

## Potrero Yard Neighborhood Working Group Meeting #34 Minutes

Tuesday, July 11, 2023, 5:30 p.m. to 7:30 p.m.

Hybrid: In-Person & Virtual Meeting via **Microsoft Teams**

<https://tinyurl.com/PYNWGmtq34>

Note – The meeting minutes capture the overall tone of the group’s discussion and is not meant to be an exact transcription.

<b>Members Present:</b>	<b>PNC Staff:</b>	<b>Other Attendees:</b>
Alexander Hirji	Chris Jauregui	Jennifer Zhang (student)
Claudia DeLarios Morán*	Clementine Howard*	Ronald Mitchell (Muni)
Jolene Yee	Darolyn Davis*	Marie Sorenson (Calle 24)
J.R. Eppler	Jennifer Trotter	Tricia Gregory (HVVW8 Trucking)
Magda Freitas*	Karoleen Feng	Michael Gregory (HVVW8 Trucking)
Peter Belden	Kelsey Frost	Michael O’Reilly (Guzman Construction)
Scott Feeney	Leamon Abrams*	LaSonia Mansfield (Mansfield+Mansfield)
	Monica Almendral	Triston Dion (Streamline Drywall)
<b>Members Not Present:</b>	Myrna Ortiz*	Crystal Timms (Y-CAT)
Alexandra Harker	Natalie Jenkins	Nick Colina (Anco Iron)*
Jorge Elias, Jr.		Sameer M*
Roberto Hernandez	<b>SFMTA Staff:</b>	Tana Harris*
	Bonnie Jean von Krogh	Mary Travis-Allen*
	John Angelico	Daniella Jimenez*
	Kerstin Magary	Integrity First Plumbing*
	Sean O’Brien (DPW)*	Que Alecia, Q&A Consulting*
	Tim Kempf (DPW)*	Charles Ayers
		Phone number ending in 43
		Phone number ending in 85

\*Virtual attendee

### Purpose of the Meeting

*Potrero Neighborhood Collective (PNC) to introduce contractor procurement and Local Business Enterprise (LBE) utilization.*

### Item 1. Welcome

John Angelico: (Slides 1 - 3) Welcomed and thanked the NWG members. Presented the agenda and meeting objectives.

### Item 2. Member & SFMTA Announcements

John Angelico: (Slide 4)

- 150th Anniversary of Cables Cars in SF.
- New Podcast - Taken with Transportation.

John Angelico (Slide 5) Are there any announcements from Working Group Members?

- Thank you to PNC for meeting with the Potrero Boosters and Dogpatch Neighborhood Association Livable Streets Joint Committee for a productive discussion. (Peter Belden)
- The Friends of Franklin Square also appreciated the discussion with the PNC team. (Jolene Yee)

Jennifer Trotter (Slide 5) If you know of any organization who are interested in learning more, email [PotreroYard@plenaryamericas.com](mailto:PotreroYard@plenaryamericas.com) or [poteroyard@smfta.com](mailto:poteroyard@smfta.com).

Jennifer Trotter: (Slide 6) In June, PNC held 4 community listening sessions and 4 meetings with LBEs and Micro-LBEs. PNC submitted the 50% schematic designs at the SFMTA Board meeting (June 20) and is obtaining entitlements from the City. The 100% schematic designs are set to be submitted to the SFMTA on August 10, 2023 and a final version to be completed fall 2023. The FEIR is expected to be submitted later this year.

Monica Almendral and Jennifer Trotter: (Slide 7) We have a list of organizations we have already met with and some we plan to meet. Are there any groups missing from this list that you believe should be added?

- The Hyper Hyper Local Micro-LBE Committee - D10 meetings every Tuesday 1515 Evan Street. (Representative from Integrity First Plumbing)

John Angelico: (Slide 8) Building Progress Update will come from Bonnie Jean von Krogh.

### **Item 3. SFMTA Building Progress Update**

Bonnie Jean von Krogh: (Slide 9) Potrero Yard fits into SFMTA's larger facility modernization goals.

Bonnie Jean von Krogh: (Slide 10) The Program began in 2017 as a \$2+ billion capital planning program.

