



San Francisco
Water
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Earthquake Safety & Emergency Response 2020 Bond Program

Presentation to the Budget & Finance Committee

January 13, 2021

Earthquake Safety and Emergency Response 2020 Bond Program (ESER 2020)

Request for approval of:

- Resolutions authorizing issuance of Not to Exceed \$628,500,000 and approving the sale of Not to Exceed \$85,000,000 in general obligation bonds (first bond sale) for the Earthquake Safety & Emergency Response 2020 Bond Program.
- Ordinance appropriating \$85,000,000 of the Series 2021A Earthquake Safety and Emergency Response General Obligation Bond proceeds; and placing these funds on Controller's reserve pending sale of the bonds.

Bond Authorization Total : *\$628,500,000*

Proposed Issuance: *\$85,000,000*

Proposed Date of Issuance: *February 2021*

Earthquake Safety and Emergency Response 2020 Bond Program (ESER 2020)

Sources and Uses for GO Bonds Series 2021A (ESER 2020)

Maximum Not to Exceed Amount:	85,000,000.00
<i>Reserve for Market Uncertainty</i>	<i>3,570,000.00</i>
Estimated Sources:	
Par Amount	<u>81,430,000.00</u>
Total Estimated Sources:	85,000,000.00
Estimated Uses:	
Project Fund Deposits:	
Project Fund	79,641,343.00
CSA Audit Fee	<u>159,282.69</u>
Total Project Fund Deposits:	<u>79,800,625.69</u>
Cost of Issuance	733,644.31
Underwriter's Discount	814,300.00
CGOBOC Fee	<u>81,430.00</u>
Total Delivery Expense:	<u>1,629,374.31</u>
<i>Reserve for Market Uncertainty</i>	<i>3,570,000.00</i>
Total Estimated Uses:	85,000,000.00

Earthquake Safety and Emergency Response 2020 Bond Program (ESER 2020)

Fiscal Impact of Proposed GO Bonds Series 2021A (ESER 2020)

- Estimated Financing Costs*

Projected par: \$81,430,000

Estimated interest rate: 3.11%

Estimated total interest cost: \$26,100,000

Estimated Annual Property Tax Impact: \$1.84 per \$100,000 (\$10.90 for \$600K home)

- Debt Capacity

Certified Net Assessed Valuation (Net AV) for FY20-21: \$301,409,160,689

3% GO Debt Capacity: \$9,042,274,820.67

GO Debt Currently Outstanding: \$2,502,746,740.00 (0.83% of Net AV)

GO Debt with proposed 2021A Bonds: \$2,584,176,740.00 (0.86% of Net AV)

- Capital Planning Constraint

Issuance of 2021A bonds is consistent with FY2006 property tax rate cap policy

** Interest rate and cost estimates provided by Urban Futures Inc., an MSRB-registered municipal advisory firm*

ESER 2020 Bond Program Overview

Bond Component	Description & Key Deliverables	Project Selection Process	1st Bond Sale Planned Efforts (incl. pre-bond)
Emergency Firefighting Water System	Renovate, expand, and seismically upgrade the City's Emergency Firefighting Water System	Projects selected by SFPUC Management Oversight Committee and accepted by the Executive Steering Committee are Potable Emergency Firefighting Water System (PEFWS), Fireboat Manifolds, and system studies.	Planning, design, and construction of assigned projects
Neighborhood Fire Stations and Support Facilities	Strengthen, improve, and rehabilitate Neighborhood Fire Stations and Support Facilities , including the replacement of the firefighter training facility currently located on Treasure Island	Fire Department projects are selected from among the list of stations and other facilities that are identified as in most need from operational and state of condition assessments. The replacement Fire Training Facility is driven by the fact that it must vacate its current location on Treasure Island by 2026. Other projects to be named will align with exigent operational and state of condition needs.	Planning and pre-design
District Police Stations and Support Facilities	Make seismic, safety and operations improvements to district police stations and City-owned District Police Stations and Support Facilities	Police Department projects are selected from among the list of stations and other facilities that are identified as in most need from operational and state of condition assessments. The projects selected pose a life-safety hazard as they are at-risk of partial or substantial collapse from the effect of a major earthquake.	Planning, design, and construction of early projects
Disaster Response Facilities	Upgrade or replace critical City-owned Disaster Response Facilities to assure the City can deploy aid, provide shelter, and coordinate emergency response activities	Kezar Pavilion was selected as a facility with high seismic vulnerabilities and opportunities to serve multiple disaster-response functions. The project benefits a vulnerable asset while augmenting the City's emergency preparedness capabilities and expanding program opportunities for general public use.	Concept development, planning, design, investigation studies, permits, bid process
911 Call Center	Expand the 9-1-1 Response Facilities to provide more dispatchers, new technologies and increased efficiencies	The City's Emergency Operations Center requires a major upgrade and expansion of its 9-1-1 Call Center to best align with the service needs of a growing San Francisco begins to respond to its functional mission.	Planning, Design, and construction of project

