

File No. 120120

Committee Item No. 2

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: February 29, 2012

Board of Supervisors Meeting

Date: \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget & Legislative Analyst Report          |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
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#### OTHER

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Completed by: Victor Young

Date: February 24, 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 \$962,038 of Fund Balance and State Prop 1B Local Street and Road Interest Earnings to the Department of Public Works in FY2011-2012]

Ordinance appropriating \$962,038 consisting of \$856,046 in fund balance and \$105,992 in State Proposition 1B Local Street and Road interest earnings to the Department of Public Works in FY2011-2012 for the design of Jefferson Street Streetscape Improvements and placing \$52,600 on Controller's Reserve pending receipt of the projected interest earnings.

Note: Additions are single-underline italics Times New Roman;  
deletions are ~~striketrough italics Times New Roman~~.  
Board amendment additions are double underlined.  
Board amendment deletions are ~~striketrough 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 in Fiscal Year 2011-2012.

#### SOURCES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
3C SIF 06A	*PWE333CIF06A	99999B	Fund Balance	\$603,847
2006 State Prop 1B – Trans	CPWBLDSS49BU			
Bond City Fund				
3C SIF 06A	*PWE333CIF06A	30150	State Prop 1B	\$34,700
2006 State Prop 1B – Trans	CPWBLDSS49BU		Interest Earnings	
Bond City Fund				

Fund	Index/Project Code	Subobject	Description	Amount
3C SIF 06B	*PWE333CIF06B	99999B	Fund Balance	\$252,199
2006 State Prop 1B – Trans	CPWBLDSS49BU			
Bond County Fund				
3C SIF 06B	*PWE333CIF06B	30150	State Prop1B	\$71,292
2006 State Prop 1B – Trans	CPWBLDSS49BU		Interest Earnings	
Bond County Fund				
<b>Total SOURCES Appropriation</b>				<b>\$962,038</b>

Section 2. The uses of funding outlined below are herein appropriated in FY 2011-2012 in Subobject 06700 (Buildings, Structures, and Improvement Project-Budget) and reflects the projected uses of funding to support the Department of Public Works in the design of Jefferson Street Streetscape Improvements.

#### USES Appropriation

Fund	Index/Project Code	Subobject	Description	Amount
3C SIF 06A	*PWE333CIF06A	06700 Buildings,	Jefferson St.	\$638,547
2006 State Prop 1B – Trans	CPWBLDSS49BU	Structures, and	Streetscape	
Bond City Fund		Improvement	Design	
		Project-Budget		

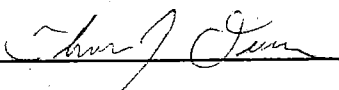
Fund	Index/Project Code	Subobject	Description	Amount
3C SIF 06B	*PWE333CIF06B	06700 Buildings,	Jefferson St.	\$323,491
2006 State Prop 1B – Trans	CPWBLDSS49BU	Structures, and	Streetscape	
Bond County Fund		Improvement	Design	
		Project-Budget		
<b>Total USES Appropriation</b>				<b>\$962,038</b>

Section 3. Placing \$52,600 on Controller's Reserve in the Department of Public Works pending receipt of the projected State Prop 1B Local Street and Road Bond interest earnings.

Section 4. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles.

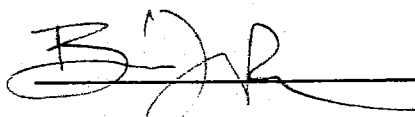
APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

By:

  
Deputy City Attorney

FUNDS AVAILABLE  
Ben Rosenfield, Controller

By:

  
Date: February 6, 2012

**Item 2**  
**File 12-0120**

**Department:**  
Department of Public Works (DPW)

## **EXECUTIVE SUMMARY**

### **Legislative Objectives**

- The proposed ordinance would appropriate \$962,038 in State Proposition 1B Highway Safety, Traffic Reduction, Air Quality and Port Security Bond interest earnings, placing \$52,600 on Controller's Reserve pending receipt of such future interest earnings.

