

**Item 2**  
**File 11-0398**

**Department:**  
Recreation and Parks Department (RPD)

## **EXECUTIVE SUMMARY**

### **Legislative Objective**

- Request to release \$3,752,737 reserved by the Board of Supervisors from the Clean and Safe Neighborhood Park General Obligation Bond projects. Specifically: (a) \$1,690,000 for design and construction work associated with the Forestry Program, (b) \$1,690,000 for design and construction work associated with the Community Opportunity Fund, and (c) \$372,737 for the Neighborhood Park Contingency Fund to address unexpected cost increases.

### **Key Points**

- On February 5, 2008, the voters approved Proposition A, a \$185,000,000 General Obligation Bond for the improvement and construction of Port and Recreation and Park facilities. To date, a total of \$102,950,000 of these General Obligation Bonds have been sold and appropriated.
- On October 21, 2008, the Board of Supervisors appropriated a total of \$40,520,000, placing \$22,163,200 of these funds on reserve (Ordinance 231-08), pending the Budget and Finance Committee's approval of final RPD detailed expenditure plans for specific projects.

### **Fiscal Impacts**

- Regarding the Forestry Program, the RPD is requesting the release of \$1,690,000, which will be sufficient to complete the Stern Grove, Pine Lake, and Park Presidio Boulevard projects, while the funding from other sources is needed to complete the Golden Gate Park Forestry projects.
- Regarding the Community Opportunity Fund, costs for planning, issuing requests for bids and awarding contracts, and seven specific projects, total \$946,101, or \$743,899 less than the \$1,690,000 that RPD is requesting.
- Regarding the Neighborhood Park Contingency Fund, the RPD is requesting the release of the entire \$372,737 to cover cost increases due to unforeseen site conditions for the Fulton Playground project which is anticipated to incur an additional \$420,000 of costs, or \$47,263 more than the \$372,737 currently on reserve.

### **Recommendations**

- Approve the request to release (a) \$1,690,000 for the Forestry Program, (b) \$946,101 for the Community Opportunity Fund, and (c) \$372,737 for the Neighborhood Park Contingency Fund, for a total of \$3,008,838.
- Do not release the remaining requested \$743,899 for the Community Opportunity Fund until a detailed spending plan is submitted by the RPD.

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

Section 3.3 of the City's Administrative Code provides that the committee of the Board of Supervisors that has jurisdiction over the budget (i.e., Budget and Finance Committee) may place requested expenditures on reserve which are then subject to release by the Budget and Finance Committee.

**Background**

On February 5, 2008, San Francisco voters approved Proposition A, a \$185,000,000 Clean and Safe Neighborhood Parks General Obligation Bond to fund a capital plan targeting critical needs in San Francisco's Recreation and Parks Department (RPD) facilities as well as waterfront Port Commission (Port) facilities. This bond included the following programs, totaling \$185,000,000: \$117,400,000 for Neighborhood Parks (including a \$4,700,000 Contingency Fund), \$33,500,000 for Port Waterfront Parks, \$11,400,000 for Park restrooms, \$8,500,000 for Park Playfields, \$5,000,000 for Park Trails, \$5,000,000 for a Community Opportunity Fund to finance completion of community-nominated Recreation and Park projects, \$4,000,000 for Park Forestry projects, and \$200,000 for a citizen's oversight audit of the program.

In August of 2008, the Board of Supervisors approved the sale of the first General Obligation Bonds in the amount of \$42,520,000 (File 08-1006; Resolution # 342-08). On October 21, 2008, the Board of Supervisors appropriated a total of \$36,875,562 to the RPD and \$3,644,438 to the Port from this first Bond sale, or a total of \$40,520,000, to commence projects approved by the voters in the Bond (Ordinance 231-08). Of the total \$40,520,000 appropriated<sup>1</sup>, the Board of Supervisors placed \$22,163,200 on reserve, pending RPD and the Port finalizing expenditure plans for these funds.

On February 9, 2010, the Board of Supervisors approved the issuance of an additional \$60,430,000 of these General Obligation Bonds (Resolution 45-10). Earlier, on July 29, 2009, the Board of Supervisors appropriated the amount of this Bond issuance, but placed it on reserve contingent upon the actual sale of these bonds (which then occurred in March of 2010) as part of the FY 2009-2010 Budget for the RPD and the Port. According to the RPD, the third General Obligation Bond in the amount of \$62,909,238 is anticipated to be sold during the summer of 2011, subject to approval by the Board of Supervisors. To date, RPD has sold a total of \$102,950,000 of the Clean and Safe Neighborhood Parks General Obligation Bonds and the Board of Supervisors has appropriated a total of \$102,950,000 from these sales.

