

File No. 111364

Committee Item No. 14

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: January 11, 2012

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" type="checkbox"/> | <input 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 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

(Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Victor Young

Date: January 6, 2012

Completed by: Victor Young

Date: _____

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



Ong Victor (B/P)
at Jay, Sup Chu, COB

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2011 DEC 21 AM 11:12

AK

Date: December 20, 2011

To: Angela Calvillo, Clerk of the Board

From: Elaine Forbes, Deputy Director, Finance and Administration
Lawrence Brown, Financial Analyst *LB*

Re: Request for Release of Funds for the Pier 43 Bay Trail Link Project

Madam Clerk:

The Port Commission respectfully requests that the Budget and Finance Committee schedule a meeting to consider releasing \$130,463 in funding for the Port's Pier 43 Bay Trail Link waterfront park project. These funds, representing proceeds from the first issuance of 2008 Clean and Safe Neighborhood Parks General Obligation bonds (Park bonds) (File No. 081196; Ordinance No. 231-08; approved October 30, 2008) were placed on reserve pending approval by the Committee of a final expenditure plan for the project.

The project plan and budget were first presented to the Budget and Finance Committee when the Committee approved first sale when the subject \$130,463 reserve was placed. Project funding provided by the second sale for the Park bonds was appropriated in the Port's FY 2009/10 capital project budget. At the beginning of 2010 the project scope was expanded to incorporate requests by the Bay Conservation and Development Commission (BCDC) to repair and/or construct 6,200 square feet of public access adjacent to the waterfront park promenade. This expanded scope caused total cost of the park project to exceed the \$7,677,800 in park bond financing, necessitating the injection of Port funds into the project. Due to an oversight, Port staff did not request a release of reserve at that time.

The release of the \$130,463 in funds will complete \$7,677,800 in park bond financing identified for the Pier 43 Bay Trail Link project improvements. The construction is current underway and is scheduled to be completed in July of 2012.

111364

The budget for the Pier 43 Bay Trail Link project is as follows:

Expenditure Budget for the Pier 43 Bay Trail Link

Cost Category

Project Design and Engineering	\$958,611
Project Management	118,699
Project Entitlement	88,965
Construction Management	1,533,675
Construction	7,259,045
Additional Project Contingency	<u>1,768</u>
Total Project Costs	\$9,960,763

A more detailed project expenditure budget is attached.

Please call Lawrence Brown at 274-0446 with any questions. We request that this items be scheduled at the Chair's earliest convenience.

cc: Supervisor Carman Chu, Chair, Budget and Finance Committee
Harvey Rose, Board of Supervisor's Budget Analyst
Leo Chyi, Mayor's Office
Steven Reel, Port of San Francisco

WP4301 Funding Sources		Amount	Code	Notes
1000	Total Project Funding	\$ 9,960,763		
1100	Port Bond Funds	\$ 130,463		
1110	Port 1971 Harbor Improvement Bonds	\$ 1,057	CPF-71X	
1120	Port 1984 Revenue Bonds	\$ 70,837	CPF-84X	
1130	Port 1994 Revenue Bonds	\$ 58,569	CPF-94A	
1200	GO Bond Funds	\$ 7,677,800		
1210	2008 Clean & Safe Neighborhoods Park Bond, 1st Sale	\$ 1,315,875	CPF-08A	
1220	2008 Clean & Safe Neighborhoods Park Bond, 2nd Sale	\$ 6,334,125	CPF-08B	
1230	2008 Clean & Safe Neighborhoods Park Bond, 3rd Sale	\$ 27,800		
1300	Other Dedicated Funds	\$ 2,152,500		
1310	Homeland Security Grant	\$ 244,000		For street lighting
1320	Port ADA Funds	\$ 368,500	CPO680-01	Only for ADA improvements
1330	Port Pier Repair Funds	\$ 1,450,000	CPO778	For repair of additional pier area added to meet BCDC requirements
1340	ABAG Grant	\$ 90,000		For site furnishings

