

MEMORANDUM

July 3, 2019

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Doreen Woo Ho
Hon. Victor Makras

FROM: Elaine Forbes
Executive Director

SUBJECT: Request for approval of the fourth bond issuance of the 2012 Clean and Safe Neighborhood Parks General Obligation Bond, in an amount not to exceed \$3.1 million, to support construction of Agua Vista Park and Heron's Head Park

DIRECTOR'S RECOMMENDATION: Approve Attached Resolution

EXECUTIVE SUMMARY

The 2012 Clean and Safe Neighborhood Parks Bond ("2012 GO Bond") provided \$195.0 million to fund parks and facilities throughout San Francisco. The bond program included \$160.5 million for Recreation and Park Department projects and \$34.5 million for waterfront parks delivered by the Port of San Francisco ("Port").

The Port is using bond proceeds to pay for a portion of the costs for improvements to Agua Vista Park, Crane Cove Park, Islais Creek Park, Heron's Head Park, and the Northeast Wharf Plaza and Pier 27-29 Tip and associated public art. The Northeast Wharf Plaza and Pier 27-29 Tip was completed in 2014. Crane Cove Park is in construction, and the remaining projects are in planning and design.

The Port has received funding from two of the three 2012 GO Bond sales totaling \$31.5 million. To date the bond proceeds have earned \$331,365 in interest, bringing the total appropriated funds to \$31.8 million. There is \$3.1 million in waterfront park funding remaining in the bonding authority for the construction phase of Heron's Head Park and

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Agua Vista Park. To meet those project schedules, Port staff recommends that the Port work with the Controller's Office of Public Finance to sell the remaining \$3.1 million in parks bonds in conjunction with the next City general obligation bond sale, currently scheduled for fall 2019, to defray issuance costs.

STRATEGIC PLAN

The proceeds from the 2012 Clean and Safe Neighborhood Parks Bond are key to the Port of San Francisco's Strategic Plan.

Evolution: The bond proceeds are being used to develop new waterfront parks while also providing key upgrades to existing parks. These parks provide public access and promote the public use of Port property. Additionally, these parks provide new recreational amenities and activities that the surrounding neighborhoods currently lack.

Sustainability: At 22 acres, Heron's Head Park is the largest park under the Port's jurisdiction. With over 100 different species of birds, the park is an ecological treasure for San Francisco. The park's EcoCenter attracts a tremendous number and variety of visitors to Heron's Head Park for both environmental education and recreation. This work will improve the park, making it more accessible to visitors.

BACKGROUND

In November 2012, San Francisco voters approved a \$195.0 million General Obligation Bond measure entitled the 2012 San Francisco Clean and Safe Neighborhood Parks Bond ("2012 GO Bond"). The 2012 GO Bond included \$34.5 million for waterfront parks and open spaces to be delivered by the Port.

The Port is using the funding to construct new waterfront parks and improve others along the length of Port property. The list of projects appears in **Figure 1**¹.

¹ In 2012 the Port anticipated that the Clean and Safe Neighborhood Parks Bond would fund six projects: Pier 43 Plaza, Northeast Plaza and Pier 27-29 Tip, Agua Vista Park, Pier 70 Parks (including Crane Cove Park), Warm Water Cove Park and Islais Creek Shoreline Access Improvements. In the last seven years, the Port's priorities for parks and open space funding have evolved, leading to the current programming illustrated in Figure 1.

Figure 1: 2012 Waterfront Parks Program of Projects

| Project Name | Bond Programming* |
|---|----------------------|
| Agua Vista Park | \$ 2,000,000 |
| Northeast Plaza & P 27-29 Tip (Cruise Terminal Plaza) | \$ 15,870,000 |
| Crane Cove Park | \$ 14,631,365 |
| Islais Creek Improvements | \$ 250,000 |
| Pier 27 Public Art | \$ 330,000 |
| Heron's Head Park | \$ 1,560,968 |
| Bond Issuance Costs | \$ 283,651 |
| WATERFRONT PARKS PROGRAM TOTAL | \$ 34,925,984 |

* Includes interest earnings.

