

File No. 151226

Committee Item No. 7
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 27, 2016

Board of Supervisors Meeting

Date _____

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Completed by: Linda Wong Date January 22, 2016
Completed by: Linda Wong Date _____

1 [Waiver of Certain Contract Requirements for Project Delivery Agreement for New Central
2 Shops Facilities - Oryx LLC - \$55,000,000 Project Cost; Interdepartmental Property Transfers]

3 **Ordinance approving and authorizing the Director of Property of the General Services**
4 **Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with**
5 **Oryx, LLC ("Developer") for the design and construction of proposed improvements to**
6 **future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessors**
7 **Block No. 5250, Lot No. 15, and Assessors Block No. 5250, Lot No. 16), and tenant**
8 **improvements to future City leased property at 450 Toland Street (Assessors Block No.**
9 **5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet**
10 **Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessors**
11 **Block Nos. 5262 and 5270), with total anticipated project delivery cost of \$55,000,000**
12 **from San Francisco Public Utilities Commission ("SFPUC") Wastewater Enterprise**
13 **funds; exempting the project from certain contracting requirements in Administrative**
14 **Code, Chapter 6, by waiving the requirements of Administrative Code, Sections 6.61(b)**
15 **and 6.61(c)(1) – (4), and approving the selection of Oryx LLC as Developer, and**
16 **Developer's selection of FM&E Architecture & Design as a Subcontractor to serve as**
17 **the Project Architect and Charles Pankow Builders, Ltd., as a Subcontractor to serve as**
18 **General Contractor, without competitive bidding; authorizing the jurisdictional transfer**
19 **of 1800 Jerrold Street, from General Services Agency's Office of Contract**
20 **Administration ("OCA") to the SFPUC Wastewater Enterprise, and the jurisdictional**
21 **transfer of 555 Selby Street and 1975 Galvez Avenue, and the leasehold of 450 Toland**
22 **Street, from the SFPUC to OCA, subject to the terms and conditions of the**
23 **Memorandum of Understanding entered into between the RED, OCA and SFPUC; and**
24 **finding the proposed transactions are in conformance with the City's General Plan, and**
25 **the eight priority policies of Planning Code, Section 101.1.**

1 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
2 **Additions to Codes** are in *single-underline italics Times New Roman font*.
3 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
4 **Board amendment additions** are in double-underlined Arial font.
5 **Board amendment deletions** are in ~~strikethrough Arial font~~.
6 **Asterisks (* * * *)** indicate the omission of unchanged Code
7 subsections or parts of tables.

8 Be it ordained by the People of the City and County of San Francisco:

9 Section 1. Findings.

10 A. Under companion legislation on file with the Clerk of the Board of Supervisors in
11 File No. 151215 (the "Companion Resolution"), the Director of Property would be authorized
12 to acquire real property located at 555 Selby Street and 1975 Galvez Avenue (Assessors
13 Block 5250, Lot 15, Assessors Block 5250, Lot 16), and execute a lease for property located
14 at 450 Toland Street (Assessors Block 5230, Lot 18) (collectively, the "Project Site") using
15 SFPUC Wastewater Enterprise ("WWE") funds for WWE purposes. If the Companion
16 Resolution and this Ordinance are adopted and final, jurisdiction over the Project Site would
17 be transferred to OCA to create new facilities for the relocation of the City's Central Shops
18 from 1800 Jerrold Avenue (portions of Assessors Blocks 5262 and 5270), to facilitate the
19 timely jurisdictional transfer of 1800 Jerrold Avenue to the SFPUC Wastewater Enterprise.

20 B. In 1946, the City acquired real property for the construction of the North Point
21 Sludge Treatment Plant near Islais Creek, now commonly known as the Southeast Water
22 Pollution Control Plant ("Southeast Plant"), including purchase of Assessor's Block 5262 in its
23 entirety, and later the City purchased the portion of Assessor's Block 5270 for that same
24 purpose. Since the 1960's, the City's Central Shops, a facility providing repair services to the
25 City's non-revenue vehicle fleet, has been located on a portion of Assessor's Block 5262, Lot
26 No. 009, with an address of 1800 Jerrold Avenue. The OCA holds jurisdiction over 1800

1 Jerrold Avenue, where the City's Department of Technology Public Safety Division is also
2 located.

3 C. The City owned property at 1800 Jerrold Avenue is approximately 6 acres in
4 size and located adjacent to the Southeast Plant. The Southeast Plant facilities are in need of
5 substantial maintenance, repair and replacement, and the adopted WWE Capital Plan
6 includes an allocation over the next ten years of \$164,000,000 toward treatment plant
7 improvements, together with various other allocations for repairs and replacements. The
8 SFPUC seeks to secure a large parcel of land in proximity to the Southeast Plant to support
9 capital improvements necessary to maintain essential utility services, and there is a very
10 limited supply of such available land. OCA would consent to a jurisdictional transfer of 1800
11 Jerrold Avenue to the SFPUC, provided that OCA receives compensation sufficient to enable
12 occupancy of functionally equivalent facilities and for necessary incurred relocation expenses.

13 D. The OCA, SFPUC and RED have entered into a Memorandum of
14 Understanding, which is on file with the Clerk of the Board of Supervisors under File No.
15 151226 (the "MOU"), to establish the terms and conditions of such jurisdictional transfers.
16 The City's Director of Property has determined that the current fair market value of 1800
17 Jerrold Avenue is less than the reasonable and necessary expense required to relocate
18 Central Shops to facilities that are functionally equivalent to Central Shops' existing facilities,
19 including property acquisition costs, rent, development, design and construction of
20 replacement improvements.

21 E. City staff have developed a conceptual design for the Project Site that meets the
22 operational needs of Central Shops, and involves the demolition of all existing improvements
23 at 555 Selby Street and 1975 Galvez Avenue, and new construction of an approximately
24 54,000 square foot, 35-foot-high building to be used for maintenance and repair of medium
25 and heavy duty vehicles, such as fire trucks, heavy equipment transporters, dump trucks,

1 and street sweepers, as well as for administrative offices, support functions, and employee
2 amenities; and tenant improvements to 450 Toland Street modifying the existing
3 approximately 45,000 square foot building's interior to provide for three functional programs
4 (Light Duty Vehicle Shop, Body/Paint Shop, and Ladder Shop), associated building systems, and
5 related employee amenities (collectively, the "Proposed Project"). The MOU provides that
6 SFPUC will pay OCA not to exceed \$55,000,000 for the cost of OCA's Proposed Project on the
7 Project Site, inclusive of contingencies and Developer fee.

8 F. On October 28, 2015, the Planning Department's CEQA Coordinator Timothy
9 Johnston issued a notice that this project is categorically exempt under California
10 Environmental Quality Act (CEQA) Guidelines Section 15332 (Infill Development, Class 32).
11 The Planning Department, through General Plan Referral letter dated November 5, 2015,
12 which is on file with the Clerk of the Board of Supervisors under File No. 151226, has verified
13 that the City's acquisition of 1975 Galvez Avenue and 555 Selby Street, and lease of 450
14 Toland Street, together with the jurisdictional assignments and transfers noted herein, are all
15 consistent with the General Plan and the Eight Priority Policies under the Planning Code
16 Section 101.1.

17 G. Due to time constraints brought on by the challenges of finding suitable relocation
18 sites for Central Shops in the current extraordinarily competitive real estate market for industrial
19 land, and the SFPUC's pressing need for land to accommodate its WWE capital improvement
20 program by the summer of 2017, the Director of Property informally approached entities
21 capable of executing the Proposed Project and identified one team reasonably available and
22 deemed capable of carrying out the Proposed Project within the time frame required and
23 within the budget developed. The City and Oryx, LLC, the Developer, subsequently entered
24 into negotiations for a Project Delivery Agreement (the "PDA") for Oryx to complete the
25 development, design and construction of the Proposed Project, subject to obtaining

1 authorization to waive the competitive selection requirements in Administrative Code Chapter
2 6, Sections 6.61(b) and 6.61(c) (1) – (4).

3 H. Under the proposed PDA, Oryx shall enter into, manage, monitor, and oversee
4 all contracts required to complete the Proposed Project for the City (the “Developer
5 Services”). The Developer has selected, subject to City approval, FM&E Architecture and
6 Design (the “Architect”) as the architect and Charles Pankow Builders, Ltd, (the “General
7 Contractor”), as the general contractor for the Proposed Project. The Developer shall
8 negotiate, with assistance from the Director of Property consulting with the Director of Public
9 Works, contracts with the Architect and the General Contractor for the design and
10 construction of the Proposed Project. Such contracts, and all other contracts required for the
11 completion of the Proposed Project (the “Project Contracts”), will be entered into by Developer
12 as set forth in the proposed PDA.

13 I. The OCA, RED and SFPUC have determined that the design-build project
14 delivery method is necessary and appropriate to achieve anticipated time efficiencies and that
15 the use of the design-build project delivery method is in the public’s best interest. The
16 proposed PDA is a design-build agreement with two phases. During the first phase, for a
17 negotiated price of eight million four hundred thirty thousand dollars (\$8,430,000), the
18 Developer and its approved subcontractors will completed design of the proposed
19 improvements, permitting and initial construction work to prepare the Project Site and install
20 piles. The proposed PDA would obligate the Developer to design the project based on RED
21 and OCA’s budget of fifty five million dollars (\$55,000,000), and in recognition of the City’s
22 desire to obtain beneficial occupancy by June 29, 2017. When its Architect completes 100%
23 construction drawing to the City’s satisfaction, the Developer will provide the City with a
24 proposed Guaranteed Maximum Price and schedule establishing the duration for completion
25 of the construction work. If the Guaranteed Maximum Price does not exceed \$55 million, and

1 the schedule is acceptable, the City may authorize the second phase of the contract, and
2 issue a Notice to Proceed to the Developer for the construction. If the Guaranteed Maximum
3 Price of the Proposed Project exceeds the \$55 million in SFPUC funds as provided in the
4 MOU, then OCA and RED will work with the Developer to amend the scope of the Proposed
5 Project to bring it within budget, or seek the Mayor and Board's approval of supplemental
6 authorization.

7 J. Entering into the PDA with Oryx is appropriate and in the City's best interests. If
8 the Proposed Project is developed, the City would functionally replace existing Central Shops
9 at 1800 Jerrold Avenue with a state of the art facility in close proximity to the existing
10 operation. The development would involve significant participation of local trades and
11 businesses to bolster the local economy. Based upon the information provided by the Office
12 of Public Finance and the Real Estate Director, the Board finds that the Proposed Project is
13 financially feasible consistent with Administrative Code Chapter 29.

14 K. The SFPUC unanimously approved Resolution No. 15-0241 on November 10,
15 2015, authorizing the SFPUC General Manager to execute the MOU, subject to approval by
16 the Board of Supervisors and the Mayor of the jurisdictional transfer of 1800 Jerrold Avenue to
17 the SFPUC consistent with the terms of the MOU, and setting forth the total amount of costs
18 to be incurred and paid by SFPUC of seventy three million, seven hundred thousand dollars
19 (\$73,700,000), which is the not to exceed sum agreed upon in the MOU to acquire and lease
20 the Project Site and complete necessary improvements and relocate Central Shops to
21 functionally equivalent facilities. On December 8, 2015, the SFPUC will consider a revised
22 resolution, consistent with this Ordinance, and if approved, that SFPUC resolution will be on
23 file with the Clerk of the Board of Supervisors under File No. 151226. If both the proposed
24 Companion Resolution and the Proposed Ordinance become effective, the Project Site
25 acquired by the SFPUC will be placed under the jurisdiction of OCA, subject to the condition

1 that if Central Shops fails to occupy, vacates, or ceases to use the acquired property for
2 Central Shop functions (the "Triggering Event"), OCA will owe payment to SFPUC within thirty
3 (30) days after the Triggering Event in an amount equal to the unamortized value of the
4 acquisition and improvement cost of 555 Selby Street and 1975 Galvez Avenue. The
5 amortization schedule shall be straight-line depreciation of land and improvements over thirty
6 (30) years, commencing on the date of receipt of a Temporary Certificate of Occupancy
7 ("TCO"), with a first year value of \$50,000,000. For example purposes only, should the TCO
8 date be June 1, 2017, and the Triggering Event date be June 1, 2037, the payment amount
9 due SFPUC shall be \$16,666,666 (20 years of 30 years total = 0.33 remaining life,
10 \$50,000,000 x 0.33 = \$16,666,666).

