



Office of the City Administrator *Capital Planning Program*

FY 2010-2019 CAPITAL PLAN: PROPOSED CHANGES TO THE DEBT PROGRAM

With the passage of the SF General Hospital Rebuild, the central issue facing the capital plan is addressing the seismic inadequacies of the Hall of Justice (HOJ) and the City's Auxiliary Water Supply System (AWSS). A study of AWSS points out the importance of this system in an earthquake and the vulnerabilities to its core facilities. While research shows the function of AWSS to be a high priority with San Francisco residents, that same cannot be said of the HOJ. In fact, the majority of the HOJ components, including the jail, are unlikely to receive the 2/3rd support needed to pass a G.O. bond. In response, staff developed the following proposal in conjunction with the Controller, DPW, City Administrator, and Mayor's Office. It has been reviewed by the Capital Planning Committee.

1. **Place a \$580 million emergency response/public safety bond on the November 2009 ballot.** This would include AWSS core facilities, relocation of selected portions of the Hall of Justice, the Crime Lab and Medical Examiner, and fire station repairs. We believe this bond could pass, although it would take a highly coordinated effort without organized opposition.
2. **Move the jail and certain other elements of the HOJ program** not included in the November 2009 bond **off of the G.O. bond schedule** and plan to **pay for them with General Fund debt.**
3. In order to offset the burden on the General Fund, place a **street resurfacing bond on the ballot in June 2010** and an **emergency response/public safety bond on the ballot every six years.** Consider a ¼-cent sales tax increase or other revenue source for ongoing street repair prior to 2015 to free up General Fund cash that can be used to pay debt service on the jail.
4. **Defer the seismic upgrade of 101 Grove, the DTIS and DPW Corporate Yards, and the remaining portions of the HOJ from the capital plan** and put the **Park system on a six-year bond schedule** rather than once every five years.

Pros of the Proposed Program

- Accomplishes high priority capital needs without impacting annual General Fund allocations
- Phases the replacement of the HOJ into achievable projects based on need, priority, and voter support
- Stimulates the local economy by initiating major capital projects now
- Converts funding source for streets and public safety facilities from annual GF cash to long term debt to match their long useful lives

Cons of the Proposed Program

- Requires strong campaigns with little or no opposition for the Nov 2009 public safety bond and June 2010 streets bond to pass
- Risks passage of a stand-alone AWSS and fire safety G.O. bond by placing them with the less popular Crime Lab/Medical Examiner and components of the HOJ

BACKGROUND

The top two priorities of the Capital Plan have always been completion of the hospital and replacement of the Hall of Justice (HOJ). Now that voters have passed the hospital, the Plan is seeking a way to replace the seismically deficient and functionally obsolete HOJ. For the past three years the remaining G.O. Bond schedule in the Capital Plan has been:

Nov 2009	AWSS System Earthquake Safety (\$89 million)
Nov 2010	Hall of Justice Earthquake Safety (\$600 million)
Nov 2013	Park System Renovation and Improvement (\$150 million)
Nov 2015	101 Grove, Corporate Yards (\$241 million)

NEXT STEPS

Staff is working to incorporate the new debt schedule into the FY10-19 Capital Plan as well as begin to develop the November 2009 emergency response/public safety bond. In addition, staff is developing detailed designs, environmental reviews, and other documents by April 1, 2009. This will enable placement of the measure on the November 2009 ballot.