STATUS OF ACTIVE AND COMPLETED PROJECTS

The Port Commission has approved Port participation in two of three 2012 GO Bond sales, appropriating \$31.8 million to six projects. One project is complete, one is in construction, and four are in planning and design. As of March 30, 2019, the Port had expended \$16.3 million, or 51% of appropriated 2012 GO Bond proceeds, while \$11.5 million (36%) is encumbered and \$4.1 million (13%) remains available for use.

Figure 2: Use of 2012 Bond Proceeds Appropriated To-Date



Cruise Terminal Plaza and Pier 27-29 Tip (Completed)

The Cruise Terminal Plaza (formerly, Northeast Wharf Plaza) at Pier 27 is a 2.5-acre park bordering the Embarcadero Promenade, the bay, and James R. Herman Cruise Terminal. The plaza features a large lawn for informal recreation and many places to enjoy views of the bay and cruise ships. The Cruise Terminal Plaza completed the public space envisioned in the Port and San Francisco Bay Conservation and Development Commission plans for this part of the Northern Waterfront.

The Port delivered this project under budget, allowing \$330,000 in excess project funds to be used for the new Pier 27 Public Art Project detailed later in this report.

| Schedule | Planning | Design | Construction | Completion |
|----------|-----------|--------------|--------------|--------------|
| Original | June 2011 | January 2012 | March 2012 | January 2015 |
| Actual | June 2011 | January 2012 | March 2012 | Sept 2014 |

Crane Cove Park (In Construction)

Crane Cove Park is a 7-acre Blue Greenway waterfront park located in the Central Waterfront, generally between 19th and Mariposa Streets east of Illinois Street.

Crane Cove Park is being delivered using four separate construction packages. The first construction contract started in November 2016 and was completed in September 2017. Contract 2, which began construction in January 2019, will complete the majority of the park elements. Contract 3 includes rehabilitation of Building 49 and Contract 4 will complete 19th Street roadwork.

The Port’s Engineering Division is currently bidding Contract 3 and expects substantial completion on the park in January 2020. The Port anticipates that the park will be open to the public in spring 2020.

| Schedule | Planning | Design | Construction | Completion |
|------------------|----------------|---------------|---------------|---------------|
| Original | September 2011 | March 2013 | February 2014 | February 2015 |
| Current Forecast | September 2011 | December 2014 | January 2019 | April 2020 |

Islais Creek Improvements (Planning Pending)

The Islais Creek improvements would complete the pathway system along the northern shore of Islais Creek. New public access would connect the Islais Creek Promenade at Tennessee Street to the historic Third Street Bridge. Improvements are expected to include a new waterfront walkway and scenic look-out points to close a gap in the Islais Creek system of open spaces, the Blue Greenway, and Bay Trail.

In the last seven years, complications regarding the location of the park and interactions with adjacent and underground infrastructure owned by other City agencies along Islais Creek have emerged. Among the complexities, the San Francisco Public Utilities Commission plans to construct new force main sewer infrastructure in the same area as the proposed Port project. Port staff believe that these factors will make delivery of the Islais Creek improvements much more complex and expensive than was anticipated in 2012. Staff propose to use the current appropriation to Islais Creek of \$250,000 to undertake engineering feasibility and develop a conceptual design and budget for

project construction. Once the Port has a better understanding of park design and budget, it will pursue funding for construction from future GO Bonds, grants or other funds.

| Schedule | Planning | Design | Construction | Completion |
|------------------|--------------|-----------|--------------|------------|
| Original | October 2013 | July 2014 | January 2016 | April 2017 |
| Current Forecast | January 2020 | TBD | TBD | TBD |

Agua Vista Park (In Design)

Agua Vista is a waterfront park, located on Terry Francois Boulevard at 16th Street, at the southern edge of Mission Bay. The park was originally constructed in the 1970's and needs renovation and refurbishment

The Port is designing the Agua Vista renovation to harmonize with the plaza in the Mission Bay Ferry Landing project, as well as Mission Bay Development Group's Bayfront Park—both immediately to the north. The park amenities will include new grading, pathways, plantings, benches/trashcans/tables, irrigation/drainage, and lighting as well as other landscape architectural features such as concrete retaining walls which will highlight the existing fishing pier and a small plaza for the potential water taxi landing. Port staff is proposing to include the construction and construction management as part of the Mission Bay Ferry Landing project to take advantage of economy of scale. The estimated project costs are listed in the table below.