11 L. The Director of Property, SFPUC General Manager, and Director of Purchasing
12 all recommended to the Mayor that the SFPUC can more advantageously use 1800 Jerrold
13 Avenue and that jurisdiction to 1800 Jerrold Avenue be transferred to SFPUC, and that
14 jurisdiction to the Project Site be assigned to OCA, in accordance with the terms and
15 conditions of the MOU.

16 Section 2. Waiver of Administrative Code Chapter 6, Section 6.61 (b) and 6.61(c) (1) –
17 (4). The Board of Supervisors recognizes that this Proposed Project is slated to occur at one
18 of the most robust construction periods in the history of San Francisco, and as such, there are
19 limited availabilities of design and construction teams led by a developer entity willing and
20 able to perform the Proposed Project within the budget and timeline provided by the City.
21 Accordingly, the design and construction of the Proposed Project by Developer shall not be
22 subject to the requirements of Administrative Code Chapter 6, Sections 6.61(b) and 6.61(c)(1)
23 – (4), which would otherwise require a competitive selection process for the proposed design-
24 build PDA. The Board of Supervisors approves the selection of the Developer, the Architect,
25 and the General Contractor as set forth in the PDA, without competitive bidding, and

1 authorizes OCA and RED to enter into the proposed PDA, subject to the Mayor's approval.
2 Competitive bidding for subcontracting opportunities shall be as set forth in the subcontract
3 between Developer and the General Contractor, as approved by the City in accordance with
4 the terms of the proposed PDA, and that subcontract will comply with the procedures and
5 requirements regarding procurement of trade work (subcontractors) consistent with
6 Administrative Code Chapter 6, Section 6.61(c)(5). The proposed PDA shall also require
7 compliance with Administrative Code Chapter 6, Sections 6.61, subsections (d) (e) (f) and (g),
8 among other provisions, which incorporate by reference City requirements governing contract
9 terms and working conditions in Administrative Code Chapter 6, Section 6.22, including but
10 not limited to provisions for Insurance, Prevailing Wage, Local Hiring, Liquidated Damages,
11 Bonds, City Right to Terminate for Convenience, Employment of Apprentices, Contractor
12 Prompt Payment to Subcontractors, and Administrative Code Chapters 12 and 14.

13 Section 3. Jurisdictional Transfers between SFPUC and OCA. The Planning
14 Department, through General Plan Referral letter dated November 5, 2015 ("Planning Letter"),
15 which is on file with the Clerk of the Board of Supervisors under File No. 151226, has verified
16 that the City's acquisition of 1975 Galvez Avenue and 555 Selby Street, and lease of 450
17 Toland Street, together with the jurisdictional assignments and transfers noted herein, are all
18 consistent with the General Plan and the Eight Priority Policies under the Planning Code
19 Section 101.1. The Board finds that the Proposed Project, and jurisdictional transfers of 1800
20 Jerrold Avenue from OCA to SFPUC and the Project Site from SFPUC to OCA, subject to the
21 terms and conditions of the MOU, is consistent with the City's General Plan and Eight Priority
22 Policies of Planning Code Section 101.1 and incorporates the Planning Letter by this
23 reference as though fully set forth in this Ordinance. Based on the recommendation of the
24 Directors of Property and Purchasing, the SFPUC General Manager, and the Mayor, the
25

1 jurisdiction of 1800 Jerrold Avenue shall be transferred to the SFPUC, and the jurisdiction of
2 the Project Site shall be transferred to OCA, subject to the terms and conditions of the MOU.

3 Section 4. Additions, Amendments, and Modifications. The Board of Supervisors
4 authorizes the Director of Property to enter into any additions, amendments, or other
5 modifications to the PDA, and any other documents or instruments in connection with same,
6 that the Director of Property and the City Administrator determine, following consultation with
7 the City Attorney, are in the City's best interests, do not materially decrease the City's benefits
8 or materially increase the City's obligations or liabilities, and are appropriate and advisable to
9 complete the proposed transaction, such determination to be conclusively evidenced by the
10 execution and delivery by the Director of Property and the City Administrator of any such
11 additions, amendments, or other modifications.

12 Section 5. Effective and Operative Dates. This ordinance shall become effective 30
13 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor
14 returns the ordinance unsigned or does not sign the ordinance within 10 days of receiving it,
15 or the Board of Supervisors overrides the Mayor's veto of the ordinance. This ordinance shall
16 become operative upon its effective date or upon adoption of the Companion Resolution,
17 whichever is later.

18
19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21 By: 
22 Noreen Ambrose
23 Deputy City Attorney

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25

LEGISLATIVE DIGEST

[Waiver of Certain Contract Requirements for Project Delivery Agreement for New Central Shops Facilities - Oryx LLC - \$55,000,000 Project Cost; Interdepartmental Property Transfers]

Ordinance approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx, LLC ("Developer") for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessors Block No. 5250, Lot No. 15, and Assessors Block No. 5250, Lot No. 16), and tenant improvements to future City leased property at 450 Toland Street (Assessors Block No. 5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessors Block Nos. 5262 and 5270), with total anticipated project delivery cost of \$55,000,000 from San Francisco Public Utilities Commission ("SFPUC") Wastewater Enterprise funds; exempting the project from certain contracting requirements in Administrative Code, Chapter 6, by waiving the requirements of Administrative Code, Sections 6.61(b) and 6.61(c)(1) - (4), and approving the selection of Oryx LLC as Developer, and Developer's selection of FM&E Architecture & Design as a Subcontractor to serve as the Project Architect and Charles Pankow Builders, Ltd., as a Subcontractor to serve as General Contractor, without competitive bidding; authorizing the jurisdictional transfer of 1800 Jerrold Street, from General Services Agency's Office of Contract Administration ("OCA") to the SFPUC Wastewater Enterprise, and the jurisdictional transfer of 555 Selby Street and 1975 Galvez Avenue, and the leasehold of 450 Toland Street, from the SFPUC to OCA, subject to the terms and conditions of the Memorandum of Understanding entered into between the RED, OCA and SFPUC; and finding the proposed transactions are in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

Administrative Code Chapter 6 sets forth the City's public works contracting policies and procedures. Chapter 6, Section 6.61 governs award of Design-Build contracts. Section 6.61(b) requires a pre-qualification process and selection through either an invitation for bids or a request for qualifications for a type of Design-Build contract referred to as "Competitive Bid or Fixed Budget Limit Procurement." Alternatively, a department can pursue a Design-Build contract under Section 6.61(c) for "Best Value Procurement", and under Section 6.61(c) subsections (1) - (4), the department is required to pursue a pre-qualification process or issuance of a combined request for qualifications and request for proposals, and selection based on the ranking process. These requirements are generally referred to as competitive bidding for Design-Build contracts.

Administrative Code Chapter 23, Article II, establishes the policies and procedures for City departments to seek jurisdictional transfers of property from one department to another.

Amendments to Current Law

The San Francisco Public Utilities Commission (SFPUC) seeks to acquire jurisdiction over 1800 Jerrold Avenue for its Wastewater Enterprise, which is the current location of the City's Central Shops, under the jurisdiction of General Services Administration, Office of Contract Administration (OCA), consistent with Administrative Code Chapter 23 policies and procedures. The City Real Estate Division (RED), Director of Property determined that the current fair market value of 1800 Jerrold Avenue is less than the reasonable and necessary expense required to relocate Central Shops to facilities that are functionally equivalent to Central Shops' existing facilities, including property acquisition costs, rent, development, design and construction of replacement improvements. SFPUC approved a Memorandum of Understanding (MOU) with OCA and RED, agreeing to incur costs and pay OCA the total amount of Seventy Three Million Seven Hundred Thousand dollars (\$73,700,000) to accomplish the jurisdictional transfer, provided that OCA agree to obtain or construct the necessary functionally equivalent facilities for Central Shops, and relocate by June 2017.

To accomplish this objective on that timeline, OCA and RED seek a waiver of Administrative Code Chapter 6, Sections 6.61(b) and 6.61(c) (1) – (4), which otherwise would require a competitive selection process for the Design-Build contract required to construct the new Central Shops facilities. Instead, they seek approval of the selection of Oryx LLC as Developer, and Developer's selection of FM&E Architecture & Design as a subcontractor to serve as the Project Architect and Charles Pankow Builders, Ltd. as a subcontractor to serve as General Contractor under a Project Delivery Agreement (Design-Build), with a not to exceed cost of Fifty Five Million dollars (\$55,000,000).

OCA is not seeking waiver of other Administrative Code provisions applicable to Design-Build contracts. The Project Delivery Agreement will require competitive bidding for subcontracting opportunities consistent with the procedures and requirements regarding procurement of trade work (subcontractors) under Administrative Code Chapter 6, Section 6.61(c)(5). The proposed PDA shall also require compliance with Administrative Code Chapter 6, Sections 6.61, subsections (d) (e) (f) and (g), among other provisions, which incorporate by reference City requirements governing contract terms and working conditions in Administrative Code Chapter 6, Section 6.22, including but not limited to provisions for Insurance, Prevailing Wage, Local Hiring, Liquidated Damages, Bonds, City Right to Terminate for Convenience, Employment of Apprentices, Contractor Prompt Payment to Subcontractors, and Administrative Code Chapters 12 and 14. OCA will also seek Civil Service Commission approval for the Project Delivery Agreement, as required by the Charter.

The SFPUC, OCA and RED, with the Mayor's consent, seek Board approval of the jurisdictional transfer of 1800 Jerrold Avenue from OCA to SFPUC, and the jurisdictional

transfer of property that SFPUC will acquire if authorized by a Companion Resolution (Board File No.151215) to OCA, for the new Central Shops facilities, subject to the terms and conditions of the MOU.

Background Information

In 1946, the City acquired real property for the construction of the North Point Sludge Treatment Plant near Islais Creek", now commonly known as the Southeast Water Pollution Control Plant ("Southeast Plant"). The Southeast Plant facilities are in need of substantial maintenance, repair and replacement, and the adopted WWE Capital Plan includes an allocation over the next ten years of \$164,000,000 toward treatment plant improvements, together with various other allocations for repairs and replacements. The SFPUC seeks to secure a large parcel of land in proximity to the Southeast Plant to support capital improvements necessary to maintain essential utility services, and there is a very limited supply of such available land.

Since the 1960's, the City's Central Shops, a facility providing repair services to the City's non-revenue vehicle fleet, has been located on a portion of Assessor's Block 5262, Lot No. 009, (approximately 6 acres) with an address of 1800 Jerrold Avenue, adjacent to the Southeast Plant. SFPUC seeks jurisdiction over 1800 Jerrold Avenue for its Wastewater Enterprise by June 2017, consistent with the requirements of its capital improvement program schedule. OCA would consent to a jurisdictional transfer to the SFPUC, provided that OCA receives compensation sufficient to enable occupancy of functionally equivalent facilities and for necessary incurred relocation expenses. The SFPUC Commission approved an MOU with OCA and RED, providing that SFPUC would incur costs and pay OCA the total transfer price of \$73,700,000 for OCA to construct functionally equivalent facilities, provided that OCA relocated from the existing Central Shops facilities by June 2017.

Due to time constraints brought on by the challenges of finding suitable relocation sites for Central Shops in the current extraordinarily competitive real estate market for industrial land, and the SFPUC's pressing need for land to accommodate its WWE capital improvement program by the summer of 2017, the Director of Property informally approached entities capable of executing the proposed project and identified one team reasonably available and deemed capable of carrying out the Proposed Project within the time frame required and within the budget developed. The City and Oryx, LLC, the Developer, subsequently entered into negotiations for a Project Delivery Agreement (the "PDA") for Oryx to complete the development, design and construction of the proposed project, subject to obtaining authorization to waive the competitive selection requirements in Administrative Code Chapter 6, Sections 6.61(b) and 6.61(c) (1) – (4).

