

File No. 130371

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Sub-Committee Date: 05/15/2013

Board of Supervisors Meeting

Date: _____

Cmte Board

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Completed by: Victor Young Date May 10, 2013

Completed by: Victor Young Date _____

[Appropriation and De-Appropriation - Clean and Safe Neighborhood Park General Obligation Bonds, 2012, Series 2013A - \$74,030,000 - FY2012-2013]

Ordinance appropriating \$74,030,000 of the Clean and Safe Neighborhood Park General Obligation Bonds, 2012, Series 2013A, Proceeds including \$55,156,304 to the Recreation and Parks Department and \$18,873,696 to the Port for the renovation, repair, and construction of parks and open spaces (Proposition B) in FY2012-2013 and placing these funds on Controller's Reserve pending the sale of the bonds.

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 Fiscal Year 2012-2013.

SOURCES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
3C RPF XXX	REC3CPRFXXX	80111	General Obligation	\$74,030,000
Clean and Safety Neighborhood	CRPNPB		Bond Proceeds	
Parks Bond Fund	BP13			
Total SOURCES Appropriation				\$74,030,000

Section 2. The uses of funding outlined below are herein appropriated in the Subobject 06700 (Buildings, Structures, and Improvement Project-Budget), Subobject 07311 (Cost of Bond Issuance, Underwriter's Discount, and Reserve Pending Bond Sales), Subobject 081C4 (City

Services Auditor Internal Audits for the General Obligation Bond Oversight Committee and the Controller's Audit Fund), and reflects the projected uses of funding planning and design of seven Neighborhood Park projects and the construction costs of five of those; three Citywide parks; Citywide programs, and three Waterfront Parks and the construction of one Waterfront Park.

USES Appropriation

Fund	Index Code / Project Code	Subobject	Description	Amount
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB NPBB01	06700 Buildings, Structures, and Improvement Project-Budget	Balboa Park	\$6,825,000
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB NPFGS01	06700 Buildings, Structures, and Improvement Project-Budget	Garfield Square	\$2,750,000
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB NPGF01	06700 Buildings, Structures, and Improvement Project-Budget	George Christopher Playground	\$10,000

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Gilman Playground	\$1,755,000
4	Clean and Safety	CRPNPB	Structures, and		
5	Neighborhood Parks	NPGM01	Improvement		
6	Bond Fund		Project-Budget		
7					
8	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Glen Canyon Park	\$11,700,000
9	Clean and Safety	CRPNPB	Structures, and		
10	Neighborhood Parks	NPGC01	Improvement		
11	Bond Fund		Project-Budget		
12					
13	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Joe DiMaggio	\$5,362,500
14	Clean and Safety	CRPNPB	Structures, and	Playground	
15	Neighborhood Parks	NPJD01	Improvement		
16	Bond Fund		Project-Budget		
17					
18	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Margaret S. Hayward	\$850,000
19	Clean and Safety	CRPNPB	Structures, and	Playground	
20	Neighborhood Parks	NPMHH01	Improvement		
21	Bond Fund		Project-Budget		
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1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Moscone Recreation	\$10,000
4	Clean and Safety	CRPNPB	Structures, and	Center	
5	Neighborhood Parks	NPMP01	Improvement		
6	Bond Fund		Project-Budget		
7					
8	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Mountain Lake Park	\$1,950,000
9	Clean and Safety	CRPNPB	Structures, and		
10	Neighborhood Parks	NPMN01	Improvement		
11	Bond Fund		Project-Budget		
12					
13	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Potrero Hill Recreation	\$25,000
14	Clean and Safety	CRPNPB	Structures, and	Center	
15	Neighborhood Parks	NPPO01	Improvement		
16	Bond Fund		Project-Budget		
17					
18	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	South Park	\$975,000
19	Clean and Safety	CRPNPB	Structures, and		
20	Neighborhood Parks	NPSP01	Improvement		
21	Bond Fund		Project-Budget		
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1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	West Sunset	\$3,300,000
4	Clean and Safety	CRPNPB	Structures, and		
5	Neighborhood Parks	NPWG01	Improvement		
6	Bond Fund		Project-Budget		
7					
8	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Willie "Woo Woo"	\$600,000
9	Clean and Safety	CRPNPB	Structures, and	Wong Playground	
10	Neighborhood Parks	NPCE01	Improvement		
11	Bond Fund		Project-Budget		
12					
13	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Lake Merced Park	\$1,000,000
14	Clean and Safety	CRPNPB	Structures, and		
15	Neighborhood Parks	CPLM01	Improvement		
16	Bond Fund		Project-Budget		
17					
18	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	Golden Gate Park	\$2,475,000
19	Clean and Safety	CRPNPB	Structures, and		
20	Neighborhood Parks	CPGG01	Improvement		
21	Bond Fund		Project-Budget		
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Fund	Index Code / Project Code	Subobject	Description	Amount
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB CPML01	06700 Buildings, Structures, and Improvement Project-Budget	John McLaren Park	\$2,500,000
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB CO0001	06700 Buildings, Structures, and Improvement Project-Budget	COMMUNITY OPPORTUNITY FUND	\$1,900,000
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB PG0001	06700 Buildings, Structures, and Improvement Project-Budget	PLAYGROUNDS	\$5,000,000
3C RPF XXX Clean and Safety Neighborhood Parks Bond Fund	REC3CRPFXXX CRPNPB FR0001	06700 Buildings, Structures, and Improvement Project-Budget	FORESTRY	\$1,000,000

