

File No. 110151

Committee Item No. 2
Board Item No. 2

COMMITTEE/BOARD OF SUPERVISORS
AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance SUB-Committee Date: April 27, 2011

Board of Supervisors Meeting

Date 5/10/11

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Ethics Form 126 |
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OTHER (Use back side if additional space is needed)

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Completed by: Victor Young
Completed by: R. CRAIG

Date: April 22, 2011
Date: 5/5/11

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

1 [Appropriating \$6,995,000 of State Loans - West Marina Yacht Harbor Renovations for
2 FY2010-2011]

3
4 **Ordinance appropriating \$6,995,000 of loan funding from the California Department of**
5 **Boating and Waterways for the renovation of the West Harbor of the San Francisco**
6 **Marina Yacht Harbor in the Department of Recreation and Park for FY2010-2011.**

7
8 Be it ordained by the People of the City and County of San Francisco:

9
10 Section 1. The sources of funding outlined below are herein appropriated to reflect the
11 funding available for Fiscal Year 2010-2011.

12
13 **SOURCES Appropriation**

Fund	Index Code / Project Code	Subsubject	Description	Amount
2S CRF RPA -	RECYACHTHARB	80199 - Proceeds	Loan from the	\$6,995,000
REC- Marina Yacht	Project: CRPMWH_01	from Other Long	California Department	
Harbor Fund	Marina West Harbor	Term Obligations	of Boating and	
	Renovation		Waterways	
Total SOURCES Appropriation				\$6,995,000

1 Section 2. The uses of funding outlined below are herein appropriated in the Subobject 06700
 2 Buildings, Structures, and Improvements; and reflects the projected uses of funding to support
 3 the Marina Yacht Harbor – West Harbor Renovations for the Recreation and Park Department
 4 for Fiscal Year 2010-2011.

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USES Appropriation

Fund	Index Code / Project Code	Subobject	Description	Amount
2S CRF RPA – REC- Marina Yacht Harbor	RECYACHTHARB Project: CRPMWH_01 Marina West Harbor	06700 Buildings, Structures, and Improvement Project –	Renovation of West Harbor in Marina Yacht Harbor	\$6,995,000
Fund	Renovation	Budget	Harbor	
Total USES Appropriation				<u><u>\$6,995,000</u></u>

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FUNDS AVAILABLE

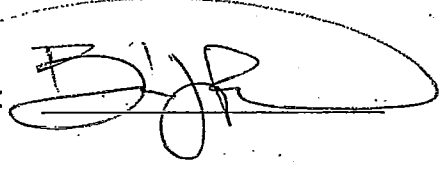
APPROVED AS TO FORM:

BEN ROSENFELD

DENNIS J. HERRERA, City Attorney

Controller

By:  _____

By:  _____

Deputy City Attorney

Date: 02/08/2011

Item 2**File 11-0151****(Continued from March 2, 2011)****Departments:**

Recreation and Park Department (RPD)

EXECUTIVE SUMMARY**Legislative Objective**

- The proposed ordinance would appropriate a \$6,995,000 loan from the California Department of Boating and Waterways (DBW) to be used for the renovation of the West Harbor Project of the Recreation and Park Department (RPD) Marina Yacht Harbor.

Key Points

- The West Harbor Renovation Project includes (a) demolition of 327 existing berths and construction of 325 reconfigured berths, (b) upgrading the electrical and water dock utilities, and (c) harbor dredging.
- On December 5, 2008, the Board of Supervisors approved a \$25,850,000 State loan, on a cost reimbursement basis, to complete the West Harbor Renovation Project. However, due to State budgetary issues, the State notified the RPD that the loan was reduced by \$2,355,000 to \$23,495,000.
- On April 2, 2009, the Board of Supervisors approved \$16,500,000 loan funds to the RPD, out of the total loan of \$23,495,000. On January 11, 2011, the State notified the RPD regarding the availability of the remaining loan amount of \$6,995,000 for the West Harbor Renovation Project.

Fiscal Impacts

- Currently, the West Harbor Renovation Project's total estimated cost is \$24,810,000, which is \$1,315,000 more than the total available \$23,495,000 State loan. The RPD plans to allocate \$1,315,000 from the Marina Yacht Harbor Project Fund, which has a total balance of \$4,000,000 as of February 2011, of which \$2,700,000 is pledged to the West Harbor.
- Repayment of the total State principal loan of \$23,495,000 plus \$22,583,355 interest (based on an interest rate of 4.5 percent per annum) will cost the RPD a total of \$46,078,355. RPD would make annual loan repayments of lesser amounts in early years increasing to \$1,426,000 annually over a total of 35 years. The RPD plans to repay the State loan funds from annual net income from the West Harbor operations, which accrue to the Marina Yacht Harbor Fund. Pursuant to the loan agreement between RPD and the State, the RPD must maintain a minimum debt coverage ratio of 1.25 of net income plus prior year's cumulative surplus to annual debt service.
- The RPD allocated a ten percent construction contingency of \$1,875,598. If this contingency is not sufficient to cover construction cost overruns, the RPD will finance such costs from the Marina Yacht Harbor Fund, which has a total fund balance of \$4,000,000, of which \$2,700,000 is for the West Harbor.
- The Board of Supervisors previously approved a 37 percent rate increase in berth rental rates in the West Harbor, which are projected to be sufficient to meet the State's debt obligations under the proposed loan agreement.

