

File No. 111334

Committee Item No. 12

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: January 11, 2012

Board of Supervisors Meeting

Date: _____

Cmte Board

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Completed by: Victor Young

Date: January 6, 2012

Completed by: Victor Young

Date: _____

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

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

Ordinance appropriating \$76,000,000 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 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 - Clean and Safe Park Bond—4th Series 2012X | REC3CRPF08D - 2008 Clean and Safe Park Bond— 4th Series | 80111 – Proceeds from Sale Bonds | Bond Sale Proceeds from the 2008 Clean and Safe Park Bond— 4 th Series | \$76,000,000 |
| Total SOURCES Appropriation – 3C RPF 08D | | | | <u>\$76,000,000</u> |

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

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 | \$11,700,000 |
| 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 | |
| 20 | 4 th Series 2012X | NPRS01 | Improvement | | |
| 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 |
|----|------------------------------|-----------------------------|------------------|-----------------------|-------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | 3C RPF 08D - Clean | REC3CRPF08D | 06700 Buildings, | Park Trail | \$1,910,000 |
| 4 | and Safe Park Bond— | CRPCSP | Structures, and | Reconstruction | |
| 5 | 4 th Series 2012X | PT0001 | Improvement | | |
| 6 | | | Project-Budget | | |
| 7 | | | | | |
| 8 | 3C RPF 08D - Clean | REC3CRPF08D | 06700 Buildings, | Fulton Playground | \$500,000 |
| 9 | and Safe Park Bond— | CRPCSP | Structures, and | | |
| 10 | 4 th Series 2012X | NPFL01 | Improvement | | |
| 11 | | | Project-Budget | | |
| 12 | | | | | |
| 13 | | | | | |
| 14 | 3C RPF 08D - Clean | REC3CRPF08D | 07311 | Underwriter's | \$366,350 |
| 15 | and Safe Park Bond— | CRPCSP | Bond Issuance | Discount | |
| 16 | 4 th Series 2012X | BC0001 | Cost | | |
| 17 | | | | | |
| 18 | 3C RPF 08D - Clean | REC3CRPF08D | 081C4 Controller | City Services Auditor | \$218,412 |
| 19 | and Safe Park Bond— | CRPCSP | Internal Audits | 0.1% allocation for | |
| 20 | 4 th Series 2012X | AU0001 | | the General | |
| 21 | | | | Obligation Bond | |
| 22 | | | | Oversight Committee | |
| 23 | | | | Audits | |
| 24 | | | | | |
| 25 | | | | | |

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

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

| Fund | Index/Project Code | Subobject | Description | Amount |
|---|--------------------|---|--------------------|--------------|
| 5P CPF 08D | POPOCSPD303R | 9303R | Transfer in | \$10,394,975 |
| Port Fund – 2008 Clean and Safe Park Bond – 4 th Series | CRPCSP WP12BP | OTI from 3C/RPF Rec & Park Fac Cap Project | from 3C RPF 08D | |

Total SOURCES Appropriation – 5P CPF 08D**\$10,394,975**

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

USES Appropriation – 5P CPF 08D

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

| Fund | Index Code/ Project Code | Subobject | Description | Amount |
|--|-------------------------------|--|--|-------------|
| 5P CPF 08D Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X | 398CSP08D CRPCSP WPSF01 | 06700 Buildings, Structures, and Improvement Project-Budget | Waterfront Parks Blue Greenway Parks Signage and Site Furnishings | \$1,024,000 |
| 5P CPF 08D Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X | 398CSP08D CRPCSP WPCC01 | 06700 Buildings, Structures, and Improvement Project-Budget | Waterfront Parks Crane Cove Park | \$550,000 |
| 5P CPF 08D Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X | 398CSP08D CRPCSP WPPA01 | 06700 Buildings, Structures, and Improvement Project-Budget | Waterfront Parks Blue Greenway Parks Public Art | \$509,000 |
| 5P CPF 08D Port Fund – 2008 Clean and Safe Park Bond – 4 th Series 2012X | 398CSP08D CRPCSP WPTP01 | 06700 Buildings, Structures, and Improvement Project-Budget | Waterfront Parks Tulare Park | \$460,000 |

| 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>\$10,394,975</u> |

Section 5. The uses of funding outlined above for \$76,000,000 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

