



SFMTA

BUILDING PROGRESS

Potrero Yard Modernization Project

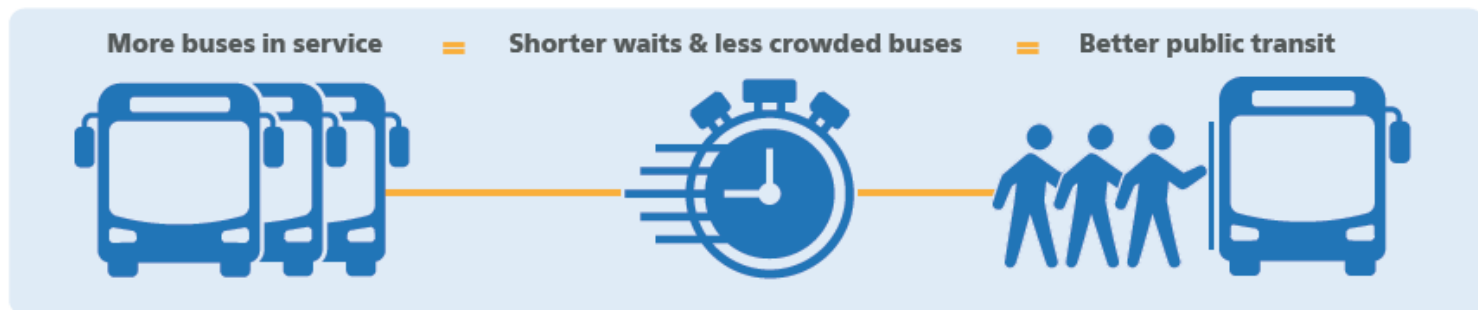
Project Briefing

SFMTA Board of Directors
October 21, 2025

Critical Infrastructure

At its core, the Potrero Yard Modernization Project is a **critical infrastructure** project. Replacing the facility now will:

- Improve **earthquake safety** at one of our most vulnerable facilities.
- Create safer **working conditions** for more **efficient** bus repairs and staff retention.
- Preserve **essential transit** service for San Francisco residents while also allowing the agency to grow its fleet as ridership recovers.
- Ensure consistent and reliable service to **Muni Service Equity neighborhoods**.



Entitled Project (2024)



The proposed Project includes:

- Four-story bus yard that supports up to 246 buses
- Up to 465 residential units
- A maximum allowable height of 150 feet
- Approximately 92,000 square feet of open space
- Protected and widened bike lanes with a new crosswalk on 17th Street and Hampshire Street

The proposed Project Variant includes:

- Four-story bus yard that supports up to 246 buses
- Space for paratransit ramps, circulation, and parking for up to 160 paratransit vehicles
- Approximately 100 residential units along Bryant Street
- Approximately 6,000 square feet of open space on roof of Bryant Street housing
- Protected and widened bike lanes with a new crosswalk on 17th Street and Hampshire Street

Project Timeline to Date

SFMTA
Planning

Predevelopment
Agreement

2018-19

- Pre-planning and Outreach

2020

- RFQ issued (Aug)

2021

- RFP issued (Apr)
- [BOS enabling legislation](#) (Apr)
- Draft EIR published (June)
- DEIR comment period ends Aug 31
- Proposals submitted Dec 31

2022

- Developer selection (Nov)
- PDA approval

2022

- Pre-Application Mtg (Dec)

2023

- Design refinements
- Final EIR hearings (Dec– Jan 24)

2024

- Final EIR certification (Jan)
- Entitlements approved by BOS / Mayor (Mar)
- NEPA certification
- Bus Yard Design-Builder procurement (Nov)
- Endorsement of the Form of Project Agreement (Dec)

2025

- Bus Yard Design-Builder selection (Jan)