Recommendation

- Approve the proposed ordinance.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Charter Section 9.105 requires that amendments to the annual appropriation ordinance be approved by ordinance of the Board of Supervisors, and not be adopted unless the Controller certifies the availability of funds.

Background

The San Francisco Marina Yacht Harbor consists of two harbors, located approximately one-half mile east of the Golden Gate Bridge and west of Fort Mason: (a) the West Harbor, which consists of 327 berths, and (b) the East Harbor, which consists of 342 berths. The West Harbor Renovation Project would consist of the (a) demolition of 327 existing berths and construction of 325 reconfigured berths, (b) upgrading the electrical and water dock utilities, and (c) harbor dredging.

According to Ms. Mary Hobson, Project Director at the Recreation and Park Department (RPD) Capital Improvement Division, the East Harbor Renovation Project is currently unfunded, and there is no set schedule for its implementation. The project scope would consist of the (a) demolition of existing and construction of new docks, slips, gangways and gates, (b) upgrades to dockside utilities, (c) maintenance dredging, (d) installation of a new pump station, (e) installation of a new floating breakwater, (f) upgrade to the boat launch facility and adjacent dry boat storage yard, (g) renovation of the restrooms, and (h) construction of a new maintenance facility.

According to Ms. Hobson, the RPD applied to the California Department of Boating and Waterways (DBW) for State loan funding in 2002 in the amount of \$42,000,000 to renovate both the East Harbor and the West Harbor. Subsequently, the East Harbor Renovation Project and the West Harbor Renovation Project were divided into two separate projects. Ms. Hobson advises that the East Harbor Renovation Project loan funds from the State will be reconsidered for approval by the State at an undetermined date in the future.

On February 21, 2008, the RPD was awarded a State loan of \$25,850,000 from the DBW to fund the above-described West Harbor Renovation Project. On December 5, 2008, the Board of Supervisors approved the acceptance of the \$25,850,000 loan from the State for the West Harbor Renovation Project (Resolution No. 491-08, File No. 08-1329). According to Ms. Katharine Petrucione, Director of Administration and Finance for the RPD, this State loan is on a cost reimbursement basis, such that the RPD must first expend RPD funds and then submit claims to the State to get reimbursed for any expenditures on the West Harbor Renovation Project up to the maximum loan amount.

On March 16, 2009, the State notified the RPD that (a) due to State budget problems, the original loan amount of \$25,850,000 was being reduced to \$23,495,000, a reduction of

\$2,355,000, and (b) \$16,500,000 of loan funds were currently available for the RPD, out of the total loan of \$23,495,000, for the West Harbor Renovation Project. The \$16,500,000 was approved by the Board of Supervisors on April 2, 2009 (Ordinance No. 44-09, File 09-0131).

According to Ms. Hobson, the interest rate on the unpaid balance of the amended loan of \$23,495,000 is 4.5 percent per annum. Ms. Hobson advises that repayment of the total \$23,495,000 principal State loan plus interest costs of \$22,583,355 over 35 years will result in total loan repayments from the RPD to the State of \$46,078,355. The RPD will make annual payments that gradually increase over the first eight years of the loan, leveling off at an annual payment of \$1,426,000. The loan principal and interest repayments are not required to begin until FY 2012-2013, when the West Harbor Renovation Project is completed. Pursuant to the terms of the loan agreement between the RPD and the State, the RPD is required to maintain a minimum debt coverage ratio of 1.25 of net income plus prior year's cumulative surplus to annual debt service.

According to Ms. Petrucione, the State has required the RPD to begin making interest only payments in August 2010, on State loan funds already reimbursed by the State to the RPD for costs incurred for the West Harbor Renovation Project. As of February 2011, Ms. Petrucione advises that the RPD has received total reimbursements of \$1,480,000 from the State, such that to date, the RPD has repaid the State a total of \$20,085 in interest expenses. Ms. Petrucione advises that the State is not requiring the RPD to demonstrate a minimum debt service ratio until the West Harbor Renovation Project is completed and the State fully reimburses the RPD for all expenditures. Ms. Petrucione advises that the RPD is making the interest only payments to the State from annual net income from the West Harbor operations revenues, which accrue to the Marina Yacht Harbor Fund, a special revenue fund administered by the RPD. The Marina Yacht Harbor's revenues are recovered from berth rental fees and concession revenues. Such revenues are also used to pay for operating expenses, as well as facilities maintenance and capital repairs to the existing Marina Yacht Harbor facilities.