Bonnie Jean von Krogh: (Slide 11) Key components of Potrero Yard Modernization program are:

- Modernization – Potrero Yard is one of two Muni yards that are over 100 years old,
- Electrification - to support SFMTA's transition to 100% electric vehicles to replace hybrid diesel with electric fleet, and
- Joint development – to support revenue generating opportunities for the agency.

All vehicles out of PY are electric, electric trolley buses.

Bonnie Jean von Krogh: (Slide 12) The MTA has 31 facilities including 12 underground stations. Facilities are the largest asset class with over 60 acres of land (over \$5 billion in value).

Bonnie Jean von Krogh: (Slide 13) Joint development links to our agency's Transportation 2050 effort. Joint development is a way to generate as much as \$30+ million annually for transportation needs. This Project sets the tone for future relationships and partnerships might look like with the development community.

Bonnie Jean von Krogh: (Slide 14) Significant progress has been made. Islais Creek is the most modern yard to date. Another example is the new PCO headquarters (1200 15th Street with a cross street of Harrison Street) will be a new state of good repair project.

Bonnie Jean von Krogh: (Slide 15) Various upgrades made at yards throughout City (ex. new bus wash and paint at the Woods Yard). The SFMTA is seeking funding for Building Progress projects such as a RAISE grant for the Presidio Yard project (2023 application declined, will recomplete).

Bonnie Jean von Krogh: (Slide 16-17) The citywide Modernization Program includes the Muni Metro East Expansion, Potrero Yard Modernization, Kirkland Yard Modernization and Presidio Yard Modernization. A facility framework was established to be adaptable to future technology changes.

Bonnie Jean von Krogh: (Slide 18) The original order of projects has changed since 2017. At that time the program included a temporary bus yard at Muni Metro East, Potrero Yard, Presidio Yard, and Kirkland Yard.

Bonnie Jean von Krogh: (Slide 19) In 2019 program was updated to include the 1399 Marin Maintenance facility to complement the temporary bus operations at Muni Metro East. Operations were planned to move to the temporary facility at Muni Metro East when yards were under construction, but that plan has been further updated.

Bonnie Jean von Krogh: (Slide 20) As of 2023, adjustments made to the Modernization Program based on service needs, fleet, regulatory requirements, and funding availability.

- Working with the Director of Transit regarding transit needs, it was determined that Potrero Yard's service can be distributed throughout the City as opposed to building a temporary yard. This is a cost saving for SFMTA.
- The new prioritization is Potrero Yard, Kirkland Yard, Presidio Yard, MME Expansion.
- The Potrero Yard will continue to support electric trolley buses,

Bonnie Jean von Krogh: (Slide 21-22) Our goal is to change to a completely electric fleet by 2035. This aggressive move to an all-electric fleet is due to regulatory requirements. Potrero Yard is already fully electric, other yards are being updated to charge battery electric buses include Kirkland, Woods, Islais Creek, and Presidio yards.

Bonnie Jean von Krogh: (Slide 23) Joint development maximizes land use for revenue generation. The 5th and Mission and Moscone garages are potential revenue-generating assets. The SFMTA is considering what types of joint development would generate positive income given today's market.

Bonnie Jean von Krogh: (Slide 24) The Potrero Yard project has taught the MTA about how to approach public-private partnerships with future yards, legislation and City regulations and requirements.

Q: The 10-year and beyond service projection is resulting in a sequence of plans - is that more service or less than previously projected? (Peter Belden)

- A: While there are growth opportunities in planning, we are also looking at keeping services stable. (Bonnie Jean von Krogh)

Q: This joint program didn't provide revenue generation for the SFMTA. What other benefits is SFMTA getting if not revenue from the Project? (Jolene Yee)

- A: The primary goal and benefit is a new bus facility (modernization of 108-year-old bus facility). It is difficult to secure all the funding for this Project at the same time. With the public private partnership, we will be paying for this Project over the next 30 years, not all upfront. As a multipurpose facility we will also provide job training to SFMTA employees who work all over the City, which is another benefit from this Project. The bus facility is a huge benefit and is desperately needed. (Bonnie Jean von Krogh)
- With joint development, we are able to build housing to achieve SF housing goals. (Kerstin Magary)

Q: Is that the reason to make all housing affordable? (Jolene Yee)

- A: Yes, the goal is to build more affordable housing. (Bonnie Jean von Krogh)

