



SFMTA

Building Progress: Potrero Yard Neighborhood Working Group

February 2020 Meeting

Agenda

1. Welcome and Happy New Year – 5 minutes
2. Working Group member announcements – 5 minutes
3. General Project Update – 10 minutes
4. Meeting Logistics and 2020 Scheduling Discussion – 15 minutes
5. Review Project's Schedule – 5 minutes
6. Arup Presentation on RFQ/RFP Process and Q/A - 1 hour and 15 mins
7. Next Steps - 5 minutes

Working Group Member Announcements

- Is there anything you want to share with us?
- Are there any upcoming community events that we should be aware of?
- Community conversations about the project
- Outreach for Working Group members

General Project Updates

- Outreach Plan 2020
 - Public Meetings
 - Community Events
 - Employee In-Reach
 - In-Language Spanish Engagement
- Outreach Schedule
 - Late March/early April - Scoping Community Meeting & CEQA/RFQ Related Outreach
 - June/July - Public Workshop & RFP Outreach
 - Fall - Employee In-Reach, In-Language Engagement, Roadshow
 - Winter - Roadshow/Stakeholder Onn-On-Ones & Briefings
- Community Conversations (throughout the year)

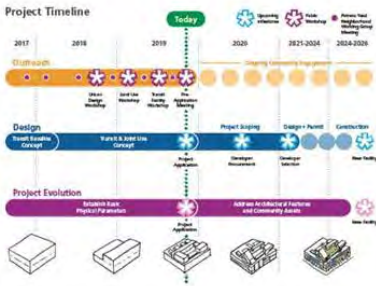
Meeting Logistics & 2020 Scheduling Discussion

- Majority of group is available either Monday or Tuesday
 - Alternate?
- Potential Dates:
 - March 2nd or 3rd
 - April 6th or 7th
 - May 4th or 5th
 - June 1st or 2nd
 - July 6th or 7th
 - August 3rd or 4th
 - September 7th (Labor Day) or 8th
 - October 5th or 6th
 - November 2nd or 3rd
 - December 7th or 8th

Project Schedule

- CEQA
 - Project application submitted in November 2019
 - CEQA scoping public meeting in late March/ early April 2020
 - Draft EIR – year end, 2020; early 2021
 - 22-month CEQA approval from “stable project description”
- RFQ/RFP release
 - RFQ released in spring 2020
 - RFP released in summer 2020
- Developer selection
 - Fall, 2020
- Outreach in 2020
 - Working group meetings every month (Doodle poll!)
 - Outreach event in late March/early April, another event in June
 - Muni employee outreach
 - Community events, tabling, and presentations
 - Ongoing community engagement throughout the CEQA, RFP development and planning entitlements process

Arup Presentation



SFMTA Potrero Yard Modernization Project Procurement Process

February 4th, 2020
San Francisco, California



ARUP

Agenda

Goals for the Procurement

Joint Development case studies

Key Drivers

Procurement Process

Commercial Structure

Next Steps

Goals for the Procurement

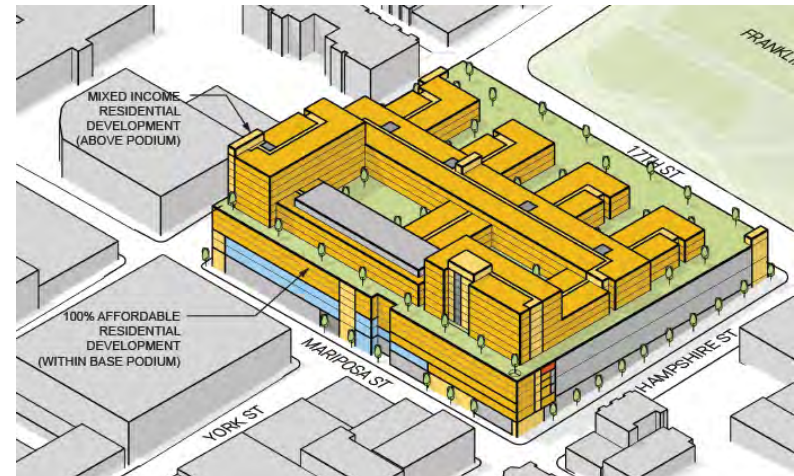
- Deliver technical performance requirements and complete the Project by 2026
- Maintain cost control through competitive bidding
- Fold into the arranged CEQA process and expectations
- Careful consideration and allowance for proper risk allocation and generate revenue to the extent financially feasible
- Reflect the project guidance and parameters provided by the community to date
- Continue to engage the community through entitlements and detailed design

