


CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

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TO: Budget and Finance Sub-Committee 

FROM: Budget and Legislative Analyst

SUBJECT: March 26, 2014 Budget and Finance Sub-Committee Meeting

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Item 1 File 14-0191	Department: General Services Agency - City Administrator's Office
EXECUTIVE SUMMARY	
<p>Legislative Objective</p> <ul style="list-style-type: none"> • The proposed resolution will retroactively authorize the General Services Agency to accept and expend up to \$384,000 in grant funds through Alameda County as part of the Local Government EV Fleet Demonstration Project for electric vehicles and chargers for the period from July 30, 2013 through December 31, 2015. <p>Key Point</p> <ul style="list-style-type: none"> • The grant requires the City to provide matching funds of \$300,000 for the base cost to purchase 14 standard fleet sedans and will reimburse the City for the difference in cost between the 14 standard sedans and the cost of 14 electric vehicle sedans, including 14 electric chargers. • The City's Port, Public Library, Human Services Agency, Recreation & Parks Department, and General Services Agency will purchase a total of 14 2015 Nissan Leaf SV electric sedans through the Local Government EV Fleet Demonstration Project. • The proposed grant also provides funding for the cost of the 14 charging stations. The City will use existing in-house staff to install the charging stations. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • Grant funds will reimburse the City for (a) the difference in cost between 14 standard fleet sedans and the Nissan Leaf SV for a total of approximately \$162,876, and (b) the cost of 14 charging stations for a total estimated \$70,000, for a total grant reimbursement of approximately \$232,876. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that acceptance and expenditure of Federal, State, or other grant funds in the amount of \$100,000 or more is subject to approval by resolution of the Board of Supervisors.

BACKGROUND

The Local Government Electric Vehicle (EV) Fleet Demonstration Project is a Metropolitan Transportation Commission (MTC) program that is funded through the U.S. Department of Transportation's Highway Administration Surface Transportation Program and Congestion Mitigation and Air Quality Program, allocated through the California Department of Transportation (Caltrans). Under this program, Federal monies are used to reimburse local government for the incremental difference in cost between a standard fleet sedan or van and the cost of a similar electric sedan or van vehicle with a charging station. The purpose of the MTC Local Government EV Fleet Demonstration Project is to reduce vehicle direct emissions and to showcase electric vehicles in government fleets.

On August 13, 2010, the City's General Services Agency Fleet Management Division joined together with Alameda County as the lead agency and eight other Bay Area cities, counties and special districts¹ to apply to MTC for \$2.8 million of U.S. Department of Transportation grant funds for the purchase of 90 electric vehicles and charging stations under the MTC Local Government EV Fleet Demonstration Project. On September 13, 2012, the ten local jurisdictions were awarded the entire \$2.8 million for the purchase of 90 electric vehicles and 90 chargers. The participating local jurisdictions can spend up to the maximum amount of allotted grant funds with any remaining unexpended funds allocated back to Caltrans.

As the lead agency, Alameda County will coordinate the purchase of the 90 electric vehicles for all the local jurisdictions through a competitive Request for Quotations. On March 6, 2014, Alameda County received five competitive bids and selected the following three electric vehicles that can be purchased under the proposed grant program, shown in Table 1 below:

¹ Alameda County is the lead agency on the subject grant, which also includes the City and County of San Francisco, City of Concord, City of Fremont, City of Oakland, City of San Jose, City of Santa Rosa, County of Sonoma, Marin Municipal Water District, and Sonoma County Water Agency.

Table 1: Selected Electric Vehicles for Local Government EV Fleet Demonstration Project

Type of Car	Car Model	Distributor	Location	Cost Per Unit*
Sedan	2014 Ford Focus Electric	Hansel Ford, Inc.	Santa Rosa, CA	\$34,104
Sedan	2015 Nissan Leaf SV	Gilroy European Inc.	Gilroy, CA	\$36,917
Cargo Van	Zenith 350 Electric Cargo Van	Zenith Sales	Indianapolis, IN	\$105,052

* Cost includes the City's 8.75 sales tax.

