

APPENDIX: Chronology of Recreation and Park Capital Improvements Since 1990

Over the past 15 years there has been intense scrutiny of the Department's capital assets, and numerous publicly and privately funded capital improvements to those capital assets and to capital assets operated by other entities which are located in the City's parks.

1990 - 1999: Capital Improvements Predating the Assessment Study: 1998-1999

Between 1990 and 1998, there were a number of recreation and park related initiatives which preceded the *Assessment Study: 1998-1999*. These initiatives included the following:

- In September of 1990, the Department conducted a Park Accessibility and Feasibility Survey Report, Volumes I - III.
- In September of 1991, ground was broken on what has since become the National AIDS Grove memorial in Golden Gate Park, funded by a public-private partnership.¹
- In 1992, a \$76 million bond measure to renovate Golden Gate Park's infrastructure was passed by 73 percent of voters who simultaneously rejected three other bond measures to revitalize Civic Center Plaza and several City department buildings. Of the \$76 million, a remaining balance of only \$2,796,984 is currently appropriated for seven Golden Gate Park capital improvement projects.² The bond funds were designed to finance needed repairs for which private donors were unlikely to contribute. Therefore the funds were used to fix underground irrigation, sewage, and electrical systems, to repair leaking lake bottoms, to rebuild damaged structures, and to plant new trees.
- In 1995, the Department issued a master plan for Golden Gate Park which proposed creating a non-profit philanthropic conservancy to assist the City in operating and funding the park. This report called such a conservancy as the "critical difference between simply maintaining the park and managing it as a first-class institution."³ The master plan's subsequent environmental impact review did not address the needs of the de Young Museum and the California Academy of Sciences located in Golden

¹ While the National AIDS Grove is privately funded, the City provides a full-time gardener under a 99-year memorandum of understanding between the National AIDS Grove Foundation and the Recreation and Park Department. In 1996, Congress officially designated the grove as the United States' first national AIDS memorial.

² Of these seven projects, four are in the construction phase, one is in the design phase, one is currently in no phase, and one is on hold.

³ The public-private partnership model is the Central Park Conservancy which is an alliance between New York City and a non-profit philanthropic group.

Gate Park although proposals to close park roads and entrances would have restricted access to both those institutions.

- In June of 1995, the Mayor proposed a citywide assessment district to fund City park and playground upgrades before withdrawing support due to public concern about new taxes.
- In November of 1995, voters approved a \$29,245,000 General Obligation Bond measure for improvements to the Steinhart Aquarium at the California Academy of Sciences. These bonds were finally issued in June of 2005.⁴
- Between 1995 and 1999, Coleman Advocates for Children gave the City's parks and recreation centers overall grades of between C- and C+ which drew media attention to the recreation and park facilities which received the lowest grades from Coleman Advocates for Children.
- In 1996, the Department prepared an Inventory of Restroom Facilities, a Fencing Renovation Assessment, an Irrigation Improvements Study, a Court Resurfacing Guide, and a Playground Renovations Report.
- On November 5, 1996, voters narrowly rejected Proposition B which would have fully funded the then estimated \$73.3 million reconstruction of the de Young Museum through general obligation bonds. This was the de Young Museum's first attempt to secure voter-approved bond funding to rebuild its seismically unsafe structure.
- In December of 1996, the Department issued a *Capital Projects Funding Needs Assessment* which highlighted the deteriorated condition of the Department's facilities and funding deficiencies for the required capital improvements. This report was updated in August of 1997.
- On December 31, 1996, the Beach Chalet was reopened after a 15-year closure as a restaurant and as the park's first visitor center and gift shop. This capital improvement was part of a \$6.7 million partnership project between the Department and the Friends of Recreation and Parks (now known as the Parks Trust) to revitalize

⁴ In preparing his May 12, 2005 report on the proposed resolution to issue the Steinhart Aquarium Improvement Bonds (Files 05-0732 and 05-0733), the Budget Analyst questioned why it took ten years since voter approval in November of 1995 to request the sale of those bonds. In response, the California Academy of Sciences' Chief Financial Officer responded that:

"Work on the architectural plans was suspended in January 1997 when it was suggested that both the Academy and the de Young Museum consider locating outside of Golden Gate Park. After City officials reaffirmed their commitment to keeping both institutions in the Park, the project was expanded to include a major reconstruction of all the Academy buildings due to the general deterioration because of the age and inadequacy of the space to meet the future needs of the research collections and education programs. After a second bond request was approved by the voters in 2000, planning for a new facility was restarted."

The Budget Analyst found the above explanation for the delay reasonable.