We are here

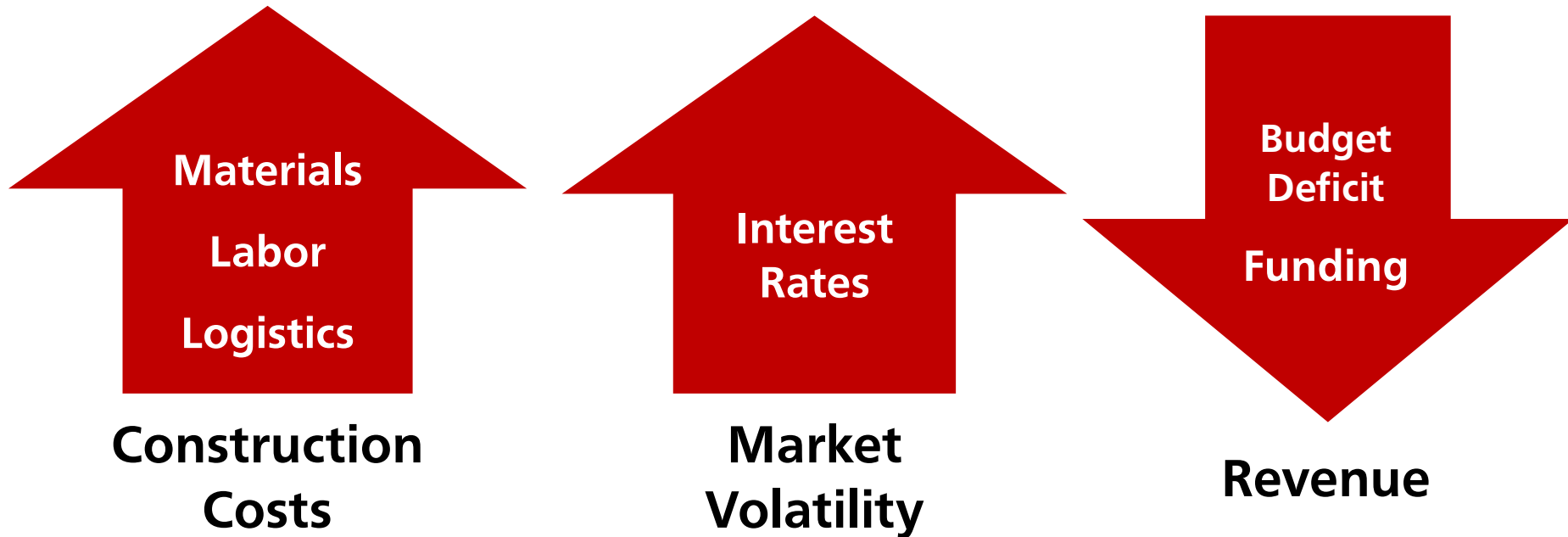
- Value engineering and price reduction process, Design-Build submit final pricing, finalize deal terms and project structuring (Spring-Fall)
- Additional outreach & engagement phase
- SFMTA to determine if Design-Build final price is affordable (Nov–Dec)

The project is now in one of its most difficult stages: final pricing for the bus yard.

We are facing significant financial pressures.

The SFMTA and development partner, Potrero Neighborhood Collective, are looking for a path to make this project feasible.

Affordability Challenges



In recent months we have analyzed how to:

- **Lower cost of design and construction.**
- **Reach an affordable price for both milestone payments and long-term annual payments.**

Potrero Yard Modernization Project

Path to Feasibility: Proposed Changes

SHRINK THE MEZZANINE LEVEL

Reduce Mezzanine by approx. 44,000 sq ft. Retains Community Room as a public amenity.