1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	TRAILS	\$2,000,000
4	Clean and Safety	CRPNPB	Structures, and		
5	Neighborhood Parks	PT0001	Improvement		
6	Bond Fund		Project-Budget		
7					
8	3C RPF XXX	REC3CRPFXXX	06700 Buildings,	WATER	\$1,200,000
9	Clean and Safety	CRPNPB	Structures, and	CONSERVATION	
10	Neighborhood Parks	WC0001	Improvement		
11	Bond Fund		Project-Budget		
12					
13	3C RPF XXX	REC3CRPFXXX	07311	Reserve Pending	\$1,800,000
14	Clean and Safety	CRPNPB	Bond Issuance	Bond Sales	
15	Neighborhood Parks	BC0001	Cost		
16	Bond Fund				
17					
18	3C RPF XXX	REC3CRPFXXX	07311	Cost of Issuance	\$158,000
19	Clean and Safety	CRPNPB	Bond Issuance		
20	Neighborhood Parks	BC0001	Cost		
21	Bond Fund				
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1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	3C XXX XXX	REC3CRPFXXX	07311	Underwriter's Discount	\$469,495
4	Clean and Safety	CRPNPB	Bond Issuance		
5	Neighborhood Parks	BC0001	Cost		
6	Bond Fund				
7					
8	3C XXX XXX	REC3CRPFXXX	081C4	City Services Auditor	\$72,230
9	Clean and Safety	CRPNPB	Controller	0.1% allocation for the	
10	Neighborhood Parks	AU0001	Internal Audits	General Obligation Bond	
11	Bond Fund			Oversight Committee	
12				Audits	
13					
14	3C XXX XXX	REC3CRPFXXX	081C4	City Services Auditor	\$142,775
15	Clean and Safety	CRPNPB	Controller	0.2% allocation for the	
16	Neighborhood Parks	AU0001	Internal Audits	Controller's Audit Fund	
17	Bond Fund				
18					
19	5P CPF XXX	398NPBXXX	06700 Buildings,	Northeast Wharf Plaza	\$17,000,000
20	Clean and Safety	CRPNPB	Structures, and	& Pier 27/29 Tip	
21	Neighborhood Parks	WPNE01	Improvement		
22	Bond Fund		Project-Budget		
23					
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1	Fund	Index Code /	Subobject	Description	Amount
2		Project Code			
3	5P CPF XXX	398NPBXXX	06700 Buildings,	Pier 70 Parks	\$600,000
4	Clean and Safety	CRPNPB	Structures, and		
5	Neighborhood Parks	WP7001	Improvement		
6	Bond Fund		Project-Budget		
7					
8	5P CPF XXX	398NPBXXX	06700 Buildings,	Islais Creek	\$600,000
9	Clean and Safety	CRPNPB	Structures, and	Improvements	
10	Neighborhood Parks	WPIC01	Improvement		
11	Bond Fund		Project-Budget		
12					
13	Total USES Appropriation				<u>\$74,030,000</u>


16 Section 3. The uses of funding outlined above for \$71,387,500 are herein placed on
 17 Controller's Reserve for Fiscal Year 2012-2013 pending sale of the General Obligation Bonds.

19 Section 4. The Controller is authorized to apply funds appropriated by this ordinance to abate
 20 advanced expenditures incurred by the General Fund for projects supported by Clean and
 21 Safe Neighborhood Parks Bonds that are eligible to be reimbursed by bond proceeds.


23 Section 5. The Controller is authorized to record transfers between funds and adjust the
 24 accounting treatment of sources and uses appropriated in this ordinance as necessary to
 25 conform with Generally Accepted Accounting Principles.

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

By: 
Deputy City Attorney

FUNDS AVAILABLE
Ben Rosenfield, Controller

By: 
April 22, 2013

Items 6, 7 and 8
Files 13-0380, 13-0377 and 13-0371

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

EXECUTIVE SUMMARY

Legislative Objectives

- File 13-0380: Resolution providing for the issuance of not-to-exceed \$195,000,000 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds, 2012.
- File 13-0377: Resolution authorizing and directing the sale of not-to-exceed \$74,030,000 of Clean and Safe Neighborhood Parks General Obligation Bonds, Series 2013A.
- File 13-0371: Ordinance appropriating \$74,030,000 of bond proceeds to fund renovation, repair and construction of parks and open spaces, including \$53,187,500 for the Recreation and Park Department, \$18,200,000 for the Port, and \$2,642,500 for issuance and oversight costs and placing these funds on Controller's Reserve pending the sale of the bonds.

