

	Project Name an	d Sponsor					
Project Name:	Potrero Modernization						
Implementing Agency:	SFMTA						
	Prop L Expenditure Plan Information						
Prop L Program:	06- Muni Transit Maintenance, Rehabilitation, and Replacement						
Prop L Sub-Program (if applicable):							
Second Prop L Program (if applicable):							
	Project Infor	mation					
Brief Project Description for MyStreetSF (80 words max):	The Potrero Modernization Project will rebuild the Potrero Transit Division from the ground up - replacing a 1915 building that last received major renovations in 1950 when it was converted to a trolleybus division. The new multi-floor facility will increase capacity from 93-60' and 45-40' trolleybuses to 213 60' and 40' trolleybuses. Joint development includes construction of up to 513 residential units adjacent and above, including ground floor commercial/active use along Bryant, 17th and Hampshire Streets.						
Project Location and Limits:	2500 Mariposa Street (square block bounded by Mariposa, Bryant, Hampshire, and 17th Streets. Limits of impact = city-wide on all bus routes that operate from the facility.						
Supervisorial District(s):	Citywide						
Is the project located on the	No	Is the project located in an Equity No					
2022 Vision Zero High Injury Network ?		Priority Community (EPC)?					
Which EPC(s) is the project located in?		•					
Detailed Scope (may attach Word document): Please describe in detail the project scope, any planned community engagement, benefits, considerations for climate adaptation and resilience (if relevant), and coordination with other projects in the area (e.g. paving, Vision Zero).	See Attachment 1.						
Attachments: Please attach maps, drawings, photos of current conditions, etc. to support understanding of the project.	Attachment 1: Detailed Scope Attachment 2: Predevelopment Agreement Attachment 3: Working Group Presentations						
Type of Environmental Clearance Required:	EIR						
Coordinating Agencies: Please list partner agencies and identify a staff contact at each agency.	San Francisco Public Works - T	im Kempf, Project Mgr. IV					



Project Delivery Milestones	Status	Work	Sta	art Date	End Date		
Phase	% Complete	In-house - Contracted - Both	Quarter	Fiscal Year (starts July 1)	Quarter	Fiscal Year (starts July 1)	
Planning/Conceptual Engineering		In-house and Contracted	Q1-Jul- Aug-Sep	2018/19	Q2-Oct- Nov-Dec	2023/24	
Environmental Studies (PA&ED)	90%	In-house and Contracted	Q1-Jul- Aug-Sep	2020/21	Q1-Jul- Aug-Sep	2023/24	
Right of Way	N/A	TBD					
Design Engineering (PS&E)		In-house and Contracted	Q3-Jan- Feb-Mar	2023/24	Q2-Oct- Nov-Dec	2024/25	
Advertise Construction	5%	Contracted	Q3-Jan- Feb-Mar	2023/24			
Start Construction (e.g. Award Contract)	0%	Contracted	Q2-Oct- Nov-Dec	2024/25			
Operations (i.e. paratransit)	0%	Contracted	Q2-Oct- Nov-Dec	2027/28	Q2-Oct- Nov-Dec	2027/28	
Open for Use	0%	In-house and Contracted			Q2-Oct- Nov-Dec	2027/28	
Project Completion (means last eligible expenditure)	0%	In-house and Contracted			Q4-Apr- May-Jun	2027/28	

#### Notes

Note that this project only accounts for the city costs related to the project, as the construction phases of the project are under negotiation and are anticipated to be financed.



Project Name: Potrero Modernization

Project Cost Estimate		Funding Source						
Phase	Cost		Prop L		Other		Source of Cost Estimate	
Planning/Conceptual Engineering	\$	10,069,566	\$	-	\$	10,069,566		
Environmental Studies (PA&ED)	\$	1,490,800	\$	-	\$	1,490,800		
Right of Way	\$		\$	-	\$	-		
Design Engineering (PS&E)	\$	19,694,217	\$	-	\$	19,694,217	Developer Estimate	
Construction	\$	456,697,277	\$	12,500,000	\$	444 197 777	City Original Estimate	
Operations (i.e. paratransit)	\$	-	\$	-	\$	-		
Total Project Cost	\$	487,951,860	\$	12,500,000	\$	475,451,860		
Percent of Total				3%		97%		

#### Funding Plan - All Phases - All Sources

Cash Flow for Prop L Only (i.e. Fiscal Year of Reimbursement)

Fund Source	Prop L Program	Phase	Fund Source Status	Fiscal Year of Allocation (Programming Year)	otal Funding	2023/24		2024/25	2025/26	2026/27	2027/28
Prop K		Planning/Conceptual Engineering	Allocated	2020/21	\$ 5,773,403	\$	-	\$ -	\$	- \$ -	\$ -
SFMTA Capital Funds		Planning/Conceptual Engineering	Allocated	2022/23	\$ 5,786,963	\$	-	\$ -	\$	- \$ -	\$ -
Prop L	06- Muni Transit Maintenance, Rehabilitation, and Replacement	Construction	Planned	2023/24	\$ 12,500,000	\$	-	\$ 2,500,000	\$ 3,750,00	\$ 3,500,000	\$ 2,750,000
Developer Costs		Design Engineering (PS&E)	Allocated	2022/23	\$ 19,694,217	\$	-	\$ -	\$	- \$ -	\$ -
				Total By Fiscal Year	\$ 43,754,583	\$	-	\$ 2,500,000	\$ 3,750,000	\$ 3,500,000	\$ 2,750,000

#### Notes

This is a design/build project. Construction is anticipated to be paid via annual availability payment. Current costs reflect the original city estimate for the Bus Yard Component of the project (BYC).



Prop L Supplemental Information Please fill out each question listed below (rows 2-8) for all projects.					
Project Name	Potrero Modernization				
Relative Level of Need or Urgency (time sensitive)	This project is an urgent need and is part of the SFMTA's Building Progress Program. If the funding is not received, the project will be delayed, holding up the other electric bus projects, which have deadlines from the Calif. Air Resources Board (CARB). The facility is over 110 years old, and its continued operation is critical for transit operations at SFMTA. It is so critical, that while the project is being built, many trolley buses that are located at this facility will be sent (along with operators and maintenance staff) to other divisions, so they can continue in active service. Funding is needed to relocate staff and buses to various locations with the help of relocation consultant and movers. The Potrero Modernization Project is the third major project of the Building Progress program that will rebuild multiple SFMTA facility structures over the next decade and beyond for the next 100 years.				
Prior Community Engagement/Level and Diversity of Community Support (may attach Word document):	The Potrero Working Group has had meetings since 2018, which continue monthly in 2023. Tours of the facility open to the public, neighbors, community groups have been offered since 2018. Much information on the project is available online. sfmta.com/projects/potrero-yard-modernization-project sfmta.com/committees/potrero-yard-neighborhood-working-group				
Benefits to Disadvantaged Populations and Equity Priority Communities	The transit service that originates at the Potrero Division is operated to all parts of San Francisco - serving multiple equity priority communities. The trolley buses that operate from the Potrero Division serve 14 routes that reach all parts of the city, including several disadvantaged neighborhoods. Pre-Covid these buses carried an average of 102,000 passengers per day providing mobility on journey to work trips, medical trips, school trips, recreation trips and other trips. The investment in a new facility is expected to benefit all of San Francisco.				
Compatability with Land Use, Design Standards, and Planned Growth	Yes				
San Francisco Transportation Plan Alignment (SFTP)	Equity, Environmental Sustainability, Economic Vitality, Safety and Livability  The trolleybuses that operate from the Potrero Division serve 14 routes that reach all parts of the city, including several disadvantaged neighborhoods. Pre-Covid these buses carried an average of 102,000 passengers per day providing mobility on journey to work trips, medical trips, school trips, recreation trips and other trips. The investment in a new facility is expected to benefit all of San Francisco for the next 100+ years.				



The next section includes criteria that are specific to each Expenditure Plan program. The questions that are required to be filled out for each program will auto-populate once the Prop L program is selected on the Scope & Schedule tab. 06- Muni Transit Maintenance, Rehabilitation, and Replacement Safety Yes - the project will replace a 110+ year old building that is too small, not configured for modern transit vehicles, and which has obsolete and outmoded building systems (HVAC, electrical, plumbing, etc.), and which has seismic concerns if a major earthquake were to occur. Need (Asset Useful Life) N/A (Vehicles Sub-program) **Improves Efficiency of** N/A **Transit Operations (Vehicles** Sub-program) Need (Asset Useful Life) Yes - the project will replace a 110+ year old building that is too small, not configured for (Facilities and Guideways modern transit vehicles, and which has obsolete and outmoded building systems (HVAC, Sub-program) electrical, plumbing, etc.), and which has seismic concerns if a major earthquake were to occur. **Improves Efficiency of** Yes - the project will replace a 110+ year old building that is too small and which is not **Transit Operations** configured for modern transit vehicles. The new facility will reflect the changes to vehicles (Facilities and Guideways over the past several decades. Staff will have better working conditions, better HVAC, Sub-program) better restrooms, new lactation rooms, a wellness - health - exercise room, etc. Residential units will be located adjacent to and above the facility.

### EP06 SFMTA Potrero Modernization Attachment 1: Detailed Scope

**Project Description:** 

SFMTA: 2500 Mariposa Street - Potrero Yard Muni Bus Maintenance Facility -

The purpose of the project is to rebuild, expand, and modernize the Potrero Yard Muni Bus Maintenance Facility located at 2500 Mariposa Street, and replace it with a three-story bus facility with housing adjacent to and above the base building podium. The project will reconstruct and expand the Potrero Yard Muni Bus Maintenance Facility, including a partial basement for loading and lower floor work areas, totaling approximately 698,687 gross square feet of public transit use, and to construct 513 residential units adjacent and above, including ground floor commercial/active use along Bryant, 17th and Hampshire Streets. Total square footage range of the development is estimated at 1,006,863 gross square feet.

Public-Private Partnership Project Delivery Model

- \* Project split into 3 parts: 1) Bus Yard, 2) Housing and Commercial, 3) Common infrastructure
- \* Infrastructure developer partner to design, build, finance and maintain new facility, operate housing, and maintain common building elements
- \* DBFM: Finance and maintain components are critical for the SFMTA
- \* Risk transfer to well capitalized partner who can better manage financing and interface between project components
- \* Improved speed to market through approach to design and contractual incentives

#### Timeline

- \* 2018-21 Predevelopment, DEIR process, public outreach
- \* 2022 Continued predevelopment, public outreach
- \* 2023-24 Continuing predevelopment, FEIR, public outreach, project agreement / financing
- \* 2024-27 Relocation of existing yard vehicles and staff, construction of new facility
- \* 2027 Project complete new division opens

The SFMTA launched the Building Progress Program in Fall 2017.

The Building Progress Program will:

- \* Modernize aging SFMTA facilities in order to meet the needs of everyone who travels in San Francisco;
- \* Improve the transportation system's resiliency to seismic events, climate change, technology changes; and
- \* Make the SFMTA a better neighbor in the parts of the city that currently host our facilities.

#### A Look at Potrero Yard

Before Covid 19 - 102,000 Muni riders rely on buses from Portero Yard (14% of all Muni riders)

Existing Facility: 2 levels/138 buses/16 bus bays/391 staff

Future Facility: 3 levels/213 buses/17 bus bays/892 staff

#### **Core Transportation Objectives**

- \* Rebuild and modernize Potrero Yard by 2027
- \* Successfully relocate and move Potrero Yard functions to other SFMTA locations for duration of the rebuild and modernization activities
- \* Provide infrastructure for battery electric (BEB) buses
- \* Improve safety and working conditions for SFMTA workers
- \* Consolidate functions for efficiencies (Training + Street Ops Mgmt.)

#### Site / Housing Objectives

- \* Enhance architecture and urban design
- \* Enhance streetscape to ensure public safety and reduce conflicts
- \* Maximize housing, including at least 50% affordable and up to 100% affordable

#### Commitment to:

\* A responsible public investment, inclusive and transparent stakeholder engagement, and leadership in sustainability

#### Stakeholder Engagement

- \* Stakeholder engagement began in 2017
- \* Five major public events held in 2018-21

- \* Virtual meetings during COVID
- \* Live events return late 2021 tabling events continue into 2023
- \* Public yard tours begin again in 2021 continue into 2023

#### Public Works Funding for Project Activities

In addition to the more general request for funding of project activities, a more detailed and specific request is summarized below. The project needs a funding source to continue work that is being performed by the SFMTA partner agency; SF Public Works (PW). This funding would address in-house and contracted project management, construction management, and project controls support services during the design and construction phase of the Project Agreement. Contracted services will include industry experts in the design, build, finance, maintain (DBFM) project delivery method which supplement the City's core in-house project management and construction management team. Other services include owner's materials testing and inspections, and oversight of regulatory compliance areas including disability access, environmental and hazardous materials work during construction.

#### THIS PRINT COVERS CALENDAR ITEM NO.: 11B

#### SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY

**DIVISION:** Finance and Information Technology

#### **BRIEF DESCRIPTION:**

Authorizing the Director of Transportation to execute a Predevelopment Agreement with Potrero Neighborhood Collective, LLC, for the Potrero Yard Modernization Project, with a term that will not exceed 568 days, a potential termination payment that will not exceed \$9,990,000, and if approved by the Board of Supervisors, a potential continuation payment of \$4,350,000.

