

RPD Acquisition Proposals: 900 Innes, Francisco Reservoir and Schlage Lock Fact Sheet

In June, the Recreation and Parks Department is expected to ask for Commission approval to purchase several parcels through the Open Space Fund: 900 Innes Avenue near India Basin, Francisco Reservoir in Russian Hill, and Schlage Lock in Visitacion Valley. The Parks Alliance supports these acquisitions.

The Open Space Fund is Financially Healthy

The Open Space Fund has existed in San Francisco since 1974. Most recently reauthorized by voters in 2000, and in effect until 2031, the fund draws \$0.025 per \$100 valuation from City property taxes and can be used for acquiring park property, renovating or maintaining park property or facilities, or operating after-school recreation, urban forestry, and community garden programs. Five percent of the OSF must be used for property acquisitions.

Currently, the acquisition portion of the Open Space Fund is growing by \$2 million per year, with a current balance of \$9 million. If no acquisitions are made between 2013-14 and 2030-31 (the year the fund is scheduled to expire) Recreation and Parks estimates that the fund balance will grow to approximately \$57 million. Based on a recent Recreation and Parks Department analysis of expected purchase terms for these acquisitions, the balance of the acquisition fund will not dip below \$7 million in any given year and will have a balance of approximately \$38 million when the fund expires in 2030-31.

Criteria for Prioritizing Acquisitions Have Been Met

The Recreation and Parks Department has established and prioritized key policy goals for each Open Space Fund acquisition to meet, including being located within or serving a High Needs Area (as defined in Policy 2.1 of the Recreation and Open Space Element of the General Plan); and/or being located within a Distribution Deficiency Gap. In addition, properties that possess special attributes like proximity to water and scenic views are also prioritized by the Department's policy. The Department's analysis of the proposed acquisitions, last presented to the Recreation and Parks Commission in March 2014, establishes that each meets a number of priority policy goals.

San Francisco Needs Open Space

We have a historic opportunity to preserve key parcels of open space during the current building boom. While we will analyze the specific benefits of each acquisition proposal on the following pages, these parcels together represent expansion of green space in parts of the City that need it. Real estate in San Francisco is booming – if we do not jump at the chance to carve out key parcels for public enjoyment and public benefit when they become available, we may not get another opportunity.

900 Innes Avenue

900 Innes Avenue represents a key link in the Blue Greenway, a network of trails, parks and waterfront access points that links AT&T Ballpark at China Basin with Candlestick Park State Recreation Area at the City's southeastern corner. We have long advocated for the City to acquire this parcel, because it is a natural connection between two existing Recreation and Parks owned sites: India Basin Shoreline Park and India Basin Open Space. There is strong potential for these sites to hold bike and pedestrian paths to fill an existing gap in the San Francisco Bay Trail, as well as expand public access to the waterfront.

In addition, 900 Innes is situated in an area that is slated for tremendous growth (construction of thousands of new housing units is underway at the Hunter's Point Shipyard) and also has tremendous need (the Hunters View public housing development is just up the hill). We think this part of Bayview-Hunters Point is long overdue for a waterfront park with the potential to become the Crissy Field of southeast San Francisco; an open, inviting design that maximizes the community's access to the waterfront will truly best serve the neighborhood's needs. Forty years of toxic contamination has also left this waterfront parcel inaccessible to residents—who deserve much better.

The Recreation and Parks Department, in conjunction with the City's Real Estate Division, has agreed with the property owner (Tenderloin Housing Clinic) to purchase this property for about \$3 million, net a credit from the seller to cover the necessary environmental cleanup work, based on an EPA analysis conducted at the behest of the Parks Alliance. The net purchase price for 900 Innes is well in line with appraisals.

The agreement between the City and the property owner calls for the City's Real Estate Division to purchase the property by issuing short-term debt, and to hold it for roughly a year. The advantage to the City for structuring the deal this way is to provide some flexibility in determining which of the 900 Innes parcels should become a park and how the park should be designed; also whether there are potential "swaps" with the owner of 700 Innes next door to maximize park land area.