Key Points

- San Francisco voters approved \$195,000,000 Clean and Safe Neighborhood Parks General Obligation Bonds on November 6, 2012 for capital improvements for various neighborhood parks, City-wide parks, and Citywide programs under the Recreation and Park Department and waterfront parks under the Port. The proposed resolutions would authorize issuance of the entire \$195 million bonds and direct the first sale of these bonds for a not-to-exceed \$74,030,000, leaving a remaining authorized balance of \$120,970,000.

Fiscal Impacts

- The proposed resolution authorizing the sale of not-to-exceed \$74,030,000 in Clean and Safe Neighborhood Park Bonds will have a projected annual interest rate of 6.0 percent over approximately 20 years, with estimated total debt service payments of \$125,904,308, including \$53,674,308 in interest and a par amount of \$72,230,000 in principal, with estimated average annual debt service payments of \$6,295,215. Debt service would be paid from increased Property Taxes, such that an owner of a residence with an assessed value of \$500,000 would pay additional Property Taxes of an average of \$12.92 per year.
- On February 21, 2013, the Recreation and Park Commission appropriated \$670,000 from the undesignated Open Space Contingency Reserve Funds as a temporary loan, to be reimbursed from the upcoming bond sale to expedite site investigations at eight of the RPD bond project sites. An estimated \$4.1 million was previously expended on planning and design of the Port's Northeast Wharf Plaza project as part of the Cruise Terminal Project, such that \$4.1 million will also be reimbursed from the subject bond proceeds.

Policy Issues

- Excluding \$1,800,000 on reserve pending the bond sale, the Office of Public Finance estimates \$842,500 is needed to fund the issuance and oversight costs for the subject bonds. However, only an estimated \$500,000 is included by RPD and the Port for such issuance and oversight expenses. If RPD and the Port have not set aside sufficient funding for issuance and oversight costs, a portion of the \$6 million Program Contingency may be needed to cover these expenses.

Recommendation

- Approve the two proposed resolutions and the proposed ordinance.

MANDATE STATEMENT / BACKGROUND

Mandate Statement

Charter Section 9.105 provides that the issuance and sale of General Obligation bonds are subject to approval of the Board of Supervisors. Charter Section 9.105 also provides that amendments to the appropriation ordinance, as finally adopted, are to be adopted in the same manner as other ordinances, subject to the Controller certifying the availability of funds.

Administrative Code Section 2.71 requires City departments to submit Bond Accountability Reports to the Clerk of the Board, Controller, Treasurer, Director of Public Finance and the Budget and Legislative Analyst 60 days prior to appropriation of bond funds.

Background

On November 6, 2012, San Francisco voters approved \$195 million of Clean and Safe Neighborhood Parks General Obligation Bonds (Proposition B), which is intended to:

1. Improve the safety and quality of neighborhood parks across the City and waterfront open spaces;
2. Enhance water quality and clean up environmental contamination along the Bay;
3. Replace unsafe playgrounds;
4. Fix restrooms;
5. Improve access for the disabled; and
6. Ensure the seismic safety of park and recreation facilities.

The specific neighborhood parks, playgrounds and recreation centers, Citywide parks, Citywide programs and Waterfront parks, to be funded under the \$195 million Clean and Safe Neighborhood Parks Bond, for the Recreation and Park Department and the Port are identified in Attachment I to this report and summarized in Table 1 below:

Table 1: Clean and Safe Neighborhood Parks Bond Allocation

	Recreation and Park Department	Port	Bond Issuance and Audit	Total
Neighborhood Parks, Playgrounds and Recreation Centers	\$91,000,000			\$91,000,000
Citywide Parks	21,000,000			21,000,000
Citywide Programs	40,500,000			40,500,000
Waterfront Parks		\$34,500,000		34,500,000
Program Contingencies	6,000,000			6,000,000
Bond Issuance and Oversight			2,000,000	2,000,000
Total	\$158,500,000	\$34,500,000	\$2,000,000	\$195,000,000

Source: March 13, 2013 Bond Accountability Report for the Clean and Safe Neighborhood Parks Bond.

As noted above, Administrative Code Section 2.71 requires the Recreation and Park Department and Port to submit a Bond Accountability Report to the Clerk of the Board, Controller, Treasurer, Director of Public Finance and the Budget and Legislative Analyst 60 days prior to appropriation of such bond funds. In accordance with Administrative Code Section 2.72, the Bond Accountability Report includes: (a) certification from an authorized representative that the

information in the report is correct; (b) cumulative amount of bond proceeds available and expended on the project; (c) brief description of each project line item for which bond proceeds have been expended; (d) the amount of bond proceeds expended on each project line item; (e) identification of completed and uncompleted project line items; (f) identification of any project line item not included in a proposed expenditure report; (g) certification that each project identified is in conformity with the voter authorization; and (h) identification of any project time line. On March 11, 2013, the Recreation and Park Department and the Port submitted their Bond Accountability Report on the subject Clean and Safe Neighborhood Parks General Obligation Bonds. Descriptions of each of the projects are included in the Bond Accountability Report.

DETAILS OF PROPOSED LEGISLATION

File 13-0380: The proposed resolution would authorize the issuance of the total not-to-exceed \$195,000,000 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds, 2012.