Ms. Hobson advises that, based on a competitive Request for Proposal (RFP) process, preliminary design and technical investigations of the West Harbor Renovation Project was completed by the firm, Winzler & Kelly, on December 31, 2009 for a total cost of \$1,966,410. Ms. Hobson also advises that the RPD entered into an emergency sole source agreement with Salt River Inc. in 2009 at a cost of \$198,900 to perform urgent dredging¹ activities. Ms. Hobson advises that a number of factors led to the emergency agreement: (a) a different firm that was previously secured by the RPD through a competitive bid process withdrew from the agreement, (b) the window of opportunity to dredge was going to lapse because the RPD could only dredge during six months of the year, and (c) sediment was accumulating, such that boats would not be able to enter and exit the West Harbor. Ms. Hobson adds that the RPD also entered into a competitively

¹ Ms. Hobson advises that dredging excavates valueless underwater bottom sediments and disposes of them at a different location.

bid agreement with Vortex Marine Inc. at a cost of \$403,704 in 2010 to complete a needed sandmining² project in the West Harbor.

Ms. Hobson advises that, on September 21, 2010 and November 4, 2010, the RPD secured two of the three required construction permits from the California Regional Water Quality Control Board and the San Francisco Bay Conservation and Development Commission, respectively, in order to begin the construction project phase of the West Harbor Renovation Project. According to Ms. Hobson, the third required permit is being secured from the Army Corps of Engineers and is expected to be obtained in March 2011.

On October 8, 2010, the RPD issued a competitive bid for the construction of the West Harbor Renovation Project. On December 15, 2010, the RPD received two bids from four qualified firms. Based on the two bids received, the RPD awarded a construction agreement on January 20, 2011 to the lowest-bidder firm, Dutra Construction Inc., in the amount of \$18,755,348. Under this \$18,755,348 construction agreement, Dutra Construction Inc. will provide (a) maintenance dredging, (b) seawall repairs, (c) hazardous material handling, (d) site landscaping, (e) breakwater repairs, and (f) utility infrastructure work. Construction is expected to begin the first week of May 2011. In accordance with Section 9.118 of the City's Charter, construction agreements are not subject to the Board of Supervisors approval.

The reduced State total loan award of \$23,495,000, less the previously allotted State loan funds to RPD of \$16,500,000 resulted in a remaining balance of State loan funds of \$6,995,000. On January 11, 2011, the State notified the RPD as to the availability of the remaining loan funds of \$6,995,000 (\$23,495,000 less \$16,500,000) to be used for the construction project phase of the West Harbor Renovation Project.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate State loan proceeds of \$6,995,000, which is the remaining loan installment from the total State loan amount of \$23,495,000, for the Marina Yacht Harbor's West Harbor Renovation Project.

The proposed appropriation of \$6,995,000 in State loan proceeds would be used by the RPD to partially fund the West Harbor Renovation Project's construction agreement of \$18,755,348 with Dutra Construction Inc.

FISCAL IMPACTS

Currently, the West Harbor Renovation Project is estimated to cost a total of \$24,810,000, which is \$1,315,000 more than the total reduced State loan amount of \$23,495,000. According to Ms. Petrucione, the RPD will allocate \$1,315,000

² Ms. Hobson advises that sandmining operations result in the excavation and sale of underwater bottom sediments with value, such as sand and other mineral deposits, which are then sold at market value.

(\$24,810,000 less \$23,495,000) from the RPD's Marina Yacht Harbor Project Fund, to fund the difference between the costs to complete the West Harbor Renovation Project and available State loans. According to Ms. Petrucione, as of February 2011, the total Marina Yacht Harbor Project Fund's balance is approximately \$4,000,000, of which \$2,700,000 is pledged to the West Harbor.

Attachment I, provided by Ms. Hobson, provides a budget for the West Harbor Renovation Project. As shown in Attachment I, the budget of \$24,810,000 is divided into two major categories: (a) \$3,576,451 for Design and Engineering, Construction Services and Regulatory Agency Approval expenditures, and (b) \$21,233,550 for Construction expenditures. According to Ms. Petrucione, a total of approximately \$2,569,014 of the total estimated project cost of \$24,810,000 has been expended to date, including (a) \$1,966,410 for design and engineering, (b) \$198,900 for emergency dredging, and (c) \$403,704 for other dredging activities. Ms. Petrucione advises that, to date, the State has reimbursed \$1,480,000 in State loan funds to the RPD.

According to Ms. Hobson, the subject \$6,995,000 loan amount from the State is subject to the same loan terms as the initial loan amount of \$16,500,000, including an annual interest rate of 4.5 percent on the unpaid loan balance. As noted above, the City must first incur the costs and then submit claims to the State for reimbursement up to the maximum \$23,495,000 State loan. Repayment of the entire \$23,495,000 State loan plus \$22,583,355 of interest expense at a rate of 4.5 percent per year over 35 years will result in the RPD incurring total costs of \$46,078,355. To repay the entire \$46,078,355 to the State, RPD would make annual payments which would increase each year over the first eight years, then level off at an annual rate of \$1,426,000 each, year for 27 additional years.

According to Ms. Hobson, the RPD plans to repay the entire \$46,078,355 State loan and interest expenses from increased annual net income³ from the West Harbor operations. Ms. Petrucione advises that annual revenues, including berth rental fees, and concession revenues from the West Harbor operations, accrue to the Marina Yacht Harbor Fund. The estimated revenues from the berth rental fees, concession revenues and the associated cash flow projections and debt coverage ratios from FY 2010-2011 through FY 2045-2046 are shown in Attachment II, provided by Ms. Petrucione.