Item	Description	Estimate	10% Cont.	Total Budget	Status of Costs and Projected Total		
					Used (10/31/11)	% Complete	Projected Total
2000	Soft Costs (Engineering, Entitlements, Mgmt)	\$ 2,524,506	\$ 262,451	\$ 2,886,957	\$ 1,166,259	44.44%	\$ 2,699,950
	Soft Costs Design/Bidding Total	\$ 1,230,256	\$ 123,026	\$ 1,353,282	\$ 1,166,259	94.80%	\$ 1,166,275
	Soft Costs CM Total	\$ 1,394,250	\$ 139,425	\$ 1,533,675	\$ -	0.00%	\$ 1,533,675
2100	Project Management (DESIGN)	\$ 164,565	\$ 16,457	\$ 181,022	\$ 118,699		\$ 118,699
2110	PM (SJR \$90/hr x 17.25hr/wk x 108 wks)	\$ 164,565	\$ 16,457	\$ 181,022	\$ 118,699	100.00%	\$ 118,699
2120	Legal	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2130	Other	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2200	Design & Engineering (Design Phases 1&2)	\$ 976,728	\$ 97,673	\$ 1,074,401	\$ 958,612		\$ 958,612
2210	Port A&E	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2220	Consultant 1: W&K/TEF JV - Conceptual Eng. (CE09-037)	\$ 195,000	\$ 19,500	\$ 214,500	\$ 181,717	100.00%	\$ 181,717
2230	Consultant 2: Gerwick/SDE JV - Final Eng	\$ 745,728	\$ 74,573	\$ 820,301	\$ 745,728	100.00%	\$ 745,728
2240	DPW Support (Carmolagno CE11-010)	\$ 5,000	\$ 500	\$ 5,500	\$ 5,000	100.00%	\$ 5,000
2240	DPW Support (Carmolagno & KO) (CE11-065)	\$ 8,000	\$ 800	\$ 8,800	\$ 3,167	100.00%	\$ 3,167
2240	Potholing SFWater (CE11-072)	\$ 8,000	\$ 800	\$ 8,800	\$ 8,000	100.00%	\$ 8,000
2240	MTA Traffic Design	\$ 15,000	\$ 1,500	\$ 16,500	\$ 15,000	100.00%	\$ 15,000
2300	Entitlements	\$ 88,963	\$ 8,896	\$ 97,859	\$ 88,948		\$ 88,965
2310	CEQA (Port & MEA, NIC)	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2320	BCDC Permit Fee	\$ 38,000	\$ 3,800	\$ 41,800	\$ 38,000	100.00%	\$ 38,000
2330	Maher Compliance AEW thru DPW) (CE10-108)	\$ 50,963	\$ 5,096	\$ 56,059	\$ 50,948	99.97%	\$ 50,965
2340	Port Encroachment Permit	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2350	n/a	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2360	n/a	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2400	Construction Management	\$ 1,394,250	\$ 139,425	\$ 1,533,675	\$ -		\$ 1,533,675
2410	Port PM (SJR \$90/hr x 17.25hr/wk x 70wks)	\$ 108,675	\$ 10,868	\$ 119,543	\$ -	0.00%	\$ 119,543
2420	Design Support: Gerwick/SDE Phase 3	\$ 107,700	\$ 10,770	\$ 118,470	\$ -	0.00%	\$ 118,470
2430	Resident Eng. (DPW - \$200/hr x 40hr/wk x 69wks)	\$ 552,000	\$ 55,200	\$ 607,200	\$ -	0.00%	\$ 607,200
2440	Inspector (DPW - \$200/hr x 20hr/wk x 69wks)	\$ 276,000	\$ 27,600	\$ 303,600	\$ -	0.00%	\$ 303,600
2450	Special Inspections	\$ 25,000	\$ 2,500	\$ 27,500	\$ -	0.00%	\$ 27,500
2460	Testing	\$ 60,000	\$ 6,000	\$ 66,000	\$ -	0.00%	\$ 66,000
2472	Traffic Engineering Const (12/27/2010 proposal)	\$ 33,025	\$ 3,303	\$ 36,328	\$ -	0.00%	\$ 36,328
2474	Traffic Paint Shop	\$ 24,800	\$ 2,480	\$ 27,280	\$ -	0.00%	\$ 27,280
2476	Traffic Sign Shop	\$ 5,800	\$ 580	\$ 6,380	\$ -	0.00%	\$ 6,380
2477	Traffic Control - PkgControlOfficer (\$70/hr x 7hr x 150 days)	\$ 73,500	\$ 7,350	\$ 80,850	\$ -	0.00%	\$ 80,850
2478	Traffic Control - OffDutyPoliceOfficer (\$85/hr x 7hr x 150days)	\$ 89,250	\$ 8,925	\$ 98,175	\$ -	0.00%	\$ 98,175
2480	DPH (Maher)	\$ 3,500	\$ 350	\$ 3,850	\$ -	0.00%	\$ 3,850
2490	SFW - Hydrant relocation	\$ 20,000	\$ 2,000	\$ 22,000	\$ -	0.00%	\$ 22,000
2480	Migratory Bird Treaty Relocation Permit (Weiss)	\$ 15,000	\$ 1,500	\$ 16,500	\$ -	0.00%	\$ 16,500