50 acres of the western end of Golden Gate Park. The \$2.5 million Beach Chalet renovation used City, Federal, and private funds.

- In June of 1997, voters approved \$48 million in 1997 Zoo Facilities Improvement Bonds for the acquisition, construction, and/or reconstruction of San Francisco Zoo facilities and properties.⁵ This bond measure is part of the Zoo's \$89.7 million Phase II Master Plan Program, funded by multiple funding sources and managed through a cooperative agreement between the Department, the San Francisco Zoological Society, and the Department of Public Works. Completion of the Phase II Master Plan Program is due in July of 2008. The funding sources are (a) the \$48 million 1997 Zoo Facilities Improvement Bonds, plus a further \$4.8 million in bond proceeds and interest, (b) \$1.7 million in 1990 Earthquake Safety Program Bond proceeds and interest, and (c) \$35.2 million in San Francisco Zoological Society capital funding. The Budget Analyst issued a *Performance Audit of the San Francisco Zoo* in January of 2000 which recommended, in relation to the Zoo's capital improvement projects, that the Zoological Society reduce the soft costs for program management, Zoological Society administration, and Department of Public Works construction management. The performance audit also recommended reduction of design fee costs and Public Art Program fees, and the modification of certain projects to reduce construction costs. The performance audit recommended applying the resulting cost savings to projects' construction contingencies and the Management Reserve Account.
- In July of 1997, following an arson attack on a homeless encampment in Golden Gate Park, the *San Francisco Chronicle* ran a high profile series on the deteriorated state of Golden Gate Park entitled "The demise of Golden Gate Park" (July 28 - 30, 1997) which generated considerable political pressure to make improvements to the park. At that time, the de Young Museum's Board of Trustees had voted to move out of the park (a decision which was subsequently rescinded in 1998) and there was concern that the California Academy of Sciences would follow suit.
- In 1997, the Department issued a *Playground Renovation and Evaluation Report*.
- In May of 1998, the San Francisco Community Parks Task Force, a joint project of the Neighborhood Parks Council and the San Francisco Planning and Urban Research Association (SPUR), issued its *Parks Plan*, "a framework for action for San Francisco's parks in the next century." The *Parks Plan* advocated preparing a ten-year capital plan, developing a bond measure for capital improvements, authorizing the Department to manage its own capital construction projects, renewing the Open Space Fund, and securing other dedicated funding sources.
- On June 2, 1998, voters narrowly rejected Proposition A which would have funded \$89.9 million of the then estimated \$134.1 million reconstruction of the de Young Museum through general obligation bonds. This was the de Young Museum's second

⁵ The first bond series (\$16,845,000) was sold in June of 1999; the second bond series (\$17,440,000) was sold in May of 2000; the third bond series (\$6,210,000) was sold in October of 2002; and the fourth and final bond series (\$7,505,000) was sold in June of 2005.

attempt to secure voter-approved bond funding. Subsequently, the de Young Museum funded its new museum entirely with \$202 million in private money. Reasons cited by contemporary media reports, management audit interviews, and the Fine Arts Museums Board of Trustees' June 11, 1998 meeting minutes included insufficient voter support caused by opposition to museums and parking in Golden Gate Park, tenant opposition to new revenue bonds if landlords were able to pass on the costs, and voters' prioritization of a bond measure to rebuild Laguna Honda Hospital.

- On June 2, 1998, voters passed Proposition J, the Golden Gate Park Revitalization Act, to improve the Music Concourse area of Golden Gate Park and reduce the impact of vehicles on the park through construction of a privately funded, 800 vehicle garage and various transit improvements. This Act established the Golden Gate Park Concourse Authority to effectuate the garage project and related transportation initiatives. In November of 2003, the Board of Supervisors approved a 35-year ground lease⁶ between the City and the Music Concourse Community Partnership, a non-profit public benefit organization established in December of 2001 to finance, design, construct, and operate the Music Concourse Parking Garage under the oversight of the Golden Gate Park Concourse Authority. The parking garage was developed at the Music Concourse Community Partnership's sole cost and expense. Proposition J prohibited the expenditure of any public funds. After an extensive public consultation process and a lawsuit in 2004, the parking garage was opened in October of 2005 at a total cost of \$55 million, funded by revenue bonds issued by the Music Concourse Community Partnership in 2004 and by philanthropic donations. The Music Concourse Community Partnership has also contributed \$1.53 million to the City for needed restoration and improvements to the surface area of the Music Concourse resulting from construction of the parking garage. Upon termination of the City's lease with the Music Concourse Community Partnership, ownership of the Music Concourse Parking Garage and any remaining Music Concourse Community Partnership or philanthropic funds will revert in the form of a gift to the City.
- In February of 1999, the Department issued a *Park Facilities Assessment and Phasing* report.