| Agua Vista Park Estimated Project Costs | |
|---|---------------------|
| Design | \$ 280,000 |
| Construction | \$ 1,400,000 |
| 10% Construction Contingency | \$ 140,000 |
| Construction Management | \$ 180,000 |
| Total | \$ 2,000,000 |

The Port delayed design of the project to coordinate with the construction of the adjacent Mission Bay Bayfront Park, Mission Bay Ferry Landing, and Chase Center projects. The revised construction schedule reflects this plan.

| Schedule | Planning | Design | Construction | Completion |
|------------------|-----------|--------------|--------------|------------|
| Original | July 2014 | January 2015 | April 2016 | April 2017 |
| Current Forecast | July 2014 | October 2019 | June 2020 | June 2021 |

Heron's Head Park Improvements (In Design)

Since its inception, Heron's Head Park has been a refuge for people and wildlife in the primarily industrial southern waterfront. The park is home to the Port's EcoCenter, a unique facility designed to serve as a model for green building, sustainable resource use, environmental justice, experiential learning and community engagement for San Francisco's southeastern neighborhoods. Building on the success of the park's expansion, funded by the 2008 Waterfront Parks General Obligation Bond, and increased use of the park, the Port proposes to make further improvements to the original Heron's Head Park area (outside of the expansion area improved with 2008 Bond funds). Enhancements include improving the main path and the path connecting to the adjacent PG&E shoreline area, paving the terrace adjacent to the EcoCenter, constructing stairs and an ADA-accessible ramp that connects the east door of the EcoCenter to the lower picnic table area, new plantings, upgrades to the solar panels and electrical system at the EcoCenter, new vandal-resistant path lighting, new habitat protection fence along the length of the main path, and comprehensive signage for the park. The estimated project costs are listed in the table below.

| Heron's Head Park Improvements Estimated Project Cost | |
|---|---------------------|
| Design | \$ 170,412 |
| Construction | \$ 824,868 |
| 15% Construction Contingency | \$ 123,730 |
| Construction Management | \$ 91,976 |
| Total | \$ 1,210,986 |

These changes will help support increased use of the park, improve accessibility for all users, and strengthen connectivity to the ever-improving shoreline parks extending to the south from Heron's Head—PG&E Shoreline and India Basin. Electrical upgrades at the Eco-Center will better fulfill the green energy vision for the facility, which currently occasionally relies on a diesel generator for energy when its older solar system is not sufficient to meet the facility's energy needs.

| Schedule | Planning | Design | Construction | Completion |
|------------------|------------|----------------|---------------|---------------|
| Original | April 2018 | September 2018 | February 2019 | November 2019 |
| Current Forecast | April 2018 | March 2019 | January 2020 | June 2020 |

Pier 27 Public Art (In Design)

The project involves working with the San Francisco Arts Commission to select an artist who will design, construct, and install a permanent art piece at Pier 27. The piece will be installed within the plaza area between the Beltline Building and the Cruise Terminal Plaza. The Port and the San Francisco Arts Commission will begin the artist selection process in the summer of 2019 with anticipated installation of the art in February 2021.

In the interim the Port, in partnership with the Israeli Consulate, has installed a temporary art piece “Point of View” in Cruise Terminal Plaza.

| Schedule | Planning | Design | Construction | Completion |
|------------------|-----------|--------------|--------------|---------------|
| Original | July 2018 | January 2019 | May 2019 | February 2020 |
| Current Forecast | July 2019 | January 2020 | May 2020 | February 2021 |

FOURTH BOND SALE

The City’s Office of Public Finance will be pursuing an Affordable Housing General Obligation Bond sale in fall of 2019. Port staff recommends including the fourth 2012 Parks GO Bond sale in this transaction to save on the cost of issuance. The Port expects to combine the renovation of Agua Vista Park with the construction of Mission Bay Ferry Landing and will need funds for that project in winter 2020. The timing of this sale will allow the Port to stay on schedule for the delivery of Agua Vista Park.

