There's only one San Francisco. Let's take care of it.

Capital Planning & Financing

Lifelines Council

Brian Strong, Director of Capital Planning
City and County of San Francisco

November 17, 2011
Capital Planning Discussion

- San Francisco Capital Plan Overview

- Financial Options & Constraints
  - GO Bonds
  - Revenue Bonds

- Challenges
  - AWSS/Firefighting Infrastructure
  - Justice Facilities Improvement Program

- Questions & Discussion
San Francisco Services & Infrastructure

San Francisco is responsible for a broad array of city, county, and regional services supported by a massive physical infrastructure.

- **City Services** – Police and fire stations, roads and mass transit networks, parks and libraries, port and utility systems, convention facilities. Over 15 million square feet of facilities, 850 miles of streets, and transit infrastructure within two blocks of 90% of every location in the city.

- **County Services** – Two public hospitals, over a dozen clinics, county jails housing 2,000 prisoners, county welfare and public health programs.

- **Regional Services** – International airport and regional port; regional water and sewer system. Participation in regional transit networks (BART, Caltrain). Water system infrastructure from South Bay to Sierras, piers along the majority of San Francisco’s north and east waterfronts.
Ten-Year Capital Plan

- Historic underinvestment in capital led to legislation creation of the City’s first ten-year Capital Plan in 2006

- Goal: to develop and implement a sustainable plan for the long-term safety, accessibility and modernization of San Francisco’s public infrastructure and facilities.

- Capital Planning Committee (CPC)
  - Chaired by the City Administrator and includes all capital-intensive department heads as well as the President of the Board, the Planning Director, the Controller, and the Mayor’s Budget Director.

- Constrained long-term finance plan that prioritizes projects based on approved set of funding principals.
  - Regulatory mandate; health & safety, and timely maintenance & renewal are top priorities
### FY 2012-2021 Capital Plan

#### Capital Plan Summary by Department Type (Dollars in Millions)

<table>
<thead>
<tr>
<th>Department Type</th>
<th>GF</th>
<th>Enterprise</th>
<th>External</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>1,777</td>
<td></td>
<td></td>
<td>1,777</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>1,129</td>
<td></td>
<td>565</td>
<td>1,694</td>
</tr>
<tr>
<td>Infrastructure and Streets</td>
<td>1,033</td>
<td>6,199</td>
<td>351</td>
<td>7,582</td>
</tr>
<tr>
<td>Recreation, Culture, and Education</td>
<td>678</td>
<td>778</td>
<td></td>
<td>1,456</td>
</tr>
<tr>
<td>Economic &amp; Neigh. Development</td>
<td>92</td>
<td>787</td>
<td>3,392</td>
<td>4,271</td>
</tr>
<tr>
<td>Transportation</td>
<td>4,433</td>
<td>3,410</td>
<td></td>
<td>7,842</td>
</tr>
<tr>
<td>General Government</td>
<td>165</td>
<td></td>
<td></td>
<td>165</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,873</strong></td>
<td><strong>11,419</strong></td>
<td><strong>8,495</strong></td>
<td><strong>24,787</strong></td>
</tr>
</tbody>
</table>

- GF = General Fund departments (Police, Fire, DPH, DPW, REC, LIB, ART, etc.)
- Enterprise = AIR, PUC, MTA, PRT
- External = SFHA, CCSF, SFUSD, SFRDA, Private
- Jobs created based on Controller’s econometric model of 6.54 jobs per year per $1M construction
FY 2012-2021 Funding Sources

**General Fund Program**
- G.O. Bonds: 14%
- Other Debt: 13%
- General Fund: 14%
- State, Federal & Other: 19%

**Entire Capital Program**
- G.O. Bonds: 17%
- Other Debt: 40%
- General Fund: 4%
- State, Federal & Other: 39%
<table>
<thead>
<tr>
<th>Program</th>
<th>Funded</th>
<th>Deferred</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Good Repair &amp; Renewal</td>
<td>1,421</td>
<td>1,115</td>
</tr>
<tr>
<td>Earthquake Safety</td>
<td>2,719</td>
<td>567</td>
</tr>
<tr>
<td>Disability Access</td>
<td>177</td>
<td>0</td>
</tr>
<tr>
<td>Parks &amp; Open Space</td>
<td>323</td>
<td>694</td>
</tr>
<tr>
<td>Other Improvements</td>
<td>233</td>
<td>1,681</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$4,873</strong></td>
<td><strong>$4,058</strong></td>
</tr>
</tbody>
</table>
**Funding Strategies**

1. G.O. bonds will not increase voters’ long-term property tax rates above FY2006 levels.

### G.O. Bond Program

(Dollars in Millions)

<table>
<thead>
<tr>
<th>Month/Yr</th>
<th>Proposed Bond Issuance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 2011</td>
<td>Safe Streets &amp; Road Repair (passed on 11/8/11)</td>
<td>248</td>
</tr>
<tr>
<td>Nov 2012</td>
<td>Neighborhood Parks &amp; Open Space Improvements</td>
<td>185</td>
</tr>
<tr>
<td>Nov 2013</td>
<td>Earthquake Safety &amp; Emergency Response (Phase 2)</td>
<td>390</td>
</tr>
<tr>
<td>Nov 2016</td>
<td>Public Health Facilities Seismic Improvements</td>
<td>510</td>
</tr>
<tr>
<td>Nov 2020</td>
<td>Neighborhood Parks &amp; Open Space Improvements</td>
<td>150</td>
</tr>
<tr>
<td>Jun 2021</td>
<td>Earthquake Safety &amp; Emergency Response (Phase 3)</td>
<td>475</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,958</strong></td>
</tr>
</tbody>
</table>
2. The City will maintain the percentage of the General Fund spent on debt service at 3.25% of discretionary revenues.