1999 - 2005: The Assessment Study: 1998-1999 and Subsequent Capital Improvement Initiatives

In September of 1999, the Department issued its *Assessment Study: 1998-1999* which was the product of a year long, \$300,000 "Great Parks for a Great City" community consultation process jointly funded by the City and private donors. The study focused on the City's changing demographic profile, its recreation program needs, a physical assessment of its facilities, and an assessment of its future facility needs. Between

⁶ The lease term expiration is the earlier of 35 years or 30 days following the date on which the Music Concourse Community Partnership's 2004 revenue bonds are fully redeemed in 2034. The City can terminate the lease earlier if the Music Concourse Community Partnership has sufficient funds available to repay all of the outstanding 2004 revenue bonds.

August and November of 1999, Department staff developed a draft capital plan, using information contained in the *Assessment Study: 1998-1999* as its basis, by prioritizing capital improvement projects in terms of the Health and Safety Code, other code issues, hazardous materials, urgent need, likely funding sources, usage, visibility of improvement, Americans with Disabilities Act requirements, and the sites' historic significance. Between December of 1999 and February of 2000, the Department conducted a public consultation process which culminated in the Recreation and Park Commission approving, in March of 2000, a final ten-year Capital Plan consisting of 440 projects at 230 sites. (Subsequent revisions to the Capital Program Phases I - III have increased the total number of capital improvement projects to 450.)

On March 7, 2000, voters approved:

- \$110 million in general obligation bonds for neighborhood parks (Proposition A). The ten-year Capital Program began in FY 2000-2001. The estimated cost of \$400 million (1998 dollars) was not escalated to cover future year labor and material costs.⁷ All of the \$110 million in general obligation bonds for neighborhood parks have subsequently been allocated to capital improvement projects.
- An extension of the Park, Recreation and Open Space Fund through FY 2030-2031 which provides a dedicated revenue stream from property tax in the amount of \$0.025 for each \$100 in assessed valuation to help pay for park acquisition, renovation, and maintenance, and recreation and park programs (Proposition C)
- Proposition B which authorized \$87.4 million in general obligation bonds for rebuilding the California Academy of Sciences. Bonds in the amount of \$8 million were sold on October of 2004 to fund demolition and abatement, design-build services, public art, permits and fees, and pre-construction costs. The balance of the bonds, in the amount of \$79.4 million, were sold in May of 2005. Combined with the \$29.3 million bonds approved by voters in November of 1995 for the Steinhart Aquarium, voters approved general obligation bonds in the total amount of \$116.7 million for the California Academy of Sciences rebuild project.

In 2001, the Board of Supervisors authorized the Department to recruit and hire into the 14 new positions created by the FY 2000-2001 budget process for a new Capital Division. The former Planning Division of eight positions became the Capital Division with 26 positions.

Against the backdrop of these important planning, funding, and staffing developments, a number of other recreation and park initiatives took place between 2001 and 2005:

- In October of 2001, the Department completed its \$9.4 million rebuild of the Martin Luther King, Jr. Pool in Bayview-Hunter's Point. The pool had been closed since

⁷ The current Capital Program Phase I estimate is \$588,667,528. Capital Program Phase II and Phase III are estimated to jointly cost an additional \$553,000,000. Therefore, the total Capital Program Phases I - III cost estimate is \$1,141,667,528.

1996 when pieces of the roof fell into the pool. The rebuild was funded by the Open Space Fund (circumventing the priorities set by the Citizens' Open Space Advisory Committee) and a State grant. The final cost was \$3.2 million or approximately 51.6 percent more than the \$6.2 million estimated at the project's commencement,⁸ the pool was opened two years later than the original 1999 re-opening schedule, and there was considerable adverse community and media comment on the Department of Public Works' choice of contractors and subcontractors, and inadequate enforcement of contractor accountability.