#### **SUMMARY:**

- The Potrero Yard Modernization Project (Project) will replace the existing Potrero Yard with a new facility (Facility) comprised of a modern bus storage and maintenance component (Bus Yard Component) and, if feasible, a multi-family housing and commercial component (Housing Component).
- On April 9, 2021, a Request for Proposals for the Project (RFP) was released to three teams that were short-listed through an earlier Request for Qualifications. After receiving timely proposals from all three by December 30, 2021, the SFMTA determined that two of the short-listed teams were responsive to the RFP requirements and passed (Qualified Proposers).
- On March 1, 2022, the SFMTA Board of Directors adopted Resolution 220301-017 to approve the form of predevelopment agreement (Form Agreement) for the Project, with a term that would not exceed 568 days, a potential termination payment that would not exceed \$9,990,000, and if approved by the Board of Supervisors, a potential continuation payment of \$4,000,000.
- On May 26, 2022, the SFMTA exercised its RFP right to request proposal revisions (Proposal Revisions) from the Qualified Proposers to ultimately receive proposals that provided the best value for the Project and the City. As part of the Proposal Revisions process, the SFMTA increased the Form Agreement continuation payment to \$4,350,000.
- On July 26, 2022, a single Proposal Revision was received from the Potrero Neighborhood Collective (PNC), with Plenary Americas US Holdings Inc. (Plenary) as its controlling equity member. After extensive evaluation of the submitted Proposal Revision, PNC was named the selected preferred proposer.
- As permitted in the RFP, PNC formed the Potrero Neighborhood Collective, LLC (Lead Developer) to enter into the Form Agreement, modified to include the PNC proposal details and commitments and a \$4,350,000 contribution payment (Final PDA). Plenary is the sole member of the Lead Developer and will guaranty the Lead Developer's performance under the Final PDA.

#### **ENCLOSURES:**

- 1. SFMTAB Resolution
- 2. Potrero Yard Modernization Project Predevelopment Agreement

APPROVALS: DIRECTOR _	Johns-Tihi	DATE October 27, 2022
SECRETARY _	clilm	October 27, 2022

ASSIGNED SFMTAB CALENDAR DATE: November 1, 2022

#### **PURPOSE**

Authorizing the Director of Transportation to execute a Predevelopment Agreement (PDA) with Potrero Neighborhood Collective, LLC (Lead Developer) for the Potrero Yard Modernization Project (Project), with a term that will not exceed 568 days, a potential termination payment that will not exceed \$9,990,000, and if approved by the Board of Supervisors, a potential continuation payment of \$4,350,000.

#### STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

This action is consistent with the following goals in the San Francisco Municipal Transportation Agency (SFMTA) Strategic Plan, by efficiently providing the SFMTA with a new electric bus maintenance facility and modernizing maintenance technologies. Specifically, this action will deliver on the following goals:

- Goal 5: Deliver reliable and equitable transportation services.
- Goal 6: Eliminate pollution and greenhouse gas emissions by increasing use of transit, walking and bicycling.
- Goal 8: Deliver quality projects on-time and on-budget.
- Goal 9: Fix things before they break and modernize systems and infrastructure.
- Goal 10: Position the agency for financial success.

The SFMTA will further the following Transit First Policy Principles by initiating the delivery of a major new bus maintenance and storage facility:

- 1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
- 2. Public transit, including taxis and vanpools, is an economically and environmentally sound alternative to transportation by individual automobiles. Within San Francisco, travel by public transit, by bicycle and on foot must be an attractive alternative to travel by private automobile.
- 8. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.
- 9. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.
- 10. The City and County shall encourage innovative solutions to meet public transportation needs wherever possible and where the provision of such service will not adversely affect the service provided by the Municipal Railway.

#### **DESCRIPTION**

#### **Project Background**

The SFMTA's Building Progress Program (Program), \$1.2 billion multi-year effort, to repair, renovate, and modernize the SFMTA's aging facilities to facilitate improvement of the overall transportation service delivery system in San Francisco, begins with the Project. Potrero Yard was built in 1915 and is situated on 4.4 acres bounded by Bryant, 17th, Hampshire and Mariposa Streets (Project Site). It is the first site scheduled under the Program that the SFMTA will modernize and improve due to the age of the current facility, and because of rapidly changing innovations in bus fleet technology which makes it obsolete. The existing two-story building originally operated as a streetcar facility housing 100 streetcars. It has since been expanded to house and maintain approximately 138 40-foot and 60-foot trolley buses, although it remains functionally obsolete.

The Project will replace the existing two-story building and bus yard with a facility (Facility) that includes a modern, three-story, efficiently designed bus maintenance and storage facility, equipped to serve the SFMTA's growing fleet as it transitions to battery electric vehicles (Bus Yard Component). The SFMTA would use the Bus Yard Component to store and perform routine maintenance on trolley buses and future zero-emission electric busses, serve as a new consolidated site for Muni Operator Training and Muni Street Operations, and provide open, naturally lit, and well-ventilated working conditions for employees. It will ensure resiliency to climate change and natural disasters and improve transit service by reducing vehicle breakdowns, increasing on-time performance, and reducing passenger overcrowding. The new Bus Yard Component will increase the maintenance and storage capacity of at the Project Site by approximately 50 percent. When completed, the Bus Yard Component will become a beacon of the SFMTA's commitment to workspace improvements for its employees.

A key component of the Building Progress Program is to maximize the use of SFMTA properties through a joint development model. Joint development allows the SFMTA to support major City policy initiatives and provide the SFMTA opportunities for sustainable revenue generation for transit and other transportation services. Consistent with the City's Public Land for Housing initiative, the SFMTA is pursuing housing as a complementary joint development at the Project site if proven feasible. Successful coordination is a key component to delivering such a complex project and program successfully. As part of the Building Progress Program, a multi-departmental Memorandum of Understanding (MOU) was signed in May of 2020, creating a complete citywide team led by the SFMTA in partnership with the San Francisco Planning Department, the Mayor's Office of Housing and Community Development, the Office of Economic and Workforce Development and Department of Public Works. Based on internal analyses and an extensive public outreach program, those City departments and the SFMTA have determined that housing may be a feasible and compatible use at the Project Site and proposes that multi-family housing with commercial space be a principal component of the Project (Housing Component). The SFMTA's preliminary Project analysis includes a Housing Component with up to 575 residential units (50% of which would be affordable) on the Project Site.

The SFMTA is incurring various predevelopment costs to facilitate the Housing Component, such as staff time, City Attorney's Office time, Planning Department time, and outside consultant and outside

counsel time and studies. If the Housing Component successfully receives all funding needed to commence construction of the entire Housing Component, which is to be funded with non-SFMTA funds, the SFMTA will be reimbursed for those costs. If the Housing Component does not receive all the needed funding, the SFMTA will not be reimbursed for all those costs.

The SFMTA's expenditures in connection with the Housing Component are consistent with the City's Transit First Policy because the Housing Component would be integrated with the Bus Yard Component (a transit facility), would have no private parking for residents, and would therefore encourage future residents to use public transit, bicycles, and walking as alternatives to travel by private automobile. If successful, this type of joint development could serve as a model for future transportation investments that generate demand for public transit within the City and further the SFMTA's Charter mandate to manage the City's transportation system to help the City meet its goals for quality of life, environmental sustainability, and economic growth.

#### Joint Development Delivery Method

Due to the Project's multiple components and objectives, the SFMTA brought legislation to the SFMTA Board of Directors (SFMTA Board) and Board of Supervisors to utilize a joint development procurement method for the Project. On April 7, 2020, the SFMTA Board of Directors approved Resolution 200407-035, authorizing the use of a joint development procurement method for the Project and authorizing the Director of Transportation to seek approval from the Board of Supervisors for a Project-specific ordinance to implement that procurement method for the Project. On March 16, 2021, the Board of Supervisors adopted Ordinance 38-21 to approve a joint development delivery method and a best-value selection of the developer for the Project and exempt various Project agreements from certain San Francisco Administrative Code requirements that are inconsistent with the joint development delivery method. Ordinance No. 38-21 was signed by the Mayor and became effective on April 25, 2021.

Using this joint development delivery method, the Lead Developer will have the full responsibility and financial liability for performing Project predevelopment work during the term of the PDA (PDA Term). During the PDA Term, the Lead Developer and the SFMTA will negotiate the terms of the agreements for the delivery of the Project (Project Agreements). The Project Agreements would cover the final design and construction of the Facility, the operation of the Housing Component, and the maintenance of the infrastructure shared by the Bus Facility Component and the Housing Component (Common Infrastructure), and any other Facility infrastructure identified by the SFMTA (Additional Infrastructure).

The Project Agreements would be long-term contractual arrangements, with the Lead Developer responsible for managing contractors (e.g., design-build contractors and maintenance contactors), successfully delivering the Project, maintaining the Common Infrastructure and the Additional Infrastructure (Infrastructure Facility Maintenance), and coordinating the delivery of the Housing Component. There would be subcontracts for the construction and operation of the Housing Component for financing purposes, but the Lead Developer will be required to ensure that the SFMTA bear no risk arising from multiple parties delivering the Project. The SFMTA would continue to own the Project Site

and the Bus Yard Component, while the Lead Developer would have the right to deliver, operate and own the Housing Component during the term of the applicable agreement (e.g., an air rights lease). The Lead Developer would be responsible for ensuring the adequate integration and joint operation of the Bus Yard Component and Housing Component and the quality and durability of construction methods and equipment design related to the Facility's building structure and major building systems.

#### **Project Procurement Process**

A Request for Qualifications (RFQ) was issued on August 21, 2020; three teams were short-listed and invited to participate in a Request for Proposals for the Project (RFP), which was released on April 9, 2021 (RFP). The three short-listed teams were Potrero Mission Community Partners (led by John Laing Group and Edgemoor Infrastructure & Real Estate), Potrero Neighborhood Collective (led by Plenary), Potrero Yard Community Partners (led by Fengate Asset Management, Emerald Fund, and American Triple I Partners). During the initial nine-month RFP process, the three teams worked on their technical conceptual drawings and met regularly with the SFMTA in a series of one-on-one meetings. Each meeting session was divided into technical and a commercial-financial segments. During the technical meetings, the three teams discussed their land use plan and design approach for the Bus Yard Component, among other topics. In the commercial-financial meetings, the three teams and the SFMTA discussed the terms of the PDA and the teams' approaches for financing and structuring the Project. Through these three-way discussions, the SFMTA aimed to leverage the competitive tension of the procurement to ensure that the City's interests were preserved in the form of the PDA.

The RFP proposals were due December 30, 2021, and all three short-listed teams submitted timely proposals. After completing the RFP evaluation of the submitted proposals, the SFMTA determined that the following two short-listed teams (Qualified Proposers) were responsive to the RFP requirements and passed all administrative pass-fail requirements: Potrero Mission Community Partners (led by John Laing Group and Edgemoor Infrastructure & Real Estate) and Potrero Neighborhood Collective (PNC), led by Plenary Americas US Holdings Inc. (Plenary). However, the SFMTA determined it was in the best interest of the Project and the City to exercise the SFMTA's authority under the RFP to request proposal revisions (Proposal Revisions) from the Qualified Proposers. The proposal revision process allowed the SFMTA to have further discussions with the Qualified Proposers so they could better align their proposals with the SFMTA's stated Project goals and offer the best value to the SFMTA and City with respect to the Project.

On May 26, 2022, the SFMTA issued an RFP addendum for Proposal Revisions from the Qualified Proposers. On July 26, 2022, a single Proposal Revision was received. After extensive evaluation of the submitted Proposal Revision through the RFP process, PNC was selected as the preferred proposer.

The RFP addendum for Proposal Revisions included the form of the PDA, which was modified from the version approved by the SFMTA Board of Directors through Resolution 220301-017 on March 1, 2022. Those modifications included adjustments in the Project structure and a \$350,000 increase in the continuation payment. After PNC was selected as the preferred proposer, the form of the PDA was

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completed to include Project details and commitments in PNC's RFP proposal (Selected Proposal) to create the final version of the PDA (Final PDA), which is included as Enclosure 2. As permitted under the RFP, PNC formed the Lead Developer to enter into and perform under the Final PDA. The Lead Developer has executed the Final PDA, and the SFMTA seeks authorization to execute the Final PDA soon as possible to meet the November 30, 2027, deadline for substantial completion of the Bus Yard Component and the Common Infrastructure.

#### **Predevelopment Agreement**

The PDA will govern the Project's predevelopment phase, with the Lead Developer performing predevelopment activities that must occur for construction to begin in the fall of 2024. The Lead Developer would fund its predevelopment activities during the PDA Term. It is customary industry practice to have a predevelopment agreement for this type of joint development delivery method. The list below summarizes some of the major PDA provisions that may be of particular interest.

#### 1. Predevelopment Approach

During the PDA Term, the City and Lead Developer will work collaboratively to develop the Project so construction of the Facility can begin by the fall of 2024. The PDA governs the Lead Developer's development of schematic designs, financing plans, Infrastructure Facility Maintenance plans, the pursuit of Project entitlements, and the procurement of contractors to design and build the Bus Yard Component and Common Infrastructure and perform the Infrastructure Facility Maintenance. It also governs the parties' negotiations to develop the terms of the Project Agreements. The SFMTA will not bear any integration risk between the physical and operational components of the Facility. Unless otherwise agreed to by the SFMTA, the Project must conform to certain technical requirements included in the Final PDA and the Selected Proposal.