Figure 3: Bond Issuances for Program of Projects

| Project Name | Bond Programming* | 2012 Bonds Appropriated To-Date* | Proposed Final Bond Sale |
|---|----------------------|----------------------------------|--------------------------|
| Agua Vista Park | \$ 2,000,000 | \$ 300,000 | \$ 1,700,000 |
| Northeast Plaza & P 27-29 Tip (Cruise Terminal Plaza) | \$ 15,870,000 | \$ 15,870,000 | \$ - |
| Crane Cove Park | \$ 14,631,365 | \$ 14,631,365 | \$ - |
| Islais Creek Improvements | \$ 250,000 | \$ 250,000 | \$ - |
| Pier 27 Public Art | \$ 330,000 | \$ 330,000 | \$ - |
| Heron's Head Park | \$ 1,560,968 | \$ 350,000 | \$ 1,210,968 |
| Bond Issuance Costs** | \$ 283,651 | \$ 94,619 | \$ 189,032 |
| WATERFRONT PARKS PROGRAM TOTAL | \$ 34,925,984 | \$ 31,825,984 | \$ 3,100,000 |

* Includes interest earnings.

** Bond Issuance Cost for final sale is a preliminary estimate from the Office of Public Finance.

CONCLUSION

The 2012 Parks Bond provided the Port with \$34.5 million to support the delivery of key parks and open space projects. The Port completed the Northeast Wharf Plaza and the Pier 27-29 Tip in September 2014 and a public art installation is currently being designed for the space. Crane Cove Park is currently in construction, Heron’s Head park is scheduled for construction in January 2020 and Agua Vista Park will begin design in fall of 2019. The final bond sale, in an amount not to exceed \$3.1 million, for the 2012 Parks Bond will provide funding for the construction phase of Agua Vista Park and Heron’s Head Park projects. All bond proceeds are scheduled to be expended by June 2021 with the completion of Agua Vista Park.

Prepared by: Jamin Barnes, Senior Financial Analyst,
Engineering Division

and

Ananda Hirsch, Capital Manager, Finance and
Administration Division

and

Meghan Wallace, Finance Director, Finance
and Administration Division

For: Katharine Petrucione, Deputy Director
Finance and Administration Division

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 19-28

- WHEREAS, In November of 2012 the San Francisco voters approved a measure entitled “Clean and Safe Neighborhood Parks General Obligation” to authorize the issuance of up to \$195 million in general obligation bonds (the “2012 GO Bonds”); and
- WHEREAS, The 2012 GO Bonds included \$34.5 million for waterfront park projects on Port property; and
- WHEREAS, In June of 2013, the first bond issuance totaled \$71.4 million and allocated \$18.2 million to the Port’s waterfront park projects which proceeds were allocated as follows: \$1.4 million to Crane Cove Park, \$350,000 to Heron’s Head Park, \$250,000 to Islais Creek Improvements, \$15.6 million to the Northeast Wharf Plaza and Pier 27/29 Tip (Cruise Terminal) project and \$330,000 to Pier 27 Public Art improvements; and
- WHEREAS, In October of 2015, the second bond sale totaled \$42.4 million and allocated \$13.2 million to the Port’s waterfront park projects which were allocated as follows: \$300,000 to Aqua Vista Park and \$12.9 million to Crane Cove Park; and
- WHEREAS, In April 2018 a third bond sale totaled \$76 million but no funds were allocated to Port projects; and
- WHEREAS, The Ordinance authorizing the sale of these bonds requires the Port Commission to approve which parks are to be included in each bond sale; and
- WHEREAS, The fourth and final 2012 GO Bond issuance of \$3.1 million (inclusive of issuance and CSA audit costs), will provide \$1.7 million for Agua Vista Park and \$1.2 million for Heron’s Head Park, and all the proceeds from the final bond sale will be used on the Port’s waterfront park projects, therefore be it
- RESOLVED, That the Port Commission hereby approves funding in the amount of \$3,100,000 in the fourth and final sale of the 2012 Clean and Safe Neighborhood Parks General Obligation Bond.

RESOLVED, The Port Commission hereby recommends that the Board of Supervisors consider and approve the final sale in an amount not to exceed \$3.1 million of 2012 Clean and Safe Neighborhood Parks General Obligation Bonds.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of July 9, 2019.

Secretary