### **Key Points**

- The Planning Department issued a Draft Public Realm Plan for Fisherman's Wharf in 2010, which identified five blocks of Jefferson Street for improvements to the street and streetscape, which includes signs and signals, sidewalks, curb ramps, street trees, street lighting, site furnishings, and storm water infrastructure. The Jefferson Street Redesign Project consists of two phases: Phase I consists of improvements to the street and streetscape for two blocks of Jefferson Street between Hyde and Jones Streets; and Phase II consists of improvements to the street and streetscape for three blocks of Jefferson Street from Jones Street to Powell Street. The proposed ordinance pertains to Phase I.
- The Jefferson Street Redesign Project consists of three options for Phase I, with costs ranging from \$8,740,000 for Option I to \$4,808,000 for Option III.

### **Fiscal Impacts**

- The requested appropriation of \$962,038 in interest earnings would fund Jefferson Street Redesign Phase I costs for design, development of construction documents, and construction administration.
- The budget for Phase I design and development of construction documents is \$706,500. According to Mr. Douglas Legg, Department of Public Works (DPW) Budget Manager, the excess funds of \$255,538 (the requested supplemental appropriation of \$962,038, less \$706,500) will be allocated to construction administration. Because the \$255,538 is not necessary to fund design and construction document development costs, the Budget and Legislative Analyst recommends placing the \$255,538 on Budget and Finance Committee reserve, pending details on how these funds will be spent during the construction phase of the Phase I Jefferson Street Redesign Project.

### **Policy Issue**

- As of the writing of this report, DPW has not identified funding for the construction of Phase I of the Jefferson Street Redesign Project. According to Mr. Legg, DPW submitted a request in January 2012 to the City's Capital Planning Committee for approval of \$8,682,434 in General Fund monies in the FY 2012-13 budget to pay for the total costs of Phase I of the Jefferson Street Redesign Project. The February 13, 2012 Capital Planning Committee recommended appropriation of \$962,038 for design and construction document development. Although Capital Planning Committee recommendations for FY 2012-13 for total Phase I Jefferson Street Redesign Project costs will not be available until May 2012, Mr. Legg states that DPW is requesting the supplemental appropriation of \$962,038 from State Bond interest earnings, prior to approval of the total requested funds by the Capital Planning Committee, because the Mayor's Office wants to complete Phase I of the Jefferson Street Redesign Project in time for the America's Cup in September 2013.

- Mr. Legg states that the request for \$962,038, which is to be expended for design, development of construction documents, and construction administration, is based on the current estimated updated total costs of \$8,740,000 for Option I of the Phase I Jefferson Street Redesign Project. If the Capital Planning Committee recommends General Fund monies of less than \$8,740,000, Mr. Legg states that DPW will reduce the design costs accordingly.

#### **Recommendations**

- Amend the proposed ordinance to place \$255,538 on Budget and Finance Committee reserve, pending details on how these funds will be spent during the construction phase of the Phase I Jefferson Street Redesign Project.
- Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.

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

Charter Section 9.105 requires that amendments to the Annual Appropriation Ordinance be approved by ordinance by the Board of Supervisors, and may not be adopted unless the Controller certifies the availability of funds.

**Background****Fisherman's Wharf Public Realm Plan**

On November 2 and November 3, 2006, the Fisherman's Wharf Community Benefit District (CBD)<sup>1</sup> convened a two-day community process in which residents, merchants, and other stake holders collaborated on a future vision for the Fisherman's Wharf area. The result was the Fisherman's Wharf Vision Plan, released in December of 2006, which identified opportunities to improve Fisherman's Wharf streets and sidewalks to provide better access for pedestrians, bicycles, and San Francisco residents. The plan priorities included developing (a) a comprehensive retail merchandising plan, (b) a parking management plan, (c) urban design guidelines, (d) a comprehensive open-space plan, and (e) a funding plan.