File 13-0377: The proposed resolution would authorize and direct the sale of not-to-exceed \$74,030,000 aggregate principal amount of Clean and Safe Neighborhood Parks General Obligation Bonds, 2012, Series 2013A, which would be the first issuance of bonds.

File 13-0371: The proposed ordinance would appropriate \$74,030,000 of the Clean and Safe Neighborhood Parks General Obligation Bond, Series 2013A proceeds to fund renovation, repair and construction of parks and open spaces, including \$55,156,304 for the Recreation and Park Department and \$18,873,696 for the Port and place these funds on Controller's Reserve pending the sale of the bonds.

The proposed resolution (File 13-0380), which is the authorization for the entire \$195,000,000 Clean and Safe Neighborhood Parks General Obligation Bonds, would:

- Authorize the execution, authentication and registration of the 2012 Clean and Safe Neighborhood Parks Bonds, noting that these Bonds may be sold in one or more series, as the Board of Supervisors determines and approves in subsequent individual sale resolutions;
- Set the terms for transferring or redeeming the bonds;
- Provide that an ad valorem tax (property tax) levy will be imposed annually to pay for the principal and interest costs of such bonds and authorizes the establishment of a 2012 Clean and Safe Neighborhood Parks Project Bond Account;
- Specify the administration and disbursements from the set aside Project Bond Account;
- Authorize the Treasurer to appoint securities depository and fiscal and other agents; and
- Authorize future individual sale resolutions to provide for defeasance of the bonds, other tax covenants and other terms and provisions;

The proposed resolution (File 13-0377), which would authorize the initial \$74,030,000 sale of the Clean and Safe Neighborhood Parks General Obligation Bonds, Series 2013A, would:

- Authorize 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, 2033;

- Prescribe the form and term of these bonds, including the execution, authentication and registration as well as transfers, exchanges and redemption of the bonds;
- Restrict use of the bond proceeds to the public purpose for which the bonds were intended;
- Establish a Series 2013A Bond Account to pay principal and interest and a Series 2013A Project Subaccount for acquisition, renovation, and construction of bond-funded projects;
- Approve the appointment of the Depository Trust Company as the securities depository, and authorize the Treasurer to appoint fiscal and other agents;
- Provide for defeasance of the bonds, other tax covenants and other terms and provisions;
- Approve 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;
- Approve the Preliminary Official Statement, describing the sources and uses of funds, security for the Bonds, risk factors, and tax and other legal matters and authorize the Controller or the Controller's Director of Public Finance to revise the Preliminary Official Statement;
- Approve the Continuing Disclosure Certificate, which provides for City covenants to provide certain financial information and operating data relating to the City;
- Authorize City officials who have responsibility for executing documents related to the Series 2013A Bonds, including the Controller, Director of Public Finance, and Treasurer, to modify the documents as necessary, except that the Series 2013A Bond amount cannot exceed \$74,030,000;
- Subject the Series 2013A Bonds to deposit 0.1% of gross bond proceeds into specified fund for compliance with the reporting requirements of the Citizens' General Obligation Bond Oversight Committee; and
- Authorize the Board of Supervisors to incorporate California Environmental Quality Act (CEQA) findings and determinations for individual projects, for approval of use of bond proceeds to finance each project.

All of the \$195,000,000 Clean and Safe Neighborhood Parks General Obligation Bond projects are anticipated to be completed over the six-year period from early 2013 through 2018, with funds from the initial \$74,030,000 bond sale expended over approximately the next two years. The \$74,030,000 from this initial sale would be used to specifically fund (a) planning and design for six neighborhood parks, construction of five of those parks, and early planning on the remaining additional neighborhood park projects, (b) planning and design for each of the three Citywide parks, (c) planning, design and construction of Citywide Programs, and (d) construction of one Waterfront Park and design of two other Waterfront Parks. As shown in Attachment II, there are anticipated to be subsequent bond sales, with the second bond sale tentatively scheduled for late 2014, subject to future Board of Supervisors approval.

Ms. Nadia Sesay, Director of Public Finance in the Controller's Office advises that the Office of Public Finance anticipates the initial not-to-exceed \$74,030,000 Clean and Safe Neighborhood Parks General Obligation Bonds, Series 2013A sale on June 5, 2013. The proposed ordinance (File 13-0371) would appropriate the entire \$74,030,000 from the first bond sale proceeds, as shown in Table 2 below, subject to technical adjustments pending completion of the sale.