According to Mr. Stanley Ellicott, Budget & Planning Analyst at the City Administrator's Office, when the Local Government EV Fleet Demonstration Project grant was submitted in 2010, the City requested reimbursement for the purchase of 12 electric sedans and 2 electric vans. However, Mr. Ellicott advises that the City is now requesting reimbursement under this grant for 14 sedans due to warnings by the distributor, Zenith Sales, that the 350 Electric Cargo Vans would be unsuitable for the hills of San Francisco.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution will retroactively authorize the City's General Services Agency to accept and expend up to \$384,000 of U.S. Department of Transportation grant funds through Alameda County, as the lead agency for the MTC Local Government EV Fleet Demonstration Project for electric vehicles and chargers for the period from July 30, 2013 through December 31, 2015. The grant is being requested retroactively to align with the grant period which commenced on July 30, 2013. However, to date, no grant funds have been received or expended.

These grant funds will reimburse the City for the difference in cost between 14 standard fleet sedans and the cost of 14 electric sedans, including 14 electric chargers. According to Mr. Ellicott, the City has selected the 2015 Nissan Leaf SV electric sedan at a cost of \$36,917 per vehicle under the proposed grant. The proposed grant also requires \$300,000 of City matching funds for the purchase of 14 standard fleet sedans. The \$300,000 was previously appropriated by the Board of Supervisors in the City's FY2013-14 budget. Table 1 below identifies the five City departments that will be receiving the 14 electric sedans and the related chargers under the proposed grant.

**Table 1: Number of Electric Vehicles
Purchased by Department**

<u>Department</u>	<u>Number of Electric Vehicles</u>
General Services Agency	6
Port	1
Public Library	2
Human Services Agency	1
Recreation and Park Department	4
Total	14

As noted above, the proposed grant also provides funding for the cost of the 14 charging stations. Mr. Ellicott states that Alameda County issued a Request for Quotations for contracting services to install the electric vehicle charging stations. However, the City has chosen to opt out of using a contractor for installation of the charging stations and will instead use existing in-house City staff. The City's Port, Public Library, Human Services Agency, and Recreation and Park Department all have existing in-house staff to complete the installation of the electric vehicle charging stations. The General Services Agency will have the charging stations installed by the Department of Public Works through an existing work-order.

FISCAL IMPACT

The grant requires the City to provide matching funds of \$300,000 for the base cost of 14 standard fleet sedans. Currently, the price of the City's standard fleet sedan, a 2013 Toyota Prius Hybrid, is \$25,283 including the City's 8.75% sales tax. Therefore, the City's current cost for 14 standard fleet vehicles is \$353,962 ($\$25,283 \times 14$), which exceeds the matching grant requirement of \$300,000. The Board of Supervisors has previously appropriated the \$353,962 in the FY2013-14 budgets of the above-noted five City departments for the purchase of the 14 standard sedans.

The subject U.S. Department of Transportation grant funds will be used to pay for the incremental difference in price between the City's standard fleet sedan and the grant's electric vehicle. The cost of a standard fleet sedan, a 2013 Toyota Prius Hybrid, is \$25,283 per vehicle, including sales tax. The cost of the grant selected electric vehicle, a 2015 Nissan Leaf SV, is \$36,917, including sales tax. As shown in Table 2 below, the incremental difference in cost between a Prius Hybrid and the Nissan Leaf SV is \$11,634, amounting to a total of \$162,876 for 14 vehicles.

Table 2: Cost Difference Between Standard Fleet Sedan and the Electric Sedan

<u>2013 Toyota Prius Hybrid</u>	<u>2015 Nissan Leaf SV</u>	<u>Difference per Vehicle</u>	<u>Number of Vehicles</u>	<u>Total</u>
\$25,283	\$36,917	\$11,634	x 14	\$162,876

In addition, the grant will reimburse the City for the cost of the electric charging stations. Displayed in Table 3 below, each charging station is estimated to cost \$5,000 for a total cost of \$70,000 for 14 stations.