**DETAILS OF PROPOSED LEGISLATION**

Of the total \$22,163,200 that the Board of Supervisors placed on reserve in August of 2008, the RPD is now requesting the release of \$3,752,737. According to Ms. Dawn Kamalanathan at

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<sup>1</sup> According to Ms. Dawn Kamalanathan, Capital Manager at the RPD, the Board of Supervisors appropriated \$2,000,000 of the first Bond sale in the FY 2008-2009 Annual Appropriation Ordinance approved on July 29, 2008.

RPD, the requested \$3,752,737 would be expended as follows: (a) \$1,690,000 for Park Forestry; (b) \$1,690,000 for the Community Opportunity Fund; and (c) \$372,737 for the Neighborhood Park Contingency Fund. Ms. Kamalanathan advises that this is RPD's first request to release these funds.

**Park Forestry Program:** A \$4,000,000 Park Forestry Program is intended to provide (a) a City-wide assessment of the health and condition of the "urban forest" of trees throughout San Francisco and, (b) resources to plant new trees or make necessary repairs (such as pruning) to existing trees. Ms. Kamalanathan reports that assessments for the Forestry Program's first phase of projects have been completed, work has been prioritized, and the Recreation and Parks Commission has approved these prioritized plans. Based on the findings of the assessments and the approval of the Recreation and Parks Commission, Ms. Kamalanathan advises that the RPD is prepared to bid contracts for removal, pruning and replanting of trees under the Park Forestry Program.

**Community Opportunity Fund:** A \$5,000,000 Community Opportunity Fund was established to provide small capital grants in conjunction with other matching public grants and private gifts. The purpose of these grants is to finance capital improvement projects at various neighborhood parks. San Francisco residents, neighborhood groups, and park advocates were encouraged to submit project proposals through an approved RPD application process. The RPD evaluates the proposals, based on approved criteria, and prioritize eligible projects.

**Neighborhood Park Contingency Fund:** A \$4,700,000 Neighborhood Park Contingency Fund was established to cover possible cost increases in specific project budgets due to unforeseen conditions and other contingencies. Ms. Kamalanathan notes that this Contingency Fund was created to be in addition to project-specific contingency funds that are included in each project's budget.

## FISCAL IMPACT

**Forestry Program:** \$2,000,000 from the first General Obligation Bond sale was appropriated to the RPD for assessment, design, and construction of Forestry Program projects. Of the \$2,000,000 appropriated, the Board of Supervisors placed \$1,690,000 on reserve pending the submission of final expenditure plans from the RPD, such that \$310,000 was appropriated and unreserved. As of March 31, 2011, \$232,509 of the \$310,000 appropriated and unreserved funds have been expended or obligated for program planning and assessments, leaving a remaining balance of \$77,491.

As shown in Attachment I, the \$2,000,000 will fund (a) program planning, project management, and bond issuance costs; (b) assessment, design, and construction of RPD's urban forestry sites on Park Presidio Boulevard, Pine Lake Park and Stern Grove; and (c) initial assessment, design, and construction of urban forestry sites in Golden Gate Park. According Ms. Kamalanathan, planning and assessment for these projects is substantially complete. Therefore, the reserved funds of \$1,690,000 and the \$77,491 unspent balance will be used to fund removal, pruning, and replanting of trees on Park Presidio Boulevard, Pine Lake Park, Stern Grove, and Golden Gate

Park. RPD is in the process of developing Requests for Qualifications to pre-qualify forestry contractors to bid the tree removal, pruning, and replanting.

**Community Opportunity Fund:** \$2,000,000 from the first General Obligation Bond sale was appropriated to the RPD in order to solicit and fund project proposals from San Francisco residents, neighborhood groups, and park advocates. Of the \$2,000,000 appropriated, the Board of Supervisors placed \$1,690,000 on reserve pending the submission of final expenditure plans from the RPD. Of the \$310,000 appropriated and not placed on reserve for this program, the RPD has expended \$9,821 on RPD administrative activities, leaving a remaining balance of \$300,179.

To date, the RPD has solicited, reviewed, and prioritized project proposals. Ms. Kamalanathan provided a spending plan, included as Attachment II, that outlines the first round of awards the RPD plans to make from the Community Opportunity Fund. As shown in Attachment II, costs for planning, issuing requests for bids and awarding contracts, and seven specific projects, total \$946,101. In addition, as shown in Attachment II, community matching funds totaling \$161,800 are anticipated for a total of \$1,107,901 project cost.

