

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. 241001-114

WHEREAS, The Potrero Yard Modernization Project (Project) includes the development and construction of a modern bus storage and maintenance component (Bus Yard Component) and, if feasible, a multi-family housing and commercial component (Housing Component) and the common infrastructure (Common Infrastructure) that would be shared by the Bus Yard Component and Housing Component; and,

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) will deliver the Bus Yard Component and Common Infrastructure (together, Infrastructure Facility) 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 through substantial completion for managing project complexity and contractors (e.g., design-build contractors, maintenance contractors 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 Infrastructure Facility and Housing Component, operate the Housing Component, and maintain certain Facility infrastructure elements; and,

WHEREAS, On April 7, 2020, the SFMTA Board of Directors approved Resolution No. 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 to enter into a predevelopment agreement (PDA) for the Project (RFP) was released to the three short-listed teams on April 9, 2021, with proposals due December 30, 2021, and all three short-listed teams submitting timely proposals; and,

WHEREAS, On November 1, 2022, the SFMTA Board of Directors adopted Resolution No. 221101-105 to authorize the Director of Transportation to execute the PDA with Lead Developer, Potrero Neighborhood Collective, LLC (Lead Developer), which has Plenary Americas US Holdings Inc. (Plenary) as its sole member, with a term not exceeding 568 days,

potential proposal and termination payments not exceeding \$9,990,000 and, if approved by the Board of Supervisors, a continuation payment of \$4,350,000; and,

WHEREAS, On January 11, 2024, final certification of the environmental impact report (Final EIR) for the Project under CEQA was approved by the SF Planning Commission by Motion No. 21482 and a copy of that motion is on file with the Secretary to the SFMTA Board of Directors; and,

WHEREAS, On March 5, 2024, the Board of Supervisors adopted Resolution No. 107-24, approving the continuation payment of \$4,350,000 to the Lead Developer; and,

WHEREAS, On May 29, 2024, under authority delegated to the Director of Transportation, the SFMTA executed the First Amendment to Predevelopment Agreement that extended the PDA term to be no later than October 18, 2024; and,

WHEREAS, SFMTA project staff and Lead Developer mutually agree that additional time and scope are necessary to seek potential federal and other funding and address City changes to the Project terms; and,

WHEREAS, The Second Amendment to Predevelopment Agreement (Second Amendment) would extend the term of the PDA to July 31, 2025, increase the scope of PDA work, and increase the potential termination payment by \$5,556,566 to reflect that extended term and increased scope; and,

WHEREAS, On September 13, 2024, the Planning Department and the SFMTA, under authority delegated by the Planning Department, determined that the Second Amendment 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) because the action would not result in a direct or reasonably foreseeable indirect physical change to the environment beyond the scope analyzed in the Final EIR; 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 San Francisco Municipal Transportation Agency Board of Directors authorizes the Director of Transportation to execute the Second Amendment to Predevelopment Agreement with Potrero Neighborhood Collective, LLC for the Potrero Yard Modernization Project, if approved by the Board of Supervisors, to increase the potential combined termination payment by \$5,556,566 for a total combined proposal and termination payment amount that will not exceed \$15,546,566, increase the scope of work, and extend the term to no later than July 31, 2025, and authorizes the Director of Transportation to seek approval of the Second Amendment from the Board of Supervisors, which the Board of Supervisors would retroactively approve to make the Second Amendment effective as of October 17, 2024; and, be it further

RESOLVED, That the Director of Transportation is authorized to enter into any amendments or other modifications to the PDA that the Director of Transportation determines are in the best interests of the SFMTA and that do not materially increase the obligations or liabilities of the SFMTA or materially decrease the benefits to the SFMTA and to take all actions

reasonably necessary or prudent to perform the SFMTA's obligations under the PDA, as amended by the Second Amendment.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 1, 2024.

A handwritten signature in black ink, appearing to read 'L. Silva', is positioned above a horizontal line.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency