sup>	9,710,784	9,710,376
State Proposition 122 Earthquake Safety Bonds <sup>6</sup>	2,400,000	2,400,000
Visitacion Valley Infrastructure Funds (VVIF) <sup>7</sup>	1,089,489	0
Rents received on library properties <sup>8,9</sup>	340,172	324,588
<b>Total</b>	<b>\$189,999,608</b>	<b>\$167,431,900</b>

<sup>3</sup> Budgeted amount includes \$105,865,000 of Proposition A General Obligation Bonds and \$7,036,580 of General Obligation Bond Interest Proceeds.

<sup>4</sup> The Friends of the San Francisco Public Library is a member-supported nonprofit organization that advocates, fundraises, and provides support for the Library and related literary and educational programs.

<sup>5</sup> Proposition 14 Grants are a State voter approved bond measure for \$350,000,000 for construction and renovation of public library facilities to expand access to reading and literacy programs and expand access to public library services.

<sup>6</sup> Proposition 122, a State voter approved bond measure provides \$300,000,000 for the reconstruction, seismic retrofitting, repair, replacement, and relocation of State and local government buildings considered unsafe.

<sup>7</sup> On November 18, 2005, Sections 319 through 319.7 were added to the City's Planning Code to impose a \$4.58 per square foot fee on new residential development in the Visitacion Valley area, to establish a Visitacion Valley Infrastructure Fund to mitigate impacts from residential development on public infrastructure in the Visitacion Valley, including libraries, streets, playgrounds, recreational facilities, and community centers.

<sup>8</sup> Visitacion Valley Rental Income: In September of 2003, the City purchased 201 Leland Avenue with the Super Fair Market grocery store on it for construction of a new Visitacion Valley Branch Library. As part of the purchase agreement, the grocery store owners rented the store and land from the City under a leaseback agreement, until January 30, 2009, with the rental income required to fund the new Visitacion Valley Branch Library.

<sup>9</sup> 190 9<sup>th</sup> Street Rental Income: After the purchase of the building, the Public Library rented out space in the Support Services Center, located at 190 9<sup>th</sup> Street, to another City agency before moving in the library operation services.

As shown in Table 1 above, as of February 29, 2012, Ms. Singleton, reports that of the \$189,999,608 budgeted for the BLIP, \$167,431,900 or 88.1 percent has been expended or encumbered. As shown in Table 1 above, the current total approved budget for the Proposition A General Obligation Bonds and Bond proceed interest is \$112,901,580, of which \$109,913,916 or 97.4 percent has been expended or encumbered.

The proposed \$6,259,742 supplemental appropriation (File 12-0222) which includes (a) \$481,000 of interest earnings from the Branch Library Improvement Program (BLIP) General Obligation Bond proceeds, and (b) \$5,778,742 of Library Preservation Fund unappropriated fund balance, to complete the new North Beach Branch Library, would increase the total BLIP budget from \$189,999,608 to \$196,259,350, as shown in Table 2 below.

**Table 2**  
**Current and Proposed Branch Library Improvement Program Budget**

Current BLIP Total Budget	\$189,999,608
<b>Supplemental Appropriation Request:</b>	
BLIP General Obligation Bond Proceed Interest Earnings	481,000
Library Preservation Fund Unappropriated Fund Balance	5,778,742
<b>Proposed Total BLIP Budget</b>	<b>\$196,259,350</b>

As of March 15, 2012, the Library Preservation unappropriated Fund balance was \$17,307,437. Approval of the Library's requested \$5,778,742 from the Library Preservation's unappropriated fund balance for the North Beach Branch Library project would reduce the Fund Balance to \$11,528,695, which is approximately consistent with the ten-year average fund balance of \$12,400,000 for the Library Preservation Fund. According to Ms. Singleton, if the Library Preservation Fund unappropriated fund balances are not appropriated to the North Beach Branch Library Project, such funds would remain in the Library Preservation Fund unappropriated balance for potential other Public Library operating, equipment and capital projects, subject to appropriation approval by the Board of Supervisors.

As noted above, in May 2009, the Library Commission increased the North Beach Branch Library project budget by \$40,000 from \$3,460,000 to \$3,500,000 to cover the initial design and construction bid phase for the expanded new North Beach Branch Library project. The proposed supplemental appropriation (File 12-0222) would add (a) \$481,000 of BLIP General Obligation Bond proceeds interest earnings and (b) \$5,778,742 of Library Preservation Fund unappropriated fund balances to the North Beach Branch Library project budget.