Item	Description	Estimate	10% Cont.	Total Budget	Not updated	% Complete	Projected Total
3000	Construction	\$ 6,612,563	\$ 646,482	\$ 7,259,045			
3100	Construction Contract - VORTEX AWARD BASE + ALT 1 & 2	\$ 6,383,000	\$ 638,300	\$ 7,021,300	\$ -		\$ 7,021,300
	1 Pier Demolition	\$ 1,300,000	\$ 130,000	\$ 1,430,000	\$ -	0.00%	\$ 1,430,000
	2 Seawall Replacement and Modification	\$ 420,000	\$ 42,000	\$ 462,000	\$ -	0.00%	\$ 462,000
	3 Promenade Structure (Including finishes)	\$ 2,380,000	\$ 238,000	\$ 2,618,000	\$ -	0.00%	\$ 2,618,000
	4 Site Improvements - Promenade	\$ 276,000	\$ 27,600	\$ 303,600	\$ -	0.00%	\$ 303,600
	5 Site Improvements - West (ADA)	\$ 335,000	\$ 33,500	\$ 368,500	\$ -	0.00%	\$ 368,500
	6 Street Lighting - North	\$ 77,000	\$ 7,700	\$ 84,700	\$ -	0.00%	\$ 84,700
	7 Traffic Routing and Temporary Pavement Markings & Markers	\$ 25,000	\$ 2,500	\$ 27,500	\$ -	0.00%	\$ 27,500
	Allowance for handling, transportation, and disposal of						
	8 petroleum contaminated soil	\$ 90,000	\$ 9,000	\$ 99,000	\$ -	0.00%	\$ 99,000
	9 Allowance for Pier Repair	\$ 20,000	\$ 2,000	\$ 22,000	\$ -	0.00%	\$ 22,000
	10 Catchbasin Modification - Allowance	\$ 15,000	\$ 1,500	\$ 16,500	\$ -	0.00%	\$ 16,500
	11 Mobilization	\$ 250,000	\$ 25,000	\$ 275,000	\$ -	0.00%	\$ 275,000
	Alt 1 Promenade Addition P43 Infill	\$ 320,000	\$ 32,000	\$ 352,000	\$ -	0.00%	\$ 352,000
	Alt 2 Promenade Addition - North Franciscan	\$ 875,000	\$ 87,500	\$ 962,500	\$ -	0.00%	\$ 962,500
3200	Street Light Purchase (Port using Homeland Security Grant)	\$ 147,745	\$ -	\$ 147,745	\$ 147,745	100.00%	\$ 147,745
3300	Site Furnishings, Furnish and Install by Port (ABAG Grant)	\$ 81,818	\$ 8,182	\$ 90,000	\$ -	0.00%	\$ 90,000

4000	Project Status	Budget	Contingency	Total
	Soft Cost (Design) Actual w/ lowered contingency	\$ 1,166,259	\$ 17	\$ 1,166,275
	Soft Cost (Construction) BUDGET	\$ 1,394,250	\$ 139,425	\$ 1,533,675
	Construction BUDGET	\$ 6,612,563	\$ 646,482	\$ 7,259,045
	Additional Contingency	\$ -	\$ 1,768	\$ 1,768
	Total Costs	\$ 9,173,072	\$ 787,691	\$ 9,960,763
	Total Funding			\$ 9,960,763

Items 12, 13 and 14
Files 11-1334, 11-1345 and 11-1364

Department:
 Recreation and Park Department, Port, Controller's Office of
 Public Finance

EXECUTIVE SUMMARY

Legislative Objectives

- File 11-1345: Resolution authorizing and directing the sale of not-to-exceed \$76,000,000 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds, Series 2012B.
- File 11-1334: Ordinance appropriating \$76,000,000 of Clean and Safe Neighborhood Parks Bond sale proceeds to fund improvement and construction of recreation and park facilities, including \$62,176,132 in the Recreation and Park Department and \$10,394,975 in the Port Commission.
- File 11-1364: Hearing to consider the release of reserved funds in the amount of \$130,463 to fund the Port's Pier 43 Bay Trail Link Waterfront Park Project.

Key Points

- San Francisco voters approved the \$185 million Clean and Safe Neighborhood Parks Bonds in February 2008 to pay for capital improvements to Recreation and Park Department parks, recreation facilities, playgrounds, and restrooms, and Port parks. The City has previously sold \$102,950,000 in two prior bond sales. The proposed resolution (File 11-1345) would authorize the third sale of not-to-exceed \$76,000,000, resulting in total sale of Clean and Safe Neighborhood Parks Bonds of \$178,950,000, and an unsold balance of \$6,050,000.
- Recreation and Park Department programs and Port programs funded by the 2008 Clean and Safe Neighborhood Park Bonds will be fully funded if the Board of Supervisors approves the proposed appropriation ordinance (File 11-1334), with the exception of the Port's Crane Cove project. According to the November 28, 2011 Bond Accountability Report, submitted by the Port to the Board of Supervisors, the Crane Cove Park project has not yet received environmental clearance consistent with the California Environmental Quality Act (CEQA), which is estimated to be completed in 2013.
- The requested release of reserves of \$130,463 (File 11-1364) and the proposed supplemental appropriation of \$27,800 (File 11-1334) would fully fund the Port's Pier 43 Bay Trail Link project to provide open space and a public promenade in the Fisherman's Wharf area.

