

File No. 240570

Committee Item No. 8

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 17, 2024

Board of Supervisors Meeting Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| ☐ | ☐ | Motion |
| ☐ | ☐ | Resolution |
| ☐ | ☐ | Ordinance |
| ☐ | ☐ | Legislative Digest |
| ☒ | ☐ | Budget and Legislative Analyst Report |
| ☐ | ☐ | Youth Commission Report |
| ☐ | ☐ | Introduction Form |
| ☒ | ☐ | Department/Agency Cover Letter and/or Report |
| ☐ | ☐ | MOU |
| ☐ | ☐ | Grant Information Form |
| ☐ | ☐ | Grant Budget |
| ☐ | ☐ | Subcontract Budget |
| ☐ | ☐ | Contract/Agreement |
| ☐ | ☐ | Form 126 – Ethics Commission |
| ☐ | ☐ | Award Letter |
| ☐ | ☐ | Application |
| ☐ | ☐ | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|-----------------------------------|
| ☒ | ☐ | <u>PUC Presentation 7/17/2024</u> |
| ☐ | ☐ | _____ |
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Completed by: Brent Jalipa Date July 11, 2024

Completed by: Brent Jalipa Date _____

Item 8 File 24-0570	Department: Public Utilities Commission (PUC)
EXECUTIVE SUMMARY	
Legislative Objectives - The proposed hearing would release \$2,536,607 from Budget and Finance Committee reserve for the San Francisco Public Utilities Commission (SFPUC) City Distribution Division headquarters replacement project underway at 2000 Marin Street. Key Points - The Public Utilities Commission's FY 2022-23 Water Enterprise capital budget appropriation totaled \$122,471,597, including \$2,536,607 in Water bond funding for predevelopment costs relating to a project to replace the Water Enterprise's City Distribution Division's headquarters at 1990 Newcomb Avenue with a new facility at 2000 Marin Street. Because of delays in procuring contractors for the 2000 Marin project, the timeline, total cost, and disposition of the Newcomb site was not known when the Board of Supervisors considered the appropriation in May 2022 (Files 22-0503 and 22-0502). At our recommendation, the Board of Supervisors amended the appropriation ordinance to place that funding on Budget & Finance Committee Reserve. Since that time, all prime contractors for the 2000 Marin project have been awarded. - According to SFPUC capital planning documents, construction at 2000 Marin is expected to begin in September 2024 and be complete in 2029. Total project costs are \$393.6 million, before debt service. - The SFPUC does not plan to declare the Newcomb site as surplus property but has not determined a future use for the site. According to a letter from the SFPUC accompanying this request that is included in the legislative file, the site could be used for storage or a water recycling facility. Fiscal Impact - The proposed hearing would release \$2,536,607 in previously appropriated Water Enterprise capital funding. Recommendation - Approve the requested release of reserves.	

MANDATE STATEMENT

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City's budget and may reserve proposed expenditures to be released at a later date subject to Board of Supervisors approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

BACKGROUND

The Public Utilities Commission's FY 2022-23 Water Enterprise capital budget appropriation totaled \$122,471,597, including \$2,536,607 in Water bond funding for predevelopment costs relating to a project to replace the Water Enterprise's City Distribution Division's headquarters at 1990 Newcomb Avenue with a new facility at 2000 Marin Street. Because of delays in procuring contractors for the 2000 Marin project, the timeline, total cost, and disposition of the Newcomb site was not known when the Board of Supervisors considered the appropriation in May 2022 (Files 22-0503 and 22-0502). At our recommendation, the Board of Supervisors amended the appropriation ordinance to place that funding on Budget & Finance Committee Reserve. Since that time, all prime contractors for the 2000 Marin project have been awarded.

DETAILS OF PROPOSED LEGISLATION

The proposed hearing would release \$2,536,607 from Budget and Finance Committee reserve for the San Francisco Public Utilities Commission (SFPUC) City Distribution Division headquarters replacement project underway at 2000 Marin Street.

Project Status

According to SFPUC capital planning documents, construction at 2000 Marin is expected to begin in September 2024 and be complete in 2029. Total project costs are \$393.6 million, before debt service.

The SFPUC does not plan to declare the Newcomb site as surplus property but has not determined a future use for the site. According to a letter from the SFPUC accompanying this request that is included in the legislative file, the site could be used for storage or a water recycling facility.

FISCAL IMPACT

The proposed hearing would release \$2,536,607 in previously appropriated Water Enterprise capital funding.

RECOMMENDATION

Approve the requested release of reserves.