Ms. Petrucione notes that the Board of Supervisors previously approved increases to the berth rental rates of approximately 37 percent in FY 2012-2013 to cover the total \$23,495,000 State loan. According to Ms. Petrucione, the terms of the subject \$6,995,000 State loan requires that the RPD create a separate Escrow Account, funded over ten-years, to provide two years of set-aside loan payments, or approximately \$2,852,000 (\$1,426,000 times two years) as additional security to the State for repayment of the State

³ On November 19, 2008, the Board of Supervisors approved Ordinance No. 0307-08 (File No. 08-1328), which authorized the RPD to increase the West Harbor berth rental fees by approximately 37 percent per berth in FY 2012-2013, or upon completion of the West Harbor Renovation Project in order to offset the costs of the anticipated renovation of the West Harbor, to be funded with the total State loan fund proceeds of \$23,495,000.

loan. As shown in Attachment II, RPD anticipates contributing approximately \$673,000 in FY 2012-2013 and then between \$190,000 to \$300,000 annually each of the following nine years to provide approximately \$2,852,000 into this Escrow Account Set Aside.

As noted above, pursuant to the terms of the loan agreement between the RPD and the State, the RPD is required to maintain, at a minimum, a debt coverage ratio of 1.25 of net income plus prior year's cumulative surplus to annual debt service. As shown in Attachment II, the total Marina Yacht Harbor revenues, including the berth rental fees, will result in estimated debt coverage ratios ranging from 2.10 in FY 2016-2017 and FY 2017-2018 to 26.60 in FY 2045-2046, which exceeds the State's required minimum debt coverage ratio of 1.25. As noted above, this assumes an increase in berth rental rates of 37 percent in FY 2012-2013, as previously approved by the Board of Supervisors.

Additionally, as shown in Attachment II, the estimated revenues from berth rental fee increases, beginning in FY 2012-2013, are projected to result in a cumulative surplus, of approximately \$37,928,000 for the West Harbor by FY 2045-2046. The berth rental fee increases, as previously approved by the Board of Supervisors, will assist in enabling the RPD to (a) fully pay the projected debt service costs associated with the subject State loan, (b) fund the State required \$2,852,000 Escrow Account Set Aside, and (c) fund ongoing capital and maintenance repairs needed by the West Harbor.

According to Ms. Petrucione and as shown in Attachment I, the RPD has allocated a contingency amount of \$1,875,598, or ten percent of the \$18,755,348 in the construction budget in the event that construction costs exceed available funding. If this contingency fund is not sufficient to cover potential cost overruns, the RPD plans to finance the additional costs through the Marina Yacht Harbor Fund, which, as noted above, has a fund balance of \$4,000,000 as of February 2011, of which \$2,700,000 is pledged to the West Harbor.

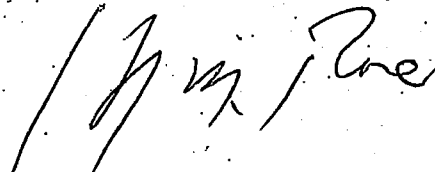
POLICY CONSIDERATION

The Budget and Legislative Analyst previously reported that RPD was assuming berth rental rates would need to increase approximately 45 percent in FY 2012-2013, when the West Harbor Renovation Project is completed, in order to repay the State for the subject loan funds, create the State-required Escrow Account Set-Aside of approximately \$2,852,000, and meet the State's required 1.25 percent debt coverage ratio. This was in contrast to the Board of Supervisors previous approval of an approximately 37 percent increases in berth rental rates in the West Harbor, not 45 percent. However as shown in Attachment II provided by Ms. Petrucione, RPD received a revised debt service schedule from the State which assumes that debt service costs ramp up over the first eight years of the loan and which extends the State loan by five years from 30 years to 35 years, thus reducing the annual loan costs. This annual reduction in debt service costs will enable RPD to make a greater annual contribution to the State-required Escrow Account Set

Aside in the first year that RPD must fund the Set Aside and a reduced contribution in later years. This changes the department's cash flow projections and allows the department to fund the Escrow Account Set Aside with the 37 percent previously approved increases in berth rental rates and the associated projected revenues that would be received by RPD. Therefore, no further increases in the berth rental rates would be required in order to allow the RPD to fully meet the subject loan obligations.

RECOMMENDATION

Approve the proposed ordinance.



