

Earthquake Safety & Emergency Response Bond Program 2010 & 2014 Interest Appropriation

January 22, 2024



ESER 2010 & 2014 Bond Interest Funds

Request for Capital Planning consideration and approval to:

Allocate ESER 2010 & 2014 partially accrued interest funds totaling \$14,290,282 to proposed bond eligible projects.

- ESER 2010 interest: \$2,282,333
- ESER 2014 interest: \$12,007,949
- **Total amount: \$14,290,282**

ESER 2010 Bond Overview

- **Scope:** Approved by voters in June 2010, ESER 2010 is a comprehensive program to enhance earthquake safety and emergency response by ensuring that police and fire facilities and infrastructure remain uncompromised in the mission to ensure public safety, particularly after a major earthquake or disaster.
- **Bond Authorization Total:** \$412,300,000
- **Amount Issued to Date:** \$416,758,554
- **Partial Interest Appropriation:** \$2,282,333

Bond Components and Projects	Current Budget	Appropriation	Expenditure	Encumbrance	Balance	Expenditures/ Appropriations
Public Safety Building (PSB)	229,379,359	229,379,359	229,228,064	0	151,295	100%
Neighborhood Fire Stations (NFS, iii)	80,941,986	80,941,986	76,741,113	369	4,200,504	95%
Auxiliary Water Supply System (AWSS)	102,400,001	102,400,001	102,400,001	0	0	100%
Oversight, Accountability & Cost of Issuance (ii)	3,931,489	3,931,489	3,509,577	0	421,912	89%
Public Works Program Reserve	105,719	105,719	0	0	105,719	0%
Subtotal	416,758,554	416,758,554	411,878,755	369	4,879,430	99%
Bond Interest	2,282,333	0	0	0	0	0%
Total	419,040,887	416,758,554	411,878,755	369	4,879,430	99%

(i) Financial data as of 1/2/2024

(ii) Includes underwriter fees \$1.38M (paid prior to depositing bond proceeds)

(iii) Includes FY16 partial interest appropriation of \$4.4M to SFFD NFS bond component

ESER 2014 Bond Overview

- **Scope:** ESER 2014 was approved by voters in June 2014 and builds on the ESER 2010 Bond Program. It is a comprehensive program to enhance earthquake safety and emergency response by ensuring that first responders' facilities and infrastructure remain uncompromised in the mission to ensure public safety, particularly after a major earthquake or disaster.
- **Bond Authorization Total:** \$400,000,000
- **Amount Issued to Date:** \$400,000,000
- **Partial Interest Appropriation:** \$12,007,950

Bond Components and Projects	Current Budget	Appropriation	Expenditure	Encumbrance	Balance	Expenditures/ Appropriations
Office of the Chief Medical Examiner (OCME)	67,533,024	67,533,024	67,471,018	0	62,006	100%
Traffic Company & Forensic Services Division (TCFSD)	174,495,790	174,495,790	171,366,354	184,444	2,944,993	98%
Police Facilities (PF)	26,845,661	26,845,661	26,031,590	0	814,071	97%
Neighborhood Fire Station (NFS)	72,030,741	72,030,741	63,987,127	323,787	7,719,826	89%
Emergency Firefighting Water System (EFWS)	54,347,209	54,347,209	51,602,211	1,272,975	1,472,023	95%
Oversight, Accountability & Cost of Issuance (ii)	4,296,388	4,296,388	3,711,597	0	584,791	86%
Public Works Program Reserve	451,188	451,188	0	0	451,188	0%
Subtotal	400,000,001	400,000,000	384,169,897	1,781,206	14,048,898	96%
Interest Appropriation	12,007,950	0	0	0	0	0%
Total (i)	412,007,951	400,000,000	384,169,897	1,781,206	14,048,898	96%

(i) Financial data as of 1/2/2024

(ii) Includes manual addition \$2M to account for Underwriter Fee (paid prior to depositing bond proceeds)

ESER 2010 & 2014 Proposed Interest Allocation

Department	Bond Component	ESER 2010					ESER 2014					Total Interest Allocation
		Original Bond Report Budget (i)		Pro-rated Interest	Adjustment (ii)	Interest Allocation	Original Bond Report Budget (i)		Pro-rated Interest	Adjustment (ii)	Interest Allocation	
Fire Department	NFS	\$134,300,000	36%	\$772,174	\$1,397,159	\$2,169,333	\$85,000,000	25%	\$2,862,147	-\$1,397,159	\$1,464,988	\$3,634,321
Police Department	Public Safety Building	\$243,000,000					\$0					
	Police Facilities	\$0	64%	\$1,397,159	-\$1,397,159	\$0	\$30,000,000	57%	\$6,566,102	\$1,397,159	\$7,963,260	\$7,963,260
	TCFSD	\$0					\$165,000,000					
City Administrator	OCME	\$0	0%	\$0	\$0	\$0	\$65,000,000	19%	\$2,188,701	\$0	\$2,188,701	\$2,188,701
Subtotal		\$377,300,000	100%	\$2,169,333	\$0	\$2,169,333	\$345,000,000	100%	\$11,616,950	\$0	\$11,616,950	\$13,786,283
Controller's interest (set-aside)						\$113,000					\$391,000	\$504,000
Total (iii)		\$377,300,000		\$2,169,333		\$2,282,333	\$345,000,000		\$11,616,950		\$12,007,950	\$14,290,283