Table 2: Clean and Safe Neighborhood Parks Series 2013A Bond Appropriation

Program	Program Amount*	Total Amount
Recreation and Park		
Neighborhood Parks, Playgrounds and Recreation Centers		
Balboa Park	\$6,825,000	
Garfield Square	2,750,000	
George Christopher Playground	10,000	
Gilman Playground	1,755,000	
Glen Canyon Park	11,700,000	
Joe DiMaggio Playground	5,362,500	
Margaret S. Hayward Playground	850,000	
Moscone Recreation Center	10,000	
Mountain Lake Park	1,950,000	
Potrero Hill Recreation Center	25,000	
South Park	975,000	
West Sunset Playground	3,300,000	
Wille "Woo Woo" Wong Playground	600,000	
<i>Subtotal</i>	<u>\$36,112,500</u>	
Citywide Parks		
Lake Merced Park	\$1,000,000	
Golden Gate Park	2,475,000	
John McLaren Park	2,500,000	
<i>Subtotal</i>	<u>\$5,975,000</u>	
Citywide Programs		
Community Opportunity Fund	\$1,900,000	
Failing Playgrounds	5,000,000	
Forestry	1,000,000	
Trails	2,000,000	
Water Conservation	1,200,000	
<i>Subtotal</i>	<u>\$11,100,000</u>	
Recreation and Park Project Total		\$53,187,500
Port		
Waterfront Parks		
Northeast Wharf Plaza & Pier 27/29 Tip (construction)	\$17,000,000	
Pier 70 Parks (design)	600,000	
Islais Creek Improvements (design)	600,000	
Port Project Total		<u>18,200,000</u>
Total Project Cost		\$71,387,500
Issuance and Oversight Costs		
Reserve Pending Bond Sale	\$1,800,000	
Cost of Issuance	158,000	
Underwriters Discount	469,495	
Bond Oversight Committee (1%)	72,230	
Controller's Audit Fund (2%)	142,775	
Total Issuance and Oversight Costs		<u>2,642,500</u>
Total Proposed Bond Sale Appropriation		\$74,030,000

Source: File 13-0371

*Include \$6,000,000 in Program Contingency Funds spread throughout the project budgets above.

FISCAL IMPACTS**Not-to-Exceed versus Par Amount of Bonds**

According to Ms. Sesay, the requested not-to-exceed \$74,030,000 of the initial sale of bonds are projected to be sold for a par amount of \$72,230,000, which would result in project funds totaling \$71,387,500 and issuance and related oversight costs totaling \$842,500. The par amount of \$72,230,000 is \$1,800,000 less than the requested authorized not-to-exceed \$74,030,000 in both the proposed resolution (File 13-0377) and ordinance (File 13-0371). As shown in Table 2 above, the requested supplemental appropriation ordinance (File 13-0371) includes a total of \$2,642,500 for issuance and related oversight costs, or an additional \$1,800,000 over the \$842,500 amount to be used for a Reserve Pending Bond Sale, in order to allow flexibility for the Office of Public Finance depending on market conditions. Ms. Sesay advises that if the \$1,800,000 additional funds are not required, the Controller's Office will make the necessary technical adjustments based on the actual sale results.

Estimated Debt Service Payments

Ms. Sesay advises that based on a conservative annual interest rate of 6.0 percent over 20 years, the par amount of \$72,230,000 Clean and Safe Neighborhood Parks General Obligation bonds will result in estimated total debt service payments of \$125,904,308, including \$53,674,308 in interest and \$72,230,000 in principal, with estimated average annual debt service payments of \$6,295,215 over the 20-year term of the bonds.

Repayment of such annual debt service will be recovered through increases to the annual Property Tax rate, which, according to the Controller's Office, would average \$0.026 per \$1,000 of assessed valuation over the anticipated 20-year term of the bonds. The owner of a 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 \$12.92 per year if the anticipated par value amount of \$72,230,000 Clean and Safe Neighborhood Parks General Obligation Bonds are sold.

Three General Obligation Bond Issuances on June 5, 2013

The requested not-to-exceed total initial series \$74,030,000 of Clean and Safe Neighborhood Parks Bonds would be placed on Controller's Reserve pending the sale of the bonds, which, as noted above, is anticipated to occur on June 5, 2013. As shown in Table 3 below, the subject \$74,030,000 initial Series 2013A Clean and Safe Neighborhood Parks Bonds would also be sold with the \$31,905,000 Earthquake Safety and Emergency Response General Obligation Bonds Series 2013B and the \$133,275,000 Road Repaving and Street Safety Bonds Series 2013C, for a total not-to-exceed bond authorization of \$239,210,000. As shown in Table 3 below, together, the anticipated par amount for these three General Obligation Bonds is estimated to be \$233,385,000, which is anticipated to result in additional average annual Property Taxes of \$41.74 for a \$500,000 assessed value home.

Table 3: Summary of Three General Obligation Bonds to be Sold on June 5, 2013

General Obligation Bonds	Requested Not to exceed Amount	Anticipated Par Amount	Anticipated Average Annual Property Tax Impact on \$500,000 Residence
Clean and Safe Neighborhood Parks (Series 2013A)	\$74,030,000	\$72,230,000	\$12.92
Earthquake Safety and Emergency Response (Series 2013B)	31,905,000	31,130,000	5.57
Road Repaving and Street Safety (Series 2013C)	133,275,000	130,025,000	23.25
Total	\$239,210,000	\$233,385,000	\$41.74

Prior Appropriations to be Reimbursed from Bond Proceeds

On February 21, 2013, the Recreation and Park Commission approved the allocation of \$670,000 from the undesignated Open Space Contingency Reserve Funds as a temporary loan, which will be reimbursed from the upcoming bond sale in June of 2013 for site investigation services at the following eight bond project sites:

1. Glen Canyon Park
2. Joe DiMaggio Playground
3. Balboa Park
4. Gilman Playground
5. West Sunset Playground
6. Mountain Lake Park
7. Garfield Square
8. South Park.