The proposed ordinance (File 12-0223) would approve environmental findings for the North Beach Branch Library which allows expenditure of lease revenue bonds proceeds for construction costs at the North Beach Branch Library. As noted in Footnote 1 above, on February 16, 2012, the Library's Commission reallocated \$4,788,832 of BLIP Program-wide Reserves, including proceeds from lease revenue bonds for the construction of the North Beach Branch Library Project. As noted above, the Board of Supervisors previously appropriated

funding for the BLIP on a Program-wide basis, Therefore, as each Branch Library is completed, any remaining budgeted funds are closed out to the Library's Program-wide Reserve Fund, which the Library Commission can then reallocate as a source of funding for other Branch Library project costs within the BLIP overall program.

As shown in Table 3 below, together the requested funding sources and the reallocated Program-wide Reserve Funds would provide an additional \$11,048,574 for the North Beach Branch Library project, which would increase the current \$3,500,000 budget to \$14,548,574.

**Table 3  
Funding Sources for the Branch Library Improvement Program -  
North Beach Branch Library**

<b>Current for North Beach Branch Library Budget</b>	<b>\$3,500,000</b>
Proposed Appropriation BLIP General Obligation Bond Proceed Interest Earnings (File 12-0222)	481,000
Proposed Appropriation Library Preservation Fund Unappropriated Fund Balance (File 12-0222)	5,778,742
Reallocated BLIP Program-wide Reserve	4,788,832
<b>Subtotal</b>	<b>\$11,048,574</b>
<b>Proposed Total North Beach Branch Library Budget</b>	<b>\$14,548,574</b>

The North Beach Branch Library total estimated project budget is \$14,548,574, as summarized in Table 4 below, such that approval of the proposed supplemental appropriation ordinance would fully fund the proposed North Beach Branch Library.

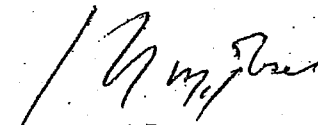
**Table 4**  
**Branch Library Improvement Program -**  
**North Beach Branch Library Estimated Project Budget**

<b>Construction, Purchase, Installation &amp; Site Control:</b>	
Principal Construction Contract	\$8,558,000
Misc./Other Construction	1,173,000
Art Enrichment	148,948
Hazardous Materials Construction/Abatement	165,000
Telecommunications	60,000
Site Control	4,359
<b>Subtotal</b>	<b>\$10,109,307</b>
<b>Project Control:</b>	
Architectural & Engineering Services	3,248,673
Regulatory Agency Approvals	461,750
DPW Contract Preparation	15,000
<b>Subtotal</b>	<b>\$3,725,423</b>
<b>Other Program Costs</b>	
Contingency	692,789
Reproduction and Bid Advertising Cost	21,055
<b>Subtotal</b>	<b>\$713,844</b>
<b>Total Estimated Project Budget</b>	<b>\$14,548,574</b>

Ms. Lena Ch'en, BLIP Program Manager, at DPW, states that the North Beach Branch Project is currently in the construction bid and award phase. All of the architectural design and engineering planning documents have been completed by consultants contracted through DPW as professional service contracts awarded following a competitive Request for Proposal (RFP) process. Construction bids are due in April 2012 and expected to be awarded to the lowest qualified bidder in May 2012. Currently construction is anticipated to begin in May or June 2012. The North Beach Branch Library is expected to be open by January 2014.

## RECOMMENDATION

Approve the proposed two ordinances (Files 12-0222 and 12-0223).



Harvey M. Rose

cc: Supervisor Chu  
Supervisor Avalos  
Supervisor Kim  
President Chiu  
Supervisor Campos  
Supervisor Cohen  
Supervisor Elsbernd  
Supervisor Farrell  
Supervisor Mar  
Supervisor Olague  
Supervisor Wiener  
Clerk of the Board  
Cheryl Adams  
Controller  
Kate Howard

## Branch Library Improvement Bond Program

<u>Branch</u>	<u>Project Status as of 21-Mar-12</u>
<b>Site Acquisitions / New Construction</b>	
Bayview	Under construction
Glen Park	Completed. Opened 10.13.07
Ingleside	Completed. Opened 9.12.09
Mission Bay	Completed. Opened 7.8.06
North Beach	Bid & Award Phase
Ortega	Completed. Opened 9.10.11
Portola	Completed. Opened 2.28.09
Visitation Valley	Completed. Opened 7.30.11
Support Services	Completed. Operational in 2005
<b>Renovations</b>	
Anza	Completed. Opened 6.18.11
Bernal Heights	Completed. Opened 1.30.10
Eureka Valley	Completed. Opened 10.24.09
Excelsior	Completed. Opened 7.9.05
Golden Gate Valley	Completed. Opened 10.15.11
Marina	Completed. Opened 8.4.07
Merced	Completed. Opened 5.14.11
Noe Valley	Completed. Opened 3.8.08
Park	Completed. Opened 2.26.11
Parkside	Completed. Opened 11.6.10
Potrero	Completed. Opened 3.6.10
Presidio	Completed. Opened 3.26.11
Richmond	Completed. Opened 5.16.09
Sunset	Completed. Opened 3.31.07
West Portal	Completed. Opened 2.10.07
Western Addition	Completed. Opened 2.2.08