The Budget and Legislative Analyst notes that there is a \$743,899 difference between the \$1,690,000 that RPD requested for release of Community Opportunity Funds and the \$946,101 shown in the RPD spending plan in Attachment I. Ms. Kamalanathan advises that the full \$1,690,000 on reserve is being requested to be released in order to have additional funding to fulfill future grant awards. Ms. Kamalanathan noted that the RPD plans to have three more rounds of Community Opportunity Fund awards, each providing up to \$1 million.

**Neighborhood Park Contingency Fund:** \$372,737 from the first General Obligation Bond sale was appropriated to the RPD's Neighborhood Park Contingency Fund. The RPD is now requesting the release of the entire \$372,737 to cover cost increases due to unforeseen site conditions for the Fulton Playground project. These funds will pay for soils remediation to provide greater stability for the playground structure. As shown in Attachment III, the Fulton Playground is anticipated to incur an additional \$420,000 of costs, which is \$47,263 more than the \$372,737 currently on reserve. As also shown in Attachment III, RPD has identified unforeseen site conditions at Mission and Sunset Playgrounds, with estimated increased costs of \$1.747 million. According to Ms. Kamalanathan, Neighborhood Contingency Funds from the second General Obligation Bond sale will pay for these estimated increased costs.

## RECOMMENDATIONS

1. Approve the request to release (a) \$1,690,000 for the Forestry Program, (b) \$946,101 for the Community Opportunity Fund, and (c) \$372,737 for the Neighborhood Park Contingency Fund, for a total of \$3,008,838
2. Do not release the remaining requested \$743,899 for the Community Opportunity Fund until a detailed spending plan is submitted by the RPD.

	Scope	Estimated Budgeted	1ST BOND SALE @	2ND BOND SALE	FUTURE BOND SALE	GRANTS
Program Planning	site prioritization (RPC Approved 2/4/10 Res. No. 1002-006)	\$100,000	\$100,000			
Project 1: Existing sites	assessments, design & construction	\$447,500	\$447,500			
Project 2: Phase 1a*	assessments, design & construction	\$1,745,000	\$1,238,160	\$408,840		\$100,000
Project 3: Phase 1b-Group 1	assessments, design & construction	\$907,000		\$731,500	\$175,500	
Project 4: Phase 1b-Group 2	assessments, design & construction	\$624,500			\$624,500	
Project Management		\$196,660	\$135,000	\$61,660		
Bond Issuance		\$79,340	\$79,340			
<b>Subtotal</b>		<b>\$4,100,000</b>	<b>\$2,000,000</b>	<b>\$1,200,000</b>	<b>\$800,000</b>	<b>\$100,000</b>

**Project 1: IMPLEMENTATION-ex assessments (Stern, Pine Lake & Park Presidio Blvd)**

Assessments	\$40,000
Design	\$50,000
Construction Support Soft Costs	\$55,000
<b>Total Soft Costs</b>	<b>\$145,000</b>
Construction Contract	\$275,000
Construction Contingency (10%)	\$27,500
<b>Total Construction Costs (TCC)</b>	<b>\$302,500</b>
<b>Total Project Budget (TPB)</b>	<b>\$447,500</b>

@ \$2,000,000 includes \$1,690,000 on reserve and \$310,000.

**Project 2: IMPLEMENTATION-Phase 1a (Golden Gate Park)**

Assessments	\$125,000
Design	\$115,000
Construction Support Soft Costs	\$75,000
<b>Total Soft Costs</b>	<b>\$315,000</b>
Construction Contract	\$1,300,000
Construction Contingency (10%)	\$130,000
<b>Total Construction Costs (TCC)</b>	<b>\$1,430,000</b>
<b>Total Project Budget (TPB)</b>	<b>\$1,745,000</b>

**Project 3: IMPLEMENTATION-Phase 1b (Group 1) 8 Sites listed below**

Assessments	\$55,000
Design	\$72,000
Construction Support Soft Costs	\$65,000
<b>Total Soft Costs</b>	<b>\$192,000</b>
Construction Contract	\$650,000
Construction Contingency (10%)	\$65,000
<b>Total Construction Costs (TCC)</b>	<b>\$715,000</b>
<b>Total Project Budget (TPB)</b>	<b>\$907,000</b>