In 2008, the Planning Department retained Gehl Architects to conduct a Public Space and Public Life Study for Fisherman's Wharf. The goal of the study was to describe the current state of public life in and around Fisherman's Wharf and to highlight the opportunities and challenges for that area. The study found eight major challenges including (a) weak links to the water, (b) an inactive waterfront, (c) poor pedestrian links to adjacent neighborhoods, (d) poor conditions for walking and cycling, (e) uninviting streetscapes,<sup>2</sup> (f) lack of public space, (g) few attractions for local residents, and (h) lack of district identity.

On June 8, 2010, as a follow up to the Public Space and Public Life Study for Fisherman's Wharf, the Planning Department issued a Draft Public Realm Plan for Fisherman's Wharf, which described (a) the existing conditions, (b) the proposed redesign of Jefferson Street, (c) design guidelines for other streets in and around Fisherman's Wharf, (d) potential parking and circulation solutions, (e) public open space solutions, and (f) overall urban design guidelines. The Draft Public Realm Plan also suggested solutions to the challenges identified by Gehl Architects in the Public Space and Public Life Study, including the creation of (a) Waterfront District, (b) Walkable District, (c) Diverse District, and (d) District Identity.

**Jefferson Street Redesign Project**

In April 2011, the Planning Department completed an Environmental Impact Report (EIR) for the Jefferson Street Redesign Project.

<sup>1</sup> The Fisherman's Wharf Community Benefit District (FWCBD) is an organization founded in 2005 by business and property owners in the Fisherman's Wharf neighborhood to "preserve and enhance its vast San Francisco waterfront landscape and multi-cultural heritage, while integrating modern efficiencies to enrich the experience of visitors from both near and far." The FWCBD is funded through an annual assessment on residential property value or annual sales of property owners within the CBD.

<sup>2</sup> Streetscapes are defined as signs and signals, sidewalks, curb ramps, street trees, street lighting, site furnishings, and storm water infrastructure.

In November 2011, the Fisherman's Wharf Community Benefit District retained the Roma Design Group, an urban design consultant, to develop the initial design concept. The Department of Public Works (DPW) also conducted a street survey for the entire five-block corridor of Jefferson Street between Hyde Street and Powell Street. The initial design concept for the Jefferson Street Redesign Project changes the roadway to make it more pedestrian and bicycle friendly by (a) removing the parking on both sides of the street, (b) adding a unified café zone on the north side of the street, and (c) changing the road and curbs to a granite surface.

The proposed redesign of Jefferson Street, as presented to the Capital Planning Committee on February 13, 2012, is a two-phase project. Phase I is the two-block streetscape on Jefferson Street between Hyde and Jones Streets. Phase II of the plan would include the three-block streetscape on Jefferson Street from Jones Street to Powell Street.

According to Mr. Douglas Legg, DPW Budget Manager, there are three construction options for Phase I of the Jefferson Street Redesign, shown in Table 1 below:

**Table 1: Approximate Costs of the Current Phase I Options\***

	Description	Phase I Costs
Option I	The original Roma plan from November of 2011 (as described above) included a redesign of the right-of-way, granite streets, granite curbs, and a unified café zone	\$8,740,000
Option II	Similar to Option 1 but reduced in scope by the deletion of the granite curbs and the deletion of the café zone. The right-of-way changes and the granite street would remain.	\$6,277,000
Option III	Similar to Option II but changing the granite streets to standard asphalt streets. The right-of-way changes would remain.	\$4,808,000

\*The costs in the table represent the total cost of each option, including the design and other pre-construction work.