Case studies of Joint Development projects



Key driver: Joint Development

- Combines public infrastructure project and real estate project into one building
- Different revenue sources with different risk profiles
- Financing of public infrastructure vs. real estate
- Physical interfaces – design, construction, and operation

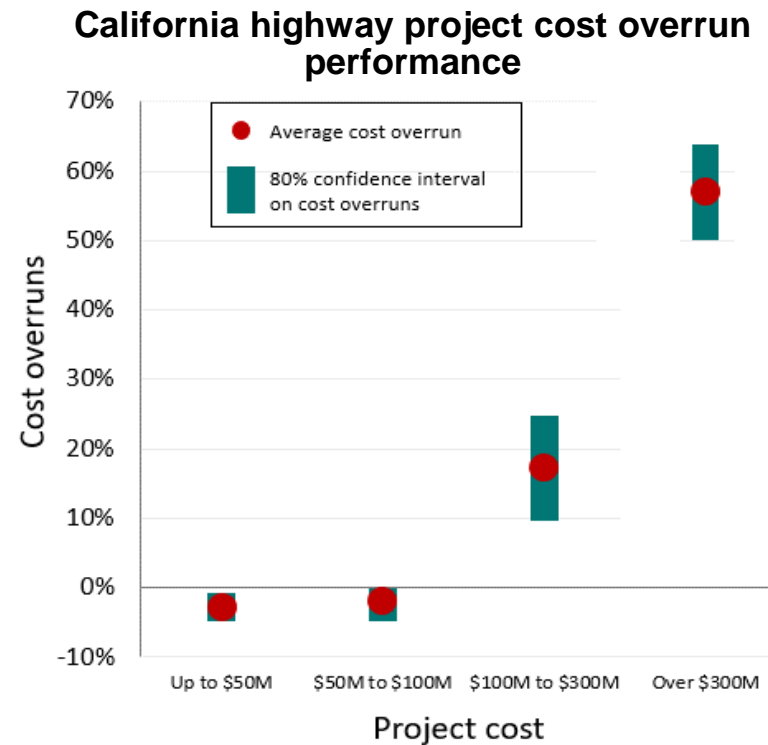


Item	Floor Area (GSF)	Constr. Cost (2019\$)
Bus Facility	628,000	\$224M
Mixed Resi	455,000	\$232M
100% Aff. Resi.	89,000	\$37M

Excl. contingency, escalation, soft costs, site & demo, FF&E, JD TI's, historic preservation, etc.
Source: M Lee estimate 7/31/19 (RCIII)

Key driver: Construction Risk

- The main driver of cost and schedule delays is a mis-alignment between risk allocation and financial consequences
- The procurement strategy for Potrero tackles this problem by:
 - Allocating each risk to the party best able to manage it
 - Making the Developer responsible for orchestrating the various delivery contracts
 - Creating effective financial incentives to back contractual obligations