The OCA, RED and SFPUC have determined that the design-build project delivery method is necessary and appropriate to achieve anticipated time efficiencies and that the use of the design-build project delivery method is in the public's best interest. The proposed PDA is a design-build agreement with two phases. During the first phase, for a negotiated price of

\$8,430,000, the Developer and its approved subcontractors will completed design of the proposed improvements, permitting and initial construction work to prepare the sites and install piles. The proposed PDA would obligate the Developer to design the project based on RED and OCA's budget of \$55 million, and in recognition of the City's desire to obtain beneficial occupancy by June 29, 2017. When its Architect completes 100% construction drawing to the City's satisfaction, the Developer will provide the City with a proposed Guaranteed Maximum Price and schedule establishing the duration for completion of the construction work. If the Guaranteed Maximum Price does not exceed \$55 million, and the schedule is acceptable, the City may authorize the second phase of the contract, and issue a Notice to Proceed to the Developer for the construction. If the cost of the Proposed Project exceeds the \$55 million in SFPUC funds as provided in the MOU, then OCA and RED will work with the Developer to amend the scope of the Proposed Project to bring it within budget, or seek the Mayor and Board's approval of supplemental authorization.

The departments seek waiver of the Administrative Code Chapter 6, Sections 6.61(b) and 6.61(c) (1) – (4) to enter into a design-build contract to relocate Central Shops to new functionally equivalent facilities on an expedited timeline, so that the SFPUC Wastewater Enterprise can assume jurisdiction over 1800 Jerrold Avenue, to support implementation of the Wastewater Enterprise capital improvement program on the approved schedule.

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Items 7 and 8
Files 15-1226 and 16-0021

Departments:
 San Francisco Public Utilities Commission (SFPUC)
 General Services Agency (GSA)
 Office of Contract Administration (OCA)
 Real Estate Division (RED)

EXECUTIVE SUMMARY

Legislative Objectives

- File 15-1226: Ordinance (a) authorizing the Director of Property to execute a Project Delivery Agreement with Oryx, LLC (developer) to design and construct improvements to City-owned properties at 555 Selby Street and 1975 Galvez Avenue and City-leased property at 450 Toland Street for new Central Shops at a total estimated cost of \$55,000,000 from San Francisco Public Utilities Commission (SFPUC) Wastewater Enterprise funds; (b) exempting the project from Administrative Code Chapter 6 contracting requirements and approving the selection of Oryx LLC as Developer and Developer’s selection of FM&E Architecture & Design to serve as Project Architect and Charles Pankow Builders, Ltd, to serve as General Contractor, without competitive bidding; (c) authorizing the jurisdictional transfer of 1800 Jerrold Street from the General Services Agency’s (GSA) Office of Contract Administration (OCA) to the SFPUC and authorizing the jurisdictional transfer of 555 Selby Street, 1975 Galvez Avenue and 450 Toland Street from the SFPUC to OCA, subject to the Memorandum of Understanding (MOU); and (d) finding that the proposed transactions are in conformance with the City’s General Plan and the eight priority policies of Planning Code, Section 101.1.
- File 16-0021: Ordinance appropriating \$62,200,000 as a transfer from the SFPUC’s Wastewater Enterprise Funds to the City Administrator for pre-development costs for the Central Shops Relocation Project in FY 2015-16.

Key Points

- Central Shops is currently located at 1800 Jerrold Avenue. The SFPUC plans to occupy 1800 Jerrold Avenue, which is adjacent to the Southeast Water Pollution Control Plant (Plant), as part of the SFPUC’s Sewer System Improvement Program (SSIP). The Board of Supervisors recently approved leasing property at 450 Toland Street and purchasing properties at 555 Selby Street and 1975 Galvez Avenue for the relocation of Central Shops.
- The proposed Project Delivery Agreement is not in final form; the final form of the Agreement will be submitted to the Board of Supervisors by Monday, January 25, 2016.

Fiscal Impact

- The ordinance (File 15-1226) estimates Phase I, Design of the Project Delivery Agreement to cost \$8,430,000. The City is now estimating Phase I will cost \$10,263,517, including development management fees of up to \$1,239,000.
- The acquisition, capitalized 10-year lease expenses, and construction cost to replace the existing Central Shops facilities are estimated to total \$73,700,000.
- The proposed supplemental appropriation (File 16-0021) would transfer \$62,200,000 from the SFPUC's Wastewater Enterprise Funds to the City Administrator for pre-development costs for the Central Shops Relocation Project, which is \$11,500,000 less than the total \$73,700,000 cost to reflect that SFPUC previously funded the acquisition of the properties at 555 Selby Street and 1975 Galvez Avenue.

Policy Consideration

- City departments must conduct a competitive process in accordance with City Code. However, the proposed ordinance (15-1226) would waive the City's competitive bidding requirements and approve the selection of the developer, architect and general contractor on a sole source selection basis in order to expedite the proposed project. The City's requirements for competitive bidding promote larger public policy objectives of providing an open process to obtain the most competitive price for the City.

Recommendations

- Amend the proposed ordinance (File 15-1226) to (a) clarify that the Board of Supervisors is only approving Phase I Design of the Project Delivery Agreement, and (b) reflect that the Phase I costs are no longer estimated to be \$8,430,000 but rather are currently estimated to be \$10,263,517, or not to exceed \$10,300,000.
- The Real Estate Division will be submitting further amendments to File 15-1226 to exempt this project from the Chapter 29 requirements regarding fiscal feasibility in accordance with Section 29.1(c)(4).
- Approval of the proposed ordinance (File 15-1226), which would authorize sole source contracts and waive competitive bidding as required by the City's Administrative Code on the proposed Central Shops relocation project, is a policy decision for the Board of Supervisors.
- Amend the proposed supplemental appropriation ordinance (File 16-0021) to place \$45,000,000 of the total requested \$62,200,000 on Budget and Finance Committee reserve. Given that the Budget and Legislative Analyst considers File 15-1226 to be a policy matter, the companion ordinance (File 16-0021) is also considered to be a policy decision for the Board of Supervisors. The OCA and Real Estate should request the release of the remaining \$45,000,000 at the same time when they request approval of Phase II of the Project Delivery Agreement by the Board of Supervisors.

MANDATE STATEMENT

City Administrative Code Chapter 6 specifies the City's public works contracting policies and procedures, with Section 6.61 addressing the award of Design-Build contracts.¹ In accordance with Sections 6.61(b) and (c), prior to selecting and awarding Design-Build contracts, City departments must conduct a competitive process. Such a competitive process may include a pre-qualification process through either an invitation for bids or a request for qualifications or a combined request for qualifications and request for proposals, with selection based on a ranking process.

City Administrative Code Chapter 23, Article II establishes the policies and procedures for the jurisdictional transfers of City property from one department to another. These procedures include that the Director of Property shall prepare a report regarding the estimated fair market value of the property to be transferred and that the Board of Supervisors approve such jurisdictional transfers of City properties.

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

BACKGROUND

The City's Central Fleet Maintenance Shop (Central Shops) is currently located on a City-owned 5.3-acre site at 1800 Jerrold Avenue² under the jurisdiction of the City's General Services Agency (GSA). Central Shops provides repair services to the City's non-revenue vehicle fleet. Located immediately adjacent to 1800 Jerrold Avenue is the San Francisco Public Utilities Commission (SFPUC) Southeast Water Pollution Control Plant (Plant). As part of the SFPUC's Sewer System Improvement Program (SSIP), the SFPUC plans to occupy the 1800 Jerrold Avenue site in order to rehabilitate the adjacent Plant and/or as a potential location for the Biosolid Digesters Facilities Project³.

The GSA plans to relocate Central Shops from 1800 Jerrold Avenue to two sites near its current location. The two sites are: (1) 1975 Galvez Avenue and 555 Selby Street, two adjacent parcels which would be purchased and merged into one site for Central Shops heavy duty fleet repair operations, such as fire trucks, dump trucks and street sweepers, and include administrative offices and support functions; and (2) 450 Toland Street, which would be leased for the Central Shops light duty fleet repair operations, such as light duty trucks, body and paint shop and

¹ Design-Build is defined as an approach to the procurement of design and construction services, whereby a single entity is retained to provide both professional design services and general contractor services.

² The City's Department of Technology (DT) Public Safety Division is also located at 1800 Jerrold Avenue, which is responsible for radio repair/installation in public safety vehicles and repair/installation of the City's fiber infrastructure. Real Estate is currently negotiating a new lease for DT's Public Safety Division to relocate from the City-owned 1800 Jerrold Avenue to a private facility, which will be subject to Board of Supervisors approval later this year.

³ The SFPUC is currently undergoing environmental review for the Biosolids Digester Facilities Project. Biosolid digesters break down solid waste as part of the sewage treatment process.

related employee support functions. On December 15, 2015, the Board of Supervisors approved (File 15-1215; Resolution No. 525-15) authorizing:

(1) a new lease between the City (as tenant) and Four Fifty Toland, LLC (as landlord) for 450 Toland Street for a term of ten years, with two five-year options to extend, for an initial cost of \$735,600 per year with three percent annual increases;

(2) a purchase and sale agreement between the City (as buyer) and Selby and Hudson Corporation (as seller) for 555 Selby Street for \$6,300,000; and

(3) a purchase and sale agreement between the City (as buyer) and W.Y.L. Five Star Service Industries, Inc. (as seller) for 1975 Galvez Avenue for \$5,000,000.

Figure 1 below shows the current and proposed locations for Central Shops.

Figure 1: Current and Proposed Locations for Central Shops



Source: City Staff

DETAILS OF PROPOSED LEGISLATION

- The proposed ordinance (File 15-1226) would approve and authorize the following:
 1. The Director of Property to execute a Project Delivery Agreement⁴ with Oryx, LLC (developer) for the design and construction of proposed improvements to City-owned properties at 555 Selby Street and 1975 Galvez Avenue and tenant improvements to City-leased property at 450 Toland Street, for a new relocated City Central Fleet Maintenance Shop (Central Shops) at a total estimated cost of \$55,000,000 from SFPUC Wastewater Enterprise funds;
 2. Exempt the project from certain contracting requirements in Administrative Code Chapter 6 by waiving Sections 6.61(b) and 6.61(c)(1)-(4) and approving the selection of Oryx LLC as Developer and Developer's selection of FM&E Architecture & Design as subcontractor to serve as Project Architect and Charles Pankow Builders, Ltd, as subcontractor to serve as General Contractor, without competitive bidding;
 3. Authorize the jurisdictional transfer of 1800 Jerrold Street from the General Services Agency's (GSA) Office of Contract Administration (OCA)⁵ to the SFPUC Wastewater Enterprise and authorize the jurisdictional transfer of 555 Selby Street and 1975 Galvez Avenue and the leasehold of 450 Toland Street from the SFPUC to OCA, subject to the terms and conditions of the Memorandum of Understanding (MOU) entered into between the RED, OCA and SFPUC; and
 4. Find that the proposed transactions are in conformance with the City's General Plan and the eight priority policies of Planning Code, Section 101.1.⁶
 5. Find that the Proposed Project is fiscally feasible consistent with Administrative Code Chapter 29.
- The proposed ordinance (File 16-0021) would appropriate \$62,200,000 as a transfer from the SFPUC's Wastewater Enterprise Funds to the City Administrator for pre-development costs for the Central Shops Relocation Project in FY 2015-16. This ordinance would also

⁴ The Project Delivery Agreement includes a General Conditions document as an attachment, which specifies the City code requirements, obligations, arbitration, change order and contingency provisions, etc.

⁵ OCA currently holds jurisdiction to 1800 Jerrold Street property and Central Shops is under OCA.

⁶ The Eight Priorities of City Planning Code Section 101.1 include: (1) existing neighborhood-serving retail uses be preserved and enhanced, and future opportunities for resident employment in and ownership of such businesses enhanced; (2) existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods; (3) the City's supply of affordable housing be preserved and enhanced; (4) commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking; (5) a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced; (6) the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake; (7) landmarks and historic buildings be preserved; and (8) parks and open space and their access to sunlight and vistas be protected from development.

place the \$62,200,000 on Controller's Reserve pending transfer of the funds from the Wastewater Enterprise Funds including proceeds of indebtedness⁷.