According to Ms. Taylor Emerson, Analyst for RPD, the \$670,000 allocation from the Open Space Contingency Reserve Fund was approved in order to provide upfront funding at these sites for topographic surveys, geotechnical/soil survey analysis, hazardous material testing and destructive investigation and tree assessment surveys, as shown in Attachment II to this report. Ms. Emerson advises that currently, the Open Space Fund had a total accumulated balance of \$18.2 million, including a Contingency Reserve of \$927,801, prior to the loan transfer of \$670,000.

In addition, Mr. Nate Cruz, Financial Analyst at the Port advises that planning and design for the Northeast Wharf Plaza project was previously completed as part of the James R. Herman Cruise Terminal Project for the Port. According to Mr. Cruz, an estimated \$4.1 million was expended on these planning and design efforts, such that \$4.1 million will be reimbursed from the upcoming bond sale in June of 2013 back to the James R. Herman Cruise Terminal Project.

Bond Accountability Report

As noted above, on March 11, 2013, the Recreation and Park Department and the Port submitted their Bond Accountability Report on the subject Clean and Safe Neighborhood Parks Bond. This Bond Accountability Report discusses the Recreation and Park Department's and the Port's request for the sale of \$71,887,500 of General Obligation bonds, which includes \$71,387,500 for RPD and Port projects and \$500,000 for related issuance and oversight costs. According to Section 2.71(c) of the City's Administrative Code, the Budget and Legislative Analyst is charged with detailing whether or not the bond proceeds submitted prior to the issuance of the first series of bonds, can be expended in accordance with the appropriation.

The Budget and Legislative Analyst finds that, as discussed above, the subject request is for a total of \$74,030,000, or \$2,142,500 more than the \$71,887,50 RPD and Port Bond Accountability Report. However, as shown in Table 2 above, the subject request includes \$71,387,500 for RPD and Port projects and \$2,642,500 for related issuance and oversight costs, which reflects \$2,142,500 more for such related issuance and oversight costs than the \$500,000 included in the Bond Accountability Report. Even if the above-noted \$1,800,000 for a Reserve Pending Bond Sale is not needed, the Office of Public Finance estimates \$842,500 is needed to fund the issuance and oversight costs for the subject bonds. If RPD has not set aside sufficient funding for issuance and oversight costs, a portion of the \$6 million Program Contingency will be needed to cover these expenses.

According to the Bond Accountability Report, all of the \$6 million Program Contingency Funds are available for RPD projects. Mr. Cruz advises that contingency funds are already included in each Port's project budget. The Bond Accountability Report notes that if any project in the Neighborhood Parks and Citywide Program categories exceeds its total budget (a) by no more than 10%, additional Program Contingency funds may be allocated, subject to approval by the RPD General Manager, (b) by more than 10% but less than 15%, additional Program Contingency funds may be allocated, subject to approval by the RPD Commission, (c) by more than 15%, the project must adjust its scope to within 15% of the original total budget, subject to approval of the revised scope and additional Contingency Funds by the RPD Commission. All savings from individual projects would be allocated to the Program Contingency Fund and any remaining funds in the Program Contingency Fund will be allocated to one of the RPD Citywide Programs by the RPD Commission.

POLICY ISSUES

The proposed resolution (File 13-0377) states that the Board of Supervisors affirms and incorporates the California Environmental Quality Act (CEQA) findings and determinations, such that the use of the subject bond proceeds to finance the individual projects are subject to approval by the Board of Supervisors of any required environmental review under CEQA. Ms. Emerson advises that all the Neighborhood Park projects have completed their required environmental review, in accordance with CEQA, such that the Joe DiMaggio Playground has a certified Environmental Impact Report (EIR) and the other projects have received Categorical Exemptions. Ms. Emerson further advises that after the planning phase is completed for the Citywide Parks and Programs, RPD will seek the required project-level CEQA review for these Citywide Parks and Programs. In addition, Mr. Cruz advises that a full Environmental Impact

Report was completed for the Northeast Wharf Plaza project, a Negative Declaration was issued for the Islais Creek Improvements and after the planning phase is completed for the Pier 70 Parks, the Port will seek the required project-level CEQA review.

RECOMMENDATION

Approve the two proposed resolutions and the proposed ordinance.