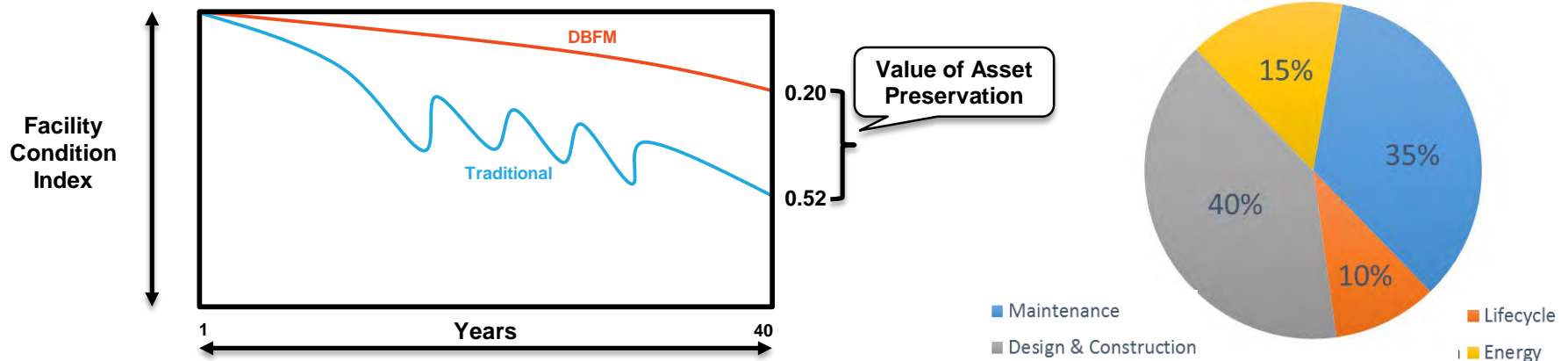


Source: Caltrans

Key driver: Maintenance Risk

- Maintenance, asset renewal, and energy together represent the biggest expenditure over the life-cycle
- Deferred maintenance impacts efficiency of operations and staff and costs more over time
- **Goals:** optimize total cost of ownership and provide a better, more reliable facility
- **Potrero-specific goal:** ensure adequate FM to support the housing components and manage interfaces

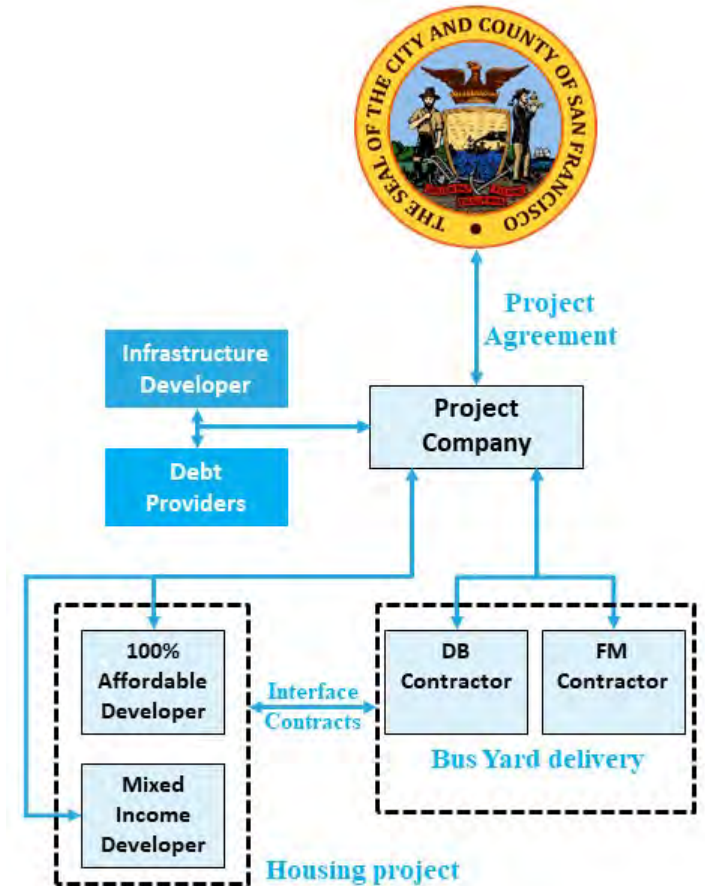
Life-cycle performance and cost of ownership – LBCC project case study