**Project 4: IMPLEMENTATION-Phase 1b (Group 2) 6 Sites listed below**

Assessments	\$45,000
Design	\$62,500
Construction Support Soft Costs	\$55,000
<b>Total Soft Costs</b>	<b>\$162,500</b>
Construction Contract	\$420,000
Construction Contingency (10%)	\$42,000
<b>Total Construction Costs (TCC)</b>	<b>\$462,000</b>
<b>Total Project Budget (TPB)</b>	<b>\$624,500</b>

\* Inventory grants total \$100,000 (total project budget is \$4,100,000)

Phase 1b - Group 1 sites

Crocker Amazon  
Gillman  
Glen Park  
Golden Gate Heights  
Holly  
Mountain Lake  
Mt. Davidson  
Palace of Fine Arts

Phase 1b - Group 2 sites

Parkside Square  
McCoppin Square  
Mission Dolores  
Buena Vista  
Lincoln Park  
John McLaren Park

## Community Opportunity Fund Round 1 Projects

3/23/2011

ROUND 1 AWARDS									
Park	Overall Program - No Specific Project	Geneva Community Garden	McLaren Park JG Amphitheater	McLaren Park Playground	Panhandle	Pioneer Park	Precita Park	Sutro Dunes	Round 1 RPD Budget Totals
1. Planning	160,000.00								160,000.00
2. Design (DPW / RPD)		30,000.00	1,500.00	30,000.00	0.00	5,000.00	0.00	1,500.00	68,100.00
3. Bid/Award	10,000.00								10,000.00
4. Construction		234,764.00	25,000.00	239,182.00	88,920.00	35,000.00	24,450.00	12,600.00	659,916.00
Community Match		40,000.00	0.00	83,500.00	2,000.00	35,000.00	1,300.00	0.00	161,800.00
Total Construction Budget		274,764.00	25,000.00	322,682.00	90,920.00	70,000.00	25,750.00	12,600.00	821,716.00
5% JOC Fee		13,738.20	1,250.00	16,134.10	4,546.00	3,500.00	1,287.50	630.00	41,085.80
5. Close-Out		1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	7,000.00
GRAND TOTAL	170,000.00	319,502.20	28,850.00	369,816.10	96,466.00	79,500.00	28,037.50	15,730.00	1,107,901.80
FUNDING SOURCE RECAP									
2008 COF PROG									946,101.80
Community Match									161,800.00
GRAND TOTAL									1,107,901.80

## RPD Neighborhood Park Contingency Request

PROJECT	BASE BOND BUDGET (millions)	NP CONTINGENCY REQUEST (millions)	TOTAL PROJECT	AWARD DATE
Mission Plgd	7.5	0.544	8.044	March 2011
Sunset Plgd	13.7	1.203	14.903	April 2011
Fulton Plgd	4.2	0.42	4.62	July 2011

City practice requires that when contracts are awarded for a capital projects, funds are then encumbered for the contractor, as well as transferred to DPW for the construction management and design services needed to complete the project. The \$372,737 the RPD is requesting from the BOS reserve will be for Fulton Plgd, in the department's effort to plan appropriately for our intended July 2011 award of contract.

### Explanation of cost increases

**Mission Playground:** The total estimated budget of \$7,500,000 has been increased by an additional \$544,000 (to a total of \$8,044,000 for the project) due to unanticipated seismic upgrades needed for the Clubhouse and Pool Building. This involves stabilizing the soil beneath the buildings to strengthen the foundations. The buildings are on soils that are prone to liquefaction during an earthquake. Stabilizing the soil beneath the foundations will prevent major structural damage and personal injury in the event of seismic activity. Also, chemical grouting will be used, which involves the pumping of slurry cement into the ground to provide fortified stabilization.

**Sunset Playground:** The original total estimated budget of \$13,700,000 has increased by an additional \$1,203,000 to a total of \$14,903,000 for this project.. The additional funds are needed for stabilizing the poor soil/sand material found below the building foundation (approx. 30' depth) so that the structure will perform better during a seismic event. This facility is also recognized as one of several emergency relief facilities, and therefore will have a backup electrical generator connection point installed as well as a shower facility.

**Fulton Playground:** The original total estimated budget of \$4,200,000 has increased by an additional \$420,000 to a total of \$4,620,000 for this project. The additional funding, mostly covered by the reserve fund request, will pay for soils remediation to provide greater stability for the structure, and a more substantial foundation than is typically required for a building of this size. This will ensure that given the existing site conditions, the clubhouse will not sink or settle unevenly in the future.