Q: So some other projects might not have the same constraint? (Jolene Yee)

- A: They might not have the same goals and may also have different revenue sources. One example is Hotel One, which is SFMTA's half-acre property. This is a joint development site that produces revenue. (Kerstin Magary)

Q: Are you not anticipating capital improvements at the MME sites until the latter portion of the Building Progress program? (J.R. Eppler)

- A: There will not be any buses going to this site during construction. The expansion will be for rail. (Bonnie Jean von Krogh)

Q: If we know people that would be good for advising MTA on Presidio Yard, is there going to be a similar working group? (Scott Feeney)

- A: You are welcome to email me, because at some point there will be a working group with a similar outreach process. We will have an application and recruitment process for that working group. (Bonnie Jean von Krogh)

Q: For the Potrero Yard buses, will they be electrified or on battery? (Magda Freitas)

- A: Currently they are all on wires and this will remain. However, the facility will be built with an underlying infrastructure to support battery electric buses to future-proof the Yard. For the foreseeable future, we will operate trolleys. (Bonnie Jean von Krogh)
- We are not adding in the charging stations now because they are not needed, and this technology is bound to change. The facility is designed to be able to accommodate battery-electric charging down the road. (Chris Jauregui)

Q: I am concerned about pollution and sound. Can these charging structures be louder than battery operated ones? (Magda Freitas)

- We cannot determine the noise level of the next generation of trolley buses. The current buses at the yard are electric and future buses will continue to be electric. There will not be buses with diesel motors or loud noise-producing buses. (Bonnie Jean von Krogh)

Q: Since this is not going to be for battery operated buses will there still be infrastructure built in to address fire safety and containment? (Jolene Yee)

- A: Yes. The City contracts PNC to operate/maintain the yard and make the facility available to a certain standard in order to receive payment from the City. These standards include performance, codes, and freight or service elevators. This includes building a facility that supports battery-supported trolleys. (Chris Jauregui)

#### **Item 4. Contractor Procurement**

John Angelico: (Slide 25) Introduced the Contractor Procurement section.

Chris Jauregui and Karoleen Feng: (Slide 26) PNC is in part 1 of a 2-step qualification process for a general contractor. The procurement for the bus yard contractor will be separate for the housing and commercial contractor. (Chris Jauregui)

For the housing component, we will move forward with a construction manager or owners' representation, which will support review of permit applications, coordination and will help develop the construction scope of work. We will also start on the contractor procurement process. We would do this as the housing buildings are closer to construction (currently 6 months to 1 year behind the bus yard), depending on when we get financing. (Kathleen Feng)

Chris Jauregui: (Slide 27) There are two stages of procurement. The RFQ was released July 5 and we seek responses by September 1. See timeline on Side 27.

Chris Jauregui: (Slide 28) The solicitation process is conducted by PNC as opposed to the City and the contract will be with PNC as well.

PNC will review bid submissions and evaluate responses on financial and bonding capacity, relevant experience, key personnel presented, and project approach.

Chris Jauregui: (Slide 29) Key aspects of the procurement include: Arcadis and IBI Group continuing as the Design Build (DB) Architects, acceptance of Project Labor Agreement (PLA) that may apply to project, local business and local hire requirements, and mitigation and monitoring requirements related to environmental impact report.

Chris Jauregui: (Slide 30) We will continue to prioritize LBE participation in the pre-development phase – to date we have worked with 6 certified LBEs in various ways including outreach engagement, cost estimating, and more.

During the design/construction phase, PNC proposed an LBE participation goal of 20% considering all LBEs including those in and around the Project area and certified micro LBEs.

#### **Item 5. Local Business Enterprise**

Jennifer Trotter: (Slide 31) Introduced the LBE section.

Jennifer Trotter: (Slide 32) PNC has identified proposed LBE goals and is currently drafting a plan in collaboration with the City. We want to note that the Housing and Commercial Component (HCC) will likely be funded by multiple sources and may have differing supplier inclusion requirements based on funding source.

Plenary has experience with small, local, minority- and women-owned business inclusion throughout the country, including meeting and exceeding Project goals. We work with our contractors to ensure program compliance.

