

Dear Ballot Simplification Committee members,

I am writing to recommend to you the following revisions to the proposed language describing the ballot measure that seeks to authorize the City borrowing up to \$425 million to pay for repairing/upgrading the Embarcadero seawall:

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**The Way It Is Now:** The 100-year-old Embarcadero seawall ~~is the foundation of~~ **stretches along** approximately 3 miles of San Francisco's northeastern waterfront. Through the Port of San Francisco, the City is responsible for maintaining the seawall, **and Port Commission officials have raised concerns that** ~~the seawall~~ **it** no longer adequately protects ~~the City~~ **the waterfront** from tides, floods, **and** rising sea levels, ~~The seawall is also not protected from~~ **and** earthquake damage. ~~The City plans to fortify the seawall over the next 30 years.~~

The Port's **has** recommended **a plan to upgrade and repair** the seawall over 30 years at an ~~is~~ estimated ~~to~~ cost **of up to \$2 billion** to \$5 billion, ~~and the City seeks to finance the first phase.~~ To pay for large capital projects, **which often end up costing significantly more than initially estimated**, the City relies on several funding sources, including borrowing money by selling general obligation bonds. ~~The City uses~~ **Property tax revenues are used** to pay the principal and interest on these bonds.

**The Proposal:** Proposition \_\_\_ would ~~allow~~ **authorize** the City to borrow up to \$425 million **to cover the first phase of the proposed plan** 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 Port and the Board of Supervisors ~~will~~ **would** conduct a public process to determine the specific projects to repair and upgrade the ~~City's~~ seawall. The bonds ~~will~~ **would** fund ongoing design and construction improvements ~~that~~ **to** address the ~~most significant earthquake and flood risks~~ **threats** to the seawall **deemed most significant.**

It is City policy to limit the amount of money it borrows by issuing new bonds only as prior bonds are paid off. Proposition \_\_ would ~~allow~~ **authorize officials to raise an increase in the property taxes** to pay for the bonds, if needed **to comply with this policy**. 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 **Embarcadero seawall and are willing to see property taxes raised if needed to cover repayment of the money borrowed, plus interest.**

**A “NO” Vote Means:** If you vote “no,” you do not want the City to issue these bonds **or raise property taxes to whatever level may be necessary to cover repayment of the money borrowed, plus interest.**

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Supporting arguments for additions (in red) and deletions (in strike-thru) in the above draft language:

- Saying that the seawall no longer adequately protects the waterfront (let alone the City), from tides, floods, etc., is a statement of **opinion** (of Port officials), not fact. (I personally feel the seawall currently offers *adequate*, if not perfect, protection of the waterfront, and that it would not add anything to protecting some areas of the City, e.g. Twin Peaks. The sea level rise predictions being relied upon may well be inflated and unrealistic; furthermore some of the changes often attributed to sea level rise are instead likely due to land subsidence. When I spoke with one of the Port officials after yesterday’s meeting, he acknowledged this factor, yet it is mentioned nowhere in the proposal. Upgrading all infrastructure to the point where a strong earthquake will cause zero damage is infeasible, and making this the standard goes beyond “adequate”. My suggested “deemed most significant” language is meant to reflect the significance of various threats being a matter of opinion, not fact.)

- Describing the Embarcadero seawall as the “foundation” of the northeastern waterfront is leading and largely inaccurate (the wall underlies only a small portion of the waterfront).
- Calling it “the City’s seawall” is also misleading. The City has more than one seawall (e.g. there’s one along Ocean Beach). The legislation itself refers to the “Embarcadero Seawall”.
- According to the text of the legislation, “The Port is leading the Seawall Earthquake Safety and Disaster Prevention Program (‘Seawall Program’), a program that will invest a projected \$2-5 billion over the next three decades to protect the San Francisco waterfront...” (note the \$2-5 billion range, and also the reference to protecting the “waterfront”, not the “City”).
- Voters should be explicitly told that the proposed bond will cover only the first phase of the project, and that the \$425 million bond will **not** “adequately” repair the seawall to port officials’ standards (that will require, in their estimate, \$2-5 billion).
- Voters should also be warned that estimates for large projects like this are typically lowballed. As former mayor Willie Brown wrote in his SF Chronicle column (July 28, 2013), *“News that the Transbay Terminal is something like \$300 million over budget should not come as a shock to anyone. We always knew the initial estimate was way under the real cost. Just like we never had a real cost for the Central Subway or the Bay Bridge or any other massive construction project. So get off it. In the world of civic projects, the first budget is really just a down payment... If people knew the real cost from the start, nothing would ever be approved. The idea is to get going. Start digging a hole and make it so big, there's no alternative to coming up with the money to fill it in.”* If any committee members would like to make a friendly 30-year bet on whether the project (if undertaken) comes in under \$5 billion, let me know!
- “Authorize” is a more formal term of giving permission than “allow”, and seems more appropriate in this context

- “Would” is a more appropriate term to use than “will” when describing what is being promised if voters adopt this measure, since the latter term inappropriately implies certainty that they will do so.
- Voters should be told in the “Yes vote means” and “No vote means” section that higher taxes could result from the passage of this measure; the prospect of higher taxes is often a major factor in voters’ decisions of whether or not to vote for a measure.

Sincerely,

Starchild

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