MEMORANDUM

DATE: May 22, 2024

TO: Supervisor Connie Chan, Chair, Budget and Appropriations Committee

THROUGH: Jeremy Spitz, Local Government Affairs Manager

FROM: Steven R. Ritchie, Assistant General Manager, Water
Steven R. Ritchie

SUBJECT: New City Distribution Division Headquarters (at 2000 Marin)

In May 2022 while the Budget and Appropriations Committee was considering File 220503, the Water Enterprise Capital Appropriation Ordinance, the Budget and Legislative Analyst recommended and the committee amended the file to place \$2,536,607 for the City Distribution Division administrative building on Budget and Finance Committee Reserve, pending a report to the Board of Supervisors on “facility design, space needs, total project costs, and disposition of 1990 Newcomb Avenue.”

This memo provides information regarding the facility design, space needs, total project costs, and disposition of 1990 Newcomb. The design team is led by Mark Cavagnero Associates (MCA) and William Duff Architects (WDA) of San Francisco. The Construction Manager/General Contractor (CM/GC) is Clark Construction Group.

Construction documents for the new facilities will be completed this year. The new campus includes an office building, warehouse, six industrial shops, and a parking structure, in six newly constructed buildings, totaling approximately 380,000 gross square feet. The facilities will receive power from SFPUC Power and include solar power and electrical vehicle chargers to address the California mandate for the conversion of municipal fleets to electrical or alternative fuel. The design of the new facilities was approved by the Civic Design Review Commission on May 20, 2024. Construction is scheduled to commence on September 1, 2024. The total project costs are \$393.6 Million.

Regarding the disposition of 1990 Newcomb Avenue, there are no plans to dispose of the property. The SFPUC has a number of priorities under consideration for the property, including requirements for a water recycling facility, storage of mobile

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Mayor

Tim Paulson
President

Anthony Rivera
Vice President

Newsha K. Ajami
Commissioner

Kate H. Stacy
Commissioner

Dennis J. Herrera
General Manager



generators for emergency operations and other heavy equipment, and addressing a shortage of space in general.

Please let us know if you have any questions or require more information. Following receipt of this memo, the SFPUC respectfully requests that the committee release the \$2,536,607 on reserve. Please let us know the next steps in the process.

cc: Bill Teahan, SFPUC
Katie Miller, SFPUC
Shelby Campbell, SFPUC
Brent Jalipa, Assistant Clerk of the Board
Nicolas Menard, Budget and Legislative Analyst



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Hearing - Release of Reserved Funds New City Distribution Division Headquarters - \$2,536,607 File No. 240570

**Shelby Campbell
Senior Project Manager**

July 17, 2024



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Who: SFWD = Local Water

- Potable, recycled, groundwater, auxiliary
- 1250 miles of water mains
- 15 miles of pipe replaced per year
- 12 reservoirs
- 9 pump stations
- 176,000 water meters





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Where: 2000 Marin Street



VICINITY | NEIGHBORHOOD OF MUNICIPAL OPERATIONS YARDS ALONG CESAR CHAVEZ



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2000 Marin Street





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Why: Current Conditions



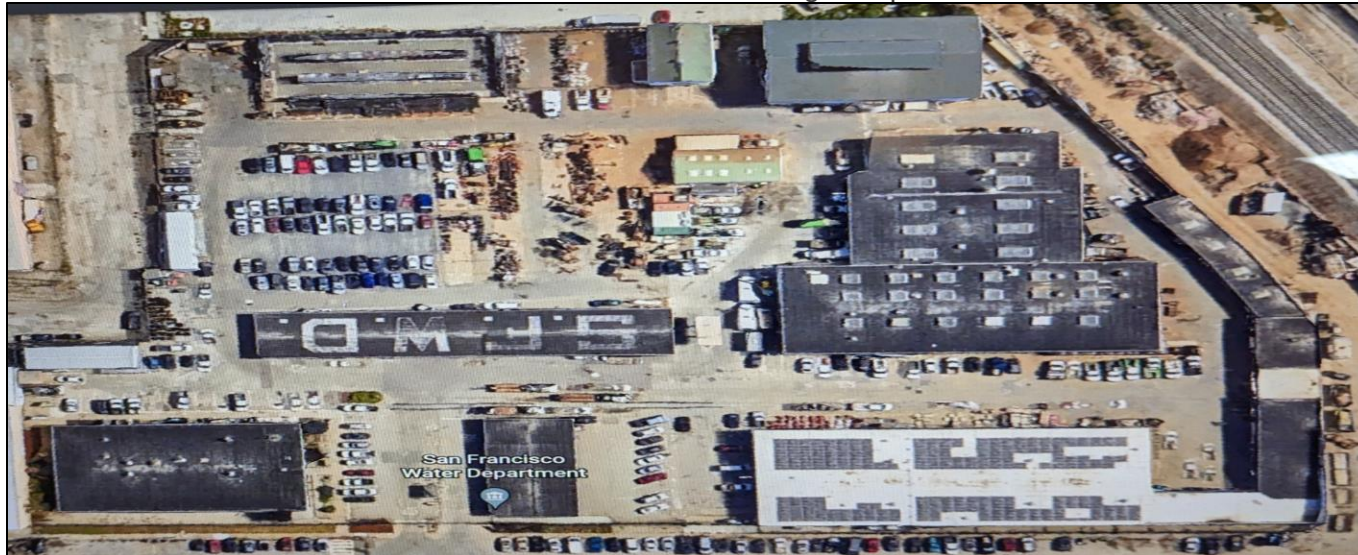
Fabrication Shop workers cut pipe at exterior of shop. Hazardous debris is not contained.