#### 2. Fixed Budget Limit

The Project budget is capped by a limit of \$391,567,596 (Fixed Budget Limit), which was the amount given in the Selected Proposal. The Fixed Budget Limit is the maximum anticipated sum of (i) the design and construction costs for the Bus Yard Component, (ii) the SFMTA's pro rata share of the design and construction costs for the Common Infrastructure, (iii) the SFMTA's pro rata share of the Infrastructure Facility Maintenance costs, and (iv) the SFMTA's pro rata share of the Lead Developer's predevelopment costs. The PDA sets forth the circumstances in which the Fixed Budget Limit can be adjusted, including for SFMTA changes to the Project (including changes to its technical requirements), unknown conditions, and certain changes to applicable law.

The PDA also includes guidelines for the budget allowances included in the Selected Proposal for escalation, insurance costs, and certain items requiring further design or development, emerging technology, or iterative designs. These budget allowances and their pricing will be refined during the PDA Term. The updated cost of construction escalation and the insurance will be permitted modifications to the Fixed Budget Limit. If City elects to include the other allowance items in the Project, the Fixed Budget Limit will be increased to reflect their additional cost. Adherence to the Fixed

Budget Limit is expected throughout the PDA Term, with incentives and requirements to that effect.

#### 3. Term and Performance Milestones

Unless terminated earlier, the PDA Term will expire 568 days after its commencement or the earlier execution of the Project Agreements. Appendix B-1 to the PDA lists three PDA phases of work, with certain performance milestones (Performance Milestones) and dates for completing those Performance Milestones. If those predevelopment activities are successfully and timely completed, construction of the Bus Yard Component would commence in the fall of 2024 and be substantially completed by November 30, 2027. Each PDA phase can only proceed after City issues, in its sole discretion, a Notice to Proceed (NTP) for that phase. If City issues NTP 1 for Phase 1, it will occur after the PDA is signed and Lead Developer satisfies certain administrative requirements. If City issues NTP 2 for Phase 2, it will occur after City approves the 50% schematic design drawings and Project plans submitted by Lead Developer. If City issues NTP 3, it will occur after City approves the 100% schematic design drawings, design-build contractor procurement short-listing, and form of design-build contractor and facility maintenance contractor requests for proposals submitted by Lead Developer.

In addition, Appendix B-1 outlines a floating Performance Milestone for Phase 2 (Phase 2 Floating Milestone). The Phase 2 Floating Milestone occurs if there is final certification of the environmental impact report for the Project under CEQA and final adoption of the special use district, conditional use authorization, General Plan Referral, and related General Plan amendments needed for the Project. If the Phase 2 Floating Milestone occurs, Lead Developer's PDA obligations will suspend unless the SFMTA elects, in its sole discretion, to issue a notice for the Lead Developer to continue the PDA work (Continuation Notice). Issuing the Continuation Notice would require the SFMTA to pay the Lead Developer \$4,350,000 (Continuation Payment) in recognition of achieving this important milestone. The SFMTA Board originally approved the form of PDA with a \$4,000,000 Continuation Payment, but the SFMTA agreed to increase it to \$4,350,000 during the RFP's process for Proposal Revisions.

Achieving the Phase 2 Floating Milestone increases the value of the Project Site, as the SFMTA would have key entitlements for the Bus Yard Component and the Housing Component, which are critical to the timely completion of the Project. The Lead Developer will also incur substantial predevelopment costs by the Phase 2 Floating Milestone, some of which would be borne by the SFMTA if it had to perform the Lead Developer's work in achieving the Phase 2 Floating Milestone. The SFMTA obtained an appraisal for the future Housing Component on September 24, 2021, which includes the value of the Housing Component if (i) the Project has received all entitlements and (ii) there are no lawsuits challenging those entitlements or any such lawsuits have been finally resolved in the City's favor. After reviewing the appraisal and analyzing the stage of entitlements and potential for lawsuits at the Phase 2 Floating Milestone, SFMTA staff have determined that the amount of the Continuation Payment is commercially reasonable.

Under Section 9.118 of the San Francisco Charter, the SFMTA cannot make the Continuation Payment without the prior approval from the Board of Supervisors, so it will not issue the Continuation Notice without first obtaining that approval from the Board of Supervisors. If the SFMTA issues the Continuation Notice, the Lead Developer's PDA obligations would resume under the same terms and

structure. If the SFMTA does not elect to issue the Continuation Notice and the Lead Developer does not agree to remove the SFMTA's obligation to make the Continuation Payment, the PDA would terminate and the SFMTA would make the termination payment described below.

#### 4. Site Due Diligence and Design Development

The PDA requires that Lead Developer conduct its own due diligence investigations of the Project site to assess its physical, geological, and environmental conditions, subject to an access agreement between the Lead Developer and the SFMTA. The form of the access agreement is Appendix L to the PDA.

The PDA also requires Lead Developer to commence schematic design and engineering of the Project once it completes its Project site due diligence. As required in PDA Appendix B-1, the Lead Developer must complete 100% schematic design drawings during the PDA Term. PDA Appendix B-2 sets forth the requirements for all design deliverables to be produced by the Lead Developer during the PDA Term.

#### 5. Asset Management Program and Infrastructure Facility Maintenance

The Project would include the joint development partner performing the Infrastructure Facility Maintenance after the Bus Yard Component is substantially completed. During the PDA Term, the Lead Developer must submit to the SFMTA its Asset Management Program and finalize the scope of work and performance requirements for the Infrastructure Facility Maintenance and the Housing Component property management. The Asset Management Program must be completed before the Lead Developer procures the Project's design-build contractor and Infrastructure Facility Maintenance contractor. It will define the interface among (i) the SFMTA's operations and maintenance activities within the Bus Yard Component, (ii) Infrastructure Facility Maintenance, and (iii) the Housing Component property management.

#### 6. Housing Component, Feasibility, Financing, and Changes

The RFP outlined the SFMTA's requirements for the Housing Component, with no less than 50% of the residential units to be affordable (no more than 120% area median income (AMI), as published by the Mayor's Office of Housing and Community Development). The Housing Component proposed in the Selected Proposal (Proposed Housing) would have 575 affordable housing units (divided among one senior low-income housing project; two family low-income housing projects, and one workforce housing project) including space for community-based organizations and/or small businesses. Two hundred and ninety-one (291) of the housing units would be for households that make no more than 80% AMI, with the remainder of the two hundred and eighty-four (284) units for households that make no more than 120% AMI, all of which will be contingent on the Lead Developer obtaining the necessary financing and entitlements. The Lead Developer will be responsible for pursuing the financing and entitlements, verifying the feasibility of the Proposed Housing, and performing all other predevelopment activities for the Proposed Housing. These activities will be pursued under a Housing Component development plan submitted by the Lead Developer for the SFMTA's review early in the PDA Term. The PDA includes a process for Proposed Housing changes by the SFMTA or the Lead Developer, eligible reasons for considering those changes, and assigning the risk of design cost increases needed for

the Bus Yard Component and Common Infrastructure due to those changes. The SFMTA is incurring various predevelopment costs to facilitate the Housing Component, such as staff time, City Attorney's Office time, Planning Department time, and outside consultant and outside counsel time and studies.

#### 7. Contractor Procurement and Final Price

During Phase 2 of the PDA, the Lead Developer must issue a request for qualification for the Bus Yard Component and Common Infrastructure design-build and Infrastructure Facility Maintenance contracts. During PDA Phase 3, the Lead Developer must issue a request for proposals for those contracts and present the pricing of the submitted bids to the SFMTA once received. This pricing will then be compared to the anticipated costs of those contracts given in the Fixed Budget Limit (as adjusted under the PDA, e.g., for insurance and escalation). If the pricing for those contracts is lower than as anticipated in the Fixed Budget Limit, then the SFMTA will receive 70% of the value of that reduced pricing. If the contract pricing is higher than as anticipated in the Fixed Budget Limit, the Lead Developer and the SFMTA will negotiate in good faith on how to bring the contract pricing down to the amounts anticipated in the Fixed Budget Limit. If those negotiations are not successful, the SFMTA can elect to terminate the PDA, accept the higher contract price, or reprocure the contracts. If accepted by the SFMTA, the Bus Yard Component and Common Infrastructure design-build and Infrastructure Facility Maintenance contract pricing will be used to calculate the SFMTA's final price for the Infrastructure Facility Maintenance and the design and construction of the Bus Yard Component and its share of the Common Infrastructure.

#### 8. Project Agreements and Approvals

As stated above, the parties will negotiate the terms of the Project Agreements and other agreements needed for the delivery of the Project during the PDA Term. The applicable Project Agreements must include the terms of a preliminary term sheet, the form of which was included in the Project RFP and submitted with the Selected Proposal (Preliminary Term Sheet), and the terms of a Housing Component term sheet developed during the PDA Term. Given the cost and length of the Project Agreements, they must be approved by both the SFMTA Board and Board of Supervisors. The SFMTA will seek approval of the Project Agreements from the SFMTA Board at the end of the PDA Term if the negotiations and other predevelopment activities are successfully completed.

#### 9. Termination Provisions and City's Right to Work Product

Consistent with typical City contract provisions, the SFMTA maintains the right to terminate the PDA for convenience at any time. If the PDA terminates for any reason other than a Lead Developer default or the parties' execution of a Project Agreements, the SFMTA must make the termination payment described in the PDA. The termination payment amount increases in each PDA Phase and is subject to the Lead Developer's qualified costs for performing the PDA work required for that PDA Phase. At no time will the termination payment exceed \$9,990,000.

If there is any termination of the PDA, the Lead Developer must deliver all the materials it prepared under the PDA to the SFMTA and assign the right to use those materials to the SFMTA. Any

termination payment made to the Lead Developer under the PDA will be less than the value of the work materials the Lead Developer delivers to the SFMTA under the PDA.

#### 10. Guaranty and Default

Plenary will provide a third-party guaranty for the performance of Lead Developer's PDA obligations. That guaranty must remain in effect, or replaced with another guaranty approved by the SFMTA, throughout the PDA Term. The PDA describes various events of default by the parties. Lead Developer defaults include a failure to timely achieve any of the Performance Milestones or perform its other PDA obligations (subject to applicable cure procedures), changes to the Lead Developer's team without prior City consent, material misrepresentations, willful misconduct, fraud, and failure to comply or perform under associated agreements. SFMTA defaults include failure to timely perform its PDA obligations (subject to applicable cure procedures), insolvency, or material misrepresentations.

#### STAKEHOLDER ENGAGEMENT

Since the launch of the Building Progress Program in 2017, the SFMTA has led an extensive community outreach effort for the Project. Major outreach activities have included numerous community events and open houses, tours of Potrero Yard, regular meetings of the Potrero Yard Working Group, and grassroots outreach to individual residents and community organizations.

Five major public events were held 2018-2021, including the SFMTA hosting a major community workshop in the summer of 2020 that allowed the community to weigh in on the values and principles to be memorialized in the RFQ and RFP to communicate to potential joint development partners the SFMTA's expectations for the Project and to align those expectations, to the extent feasible, with the community's expectations for the Project.

The SFMTA received extensive feedback from the community on numerous aspects of the Project, and this feedback was reflected in the project application submitted to the Planning Department in November 2019 to initiate environmental review, to develop the RFQ and RFP, including the development of local business enterprises (LBE) goals. Outreach activities focused on the conceptual design of the Project (e.g., the size of the bus facility, number, and affordability of the housing units). A virtual meeting in July of 2021 provided feedback to developer questions. Outreach tabling events were at the Potrero Hill Festival on October 15, 2022, and at Sunday Streets/Phoenix Day on October 17, 2021, and on July 10, and October 16, 2022. More than ten public facility tours have been conducted at the Project Site since December 8, 2021, and they will continue throughout the fall 2022. The tours have been well received and successful.

Paralleling the community outreach effort has been a continued, extensive in-reach effort. The SFMTA continues to coordinate closely with elected officials and partner City agencies (Planning, Public Works, Office of Economic and Workforce Development, Mayor's Office of Housing and Community Development) as the Project shifts towards PDA implementation. The SFMTA will continue dialog with staff at Potrero Yard and with labor to answer questions about the project and solicit feedback to inform

the PDA process. During the week of Aug. 15, 2022, Project staff provided updates on the project for frontline staff at the yard, including maintenance, operations, and administrative employees. Team members met staff at early morning meetings and throughout the day over the course of the week to answer questions about the Project and show renderings for both the Muni Metro East Bus Yard and 1399 Marin Street facilities. These two sites will become relocation facilities when Potrero Yards is taken offline for construction starting in 2024.

In addition, the Project has been presented in a variety of public hearing settings to date, where formal public comment has been received and documented. This includes a February 29, 2021, meeting of the San Francisco County Transportation Authority (SFCTA) to allocate \$5,773,403 in funding for the Project, and an informational hearing at the Planning Commission on May 13, 2021, in addition to the other public hearings described elsewhere in this Calendar Item.

