

Member, Board of Supervisors
District 3



City and County of San Francisco

AARON PESKIN

佩斯金 市參事

July 31, 2018

Ballot Simplification Committee
1 Dr. Carlton B. Goodlett Place, Room 48
San Francisco, CA 94102
CC: Barbara Carr

Dear Committee Members Packard, Anderson, Patterson, Raveche:

Thank you for agreeing to take up the Seawall Bond digest language on appeal. I respectfully request that the Ballot Simplification Committee consider the following additions and clarifications to the bond digest, pursuant to staff testimony of the last hearing:

The Way It Is Now: The 100-year-old Embarcadero seawall is the foundation of approximately 3 miles of San Francisco's northeastern waterfront. The seawall supports the Embarcadero Roadway, MUNI light rail including the tunnel at Howard Street, and water, wastewater and power utilities serving residents and businesses. The seawall no longer adequately protects the City from tides, floods and rising sea levels. ~~The seawall is also not protected from earthquake damage. The seawall was built before engineers knew how to design infrastructure to survive large earthquakes. Port engineers predict that the seawall could move up to five feet toward the Bay in a major earthquake, causing widespread damage.~~

Through the Port of San Francisco, the City is responsible for maintaining the seawall. The City plans to fortify the seawall over the next 30 years. The Port's recommended plan is estimated to cost up to \$5 billion, and the City seeks to finance the first \$500 million phase.

To pay for large capital projects, the City relies on several funding sources, including borrowing money by selling general obligation bonds. The City uses property tax revenues to pay the principal and interest on these bonds.

The Proposal: Proposition ___ would allow the City to borrow up to \$425 million by issuing general obligation bonds for the repair and upgrade of the City's seawall. The Citizens' General Obligation Bond Oversight Committee would oversee the spending of general obligation bond revenue proceeds.

The ~~City Port and the Board of Supervisors~~ will conduct a public process to determine the specific projects to repair and upgrade the City's seawall. The bond will fund ongoing design and construction improvements that address the most significant earthquake and flood risks to the seawall.

Proposition ___ would allow an increase in the property tax to pay for the bonds, if needed. It is City policy to limit the amount of money it borrows by issuing new bonds only as prior bonds are paid off. Landlords would be permitted to pass through up to 50 percent of any resulting property tax increase to tenants.

A "YES" Vote Means: If you vote "yes," you want the City to issue up to \$425 million in bonds for the repair and upgrade of the City's seawall.

A "NO" Vote Means: If you vote "no," you do not want the City to issue these bonds.

Thank you for your consideration and for all of your time and effort devoted to the work of the Committee.

Sincerely,



Aaron Peskin

Supervisor