(i) Interest pro-rated to each department proportionally based on the original ESER 2010 & 2014 Bond Report budgets (SFFD 2010 budget \$134.3M was originally comprised of \$65.1M neighborhood fire stations and \$69.2M infrastructure impvmts). PW & PUC accrue interest for their respective bond components separately and PUC will be seeking EFWS component accrued interest in late FY24/early FY25.

(ii) PW to spenddown 2010 funds immediately via NFS component, in an effort to close out the PW managed 2010 bond components. To fairly distribute interest funds to each department, SFPD to receive \$1.3M more interest under 2014 and less by like amount under 2010.

(iii) Interest accrued thru FY16 previously allocated \$4.4M to SFFD ESER 2010 NFS component. Current interest allocation pertains to accrued interest from FY17-on.

ESER 2010 & 2014 Interest Planned Uses

Neighborhood Fire Stations		
Budget	Scope	Schedule
\$155k - \$200k	FS 7 Training Tower Fire Escape Railing Upgrade: <ul style="list-style-type: none"> Extend existing guard rail height to comply with OSHA regulations & code requirements. 	Approximately 8 months
\$850k - \$1.3M	FS 23 Generator Replacement: <ul style="list-style-type: none"> Replace the existing generator manufactured in 1997 with a new generator and associated equipment, piping, etc. The new generator fuel supply is to be sized to support the SFFD resiliency requirement of 72-hours. Items such as concrete pad replacement, fuel filling method & access are TBD. 	Approximately 18-24 months (generator lead times are currently 9-14 months)
\$1.2M - \$1.5M	Bureau of Equipment (BOE) 2501 25 th St. Roof Replacement: <ul style="list-style-type: none"> Replace approximately 12,000 square feet of existing terracotta tile & asphalt roof assemblies. Historic structure may require a Historic Resource Evaluation (HRE) & SF Planning Dept. approval. 	Approximately 12-18 months
\$75k - \$125k (analysis)	FS 17 Exterior Envelope Water Intrusion: <ul style="list-style-type: none"> Consultant analysis needed to determine nature of water intrusion & corrective measures recommendations. Bond eligibility contingent on consultant findings. Budget & schedule pending above analysis to determine project scope. 	Approximately 6-8 months (analysis)
\$75k - \$125k (analysis)	FS 31 Exterior Envelope Water Intrusion: <ul style="list-style-type: none"> Consultant analysis needed to determine nature of water intrusion & corrective measures recommendations. Bond eligibility contingent on consultant findings. Budget & schedule pending above analysis to determine project scope. 	Approximately 6-8 months (analysis)
\$350k - \$500k	<ul style="list-style-type: none"> FS 19 Window Replacement Replace all existing windows and associated caulking, flashing and plaster improvements. 	Approximately 8-12 months

ESER 2010 & 2014 Interest Planned Uses

Police Facilities		
Budget	Scope	Schedule
~\$6.5M	Ingleside Police Station Replacement <ul style="list-style-type: none"> Tight site constraints (park, freeway & BART) resulting in complex structural and site layout implications 	2024-2027
~\$1.5M	Surge Facility <ul style="list-style-type: none"> Need for second, larger freight elevator (not included in original scope) 	Summer/Fall 2024
\$TBD	Property Control Division (PCD – Phase 2) <ul style="list-style-type: none"> Any available funds left over for partial funding of this work 	Late 2027

- Funds to be treated as contingency for first two projects with the intent that savings are pushed down to PCD Phase 2. Not intended to cover “new scope.”*

ESER 2010 & 2014 Interest Planned Uses

Office of the Chief Medical Examiner		
Budget	Scope	Schedule
<ul style="list-style-type: none"> • \$800K - \$1M 	Roof Leaks <ul style="list-style-type: none"> • Under observation to determine if additional work is required 	<ul style="list-style-type: none"> • Approximately 4 – 6 months
<ul style="list-style-type: none"> • \$200K - \$400K 	Cracks in the Walls (causing insect infestation in the hallway) <ul style="list-style-type: none"> • Requires consultant's investigation and recommendations for improvements 	<ul style="list-style-type: none"> • Approximately 3 – 4 months (analysis)
<ul style="list-style-type: none"> • ~\$800K 	HVAC upgrades in the Instrument Room on the 2nd floor to protect lab equipment, and other projects under review	<ul style="list-style-type: none"> • Approximately 5 – 6 months (analysis)

Thank you!

Questions?



ESER Webpage:
<https://sfpublicworks.org/eser>