We strongly support this acquisition and urge the Recreation and Parks Commission and the Board of Supervisors to approve it. Our overarching goal for this project is to realize the original vision of broad vistas and sweeping access from Innes Avenue all the way down to the water; residents of this area --one of San Francisco's most distressed neighborhoods--deserve a grand waterfront park at India Basin and access to recreation opportunities along the Blue Greenway. The Parks Alliance will continue our advocacy after the acquisition is completed, in order to be sure that subsequent planning decisions are true to the original vision.

Francisco Reservoir

The Francisco Reservoir acquisition would create a new park atop a no-longer-used reservoir owned by the San Francisco Public Utilities Commission. The new park would fill a gap in playgrounds in that part of the City - there is no playground within 1/2 mile of the proposed Francisco Park (currently Francisco Reservoir) site.

The Recreation and Parks Department has tentatively agreed to a \$9.9 million purchase price for the park, which would be paid out over 12 years, with interest (set at the Controller's Rate, or "Pooled Rate" of interest that the City sets for paying out or charging interest in transactions like these - that rate changes annually but is currently at 0.9 percent). The payout would be structured to require smaller sums in the first five years of the acquisition with larger balances coming due in the final seven years. During the 12-year payment period, the PUC would retain title to the property but it would be managed by the Recreation and Parks Department.

Community members have pledged another \$9 million to pay for the construction of a park on the site, which requires leveling and other improvements before a park can be built.

The Parks Alliance supports this acquisition because we see it as a once-in-a-generation opportunity to acquire open space in one of the City's most rarified real estate markets. The site's Bay views and location in a relatively dense neighborhood make it an ideal site for a public park that will benefit all San Franciscans.

The main concern we identified around this acquisition is whether its impact on the Open Space Acquisition Fund would prevent the Recreation and Parks Department from being able to pursue other acquisitions on its priority list. But according to the analysis prepared by the Department, the Fund's balance will continue to be healthy even with the multi-year payouts in this acquisition plan - never dipping below \$7 million. After reviewing this analysis, we are convinced that additional acquisitions in priority areas like District 6 and Visitacion Valley are still feasible once sites are identified and terms agreed upon.

Therefore, we urge the Recreation and Parks Commission and the Board of Supervisors to approve the acquisition of Francisco Reservoir under the terms negotiated by the PUC and the Recreation and Parks Department.

Schlage Lock

The acquisition of two planned park sites on the old Schlage Lock Factory site would provide much-needed open space in San Francisco's southeast. These new parks, part of a larger mixed-use transit-oriented development, would revitalize the neighborhood and activate long-deserted parcels of land in the heart of Visitacion Valley.

The Recreation and Parks Department and the Mayor's Office of Workforce Development have worked with the property owner and project sponsor agreeing on a purchase price totaling \$4.5 million: \$2,533,500 for one park ("Square Park") and \$1,966,500 for the other ("Linear Park"). "Square Park" is planned to be 40,000 square feet and "Linear Park" will be approximately 25,000 square feet. The purchase of the parks would be paid from the city's Open Space Acquisition Fund and would be 51.7% of the total appraised value of \$8.7 million for the two properties.

The agreement between the project developer and the Recreation and Park Department specifies that the developer would be responsible for cost and management of park construction, up to a \$60-per-square-foot cost cap. The Recreation and Parks Department (RPD) would be responsible for the maintenance and operations of the parks. The developer would contribute two annual payments to RPD to support operations and maintenance of the parks for a term of 22 years after transfer of property to RPD. This would include a "Routine Maintenance Payment" in the amount of \$200,000 (for both parks) and a "Renewal Payment" in the amount of \$50,000 (for both parks).

While the construction of the parks will be funded by the developer, the design of the parks will have significant community input. Some have noted that the location of one of the park sites in the center of the proposed residential park site may limit public access. This will be an issue for the Parks Alliance and other advocates to watch, to insure full public access to both parks. Residents of Visitacion Valley are excited by the unique opportunity to increase the neighborhood's parkland and access to open space, and it is important to make sure residents' interests and concerns are considered in the parks' development and design.

The San Francisco Parks Alliance strongly supports the acquisition of these parks and encourages the Recreation and Parks Commission and the Board of Supervisors to approve the proposal.