#### **ALTERNATIVES CONSIDERED**

An alternative to the PDA is the SFMTA going directly to the Project Agreements. That would require the SFMTA to develop the Project to the level needed to issue an RFQ and RFP for the Project Agreements at its own cost and without input from the developer team that would deliver the Project. That input is key in addressing design, schedule, financing, and funding issues such as, but not limited to, the cost-efficient design of the Bus Yard Component, the market and financial feasibility of the Housing Component (including the number and type of housing units), and the functional integration of the Housing Component with the Bus Yard Component. Without the Lead Developer team's input on these critical aspects, an RFQ and RFP for the Project might not generate sufficient bids from qualified development teams. It could also increase the SFMTA's costs for the Project.

#### **FUNDING IMPACT**

The PDA includes two provisions that would result in direct payments to the Lead Developer:

- 1. Termination Payment: If the PDA terminates for any reason other than a Lead Developer default or execution of a Project Agreements, the SFMTA must make a termination payment to the Lead Developer. The termination payment amount is determined by the PDA Phase in which the PDA terminates and the Lead Developer's costs to provide the deliverables required for that PDA Phase, but in no event will the amount exceed \$9,990,000.
- 2. Continuation Payment: If the Phase 2 Floating Milestone occurs and the SFMTA elects, in its sole discretion, to issue the Continuation Notice, the SFMTA must make the Continuation Payment (\$4,350,000). The SFMTA cannot make the Continuation Payment without the prior approval of the Board of Supervisors under City Charter Section 9.118. Accordingly, the SFMTA will not issue a Continuation Notice without first receiving that approval for the Continuation Payment. SFMTA staff will notify the SFMTA Board if they request approval for the Continuation Payment from the Board of Supervisors.

In addition to the potential for direct payments to the Lead Developer, the SFMTA will also be incurring significant internal costs for staff, Planning and City Attorney's Office time and outside counsel's and

#### Page 12

consultants' costs to advance the Project during the PDA Term. Current project activities (including any termination or continuation payments that may be payable to the Lead Developer) are currently funded through a mix of transportation sales taxes and SFMTA revenues appropriated by the SFMTA Board of Directors for facility capital projects. The funding for this overall project takes a "pay-go" approach, in which only immediate project phases are funded with the limited resources available for facility capital projects, while concurrent advocacy for additional capital funds occurs for future phases.

#### **ENVIRONMENTAL REVIEW**

Environmental review for implementation of the Project is underway. On June 30, 2021, the Project's Draft Environmental Impact Report (DEIR) was published by the Planning Department. The DEIR was reviewed by the Historic Preservation Commission on August 4, 2021, and by the Planning Commission on August 26, 2021. The DEIR public comment period closed on August 31, 2021. The SFMTA anticipates bringing the Environmental Impact Report to the Planning Commission for approval in 2023 for certification, after integrating details from the Selected Proposal.

On October 6, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Potrero Yard Modernization Project Predevelopment Agreement is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

#### OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's Office has reviewed this calendar item.

#### RECOMMENDATION

Staff recommends authorizing the Director of Transportation to execute a Predevelopment Agreement (PDA) with Potrero Neighborhood Collective, LLC (Lead Developer) for the Potrero Yard Modernization Project, with a term that will not exceed 568 days, a potential termination payment that will not exceed \$9,990,000, and if approved by the Board of Supervisors, a potential continuation payment of \$4,350,000.

#### SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY BOARD OF DIRECTORS

RESOLUTION No.	

WHEREAS, The Potrero Yard Modernization Project (Project) includes the simultaneous development and construction of a facility (Facility) with a modern bus storage and maintenance component (Bus Yard Component) and, if feasible, a multi-family housing and commercial component (Housing Component); and,

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) will deliver the Bus Yard Component under its Building Progress Program and, if feasible, pursue the Housing Component consistent with the citywide Public Land for Housing initiative, which encourages joint development opportunities for housing on public sites; and,

WHEREAS, Based on the Project's public and private features, staff have determined it is appropriate and in the City's best interest to deliver the Project utilizing a joint development procurement method; and,

WHEREAS, The joint development solution provides for a single point-of-responsibility for managing project complexity and contractors (e.g., design-build contractors, maintenance contactors for private housing development), financing, and successfully delivering the Project; and,

WHEREAS, The SFMTA and San Francisco Public Works (SFPW) partnered to procure a developer to design, build, and finance the Facility, operate the Housing Component, and maintain certain Facility infrastructure elements; and,

WHEREAS, In November 2019, the SFMTA submitted a project application for the Project to the San Francisco Planning Department (Planning Department) to initiate environmental review of the Project under the California Environmental Quality Act (CEQA); and,

WHEREAS, A Request for Qualifications for the Project was issued on August 21, 2020, and three of the responding teams (Potrero Mission Community Partners, Potrero Neighborhood Collective, and Potrero Yard Community Partners) were short-listed; and,

WHEREAS, On April 7, 2020, the SFMTA Board approved Resolution 200407-035, authorizing the SFMTA to use a joint development procurement method to deliver the Project and seek approval from the Board of Supervisors (BOS) for that method; and,

WHEREAS, On March 16, 2021, the BOS adopted Ordinance 38-21 to approve a joint development delivery method and a best-value selection of the developer for the Project and exempted various Project agreements from certain San Francisco Administrative Code requirements that are inconsistent with the joint development delivery method, with the ordinance being signed by the Mayor and effective on April 25, 2021; and,

WHEREAS, A Request for Proposals for the Project (RFP) was released to the three short-listed teams on April 9, 2021 (RFP), with proposals due December 30, 2021, and all three short-listed teams submitting timely proposals; and,

WHEREAS, The Project's Draft Environmental Impact Report (DEIR) was published by the Planning Department on June 30, 2021, reviewed by the Historic Preservation Commission on August 4, 2021, and reviewed by the Planning Commission on August 26, 2021, and the public comment period closed on August 31, 2021, and the SFMTA anticipates bringing the Environmental Impact Report to the Planning Commission for approval in 2023, after including updated Project details, responding to all comments received to the DEIR, and otherwise complying with all relevant CEQA Guidelines; and,

WHEREAS, On March 1, 2022, the SFMTA Board adopted Resolution 220301-017 to approve the form of Predevelopment Agreement (Form PDA) for the Project, with a term that will not exceed 568 days, a potential termination payment that will not exceed \$9,990,000, and if approved by the Board of Supervisors, a potential continuation payment of \$4,000,000; and,

WHEREAS, In March of 2022, the SFMTA completed its evaluation of the submitted RFP proposals and determined that two proposers (Qualified Proposers) submitted responsive proposals that passed all administrative pass-fail criteria, and those Qualified Proposers were Potrero Mission Community Partners, led by John Laing Group and Edgemoor Infrastructure & Real Estate, and Potrero Neighborhood Collective (PNC), led by Plenary Americas US Holdings Inc. (Plenary); and,

WHEREAS, On May 26, 2022, the SFMTA exercised its RFP right to request proposal revisions ("Proposal Revisions") from the Qualified Proposers so they could better align their proposals with the SFMTA's stated Project goals and offer the best value to the SFMTA and City with respect to the Project; and,

WHEREAS, The Form PDA was modified in the request for Proposal Revisions to increase a continuation payment from \$4,000,000 to \$4,350,000; and,

WHEREAS, The SFMTA received a timely Proposal Revision from PNC on July 20, 2022, and based on evaluation of the submitted Proposal Revision, the SFMTA selected PNC as the preferred proposer to enter into the PDA on September 12, 2022, and after selecting PNC as the preferred proposer, the SFMTA further modified the Form PDA to include details and commitments from PNC's RFP proposal (Final PDA) and PNC submitted the required post-selection deliverables; and,

WHEREAS, On October 17, 2022, the SFMTA issued a notification of intent to award the Final PDA and issued a public announcement naming the PNC as the preferred proposer and as permitted in the RFP, PNC created Potrero Neighborhood Collective, LLC (Lead Developer), which has Plenary as its sole member, to be the developer under the Final PDA; and,

WHEREAS, The SFMTA is requesting the SFMTA Board of Directors to authorize the Director of Transportation to execute the Final PDA with the Lead Developer; and,

WHEREAS, The Final PDA sets the terms for the parties' negotiation of the future agreements for the delivery of the Project and outlines the Project predevelopment activities to be performed by the Lead Developer; and,

WHEREAS, The SFMTA can terminate the PDA at any time for convenience, and if the PDA terminates for any reason other than the Lead Developer's default or the parties' execution of the agreements for the delivery of the Project, the PDA includes a termination payment to the Lead Developer in the amount described in the form of PDA presented to the SFMTA Board, which shall not exceed \$9,990,000; and,

WHEREAS, If there is final certification of the environmental impact report for the Project under CEQA and final adoption of the special use district, conditional use authorization, General Plan Referral, and related General Plan amendments needed for the Project, the Lead Developer's PDA obligations will suspend unless the SFMTA elects, in its sole discretion, to issue a notice for the Lead Developer to continue the PDA work (Continuation Notice); and,

WHEREAS, If the SFMTA issues the Continuation Notice, it must pay the Lead Developer a continuation payment of \$4,350,000 (Continuation Payment) and the SFMTA cannot make the Continuation Payment without the prior approval from the Board of Supervisors under Section 9.118 of the San Francisco Charter, so the SFMTA will not issue the Continuation Notice without first obtaining the prior approval for the Continuation Payment from the Board of Supervisors; and,

WHEREAS, The PDA should be executed as soon as possible to meet the November 30, 2027, deadline for substantial completion of the Bus Yard Component and the infrastructure it shares with the Housing Component; and,

WHEREAS, On October 6, 2022, the SFMTA, under authority delegated by the Planning Department, determined that the Potrero Yard Modernization Project Predevelopment Agreement is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation to execute a Predevelopment Agreement with Potrero Neighborhood Collective, LLC for the Potrero Yard Modernization Project, with a term that will not exceed 568 days, a potential termination payment that will not exceed \$9,990,000, and if approved by the Board of Supervisors, a potential continuation payment of \$4,350,000.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of November 1, 2022.

Secretary to the Board of Directors San Francisco Municipal Transportation Agency



# Building Progress: Potrero Yard Neighborhood Working Group

March 2023 (Meeting #30)



# **Agenda**

- 1. Welcome 5 minutes
- 2. Member & SFMTA Announcements 5 minutes
- 3. Schedule Update 5 minutes
- 4. Project Update 90 minutes
- 5. Next Steps 10 minutes
- 6. Public comment members of the public who wish to participate in the meeting virtually will be placed on mute, regardless of joining via video or by phone, until the Public Comment section.



# **Today's Objectives**

- Discuss feedback received from PYNWG and the public
- Provide updates related to most recent design updates
- Answer Questions



# **Announcements Working Group**

### Working Group

 Working Group members please share upcoming events or activities with the Working Group, SFMTA, and PNC.

### <u>SFMTA</u>

- New pilot program of 1X California express bus between Richmond District and Financial District: <u>SFMTA.com/1X</u>
- Take Muni's Safety Survey: <u>SFMTA.com/SafetySurvey</u> about personal safety and gender-based harassment in the Muni system



## **Schedule Updates:**

As PNC progresses design and pursues Entitlements for the Project, upcoming submittals include:

- Project Application submit to City Planning (March 2023)
- 50% draft Schematic Design submit to SFMTA (March 8, 2023 tomorrow!)
- 50% final Schematic Design submit to SFMTA (May 3, 2023)



## **Schedule Updates:**

As PNC progresses design and pursues Entitlements for the Project, upcoming community engagement activities include:

- Staff In-Reach event (Tuesday, March 14, 2023)
- Community Open House (Saturday, March 18, 2023)





## **Schedule Updates:**

As PNC progresses design and pursues Entitlements for the Project, upcoming community engagement activities include:

 Arts Commission Civic Design Review Meeting
 Monday, March 20, 2023 2 p.m.





Notice: Potrero Yard Modernization Project – San Francisco Arts Commission Civic Design Review Committee Meeting

The San Francisco Municipal Transportation Agency (SFMTA) and selected development team Potrero Neighborhood Collective are reimagining Potrero Yard (located at Bryant and 17<sup>th</sup> streets) as the nation's first joint development of a bus maintenance facility with integrated housing and retail. The proposed design is envisioned to look like a single integrated building that incorporates careful material selection, views into the bus yard, and the engagement of local artists to ensure the proposed design relates to the neighborhood character and engages the community.

The San Francisco Arts Commission has a responsibility to hold a Civic Design Review of all civic buildings to ensure that each project's design is appropriate to its context in the urban environment. The Arts Commission's Civic Design Review Committee will evaluate the Potrero Yard Modernization Project (Project) design, scale, and massing for accessibility, safety and aesthetic merit.

The Project 50% Schematic Design will be presented to the Civic Design Review Committee during an in-person public meeting on:

Monday, March 20, 2023 at 2 p.m. 401 Van Ness Avenue, Suite 125 (San Francisco)

Potrero Neighborhood Collective and SFMTA welcome public input on the Project and encourage attendance to the Civic Design Review Committee. For more information about the Civic Design Review Committee and process, please visit www.sfartscommission.org.

For more information about the Potrero Yard Modernization Project, please visit <a href="https://www.SFMTA.com/PotreroYard">www.SFMTA.com/PotreroYard</a>.



## You Spoke, We Listened

Thank you for providing feedback on the conceptual design of the new Potrero Yard.