2012 San Francisco Clean and Safe Neighborhood Parks Bond Summary

Project Site	\$M	Description
Neighborhood Parks		
Angelo J. Rossi Playground	8.2	Renovate pool, pool building and related amenities and improve park access
Balboa Park	7	Renovate pool, pool building and related amenities and improve park access
Garfield Square	1.1	Renovate pool, reconfigure park facilities, and improve park access
George Christopher Playground	2.8	Replace children's play area, restrooms, and improve park access
Gilman Playground	1.8	Replace children's play area, restrooms, and improve park access
Glen Canyon Park	1.2	Renovate existing recreation center and related amenities
Hyde & Turk Mini Park	1	Renovate children's play area, landscaping and related amenities, and improve park access
Joe DiMaggio Playground	5.5	Reorganize and renovate children's play area, courts, access, and related amenities
Margaret S. Hayward Playground	1.4	Replace park play structures, replace sports courts, upgrade playfields, and improve park access
Moscone Recreation Center	1.5	Replace children's play area on the east side
Mountain Lake Park	2	Replace children's play area and improve park access
Potrero Hill Recreation Center	4	Replace and renovate natural turf playfields and dog play area
South Park	1	Renovate children's play area, landscaping and related amenities, and improve park access
West Sunset Playground	13.2	Renovate sports courts, natural turf fields including bleachers, storage, restrooms, and park access
Willie "Woo Woo" Wong Playground	6	Renovate site facilities, restore sports courts, replace playground, and improve park access
Program Contingency	6	Reserve funds to ensure completion of bond projects
Issuance and Oversight	2	Costs of issuance and oversight/audit by CGOBOC
	<u>99</u>	
Citywide Parks		
Lake Merced Park	2	Fund improvements to park
Golden Gate Park	9	Fund improvements to park
John McLaren Park	10	Fund improvements to park
	<u>21</u>	
Citywide Programs		
Community Opportunity Fund	12	Funds for community-driven projects to improve parks and leverage private resources
Falling Playgrounds	15.5	Funds to replace and restore dilapidated, outdated, falling playgrounds
Forestry	4	Funds to access and abate hazardous trees and replant to enhance urban forest
Trails	4	Funds to repair and restore trails to allow park users to experience and enjoy nature
Water Conservation	5	Funds to replace outdated irrigation systems
	<u>40.5</u>	
Waterfront Parks		
Fisherman's Wharf Plaza	1.5	New public plaza adjacent to Pier 43 Trail Promenade
Northeast Wharf Plaza & Pier 27/29 Tip	17	Construct new 2.7 acre park with large lawn and view areas
Agua Vista Park	2.5	Renovate and connect shoreline access with walking, biking, and view areas
Crane Cove Park	8	Shoreline restoration, adaptive reuse of historic cranes and slipways, and new public spaces
Pier 70 Parks	2	Restore shoreline, environmental remediation, improve landscaping, and provide new public areas
Warm Water Cove Park	1.5	Renovate and expand park and improve park access and amenities
Islais Creek Improvements	2	Construct new public access with walkway and scenic lookouts
	<u>34.5</u>	
TOTAL	\$195.0	Total in General Obligation Bonds

2012 San Francisco Clean and Safe Neighborhood Parks Bond Revenue Plan

	Bond Budget*	First Sale	Subsequent Sales	Total
Neighborhood Parks				
Angelo J. Rossi Playground	8,200,000	-	8,200,000	8,200,000
Balboa Park	7,000,000	6,825,000	175,000	7,000,000
Garfield Square	11,000,000	2,750,000	8,250,000	11,000,000
George Christopher Playground	2,800,000	10,000	2,790,000	2,800,000
Gilman Playground	1,800,000	1,755,000	45,000	1,800,000
Glen Canyon Park	12,000,000	11,700,000	300,000	12,000,000
Hyde & Turk Mini Park	1,000,000	-	1,000,000	1,000,000
Joe DiMaggio Playground	5,500,000	5,362,500	137,500	5,500,000
Margaret S. Hayward Playground	14,000,000	850,000	13,150,000	14,000,000
Moscone Recreation Center	1,500,000	10,000	1,490,000	1,500,000
Mountain Lake Park	2,000,000	1,950,000	50,000	2,000,000
Potrero Hill Recreation Center	4,000,000	25,000	3,975,000	4,000,000
South Park	1,000,000	975,000	25,000	1,000,000
West Sunset Playground	13,200,000	3,300,000	9,900,000	13,200,000
Willie "Woo Woo" Wong Playground	6,000,000	600,000	5,400,000	6,000,000
Subtotal Neighborhood Parks	91,000,000	36,112,500	54,887,500	91,000,000
Citywide Parks				
Golden Gate Park	9,000,000	2,475,000	6,525,000	9,000,000
John McLaren Park	10,000,000	2,500,000	7,500,000	10,000,000
Lake Merced Park	2,000,000	1,000,000	1,000,000	2,000,000
Subtotal Neighborhood Parks	21,000,000	5,975,000	15,025,000	21,000,000
Citywide Programs				
Community Opportunity Fund	12,000,000	1,900,000	10,100,000	12,000,000
Falling Playgrounds	15,500,000	5,000,000	10,500,000	15,500,000
Forestry	4,000,000	1,000,000	3,000,000	4,000,000
Trails	4,000,000	2,000,000	2,000,000	4,000,000
Water Conservation	5,000,000	1,200,000	3,800,000	5,000,000
Subtotal Neighborhood Parks	40,500,000	11,100,000	29,400,000	40,500,000
Waterfront Parks				
Fisherman's Wharf Plaza	1,500,000	-	1,500,000	1,500,000
Northeast Wharf Plaza & Pier 27/29 Tip	17,000,000	17,000,000	-	17,000,000
Agua Vista Park	2,500,000	-	2,500,000	2,500,000
Crane Cove Park	8,000,000	-	8,000,000	8,000,000
Pier 70 Parks	2,000,000	600,000	1,400,000	2,000,000
Warm Water Cove Park	1,500,000	-	1,500,000	1,500,000
Islais Creek Improvements	2,000,000	600,000	1,400,000	2,000,000
Subtotal Neighborhood Parks	34,500,000	18,200,000	16,300,000	34,500,000
Other Bond Costs				
Program Contingency	6,000,000	-	6,000,000	6,000,000
Issuance and Oversight	2,000,000	500,000	1,500,000	2,000,000
Subtotal Neighborhood Parks	8,000,000	500,000	7,500,000	8,000,000
TOTAL	195,000,000	71,887,500	123,112,500	195,000,000

