



BUILDING PROGRESS

Program Update &
Potrero Yard Modernization Pre-Development Agreement

SFMTA Board of Directors
February 15, 2022

The SFMTA launched the
Building Progress Program in Fall 2017.

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

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

Core programs and initiatives currently include the following.

Modernization Program

Muni Metro East Expansion
Potrero Yard Modernization
Presidio Yard Modernization
Kirkland Yard Modernization

Electrification Program

Woods Chargers Pilot Project
Battery Electric Bus (BEB)
Facility Master Plan

Cable Car Barn Program

Cable Car Barn Improvements
Cable Car Barn Master Plan

Joint-Development Program

4th and Folsom
Parking Garages
Surface Parking Lots
Yard Modernization

Capital Program

Burke Rehabilitation
Presidio Lifts & Scott Lifts
1200 15th Street PCO HQ
Station Escalators
Operator Restrooms

Facility Condition Assessment (FCA) Program

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

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Recent Projects – Capital Program

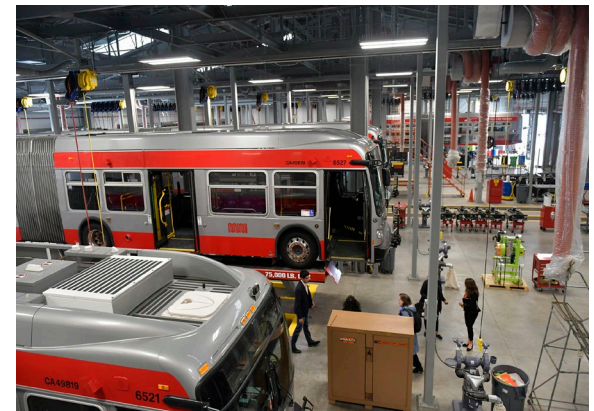
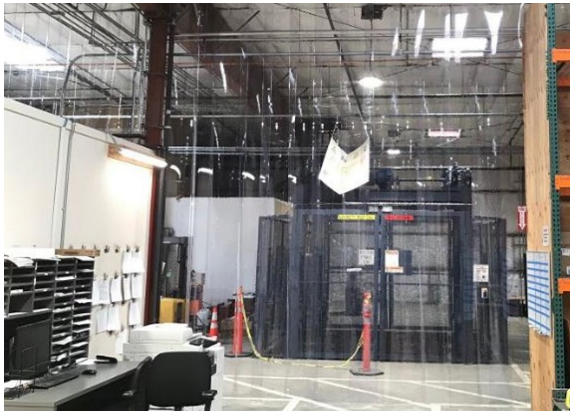
Burke Reconstruction Project



Bancroft Reconstruction Project



Islais Creek Phase II Project



2016 Facilities Condition Assessment

In 2016, a **Facilities Condition Assessment** was completed showing \$60 m in repair backlogs and a 20-year state of good repair need of \$140 m.

Facility	Building(s)	Site	2016 Backlog	2017 - 2036 Cost
Flynn	266,000 sf	6.2 acres	\$ 6,658,000	\$ 18,767,000
Kirkland	13,200 sf	2.6 acres	\$ 1,542,000	\$ 1,689,000
Woods	158,000 sf	8.2 acres	\$ 16,648,000	\$ 12,405,000
Presidio	158,000 sf	5.4 acres	\$ 593,000	\$ 14,140,000
Potrero	155,000 sf	4.4 acres	\$ 4,700,000	\$ 6,705,000
Cable Car	83,700 sf	1 acre	\$ 6,858,000	\$ 7,372,000
Green	191,000 sf	6.7 acres	\$ 6,234,000	\$ 24,967,000
MME	163,000 sf	16.9 acres	\$ 6,747,000	\$ 14,363,000
Alameda	7,000 sf	N/A	\$ 344,000	\$ 10,333,000
Bancroft	90,000 sf	1 acre	\$ 501,000	\$ 2,172,000
Bryant	48,000 sf	1.1 acres	\$ 3,107,000	\$ 1,368,000
Burke	103,000 sf	2.4 acres	\$ 2,571,000	\$ 1,928,000
Lenox	10,000 sf	NA	\$ 356,000	\$ 853,000
Pennsylvania	88,000 sf	2 acres	\$ 171,000	\$ 15,501,000
Scott	118,000 sf	1.1 acres	\$ 989,000	\$ 7,613,000
Total	1,651,900 sf	59 acres	\$ 60,388,000	\$ 140,168,000