MEDA and the partnering developers have experience meeting City goals with small local businesses. (Karoleen Feng)

D&A Communications is supporting PNC on outreach and communications with all LBEs from Micro to Small. This is a large, P3 Project and we want to ensure that all San Francisco-based firms are aware of the Project and its opportunities.

Jennifer Trotter: (Slide 33) It is important for us to start outreach early before the contractor is brought on and begins bidding out work. We are doing this by holding meetings with LBEs and advocacy organizations. We've been getting ideas on best practices and how to incorporate them into the LBE plan as well as requirements to place in Request For Proposal (RFP) for general contractors.

We will require prime contractor bidders to participate in an LBE outreach event. We want to make sure the event is effective and impactful to support maximizing LBE participation. The current ideas under consideration are: roundtable conversation to provide LBEs with the opportunity to share what is important to them directly to contractors, matchmaker event, or subcontractor fair. We are looking into what is impactful ahead of specialty trade bidding opportunities being released.

We will send out a list of the prime contractors who have received RFQ to certified LBEs so they are aware of who may be bidding on this Project.

Jennifer Trotter: (Slide 34) During the Project Agreement Phase for the Bus Yard Infrastructure, PNC will work to maximize Micro-LBE goals. General Contractors will be required to conduct outreach to identified zip codes around the Project site and in the City's most disadvantaged communities.

Additional modes of support have been identified such as mentoring, reduced sized scopes that allow Micro and Small LBEs to bid, LBE Liaison, Trucking Liaison, consequences for lack of utilization, regular reporting of LBE participation, and potential set asides for Micro-LBEs.

Q: What are LBEs? (Jolene Yee)

- A: These are businesses that are based in San Francisco (local business enterprise). These businesses are also based on the size and annual revenue of the firm. These firms can provide professional services, construction, drywalling, trucking, electrical and many others. (Jennifer Trotter)
- A: For example, the affordable housing designer is an LBE — they have been helping progress design for the pre-development phase. Local and revenue are the two main drivers for becoming an LBE. (Chris Jauregui)

Q: Who is D&A Communications in the PNC? (Michael Gregory)

- A: D&A communications is a communications firm owned by Darolyn Davis. (Jennifer Trotter)

## **Item 6. Next Steps**

John Angelico: (Slide 35) Skipped

Chris Jauregui: (Slide 36) We are continuing outreach activities during the pre-development phase. Our next Working Group meeting is in early August. There are also listening sessions slated for July and throughout the summer.

### **Item 7. Public Comment (SFMTA)**

Bonnie Jean von Krogh: (Slide 37-38) Opened the presentation to public comment.

Q: Who will work with the SFMTA to ensure the plan is in support of LBEs? (Tricia Gregory)

- A: The LBE Plan is reviewed through the SFMTA Contract Compliance Office (CCO). The CCO monitors hundreds of contracts of all different requirements. (Kerstin Magary)

Q: Will the LBE Plan be in place by the time the RFP goes out? If it is not, general contractors will not be able to include LBE utilization practices in their proposals or budgets. (Tricia Gregory)

- A: We have only released the RFQ. We are working to finalize the LBE Plan so it is ready to include in the RFP package. The RFQ is due September 1 and the RFP will be released in October 2023 [slide 27]. (Jennifer Trotter)

Comment: I sit in on City meetings and every meeting talks about the importance of DEI. This is a great opportunity for SFMTA to champion Micro LBE companies as many are owned by minority individuals. (Tricia Gregory)

- Response: I appreciate that comment. One of PNC's values is Racial Equity and something we are committed to in our outreach. (Jennifer Trotter)

Comment: Working with CMD would go a long way. We encourage you to find an LBE Liaison who can conduct intentional outreach during the procurement process. (Tricia Gregory)

- Response: We are looking toward bringing on a LBE Liaison and it would be a requirement from the contractor to have a LBE Liaison and an LBE Trucking Liaison. (Jennifer Trotter)

Comment: We Micro-LBEs hire from within the community and we rehire too. We bring job opportunities back into the community. (Tricia Gregory)

Q: Is previous experience and partnering with LBEs part of the criteria for a general contractor and can it be added criteria if it is not? Is it possible to make the goal a requirement? Without making it an expectation, we will waste our time in the pursuit. Biosolids clearly set a tone - SFO is another great example where 25% is their standard of LBE utilization. If the 25% hadn't been made standard we would have been pushed aside. (Triston Dion)