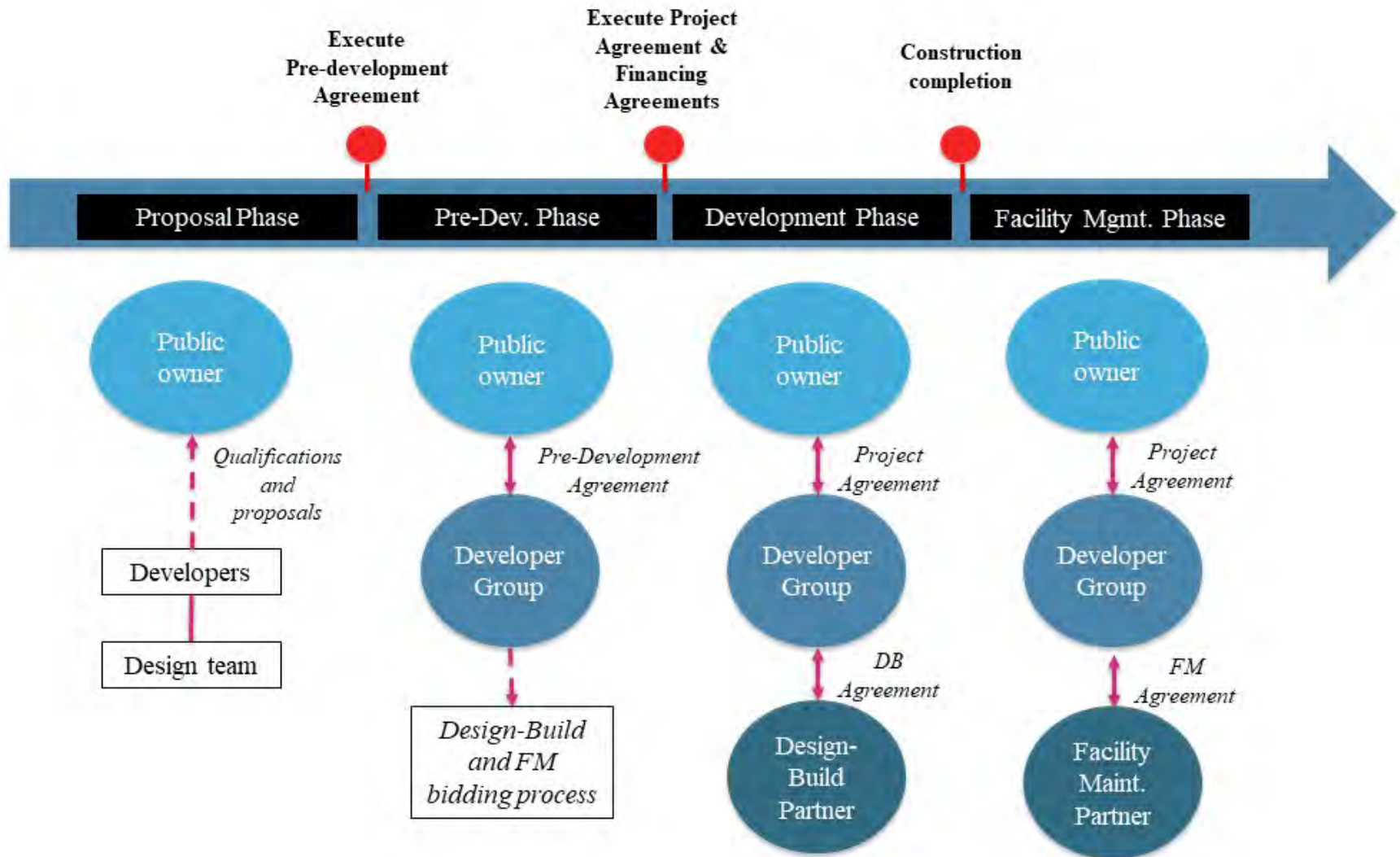
Joint Development Commercial Structure

Procurement Goal

1. Deliver performance criteria of the bus facility and no later than 2026
2. Maintain cost control through competitive bidding
3. Fold into the CEQA process
4. Allow for proper risk allocation and generate revenue to the extent financially feasible
5. Reflect guidance and parameters provided by the community to date
6. Engage the community through entitlements and detailed design



Pre-Development Agreement (PDA) Procurement



Next Steps for Procurement Process

Complete initial procurement advisory Task

- Due diligence, risk assessment, and market sounding

- Strategic Roadmap

Coordinate with:

- City's CEQA team for Draft EIR development

- City Attorney for special legislation

Prepare for development of the RFQ and RFP

Next Steps

- Confirm Meeting Schedule
- Future Meeting Topics
 - RFP Process with ARUP
 - Housing – income levels, family units, target population
 - On-site amenities and Ground-floor Uses
 - Transportation
 - Sidewalk, Streets, and Safety Improvements
 - Community Benefits
 - Architecture and Public Art
 - Green/Open space
 - “Meet the Developer” (following developer selection)

Please Reach Out Anytime

- Send us your questions.
- Suggest additional Working Group members to fill our two vacant seats.
- Request a meeting. Our doors are always open to you.

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