Large vehicles do not fit inside Auto Shop due to door and ceiling heights. Repairs are made outside.



Old B-Blasters in most shops in confined space with inadequate ventilation. No containment of debris.



Existing site mixes pedestrian and vehicular paths across the sprawling campus.



Overcrowded work areas are non-compliant for accessibility and are unsafe.



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What: SFWD Headquarters





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Key Design Objectives: Community-building, Sustainability & Safety



- Pedestrian-Safe Pathway
- Central Green Hub

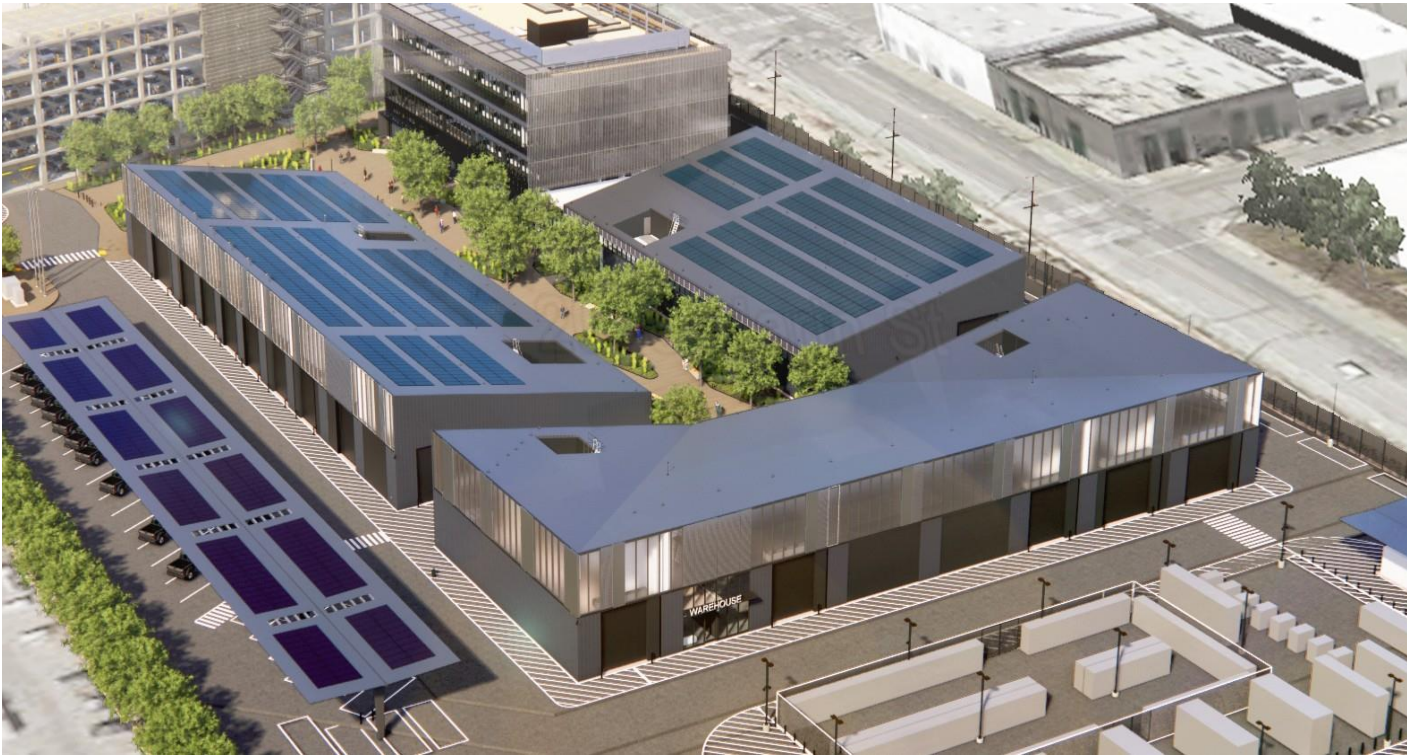
- Stormwater Garden
- Solar Energy
- Recycling Existing Building