Fiscal Impact

- The proposed resolution authorizing the sale of up to \$76,000,000 in Clean and Safe Neighborhood Park Bonds and will have a projected annual interest rate of 6.0 percent over approximately 20 years, with estimated total debt service payments of \$125,750,823, including \$52,480,823 in interest and \$73,270,000 in principal, with estimated average annual debt service payments of \$6,287,541. Debt service would be paid from increased Property Taxes, such that an owner of a single family residence with an assessed value of \$500,000 would pay additional Property Taxes of approximately \$14.30 per year

Policy Issues

- The proposed resolution authorizing the sale of the Series 2012B Bonds would allow the Recreation and Park Department to waive the deadline for submitting the Bond Accountability Report. According to Ms. Taylor Emerson, Recreation and Park Department Capital and Planning Division Analyst, the Bond Accountability Report will be submitted to the Clerk of the Board of Supervisors on or before January 10, 2012.
- The Recreation and Park Department's total prior and requested Clean and Safe Neighborhood Parks Bond authorization of \$150,005,861 is \$990,861 more than the budget of \$149,015. This increase of \$990,861 results from an increase in the Recreation and Park Department's Neighborhood Park Contingency Fund, offset by decreases in other Neighborhood Parks projects. The Budget and Legislative Analyst recommends reducing the requested appropriation for the Neighborhood Parks Contingency Fund by \$990,861 to conform to the Clean and Safe Neighborhood Parks budget.
- The proposed appropriation includes a \$2,730,000 reserve pending bond sale to account for changes in bond market conditions at the time of the bond sale. If the \$2,730,000 reserve pending bond sale is fully expended, the remaining Clean and Safe Neighborhood Parks Bond authorization of \$6,050,000 will be \$2,136,000 less than the remaining Crane Cove project budget to be funded by the Clean and Safe Neighborhood Parks Bonds of \$8,186,000. According to Ms. Nadia Sesay, Director of Public Finance, it is unlikely that the \$2,730,000 will be fully expended under this authorization. The \$2,730,000 reserve allows for adjustment to changes in market conditions. If a portion of the \$2,730,000 is expended for any other use, such as project expenditure, it would require BOS approval.

Recommendations

- Amend File 11-1334 to reduce the proposed appropriation for the Neighborhood Park Contingency Fund by \$990,861, from \$4,609,432 to \$3,618,561. The total appropriation for the Recreation and Park Department will be reduced from \$62,176,132 to \$61,185,271. The total not-to-exceed amount for the Clean and Safe Park Bond appropriation will be reduced from \$76,000,000 to \$75,009,139.
- Amend File 11-1345 to authorize the sale of not-to-exceed \$75,009,139 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds, consistent with the recommendation above, and approve as amended.
- Approve File 11-1334, appropriating not-to-exceed \$75,009,139 of Clean and Safe Neighborhood Parks Bonds, as amended.
- Approve File 11-1364 to release \$130,463 in Clean and Safe Neighborhood Parks Bonds previously appropriated by the Board of Supervisors and placed on Budget and Finance Committee reserve for the Pier 43 Bay Trail Link.

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

Charter Section 9.105 provides that the Board of Supervisors is authorized to approve the issuance and sale of General Obligation bonds in accordance with State law or local procedures adopted by ordinance. Charter Section 9.105 also provides that (a) amendments to the appropriation ordinance, as finally adopted, are to be adopted in the same manner as other ordinances¹ and (b) no amendment to the appropriation ordinance may be adopted unless the Controller certifies the availability of funds.

Background

San Francisco voters approved the \$185 million Clean and Safe Neighborhood Parks Bonds in February 2008. The bond program was intended to:

1. Fix and improve park restrooms Citywide;
2. Eliminate serious earthquake safety risks in neighborhood and waterfront park facilities;
3. Renovate parks and playgrounds in poor physical condition;
4. Replace dilapidated playfields;
5. Repair nature trail systems in the City's parks; and
6. Attract matching community and philanthropic support.

Bond proceeds were allocated to Recreation and Parks Department and Port parks and trails, as shown in Table 1.

Table 1
Clean and Safe Neighborhood Parks Bond Allocation

	Recreation and Parks Department	Port	Bond Issuance and Audit Costs	Total
Neighborhood Parks and Recreation Centers	115,115,000			115,115,000
Citywide Playfields, Trails, Forestry, Restrooms, and Community Opportunity Fund	33,900,000			33,900,000
Port Parks and Trails		32,841,725		32,841,725
Bond Issuance and Audit Costs			3,143,275	3,143,275
Total	\$149,015,000	\$32,841,725	\$3,143,275	\$185,000,000

Source: October 2011 Citizens' General Obligation Bond Oversight Committee

The City has sold \$102.9 million in 2008 Clean and Safe Neighborhood Park Bonds to date and proposes to sell \$73.3 million in February 2012, resulting in sale of \$176.2 million of the \$185 million in authorized bonds and an unsold balance of \$8.8 million, as shown in Table 2 below.

¹ In accordance with Section 2.105 of the San Francisco Charter, the approval of an ordinance requires two readings at separate Board of Supervisors meetings, held at least five days apart.