Table 3: Grant Reimbursement for Charging Stations

<u>Estimate Cost per Charging Station</u>	<u>Number of Stations</u>	<u>Total</u>
\$5,000	x 14	\$70,000

The U.S. Department of Transportation grant funds will reimburse the City for (a) the difference in cost between 14 standard fleet sedans and the cost of the 14 Nissan Leaf SV electric sedans for a total of \$162,876, as shown in Table 2 above, and (b) the cost of 14 charging stations for a total \$70,000, as shown in Table 3 above, for a total grant reimbursement of \$232,876 (\$162,876 + \$70,000). As shown in Table 4 below, the proposed total grant reimbursement of \$232,876 is \$151,124 less than the total \$384,000 grant. Mr. Ellicott advises that the remaining \$151,124 in grant funds would be reallocated back to Caltrans.

Table 3: Budget for Local Government EV Fleet Demonstration Project

U. S. Department of Transportation Local Government Electric Vehicle Fleet Project Grants	
Congestion Management and Air Quality and Surface Transportation Program funds	\$384,000
Total	\$384,000
Use of Grant Funds	
Local Government EV Fleet Project Reimbursements	
Total Difference in Vehicle Cost	\$162,876
Total Cost for Charging Station Hardware	70,000
Total	\$232,876
Difference	\$151,124

To date, no City funds have yet been received or expended for the Local Government Electric Vehicle Fleet Demonstration Project grant. The 14 new electric sedans are anticipated to be purchased in the spring of 2014.

RECOMMENDATION

Approve the proposed resolution.

Item 2 File 14-0188	Department: Port
EXECUTIVE SUMMARY	
<p>Legislative Objective</p> <ul style="list-style-type: none"> • The proposed ordinance will de-appropriate \$1,089,250 in 2008 Clean and Safe Neighborhood Park General Obligation Bonds, previously appropriated to the Bayfront Park and the Port's Blue-Greenway projects; and re-appropriate \$1,089,250 to the Port's Tulare Park and Bayview Gateway projects. <p>Key Point</p> <ul style="list-style-type: none"> • The voters approved the Clean and Safe Neighborhood Park General Obligation Bond in 2008 for \$185 million, of which \$151.5 million was allocated to Recreation and Park Department projects and \$33.5 million was allocated to Port park projects. The City has previously sold three series of bonds in the amount of \$176 million and plans a fourth and final series of \$8.7 million, for a total of \$185 million in bond proceeds. • The Port has funded eight park projects with the GO Bond proceeds, of which four are completed. Of the four completed projects, two projects - the Bayfront Park and Blue Greenway subprojects (signage and site improvements, and planning and design) have project savings totaling \$1,089,250. <p>Fiscal Impact</p> <ul style="list-style-type: none"> • The Port proposes to re-appropriate the \$1,089,250 to two projects that are over-budget. The Bayview Gateway project incurred unanticipated right-of-way improvements, resulting in a budget shortfall of \$644,625. The Tulare Park project requires construction of a new pedestrian bridge to meet Americans with Disabilities Act (ADA) requirements, resulting in a budget shortfall of \$444,625. • The delays in the Tulare Park project have led to the expiration of a \$275,000 grant provided by the California Natural Resources Agency, which required grant funds to be expended before April 2014. To offset the expired grant, the Port will reallocate \$175,000 of unencumbered funds from the Southern Waterfront Open Space Enhancement and Alternative Energy Project, which were to be used to build open space improvements on the Southern Waterfront. • The Port has combined construction of the Bayview Gateway project and Tulare Park projects into one project and has issued a request for bids for a construction contract. Construction is expected to begin in April 2014 and be completed in January 2015. The re-appropriation of \$1,089,250 fully funds the two projects. <p>Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed ordinance. 	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to approval by the Board of Supervisors, after the Controller certifies the availability of funds.