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Recent Projects – FCA Program

Flynn Restroom & Breakroom



Green Air Handlers



Optimizing facilities for the workforce is a key priority, through the Building Progress FIX Program we are currently implementing various campaigns including:

- Heat/HVAC
- Breakrooms/Restrooms
- SSD Enforcement
- Compressor Replacement

BUILDING PROGRESS Modernization Program

The **Building Progress Modernization Program** is a \$2 billion+ capital program designed to meet the current and future needs of the Muni Fleet.

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

Modernization

Electrification

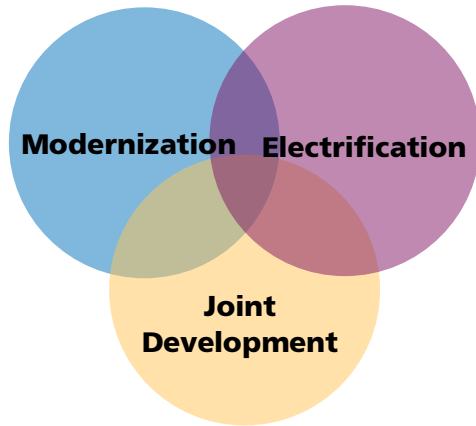
Transformation of Muni Yards to support both the trolley fleets and expansion to Battery Electric Buses.

**Joint
Development**

Innovative Project delivery to finance Muni capital, maintenance and operations into the future.

BUILDING PROGRESS Modernization Program

The Building Progress Modernization Program takes **lessons learned** from prior SFMTA major projects and programs.



Project Sequencing

Inter-Departmental Coordination

Consultant Management

“Pay-Go” Financial Management

Cost Estimating

Outreach and Engagement

Schedule Management

Innovative Project Delivery

Contract Management

Risk Management

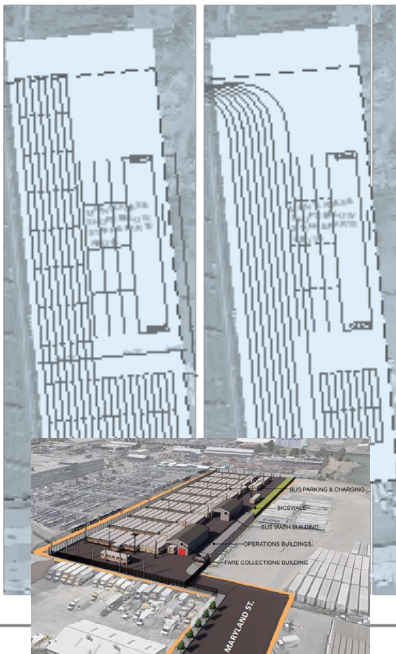
Modernization Program

- **POETS Outreach Plan** completed after full-day retreat in 2018; regular review with Communications Team on approach.
- **Master schedule**, and scheduler in place with 6-month reviews and revisions – led by Public Works
- **Master Programmatic Multi-Departmental MOU** executed in 2019
 - Planning Department
 - Office of Economic and Workforce Development
 - Mayor's Office of Housing and Community Development
 - Department of Public Works
- **Consultant Teams for technical work secured *prior to technical tasks*** needed:
 - WSP (Electrification)
 - Hatch (Urban Design)
 - SWCA (Environmental Review)
 - ARUP (Joint-Development Advisor)