<table>
<thead>
<tr>
<th>Month/Yr</th>
<th>Proposed Debt Issuance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>Veterans Building Seismic Improvement</td>
<td>130</td>
</tr>
<tr>
<td>FY 2014</td>
<td>HOJ Jails 3 &amp; 4 Replacement</td>
<td>435</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>565</strong></td>
</tr>
</tbody>
</table>
Impact on the General Fund

General Fund Debt Service and Long-Term Lease Obligations
FY 2010-2028

- DS on Proposed Debt
- DS on Moscone
- DS on Existing Debt

3.25% of GF Discretionary Revenues

% of Discretionary GF Revenues Dedicated to Debt Service

Accomplishments
Accomplishments
Accomplishments
Under Construction

Water System and Sewer System Improvement Programs: Revenue Bonds
Presidio Parkway/Doyle Drive: Local & Federal Funds and P3

Under Construction
Challenges

EQ Risk and Aging Public Infrastructure: Soft Story, Fires, HOJ
Approach

EQ Safety & Emergency Response Bond

$412.3M General Obligation Bond authorized in June 2010 with approval by 79.4% of voters

- Public Safety Building (includes Mission Bay Fire Station) $243.0
- Neighborhood Fire Stations $65.1
- Auxiliary Water Supply System $104.2
Justice Facility Improvement Program

Replacing the Hall of Justice: GO Bonds + Revenue Bonds
## Justice Facility Improvement Program

### $1.5 Billion Capital Program

<table>
<thead>
<tr>
<th>Program Component</th>
<th>Cost</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Command Ctr. &amp; Dist Station</td>
<td>243M</td>
<td>GO</td>
</tr>
<tr>
<td>Chief Medical Examiner &amp; Crime Lab</td>
<td>240M</td>
<td>GO</td>
</tr>
<tr>
<td>Police Investigations &amp; Traffic</td>
<td>252M</td>
<td>GO</td>
</tr>
<tr>
<td>Replacement Jail</td>
<td>465M</td>
<td>Rev Bnd</td>
</tr>
<tr>
<td>HOJ Seismic Joint &amp; West Wing Demo</td>
<td>47M</td>
<td>Rev Bnd</td>
</tr>
<tr>
<td>Dist. Atty., Adult Probation &amp; Related</td>
<td>209M</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**TOTAL** $1.46B
Justice Facility Improvement Program

The Public Safety Building will provide a new earthquake-resistant facility for the SF Police Department Command Center, Southern District Police Station, and Mission Bay Fire Station. This Project is funded by the voter-approved June 2010 Earthquake Safety and Emergency Response Bond. The Executive Architect team is HOK + Mark Cavagnero Associates in collaboration with the SF DPW Bureau of Architecture. The project is designed for LEED Gold Certification.

Public Safety Building

Emergency Contact/Pankow Construction:
Department of Public Works: 415-XXX-XXXX

A Project of the City’s Ten-Year Capital Plan
There's only one San Francisco—together we’re taking care of it.

This project is brought to you by:

MAJOR
Honorable Ed Lee

BOARD OF SUPERVISORS
David Chiu, President
John Avalos
David Campos
Carmen Chu
Mattie Cohen
Sean Elsbernd
Mark Farrell
Jane Kim
Eric Mar
Ross Mirkarimi
Scott Wiener
Auxiliary Water Supply System (AWSS)

- Built in 1913 as a result of 1906 earthquake
- 135 miles of piping network & 1,600 high-pressure fire hydrants
- 1 reservoir, 2 storage tanks, & 2 pump stations
- 177 underground cisterns
- 52 suction connections for trucks to pump in salt water
- 5 manifold connections so fire boats can pump in salt water
- Robust, Redundant, Rapid, Resourceful (Shayne C. Kavanagh, GFR Dec 2007)
AWSS (cont)
Auxiliary Water Supply System (AWSS)
AWSS (cont)

- Loma Prieta: 6.9
- 69 main breaks & 50 service connection breaks in Marina domestic water system alone
- AWSS in tact in Marina but 12” main break in southern zone drains tank in 15 min.
- Uncertainty of breaks and procedural issues prevent SFFD from activating pump stations to re-pressurize
- PWSS fed by fire boat as 3rd line of defense supplies 6,000 gpm for 18 hrs to control fires
- Multiple redundancies, rehearsals, and asset maintenance are key
Questions & Comments?

Brian Strong, Director Capital Planning, CAO
Brian.Strong@sfgov.org
ONE PLAN | ONE CITY | ONE SF

The Capital Plan represents the City's commitment to building a stronger future.

There's only one San Francisco. Let's take care of it.

Learn more about the Capital Plan.

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Highlights
Street Resurfacing Financing
Loma Prieta: 180 Seismic Projects Since 1989

Plan & Budget
FY 2012-2021 Draft Capital Plan
FY 2010-2011 Capital Budget

Capital Planning Committee
CPC Meetings & Actions
Site Archives

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