Goals oftentimes do not benefit LBEs. Spending time in the bidding pursuit is wasteful if the general contractor is not on the same page. Seeing how things are set up now, we want to be good trade partners, but also make clear in advance rather than too far down the line that if contractors aren't speaking with us as a priority and we aren't part of the budget or design process, it won't be successful. The SFMTA will not be able to say they positively impacted the BIPOC community. (Triston Dion)

If contractors who have previous LBE success stories are hired, it would be promising for us. Will the same set of contractors be used for the affordable housing component or will it be two completely different teams? (Triston Dion)

- A: It will be a separate procurement process for the bus yard and housing and commercial component, depending on who is brought on for the bus yard. MYT's role is to be the local presence of the affordable housing developers and we bring ethos to the Project as we work with this team. (Karoleen Feng)
- A: Thank you. Yes, we are looking at the prospective contractor's past experience with LBEs and how they partnered with and engaged LBEs. This is why Relevant Experience is the largest category in the RFQ at 40%. (Chris Jauregui)
- A: We hear your concern about the importance of contractors implementing the LBE program. We are messaging to bidding contractors the importance of LBE by including past performance as part of the procurement review, creating opportunities early on to connect bidding contractors to LBE with an LBE outreach event. We are also considering ways to effectively maximize LBE participation and how to keep contractors accountable for performance. Thank you for sharing your ideas and experiences as an LBE.
  - Response: Thank you for allowing us in the room tonight. (Triston Dion)

Q: Are you going to request what LBEs the contractors have worked with and check to make sure they have worked with Bayview and Potrero-based LBEs? We get a lot of people who are here but have satellite offices and aren't really based here. An LBE Liaison will help us advocate against this common challenge. How will PNC review the contractor's intent to hire LBEs? We recommend a liaison review the RFQs to ensure LBEs are included. (Tricia Gregory)

SBE goals can be anywhere in the state of California, but San Francisco LBEs should be prioritized. Micro-LBEs are consistently pushed out by developers and contractors and we cannot compete with other small businesses out of cities such as Valejo or Livermore. (Tricia Gregory)

Comment: As a minority business owner, native San Franciscan, and nurse by trade, it is important to reiterate that there are bad actors but there are also contractors who are creating set asides. The San Francisco LBE community hires from within. We need to give youth and people of color employment opportunities and ask you to consider this when creating the LBE Plan. (LaSonia Mansfield)

- A: Thank you for your feedback. PNC is currently discussing changing the goal utilization to a requirement although this has not been confirmed. (Jennifer Trotter)

Comment: Again, goals do not get it across the line for us. (Triston Dion)

Response: PNC intends to require contractors to engage with LBEs before submitting a proposal, not after. (Jennifer Trotter)

Comment: Don't let them use an in-house liaison. This creates another middle person and often just checks a box. (Triston Dion)

Q: Is Virginia Harmon running compliance? (Triston Dion)

- A: Yes. (Kerstin Magary)

Q: Was it concluded CMD will have direct involvement in the development or not? (Triston Dion)

- A: SFMTA's CCO office is now managing the LBE program. (Kerstin Magary)

Q: Is it possible for SFMTA and CMD to be in communication with each other? (Triston Dion)

- A: The offices communicate with each other daily and CMD has been heavily involved since the beginning. (Karoleen Feng)

Q: Will an RFP be out for the LBE Liaison? (Tricia Gregory)

- A: This is something that will be up for discussion. (Kerstin Magary)

Comment: Shared appreciation for intention behind DEI and the meeting's conversation. (Claudia DeLarios Morán)

Response: Thank you for your comment. (John Angelico)

Q: Where is the Project completion timeline located? (Jennifer Zhang)

- A: It is located online. (Chris Jauregui)

Closing announcement: We will be continuing public tours of Potrero Yard on Wednesday afternoon, July 19 and on Saturday July 22nd. (John Angelico)

- Comment: The General Project email is: [PotreroYard@plenaryamericas.com](mailto:PotreroYard@plenaryamericas.com). (Jennifer Trotter)
- Thank you to our presenters and everyone who joined in person and online. (John Angelico)