

File No. 111334

Committee Item No. 3

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: January 18, 2012

Board of Supervisors Meeting

Date _____

Cmte Board

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Completed by: Victor Young

Date: January 13, 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.

[Appropriating ~~\$76,000,000~~ \$75,009,139 of 2008 Clean and Safe Park Bond to the Recreation and Park Department and Port Commission in FY2011-2012]

Ordinance appropriating ~~\$76,000,000~~ \$75,009,139 of 2008 Clean and Safe Park Bond sale proceeds to fund the improvement and construction at various recreation and park facilities, including ~~\$62,176,132~~ \$61,185,271 in the Recreation and Park Department and \$10,394,975 in the Port Commission for FY2011-2012.

Note: Additions are *single-underline italics Times New Roman*;
deletions are *strikethrough italics Times New Roman*.
Board amendment additions are double underlined.
Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. The sources of funding outlined below are herein appropriated to reflect the funding available for the Recreation and Parks Department in Fiscal Year 2011-2012.

SOURCES Appropriation – 3C RPF 08D

Fund	Index Code	Subobject	Description	Amount
3C RPF 08D -	REC3CRPF08D -	80111 - Proceeds	Bond Sale Proceeds	\$76,000,000
Clean and Safe	2008 Clean and	from Sale Bonds	from the 2008 Clean	<u>\$75,009,139</u>
Park Bond—4th	Safe Park Bond—		and Safe Park Bond—	
Series 2012X	4th Series		4 th Series	
Total SOURCES Appropriation – 3C RPF 08D				<u>\$76,000,000</u>
				<u><u>\$75,009,139</u></u>

1 Section 2. The uses of funding outlined below are herein appropriated in Subobject 06700
 2 (Buildings, Structures, and Improvement Project-Budget), Subobject 081C4 (City Services
 3 Auditor Internal Audits for the General Obligation Bond Oversight Committee and the
 4 Controller's Audit Fund), Subobject 07311 (Cost of Bond Issuance, Underwriter's Discount,
 5 and Reserve Pending Bond Sales), Subobject 0935P (Operating Transfer Out to 5P – Port
 6 Commission Funds), and reflects the projected uses of funding to support improvement and
 7 construction at various Recreation and Park Department facilities for Fiscal Year 2011-2012.
 8

9 **USES Appropriation – 3C RPF 08D**

Fund	Index Code/ Project Code	Subobject	Description	Amount
3C RPF 08D - Clean and Safe Park Bond— 4 th Series 2012X	REC3CRPF08D CRPCSP NPMD01	06700 Buildings, Structures, and Improvement Project-Budget	Mission Dolores Park	<u>\$11,700,000</u> <u>\$10,761,600</u>
3C RPF 08D - Clean and Safe Park Bond— 4 th Series 2012X	REC3CRPF08D CRPCSP NPLF01	06700 Buildings, Structures, and Improvement Project-Budget	Lafayette Park	\$8,249,600
3C RPF 08D - Clean and Safe Park Bond— 4 th Series 2012X	REC3CRPF08D CRPCSP NPLF01	06700 Buildings, Structures, and Improvement Project-Budget	Park Playfields	\$7,700,000

	Fund	Index Code/ Project Code	Subobject	Description	Amount
1					
2					
3	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Neighborhood Park	\$5,250,000
4	and Safe Park Bond—	CRPCSP	Structures, and	Restroom Repairs	
5	4th Series 2012X	RR0001	Improvement		
6			Project-Budget		
7					
8	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Glen Canyon Park	\$5,018,500
9	and Safe Park Bond—	CRPCSP	Structures, and		
10	4 th Series 2012X	NPGC01	Improvement		
11			Project-Budget		
12					
13	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Palega Recreation	\$4,980,200
14	and Safe Park Bond—	CRPCSP	Structures, and	Center.	
15	4 th Series 2012X	NPPR01	Improvement		
16			Project-Budget		
17					
18	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Neighborhood Park	\$4,171,032
19	and Safe Park Bond—	CRPCSP	Structures, and	Contingency Fund	\$4,609,432
20	4 th Series 2012X	NPRS01	Improvement		<u>\$3,618,571</u>
21			Project-Budget		
22					
23					
24					
25					

	Fund	Index Code/ Project Code	Subobject	Description	Amount
1					
2					
3	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Cabrillo Playground	\$3,685,500
4	and Safe Park Bond—	CRPCSP	Structures, and		
5	4 th Series 2012X	NPCB01	Improvement		
6			Project-Budget		
7					
8	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Community	\$3,600,000
9	and Safe Park Bond—	CRPCSP	Structures, and	Opportunity Fund	
10	4 th Series 2012X	CO0001	Improvement		
11			Project-Budget		
12					
13	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Park Forestry	\$2,770,000
14	and Safe Park Bond—	CRPCSP	Structures, and		
15	4 th Series 2012X	FR0001	Improvement		
16			Project-Budget		
17					
18	3C RPF 08D - Clean	REC3CRPF08D	07311	Reserve Pending	\$2,730,000
19	and Safe Park Bond—	CRPCSP	Bond Issuance	Bond Sales	
20	4 th Series 2012X	BC0001	Cost		
21					
22	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Kimbell Playground	\$2,641,300
23	and Safe Park Bond—	CRPCSP	Structures, and		
24	4 th Series 2012X	NPKP01	Improvement		
25			Project-Budget		