Your input helps create a more equitable and sustainable project that serves the City's unique dual need of transit and housing.

Since December 2022, we have questions on:

- Activation and streetscape on 17<sup>th</sup> Street 7 minutes
- Commercial 10 minutes
- Housing Plans 20 minutes
- Public Spaces, including landscaping 5 minutes
- Look and Feel, including building materials 7 minutes
- Transit Operations 5 minutes
- Transportation Modes and Needs 25 minutes
- Public Art 10 minutes



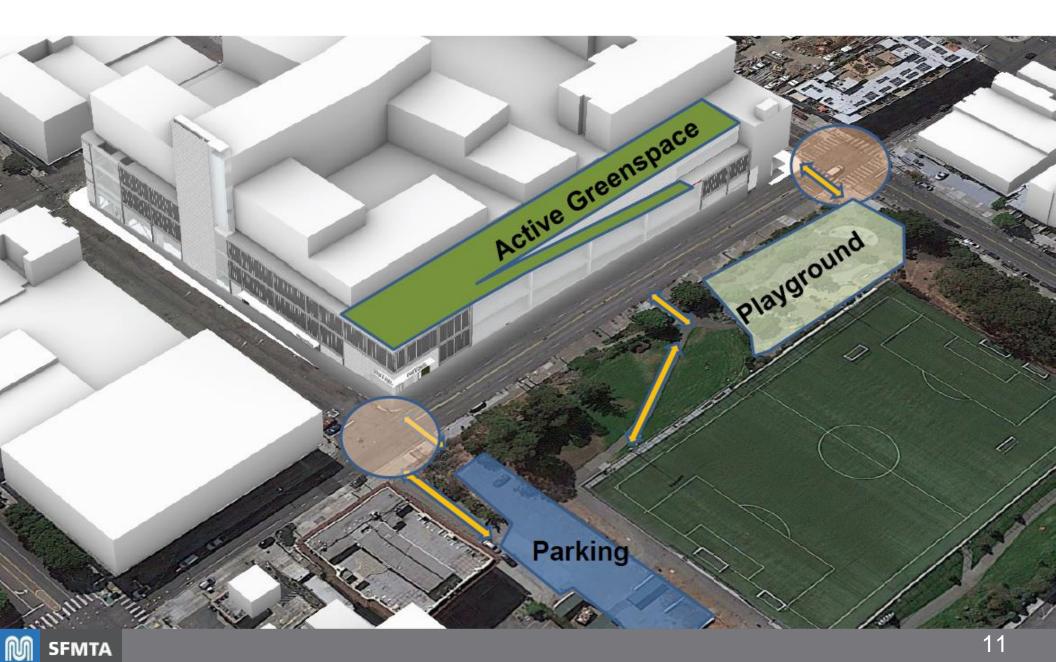


# Streetscape at 17<sup>th</sup> Street: Input Received

- Suggest providing sunny seating areas, vegetation, human-scale art, and materials for general public use.
- Request public restroom at 17<sup>th</sup> Street and Bryant Street.
- Preference toward providing opportunities to activate 17<sup>th</sup> Street more than it is currently activated.
- Dislike for large walls.
- Request mid-block crossing and clarity on what happens to the existing bus yard entrance.



# **Streetscape on 17<sup>th</sup> Street: Park Integration**

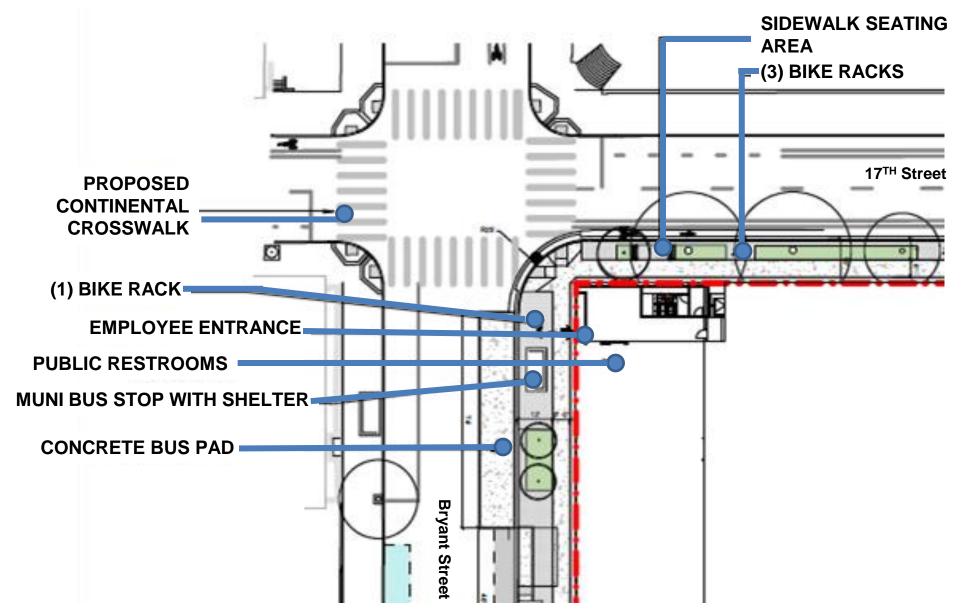


# Streetscape on 17<sup>th</sup> Street: at Bryant Street

Q: Can a restroom be located on 17th Street near Bryant Street?



# Streetscape on 17<sup>th</sup> Street: Street Frontage at Bryant Street



### Streetscape on 17th Street: Mid-Block

Q: What happens to the current bus entrances on 17th Street?

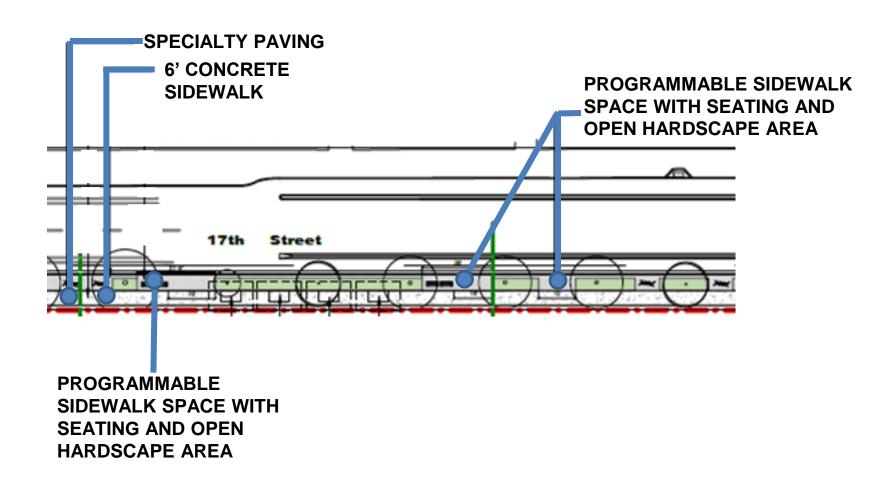
Q: Can there be a mid-block crossing from Franklin Square Park?

Q: Are the kiosks integrated into the building?





## Streetscape on 17<sup>th</sup> Street: Street Frontage at Mid-Block



# **Streetscape on 17<sup>th</sup> Street: at Hampshire Street**

Q: Will the restrooms be limited to café customers? How will the restrooms be maintained?

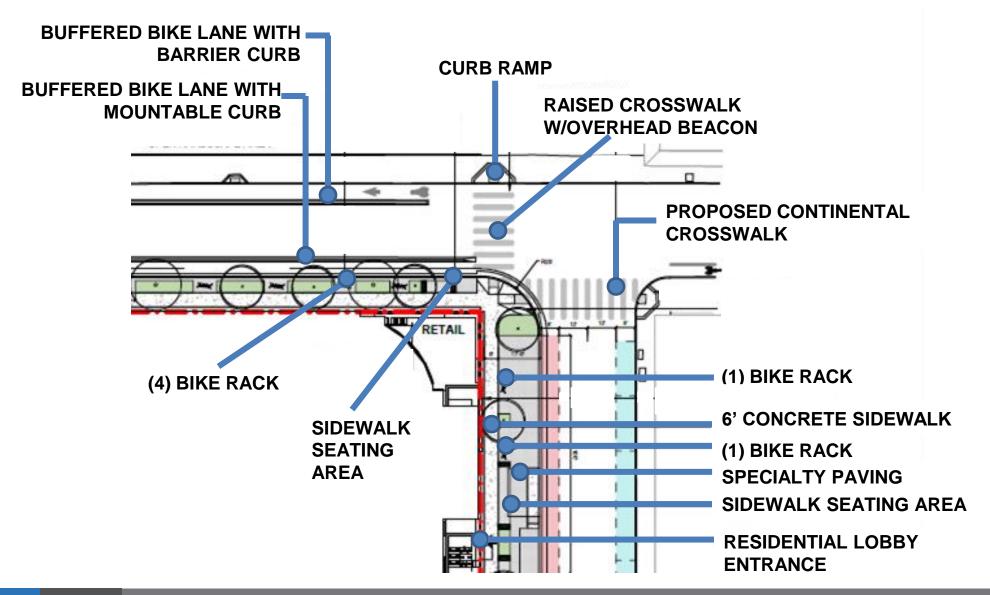


# Streetscape on 17<sup>th</sup> Street: at Hampshire Street (night view)

Q: Is there any other bus movement flow that would allow for more activation on 17<sup>th</sup> Street?



# Streetscape on 17<sup>th</sup> Street: Street Frontage at Hampshire Street



## Streetscape on 17<sup>th</sup> Street: Overall Street Frontage

- Façade materials, art and bus movement activate 17<sup>th</sup> Street façade.
- Flexible (multi-purpose) space in 3 locations along 17<sup>th</sup> Street. Kiosks, mobile food carts or other programmed activities may occur in these spaces.
- Employee Bus Yard entrance located at corner of Bryant & 17<sup>th</sup> streets and may include an art piece.
- Commercial spaces incorporated at both corners Bryant and Hampshire streets.
- Space for café tables or other programmed activity between the sidewalk and building on 17<sup>th</sup> Street at Hampshire Street.
- New ground level plantings and existing trees create a linear "park style" streetscape.



## **Commercial & Retail: Input Received**

Below list preferred Community Services and Retail options for the Commercial and Retail spaces:



#### **Community Services**

- Childcare (including Head Start)
- Art Studio Space
- Library
- Community Rooms
- Tech Hub
- Hub / Pop- Up Space





- Café (including a Latin American coffee shop)
- Bookstore
- La Cocina
- Bicycle Shop
- Local Clothing
- Nonprofit Business



#### **Commercial & Retail: Locations**

#### Q: How many businesses are planned for the Project?



- Commercial spaces on 3 corners of Project site
- Corner spaces flexibly designed for café, retail, community-based arts, and/or cultural organizational uses
- Additional sidewalk spaces for Street Vendors along 17<sup>th</sup> Street

### **Commercial & Retail: Concept**

Q: Are the presence of existing businesses in the neighborhood considered?

The Commercial and Retail Concept includes:

- Prioritizing Mission-based organizations and small businesses on the ground floor of Bryant Street and 17th Street
- Dedicating 2-3 commercial spaces as permanently affordable
- Reserving spaces for street vendors located on 17<sup>th</sup> Street
- Selecting tenants that serve community needs



### **Housing: Input Received**

- Interest in increasing housing units and bedroom count.
- Concern about each building of housing being dedicated to different income ranges (4 buildings in total).
- Concern about transportation options provided to residents. Details of transportation related concerns listed under "Transportation Needs" section.

### **Housing: Concept and Considerations**

The housing concept is an intergenerational livable community that maximizes the number of units and affordability.

Key considerations to meeting PNC housing concept include:

- Schedule Constraints: finalize design and secure financing of all housing units (500+ housing units in up to 4 separate component buildings) prior to starting bus yard operations.
- Competitiveness: State financing for affordable housing is highly competitive with limited funding to support a state-wide housing crisis.
- **Design Guidelines:** conform to the City's Design Guidelines that limit building height, massing, and building materials. The Design Guidelines were developed through early community input, including with feedback provided by the Potrero Yard Neighborhood Working Group.



### **Housing: Unit Count and Mix**

Q: Can the housing program have an increased number of multibedroom units?



### **Housing: Unit Count and Mix**

Q: Can the housing program have an increased number of multibedroom units?

#### Initial Design (7/2022):

- •575 Units
- •820 bedrooms

50% Schematic Design (3/2023):

- •513 Units
- •793 bedrooms

While converting studios into larger family units we reduced the housing plan by 63 units and only 27 bedrooms.



## Housing: Intergenerational Livable Community

Q: How can all four housing buildings be more integrated?



Mariposa Street

**Bryant Street** 

### **Housing: Heights and Shadow**

Q: Can we view drawings that show how tall the building is going to be?

Q: What will be the shadow impact of the housing on Franklin Square Park?

Q: Can building heights be increased to allow for additional housing?



ROOF 145'-3"

Bryant Street



### Housing: Heights and Shadow

Q: Can we view drawings that show how tall the building is going to be?

Q: What will be the shadow impact of the housing on Franklin Square Park?

Q: Can building heights be increased to allow for additional housing?