REMOVE ROOF & PODIUM

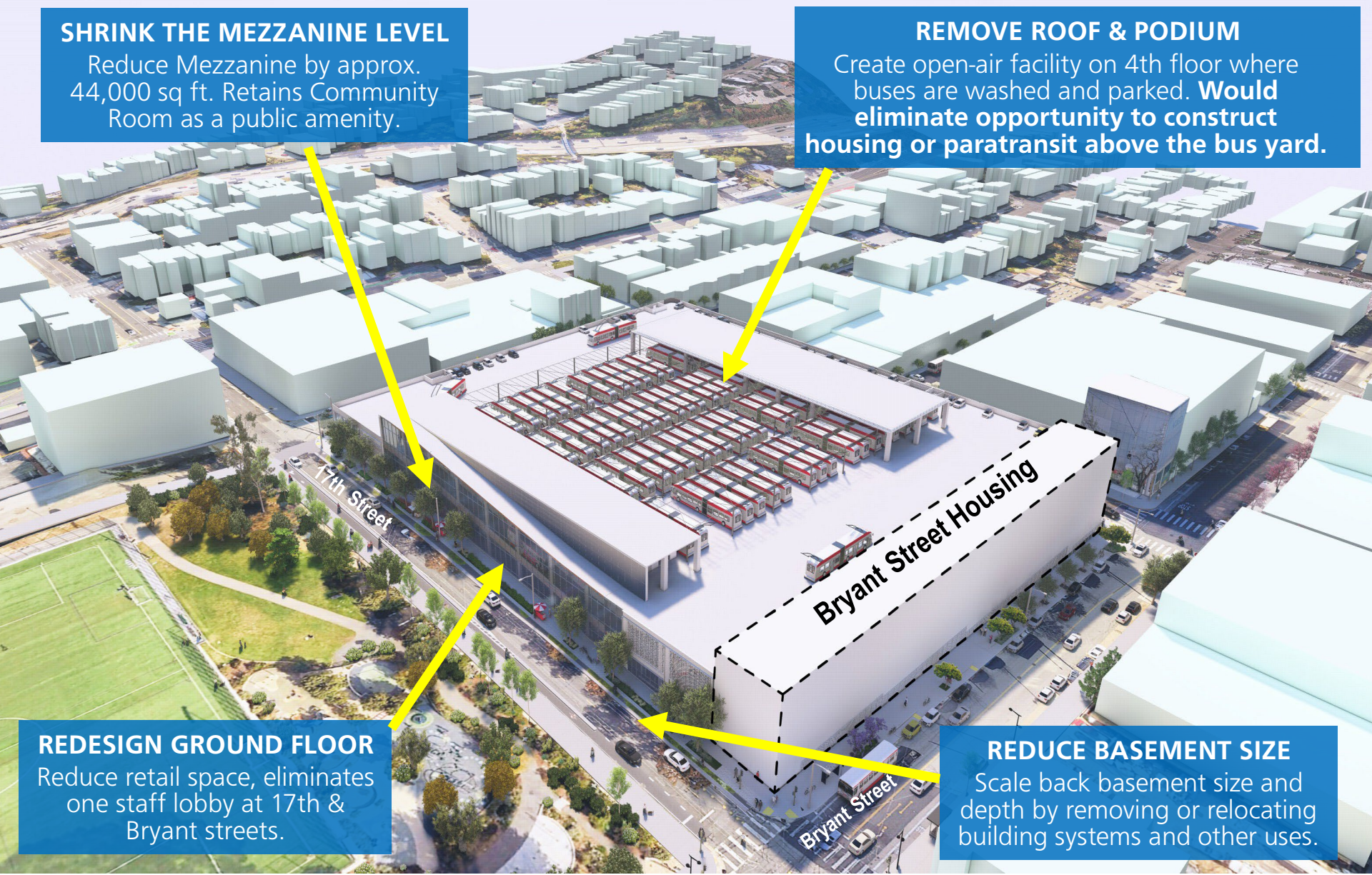
Create open-air facility on 4th floor where buses are washed and parked. **Would eliminate opportunity to construct housing or paratransit above the bus yard.**

REDESIGN GROUND FLOOR

Reduce retail space, eliminates one staff lobby at 17th & Bryant streets.

REDUCE BASEMENT SIZE

Scale back basement size and depth by removing or relocating building systems and other uses.



Preserving Bryant Street Housing

While the primary focus is on making the bus yard financially feasible, the city and affordable housing developers agree that **the proposed changes would not impact the ability to build the approximately 100 units of affordable housing** along Bryant Street.

We are being transparent about the challenges and trade-offs while reaffirming our long-term commitment to affordable housing.

Path to Feasibility: Restructuring Agreement

Current Plan

The original deal structure was for PNC to design-build-finance-operate-maintain (DBFOM) the yard

- PNC to finance the cost of design & construction and maintain the bus facility.
- The SFMTA to pay PNC back for these costs over 30 years.

Proposal

Restructuring the agreement with PNC to **remove O&M**

- PNC would only finance the yard's design and construction.
- SFMTA would perform O&M on facility's systems and structure.



Cost Savings — Significant savings over 30 years in annual payments

Regional Measure 3 Funding

The Project is seeking **\$42,392,692 in RM3 funds:**

- Represents 30% of all RM3 funds designated for SFMTA fleet and facilities
- A resolution of local support is required for the MTC to allocate these funds to the Project
- RM3 funds will contribute to Milestone Payment 1, which is due at Financial Close
 - The more we pay up front, the less we're financing

Recommendation

Staff recommends that the SFMTA Board **adopt a resolution of local support** for the allocation of Regional Measure 3 (RM3) bridge toll funds in the amount of **\$42,392,692** for the **Potrero Yard Modernization Project**; and provide assurances that the SFMTA will comply with Metropolitan Transportation Commission (MTC) policies.

Thank You

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