The City's Capital Plan for 2012-2021 identifies the Jefferson Street Redesign Project as an emerging need<sup>3</sup>. According to Mr. Brian Strong, Director of the Capital Planning Program, because the Jefferson Street Redesign Project was identified by the Planning Department as an emerging need project, requiring further development, a funding source for the total Phase I Jefferson Street Redesign Project costs was not identified in the City's Capital Plan.

## DETAILS OF PROPOSED LEGISLATION

The proposed ordinance would appropriate \$962,038 in interest earnings from State Proposition 1B Highway Safety, Traffic Reduction, Air Quality and Port Security Bond funds previously allocated to San Francisco, as shown in Table 2 below.

<sup>3</sup> The 2012-2021 Capital Plan identifies (a) General Fund facilities and infrastructure requiring major repair or improvement over the next ten years, at an estimated cost of \$4.9 billion, and (b) emerging needs, which are projects that require further development.



**Table 2: Sources of Funds**

<b>State Proposition 1B Funds:</b>	
Interest earnings received as of February 3, 2012	\$909,438
Future estimated interest earnings	<u>52,600</u>
<b>Total</b>	<b>\$962,038</b>

In accordance with the proposed ordinance, \$52,600 in future interest earnings would be placed on Controller's reserve, pending receipt of such interest earnings.

The Capital Planning Committee recommended the proposed supplemental appropriation of \$962,038 to fund design, construction document development, and construction administration costs for Phase I of the Jefferson Street Redesign Project, at the February 13, 2012 Capital Planning Committee.

## FISCAL IMPACTS

According to Mr. Legg, since 2007, the Board of Supervisors has appropriated \$39,812,401 in State Proposition 1B Highway Safety, Traffic Reduction, Air Quality and Port Security Bond funds, previously allocated to San Francisco, for various City street improvement projects. As of February 3, 2012, the City has earned interest income of \$909,438 on the principal of \$39,812,401 and estimates future interest earnings of \$52,600. The proposed ordinance would appropriate \$962,038 in interest earnings, including \$909,438 received as of February 3, 2012, plus \$52,600 in future interest earnings, for the design, development of construction documents, and construction administration for Phase I of the Jefferson Street Redesign Project.

The requested appropriation of \$962,038 would be expended as shown in Table 3 below.

**Table 3: Phase I Design Services Provided by DPW and Other City Staff**

Landscape Design	\$266,500
Streets & Highways Design	150,000
Electrical Design	25,000
Hydraulics Design	118,500
Bureau of Construction Management Staff	8,000
Contract Preparation	14,000
Bureau of Street Management - Legislation	11,000
Bureau of Street Management - Surveys	40,000
Bureau of Street Management - Hazardous Materials Mitigation	92,000
Project Management	63,000
Municipal Transportation Agency - Traffic	8,500
<b>Total</b>	<b><u>796,500</u></b>
City Planning funds	<u>90,000</u>
<b>Net</b>	<b>\$706,500</b>
Supplemental Request (Proposed Ordinance)	962,038
<b>Net to be applied to Construction Administration Phase</b>	<b>\$255,538</b>

According to Mr. Legg, the Mayor's Office would like to have Phase I of the Jefferson Street Redesign Project completed in time for the America's Cup in July 2013. Due to the time constraints imposed by the America's Cup and overall fiscal constraints, Mr. Legg believes Options II or III, having estimated total project costs ranging from \$4,808,000 to \$6,277,000, are currently the most likely options (see Table 1 above). The current schedule for Phase I is shown in Table 4 below.

**Table 4: Jefferson Redesign Phase I Timeline**

Date	Milestone
Late February 2012	Initiate Construction Drawings
June 2012	Construction Drawings Completed
	Bidding Process Begins
September 2012	Contract Awarded
October 2012	Construction Begins
June 2013	Construction is anticipated to be Completed

According to Mr. Legg, the construction bidding process will follow the standard construction bidding process as outlined in Chapter 6 of the City's Administrative Code.