### **Public Spaces: Input Received**

- Preference to include fruit trees and other edible vegetation in Project design.
- Request to keep as many of the existing trees as possible.
- In favor of wider sidewalks than existing sidewalks.
- Suggest providing enough space for tree roots and mounding for the trees planted on the podium so that the landscaping appears organic.
- Cypress trees impact bus operations and overhead lines.
- Request not to include Ficus, Fern Pine, and Water Gum trees because they tend to fall.
- Recommend referencing native habitat and geology (serpentine bedrock) of the Ohlone people (resource provided via email).
- Suggest providing sunny seating areas, vegetation, human-scale art, and materials for general public use.



## Public Spaces: Input Received (continued)

- Following preferences for trees:
  - Brisbane Box
  - Jacaranda
  - Golden Tree
  - California Buckeye
  - Coastal Live Oak
  - Gingkos
  - Native plants and trees
- Recommend referencing native habitat and geology (serpentine bedrock) of the Ohlone people.
- Preference to select trees that do not lose their leaves during the winter and don't give off allergy-causing pollen.



## **Public Spaces**

Q: Is it possible for the Project to include fruit trees and other edible vegetation?

Q: Is it possible to keep any of the existing trees?

Q: Can the sidewalks be wider?

Q: Is there enough space for tree roots and mounding for the trees planted on the podium?

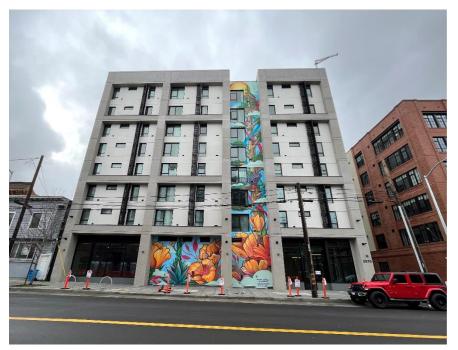


### Look and Feel: Input Received

- Preference toward raw materials (emphasis on metal, glass, lighting, brick, wood, and concrete) as aligned with Design Guidelines.
- Suggest muted colors for building materials with pop of colors in murals or other type of art.
- Prefer not to use color variation or modulating facades as a technique to (falsely) give an appearance that the large facility is made of multiple smaller buildings.
- Dislike for large walls.
- Balance texturized materials with permeable materials to create neighborhood integration and human scale.



## Look and Feel: Input Received





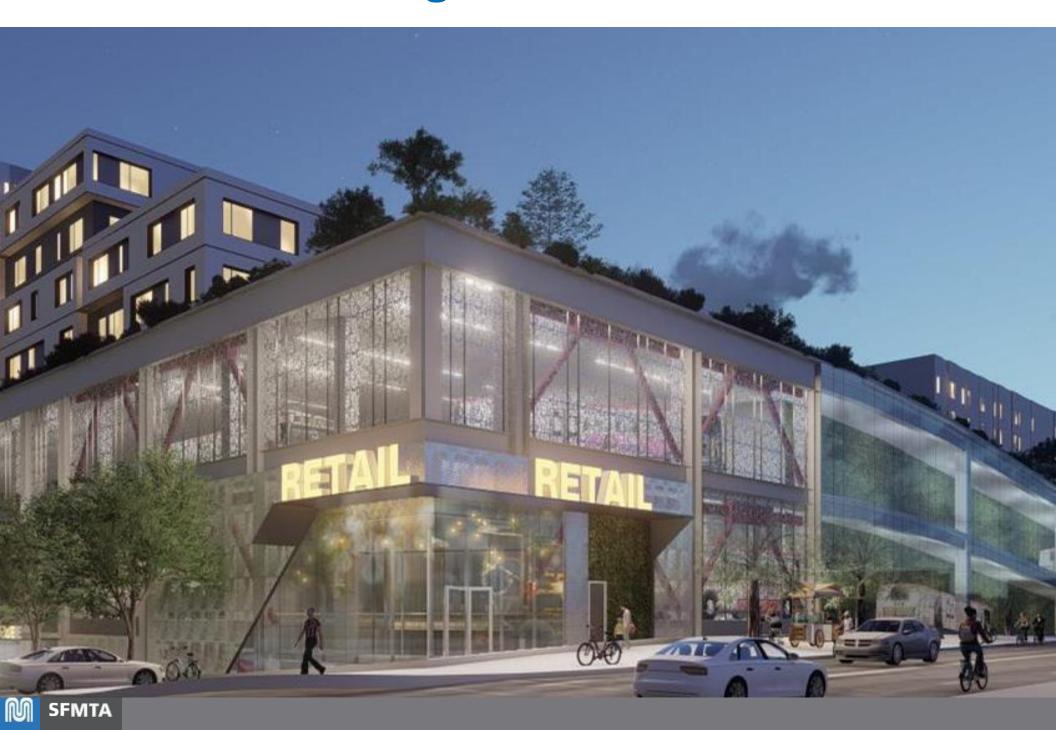








## Look and Feel: Light and Metal



## **Look and Feel: Mix of Industrial Materials**



## Look and Feel: Muted Tones with Pop of Color



## Transit Operations

Q: Will there be operational sound issues on Hampshire Street?

Q: Has an analysis been conducted on noise impacts of a 24-hour bus operations (for the community and new residents in housing next to and above Bus Yard)?



### **Transit Operations**

Q: How many employee parking spots are available at the Yard?

Q: What parking is available on the basement of the Bus Yard?

Q: Can SFMTA employee parking be added to the Project design?

#### **Existing Facility**

#### Future Facility

~100 Employees on site at a given time

391 employees (245 operators) 138 buses

829 employees (383 operators) 213

non revenue & transit vehicle spaces (84 standard NRV spaces)

157

## Transportation Needs of Residents and the Public: Input Received

- Preference for convenient bus stops for residents
- Request for protected bike lanes and protected intersections for greater safety between bicycles and buses
- Suggestion for bike parking and equipment for e-cargo bikes
- Mixed feedback that there is no residential parking on site, with some wanting residential parking and others wanting to maximize space for bus yard and housing

## Transportation Needs of Residents and the Public: Transit-First City

Q: Can resident parking be added to the Project design?

A new Potrero Yard addresses critical transportation issues and is aligned with the longstanding Transit-First City policy that governs SFMTA. Priority features of the Potrero Yard Modernization Project include:

#### Efficiency

Repair buses faster, improving Muni's reliability

#### Sustainability

Provide the green infrastructure needed for all-electric fleet

#### **Future Growth**

Accommodate fleet as it grows -- room for 54% more buses at the yard

#### **Work Conditions**

Improve environments, amenities and safety conditions for 800+ staff

## Transportation Needs of Residents and the **Public: Transit and Active Transportation**

#### Q: Can bike parking include space and equipment for e-cargo bikes?



Nearby transit routes



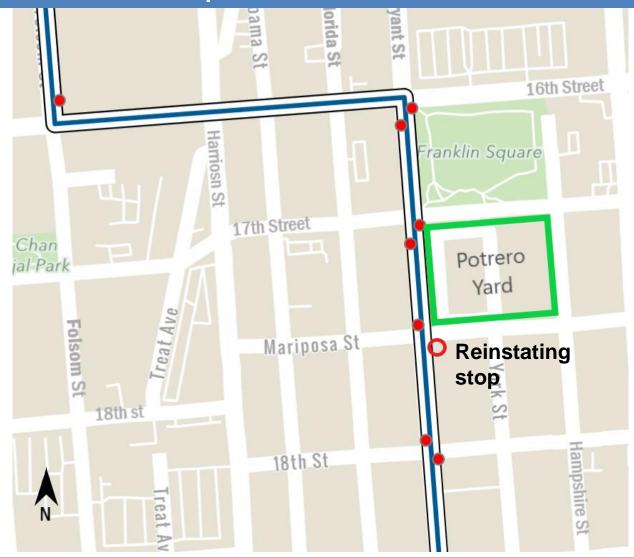
Nearby bike routes

In addition to supporting improved efficiencies of existing transit and expanding Muni fleet, the Project site is also conveniently located in a transit dense community.

- Close to busy transit corridors and neighborhood routes
  - 16th Street: 22 Fillmore, 33 Ashbury/18th St, 55 Dogpatch
  - Potrero Avenue: 9 San Bruno, 9R San Bruno Rapid
  - Bryant Street: 27 Bryant
  - Developing a Transit Pass Program for residents
- Improved pedestrian and bike infrastructure planned
  - Bulb outs to protect pedestrians and cyclists
  - Wider sidewalks where possible to create a safe and inviting place for people to walk
  - Bike parking provided for residents and staff
- Adjacent to bikeway network

## **Transportation Needs of Residents and the Public: 27 Bryant Line**

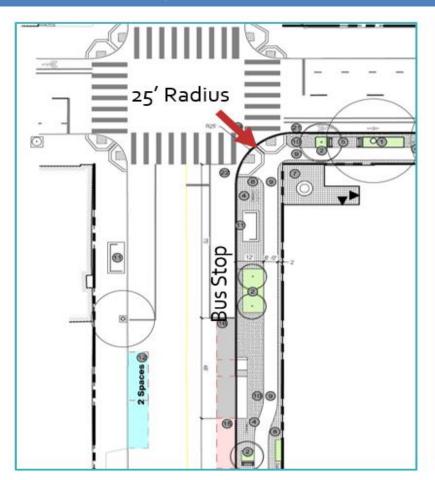
Q: Does the location of a bus stop determine whether there is a bus shelter?



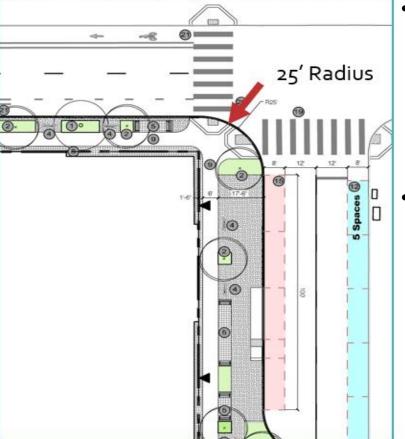
## Transportation Needs of Residents and the Public: Pedestrian and Bike Safety

Q: What kind of protected intersections will be provided on 17th Street?

Q: What is your bike lane plan to ensure bikes do not collide with buses?



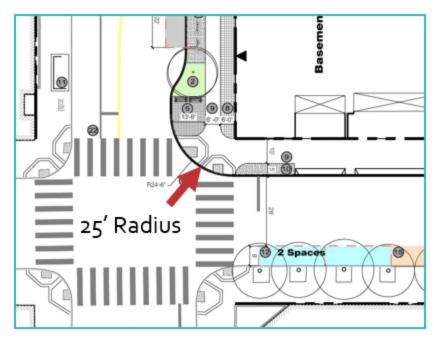
BRYANT & 17<sup>TH</sup> STREET 'BULB-OUT' | SIDEWALK WIDENING



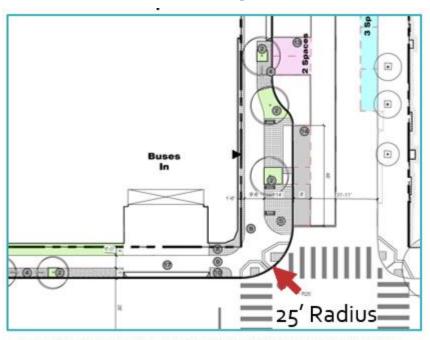
HAMPSHIRE & 17<sup>TH</sup> STREET
'BULB-OUT' | SIDEWALK WIDENING

- buffers with a mountable curb on the south side of 17th Street.
- Barrier curb on the north side of 17<sup>th</sup> Street where the street cross section allows.

## Transportation Needs of Residents and the Public: Pedestrian and Bike Safety



BRYANT & MARIPOSA STREET BULB-OUT



HAMPSHIRE & MARIPOSA STREET BULB-OUT

- The corner treatments consider turning templates. Widened sidewalks are used where typical bulb-outs are not appropriate.
- Bulb out at Bryant and Mariposa has an increased radius and reduced pedestrian space based on turn templates. Still sufficient area to provide upgraded streetscaping
- Bulb-out curb returns meet SF Public Works Standards.

## Transportation Needs of Residents and the Public: Personal Vehicle

Q: How many residential parking spots are available at the Project?

Q: Will residents of the building be allowed to apply for a resident parking permit?



NE Mission Parking Management Project Public Hearing scheduled March 21, 2023 (virtual, details pending)

For more information visit: <a href="https://www.sfmta.com/projects/northeast-mission-parking-management-project">https://www.sfmta.com/projects/northeast-mission-parking-management-project</a>

- Car-share service planned with parking in Bus Yard basement
- Pick-up and Drop-off zones for ride hailing services near lobby entrances
- SFMTA operated public parking lots available
- NE Mission Parking
   Management Project to improve parking and curb access

### **Transportation Needs of SFMTA Staff**

Q: Is the SFMTA considering adding bus routes for SFMTA employees who need public transit to get to work?

Q: Has SFMTA considered hiring drivers that reside in San Francisco [so their commute to work can be more feasible without parking]?

- Supporting SFMTA employees getting to work is important, including addressing challenges faced by staff who start or end Muni service.
- The agency is looking at ways to reduce the use of parking so that those employees who must drive, can continue to be able to do so.