Current Plan and Timeframe

Currently, Central Shops occupies 80,577 square feet of improvements on 263,102 square feet of land at 1800 Jerrold Avenue. Central Shops will occupy 98,000 square feet of improvements on 167,347 square feet of land at the combined 555 Selby Street, 1975 Galvez Avenue, and 450 Toland Street locations, a reduction of 95,755 square feet of land (a 36% reduction), and an increase of 17,423 square feet of improvements (a 22% increase). According to Mr. Updike, the SFPUC needs to occupy 1800 Jerrold Avenue by June 30, 2017 in order to meet the SSIP project timeline. The current estimated timeframe to relocate the Central Shops, including designing and constructing the new Central Shop facilities is approximately 18 months, or June 2017.

Waiver of City's Competitive Bidding Requirements

The proposed ordinance (15-1226) would waive the competitive bidding requirements in the City's Administrative Code and approve the selection of Oryx LLC as Developer and the Developer's selection of FM&E Architecture & Design as Project Architect and Charles Pankow Builders, Ltd, as General Contractor. The ordinance states that due to time constraints coupled with "the current extraordinarily competitive real estate market for industrial land", the "Director of Property informally approached entities capable of executing the Proposed Project and identified one team reasonably available and deemed capable of carrying the Proposed Project within the time frame required and within the budget developed".

Mr. John Updike, Director of Real Estate advises that to complete the City's competitive bidding processes can take approximately a year, whereas sole source selection requires six months, a reduction of approximately six months. Given that the City was not certain of acquisition and leasing sites to relocate Central Shops until late fall of 2015, and the SSIP's project timeline completion of June of 2017, Mr. Updike advises that sole source selection was necessary to secure the proposed project team of developer, architect and general contractor expeditiously.

Mr. Updike advises that the proposed team was selected because given the current economic climate and number of ongoing projects in the City, six or seven other firms capable of executing this project were not currently available. Both Oryx and FM&E Architecture & Design have completed several private development and architecture projects respectively, but neither has previously contracted with the City. Charles Pankow Builders recent projects include the City's Public Safety Building and the War Memorial Veterans Building.

Mr. Dan McKenna of Central Shops reports that a private architecture, engineering and construction management firm, Gannett-Fleming, was hired by OCA at a cost of \$400,000 to peer review the proposed project, including validating the 2013 Fleet Management Space Needs Assessment Report, reviewing the Program Plan prepared by DPW, the project design

⁷ The source of funding for this ordinance is through the SFPUC's SSIP program, which is funded with Wastewater Enterprise revenue bonds and repaid with by wastewater ratepayers. The SFPUC anticipates issuing an additional \$500 million of Wastewater Enterprise revenue bonds on approximately April 15, 2016.

and construction plans to be prepared by the development team and to provide consulting services during the construction phase regarding change orders, schedules and budget.

Project Delivery Agreement

The City is currently negotiating a final Project Delivery Agreement for the Central Shops Replacement Facilities Project on a sole source basis with Oryx, LLC to complete the development, design, management and construction of the proposed project, including entering into and overseeing all contracts for GSA’s heavy equipment repair facility at 555 Selby Street and 1975 Galvez Avenue, and GSA’s lighter equipment repair facility at 450 Toland Street. As specified in the draft Project Delivery Agreement, all other contracts required for the completion of the project will be entered into by Oryx, without subsequent approvals. Mr. Updike advises that, except for the developer, architect and general contractor agreements, limited use of design-assist subcontractors and limited performance of concrete work and rough carpentry by the general contractor, all subcontracts will comply with the Chapter 6 competitive bidding provisions of the Administrative Code.

However, as of the writing of this report, the proposed Project Delivery Agreement is not in final form. Therefore, the Budget and Legislative Analyst’s report is based on the draft Project Delivery Agreement. Mr. Updike advises that the final form of the Agreement will be submitted to the Board of Supervisors by Monday, January 25, 2016.

Under the Project Delivery Agreement, the Project would be completed in two phases:

- (1) Design Phase, and
- (2) Construction Phase.

The Board of Supervisors is currently being requested to approve Phase I, the Design Phase of the Project Delivery Agreement, as summarized in Table 1 below:

Table 1: Summary of Phase I of the Project Delivery Agreement

- | |
|--|
| <ul style="list-style-type: none"> • Complete project design, including demolition, permitting, site grading and piles; • Select and retain licensed architect to design the project; • Select and retain licensed general contractor to construct the project; • Provide City with all analyses, surveys, designs, engineering, permits, warranties, etc.; • Comply with Local Hire, First Source and Local Business Enterprise Program Requirements; • Design project within project budget of \$55 million to be completed by June 29, 2017; • Procure trade subcontractors on competitive basis, with award to lowest responsive bid; • Developer may procure design, preconstruction or design-assist subcontractor services based on qualifications only, subject to City representative sole discretion, up to 7.5% of total subcontract costs; • Developer through its General Contractor may self-perform specific trade work; • Provide Guaranteed Maximum Price and Schedule for completion; • Conditioned on agreement to proceed with Phase II (construction), developer will provide the City with a completed project. |
|--|

The proposed ordinance estimates Phase I to cost \$8,430,000. However, based on further due diligence, the City is now estimating Phase I will cost \$10,263,517, as shown in Table 2 below, including development management fees of up to \$1,239,000 (\$846,000 + \$393,000).

Table 2: Current Estimated Costs for Phase I, Design

Acquisition due diligence	\$25,000
Architect and sub-consultants	2,532,299
Design- build sub-consultants	479,737
Pre-construction services (Pankow)	627,000
Permits and fees	925,475
Legal, insurance, accounting and administration	215,000
Development Management Base Fee	846,000
Development Management Bonus Fee	393,000
Demolition/Site-grading/Piles.	3,286,960
Contingency (10%)	933,047
Total	\$10,263,517

When the architect completes the construction drawings, the developer will provide a guaranteed maximum price and schedule for completion. If the price and schedule are acceptable, the City may authorize the construction and completion of the project, subject to Board of Supervisors and Mayoral approval. If the price exceeds \$55 million, the City will work with the developer to reduce the scope of the project, or seek Mayor and Board of Supervisors approval of supplemental authorization. At that time, the Board of Supervisors would be requested to approve an amendment to this Project Delivery Agreement, to increase the not to exceed amount, dates and requirements for completion.

Given the changes noted above, the proposed ordinance (File 15-1226) should be amended to (a) clarify that the Board of Supervisors is only approving Phase I Design of the Project Delivery Agreement, and (b) reflect that the Phase I costs are no longer estimated to be \$8,430,000 but rather are currently estimated to be \$10,263,517, or not to exceed \$10,300,000.

Jurisdictional Transfer of Properties

The proposed ordinance states that OCA consents to a jurisdictional transfer of 1800 Jerrold Avenue to the SFPUC, provided that OCA receives compensation sufficient to enable occupancy of functionally equivalent facilities and for necessary incurred relocation expenses. Approval of an MOU among the SFPUC, OCA and Real Estate provides that the SFPUC commits \$73,700,000 of Wastewater Enterprise funds to the Central Shops Relocation Project to pay for the purchase of 555 Selby Street and 1975 Galvez Avenue, 10-year lease payments for 450 Toland Street, and design and construction costs of the Central Shops facilities. The MOU specifies the following jurisdictional transfers:

- 1800 Jerrold Avenue site from OCA to the SFPUC; and
- 555 Selby Street, 1975 Galvez Avenue and 450 Toland Street sites from SFPUC to OCA.

The MOU also provides that, given that SFPUC ratepayers are paying the cost to purchase sites and relocate Central Shops, if Central Shops fails to occupy, vacates or ceases to use the two acquired properties for Central Shop functions before the useful life of the facilities expire in 30

years, then the SFPUC ratepayers will be reimbursed an amount equal to the unamortized value of the acquisition and improvement costs. The leased property at 450 Toland Street is not included in this provision because if Central Shops ceases to function there, the lease could be terminated.

CEQA and Planning Code Provisions

On October 28, 2015, the Planning Department found that the proposed relocation of Central Shops from 1800 Jerrold Avenue to 555 Selby Street, 1975 Galvez Avenue, and 450 Toland Street was categorically exempt from the California Environmental Quality Act (CEQA). On November 5, 2015, the Planning Department found that the proposed project is in conformity with the City's General Plan and Planning Code Section 101.1.

Administrative Code Chapter 29

Mr. Updike requests that an amendment to the proposed ordinance be approved to invoke the exception to Chapter 29 of the Administrative Code regarding fiscal feasibility permitted in Section 29.1(c)(4) which states that Chapter 29 will not apply to any project that is a utility capital improvement project under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC). According to Mr. Updike, the proposed relocation of Central Shops would not be necessary if the SFPUC utility project did not require the site at 1800 Jerrold Street and the SFPUC is the sole funding source for these projects. Therefore, Mr. Updike will be submitting an amendment at the Budget and Finance Committee meeting on January 27, 2016 to state that the project qualifies under the exemption in Section 29.1(c)(4).

FISCAL IMPACT

The proposed ordinance states that the Director of Real Estate determined that the current fair market value of 1800 Jerrold Avenue is less than the expense required to relocate Central Shops to functionally equivalent facilities, including property acquisition costs, rent, development, design and construction of improvements. Mr. Updike notes that an appraisal, conducted by David Tattersall, determined the fair market value of the 1800 Jerrold Avenue property to be \$12,750,000.

Cost of Functional Replacement

According to Mr. Updike, SFPUC will pay OCA the "functional replacement costs" to relocate Central Shops from 1800 Jerrold Avenue to the three new locations. Functional replacement involves an administrative settlement payment to mitigate OCA's costs to relocate Central Shops to the three new locations, including the costs of constructing improvements. The acquisition, capitalized 10-year lease expenses, and construction costs to functionally replace the existing Central Shops facilities at the Selby/Galvez and Toland sites are estimated to total \$73,700,000, as summarized in Table 2 below.

Table 2: Total SFPUC Costs

Acquisition of 555 Selby Street	\$6,500,000
Acquisition of 1975 Galvez Avenue	<u>5,000,000</u>
Subtotal Acquisitions	\$11,500,000
10-Year Lease of 450 Toland Street	6,900,000
Construction of new Central Shops	55,000,000
Moving Expenses	300,000
Total	\$73,700,000

Previous and Proposed Appropriation of Funds

Mr. Carlos Jacobo Budget Director for the SFPUC advises that to date \$69,552,948 of Wastewater Enterprise Sewer System Improvement Program funds have been appropriated for this project, pending the sale of Wastewater revenue bonds. The balance of \$4,147,052 to total \$73,700,000 will be appropriated in the FY2016-17 budget, subject to appropriation approval by the Board of Supervisors.

The proposed supplemental appropriation (File 16-0021) would transfer \$62,200,000 from the SFPUC’s Wastewater Enterprise Funds to the City Administrator for pre-development costs for the Central Shops Relocation Project in FY 2015-16. The requested \$62,200,000 is \$11,500,000 less than the total \$73,700,000 cost shown in Table 2 above, to reflect that the SFPUC funds were used directly to acquire the two properties at 555 Selby Street and 1975 Galvez Avenue.

Given that the proposed ordinance (File 15-1226) is (a) requesting the Board of Supervisors to approve Phase I of the Project Delivery Agreement at an estimated cost not to exceed \$10,300,000, and (b) lease payments for ten years at the 450 Toland Street site totaling \$6,900,000 were previously approved by the Board of Supervisors, for a total of \$17,200,000, amend the proposed supplemental appropriation ordinance (File 16-0021) to place \$45,000,000 of the total requested \$62,200,000 on Budget and Finance Committee reserve. The OCA and Real Estate can request the release of the remaining \$45,000,000 at the same time when they request approval of Phase II of the Project Delivery Agreement by the Board of Supervisors.

POLICY CONSIDERATION

In accordance with Chapter 6 of the City’s Administrative Code, prior to selecting and awarding contracts, City departments must conduct a competitive process. However, the proposed ordinance (15-1226) would waive the competitive bidding requirements in the City’s Administrative Code and approve the selection of Oryx LLC as the developer and the developer’s selection of FM&E Architecture & Design as the architect and Charles Pankow Builders, Ltd, as the general contractor. While recognizing that using a sole source selection of the developer, architect and general contractor will expedite the proposed project, the City’s requirements for competitive bidding promote larger public policy objectives of providing an open process to obtain the most competitive price for the City.