BUILDING PROGRESS Modernization Program

MME

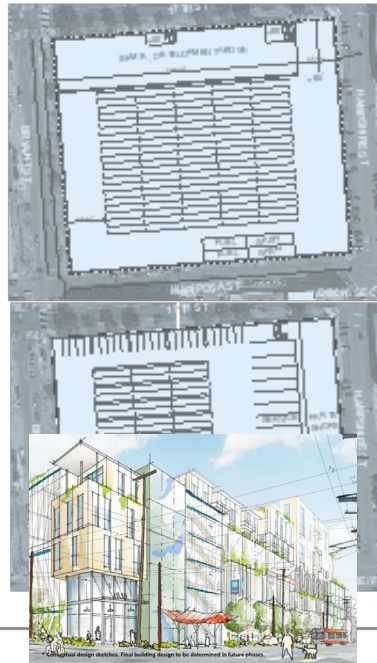
Build for trolley coach swing, convert to rail and shop uses



Project at 100% design

Potrero

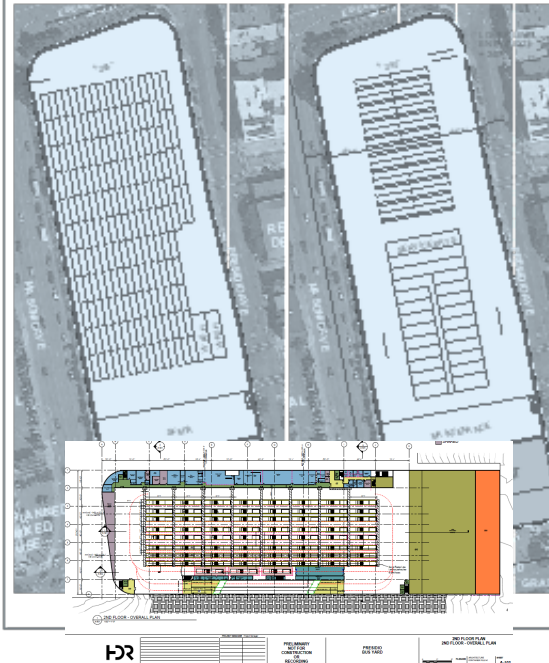
Rebuild as multi-level trolley and motor coach facility with private development above



Developer Selection

Presidio

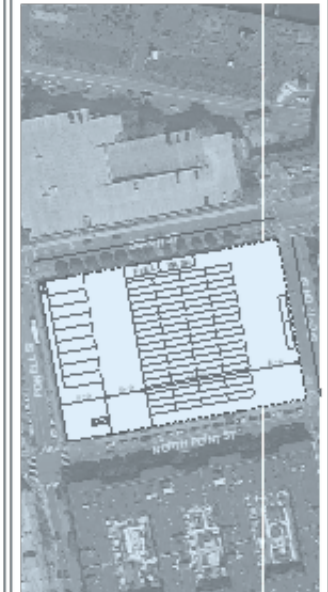
Rebuild as multi-level trolley and motor coach facility with private development adjacent



Planning/Site Programming

Kirkland

Modernize as a new Zero Emission Bus Facility



Planning



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Muni Metro East (MME) Expansion

GOAL: Expand trolley bus parking capacity within the SFMTA transit system to provide flexibility for capital projects.



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Muni Metro East (MME) Expansion



PROJECT SCOPE

- Bus parking with overhead trolley charging
- Bus wash building
- Fare collections building
- Operations and administrative support functions
- Access from Maryland Street
- Re-striping of Cesar Chavez

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Muni Metro East (MME) Expansion

Operations

Offices, break rooms, restrooms, lockers, and security



Fare Collection

Drive-thru collections building



Bus Wash

Served by below-grade rainwater harvesting cistern, Muni logo branding




HIGHLY VISIBLE MUNI LOGOS
IDENTIFY FACILITY

Muni Metro East (MME) Expansion

2021 PROJECT MILESTONES

June 30	CEQA review complete
September 9	95% detail design completion
October 18	Civic Design Review Phase 3 approval
October 20	DBI Site Permit approved and issued
November 12	DBI Building Permit Addendum #1 submitted
December 15	100% bid set issued for review