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When: Project Milestones



**DESIGN:
FINAL PHASE - CONSTRUCTION
DOCUMENTS UNDERWAY**

**TRADE PROCUREMENT:
BID PACKAGE #1, JULY 2024**

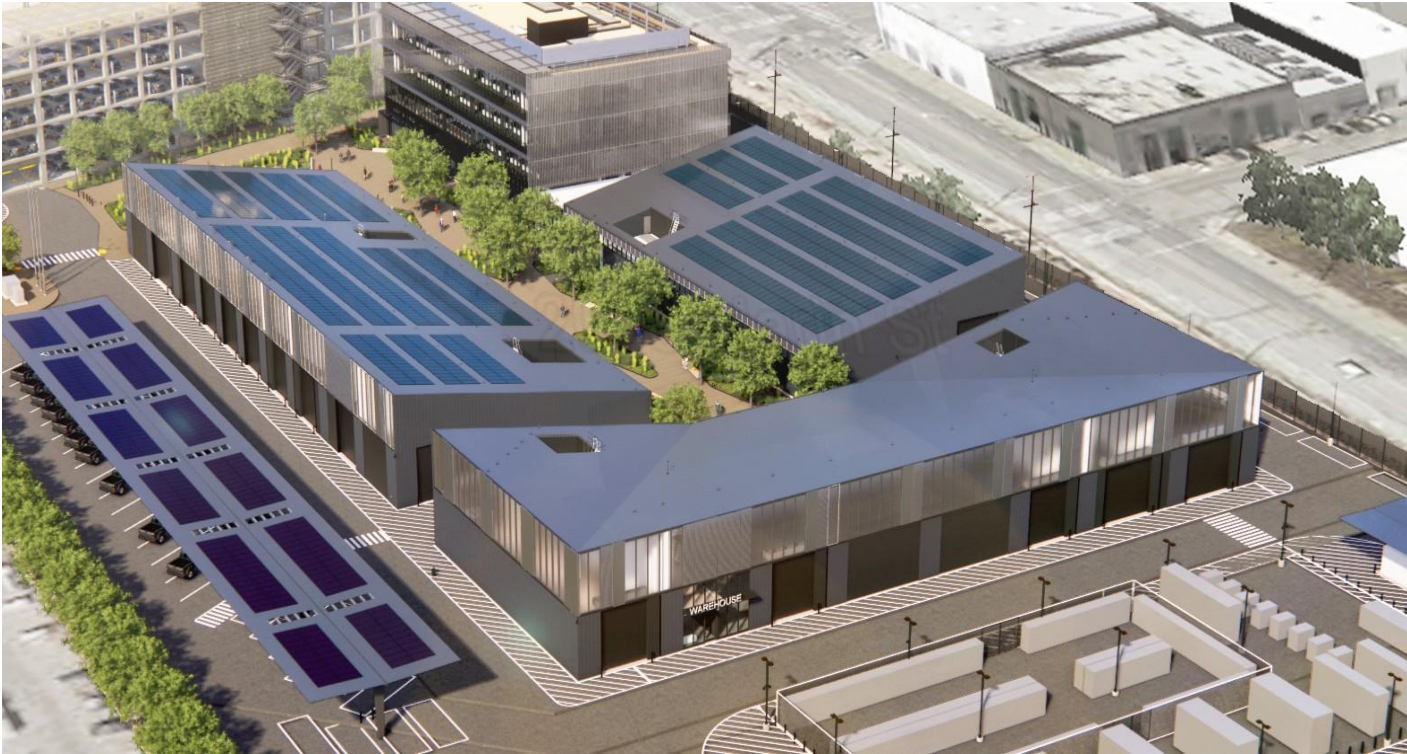
**CONSTRUCTION START:
SEPTEMBER 2024**

**CONSTRUCTION FINISH:
DECEMBER 2028**



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Project Budget Request



TOTAL PROJECT BUDGET:
\$393.4 Million

FUNDING RELEASE REQUEST:
\$2,536,604



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The Future - Thank You!