- In July and August of 2002, the Department conducted a series of meetings, in partnership with the Park, Recreation and Open Space Advisory Committee, to update members of the public from the 11 Supervisorial districts on the progress of capital projects in their districts. The updated 2002 Capital Plan was approved by the Recreation and Park Commission at its October 17, 2002 meeting.
- On July 25, 2002, Union Square was reopened after an 18 month, \$25 million refurbishment funded by revenue bonds issued by the non-profit City corporation, Uptown Garage Corporation. The project was managed by the Recreation and Park Department and the Department of Public Works.
- In February of 2003, the Board of Supervisors certified that the San Francisco Marina Small Craft East and West Harbors need renovation and reconstruction, and authorized the Recreation and Park Department General Manager to submit a loan application to the State Department of Boating and Waterways to finance the \$36 million project. The State Department has approved financing for the entire project in concept, but to date has only approved loan financing for the West Harbor project (\$16.5 million) due to budget limitations. The financing, Board of Supervisors consideration, and the California Environmental Quality Act review processes are all currently underway.
- In September of 2003, the Department conducted a series of meetings, in partnership with the Park, Recreation and Open Space Advisory Committee, to update members of the public from the 11 Supervisorial districts on the progress of capital projects in their districts. The updated 2003 Capital Plan was approved by the Recreation and Park Commission at its January 15, 2004 meeting. Scheduling adjustments reflected "the staffing shortage caused by the reserve of funds associated with staffing the program" and created "a more realistic level of project starts per year, appropriate to the amount of sustainable staff."⁹ In 2003, the Capital Plan was linked for the first time to the Department's Property and Facility Database, and the Department began collating citywide baseline data on the Department's facilities and community-specific demographics.

⁸ The *Assessment Study: 1998-1999* had estimated an even lower capital improvement cost for the Martin Luther King, Jr. Swimming Pool at \$5,175,000.

⁹ Quoted from Recreation and Park Department report, *Capital Plan 2004 Annual Update*, page 4.

- In September of 2003, the renovated Conservatory of Flowers was reopened after being closed in December of 1995 due to windstorm damage. The total renovation cost was \$25 million, funded by public and private sources, including \$2 million from the City and \$9.75 million from the Friends of Recreation and Parks.
- In January of 2004, the Board of Supervisors approved legislation to accept and expend a \$32.7 million grant from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40) for 16 Golden Gate Park renovation projects. This was the largest amount of funding for Golden Gate Park since the 1992 Golden Gate Park Bond.
- In April of 2004, the Recreation and Park Commission agreed to scale back three capital improvement projects and suspend 19 capital improvement projects due to a \$56 million funding shortfall.
- In April of 2004, the Department of Public Works' Capital Asset Management Division issued a draft report, *Planning for San Francisco's Future, a Draft Capital Expenditure Plan and Policy Recommendations for Capital Planning*, which determined a preliminary estimate of the Recreation and Park Department's capital improvement needs of \$635 million, or \$235 million or approximately 58.8 percent more than the \$400 million estimate contained in the *Assessment Study: 1998-1999*. (As outlined in Section 15 of this management audit report, the latest estimates are much higher at \$1,141,667,528 if all 450 proposed capital improvement projects proceed.)
- In the Summer of 2004, the Recreation and Park Commission adopted draft capital improvement project evaluation and selection criteria for use during the budget process, based on (a) input from the community, including a task force assembled by the Park, Recreation and Open Space Advisory Committee, (b) the American Planning Association's guidelines, *Capital Programs: Linking Budgeting and Planning*, and (c) the San Francisco Unified School District's bond program criteria. The intent of this process was to ensure an objective system for determining the priority order in which the 19 on hold capital improvement projects should move forward as funding is secured.
- In August of 2004, the Department published a *Recreation Assessment Report* which set a goal that "Recreation facilities will be valued as community assets by upgrading and maintaining all indoor and outdoor facilities in need of major repair over a ten-year period to create a quality user experience and positive image for the city." The report's assessment of recreation facilities cited community and staff concerns about cleanliness, outdated image, dim lighting, inadequate signage, poor restrooms, inadequate infrastructure maintenance, lack of accessibility for people with disabilities, outdated equipment, and the poor quality of game fields. In response, the report recommended the following performance measure: "Ten recreation centers will be updated annually to include painting, lighting, restrooms, deep cleaned,

signage updates, landscaping, furniture, fixtures and technology equipment added to help staff at that site meet the needs of residents."