	Fund	Index Code/ Project Code	Subobject	Description	Amount
3	3C RPF 08D - Clean	REC3CRPF08D	06700 Buildings,	Park Trail	<i>\$1,910,000</i>
4	and Safe Park Bond—	CRPCSP	Structures, and	Reconstruction	<u>\$2,910,000</u>
5	4 th Series 2012X	PT0001	Improvement		
6			Project-Budget		
7					
8	3C RPF 08D - Clean	REC3CRPF08D	06700	Fulton Playground	\$500,000
9	and Safe Park	CRPCSP	Buildings,		
10	Bond - 4th Series	NPFL01	Structures, and		
11	2012X		Improvement		
12			Project Budget		
13					
14					
15	3C RPF 08D - Clean	REC3CRPF08D	07311	Underwriter's	\$366,350
16	and Safe Park Bond—	CRPCSP	Bond Issuance	Discount	
17	4 th Series 2012X	BC0001	Cost		
18					
19	3C RPF 08D - Clean	REC3CRPF08D	081C4 Controller	City Services Auditor	\$218,412
20	and Safe Park Bond—	CRPCSP	Internal Audits	0.1% allocation for	
21	4 th Series 2012X	AU0001		the General	
22				Obligation Bond	
23				Oversight Committee	
24				Audits	
25					

1	Fund	Index Code/ Project Code	Subobject	Description	Amount
3	3C RPF 08D - Clean	REC3CRPF08D	07311 Bond	Cost of Issuance	\$114,131
4	and Safe Park Bond—	CRPCSP	Issuance Cost -		
5	4 th Series 2012X	BC0001	Unamortized		
7	3C RPF 08D - Clean	POPOCSPD935P	0935P – OTO to	Transfer out of	\$10,394,975
8	and Safe Park Bond—	CRPCPS	5P – Port	3C RPF 08D	
9	4 th Series 2012X	WP12BP	Commission		
10			Funds		
12	Total USES Appropriation – 3C RPF 08D				<u>\$76,000,000</u>
13					<u>\$75,009,139</u>

Section 3. The sources of funding outlined below are herein appropriated to reflect the funding available for Fiscal Year 2011-2012 in the Port Commission.

SOURCES Appropriation – 5P CPF 08D

19	Fund	Index/Project Code	Subobject	Description	Amount
20	5P CPF 08D	POPOCSPD303R	9303R	Transfer in	\$10,394,975
21	Port Fund – 2008 Clean and	CRPCSP WP12BP	OTI from	from	
22	Safe Park Bond – 4 th Series		3C/RPF Rec	3C RPF 08D	
23			& Park Fac		
24			Cap Project		
25	Total SOURCES Appropriation – 5P CPF 08D				<u>\$10,394,975</u>

1 Section 4. The uses of funding outlined below are herein appropriated in the Subobject 06700
 2 (Buildings, Structures, and Improvement Project-Budget), and reflects the projected uses of
 3 funding to support improvement and construction at various Port Commission facilities for
 4 Fiscal Year 2011-2012.

5
 6 **USES Appropriation – 5P CPF 08D**

Fund	Index Code/ Project Code	Subobject	Description	Amount
5P CPF 08D	398CSP08D	06700 Buildings, Structures, and Improvement Project-Budget	Waterfront Parks Bayview Gateway	\$3,082,125
Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X	CRPCSP WPBV01			
5P CPF 08D	398CSP08D	06700 Buildings, Structures, and Improvement Project-Budget	Waterfront Parks Brannan Street Wharf Park	\$2,941,050
Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X	CRPCSP WPBW01			
5P CPF 08D	398CSP08D	06700 Buildings, Structures, and Improvement Project-Budget	Waterfront Parks Heron's Head Park	\$1,801,000
Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X	CRPCSP WPHH01			

	Fund	Index Code/ Project Code	Subobject	Description	Amount
1					
2					
3	5P CPF 08D	398CSP08D	06700 Buildings,	Waterfront Parks Blue	\$1,024,000
4	Port Fund – 2008 Clean	CRPCSP	Structures, and	Greenway Parks	
5	and Safe Park Bond – 4 th	WPSF01	Improvement	Signage and Site	
6	Series 2012X		Project-Budget	Furnishings	
7					
8	5P CPF 08D	398CSP08D	06700 Buildings,	Waterfront Parks	\$550,000
9	Port Fund – 2008 Clean	CRPCSP	Structures, and	Crane Cove Park	
10	and Safe Park Bond – 4 th	WPCC01	Improvement		
11	Series 2012X		Project-Budget		
12					
13	5P CPF 08D	398CSP08D	06700 Buildings,	Waterfront Parks Blue	\$509,000
14	Port Fund – 2008 Clean	CRPCSP	Structures, and	Greenway Parks	
15	and Safe Park Bond – 4 th	WPPA01	Improvement	Public Art	
16	Series 2012X		Project-Budget		
17					
18	5P CPF 08D	398CSP08D	06700 Buildings,	Waterfront Parks	\$460,000
19	Port Fund – 2008 Clean	CRPCSP	Structures, and	Tulare Park	
20	and Safe Park Bond – 4 th	WPTP01	Improvement		
21	Series 2012X		Project-Budget		
22					
23					
24					
25					