RECOMMENDATIONS

1. Amend the proposed ordinance (File 15-1226) to (a) clarify that the Board of Supervisors is only approving Phase I Design of the Project Delivery Agreement, and (b) reflect that the Phase I costs are no longer estimated to be \$8,430,000 but rather are currently estimated to be \$10,263,517, or not to exceed \$10,300,000.
2. The Real Estate Division will be submitting further amendments to File 15-1226 to exempt this project from the Chapter 29 requirements regarding fiscal feasibility in accordance with Section 29.1(c)(4).
3. Approval of the proposed ordinance (File 15-1226), which would authorize sole source contracts and waive competitive bidding as required by the City's Administrative Code on the proposed Central Shops relocation project, is a policy decision for the Board of Supervisors.
4. Amend the proposed supplemental appropriation ordinance (File 16-0021) to place \$45,000,000 of the total requested \$62,200,000 on Budget and Finance Committee reserve. Given that the Budget and Legislative Analyst considers File 15-1226 to be a policy matter, this companion ordinance (File 16-0021) is also considered to be a policy decision for the Board of Supervisors. The OCA and Real Estate should request the release of the remaining \$45,000,000 at the same time when they request approval of Phase II of the Project Delivery Agreement by the Board of Supervisors.

<p>Item 9 File 15-1216</p>	<p>Department: General Services Agency - Department of Public Works (DPW)</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • The proposed resolution would approve an amendment to the existing agreement between Public Works and Hellmuth, Obata & Kassabaum, Inc. (HOK) for architectural and engineering design and other related consulting services for the San Francisco Police Department's (SFPD) new Traffic Company and Forensic Services Division Facility to be located at 1995 Evans Street. • The amendment increases the not-to-exceed agreement amount by \$10,868,353, from \$993,952 to a total not-to-exceed amount of \$11,862,305. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The City intends to construct a new 110,000-square-foot facility at 1995 Evans Street, which would relocate the (SFPD Traffic Company and Forensic Services Division from the Hall of Justice to 1995 Evans Street. • Based on the results of a competitive Request for Qualifications process, DPW selected HOK to provide design services for the proposed facility. • On September 15, 2015, Public Works awarded an agreement to HOK in the amount of \$993,952 to provide program validation and conceptual design phase services. • DPW is seeking authorization to amend the agreement with HOK to complete schematic design, design development, construction documents, bidding/negotiation, construction administration, and warranty phase services for the proposed facility. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The total project budget for the new SFPD Traffic Company and Forensic Services Division Facility is \$165,000,000. • The \$11,862,305 agreement between the City and HOK constitutes 7.2 percent of the total budget. • The project is funded by the \$400 million Earthquake Safety and Emergency Response Bonds approved by San Francisco voters in June 2014. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that agreements entered into by a department, board, or commission having a term of (a) more than 10 years; (b) anticipated expenditures of \$10 million or more; or (c) modifications to these agreements of more than \$500,000, require Board of Supervisors approval.

BACKGROUND

The City intends to construct a new 110,000-square-foot facility at 1995 Evans Street, which would relocate the San Francisco Police Department's (SFPD) Traffic Company and Forensic Services Division from the Hall of Justice at 850 Bryant Street to 1995 Evans Street. The new Traffic Company and Forensic Services Division Facility will include forensic laboratories, laboratory support and office space, and storage and offices for the fleet of motorcycle police officers who provide traffic enforcement.

Construction of the new Traffic Company and Forensic Services Division Facility is part of Public Works Justice Facilities Improvement Program to replace the Hall of Justice due to seismic deficiencies and obsolete building systems.

Public Works issued a competitive Request for Qualifications (RFQ) on August 8, 2014, for an architectural and engineering team to provide design and other related consulting services to the Traffic Company and Forensic Services Division Facility project. Based on the results of the RFQ process, DPW selected Hellmuth, Obata & Kassabaum, Inc. (HOK) to provide design services for the proposed facility.

On September 15, 2015, Public Works awarded an agreement to HOK in the amount of \$993,952 to provide program validation and conceptual design phase services.

Public Works is seeking authorization to amend the agreement with HOK to complete schematic design, design development, construction documents, bidding/negotiation, construction administration, and warranty phase services for the proposed facility.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an amendment to the existing agreement between Public Works and HOK for architectural and engineering design and other related consulting services for the SFPD's new Traffic Company and Forensic Services Division Facility to be located at 1995 Evans Street. The amendment increases the not-to-exceed agreement amount by \$10,868,353, from \$993,952 to a total not-to-exceed amount of \$11,862,305, as shown in Table 1 below. The total not-to-exceed amount includes an 11 percent contingency amount of \$1,078,391.

FISCAL IMPACT

As shown in Table 1 below, the budget for HOK architectural and engineering design-related services totals \$11,862,305.

Table 1: Budget for HOK Design Services for the New SFPD Traffic Company and Forensic Services Division Facility

Services	Amount
Existing Agreement	
Program Verification	\$225,006
Conceptual Design	<u>768,946</u>
<i>Existing Agreement Subtotal</i>	<u>\$993,952</u>
Proposed Amendment	
Schematic Design	\$1,790,235
Design Development	2,434,466
Construction Documents	2,717,016
Bidding/Negotiation	131,450
Construction Administration	2,641,871
Warranty	<u>74,924</u>
<i>Additional Design Service Subtotal</i>	<u>\$9,789,962</u>
11 Percent Contingency	<u>1,078,391</u>
<i>Proposed Amendment Subtotal</i>	<u>\$10,868,353</u>
TOTAL	\$11,862,305

The SFPD Traffic Company and Forensic Services Division Facility total project budget is \$165,000,000. The \$11,862,305 agreement between the City and HOK constitutes 7.2 percent of the total budget, as shown in Table 2 below. According to Mr. Charles Higuera, Program Manager at Public Works, the 7.2 percent project budget allocated to architectural and engineering and other supporting design service is consistent with industry standards for this type of project.

The project is funded by the \$400 million Earthquake Safety and Emergency Response Bond approved by San Francisco voters in June 2014.

Table 2: Total Budget for Traffic Company and Forensic Services Division Facility

Services	Amount	Percent of Budget
Construction, Purchase, and Installation		
Principal Construction Contract	\$100,000,000	60.6%
General Contractor Contingency	1,193,440	0.7
Construction Change Order Contingency	6,903,487	4.2
Art Enrichment	1,972,425	1.2
Hazardous Materials Construction/Abatement	50,000	0.03
Temporary Utilities	450,000	0.3
<i>Construction Subtotal</i>	<i>\$110,569,352</i>	<i>67.0%</i>
Project Control		
Client Department Services	\$777,600	0.5%
DPW Project Management	4,410,939	2.7
City Administrative Services	385,000	0.2
Regulatory Agency Approvals	1,460,000	0.9
Architecture/Engineering Design	11,862,305	7.2
Conceptual Planning	844,992	0.5
Additional Architecture/Engineering Services	1,796,835	1.1
Construction Management Services	10,880,981	6.6
Geotechnical, Surveys, and Data Collection	1,541,178	0.9
Reserve	4,640,000	2.8
<i>Project Control Subtotal</i>	<i>\$38,599,830</i>	<i>23.4%</i>
Site Control	\$15,830,818	9.6%
TOTAL	\$165,000,000	100%

POLICY CONSIDERATION

As noted above, Public Works proposes to increase the agreement with HOK for the new SFPD Traffic Company and Forensic Services Division Facility by \$10,868,353, from \$993,952 to \$11,862,353. The scope of services specified in the RFQ included architecture and engineering design services for completion of the project. According to Mr. Higuera, the original agreement with HOK included a limited scope of services for only the initial program verification and conceptual design because it provides for a more certain understanding of the true scope of the project and corresponding construction cost. Public Works is now proposing to amend the agreement to include the full scope of architecture and engineering design services through the completion of the project because it provides for the necessary balance of design service aligned with the defined scope of the project.

RECOMMENDATION

Approve the proposed resolution.



San Francisco Water Power Sewer

Services of the San Francisco Public Utilities Commission

25 Golden Gate Avenue, 10th Floor
San Francisco, CA 94102
T 415.487-5213

To: Harlan L. Kelly, Jr.
General Manager

Through: Michael Carlin 
Deputy General Manager

From: Rosanna S. Russell 
Real Estate Director

Date: January 4, 2016

Re: **Request for the General Manager's Signature -Central
Shops Memorandum of Understanding**

Attached for your signature is the *revised* Memorandum of Understanding with the City and County of San Francisco (“**City**”) General Services Agency’s Office of Contract Administration (“**OCA**”), and the City and County of San Francisco General Services Agency’s Real Estate Division (“**RED**” or collectively “**OCA**”), approving the transfer of the Central Shops (a portion of San Francisco Assessor’s Block/Lot 5262-009, with a street address of 1800 Jerrold Avenue) to the San Francisco Public Utilities Commission (SFPUC).

On November 10, 2015, this Commission approved a Memorandum of Understanding (Initial MOU) with OCA and RED, agreeing to incur costs and pay OCA the total amount of \$73,700,000 to accomplish the jurisdictional transfer of 1800 Jerrold to the SFPUC, provided that OCA agrees to obtain or construct the necessary functionally equivalent facilities for Central Shops, and relocate by June 2017. The Initial MOU provided that *the SFPUC would retain jurisdiction* over the Acquired Sites, subject to Central Shops’ right to maintain jurisdiction over and use the Acquired Sites for Central Shops’ functions.

After November 10, 2015, the SFPUC, OCA and RED agreed that *OCA, rather than the SFPUC, will acquire jurisdiction over the Acquired Sites* and decided to enter into the Revised MOU.

Our Commission approved the revised MOU on December 8, 2015. John Updike, City’s Director of Property, has requested that you sign the MOU prior to approval and signature by the Board of Supervisors and the Mayor.

Under the revised MOU, the SFPUC will transfer funds for the City to (i) enter into purchase and sale agreements to acquire the properties at 555 Selby and 1975 Galvez in San Francisco (“**Acquisition Sites**”); (ii) enter into a ten-year lease of the property at 450 Toland in San Francisco (“**Leased Site**”), and (iii) enter into agreements with consultants to undertake development, design and construction of improvements on the Acquisition Sites and Leased Site to accommodate vacation of and relocation of Central Shops functions no later than July 31, 2017.

The Acquisition Sites acquired by the City for the relocation of Central Shops will be placed under GSA’s jurisdiction, subject to the irrevocable right of GSA

- Edwin M. Lee
Mayor
- Francesca Vietor
President
- Anson Moran
Vice President
- Ann Moller Caen
Commissioner
- Vince Courtney
Commissioner
- Ike Kwon
Commissioner
- Harlan L. Kelly, Jr.
General Manager



to occupy and use the acquired and improved property for Central Shops functions.

If Central Shops fails to occupy, vacates, or ceases to use the acquired property for Central Shop functions (Triggering Event), however, GSA must pay to the SFPUC within thirty (30) days after the Triggering Event a sum equal to the unamortized value of the Acquisition Sites. The amortization schedule shall be straight-line depreciation of land and improvements over thirty (30) years, commencing on the date of receipt of Temporary Certificate of Occupancy, with a first year value of \$50,000,000.

The SFPUC will transfer \$73,700,000 in funds in installments to pay for OCA's costs in vacating and relocating Central Shops.

Upon the Board of Supervisors' approval of legislation authorizing the acquisition of the Acquisition Sites, the execution of a lease of the Leased Site, and agreements necessary to complete the development, design and construction of functionally equivalent relocation facilities, and the conditional jurisdictional transfer of Central Shops to GSA, subject to the revised MOU, then upon vacation of Central Shops and final payment of the transfer of funds, jurisdiction of Central Shops will automatically transfer from OCA to GSA.

Shelby Campbell will monitor the MOU transfer payments.

Please contact me with any questions at 487-5213.

Thank you.

MEMORANDUM OF UNDERSTANDING

(Central Shops)

THIS MEMORANDUM OF UNDERSTANDING (this "MOU"), dated for reference purposes only as of December 2, 2015 ("Agreement Date"), is by and between the City and County of San Francisco, through its Public Utilities Commission ("SFPUC"), the City and County of San Francisco General Services Agency's Office of Contract Administration ("OCA"), and the City and County of San Francisco General Services Agency's Real Estate Division ("RED" or collectively "OCA"), all three entities collectively defined as the "Parties".