BACKGROUND

On February 5, 2008, the voters of San Francisco approved the 2008 Clean and Safe Neighborhood Parks General Obligation Bond (GO Bond) for a total amount of \$185,000,000, including \$33.5 million dedicated towards Port park projects. The bond program was intended to (a) repair and improve park restrooms Citywide, (b) eliminate serious earthquake safety risks in neighborhood and waterfront park facilities, (c) renovate parks and playgrounds in poor physical condition, (d) replace dilapidated playfields, (e) repair nature trail systems in the City's parks, and (f) attract matching community and philanthropic support.

The City has previously sold three series of the 2008 Clean and Safe Neighborhood Parks General Obligation Bonds, totaling \$176,285,000, of which \$150,173,303 was allocated to Recreation and Park Department projects, \$24,676,515 was allocated to Port projects, and \$1,435,182 was allocated to related costs including the cost of bond issuance, bond oversight and program auditing. The fourth and final bond sale in the amount of approximately \$8,715,000 is anticipated for late 2014 of which \$8,465,000 is for Port projects, which will fully fund Port bond projects funded by the total of \$33.5 million, as shown in Table 1 below.

Table 1: Clean & Safe Neighborhood Parks GO Bond Port Park Projects

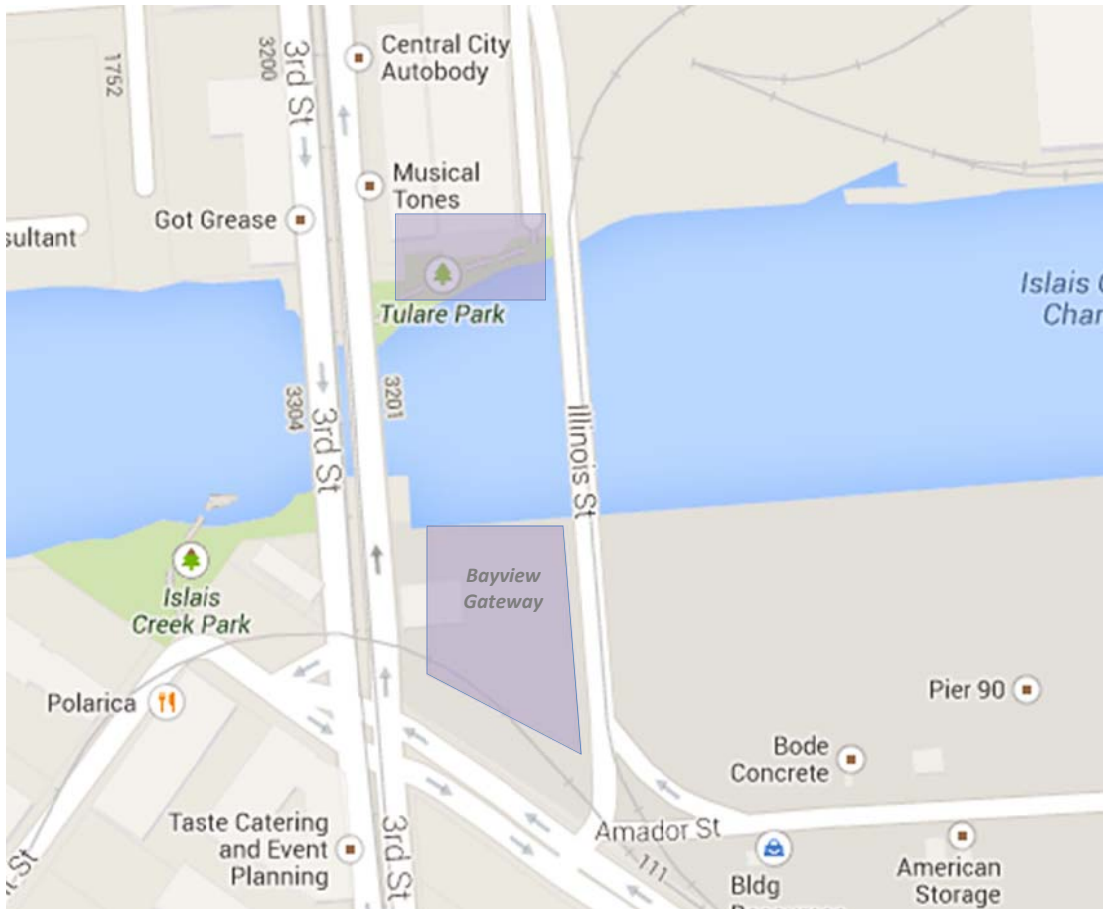
Name	GO Bonds Previously Appropriated	Proposed GO Bonds in Fourth Sale	Total GO Funds	Status
Pier 43 Bay Trail Link	\$7,677,800		\$7,677,800	Completed
Brannan St. Wharf	2,941,050		2,941,050	Completed
Bayfront Park	2,950,000		2,950,000	Completed
Heron's Head Park	2,351,000		2,351,000	Completed
Crane Cove Park	1,559,148	8,465,000	10,278,250	Design
Bayview Gateway	3,282,125		3,282,125	Out to Bid
Tulare Park	585,000		585,000	Out to bid
Blue Greenway Projects & Other Costs	2,478,000		2,478,000	Varies
California Environmental Quality Act	577,500		577,500	Completed
Subtotal, Port Projects	24,401,623	8,465,000	33,120,725	
Bond Issuance/Other Costs (estimated)	274,892	250,000	\$407,767	
TOTAL	\$24,676,515	\$8,715,000	\$33,391,515	