Table 2
Clean and Safe Neighborhood Parks Bond Allocation

	Recreation and Park Department	Port	Bond Issuance and Audit Costs	Total Bond Sale
Total Bond Authorization	\$149,015,000	\$32,841,725	\$3,143,275	\$185,000,000
Total Bond Sales To Date	87,829,729	14,260,750	859,521	102,950,000
Proposed Bond Sale February 2012	62,176,132	10,394,975	698,893	73,270,000
Reserves Pending Bond Sale ¹				<u>2,730,000</u>
Total Bond Sale February 2012				76,000,000
Total Bond Sales To Date and Proposed Bond Sale	150,005,861	24,655,725	1,558,414	178,950,000
Remaining Authorized and Unsold Bonds	(\$990,861)	\$8,186,000	\$1,584,861	\$6,050,000

Source: October 2011 Citizens' General Obligation Bond Oversight Committee

¹The Office of Public Finance establishes reserves pending the sale of the bonds to account for changes in bond market conditions at the time of the sale. The Controller's Office makes technical adjustments based on the sale results. If the \$2,730,000 is not used at the time of the bond sale, the unused balance is available for sale and appropriation at the subsequent bond sale, subject to Board of Supervisors' approval.

Attachment I, prepared by the Budget and Legislative Analyst, shows the allocation of bond proceeds, expenditures, and encumbrances to date. As shown in Attachment I, as of September 30, 2011, the Recreation and Park Department has spent or encumbered 48 percent of the \$87.8 million in bond proceeds and the Port has spent or encumbered 77 percent of the \$14.3 million in bond proceeds.

DETAILS OF PROPOSED LEGISLATION

File 11-1345: The proposed resolution would authorize the sale of not-to-exceed \$76,000,000 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds.

The proposed resolution:

- Authorizes the Director of Public Finance to determine the sale date, interest rates, principal amount of the bonds, maturity and redemption dates, with the provision that interest rates cannot exceed 12 percent and the maturity date cannot extend after June 15, 2037;
- Provides for the execution, authentication and registration of the 2008 Clean and Safe Neighborhood Parks, Series 2012B Bonds;
- Sets the terms for transferring or redeeming the bonds;
- Provides for defeasance of the bonds;

- Requires a special Series 2012B Bond subaccount for payment of principal and interest; and a special Series 2012B project subaccount for acquisition, renovation, and construction of bond-funded projects;
- Approves the appointment of the Depository Trust Company as the securities depository, and authorizes the Treasurer to appoint fiscal and other agents;
- Approves the (a) Office Notice of Sale, which announces the date, time and terms of the competitive bond sale; (b) Notice of Intention to Sell Bonds;
- Approves the Official Statement, describing the sources and uses of funds, security for the Bonds, risk factors, and tax and other legal matters, among other information; and authorizes the Controller or Director of Public Finance to revise the Official Statement to conform to the City's Comprehensive Annual Fiscal Report (CAFR);
- Restricts use of the bond proceeds to the public purpose for which the bonds were intended;
- Approves the Continuing Disclosure Certificate, which provides certain financial information and operating data relating to the City (the "Annual Report") not later than 270 days after the end of the fiscal year and to provide notices of the occurrence of certain enumerated events, if material ;
- Authorizes City officials who have responsibility for executing documents related to the Series 2012 B Bonds, including the Controller, Director of Public Finance, and Treasurer, to modify the documents as necessary, except that the Series 2012B Bond amount cannot exceed \$76,000,000; and
- Subjects the Series 2012B Bonds to the reporting requirements of the Citizens' General Obligation Bond Oversight Committee.

File 11-1334: The proposed ordinance (File 11-1334) would appropriate \$76,000,000 of the bond sale proceeds, as shown in Table 3 below.

**Table 3
Clean and Safe Neighborhood Parks Series 2012B Bond Appropriation**

Program	Program Amount	Total Amount
Neighborhood Parks	\$39,946,132	
Citywide Program	<u>22,230,000</u>	
Recreation and Park Department		62,176,132
Port		10,394,975
Underwriter's Discount	366,350	
Cost of Issuance	<u>114,131</u>	
Bond Issuance Costs		480,481
Citizens General Obligation Bond Oversight Committee and Audit		218,412
Proposed Bond Sale Amount		73,270,000
Reserve Pending Bond Sales		2,730,000
Total Proposed Bond Sale Amount and Reserves		\$76,000,000

Source: File 11-1334

Attachment II, prepared by the Budget and Legislative Analyst, provides details of the proposed appropriation of \$76,000,000 by program, including program budget, program appropriation to date, and proposed new appropriation.

Recreation and Park Department programs and Port programs funded by the 2008 Clean and Safe Neighborhood Park Bonds will be fully funded if the Board of Supervisors approves the proposed appropriation ordinance, with the exception of the Port's Crane Cove project. According to the November 28, 2011 Bond Accountability Report, submitted by the Port to the Board of Supervisors, the Crane Cove Park project has not yet received environmental clearance consistent with the California Environmental Quality Act (CEQA), which is estimated to be completed in 2013.

File 11-1364: Hearing to consider the release of reserved funds in the amount of \$130,463 to fund the Port's Pier 43 Bay Trail Link Waterfront Park Project.