FUNDS AVAILABLE
Ben Rosenfield, Controller

By:


ATTORNEY'S NAME
Deputy City Attorney

By:


Date: December 12, 2011

Mayor Edwin M. Lee
BOARD OF SUPERVISORS

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

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

EXECUTIVE SUMMARY

Legislative Objectives

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

Key Points

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

Fiscal Impact

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

Policy Issues

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

Recommendations

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

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

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

Background

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

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

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

Table 1
Clean and Safe Neighborhood Parks Bond Allocation

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

Source: October 2011 Citizens' General Obligation Bond Oversight Committee

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

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

Table 2
Clean and Safe Neighborhood Parks Bond Allocation

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

Source: October 2011 Citizens' General Obligation Bond Oversight Committee

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

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

DETAILS OF PROPOSED LEGISLATION

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

The proposed resolution:

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

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

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

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

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

Source: File 11-1334

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

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

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

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

Table 4
Pier 43 Bay Trail Link Budget

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

Source: Port

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

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

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

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

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

FISCAL IMPACTS

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

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

POLICY ISSUES

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

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

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

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

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

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

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

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

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

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

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

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

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

RECOMMENDATIONS

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

ATTACHMENT I

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

ATTACHMENT II

| | Revised Bond Budget (File 11-1103) | Appropriation to Date (Oct 2011 Quarterly Report) | Proposed Appropriation (File 11-1334) | Total Appropriation to Date and Proposed Appropriation |
|--|---|--|--|---|
| Recreation and Park | | | | |
| Neighborhood Parks | | | | |
| Chinese Recreation Center | 12,690,000 | 12,690,000 | 0 | 12,690,000 |
| Mission Playground | 7,500,000 | 7,500,000 | 0 | 7,500,000 |
| Palega Recreation Center | 21,200,000 | 16,219,800 | 4,980,200 | 21,200,000 |
| Cayuga Playground | 7,300,000 | 7,300,000 | 0 | 7,300,000 |
| McCoppin Square | 3,800,000 | 3,800,000 | 0 | 3,800,000 |
| Sunset Playground | 13,700,000 | 13,700,000 | 0 | 13,700,000 |
| Fulton Playground | 4,620,000 | 4,850,600 | 0 | 4,850,600 |
| Mission Dolores Playground | 2,200,000 | 2,200,000 | 0 | 2,200,000 |
| Mission Dolores Park | 11,700,000 | 938,400 | 10,761,600 | 11,700,000 |
| Cabrillo Playground | 4,500,000 | 814,500 | 3,685,500 | 4,500,000 |
| Glen Canyon Park | 5,800,000 | 781,500 | 5,018,500 | 5,800,000 |
| Lafayette Park | 10,200,000 | 1,950,400 | 8,249,600 | 10,200,000 |
| Kimbell Playground | 3,300,000 | 658,700 | 2,641,300 | 3,300,000 |
| Neighborhood Park Contingency | 4,145,000 | 2,755,829 | 4,609,432 | 7,365,261 |
| Subtotal, Neighborhood Parks | 112,655,000 | 76,159,729 | 39,946,132 | 116,105,861 |
| Citywide Program | | | | |
| Park Restroom Repair and Renovation | 11,400,000 | 6,150,000 | 5,250,000 | 11,400,000 |
| Park Playfields | 8,500,000 | 800,000 | 7,700,000 | 8,500,000 |
| Park Forestry | 4,000,000 | 1,230,000 | 2,770,000 | 4,000,000 |
| Park Trail Reconstruction | 5,000,000 | 2,090,000 | 2,910,000 | 5,000,000 |
| Community Opportunity Fund | 5,000,000 | 1,400,000 | 3,600,000 | 5,000,000 |
| Subtotal, Citywide Program | 33,900,000 | 11,670,000 | 22,230,000 | 33,900,000 |
| Subtotal Recreation and Park | 146,555,000 | 87,829,729 | 62,176,132 | 150,005,861 |
| 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 |