Harvey M. Rose

cc: Supervisor Chu
Supervisor Mirkatimi
Supervisor Kim
President Chiu
Supervisor Avalos
Supervisor Campos
Supervisor Cohen
Supervisor Elsbernd
Supervisor Farrell
Supervisor Mar
Supervisor Wiener
Clerk of the Board
Cheryl Adams
Controller
Greg Wagner

3038V - MARINA YACHT HARBOR - WEST HARBOR RENOVATION
 FUNDING PLAN
 10/14/2010

Attachment I

	DBW CONTRACT ALLOWANCES	CURRENT BUDGET
Principal Construction Construction		
D/B Phase 1 - Dutra Construction		\$12,528,606.00
D/B Phase 2 - Dutra Construction		\$6,226,842.00
Construction Contingency (10%)		\$1,875,536.00
Misc/Other Construction		
Dredging Contract - 2009, Salt River		\$198,900.00
Dredging Contract - 2010, Vortex Marine		\$403,704.00
CONSTRUCTION BUDGET	\$18,795,000.00	\$21,237,137.00
Design & Engineering		
Design/Engineering: Winzler & Kelly		\$1,966,410.00
HM Sampling & Testing: AGS/Kinnetic		\$71,776.00
HM Assessment: Winzler & Kelly		\$16,292.00
Phase I Environmental Assessment: Baseline		\$9,740.00
Historic Resources Rpt: Carey/Furgo		\$9,400.00
Haz Mat Testing: North Tower Environmental		\$3,301.88
	\$2,819,400.00	\$2,076,916.88
Construction Services		
Construction Management		\$700,000.00
Materials Testing/Special Inspections		\$100,000.00
OLSE		\$8,000.00
	\$1,174,760.00	\$808,000.00
Regulatory Agency Approvals		
City Planning EIR Ammendment		\$11,945.72
Regional Water Quality Board		\$640.00
Bay Conservation & Development Commission		\$39,950.00
	\$704,860.00	\$52,535.72
ENGINEERING & PERMITS	\$2,819,400.00	\$2,139,452.60
Project Management		
RPD PM		\$500,000.00
BOE PM		\$75,000.00
Administration		
BCM Contract Admin (Baseline)		\$1,220.00
BCM Contract Admin (Carey)		\$1,220.00
BCM Contract Admin (AGS/Kinnetic)		\$7,177.50
BCM Contract Admin (WK)		\$1,529.20
BCM Contract Admin (North Tower)		\$910.00
BOE Contract Prep		\$29,250.00
MOD - ADA Review		\$12,860.00
Misc.		
Elite / BPS / Other		\$9,740.00
MANAGEMENT & ADMINISTRATION	\$1,174,760.00	\$906,886.20
PROJECT CONTINGENCY (UNALLOCATED)		
TOTAL PROJECT COSTS	\$24,810,000.00	\$24,810,000.00

TOTAL PROJECT COSTS Rounded to: \$24,810,000

Table 3
CASH FLOW PROJECTIONS AND DEBT COVERAGE RATIO
FY 2010-11 THROUGH FY 2045-46
(figures in thousands)