The Pier 43 Bay Trail Link is located north of Pier 43 in the Fisherman's Wharf area. The site consists of condemned piers and a partially closed sidewalk due to a failing seawall. The project will create new waterfront open space and a public promenade along the water's edge. The Pier 43 Bay Trail Link is funded by Port funds, grant funds, and 2008 Clean and Safe Neighborhood Park Bonds, as shown in Table 4 below.

**Table 4
Pier 43 Bay Trail Link Budget**

Sources of Funds	
2008 Clean and Safe Neighborhood Park Bonds previously appropriated	\$7,650,000
2008 Clean and Safe Neighborhood Park Bonds proposed appropriation	<u>27,800</u>
2008 Clean and Safe Neighborhood Park Bonds subtotal	7,677,800
Other Port funds and grants	2,282,963
Total Sources	9,960,763
Uses of Funds	
Design and engineering	1,166,259
Construction management	1,394,250
Construction	6,612,563
Contingency (8.6 %)	787,691
Total Uses	\$9,960,763

Source: Port

The Pier 43 Bay Trail Link has been allocated \$7,677,800 in 2008 Clean and Safe Neighborhood Park Bonds, as follows:

- The Board of Supervisors appropriated and placed on reserve \$130,463 of 2008 Clean and Safe Neighborhood Park Bond Series 2008B for the Pier 43 Bay Trail Link in October 2008 pending approval of the final expenditure plan by the Budget and Finance Committee (File 08-1196).
- The Board of Supervisors appropriated an additional \$7,519,537 in Clean and Safe Neighborhood Parks Bond for the Pier 43 Bay Trail Link in October 2008 and in the Port's FY 2009-10 budget.

In total, the Board of Supervisors has appropriated \$7,650,000 of 2008 Clean and Safe Neighborhood Park Bonds for the Pier 43 Bay Trail Link. The balance of \$27,800 is the subject of this report (File 11-1334).

The Port completed project planning and design in January 2011. Bids for construction were advertised in February 2011 and awarded the construction contract to the lowest responsive bidder, Vortex Marine Construction, in May 2011 for a total construction contract cost of \$6,383,000. The Port issued the Notice to Proceed to the contractor in June 2011 with the substantial completion date scheduled no later than July 31, 2012.

The proposed supplemental appropriation of \$27,800 (File 11-1334) and release of reserves of \$130,463 (File 11-1364) would complete funding for the Pier 43 Bay Trail Link project.

FISCAL IMPACTS

According to the December 12, 2011 memorandum to the Board of Supervisors from Ms. Nadia Sesay, Director of Public Finance, the not-to-exceed \$76,000,000 of Clean and Safe Neighborhood Parks Bonds are projected to have an annual interest rate of 6.0 percent over approximately 20 years. These bonds will result in estimated total debt service payments of \$125,750,823, including \$52,480,823 in interest and \$73,270,000 in principal, with estimated average annual debt service payments of \$6,287,541.

Repayment of such annual debt service will be recovered through increases to the annual Property Tax rate, which, according to the Controller's Office, averages \$0.029 per \$1,000 of assessed valuation over the anticipated 20-year term of the bonds. A single family residence with an assessed value of \$500,000, assuming a homeowner's exemption of \$7,000, would pay average annual additional Property Taxes to the City of \$14.30 per year ($\$500,000 - \$7,000 / \$1,000 \times \0.029) if the proposed \$76,000,000 of Clean and Safe Neighborhood Parks Bonds are sold.

POLICY ISSUES

The proposed resolution authorizing the sale of the Series 2012B Bonds would allow the Recreation and Park Department to waive the deadline for submitting the Bond Accountability Report

Administrative Code Section 2.71(b) requires the Recreation and Park Department to submit a Bond Accountability Report to the Board of Supervisors 60 days prior to approval by the Board of Supervisors of the sale of any subsequent series of bonds for the same project.² The Bond

² The Bond Accountability Report includes: (a) certification from an authorized representative of the Recreation and Park Department that the information in the report is correct; (b) cumulative amount of bond proceeds available and expended on the project; brief description of each project line item for which bond proceeds have been expended; (c) the amount of bond proceeds expended on each project line item; (d) identification of completed and uncompleted project line items; (e) identification of any project line item not included in a proposed expenditure report; (h) identification of any project line item included in a proposed expenditure report for which bond proceeds will not be used; (i) certification that each project identified is in conformity with the voter authorization; and (j) an explanation of uncompleted projects or projects not included in the proposed expenditure report.

Accountability Report includes: (a) certification from an authorized representative of the Recreation and Park Department that the information in the report is correct; (b) cumulative amount of bond proceeds available and expended on the project; brief description of each project line item for which bond proceeds have been expended; (c) the amount of bond proceeds expended on each project line item; (d) identification of completed and uncompleted project line items; (e) identification of any project line item not included in a proposed expenditure report; (h) identification of any project line time

According to Ms. Taylor Emerson, Recreation and Park Department Capital and Planning Division Analyst, the Bond Accountability Report will be submitted to the Clerk of the Board of Supervisors on or before January 10, 2012.