Source: 2008 Clean & Safe Neighborhood Parks Bond: Quarterly Status Report. January 2014.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance will de-appropriate \$1,089,250 in 2008 Clean and Safe Neighborhood Parks GO Bond projects, previously appropriated to the Port's Bayfront Park and the Blue-Greenway projects; and re-appropriate \$1,089,250 to the Port's Tulare Park and Bayview Gateway projects. Tulare Park and Bayview Gateway are located on opposite shores of Islais Creek in the southern waterfront between the 3rd Street Bridge and Illinois Street, as shown in Chart 1 below.

Chart 1: Tulare Park and Bayview Gateway



Source: Port

FISCAL IMPACT

The proposed de-appropriation and re-appropriation for the Port from \$1,089,250 in 2008 Clean and Safe Neighborhood Parks GO Bonds are summarized in Table 2 below.

Table 2: Proposed De-appropriation and Re-appropriation of \$1,089,250 in GO Bonds

GO Bond Project	Original Budget	Revised Budget	Increase/(Decrease)
Bayfront Park	\$2,950,000	\$2,330,367	(\$619,633)
Blue Greenway:			
Signage & Site Improvements	1,458,000	998,911	(459,089)
Planning and Design	336,000	325,472	(10,528)
Total De-appropriation	\$4,744,000	\$3,654,750	(\$1,089,250)
Bayview Gateway	\$3,282,125	\$3,926,750	\$644,625
Tulare Park	585,000	1,029,625	444,625
Total Re-appropriation GO Bond	\$3,867,125	\$4,956,375	\$1,089,250

The Port proposes to de-appropriate \$1,089,250 from the Bayfront Park and Blue Greenway projects as follows:

- 1) *Bayfront Park* -- This project included the removal of deteriorated piers and wharves, and reconstruction of 1,200 linear feet of shoreline to allow Bayfront Park to be constructed to the Bay's edge. This project is complete and opened to the public in February of 2012. The project's total cost was \$2,330,367 compared to an original budget of \$2,950,000, representing a project savings of \$619,633.
- 2) *Blue Greenway Signage and Site Improvements* -- The Blue Greenway project includes the improvement of the City's southerly portion of the 500 mile, 9-county, region-wide Bay Trail. The Port has developed a signage and way-finding program to allow users to find their way along the trail. The project is scheduled for completion by April 2014. The project's total estimated cost was \$998,911 compared to an original budget of \$1,458,000, representing a project savings of \$459,089.
- 3) *Blue Greenway Planning and Design* -- The Port hosted a series of community meetings to develop design standards and the guidelines were substantially complete in September of 2013 at a total cost of \$325,472 compared to an original budget of \$336,000, representing a project savings funds of \$10,528.