Budget	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	35-36	36-37	37-38	38-39	39-40	40-41	41-42	42-43	43-44	44-45	45-46			
REVENUES	\$1,123	\$830	\$1,066	\$2,392	\$2,633	\$1,527	\$2,603	\$2,681	\$2,761	\$2,944	\$2,929	\$3,017	\$3,108	\$3,201	\$3,297	\$3,396	\$3,498	\$3,602	\$3,711	\$3,822	\$3,937	\$4,055	\$4,176	\$4,302	\$4,431	\$4,564	\$4,700	\$4,841	\$4,987	\$5,136	\$5,290	\$5,449	\$5,613	\$5,781	\$5,954	\$6,133			
Berths - Regular ¹⁾	0	0	67	69	71	73	75	78	82	83	87	90	93	95	98	101	104	107	111	114	117	121	125	128	132	136	140	144	149	153	158	163	167	172	177	182	187		
Berths - Guest ²⁾	280	312	312	312	312	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	347	
Concessions & Permits ³⁾	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Day Steaming ⁴⁾	\$1,604	\$1,661	\$2,340	\$2,761	\$2,834	\$2,910	\$3,023	\$3,103	\$3,186	\$3,271	\$3,359	\$3,448	\$3,531	\$3,617	\$3,705	\$3,797	\$3,892	\$4,028	\$4,136	\$4,247	\$4,361	\$4,479	\$4,603	\$4,734	\$4,872	\$5,019	\$5,176	\$5,343	\$5,521	\$5,709	\$5,908	\$6,118	\$6,339	\$6,572	\$6,818	\$7,077	\$7,341	\$7,611	
Sub-Total Revenues	\$460	\$474	\$556	\$619	\$678	\$676	\$697	\$718	\$739	\$761	\$784	\$808	\$832	\$857	\$883	\$909	\$936	\$964	\$993	\$1,023	\$1,054	\$1,085	\$1,118	\$1,152	\$1,186	\$1,222	\$1,258	\$1,296	\$1,335	\$1,375	\$1,416	\$1,459	\$1,502	\$1,548	\$1,594	\$1,642	\$1,691	\$1,741	
EXPENSES	104	118	120	154	159	163	168	173	179	184	189	195	201	207	213	220	226	233	240	247	255	262	270	278	286	295	304	313	322	332	342	352	362	374	385	397	410	424	
Salaries & Fringe ⁵⁾	66	68	72	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112
Overhead ⁶⁾	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	
Non-Personnel Services ⁷⁾	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	
Miscellaneous, Supplies & Equipment ⁸⁾	109	122	136	140	144	149	153	158	162	167	172	177	183	188	194	200	206	212	218	225	232	238	246	253	261	268	276	285	293	302	311	320	330	340	350	360	370	380	
Services of Other Departments ⁹⁾	142	50	74	76	79	81	83	86	88	91	94	97	99	102	106	109	112	115	119	122	126	130	134	138	142	146	150	155	160	164	169	174	180	185	191	197	203		
Facility Maintenance ¹⁰⁾	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Maintenance Dredging ¹¹⁾	500	91	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Misc. Capital ¹²⁾	22	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	
2% Reserve of West Harbor Revenues ¹³⁾																																							
2% Reserve of Net Harbor Revenues ¹⁴⁾																																							
Estimate Account Set Aside ¹⁵⁾																																							
Sub-Total Expenses	\$1,476	\$991	\$1,889	\$1,541	\$1,586	\$1,627	\$1,655	\$1,734	\$1,809	\$1,900	\$1,948	\$1,998	\$2,049	\$2,101	\$2,155	\$2,190	\$2,268	\$2,307	\$2,388	\$2,474	\$2,564	\$2,654	\$2,744	\$2,834	\$2,924	\$3,014	\$3,104	\$3,194	\$3,284	\$3,374	\$3,464	\$3,554	\$3,644	\$3,734	\$3,824	\$3,914	\$4,004	\$4,094	
NET OPERATING INCOME	\$-72	\$170	\$464	\$1,230	\$1,248	\$1,263	\$1,268	\$1,368	\$1,369	\$1,377	\$1,371	\$1,410	\$1,490	\$1,522	\$1,576	\$1,621	\$1,667	\$1,709	\$1,748	\$1,783	\$1,814	\$1,841	\$1,864	\$1,883	\$1,900	\$1,916	\$1,931	\$1,946	\$1,961	\$1,976	\$1,991	\$2,006	\$2,021	\$2,036	\$2,051	\$2,066	\$2,081	\$2,096	
FIN. INTEREST INCOME¹⁶⁾	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	
NET INCOME	\$-29	\$224	\$509	\$1,284	\$1,315	\$1,311	\$1,318	\$1,418	\$1,421	\$1,429	\$1,424	\$1,463	\$1,545	\$1,577	\$1,629	\$1,678	\$1,725	\$1,769	\$1,817	\$1,861	\$1,901	\$1,937	\$1,968	\$1,989	\$2,010	\$2,027	\$2,043	\$2,059	\$2,075	\$2,091	\$2,107	\$2,123	\$2,139	\$2,155	\$2,171	\$2,187	\$2,203	\$2,219	
LESS DEBT SERVICES¹⁷⁾	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
ANNUAL SURPLUS	\$-29	\$180	\$509	\$1,284	\$1,315	\$1,311	\$1,318	\$1,418	\$1,421	\$1,429	\$1,424	\$1,463	\$1,545	\$1,577	\$1,629	\$1,678	\$1,725	\$1,769	\$1,817	\$1,861	\$1,901	\$1,937	\$1,968	\$1,989	\$2,010	\$2,027	\$2,043	\$2,059	\$2,075	\$2,091	\$2,107	\$2,123	\$2,139	\$2,155	\$2,171	\$2,187	\$2,203	\$2,219	
CUMULATIVE SURPLUS	\$2,700	\$2,840	\$2,942	\$2,956	\$2,973	\$2,996	\$2,997	\$2,990	\$3,011	\$3,016	\$3,061	\$3,186	\$3,655	\$4,178	\$4,756	\$5,393	\$6,134	\$6,939	\$7,812	\$8,753	\$9,767	\$10,908	\$12,128	\$13,432	\$14,821	\$16,291	\$17,934	\$19,666	\$21,500	\$23,441	\$25,493	\$27,728	\$30,084	\$32,566	\$35,179	\$37,928			
DEBT COVERAGE RATIO¹⁸⁾		7.19	2.34	2.30	2.27	2.10	2.10	2.11	2.11	2.11	2.15	2.23	2.36	2.93	3.34	3.78	4.30	4.87	5.48	6.14	6.85	7.65	8.51	9.42	10.39	11.43	12.58	13.79	15.08	16.44	17.83	19.44	21.10	22.84	24.67	26.60			