RECITALS

A. In 1946, the City and County of San Francisco ("City") Board of Supervisors ("Board") passed Resolution No. 4744 (Series of 1939) requiring the City to purchase certain real property "for the construction, operation, and maintenance of the North Point Sludge Treatment Plant near Islais Creek," now commonly known as the Southeast Water Pollution Control Plant ("SEP").

B. In 1946, pursuant to Board Resolution No. 4744 (Series of 1939) and specifically for the purposes of a sludge treatment plant, the City purchased Assessor's Block 5262 in its entirety [Board Resolution No. 5518 (Series of 1939)].

C. Between 1946 and 1948, pursuant to Board Resolution No. 4744 (Series of 1939) and specifically for the purposes of a sludge treatment plant, the City purchased the portion of Assessor's Block 5270 east of the Southern Pacific Railroad tracks [Board Resolution Nos. 5385, 5437 and 5963, and Board Ordinance No. 4849 (all Series of 1939)].

D. Until August 1, 1996, the San Francisco Department of Public Works had jurisdiction over and maintained the City's wastewater system including all municipal sewage treatment and disposal systems and other related facilities located within the City.

E. Effective August 1, 1996, jurisdiction over the City's wastewater system, including sewerage facilities, assets and properties, including a portion of Assessor's Block 5262 was transferred to the SFPUC.

F. Currently, the City's Central Fleet Maintenance Shop is located on the northwest corner of the intersection of Jerrold Avenue and Quint Street, on a portion of Block/Lot 5262-009 (previously designated as Block 5262 and as a portion of Block 5270), commonly known as 1800 Jerrold Avenue ("Transfer Site"). The Transfer Site is more fully described in the attached **Exhibit A** and depicted on the attached **Exhibit B**.

G. The Transfer Site, is currently used as an automobile and truck maintenance and repair shop, including ancillary shops, and offices for the City's fleet, commonly referred to as the "Central Shops," which is under the jurisdiction of OCA. The San Francisco Department of Technology ("DT") also occupies a portion of Central Shops.

H. The Transfer Site is located adjacent to the SFPUC's SEP, also on Block/Lot 5262-009, among other parcels, which the City owns under the SFPUC's jurisdiction.

I. The SEP facilities are old, and require substantial maintenance, repair and replacement. The SFPUC is undertaking scheduled repair and replacement projects at the SEP and throughout the City in the near term, and has immediate need for additional space for storage of equipment and vehicles and temporary relocation of existing uses in the vicinity of the SEP. In the longer term, the SFPUC anticipates a continuing need for more space for capital improvement projects related to existing facilities and upgrades to the sewage system. Due to the existing intensive competition for available industrial land in the City, particularly in proximity to SFPUC's existing utility plants and facilities, the SFPUC now seeks to secure land necessary to support its current and future obligation to provide essential utility services.

J. OCA is willing to consent to a jurisdictional transfer of the Transfer Site to the SFPUC, provided it receives compensation to enable occupancy of functionally equivalent facilities and related necessary relocation expenses.

K. The SFPUC desires to acquire jurisdiction over the Transfer Site, subject to approval of a jurisdictional transfer consistent with this MOU by the Commission, Board of Supervisors and Mayor.

L. OCA desires to transfer jurisdiction of the Transfer Site to the SFPUC, subject to the Board of Supervisors' and Mayor's approval of a jurisdictional transfer consistent with this MOU.

M. In a letter dated November 9, 2015 to the Director of Real Estate, the San Francisco Planning Department ("**Planning Department**") found that the proposed jurisdictional transfer of the Transfer Site from OCA to the SFPUC was consistent with the City's General Plan and Planning Code Section 101.1(b).

N. The SFPUC's Bureau of Environmental Management determined the proposed jurisdictional transfer of 1800 Jerrold to the SFPUC is categorically exempt as a Class 32: In-Fill Development categorical exemption under section 15332 of the California Environmental Quality Act ("**CEQA**").

O. The Planning Department sent notification on October 13, 2015 of the Project receiving environmental review and received no public comments by the end of the specified comment period.

P. On October 28, 2015 the Planning Department concurred with the categorical exempt determination for the proposed Jurisdictional Transfer.

Q. The City's Director of Property has determined the current fair market value of the Transfer Site is less than the reasonable and necessary costs to vacate the Transfer Site and relocate Central Shops to functionally equivalent facilities. Therefore, the Director of Property has determined that the SFPUC must pay OCA the reasonable cost of the Central Shops' relocation and the cost of

functionally equivalent facilities, as set forth in the memorandum dated November 3, 2015 **attached as Exhibit C** in exchange for the jurisdictional transfer of the Transfer Site to the SFPUC.

R. The Director of Property recommends the City (i) enter into purchase and sale agreements to acquire the properties at 555 Selby and 1975 Galvez in San Francisco ("**Acquisition Sites**"); (ii) enter into a ten-year lease of the property at 450 Toland in San Francisco ("**Leased Site**"), and (iii) enter into agreements with consultants to undertake development, design and construction of improvements on the acquired and leased properties to accommodate vacation of the Transfer Site and relocation of Central Shops functions no later than July 31, 2017 (collectively "**GSA Project**").

S. On December 1, 2015, the SFPUC introduced a Resolution at the Board of Supervisors (Board File No. 151215) to authorize the execution and acceptance of a Lease by and between the City and County of San Francisco and Four Fifty Toland, LLC, a California limited liability company, for the real property located at 450 Toland Street with an initial lease amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between City and Selby and Hudson Corporation, a California corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc., a California corporation, for the real property located at 1975 Galvez Avenue for \$5,000,000; and finding the proposed transactions are in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1 ("**Proposed Resolution**"). The SFPUC seeks to enter into these transactions to further the proposed jurisdictional transfer of the Transfer Site, subject to the final adoption of an Ordinance authorizing the jurisdictional transfer of the Transfer Site, subject to this MOU, and the agreements to undertake development, design and construction of improvements on the Acquisition Sites and Leased Site ("**Proposed Ordinance**"). However, if the Board approves the Proposed Resolution, the SFPUC intends to execute the Lease and the Purchase and Sale Agreements for SFPUC Wastewater Enterprise purposes, and such action is not contingent on final approval of the Proposed Ordinance.

T. If both the Proposed Resolution and the Proposed Ordinance become effective, the Acquisition Sites acquired by the City for the relocation of Central Shops will be placed under the jurisdiction of GSA, subject to one condition. If Central Shops fails to occupy, vacates, or ceases to use the acquired property for Central Shop functions ("**Triggering Event**"), GSA must pay to the SFPUC within thirty (30) days after the Triggering Event a sum equal to the unamortized value of the Acquisition Sites. The amortization schedule shall be straight-line depreciation of land and improvements over thirty (30) years, commencing on the date of receipt of Temporary Certificate of Occupancy ("**TCO**"), with a first year value of \$50,000,000. For example purposes only, should the TCO date be June 1, 2017, and the Triggering Event date be June 1, 2037, the payment amount due SFPUC shall be \$16,666,666 (20 years of 30 years total = 0.33 remaining life, \$50,000,000 x 0.33 = \$16,666,666).

U. OCA and the SFPUC understand and acknowledge that OCA will incur substantial costs in vacating the Transfer Site and relocating Central Shops.

V. OCA desires to accept, and the SFPUC desires to transfer the funds necessary to replace the Transfer Site with facilities that will provide functional equivalent utility for Central Shops.

W. Upon the Board of Supervisors' approval of legislation authorizing the acquisition of the proposed Acquisition Sites, the execution of a lease of the Leased Site, and agreements necessary to complete the development, design and construction of functionally equivalent relocation facilities, subject to the MOU, then upon vacation of Central Shops (OCA) from the Transfer Site and final payment of the Balance Transfer, as defined and pursuant to Section 3.c.iv., requiring the SFPUC to incur or pay the projected reasonable and necessary costs of relocating Central Shops in the total amount of Seventy-Three Million Dollars Seven Hundred Thousand dollars (\$73,700,000), jurisdiction of the Transfer Site will automatically transfer from OCA to the SFPUC.

X. OCA is willing transfer and the SFPUC is willing to accept the transfer, subject to the approval of the Board of Supervisors, consistent with the terms and conditions set forth in this MOU.

NOW, THEREFORE, the Parties agree as follows:

AGREEMENT

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.
2. Transfer of Jurisdiction.
 - a. RED shall submit the Proposed Ordinance to the Board of Supervisors to obtain approval of the jurisdictional transfer, subject to the terms and conditions of this MOU and agreements necessary to complete the development, design and construction of functionally equivalent relocation facilities necessary for the jurisdictional transfer of the Transfer Site.
 - b. If the Proposed Resolution authorizing the acquisition of the proposed Acquisition Sites, the execution of a lease of the Leased Site, and the Proposed Ordinance are approved and final, then:
 - i. The Acquisition Sites and Lease Site will be placed under OCA's jurisdiction and control in order to effect the improvements contemplated by this MOU, and OCA will retain jurisdiction over the Acquisition Sites if SFPUC obtains jurisdiction over the Transfer Site, subject to the Triggering Event, GSA must pay the SFPUC within thirty (30) days after the Triggering Event a sum equal to the unamortized value of the Acquisition Sites. The amortization schedule shall be straight-line depreciation of land and improvements over thirty (30) years, commencing on the date of receipt of Temporary Certificate of Occupancy ("TCO"), with a first year value of \$50,000,000. For example purposes only, should the TCO date be June 1, 2017, and the Triggering Event date be June 1, 2037, the payment amount due SFPUC shall be \$16,666,666 (20 years of 30 years total = 0.33 remaining life, $\$50,000,000 \times 0.33 = \$16,666,666$); and

ii. Upon payment of the Balance Transfer by the SFPUC as set forth in Section 3 below, (“**Closing Date**”), jurisdiction over the Transfer Site shall automatically transfer to the SFPUC, and OCA jurisdiction over the Acquisition Sites and control of the Lease Site shall be final, subject to the condition set forth above in subsection 2.b.i., and RED shall prepare, execute and file all applicable documentation to effect the transfer and memorialize the jurisdictional transfer of the Transfer Site in the City’s real estate records (“**Final Closing**”).

3. Transfer Price; Allocation of Transfer Price; Timing of Transfer of Funds; Transaction Costs.

a. Transfer Price. In consideration for the jurisdictional transfer of the Transfer Site, and jurisdiction over the Acquisition Sites, the SFPUC shall incur or pay OCA an amount (“**Transfer Price**”) equal to \$73,700,000 as provided in Section 3(b) below. The SFPUC has no obligation to pay any amount above the Transfer Price to OCA related to the relocation of Central Shops from the Transfer Site.

b. Allocation of Transfer Price. SFPUC Funds will be expended in the following manner.

- i. No more than \$11,500,000 to acquire 555 Selby Street and 1975 Galvez Avenue, and relocate the existing tenant.
- ii. No more than \$6,900,000 towards the cost of the ten-year lease of 450 Toland.
- iii. No more than \$55,000,000 for the construction of a new maintenance shop building at Selby and Galvez; and tenant improvements at 450 Toland.
- iv. No more than \$300,000 for reimbursement of moving expenditures.

Any deviation to this allocation shall require the prior written approval of the SFPUC General Manager and the City’s Controller, which shall not be unreasonably withheld.

c. Timing of Transfer of Funds. The SFPUC has available funds appropriated in the amount of \$73,700,000 to be applied towards costs incurred and payment of the Transfer Price. Each future transfer is conditioned upon the SFPUC’s approval of all demands for payment prior to the disbursement of funds by OCA for expenditures, including but not limited to, contracts, invoices, and construction draws and change orders, and the City Controller shall be consulted as is appropriate prior to funding transfers.

- i. The SFPUC shall incur the cost of Eleven Million Five Hundred Thousand Dollars (\$11,500,000) upon final approval of the Proposed Resolution for the purchase and sale agreements for the Acquisition Sites and the cost of entering into the Lease for 450 Toland; and if the Proposed Ordinance is final and approved by the Board and the Mayor, the SFPUC will transfer funds in the

amount of Eight Million Five Hundred Thousand Dollars (\$8,500,000) minus the costs incurred to that date for the Lease of 450 Toland (“**Initial Transfer**”).