## POLICY ISSUE

### **DPW has not yet identified funding for the construction of Phase I of the Jefferson Street Redesign Project.**

According to Mr. Legg, in January 2012, DPW requested the Capital Planning Committee to approve \$8,682,434<sup>4</sup> in General Fund monies in the FY 2012-13 budget for total Phase I Jefferson Street Redesign Project costs. Although Capital Planning Committee recommendations for FY 2012-13 will not be available until May 2012, Mr. Legg states that DPW is requesting the supplemental appropriation of \$962,038 in State Bond interest earnings, prior to total Phase I Jefferson Street Redesign Project funding approval by the Capital Planning Committee, because the Mayor's Office wants to complete Phase I in time for the America's Cup in September 2013.

Mr. Legg states that the requested \$962,038 for design, development of construction documents, and construction administration is based on the estimated total costs of \$8,740,000 for Option I of the Phase I Jefferson Street Redesign Project. If the Capital Planning Committee recommends General Fund monies of less than \$8,740,000, Mr. Legg states that DPW will reduce the design costs accordingly.

As shown in Table 3 above, the budget for Phase I design and development of construction documents is \$706,500. According to Mr. Legg, the excess funds of \$255,538 (the requested supplemental appropriation of \$962,038, less \$706,500) will be allocated to construction administration. Because the \$255,538 is not necessary to fund design and construction document development costs, the Budget and Legislative Analyst recommends placing the \$255,538 on

<sup>4</sup> The estimated cost of \$8,682,434 was for Option I and has been updated to the new amount of \$8,740,000.

Budget and Finance Committee reserve, pending details on how these funds will be spent during the construction phase of the Phase I Jefferson Street Redesign Project.

The Budget and Legislative Analyst considers approval of the proposed supplemental appropriation to be a policy matter for the Board of Supervisors because the City's Capital Planning Committee has not yet recommended funding for construction of Phase I of the Jefferson Street Redesign Project.

## RECOMMENDATION

1. Amend the proposed ordinance to place \$255,538 on Budget and Finance Committee reserve, pending details on how these funds will be spent during the construction phase of the Phase I Jefferson Street Redesign Project.
2. Approval of the proposed ordinance, as amended, is a policy matter for the Board of Supervisors.



# Capital Planning Committee

BDS-11

File 120120

COB  
B/F Clerk  
Cpage

Naomi M. Kelly, City Administrator, Chair

## MEMORANDUM

February 13, 2012

**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

**Regarding:** Supplemental Appropriation Request for the Design of Jefferson Street  
Streetscape Improvements (\$962,038)

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BOARD OF SUPERVISORS  
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In accordance with Section 3.21 of the Administrative Code, on February 13, 2012, the Capital Planning Committee (CPC) reviewed one action item under consideration by the Board of Supervisors – the supplemental appropriation request for the Design of Jefferson Street Streetscape Improvements. The CPC's recommendations are set forth below as well as a record of the members present.

- 1. Board File Number 120120:** Ordinance appropriating \$962,038 consisting of \$856,046 in fund balance and \$105,992 in State Proposition 1B Local Street and Road interest earnings to the Department of Public Works in FY2011-2012 for the design of Jefferson Street Streetscape Improvements and placing \$52,600 on Controller's Reserve pending receipt of the projected interest earnings.

**Recommendation:**

Recommend the Board of Supervisors approve the ordinance appropriating funds for the Design of Jefferson Street Streetscape Improvements

**Comments:**

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

Committee members or representatives in favor include: David Chiu, Board President, Naomi Kelly, Acting City Administrator; Kate Howard, Mayor's Budget Director; Mohammed Nuru, Interim Director of Public Works; Elaine Forbes, Port of San Francisco; Cindy Nichol, San Francisco International Airport; Harlan Kelly, SFPUC; Nadia Sesay, Controller's Office; Alicia John-Baptiste, Planning Department; Darton Ito, SFMTA; and Dawn Kamalanathan, Recreation and Parks Department.