The proposed appropriation of Series 2012B Bonds for Recreation and Park Department projects exceeds the budget by \$990,861

As shown in Table 2 above, the Recreation and Park Department's total prior and requested Clean and Safe Neighborhood Parks Bond authorization of \$150,005,861 is \$990,861 more than the budget of \$149,015,000. This increase of \$990,861 results from an increase in the Recreation and Park Department's Neighborhood Park Contingency Fund, offset by decreases in other Neighborhood Parks projects. The Budget and Legislative Analyst recommends reducing the requested appropriation for the Neighborhood Parks Contingency Fund by \$990,861 to conform to the Clean and Safe Neighborhood Parks budget.

If the proposed Series 2012B Bond sale fully expends the \$2,730,000 reserve, the remaining Clean and Safe Neighborhood Parks Bond authorization will be insufficient to fund the Port's Crane Cove project

As shown below, prior Clean and Safe Neighborhood Parks Bond proceeds' appropriations of \$102.95 million, the proposed supplemental appropriation of \$73.27 million, and the proposed reserve pending bond sale of \$2.73 million, result in \$6.05 million remaining bond authorization:

Total Bond Authorization		\$185,000,000
Total Bond Sales To Date	(102,950,000)	
Proposed Bond Sale February 2012	(73,270,000)	
Reserves Pending Bond Sale	<u>(2,730,000)</u>	
Total Bond Sales To Date and Proposed Bond Sale		<u>(178,950,000)</u>
Remaining Authorized and Unsold Bonds		\$6,050,000

The Port's Crane Cove project is the remaining project to be funded by the Clean and Safe Neighborhood Parks Bonds. Of the total Crane Cove budget of \$9,999,250 funded by the Clean and Safe Neighborhood Parks Bonds, \$1,813,250 has been previously appropriated or will be appropriated as part this supplemental appropriation (File 11-1334) and \$8,186,000 will be appropriated through the fourth and final sale of the Clean and Safe Neighborhood Parks Bonds.

If the \$2,730,000 reserve pending bond sale is fully expended, the remaining Clean and Safe Neighborhood Parks Bond authorization of \$6,050,000 will be \$2,136,000 less than the remaining Crane Cove project budget to be funded by the Clean and Safe Neighborhood Parks Bonds of \$8,186,000. According to Ms. Sesay, it is unlikely that the \$2,730,000 will be fully

expended under this authorization. The \$2,730,000 reserve allows for adjustment to changes in market conditions. If a portion of the \$2,730,000 is expended for any other use, such as project expenditure, it would require BOS approval.

RECOMMENDATIONS

1. Amend File 11-1334 to reduce the proposed appropriation for the Neighborhood Park Contingency Fund by \$990,861, from \$4,609,432 to \$3,618,561. The total appropriation for the Recreation and Park Department will be reduced from \$62,176,132 to \$61,185,271. The total not-to-exceed amount for the Clean and Safe Park Bond appropriation will be reduced from \$76,000,000 to \$75,009,139.
2. Amend File 11-1345 to authorize the sale of not-to-exceed \$75,009,139 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds, consistent with the recommendation above, and approve as amended.
3. Approve File 11-1334, appropriating not-to-exceed \$75,009,139 of Clean and Safe Neighborhood Parks Bonds, as amended.
4. Approve File 11-1364 to release \$130,463 in Clean and Safe Neighborhood Parks Bonds previously appropriated by the Board of Supervisors and placed on Budget and Finance Committee reserve for the Pier 43 Bay Trail Link.