- ii. The SFPUC shall make a second installment payment of Twenty Three Million Two Hundred Thousand Dollars (\$23,200,000) (“**Second Transfer**”) to OCA upon the issuance of building permits and notice to proceed on construction at the Acquisition Sites and Lease Site.
 - iii. The SFPUC shall make a third installment payment of Twenty Four Million Dollars (\$24,000,000) (“**Third Transfer**”) to OCA upon 50% completion of the new improvements at the Acquisition Sites.
 - iv. The SFPUC shall pay the balance of the Transfer Price or Six Million Five Hundred Thousand Dollars (\$6,500,000) (“**Balance Transfer**”) to OCA within ten (10) business days following Central Shop’s and DT’s vacation of the Transfer Site. Once the Transfer Price is fully paid, jurisdiction of the Transfer Site shall automatically transfer from GSA to the SFPUC.
- d. Transaction Costs. Any costs charged by RED and any costs charged by the City Attorney’s Office to negotiate and draft transaction documents related to and arising from the jurisdictional transfer of the Transfer Site and effect the Final Closing pursuant to Section 2 shall be borne by the SFPUC.

4. Rights and Obligations of the Parties.

- a. The Parties agree to cooperate and work together in good faith to accomplish the purpose and intent of the MOU.
- b. If OCA receives the transfer of funds according to the schedule set forth above, Central Shops and DT shall vacate the Transfer Site by the earlier of 30 days following issuance of both TCO’s for the Acquisition Sites or June 30, 2017. OCA shall remove all Debris from the Transfer Site, except those items within a building, currently stored in service bays under a roof, or set forth on **Exhibit D**, before vacating the Transfer Site. For purposes of this Section, the term “**Debris**” shall include any other discarded equipment, vehicles, personal property, lumber, equipment, trash, rubbish, or building materials lying on or about the Transfer Site.
- c. To accomplish the objectives of this MOU, OCA shall seek approval by the Board of Supervisors and Mayor of authorization for agreements necessary to complete the acquisitions, lease and improvements required to achieve functional equivalent facilities for the Central Shops operations and relocation on the timeline set forth herein. Because substantial SFPUC funds are at risk pending completion of those functionally equivalent facilities, the SFPUC shall have the right to:
 - (i) Designate a representative who shall attend regular GSA Project status meetings

between OCA, RED and their representatives, agents and contractors; and

- (ii) Be advised by OCA, RED and their representatives in advance of any decision that would either increase the cost or delay by more than ten (10) days the completion of the functionally equivalent facilities on either the Acquisition Sites or the Leased Site, or could potentially result in termination of any of the agreements entered into by OCA that are necessary to accomplish the vacation of Central Shops or DT from the Transfer Site, and OCA and RED shall also so advise the City Controller.
- d. Prior to the date of Central Shop's vacation of the Transfer Site, the SFPUC, its employees, agents, consultants, contractors, authorized representatives, invitees and guests (collectively, "**PUC Affiliates**") may access and use the Transfer Site for any necessary geotechnical and environmental investigations, provided that the SFPUC does not unreasonably interfere with Central Shop's operations. Each party will appoint a contact person to coordinate access.
- e. Prior to the vacation of the Transfer Site, the SFPUC shall not construct or place any permanent structures or improvements in, on, under or about the Transfer Site, nor shall the SFPUC make any alterations or additions to any existing structure or improvement on the Transfer Site.

5. Termination Default.

- a. If the SFPUC fails to pay the full Transfer Price consistent with this MOU, OCA may, at its option, terminate this MOU and the SFPUC's right of possession and transfer by giving not less than thirty (30) days' notice to the SFPUC ("**Termination Notice**"). Any such Termination Notice shall identify the effective date of the termination ("**Termination Date**"), which shall be a date not less than thirty (30) days after delivery of the Termination Notice to the SFPUC. Any funds paid by the SFPUC to OCA as a portion of the Transfer Price shall be returned to the SFPUC, minus OCA's and RED's reasonable costs and expenses arising from and related to this MOU, the amounts paid under the Purchase and Sale Agreements for Acquisition Sites, the amounts paid under the Lease for the Leased Site, if any, and unrecoverable costs incurred upon termination of the agreements related to the improvements to be constructed on the Acquisition Sites or Leased Site, if any, supported by written documentation delivered to the SFPUC no later than ninety (90) days following the Termination Date.
- b. If OCA fails to attain TCOs for new locations by June 30, 2017, or if there is a delay in the construction schedule for the functionally equivalent facilities of more than 30 days, the SFPUC, at its option, may terminate this MOU by giving not less than thirty (30) days' notice to OCA and RED ("**Termination Notice**") and retain jurisdiction over the Acquisition Sites and control of the Lease Site, or may assume the rights and obligations under the agreements entered into by OCA to accomplish the completion of the

functionally equivalent facilities. Any such Termination Notice shall identify the effective date of the termination (“**Termination Date**”), which shall be a date not less than thirty (30) days after delivery of the Termination Notice to OCA and RED. Any funds paid by the SFPUC to OCA or RED as a portion of the Transfer Price shall be returned to the SFPUC, minus OCA’s and RED’s reasonable costs and expenses arising from and related to this MOU, the amounts paid under the Purchase and Sale Agreements for Acquisition Sites, the amounts paid under the Lease for the Leased Site, if any, and unrecoverable costs incurred upon termination of the agreements related to the improvements to be constructed on the Acquisition Sites or Lease Site, if any, no later than sixty (60) days following the Termination Date. Alternatively, in the SFPUC’s sole discretion, the SFPUC may assume the rights and obligations under those agreements entered into by OCA for improvements to the Acquisition Sites or the Leased Site, for the relocation of Central Shops, or otherwise to recover the benefit of SFPUC expenditures.

- c. “**Reasonable costs and expenses**” shall mean, for the purpose of this Section, the reasonable costs and expenses actually incurred by OCA and RED: (i) to investigate relocation sites; (ii) to negotiate and execute Purchase and Sale Agreements for Acquisition Sites; (iii) to negotiate and execute a Lease for the Leased Site; (iv) to hire consultants to implement and manage the Central Shops improvements at the Acquisition Sites and Leased Site (“**Project Management**”) and (v) any funds paid under any purchase and sale agreements or relocation lease.

7. Allocation of Liability.

- a. Upon the jurisdictional transfer of the Transfer Site, the SFPUC shall assume responsibility for any damage to the property of the SFPUC or for any bodily injury to or death of any such persons, resulting or arising from the condition of the Transfer Site or its use by the SFPUC, and the SFPUC expressly assumes responsibility for any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including without limitation, reasonable attorneys’ and consultants’ fees and costs (together, “**Claims**”), whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with any such property damage, injury or death, or the physical or environmental condition of the Transfer Site and any related improvements or any law or regulation applicable thereto or the suitability of the Transfer Site for SFPUC’s intended use.
- b. OCA and the SFPUC acknowledge that this MOU is subject to termination and in view of such fact, OCA and the SFPUC each expressly assumes the risk of making any expenditure in connection with this MOU, even if such expenditures are substantial.
- c. Upon jurisdictional transfer, the SFPUC accepts the Transfer Site in its “AS IS” condition, without representation or warranty of any kind by OCA or RED or their

employees, agents, consultants, contractors, and authorized representatives, subject to the obligations of OCA to remove Debris pursuant to Section 4.b., and further subject to all applicable laws, rules and ordinances governing the use of the Transfer Site. Without limiting the foregoing, this MOU is made subject to any and all existing and future covenants, conditions, restrictions, easements, encumbrances and other title matters affecting the Transfer Site, whether foreseen or unforeseen, and whether such matters are of record or would be disclosed by an accurate inspection or survey.

8. Conditions to Jurisdictional Transfer. Notwithstanding anything to the contrary contained herein (but subject to the remedies set forth in Section 5), the SFPUC shall have no obligation to make the Balance Transfer unless and until all of the following conditions are satisfied:
 - (a) Central Shops and DT have vacated the Transfer Site as set forth in Section 4.
 - (b) Prior to the Final Closing, OCA shall have maintained the Transfer Site in substantially the same condition it was in as of December 1, 2015, and OCA shall not, without first obtaining the SFPUC's prior written approval, have taken any of the following actions: (i) constructed any additional improvements on the Transfer Site, (ii) encumbered all or any part of the Transfer Site with any lien, transfer, grant, lease, license, or other encumbrance, or entered into any contract affecting the Transfer Site, except for operation contracts necessary under applicable Federal, State, and local law and regulations for the safe operation of the facilities and contracts that are terminable on thirty (30) days' notice or less, or (iii) caused or authorized any use of the Transfer Site different from the use of the Transfer Site as of the Agreement Date.
 - (c) The SFPUC's Commission and the Board of Supervisors and the Mayor (as necessary and if required), shall have approved the appropriation of funds for SFPUC payment of the Transfer Price for the Transfer Site.

9. Approval Contingency. This MOU shall only be effective as of the date that all of the following conditions are met: (i) all Parties hereto have executed this MOU; (ii) the SFPUC's Commission, acting in its sole discretion, approves the Resolution requesting the jurisdictional transfer, authorizes execution of this MOU, and requests appropriations as necessary; and (iii) the Board of Supervisors and Mayor, acting in their sole discretion, approve the Proposed Resolution authorizing the execution and acceptance of a Lease by and between the City and County of San Francisco and Four Fifty Toland, LLC, a California limited liability Company, for the real property located at 450 Toland Street with an initial lease amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between the City and the Selby and Hudson Corporation, a California corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc., a California

Telephone: (415) 554-6743
oca@sfgov.org

or such other address that a party may from time to time designate by notice to the other Parties given pursuant to the provisions of this Section. Telephone numbers are provided to facilitate communication and shall not be a sufficient method of delivering notice. Any correctly addressed notice sent by a method that provides confirmation of delivery shall be deemed delivered on the first date of confirmed delivery or confirmed attempted delivery.

12. Authority. All matters requiring RED's approval shall be approved by the Director of RED or his or her designee. All matters requiring OCA's approval shall be approved by the Director of the Office of Contract Administration or his or her designee and, by the Board of Supervisors, if required. All matters requiring the SFPUC's approval shall be approved by the SFPUC's Commission, if required, or by the General Manager, or his or her designee, if authorized.
13. Identification and Application of Additional Funding Sources. The SFPUC shall have the right to apply for any federal, state or local funds that may be available to pay for the costs of implementing the MOU. OCA shall cooperate to provide any materials or documents held by OCA or RED necessary to submit such applications or to qualify for distribution of such funds.
14. Cooperation. Subject to the terms and conditions of this MOU, staff of all Parties to this MOU shall use reasonable efforts to do, or cause to be done, all things reasonably necessary or advisable to carry out the purposes of this MOU as expeditiously as practicable, including, without limitation, performance of further acts and the execution and delivery of any additional documents in form and content reasonably satisfactory to all Parties (subject to any necessary approvals). Notwithstanding anything to the contrary in this MOU, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the actions described in this MOU. In addition to any conditions described in this MOU, the Parties' obligations are expressly subject to the receipt of all legally required approvals following environmental review.
15. Miscellaneous. (a) This MOU may be amended or modified only by a writing signed by the Director of RED, or his or her designee, the Director of the OCA, or his or her designee, the SFPUC, through its General Manager, or his or her designee and the Controller, or his or her designee. (b) No waiver by any party of any of the provisions of this MOU shall be effective unless in writing and signed by an authorized representative, and only to the extent expressly provided in such written waiver. (c) This MOU (including all exhibits) contains the entire understanding between the Parties as of the date of this MOU, and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. (d) Notwithstanding anything to the contrary set forth herein, no officer, director, or employee of RED, OCA or the SFPUC has the authority to bind his or her department to take any action to be performed by his or her department under this MOU unless and until the SFPUC's Commission and the Board of Supervisors and the Mayor, as applicable, approves of the action.

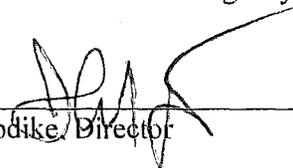
(e) All transactions described herein are subject to and must be conducted in accordance with the applicable requirements of the City's Charter and codes and applicable state and/or federal laws.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this MOU to be executed as of the last date written below.