The MME construction contractor will be procured by the Potrero Lead Developer upon selection, resulting in the **MME Construction Agreement that will be brought to the Board in April.**



Potrero Yard Modernization Project

Approval of the project Pre-Development Agreement

Hampshire St

* Conceptual design to be done

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Potrero Yard Modernization Project



A LOOK AT POTRERO YARD

Before COVID-19



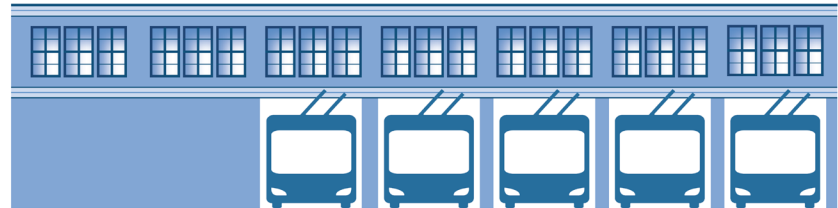
102,000

Muni riders rely on buses from Potrero Yard every day. (~14% of Muni riders)

Existing Facility



Future Facility



Potrero Yard was built to serve 100 street cars. Today it serves 136 trolley buses for eight routes. In many of the maintenance bays the ceiling is too low to do roof repairs indoors or lift buses to repair them from below.

Potrero Yard Modernization Project

Core Transportation Objectives

Rebuild and modernize Potrero Yard **by 2026**

Provide infrastructure for **battery electric buses**

Improve **safety and working conditions** for the SFMTA workforce

Consolidate functions for **efficiencies** (Training + Street Operations)

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

Leadership in sustainability

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Potrero Yard Modernization Project



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Potrero Yard Modernization Project

STAKEHOLDER ENGAGEMENT & PUBLIC OUTREACH



- Extensive stakeholder engagement starting in 2017, with **five major public events** held 2018–2021
- **Neighborhood Working Group** has met monthly since Fall 2018
- Virtual meetings in 2020 about RFQ/RFP process. Apr 2021 on LBEs. July 2021 feedback to developer questions.
- 2021 Outreach **tabling events** – Potrero Hill, Saturday, Oct. 16, Sunday Streets, Oct. 17
- Public **yard tours** resumed in December 2021.

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Potrero Yard Modernization Project

2021 PROJECT MILESTONES

April 9	Request For Proposals (RFP) released
April 26	BOS enabling legislation
May 13	Planning Commission informational hearing
June 30	Draft Environmental Impact Report (DEIR) published
August 4	DEIR to Historic Preservation Commission
August 26	DEIR to Planning Commission
August 31	DEIR comment period closed
November 23	Presentation to Policy and Governance Committee
December 30	Proposal due date: Three proposals submitted

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Potrero Yard Modernization Project

2022 and Beyond PROJECT MILESTONES

- February 15** SFMTA Board is requested to authorize Director of Transportation to execute Predevelopment Agreement (PDA)
- Spring 2022** Selection of Preferred Proposer and execution of PDA
- Summer 2022 – early 2024** Muni Metro East Expansion Construction
- Early 2024 – early 2027** Potrero Yard Construction



A potential rendering of the future modernized Potrero Yard

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Potrero Yard Modernization Project