Files 120222

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To: BOS Constituent Mail Distribution,  
Cc:  
Bcc:  
Subject: Library Commission Resolution

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From: "Sue A. Blackman" <sblackman@sfpl.org>  
To: "Board.of.Supervisors@sfgov.org" <Board.of.Supervisors@sfgov.org>,  
"angela.calvillo@sfgov.org" <angela.calvillo@sfgov.org>  
Date: 03/06/2012 11:53 AM  
Subject: Library Commission Resolution

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Please find attached a cover letter and Library Commission Resolution recommending the Board of Supervisors adopt an ordinance that appropriates Library Preservation Fund Balance monies and General Obligation Bond interest proceeds for costs related to the North Beach Branch Library. My understanding is that this item will be introduced at today's Board meeting. Please let me know if you need additional information. Thanks.

Sue Blackman  
Secretary, Library Commission  
San Francisco Public Library  
100 Larkin Street  
San Francisco, CA 94102-4733  
415.557.4233

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Ltr to BoS.pdf 2012-1 - North Beach funding.pdf



*San Francisco Public Library Commission*

100 Larkin Street, San Francisco, CA 94102-4733

Phone 415.557.4233, Fax 415.557.4240

March 6, 2012

Edwin M. Lee  
*Mayor*

Jewelle Gomez  
*President*  
A. Lee Munson  
*Vice-President*

Michael C. Breyer  
Larry Kane  
Michael Nguyen  
Teresa Ono  
Lorna Randlett  
*Commissioners*

Luis Herrera  
*City Librarian*

Sue Blackman  
*Commission Secretary*

Ms. Angela Calvillo  
Clerk of the Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlet  
San Francisco, CA 94102

Dear Ms. Calvillo,

Attached please find a copy of Library Commission Resolution No. 2012-01 recommending the Board of Supervisors adopt an ordinance that appropriates Library Preservation Fund Balance monies and General Obligation Bond interest proceeds for costs related to the North Beach Branch Library. This Resolution was adopted by the Library Commission at its regular meeting of February 16, 2012.

Sincerely,

Sue Blackman  
Library Commission Secretary



**SAN FRANCISCO LIBRARY COMMISSION**

**RESOLUTION NO. 2012-1**

**RESOLUTION RECOMMENDING THE BOARD OF SUPERVISORS ADOPT AN ORDINANCE THAT APPROPRIATES LIBRARY PRESERVATION FUND BALANCE MONIES AND GENERAL OBLIGATION BOND INTEREST PROCEEDS AND FOR COSTS RELATED TO THE NORTH BEACH BRANCH LIBRARY**

WHEREAS, On November 6, 2007, the voters of the City and County of San Francisco ("City") passed Proposition D, "Library Preservation Fund" ("Prop. D"), amending and restating Section 16.109 of the City Charter to authorize the use of Library Preservation Fund monies to provide library services and to construct, maintain and operate library facilities; and,

WHEREAS, The current Library Preservation Fund balance is \$17,307,437; and,

WHEREAS, There are \$481,000 in Branch Library Improvement Program (BLIP) General Obligation Bond proceed interest earnings currently available for appropriation; and,

WHEREAS, The City Librarian now proposes to utilize \$5,778,742 of the Library Preservation Fund balance monies and \$481,000 in BLIP General Obligation Bond proceed interest earnings to complete the North Beach Branch Library construction project; now therefore be it,

RESOLVED, That the Library Commission hereby recommends that the Board of Supervisors approve a supplemental appropriation that would appropriate \$481,000 in BLIP General Obligation Bond proceed interest

earnings and \$5,778,742 in Library Preservation Fund balance monies to complete the North Beach Branch Library construction project.

Approved on February 16, 2012

By a vote of: 6-0

A handwritten signature in cursive script that reads "Sue Blackman". The signature is written in black ink and is positioned above a horizontal line.

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Sue Blackman  
Library Commission Secretary