1. FY 10-11 is approved budget. Final rate increase of 3.7% upon completion of project in FY 12-13.
 2. After restoration guest fees increase by CPI, estimated at 3% per year.
 3. Approximately 50% of concession revenue is generated in the West Harbor. St. Francis Youth Club lease increases by 15% every 5 years. FY 09-10 actuals include \$45,000 in permit revenues.
 4. Includes revenue from the West Harbor, including the West Harbor, and the West Harbor. St. Francis Youth Club lease increases by 15% every 5 years. FY 09-10 actuals include \$45,000 in permit revenues.
 5. PRE-RENOVATION EXPENSES FOR WEST HARBOR, EXCEPTING FACILITY MAINTENANCE, ARE 48% OF TOTAL FOR ENTIRE MARINA BASED UPON DISTRIBUTION OF USABLE BERTHS IN EAST AND WEST HARBORS. POST-RENOVATION, WEST HARBOR ASSUMES 52% OF EXPENSES. IMPLEMENTED 13-14.
 6. Estimates increased at 3% per year.
 7. Estimates increased at 3% per year.
 8. Estimates increased at 3% per year.
 9. Estimates increased at 3% per year.
 10. 33% of facility cost to be paid in a sinking fund to retire the debt. West Harbor, estimated at 3% per year until completion in FY 12-13. In FY 12-13 amount is reduced by one-half and estimates increase thereafter at 3% per year.
 11. \$50,000 per year to be used in a sinking fund to retire the debt. West Harbor, estimated at 3% per year until completion in FY 12-13. In FY 12-13 amount is reduced by one-half and estimates increase thereafter at 3% per year.
 12. Minor capital projects in the West Harbor. FY 09-10 includes appropriations for restoration project management and half of bicycle path improvements for Harbor.
 13. Reserve per Exhibit A, Art. 4, Definition 5, of the Loan Agreement.
 14. City will create an escrow account to hold two years' worth of debt service payments. Account to be funded over 10 year period and available in both parties, upon mutual consent, for life of loan.
 15. Estimates based upon 2% of Prior Year's PREVIOUS SURPLUS.
 16. From DRW debt service schedule.
 17. Calculated as a ratio of NET INCOME plus Prior Year's CUMULATIVE to DEBT SERVICE.



File 110151
BOS-11, CPAGC, COB

Capital Planning Committee

Amy L. Brown, Acting City Administrator, Chair

MEMORANDUM

February 15, 2011

To: Supervisor David Chiu, Board President

From: Amy L. Brown, Acting City Administrator and Capital Planning Committee Chair *Amy L. Brown*

Copy: Members of the Board of Supervisors
Angela Calvillo, Clerk of the Board
Capital Planning Committee

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2011 FEB 16 AM 9:42
BY *[Signature]*

Regarding: Supplemental Appropriation Request for the Marina Yacht Harbor, West Harbor Renovation Project (\$6,995,000)

In accordance with Section 3.21 of the Administrative Code, on February 14, 2011, the Capital Planning Committee (CPC) reviewed one action item under consideration by the Board of Supervisors – the supplemental appropriation request for the West Harbor Renovation at the Marina Yacht Harbor. The CPC's recommendations are set forth below as well as a record of the members present.

1. Board File Number 110151: Ordinance appropriating \$6,995,000 in loans from the California Department of Boating and Waterways for the Marina Yacht Harbor West Harbor Renovation project.

Recommendation: Recommend the Board of Supervisors approve the ordinance appropriating funds for the Marina Yacht Harbor West Harbor Renovation.

Comments: The CPC recommended approval by a vote of 10-0. Committee members or representatives in favor include Amy Brown, Acting City Administrator; Toks Ajike, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; Cindy Nichol, San Francisco International Airport; John Rahaim, Planning Department; Ed Reiskin, Department of Public Works; Ben Rosenfield, Office of the Controller; Todd Rydstrom, San Francisco Public Utilities Commission; Judson True, Board President's Office; and Rick Wilson, Mayor's Budget Office.



arnell (3)

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

January 25, 2011

Honorable Edwin Lee
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Supplemental Appropriation of \$6.9 million in California Department of Boating and Waterways loan funds for the renovation of the West Harbor of the San Francisco Marina Yacht Harbor

Dear Mayor Lee:

After a multi-year planning process, the Recreation and Park Department is about to begin renovation of the West Harbor of the Marina Yacht Harbor. The department has recently received approval for the final phase of project funding, in the amount of \$6.9 million, from the California Department of Boating and Waterways and seeks your approval to appropriate the funds. The Board of Supervisors approved a resolution accepting the funds from the state in 2008 and appropriated the first installment of \$16.5 million from the state in 2009.

The loan from the state has a four percent rate of interest and a 30 year repayment period. The Recreation and Park Department's financial analysis demonstrates that the Marina has the capacity to repay the loan at the agreed upon terms and to maintain a surplus in the West Harbor fund over the term of the loan. The department anticipates that it will complete the project in fiscal year 2012 - 2013.

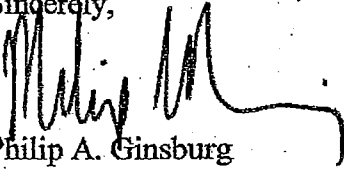
The proposed project in the West Harbor consists of demolition of existing berths and construction of:

- Reconfigured berths in the West Harbor
- Upgrades of electrical and water dock utilities
- Installation of new barrier-free access gangways with security gates
- Construction of a new breakwater
- Replacement of revetment
- Mole removal
- Dredging
- Improvement of buildings.

The department has received bids and selected a contractor and is ready to request the Controller to certify the construction contract for the project. Attached is a budget for the project.

Thank you for your consideration of this supplemental appropriation. If you have any questions, please contact the department's Director of Administration and Finance, Katie Petrucione, at 831-2703.

Sincerely,

A handwritten signature in black ink, appearing to read 'Philip A. Ginsburg', with a long horizontal flourish extending to the right.