PRIOR BOARD AND LEGISLATIVE ITEMS

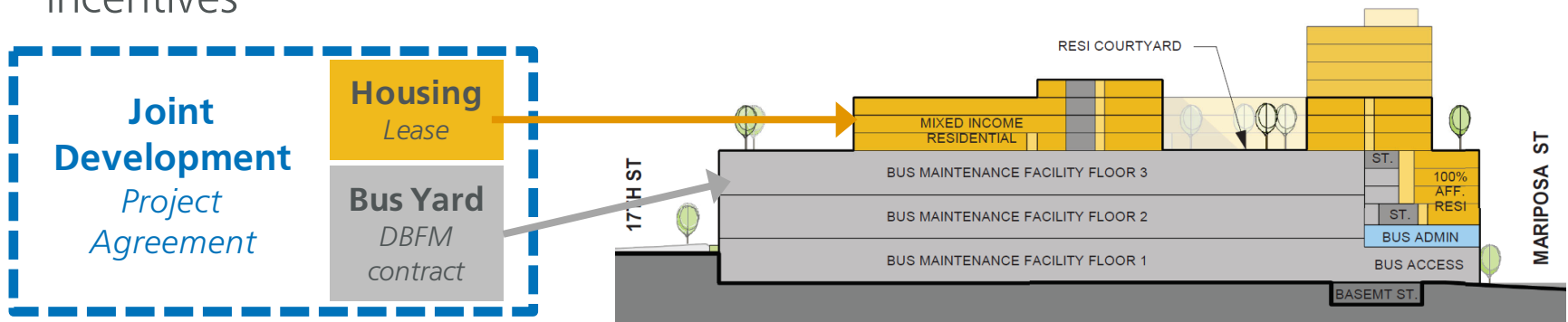
- **November 2017** MTA Board approval **contract with Hatch Associates**, for analyzing joint development opportunities and facility upgrades at bus and rail yards
- **January 2018** MTA Board approval of **contract with SWCA Environmental Consultants** for Building Progress Environmental Review and Public Outreach
- **November 2019** SFMTA submitted a **project application for the Potrero Project** to the San Francisco Planning Department (Planning Department) to initiate environmental review of the Potrero Project under the California Environmental Quality Act (CEQA).
- **November 2019** Department of Public Works Public Works (PW) executes **Agreement with ARUP Advisory Inc.**, to serve as a technical and financial advisor to the Potrero Yard Modernization Project.
- **April 2020** SFMTA Board **approval of the use of a joint development procurement method** for the Potrero Yard Modernization Project and requesting a Project-specific ordinance from the Board of Supervisors.
- **August 2020** A **Request for Qualifications for the Potrero Project** was issued; three of the responding teams (Potrero Mission Community Partners, Potrero Neighborhood Collective, and Potrero Yard Community Partners) were subsequently short-listed.
- **March 2021** **Board of Supervisors adopts Ordinance 38-21 to approve a joint development delivery method and a best-value selection of the developer for the Potrero 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.

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Potrero Yard Modernization Project

PUBLIC-PRIVATE PARTNERSHIP PROJECT DELIVERY MODEL

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



Potrero Yard Modernization Project

The Request for Proposals (RFP) process was a **three-way technical design and intensive commercial negotiation** to settle terms on the Preliminary Development Agreement (PDA).

The PDA includes development of Project Agreement terms.

Other activities that will occur during the PDA Phase include:

Public outreach

Management and delivery plans

Housing development approach, schedule, feasibility and pursuit of funding

Site due diligence & schematic design for both Bus Yard and Housing components

Project Agreement commercial and financing structuring

Planning Commission and Board of Supervisors entitlements (EIR, rezoning, etc.)

Design-build and facility maintenance contractor procurement

Potrero Yard Modernization Project

Two critical financial elements of the PDA include:

Termination Payment:

- The SFMTA can terminate the PDA at any time for convenience
- If the PDA terminates for any reason other than the Lead Developer's default or the parties' execution of an agreement(s) for the delivery of the Project, the PDA includes a termination payment to the Lead Developer not to exceed \$9,990,000.

Continuation Payment:

- If the EIR is certified under CEQA and there is final adoption of the special use district, conditional use authorization, General Plan Referral, and related General Plan amendments for the Project, the Lead Developer's PDA obligations will suspend unless the SFMTA gives notice for the Lead Developer to continue the PDA work.
- To exercise this ability the Board of Supervisors must authorize the Continuation Payment before the SFMTA gives any continuation notice.
- If the SFMTA gives notice it will pay the Lead Developer \$4,000,000 as a Continuation Payment.



Thank You.