The Port proposes to re-appropriate the \$1,089,250 of estimated savings (\$619,633 + \$459,089 + \$10,528) to two Port projects that are over-budget, as follows:

- 1) *Tulare Park* --The Americans with Disabilities Act (ADA) requires the Port to make major park improvements to Tulare Park located between Illinois Street and 3rd Street across from Islais Creek, as shown in Chart 1 on the prior page. Such improvements were originally constructed in the early 1970's. During final design of Tulare Park improvements, the Port determined that construction of an ADA accessible path would pose significant risk of damage to both the Public Utilities Commission's force main¹ and the existing retaining wall running throughout the site. After studying alternatives, the Port chose to construct a pedestrian bridge as the most cost-effective solution to create an accessible pathway.

Planning for Tulare Park was conducted by the Port and design was conducted by DPW. With the addition of the pedestrian walkway, Port staff has decided to combine construction of Tulare Park with that of Bayview Gateway. The Port has issued a request for bids for construction contractors, and construction is expected to begin in April 2014 and be completed in January 2015.

¹ A force main is a pressurized main pipe carrying water.

The total Tulare Park revised budget is \$1,204,625, as shown in Table 3 below. The delays in the Tulare Park project have led to the expiration of a \$275,000 grant provided by the California Natural Resources Agency, which required grant funds to be expended before April 2014. To offset the expired grant, the Port will reallocate \$175,000 of unencumbered funds from the Southern Waterfront Open Space Enhancement and Alternative Energy Project, which were to be used to build open space improvements on the Southern Waterfront.²

Table 3: Tulare Park Original and Revised Budget

Source of Funds	Original Budget	Revised Budget	Increase/ (Decrease)
GO Bonds (subject of this request)	\$585,000	\$1,029,625	\$444,625
California Natural Resources Grant	275,000	0	(275,000)
Re-allocation of Port Capital Project Funds	0	175,000	175,000
Total Source of Funds	\$860,000	\$1,204,625	\$344,625
Uses of Funds			
Design	\$216,185	\$182,582	(\$33,603)
Construction	579,433	919,839	\$340,406
Contingency (11% of Construction)	64,382	102,204	\$37,822
Total Uses of Funds	\$860,000	\$1,204,625	\$344,625

- 2) *Bayview Gateway* – Across from Islais Creek is the future site of the Bayview Gateway. This area was reclaimed from the Bay in the 1900s and served as a working waterfront with a timber wharf and shed. The Port added to the project scope for unanticipated right-of-way improvements including a new crosswalk at 3rd Street, modifications and repairs to the adjacent sidewalks, and more extensive roadway and traffic signal work at 3rd Street and Cargo Way.

Planning for Bayview Gateway was conducted by the Port and design was conducted by DPW. Due to the proximity of Tulare Park to Bayview Gateway, the Port has decided to combine construction phases. The Port has issued a request for bids for the construction contract, and with the combined construction schedule with Tulare Park, construction is expected to begin in April 2014 and be completed in January 2015.

² The Transbay Cable lease between the Port and Pacific Gas and Electric (PG&E) allows for a 53 mile underwater power transmission line connecting power stations in Pittsburg and San Francisco, including a 9.4 mile section under Port jurisdiction. Under the terms of this lease, the Port receives an annual payment of \$550,000 dedicated to Southern Waterfront open space capital improvements.

With the revised project scope, the total project cost is now estimated at \$3,926,750 compared to an original budget of \$3,282,125, representing a budget shortfall of \$644,625.

Table 4: Bayview Gateway Original and Revised Budget

Source of Funds	Original Budget	Revised Budget	Increase/ (Decrease)
GO Bonds	\$3,282,125	\$3,926,750	\$644,625
Total Source of Funds	\$3,282,125	\$3,926,750	\$644,625
Uses of Funds			
Design	\$463,379	\$457,916	(\$5,463)
Construction	2,536,871	3,121,951	\$585,080
Contingency (11% of Construction)	281,875	346,883	\$65,008
Total Uses of Funds	\$3,282,125	\$3,926,750	\$644,625

RECOMMENDATION

Approve the proposed ordinance.