Issuance Summary

ESER 2020 Components / Projects	Bond Authorization	Bond Budget	Proposed 1st Bond Issuance*	Future Bond Sales**
Emergency Firefighting Water System	\$153,500,000	\$151,170,852	\$20,000,000	\$131,170,852
Neighborhood Fire Stations and Support Facilities	\$275,000,000	\$270,827,260	\$2,900,000	\$267,927,260
District Police Stations and Support Facilities	\$121,000,000	\$119,163,994	\$32,022,200	\$87,141,794
Disaster Response Facilities	\$70,000,000	\$68,937,848	\$15,855,705	\$53,082,143
911 Call Center	\$9,000,000	\$8,863,438	\$8,863,438	\$0
Subtotal Project Components	\$628,500,000	\$618,963,392	\$79,641,343	\$539,322,049
Oversight, Accountability, COI		\$9,536,608	\$1,788,657	\$4,177,951
Reserve for Market Uncertainty			\$3,570,000	
TOTAL	\$628,500,000	\$628,500,000	\$85,000,000	\$543,500,000

*Includes pre-bond funding to be reimbursed by first bond sale

**Future bond sales only pertaining to components/projects, Oversight, Accountability, and COI

ESER 2020 Bond Program Budget

Bond Component	Bond Budget	Proposed 1st Bond Issuance	1st Issuance as % of Program Budget	Projected Expenditures Year 1	Projected Expenditures Year 2	Projected Expenditures Year 3
Emergency Firefighting Water System	\$151,170,852	\$20,000,000	13%	\$2,000,000	\$9,600,000	\$8,400,000
Neighborhood Fire Stations and Support Facilities	\$270,827,260	\$2,900,000	1%	\$2,900,000		
District Police Stations and Support Facilities	\$119,163,994	\$32,022,200	27%	\$14,925,600	\$15,956,600	\$1,140,000
Disaster Response Facilities	\$68,937,848	\$15,855,705	23%	\$2,685,169	\$7,852,473	\$5,318,063
911 Call Center	\$8,863,438	\$8,863,438	100%	\$852,316	\$7,956,719	\$54,403
Subtotal	\$618,963,392	\$79,641,343	13%	\$23,363,085	\$41,365,792	\$14,912,466
Accountability/Issuance Costs (CBOBOC/CSA/COI, etc.)	\$9,536,608	\$1,788,657	19%			
Reserve for Market Uncertainty		\$3,570,000				
Total	\$628,500,000	\$85,000,000	14%			

Program Schedule Overview

Bond Component	Planning / Design / Permits	Bid / Award	Construction
Emergency Firefighting Water System*	In Progress – 12/23	01/22 – 06/24	07/22 – 12/25
Neighborhood Fire Stations and Support Facilities*	01/21 – 12/23	07/21 – 09/24	04/22 – 10/26
District Police Stations and Support Facilities*	01/21 – 04/23	04/21 – 10/23	10/21 – 07/25
Disaster Response Facilities – Kezar Pavilion	01/21 – 07/23	07/23 – 12/23	01/24 – 09/25
911 Call Center	01/21 – 09/21	10/21 – 12/21	01/22 – 12/22

*Bond component includes Multiple Projects

Challenges & Risks

- EFWS – unforeseen field conditions may delay project schedule and increase cost.
- NFS – Fire Training Facility
 - Securing the prospective property for the project
 - Aligning completion of facility with the target exit from Treasure Island in 2026
- All projects: COVID-19 related impacts
 - Labor and material costs
 - Delays due to supply-chain interruptions or labor force illness or SF Health Department Order(s)
 - Enhanced sanitization and safety protocols for project sites