Philip A. Ginsburg
General Manager

REQUEST FOR SUPPLEMENTAL APPROPRIATION

DEPARTMENT: REC & PARK DIVISION: CAPITAL

DATE: 01/20/11

To the Mayor:

Request is hereby made for supplemental appropriation from the following appropriation(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT
FUND: 2S/CRF/RPA ORGANIZATION: REC1603 INDEX CODE: RECYACHTHARB CHAR/SUB-OBJ: 80199 PROJECT: CRPMWH_01	R&P-MARINA YACHT HARBOR FUND REC/PARK-CAPITAL DIVISION-PROJECTS R/P PROJECT-MARINA YACHT HARBOR PROCEEDS FROM OTHER L/T OBLIGATIONS MARINA WEST HARBOR REHABILITATION	6,995,000.00

to the credit of the following appropriation(s) or fund(s) in the amount(s) indicated:

APPROPRIATION NUMBER	DESCRIPTION OF APPROPRIATION OR FUND	AMOUNT
FUND: 2S/CRF/RPA ORGANIZATION: REC1603 INDEX CODE: RECYACHTHARB CHAR/SUB-OBJ: 06700 PROJECT: CRPMWH_01	R&P-MARINA YACHT HARBOR FUND REC/PARK-CAPITAL DIVISION-PROJECTS R/P PROJECT-MARINA YACHT HARBOR BLDGS, STRUCTURES & IMPRV'T PROJECT-BUDGET MARINA WEST HARBOR REHABILITATION	6,995,000.00

There are no surpluses in any of this department's appropriations available for transfer for the requested purpose(s). Complete detail as to the necessity for THIS appropriation is stated in attached letter.

APPLICABLE BOXES MUST BE CHECKED

- This request included capital projects (s.o. 06700 OR 06700); a separate copy has been sent to the Chair, Capital improvement Advisory Committee.
- These funds have not been previously requested.
- These funds were previously requested by:
 () Supplemental Appropriation or () Budget Estimate and were
 () reduced or () denied by The Mayor, or The Board of Supervisors.

CERTIFIED AS TO FACTS AND AMOUNTS AS ABOVE STATED, AND

RECOMMENDED:  (Department Head)

APPROVED: _____ (Board or Commission)

Recorded Controller's Budget Division _____

By: _____ Date: _____ Request No. _____

FOR MAYOR'S USE

To the Controller:

The above request meets with my approval, as indicated above. You are hereby requested to prepare the necessary appropriation ordinance.

APPROVED: EDWIN LEE BY: _____ DATE: _____

3038V - MARINA YACHT HARBOR - WEST HARBOR RENOVATION
 FUNDING PLAN
 10/14/2010

CURRENT BUDGET	FUNDING PLAN						OTHER
	DBW/LOAN	HARBOR FUND				ST/FYC	
	FY08/09	FY09/10 Capital	FY09/10 Dredge	FY09/10 B Trail	FY09/10 Fac Maint	FY10/11 Capital	
	\$16,500,000.00	\$200,000.00	\$136,310.00	\$100,000.00	\$96,873.70	\$500,000.00	\$1,016,000.00
CRP MWH HRN			CRP YHD WHRN				2S CRF RPA
Principal Construction Construction							
D/B Design & Construction Contract	\$19,000,000.00						
Construction Contingency (10%)	\$1,900,000.00						
Misc/Other Construction:							
Dredging Contract - 2009, Salt River	\$198,900.00						
Dredging Contract - 2010, Vortex Marine	\$422,688.00						
CONSTRUCTION BUDGET	\$21,521,588.00						
Design & Engineering							
Design/Engineering: Winzler & Kelly	\$1,966,410.00						
HM Sampling & Testing: AGS/Kennetic	\$71,775.00						
HM Assessment: Winzler & Kelly	\$16,292.00						
Phase I Environmental Assessment: Baseline	\$9,740.00						
Historic Resources Rpt: Caray/Fungo	\$9,400.00						
Haz Mat Testing: North Tower Environmental	\$3,301.88						
	\$2,076,918.88						
Construction Services							
Construction Management	\$700,000.00						
Materials Testing/Special Inspections	\$100,000.00						
OLSE	\$8,000.00						
	\$808,000.00						
Regulatory Agency Approvals							
City Planning EIR Amendment	\$11,945.72						
Regional Water Quality Board	\$640.00						
Bay Conservation & Development Commission	\$39,950.00						
	\$52,535.72						
ENGINEERING & PERMITS	\$2,937,454.60						
Project Management							
RPD PM	\$300,000.00						
BOE PM	\$60,000.00						
Administration							
BCM Contract Admin (Baseline)	\$1,220.00						
BCM Contract Admin (Carey)	\$1,220.00						
BCM Contract Admin (AGS/Kinnetic)	\$7,177.50						
BCM Contract Admin (WK)	\$1,629.20						
BCM Contract Admin (North Tower)	\$910.00						
BOE Contract Prep	\$29,250.00						
MOD - ADA Review	\$12,650.00						
Misc.							
Elite / BPS / Other	\$9,740.00						
MANAGEMENT & ADMINISTRATION	\$413,996.70						
PROJECT CONTINGENCY (UNALLOCATED)	\$671,144.40						
	\$23,544,133.70						