ATTACHMENT I

	Appropriation Series 2008B and 2010B	Actual Expenditures as of 9/30/11	Encumbered as of 9/30/11	Unencumbered and Unspent Balance as of 9/30/11
Recreation and Park				
Neighborhood Parks				
Chinese Recreation Center	12,690,000	6,749,349	4,935,620	1,005,031
Mission Playground	8,050,000	2,906,309	3,593,870	1,549,821
Palega Playground	16,219,800	1,723,975	912,658	13,583,167
Cayuga Playground	7,300,000	1,593,204	305,944	5,400,852
McCoppin Square	3,800,000	2,953,349	419,510	427,141
Sunset Playground	13,700,000	4,393,076	7,002,642	2,304,282
Fulton Playground	4,850,600	1,028,374	38,343	3,783,883
Mission Dolores Playground	1,650,000	353,306	1,194,982	101,712
Mission Dolores Renovation	938,400	337,945	116,870	483,585
Cabrillo Playground	814,500	515,578	17,677	281,245
Glen Canyon Park	781,500	181,302	9,499	590,699
Lafayette Park	1,950,400	957,324	93,513	899,563
Kimball Playground	658,700	83,148	1,860	573,692
Neighborhood Parks Contingency	2,755,829	0	0	2,755,829
Subtotal, Neighborhood Parks	76,159,729	23,776,239	18,642,988	33,740,502
Citywide Programs				
Restroom Repair and Replacement	6,150,000	1,405,188	137,233	4,607,579
Park Playfields Program	800,000	691,837	112,490	(4,327)
Park Forestry Program	1,230,000	188,694	76,444	964,862
Park Trail Program	2,090,000	499,438	42,748	1,547,814
Community Opportunity Fund	1,400,000	92,269	7,717	1,300,014
Subtotal, Citywide Program	11,670,000	2,877,426	376,632	8,415,942
Total Recreation and Park	87,829,729	26,653,665	19,019,620	42,156,444
Port				
Pier 43 Bay Trail Link	7,650,000	1,828,678	4,119,680	1,701,642
Brannan Street Wharf Park	0	0	0	0
Blue-Greenway Signage/Furnishings	434,000	0	0	434,000
Bayview Gateway	200,000	0	0	200,000
Tulare Park	125,000	20,097	0	104,903
Crane Cove Park	1,263,250	0	709,850	553,400
Bayfront Park	2,950,000	568,245	1,649,866	731,889
Heron's Head Park	550,000	143,493	0	406,507
Blue-Greenway Public Art	175,000	0	0	175,000
Blue-Greenway Planning/Design	336,000	272,732	14,728	48,540
CEQA Review and Permitting	577,500	436,995	0	140,505
Total Port	14,260,750	3,270,240	6,494,124	4,496,386
Total Appropriation	102,090,479	29,923,905	25,513,744	46,652,830
Bond Issuance and Audit Costs	859,521	859,521	0	0
Total Bonds To Date	102,950,000	30,783,426	25,513,744	46,652,830

ATTACHMENT II

	Revised Bond Budget (File 11-1103)	Appropriation to Date (Oct 2011 Quarterly Report)	Proposed Appropriation (File 11-1334)	Total Appropriation to Date and Proposed Appropriation
Recreation and Park				
Neighborhood Parks				
Chinese Recreation Center	12,690,000	12,690,000	0	12,690,000
Mission Playground	7,500,000	7,500,000	0	7,500,000
Palega Recreation Center	21,200,000	16,219,800	4,980,200	21,200,000
Cayuga Playground	7,300,000	7,300,000	0	7,300,000
McCoppin Square	3,800,000	3,800,000	0	3,800,000
Sunset Playground	13,700,000	13,700,000	0	13,700,000
Fulton Playground	4,620,000	4,850,600	0	4,850,600
Mission Dolores Playground	2,200,000	2,200,000	0	2,200,000
Mission Dolores Park	11,700,000	938,400	10,761,600	11,700,000
Cabrillo Playground	4,500,000	814,500	3,685,500	4,500,000
Glen Canyon Park	5,800,000	781,500	5,018,500	5,800,000
Lafayette Park	10,200,000	1,950,400	8,249,600	10,200,000
Kimbell Playground	3,300,000	658,700	2,641,300	3,300,000
Neighborhood Park Contingency	4,145,000	2,755,829	4,609,432	7,365,261
Subtotal, Neighborhood Parks	112,655,000	76,159,729	39,946,132	116,105,861
Citywide Program				
Park Restroom Repair and Renovation	11,400,000	6,150,000	5,250,000	11,400,000
Park Playfields	8,500,000	800,000	7,700,000	8,500,000
Park Forestry	4,000,000	1,230,000	2,770,000	4,000,000
Park Trail Reconstruction	5,000,000	2,090,000	2,910,000	5,000,000
Community Opportunity Fund	5,000,000	1,400,000	3,600,000	5,000,000
Subtotal, Citywide Program	33,900,000	11,670,000	22,230,000	33,900,000
Subtotal Recreation and Park	146,555,000	87,829,729	62,176,132	150,005,861
Port				
Pier 43 Bay Trail Link	7,677,800	7,650,000	27,800	7,677,800
Brannan Street Wharf Park	2,941,050	0	2,941,050	2,941,050
Blue-Greenway Signage and Furnishings	1,458,000	434,000	1,024,000	1,458,000
Bayview Gateway	3,282,125	200,000	3,082,125	3,282,125
Tulare Park	585,000	125,000	460,000	585,000
Crane Cove Park	9,999,250	1,263,250	550,000	1,813,250
Bayfront Park	2,950,000	2,950,000	0	2,950,000
Heron's Head Park	2,351,000	550,000	1,801,000	2,351,000
Blue-Greenway Public Art	684,000	175,000	509,000	684,000
Blue-Greenway Planning and Design	336,000	336,000	0	336,000
CEQA Review and Permitting	577,500	577,500	0	577,500
Subtotal Port	32,841,725	14,260,750	10,394,975	24,655,725
Reserve Pending Bond Sales			2,730,000	2,730,000
Bond Issuance and Audit Costs	3,143,275	859,521	698,893	1,558,414
Reserve, Issuance, Audit Costs	3,143,275	859,521	3,428,893	4,288,414
TOTAL	182,540,000	102,950,000	76,000,000	178,950,000