- In the Fall of 2004, the Department established its first fully funded, staffed, and autonomous Planning Division, separate from the Capital Division. The Planning Division's mission includes working closely with the Capital Division's project management, finance, and grant writing staff on establishing evaluation criteria, prioritizing projects, drafting an open space acquisition policy, contributing to community outreach initiatives, collaborating with other public sector agencies, and collecting and analyzing baseline data.
- In October of 2004, the Board of Supervisors approved lease revenue bonds in the amount of \$27,005,000, payable from the Park, Recreation and Open Space Fund at \$2 million per year.¹⁰ The Recreation and Park Commission approved 11 projects to receive funds from the lease revenue bonds, nine of which were projects from the on hold list. These revenue bonds are due to be issued in January of 2006. Their sale was delayed, and a year of debt service avoided, due to (a) the FY 2004-2005 midyear budget correction caused by voter rejection of business tax propositions which discouraged the City from creating new debt repayment obligations, and (b) Board of Supervisors' approval to swap funds in 2005 from three larger projects to 11 smaller projects. Once the revenue bonds have been sold, equivalent funding will be returned to the three larger projects.
- In March of 2005, the Department's Capital Division issued its report, *Capital Plan - 2004 Annual Update*.
- In June of 2005, the renovation of the Concert Meadow at Sigmund Stern Grove was completed. A gift-in-place from the Stern Grove Festival Association to the City valued at over \$12 million funded the bulk of the \$15 million project.
- In August of 2005, the complete renovations of Harding and Fleming Golf Courses, their maintenance facility, and their clubhouse were completed at a cost of \$23.6 million.
- By August 31, 2005, the Department had completed 49 projects, closed out 19 projects, and cancelled two projects, for a total of 70 projects in its Capital Program Phase I at a total cost of \$98,090,570. The Capital Program Phase I includes capital improvement projects commenced prior to the 2000 Neighborhood Parks Improvement Bonds. A further 49 projects, with a total appropriation of

¹⁰ This is the Department's first ever lease revenue bond program. Under the lease revenue bond program, the City and/or the San Francisco Finance Corporation (a California non-profit organization formed to facilitate lease financing for the City) would enter into a lease agreement. Under that lease agreement, the City would lease certain Department properties to the San Francisco Finance Corporation for \$1 per year. The San Francisco Finance Corporation would then lease these properties back to the City in an amount not to exceed the Recreation and Park Commission's approved amount of \$2 million per year, which would be equal to the debt service on the lease revenue bonds and would be paid from revenues in the City's Open Space Fund.

\$146,968,968, were actively in their planning, design, bid, or construction phases. The Department's Capital Division, in conjunction with the Department of Public Works, had also completed or closed out eight other projects, seven of which are located in Golden Gate Park and one of which is located in Sharp Park.

- In October of 2005, the 800 space underground parking garage at the Golden Gate Park's Music Concourse opened after a \$55 million privately funded investment.
- On October 15, 2005, the completely rebuilt de Young Museum reopened at its original Golden Gate Park site. The \$202 million cost of the new museum building was fully funded by private sources. The de Young Museum is anticipating 1 - 1.2 million visitors annually for its first two years, followed by a steady state of 650,000 - 750,000 visitors annually thereafter.

2006 Onwards: Upcoming Capital Improvements

In the next few years, the following significant capital improvement projects are scheduled to come to fruition:

- During 2006 and 2007, renovations of the Palace of Fine Arts buildings and lagoon are scheduled to be completed. These \$4.7 million projects are being jointly funded by the City (soft costs) and the non-profit Maybeck Foundation (hard costs).
- In September of 2008, the rebuilt California Academy of Sciences is scheduled to reopen in Golden Gate Park. On its reopening, Golden Gate Park will have five more acres of parkland due to (a) both the new Academy and the new de Young Museum buildings occupying smaller footprints than previously with new landscaped open areas within the former structures' larger footprints, (b) narrower roadways, and (c) less surface parking due to the transfer of 800 parking spaces to the Music Concourse's underground garage. The Academy is anticipating 1.6 million visitors in the first year, followed by a steady state of 1.3 million visitors annually thereafter.
- Reopening of the renovated Murphy Windmill at the western end of Golden Gate Park. A nonprofit group, the Campaign to Save the Windmills in Golden Gate Park, is working to raise \$6.4 million for the renovation of the Murphy Windmill and adjacent millwright's house, and for improvements to the surrounding landscape. The nonprofit group is also raising funds for further repairs to the Dutch Windmill which was restored in 1981 and for improvements to the pedestrian trail connecting the two windmills. While the nonprofit group has secured full funding for the Phase 1A restoration of the Murphy Windmill cap (\$1.3 million), it has yet to secure full funding for the Phase 1B restoration of the Murphy Windmill tower (\$2.2 million) or the Phase 1C Landscape and Educational Component.

The Department's ongoing Capital Program will be occurring within the context of an initiative by the City Administrator's Office to develop a lifecycle model for, and a citywide inventory of, the City's capital assets to better inform the City's handling of its

capital improvement needs. The Recreation and Park Department is contributing to that initiative, and to the related proposal for a future parks bond.