Some solutions under consideration include:

- Carpool support
- Parking Management
- Partner with Ride-Hail Companies
- Regional Transit Subsidies
- Financial Incentives for Non-Drivers
- Alternate Work Schedule
- Improved Walk and Bike Access

#### SFMTA Facilities TDM Program

**FINAL DRAFT** 

#### Prepared for:

SFMTA One South Van Ness Avenue San Francisco, CA 94103

Contract No: SFMTA-2019-14

#### Prepared by:



TDM funding still to be identified.

## **Public Art: Input Received**

Preferred themes for public art include:

- Co-creation with local youth
- Consideration of size and scale of artwork
- Highlighting site history (celebrate bus and surrounding neighborhood)
- Hiring neighborhood artists
- Indigenous and Latino/a/e (such as Aztec, Huichol, Mayan, Ohlone)
- Interactive art (such as fountains, playgrounds)
- Lighting (LED lighting in particular, reference to Salesforce)

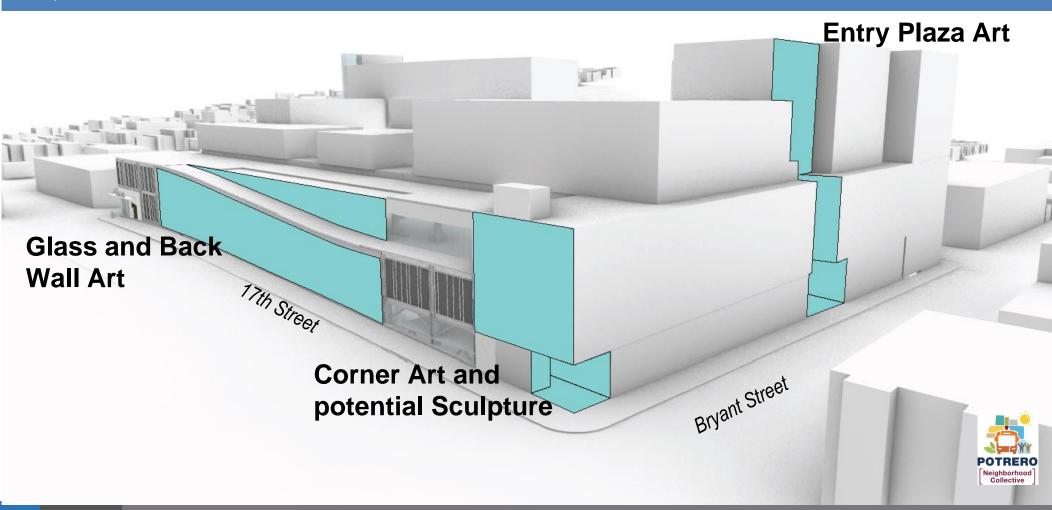


# Public Art: Site Locations (17<sup>th</sup> and Bryant streets)

Q: What is the scale of the art?

Q: How many artists or art pieces will be included?

Q: Can art be child-centered?

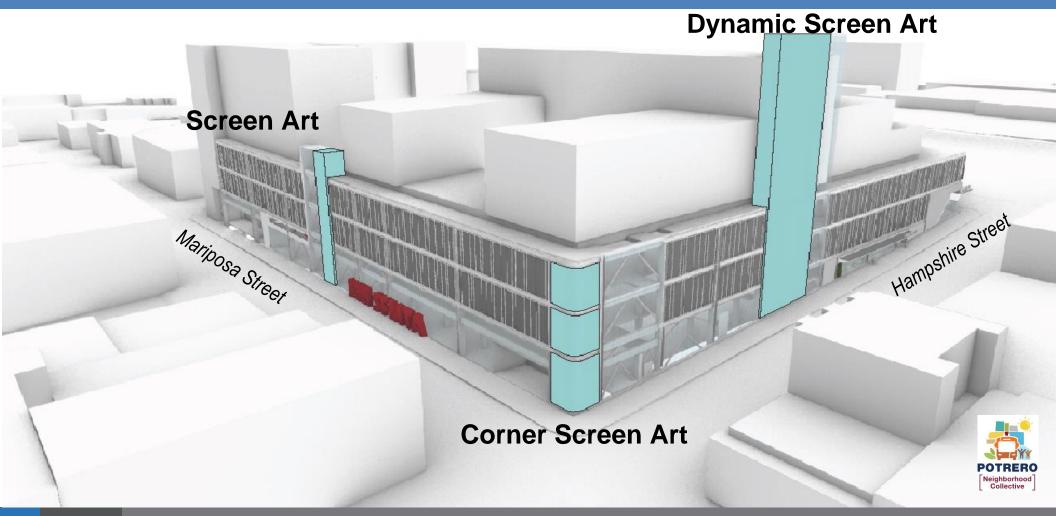


# Public Art: Site Locations (Mariposa and Hampshire streets)

Q: Will you connect art to the area's past (example: Seals Stadium)?

Q: Can exhibit space for rotating art be featured?

Q: What is the definition of local artist?



## **Next Steps**

A chance for Working Group members to weigh in on Open Decision Points:

- Next Working Group meeting: April 4, 2023
- Listening Sessions (schedules pending, dates TBD)
- Community Open House: March 18, 2023 at 1 p.m. to 3 p.m.
- Arts Commission Civic Design Review Meeting: March 20, 2023 at 2 p.m.





## **Public Comment**

- Do any members of the public wish to comment?
- If you are joining via a computer please use the raise your hand feature and we will unmute you.
- Joining by phone? We will unmute folks one at a time and call out the last four digits of your phone number.



## **Please Reach Out Anytime**

#### John Angelico

Public Information Officer

<u>John.Angelico@SFMTA.com</u>

415.646.4783

#### **Bonnie Jean von Krogh**

Building Progress Public Affairs Manager BonnieJean.vonKrogh@SFMTA.com 415.646.2447

#### **Kerstin Magary**

Senior Manager of the SFMTA FIT Facilities and Strategic Real Estate
<a href="mailto:Kerstin.Magary@SFMTA.com">Kerstin.Magary@SFMTA.com</a>

#### **Potrero Neighborhood Collective**

PotreroYard@plenarygroup.com





## Building Progress: Potrero Yard Neighborhood Working Group



## **Detailed Agenda**

- 1. Welcome 5 minutes
- 2. Member & SFMTA Announcements 5 minutes
- 3. SFMTA Building Progress Update 20 minutes
- 4. Project Updates: Contractor Procurement 30 minutes
- 5. Project Updates: Local Business Enterprise 30 minutes
- 6. Next Steps 10 minutes
- 7. Public comment members of the public who wish to participate in the meeting virtually will be placed on mute, regardless of joining via video or by phone, until the Public Comment section.



## **BUILDING PROGRESS Today's Objectives**

- Provide an update of the SFMTA Building Progress program
- Introduce the contractor procurement plan for the Bus Yard Infrastructure
- Present key points of draft Local Business Enterprise (LBE) Participation Plan



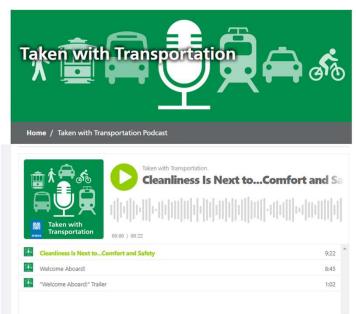
## **Announcements: SFMTA**

Celebrating 150 Years of Cable Cars



- \$5 all-day pass for California line through 2023. (MuniMobile app)
- Innovation to Icon: 150 Years of Cable Cars.
   SFPL, 6<sup>th</sup> Floor, through Sep 30
- Special cars in service
- <u>SFMTA.com/celebrating-150-years-cable-cars</u>

New podcast: <u>Taken with Transportation</u>



- Hosted by Melissa Culross
- SFMTA.com/taken-transportation-podcast

Welcome to Taken with Transportation, the official podcast of the San Francisco Municipal
Transportation Agency. Each episode will take you along for the ride as we profile the people and



## **Announcements: Working Group**

Working Group members please share upcoming events or activities with the Working Group, SFMTA, and PNC.



## Schedule Updates

#### As Project design progresses, in June PNC:

- Held 4 community listening sessions
- Held 4 meetings with LBEs and Micro-LBEs, including representatives of San Francisco Latino & Black Builders Association and the African American Construction Coalition
- Presented 50% Schematic Design and project progress to the SFMTA Board

#### To continue receiving public input on Potrero Yard, in July, PNC plans to:

- Meet with leadership from Renaissance Enterprise Center
- Presented to the Rowan Homeowners Association Board
- Meet with San Francisco Women Business Council members
- Participate in Sunday Streets (Valencia Street)

#### **Upcoming submittals include:**

- 100% draft Schematic Design submit to SFMTA (August 10, 2023)
- 100% final Schematic Design submit to SFMTA (October 5, 2023)
- Final Environmental Impact Report (FEIR) (TBD)







## **Community Listening Sessions**

Community organizations that PNC and the SFMTA have met with during the Predevelopment Agreement (PDA) phase (alphabetical order) include:

- Bicis del Pueblo
- Calle 24
- Dogpatch / Potrero Boosters Joint Livable Streets Committee
- Friends of Franklin Square
- Huntersview HOPE SF
- KOED
- Latino Taskforce (LTF)
- Mission Destino
- Potrero Boosters Design & Development Committee
- Rowan Homeowners Association
- San Francisco Latino & Black Builders Association
- San Francisco Latino Parity & Equity Coalition
- Various artists

#### **Pending Community Meetings with:**

- African American Cultural District
- American Indian Cultural District
- Bicis del Pueblo (Youth Group)
- Black to the Future
- Black Wall Street
- Hope SF Sites (various)
- Horizon
- Livable Cities
- Mission Cultural Center
- PODER (leadership)
- Senior Centers (various)
- Tenant Associations (various)

To maintain public engagement, PNC and the SFMTA will continue to participate in Community Listening Sessions. Please share any organizations that the Working Group recommends that PNC and the SFMTA meet.





## **Building Progress Program Update**

Bonnie Jean von Krogh, SFMTA





#### Intro/Policy Goals

State of Good Repair

Modernize aging SFMTA facilities in order to meet the needs of everyone who travels in San Francisco.

esilienc

Improve the transportation system's resiliency to seismic events, climate change, technology changes.

mmunit

Make the SFMTA a better neighbor in the parts of the city that currently host our facilities.

Started in 2017, the **Building Progress** Program is a \$2+ billion planning and capital program that continues to lead in innovative project delivery, adaptability, resilient planning and community outreach.



#### Core Program Areas

Modernization of Muni operational workspaces and maintenance equipment for growth and resiliency.

Transformation of Muni Yards to support both the trolley fleets and expansion to Battery Electric Buses (BEBs).

Modernization Electrification

Joint Development

Innovative Project Delivery to finance Muni capital,

maintenance and operations into the future.

#### **Modernization Program**

Potrero Yard Modernization Presidio Yard Modernization

#### **Electrification Program**

Kirkland Yard Electrification - component Wood Yard Pilot Islais Creek Yard Pilot Campus EV Chargers

#### **Capital Program**

1200 15<sup>th</sup> Street PCO HQ Station Escalators/Elevators (i.e. Castro) Operator Restrooms

#### **Joint-Development Program**

4th and Folsom
Parking Garages
Yard Modernization (Potrero + Presidio)

#### **Cable Car Barn Program**

Cable Car Barn Improvements
Cable Car Barn Master Plan

## Facility Condition Assessment (FCA) Program

Implementation of \$200+ million in deferred maintenance and repairs

**SFMTA** 

#### State of Good Repair

Stations

**12** 

**Buildings\*** 

Acres of Land

**60** 

Building Sq. Feet

1.9 M

**Building Value** 

\$2.6 B

Backlog Value

**\$0.9 B** 

Stations Value

\$2.6 B

Backlog Value

\$0.7 B

Sources:

2021 SFMTA State of Good Repair Report

2017 SFMTA Facilities Framework

\*Does not include inventory of 45 owned Operator Restrooms

Investment and rehabilitation in the SFMTA's campus of facilities across San Francisco takes on one of the agency's biggest State of **Good Repair** challenges.



#### T2050

A once in a generation opportunity.

#### **BUILDING PROGRESS**



Fixing our buildings modernizes our maintenance capability and reduces building maintenance costs and energy use.

San Francisco

#### **TRANSPORTATION 2050**









Our land is valuable and through joint-development **could generate** \$30+ **million a year for transportation**.

Our land throughout San Francisco provides a once in a generation opportunity to generate significant revenue to fix our system and invest in transit service.



#### Performance

Since 2017, **significant progress has been made** to plan for a resilient future, improve our existing facilities and open new and modern maintenance facilities and shops.



#### 1200 15th Street

- Transferred property from GSA
- Began design



- Restroom Refresh Campaign
- HVAC Campaign
- Breakroom Campaign
- Art Program
- Painting
- Lactation Rooms





#### **Potrero Modernization**

- Draft EIR Complete
- Special Legislation
- P3 RFQ/RFP
- · PDA awarded to PNC



#### Rebuilt at:

- Montgomery
- Powell
- Hallidie Plaza
- Civic Center
- Van Ness
- Church
- Castro





**New operator** convenience facilities at various terminal locations



- BEB Chargers 12 installed (+12)
- Bus wash





#### What's Next?

## In the coming months we will be advancing the following on the critical path:

- **New Bus Wash** at Woods Yard (anticipate complete in September) + plan for **Paint Booth Rehabilitation**
- **New Elevator** at Castro Station; construction contract awarded in January 2023.
- Kirkland Yard Electrification goes into Preliminary Engineering.
- **Review electrification program** schedule.
- **Decision on \$8 million RASIE Grant** for Presidio Yard, preliminary engineering + environmental review and joint-development.
- **Begin work on Cable Car Barn** environmental review, after securing \$2 million Federal Earmark.
- Release Request for Proposals for Station Condition Assessment.



