October 21, 2022

Assemblymember Matt Haney  
Assistant Majority Leader of Policy and Research  
State Capitol  
1021 O Street, Suite 5310  
P.O. Box 942849  
Sacramento, CA 94249-0017

RE: SF Recreation and Park Department – Budget Process & Capital Projects

Dear Assemblymember Haney,

I am responding to your letter dated October 20, 2022.

On behalf of city park users, the San Francisco Recreation and Park Department (RPD) is thankful for your continued support of parks and open spaces. We were pleasantly surprised when, in September, your office announced $1.7 million in funding for a public restroom at Noe Valley Town Square. This was an unexpected allocation in the state budget for a worthy project with strong community support. We understand this funding request came directly from the Noe Valley community and relied on a very rough estimate for on-site construction from my staff. We are unaware of any documentation they may have shown you. Until now, we have not received any questions from you on the estimate the community gave you in September.

Your letter asks for a breakdown of the costs of building a public restroom at Noe Valley Town Square. Attached is the budget estimate for that project as well as the budgets for two freestanding restrooms we recently completed at Alamo Square and McLaren Park.

As you will see, the process is indeed long and expensive—it is also the result of many years of political choices and exacerbated by skyrocketing costs. Both are beyond the Recreation and Park Department’s control, and we share the public’s frustration.

Like all public works projects at the local, state and national level, public restrooms require planning, public engagement, environmental review, permitting, approvals and construction. Public restrooms are more than just “toilets.” They are buildings and subsurface infrastructure that include concrete pads, accommodations for plumbing and electrical utilities and fixtures, lighting inside and outside, accessible walkways, landings and railings and sometimes retaining walls—all in addition to the structure that encompasses “the toilets.” They require pre-construction site condition work. They are constructed with durable materials intended to withstand the wear and tear of frequent use with an expected lifecycle of approximately 50 years.
Construction costs have escalated nationally since the start of the pandemic due to labor shortages, supply chain issues, oil, fuel, power and transportation costs and other inflationary pressures. City figures show a 23.2 percent increase in the cost of materials and skilled labor. Across the country, steel prices alone are up 250 to 300 percent and a simple two-by-four stud, essential in construction, has increased by more than 400 percent.

In urban areas that pay prevailing wages, inflationary pressures are much higher. In New York City, stand-alone park restrooms can now cost between $3 million and $5 million.

In California, state agencies were recently requested to augment their capital outlay budgets to address inflation in building costs. California State Parks requested a one-time $14.6 million capital outlay to ensure projects could be completed. Parks projects are experiencing a minimum of 20 percent escalation with some projects reaching 30-50 percent above pre-pandemic levels.

It should be noted that all our projects follow all the applicable codes, standards and processes regulating design, contracting, construction, prevailing wages, public bidding and required project approvals. These processes are not determined by the Recreation and Park Department. To the contrary, they are laid out in federal, state and local codes. San Francisco’s local requirements are enacted by the Board of Supervisors (including MOUs with labor which have increased city staff costs by 10 percent over two years.) Our restroom building costs are consistent with the inflationary pressures on all San Francisco public works projects.

Noe Valley Town Square’s estimated budget is not dissimilar to two recently completed restroom building projects at Alamo Square and McLaren Park. At Alamo Square a stand-alone restroom and some renovations to an existing restroom completed in 2017 carried a $1.7 million price tag. At McLaren Park a stand-alone pre-fab restroom was delivered in 2020 as part of a playground renovation at a cost of $1.6 million, although some of the shared costs associated with planning, site prep and permitting were borne by the whole project, creating slightly lower costs than otherwise incurred. As noted above, I have attached these budgets.

For the Noe Valley Town Square restroom, the budget estimates include a version for a customized pre-fab unit and a customized site-built restroom. It is important to note, design has not yet begun, so these are only estimates. At the appropriate time, we will engage the services of a third party professional cost estimator to validate the project budget.

Since the Square opened in 2016, building codes and regulations have been modified, most notably the California Building Code and the city’s power delivery agreement with PG&E. The changes to the building code may impact our ability to use a pre-fab unit. The lack of a power delivery agreement means each project is subject to individual review and may require additional equipment or trenching for the electrical connection. These details will be more fully understood through the design process as my staff evaluates whether a pre-fab unit or custom built restroom is required given site conditions.

I would also remind you that the Board of Supervisors has passed legislation prohibiting San Francisco from doing business or contracting with companies located in 30 states in the country, so the task of purchasing a prefab or other materials may be more difficult and/or expensive.
RPD is just beginning the Noe Valley restroom project. The planning and design phases, which involve an analysis of site conditions and constraints, community engagement stakeholders, and design refinement are estimated to take approximately three to six months. Once that work is done, we will generate construction documents that Public Works uses to bid the project. In our experience, the process from bid issuance to executed and approved contract takes six months. From there we can begin construction, which for this project is estimated to take four to six months depending on whether a pre-fab is installed or conditions require us to build onsite. This estimate can vary based on rain, utility coordination, supply challenges, labor availability etc.

Recreation and Parks must partner or seek approval from six other City agencies (Public Works, Planning, DBI, Arts Commission, PUC, MOD) and PG&E all of whom impact the length and cost of this project. We do not control estimates from private contractors and we do not control the economy.

I share your frustration and concern over the length and costs associated with public construction processes. As an elected official, I hope you will advocate for policy changes at the state and local level to make it easier to move small projects like this one in a more timely and cost efficient manner. Some ideas which immediately come to mind include: a) environmental review exemptions for restrooms and other types of small projects, b) CA building code and other process and review exemptions for modular structures which are simply more efficient for projects like this one. (Currently in San Francisco, under the terms of a project labor agreement approved by the Board of Supervisors during your tenure, we are restricted from using off-site modular construction for any project using bond funds in excess of $1 million).

At our local Board of Supervisors, perhaps you could advocate with your former colleagues to streamline bidding processes, eliminate multi-agency approvals for small projects, and reform Chapter 12x which restricts us from sourcing materials in over 30 states.

Parks and open spaces provide an invaluable respite for the public to improve both their physical health and emotional well-being. I appreciate your commitment to improving greater access to parks and open spaces for all San Franciscans and look forward to working with you collaboratively.

Thank you for your support.

Sincerely,

Phil Ginsburg
General Manager
San Francisco Recreation and Park Department