Fund	Index Code/ Project Code	Subobject	Description	Amount
5P CPF 08D	398CSP08D	06700 Buildings,	Waterfront Parks Pier	\$27,800
Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X	CRPCSP WP4301	Structures, and Improvement Project-Budget	43 Bay Trail Link	
Total USES Appropriation – 5W CPF 08D				<u><u>\$10,394,975</u></u>

Section 5. The uses of funding outlined above for ~~\$76,000,000~~ \$75,009,139 are herein placed on Controller's Reserve for Fiscal Year 2011-2012 pending sale of the General Obligation Bonds.

Section 6. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney
By: BSHA
Deputy City Attorney

FUNDS AVAILABLE
Ben Rosenfield, Controller
By: [Signature]
Date: December 12, 2011
Amended: January 11, 2012

Items 3 and 4
Files 11-1334, and 11-1345
(Continued from January 11, 2012)

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

EXECUTIVE SUMMARY

Note: This item was continued from the January 11, 2012 Budget and Finance Committee Meeting

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.

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 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. The Recreation and Park Department submitted the Bond Accountability Report to the Clerk of the Board on 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.

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.
SAN FRANCISCO BOARD OF SUPERVISORS

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				2,730,000
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 52 percent of the \$87.8 million in bond proceeds and the Port has spent or encumbered 68 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>	62,176,132
Recreation and Park Department		10,394,975
Port		
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.

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

The Recreation and Park Department submitted the Bond Accountability Report to the Clerk of the Board of Supervisors on 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.

	Appropriation Series 2008B and 2010B	Total Actual Expenditures and Encumbrances as of 9/30/11	Percent Expended and Encumbered Compared to Appropriation as of 9/3/11	Unencumbered and Unspent Balance as of 9/30/11
Recreation and Park				
Neighborhood Parks				
Chinese Recreation Center	12,690,000	11,684,969	92%	1,005,031
Mission Playground	8,050,000	6,500,179	81%	1,549,821
Palega Playground	16,219,800	2,636,633	16%	13,583,167
Cayuga Playground	7,300,000	1,899,148	26%	5,400,852
McCoppin Square	3,800,000	3,372,859	89%	427,141
Sunset Playground	13,700,000	11,395,718	83%	2,304,282
Fulton Playground	4,850,600	1,066,717	22%	3,783,883
Mission Dolores Playground	1,650,000	1,548,288	94%	101,712
Mission Dolores Renovation	938,400	454,815	48%	483,585
Cabrillo Playground	814,500	533,255	65%	281,245
Glen Canyon Park	781,500	190,801	24%	590,699
Lafayette Park	1,950,400	1,050,837	54%	899,563
Kimball Playground	658,700	85,008	13%	573,692
Neighborhood Parks Contingency	2,755,829	0	0%	2,755,829
Subtotal, Neighborhood Parks	76,159,729	42,419,227	56%	33,740,502
Citywide Programs				
Restroom Repair and Replacement	6,150,000	1,542,421	25%	4,607,579
Park Playfields Program	800,000	804,327	101%	-4,327
Park Forestry Program	1,230,000	265,138	22%	964,862
Park Trail Program	2,090,000	542,186	26%	1,547,814
Community Opportunity Fund	1,400,000	99,986	7%	1,300,014
Subtotal, Citywide Program	11,670,000	3,254,058	28%	8,415,942
Total Recreation and Park	87,829,729	45,673,285	52%	42,156,444
Port				
Pier 43 Bay Trail Link	7,650,000	5,948,358	78%	1,701,642
Brannan Street Wharf Park	0	0	0%	0
Blue-Greenway	434,000	0	0%	434,000
Signage/Furnishings	200,000	0	0%	200,000
Bayview Gateway	125,000	20,097	16%	104,903
Crane Cove Park	1,263,250	709,850	56%	553,400
Bayfront Park	2,950,000	2,218,111	75%	731,889
Heron's Head Park	550,000	143,493	26%	406,507
Blue-Greenway Public Art	175,000	0	0%	175,000
Blue-Greenway Planning/Design	336,000	287,460	86%	48,540
CEQA Review and Permitting	577,500	436,995	76%	140,505
Total Port	14,260,750	9,764,364	68%	4,496,386
Total Appropriation	102,090,479	55,437,649	54%	46,652,830
Bond Issuance and Audit Costs	859,521	859,521	100%	0
Total Bonds To Date	102,950,000	56,297,170	55%	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
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