*As the community process, planning, and design phases progress, some projects may receive additional funding from non-bond sources.



Capital Planning Committee

Naomi M. Kelly, City Administrator, Chair

MEMORANDUM

April 15, 2013

To: Supervisor David Chiu, Board President

From: Naomi Kelly, City Administrator and Capital Planning Committee Chair

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

nkelly

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Regarding: Authorizations to Issue and Related Supplemental Appropriation Requests for the 2010 Earthquake Safety and Emergency Response (ESER) General Obligation (G.O.) Bond (\$32,800,000), the 2011 Road Repaving and Street Safety G.O. Bond (\$137,000,000), and the 2012 Clean and Safe Neighborhood Parks G.O. Bond (\$76,100,000).

In accordance with Section 3.21 of the Administrative Code, on April 15, 2013, the Capital Planning Committee (CPC) reviewed three authorizations of debt issuance and related supplemental appropriation requests.

1. Board File Number 130368 **Authorization to issue up to \$32,800,000 in G.O. Bonds and approval of related supplemental appropriation request for the Earthquake Safety and Emergency Response (ESER) Bond Program**

Recommendation: Recommend the Board of Supervisors approve the authorization to issue and supplemental appropriation.

Comments: The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, Office of the City Administrator; Ed Reiskin, SFMTA; Robert Carlson, Public Works; Thomas DiSanto, Planning Department; Julia Dawson, San Francisco International Airport; Catherine Rauscher, Board President's Office; Ben Rosenfield, Controller's Office; Todd Rydstrom, SFPUC; Phil Ginsburg, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; and Melissa Whitehouse, Mayor's Budget Office.

2. Board File Number 130363

Authorization to issue up to \$137,000,000 in G.O. Bonds and approval of related supplemental appropriation request for the Road Repaving and Street Safety Bond Program

Recommendation:

Recommend the Board of Supervisors approve the authorization to issue and supplemental appropriation.

Comments:

The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, Office of the City Administrator; Ed Reiskin, SFMTA; Robert Carlson, Public Works; Thomas DiSanto, Planning Department; Julia Dawson, San Francisco International Airport; Catherine Rauschuber, Board President's Office; Ben Rosenfield, Controller's Office; Todd Rydstrom, SFPUC; Phil Ginsburg, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; and Melissa Whitehouse, Mayor's Budget Office.

3. Board File Number 130371

Authorization to issue up to \$76,100,000 in G.O. Bonds and approval of related supplemental appropriation request for the Clean and Safe Neighborhood Parks Bond Program

Recommendation:

Recommend the Board of Supervisors approve the authorization to issue and supplemental appropriation.

Comments:

The CPC recommends approval of these items by a vote of 11-0.

Committee members or representatives in favor include: Naomi Kelly, Office of the City Administrator; Ed Reiskin, SFMTA; Robert Carlson, Public Works; Thomas DiSanto, Planning Department; Julia Dawson, San Francisco International Airport; Catherine Rauschuber, Board President's Office; Ben Rosenfield, Controller's Office; Todd Rydstrom, SFPUC; Phil Ginsburg, Recreation and Parks Department; Elaine Forbes, Port of San Francisco; and Melissa Whitehouse, Mayor's Budget Office.

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: *per* Mayor Edwin M. Lee *EL*
RE: Appropriation - General Obligation Bonds of \$74,030,000 for Clean and Safe Neighborhood Park - FY2012-2013
DATE: April 23, 2013

Attached for introduction to the Board of Supervisors is the ordinance appropriating \$74,030,000 of the 2013 Series A Clean and Safe Neighborhood Park (CSNPB) General Obligation Bond Proceeds including \$55,156,304 to the Recreation and Parks Department and \$18,873,696 to the Port of San Francisco for the renovation, repair, and construction of parks and open spaces (Proposition B) in Fiscal Year 2012-2013 and placing these funds on Controller's Reserve pending the sale of the bonds.

Please note this item is cosponsored by Supervisors Farrell, Wiener, Chiu, Avalos and Kim

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

cc. Supervisor Mark Farrell
Supervisor Scott Wiener
Supervisor David Chiu
Supervisor John Avalos
Supervisor Jane Kim

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