**Muni Metro East Expansion Modernization Program Potrero Yard** 

Modernization

**Kirkland Yard** Modernization

Presidio Yard Modernization

## We have adjusted the **Modernization Program** based on the following:

- Muni Service
- Fleet requirements
- Regulatory requirements around electrification
- Funding availability + maximizing resources.



**SFMTA** 

# The original 2017 Facilities Framework designed the Building Progress Program to be adaptable based on changing circumstances.

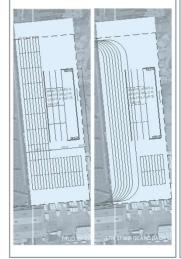
- Fleet Requirements
- Technology Changes
- Scope, Schedule and Budget Feasibility



**ORIGINAL PROGRAM (2017)**The original program required a "swing" trolley facility at Muni Metro East on the expansion property and assumed that requirements for electric busses would immediately be met at Potrero and Presidio Yards.

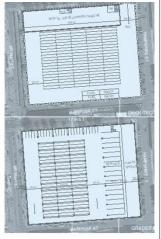
#### **Muni Metro East Expansion**

Expand the site into the undeveloped 4 acres for a trolley coach facility



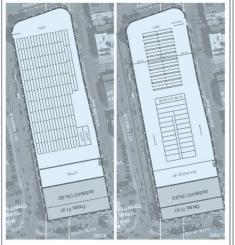
#### **Potrero** Yard

Rebuild as multi-level trolley and motor coach facility with private development above



#### **Presidio Yard**

Rebuild as multi-level trolley and Zero Emission Bus Facility with private development adjacent



#### **Kirkland Yard**

Rebuild as a multi-level facility with private development above





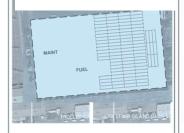
UPDATED PROGRAM (2019)
Based on stormwater requirements, fleet movements and requirements on site, the maintenance component of the trolley facility was going to be placed at the 1399 Marin Facility.

#### **Muni Metro East Expansion**

Expand the site into the undeveloped 4 acres for a trolley coach facility

#### 1399 Maintenance **Facility**

Build a trolley coach maintenance facility.



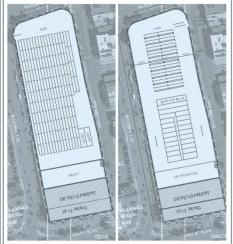
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#### Presidio **Yard**

Rebuild as multi-level trolley and Zero Emission Bus Facility with private development adjacent



#### **Kirkland Yard**

Modernize as a new Zero **Emission Bus** Facility





UPDATED PROGRAM (2023)
Based on stormwater requirements, fleet movements and requirements on site, the maintenance component of the trolley facility was going to be placed at the 1399 Marin Facility.

#### **Potrero Yard**

Rebuild as multi-level trolley and motor coach facility with private development above



#### **Kirkland Yard**

Modernize as a new Zero Emission Bus Facility



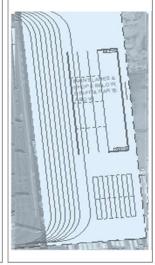
#### **Presidio Yard**

Rebuild as multi-level trolley and Zero Emission Bus Facility with private development adjacent



#### **MME Expansion**

Expand facility for rail storage.





# In February 2022, the SFMTA completed its **Battery Electric Bus Facilities Master Plan**.

- Established *projects and sequencing* for charging infrastructure.
- Preliminarily identified *power* requirements.
- Schedule based on current aggressive regulatory requirements.





#### Electrification

Kirkland Yard Electrification

> Woods Yard Pilot Phase II

Islais Creek Pilot Phase I

Presidio Yard Modernization

The Electrification Program readies the SFMTA for transition to Battery-Electric Bus.

- Reviewing fleet requirements.
- Negotiating regulatory conversion schedule.
- Formalizing Program Management.



**Program** 

Electrification

#### Joint-Development



The Joint-Development maximizes land-use to generate revenue for transportation.

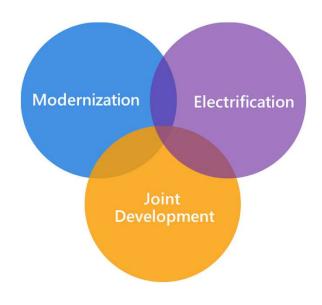
- Advancing Potrero Yard Housing Project.
- Completed Caltrans
   Planning study for
   Presidio Yard; awaiting
   RAISE Grant.





#### Conclusion

## A once in a generation opportunity. **BUILDING PROGRESS**



The Building Progress Program represents a once in a generation opportunity to tackle major state of good repair needs, raise revenue for transportation and future proof our facilities campus to provide for the transportation needs of San Francisco today and tomorrow.





# Contractor Procurement (Bus Yard Infrastructure)

Chris Jauregui, Potrero Neighborhood Collective (PNC)



## **Contractor Procurement Overview**

As part of the Predevelopment Agreement (PDA), PNC is responsible for conducting early Contractor procurement. Contractor procurement is planned to occur in phases:

#### **Bus Yard Infrastructure Facility (2023 - 2024)**

- Two-step procurement that includes a Request for Qualification (RFQ) and Request for Proposals (RFP)
- Select up to four (4) Shortlist Respondents after RFQ
- Select one (1) Design & Construction (D&C) Contractor to design and construct the Bus Yard and Common Infrastructure.

#### **Housing and Commercial Facility (Date TBD)**

- Construction Manager / Owner's Representative (ex. permit applications and coordination, cost analysis, scope and schedule analysis, etc.) – role required by Mayor's Office of Housing and Community Development (MOHCD)
- To involve one or more separate contractor procurement processes



## **Contractor Procurement Schedule**

PNC released a Request for Qualifications (RFQ) on July 5, 2023 for the Infrastructure Facility to prospective prime contractors.

Below identifies key milestone dates in the procurement of a Prime Contractor for the Bus Yard Infrastructure Facility:

Activity	Date	
RFQ released to Respondents	July 5, 2023	
Deadline for submission of SOQs ("SOQ Due Date")	September 1, 2023 at 2:00PM PT	
Interviews (if required)	August / September 2023	
Anticipated selection of Shortlisted Respondents*	September 2023	
Anticipated release of draft RFP*	October 2023	
LBE Contractor Outreach Event	TBD	
Anticipated Proposal due date*	January / February 2024	
Anticipated Preferred Proposer selection*	February / March 2024	

Procurement schedule is subject to change.



## **Contractor Procurement Evaluation Criteria**

Contractor responses to the RFQ will be reviewed based on established evaluation criteria including:

- Financial and Bonding Capacity (25%)
- Relevant Experience (40%)
- Key Personnel (15%)
- Project Approach (20%)

#### **Review process:**

- 1. Responsiveness to RFQ Requirements Review
- 2. Review of Administrative Submission to determine whether Respondent has provided all required forms
- 3. Statement of Qualification Scoring using the established evaluation criteria



## **Contractor Procurement Key Aspects**

- Contractual structure includes Arcadis/IBI Group as Architect
- Compliance with the Environmental Impact Report (EIR) Mitigation Monitoring and Reporting Program (MMRP)
- No contractor obligation to finance any portion of the Project
- Local Hire Policy, SFMTA Employee Trainee program and other related requirements enforced
- Accept obligations of any Project Labor Agreement(s) that may apply to Project
- Continued public engagement, including with the Potrero Yard Neighborhood Working Group
- Local Business Enterprise (LBE) utilization and related requirements enforced

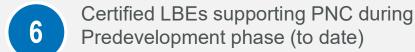
This is not an exhaustive list of Infrastructure Facility Contractor requirements. The Request for Qualifications (RFQ) further details respondent requirements.

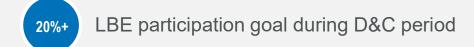


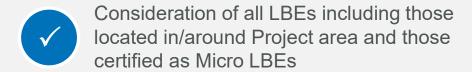
## **Economic Inclusion through Local Businesses** and Residents

#### **Local Business Enterprise (LBE)**

PNC prioritizes LBE participation during the Pre-Development and Project Agreement phases.







#### **Local Hiring and Related Workforce**

PNC will maximize SF residents working on Potrero Yard by requiring selected contractor to participate in:

- SFMTA's Employment Training Program
- City's First Source Hiring Program
- City's Local Hiring Policy
- Workforce Development Program(s) focused on most disadvantaged communities

Additionally, PNC is initiating conversations with relevant trade councils and unions about the Project.





# Local Business Enterprise (LBE) Utilization Plan

Jennifer Trotter, Potrero Neighborhood Collective (PNC)



### **BUILDING PROGRESS LBE Participation**

Maximizing LBE participation during Project Agreement phase in partnership with selected builder(s). Construction will be procured in phases with the Bus Yard Infrastructure facility being procured first.

#### Table 28-5: LBE Goals

	INFRASTRUCTURE LBE%	HCC LBE%
Design Work	25%	25%
Construction Work	20%	20%
Facility/Property Management	20%	20%

Listed goals are based on PNC's current trade analysis and existing commitments made with certified LBE partners. Goals may change based on ultimate subcontracting allocations and final design of Project.

The HCC is anticipated to be funded by multiple funding sources that may have differing supplier inclusion requirements.

LBE Certification and eligibility requirements can be found at https://sf.gov/departments/contract-monitoring-division



## LBE – Predevelopment Agreement (PDA) Phase

PNC's LBE Utilization Plan is in *draft* form with plans to finalize prior to Prime Contractor selection for the Bus Yard Infrastructure facility. Additional updates may be presented to the SFMTA for approval at a later date.

During the PDA phase, PNC is prioritizing LBE inclusion by:

- Holding small group meetings with LBEs and LBE advocacy organizations to provide Project updates and overview of PNC's commitment to LBE inclusion.
- Requiring RFQ respondents to propose an early-stage approach to LBE inclusion and share past experience of including certified LBEs and/or other small, local, or disadvantaged businesses.
- Hosting an LBE outreach event with Prime Contractor bidders during the RFQ/RFP process.
- Providing LBEs with the list of Prime Contractor bidders that received the RFQ.



**SFMTA** 

# LBE – Project Agreement (Bus Yard Infrastructure)

To meet LBE participation goals and maximize Micro-LBE inclusion, PNC expects Prime Contractor to:

- Conduct early and often outreaching to prospective LBEs, including targeted outreach to LBEs near the Project site and in City's most disadvantaged communities
- Bid out reduced sized scopes that allow Micro- and Small-LBEs to compete
- Provide assistance to LBEs (ex. mentoring / coaching, capacity building training)
- Identify consequences for non-LBE 1st tier contractors that do not have (sufficient) LBE participation
- Maintain LBE Liaison and Trucking Liaison (construction)
- Regularly report LBE participation to SFMTA
- Identify potential set-asides for micro-LBEs



**SFMTA** 



**Next Steps** 

Chris Jauregui, Potrero Neighborhood Collective (PNC)



### **BUILDING PROGRESS Next Steps**

PNC and the SFMTA have the following community outreach activities planned (subject to change):

- NOTE: previously scheduled CTA Community Advisory Council and CTA Board meetings will be rescheduled
- **Next Working Group meeting: August 8, 2023**
- Listening Sessions with various community stakeholders including (schedules pending, dates TBD)
- Briefings and focus group sessions with LBE (including Micro-LBE) advocacy organizations and LBEs (schedules pending, dates TBD)



**SFMTA** 

## **Public Comment**

- Do any members of the public wish to comment?
- If you are joining via a computer, please use the raise your hand feature and we will unmute you.
- Joining by phone? We will unmute folks one at a time and call out the last four digits of your phone number.



## **Contact Us**

#### John Angelico

Public Information Officer

<u>John.Angelico@SFMTA.com</u>

415.646.4783

#### Bonnie Jean von Krogh

Building Progress Public Affairs Manager BonnieJean.vonKrogh@SFMTA.com 415.646.2447

#### **Kerstin Magary**

Senior Manager of the SFMTA FIT Facilities and Strategic Real Estate Kerstin.Magary@SFMTA.com

#### **Potrero Neighborhood Collective**

PotreroYard@plenaryamericas.com (new email address)



## LBE Liaisons (Bus Yard Infrastructure)

PNC will maintain an LBE Liaison during the PDA and Project Agreement phases.

- Conduct early outreach to LBE community
- Confirm that Prime Contractor procurement documents include information about the LBE Program
- Confirm that selected Prime Contractor is utilizing LBEs for Commercial Useful Function (CUF), reporting LBE utilization, and confirming nondiscrimination in subcontracting
- Available to meet with the SFMTA Contract Compliance Office and Department of Public Works on any LBE issue

PNC will require selected Prime Contractor to maintain an LBE Liaison and Trucking Liaison.

- Prime Contractor LBE Liaison: monitor and report LBE utilization, conduct and document outreach efforts, support Micro-LBE inclusion particularly from City's most disadvantaged communities
- Trucking Liaison: determine and manage trucking needs, outreach to LBE trucking firms