CITY AND COUNTY OF SAN FRANCISCO

RED: REAL ESTATE DIVISION
Of the General Services Agency

By: 
John Updike, Director

Date: 1-14-2016

OCA: OFFICE OF CONTRACT ADMINISTRATION
Of the General Services Agency

By: 
Jaci Fong, Director

Date: 1-14-2016

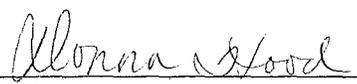
PUBLIC UTILITIES COMMISSION

By:  /sr
Harlan L. Kelly, Jr., General Manager

Date: 1-13-2016

APPROVED BY:

PUBLIC UTILITIES COMMISSION
PURSUANT TO RESOLUTION NO. 15-0265

By: 
Donna Hood, Commission Secretary

Date: 1-6-16

March 20, 2013

Exhibit "A"
LEGAL DESCRIPTION
Central Shops

All that certain real property situate in the City and County of San Francisco, State of California, being more particularly described as follows;

BEGINNING at the intersection of the northerly line of Hudson Avenue, as said Avenue existed prior to the vacation of a portion thereof by Ord. 10607, September 23, 1957, B.8-P.239, and the westerly line of Quint Street, as said Street existed prior to the vacation of a portion thereof by Resolution No. 245-78, March 27, 1978, B.10-P18;

thence along the westerly line of said Quint Street, South $35^{\circ}31'49''$ West, 560.00 feet to the northerly line of Jerrold Avenue;

thence along said northerly line of Jerrold Avenue, North $54^{\circ}28'11''$ West, 313.28 feet to the easterly line of the Rail Road Right-of-Way as described in Resolution No. 5518 (series of 1939), approved May 28, 1946;

thence along said Rail Road Right-of-Way, North $6^{\circ}17'09''$ East, 641.80 feet to the Northerly line of said Hudson Avenue extended to the northwest;

thence along said northerly line of Hudson Avenue and the extension thereof, South $54^{\circ}28'11''$ East, 626.82 feet to the **POINT OF BEGINNING**.

Containing 6.04 acres, more or less.

A plat showing the above-described parcels is attached herein and made a part hereof as Exhibit "B".

This description was prepared by me or under my direction in conformance with the Professional Land Surveyors' Act.

Tony E. Durkee 7.20.13
Tony E. Durkee, PLS 5773



END OF DESCRIPTION

EXHIBIT "B"

Rankin St. (vacated; PUE's Reserved)

Centerline Westward Main Track, per Liber 4990 Page 257 (PUE's Reserved)

R.R. R/W
N 617'09"E 641.80'

Hudson Ave. (vacated)
S54°28'11"E 626.82'

Resolution 5518

POB

Area=6.04 acres

Innes Ave. (closed)

L 4990 P 257
Parcel 1

Parcel 3
Rea 5385

Parcel 2 Rea 5385
Parcel 4 Rea 5385
Parcel 5 Rea 5385
Parcel 6 Rea 5385
Parcel 7 Rea 5385
Parcel 8 Rea 5385
Parcel 9 Rea 5385
Parcel 10 Rea 5385
Parcel 11 Rea 5385
Parcel 12 Rea 5385
Parcel 13 Rea 5385
Parcel 14 Rea 5385
Parcel 15 Rea 5385
Parcel 16 Rea 5385
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Parcel 92 Rea 5385
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Parcel 94 Rea 5385
Parcel 95 Rea 5385
Parcel 96 Rea 5385
Parcel 97 Rea 5385
Parcel 98 Rea 5385
Parcel 99 Rea 5385
Parcel 100 Rea 5385

Block 181

POB

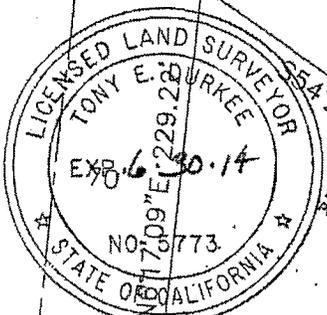
S35°31'49"W 560.00'

Quint St. (vacated)

N54°28'11"W 313.28'
Jerrold Ave.

S54°28'11"E 268.49'
Parcel 4

Not to Scale



Tony E. Durkee 3-20-13
central shops.dwg 03/20/2013

City and County of San Francisco
Public Utilities Commission
Real Estate Services

CENTRAL SHOPS Parcel

City and County of San Francisco

EXHIBIT B

SITE MAP

(See attached.)

EXHIBIT C

DIRECTOR OF PROPERTY MEMORANDUM DATED NOVEMBER 3, 2015

(See attached.)



Edwin M. Lee, Mayor
Naomi M. Kelly, City Administrator



John Updike
Director of Real Estate

MEMORANDUM

Date: November 3, 2015

To: Rosanna S. Russell, Director of SFPUC Real Estate

From: John Updike, Director of Real Estate, Administrative Services 

Subject: Jurisdictional Transfer of 1800 Jerrold

The SFPUC desires to acquire jurisdiction over the subject property, subject to its Commission's approval of a jurisdictional transfer consistent with an MOU between the SFPUC and the General Services Agency, aka Administrative Services Department ("GSA"). GSA desires to transfer jurisdiction of the property from GSA to the SFPUC, subject to the Board of Supervisors' approval of a jurisdictional transfer consistent with the MOU.

Another site suitable to the needs of Central Shops has been identified and GSA is agreeable to relocating to this property on the condition that the jurisdictional transfer of 1800 Jerrold includes the functional replacement cost of relocating.

GSA and the SFPUC understand and acknowledge that GSA will incur substantial costs in vacating the property and relocating Central Shops. GSA desires to accept, and the PUC desires to transfer the funds necessary to functionally replace the property with another facility which will provide functional equivalent utility for Central Shops. As the City's Director of Property, I have determined the current fair market value of the property is less than the reasonable and necessary costs to vacate and relocate Central Shops. Therefore, I have determined that SFPUC must pay GSA the reasonable cost of Central Shops' relocation, including acquisition costs, rent (as capitalized), tenant and other physical improvements. Upon payment of the projected reasonable and necessary

costs of relocation of Central Shops in the amount of \$75,000,000 and complete vacation of Central Shops from the property, jurisdiction of the property will then transfer from GSA to the SFPUC, pursuant to the legislation to be submitted to the Board of Supervisors shortly.

Similar to how state acquisitions and relocations are addressed when a local municipal public use is to be displaced, this relocation is proposed to be a functional replacement of the real property in public ownership. Functional replacement is recognized and deployed by state agencies such as Caltrans, and by the Federal Government, under Title 49, Part 24 (Uniform Relocation Act, "URA"). Functional replacement is essentially an administrative settlement wherein cash compensation from the displacing agency may be insufficient to restore the status quo as a result of acquiring a public facility such as a school, police or fire station or other similar unique public use. It is similar in approach to the Last Resort Housing provisions of the URA, but applied to publicly owned facilities. The cost to secure 1800 Jerrold is therefore not based on an appraised valuation of the property. It is a settlement payment for the cost of replacing the facilities at a new location.

City staff have identified an assemblage of two properties to be acquired, and a separate though nearby property to be leased, of three separate properties, totaling less than 4 acres – considerably less acreage than the existing Shops location at 1800 Jerrold. The purchase sites are located in Block 5250 at Innes Avenue and Selby Street, only a few hundred feet away from the subject property. The leased site is located at 450 Toland, just a few blocks away. The acquisition, capitalized 10 year lease expenses, and construction costs to functionally replace the existing facility are estimated to cost approximately \$75,000,000.

It is proposed that the involved parties enter into a Memorandum of Understanding (MOU) that outlines the fiscal responsibilities of the acquiring party, and the relocation responsibilities of the displaced party. With this MOU in place, as approved by the SFPUC Commission, The Board of Supervisors can then approve the acquisitions and lease of the replacement properties which will include the development of improvements sufficient to functionally replace the existing facilities at 1800 Jerrold. Upon vacation of the 1800 Jerrold premises, the jurisdiction to 1800 Jerrold would vest in the SFPUC. I find the process outlined herein to be consistent with the URA as it applies toward the displacement of municipal uses.

EXHIBIT D

PORTION OF DEBRIS TO BE REMOVED BY OCA FROM THE TRANSFER SITE

Description	L x W x H in Ft.
Hazardous Materials Cabinet	10x10x6
Hazardous Materials Cabinet	6x8x10
Waste Oil Tank	6x6x5
Generator	12x6x5
Guard Shack	8x10x10



SAN FRANCISCO PLANNING DEPARTMENT

General Plan Referral

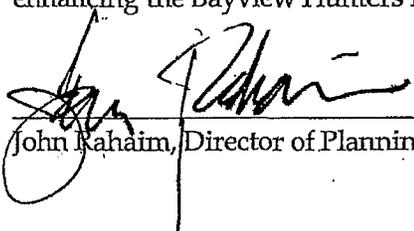
Date: November 5, 2015
Case No. 2015-013598GPR
SEFUC Central Shops Relocation and Land Transfer Project
(1975 Galvez Avenue, 555 Selby Street, 450 Toland Street)

Block/Lot No.: 5250/016
Project Sponsor: Yinlan Zhang
San Francisco Public Utilities Commission
525 Golden Gate Avenue, 6th Floor
San Francisco, CA 94102

Applicant: Same as Above

Staff Contact: Lisa Fisher – (415) 558-6308
lisa.fisher@sfgov.org

Recommendation: Finding the project, on balance, is in conformity with the General Plan, with three main areas for further enhancing the Bayview Hunters Point Area Plan

Recommended By: 
John Kahaim, Director of Planning

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

PROJECT DESCRIPTION

The proposed Project involves the relocation of the City's General Services Administration (GSA)'s Central Fleet Maintenance Shop (Central Shops) from 1800 Jerrold Avenue, to help meet the San Francisco Public Utilities Commission's need for additional space to support its adjacent Southeast Water Pollution Control Plan (SEP). The two entities have agreed to a jurisdictional transfer of the 1800 Jerrold Street to the SFPUC and the relocation of Central Shops to two sites: 1975 Galvez / 555 Selby Street (to be purchased) and a 10-year lease of 450 Toland Street by GSA using SFPUC funds.

The project at 1975 Galvez / 555 Selby Street will include the demolition of existing structures and the development of a new building for GSA's heavy equipment repair. The lease of Toland Street will include improvements to existing structures to use for GSA's lighter equipment repair. Public Works has prepared a preliminary design that prescribes the limits of the proposed Central Shops in terms of maximum dimensions, bulk, height, and usable

space. Once the purchase agreements, construction agreements, and lease have been approved by the Board of Supervisors, a developer engaged by GSA would carry out the design and construction without exceeding the limits.

The submittal is for a General Plan Referral to recommend whether the Project is in conformity with the General Plan, pursuant to Section 4.105 of the Charter, and Section 2A.52 and 2A.53 of the Administrative Code.

ENVIRONMENTAL REVIEW

The project was determined to be categorically exempt under CEQA Guidelines Section 15332 on 10/28/15 (Planning Record No. 2015-004781ENV).

GENERAL PLAN COMPLIANCE AND BASIS FOR RECOMMENDATION

The Project is the City's proposed jurisdictional transfer, lease, and redevelopment of three total sites to be used as its Central Shops. The Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 from the City's General Plan, as well as other specific policies, all of which are described in the body of this letter. It is also mainly on balance and in conformity with the Bayview Hunters Point Area Plan. Several of its key objectives and policies are highlighted below, some of which are set to be met by the current Project and some of which will require further attention in the next stages of the project development. The entire Area Plan may be accessed on the Planning Department website:

http://www.sf-planning.org/ftp/general_plan/Bayview_Hunters_Point.htm#BHP_LUS_1_5

CITY OF SAN FRANCISCO GENERAL PLAN, COMMERCE AND INDUSTRY ELEMENT

http://www.sf-planning.org/ftp/General_Plan/I2_Commerce_and_Industry.htm#CAI_IND_4_10

POLICY 2.1: Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

The proposed project is retaining its current industrial use and employment numbers as it relocates within the same neighborhood PDR zone, which is called for in the General Plan. The Plan seeks for new development to help achieve better transportation access, parking, room for expansion, security and a pleasant neighborhood environment for employees to work in.

POLICY 4.7: Improve public and private transportation to and from industrial areas.

It is important that industrial job centers are accessible by a wide range of suitable employees via public transportation services. Currently many industrial areas are inadequately served by public transportation.

routes and transit times from surrounding residential areas are prohibitive. Improved transit service would reduce pressure for private vehicle ownership and parking problems around the project.

POLICY 4.10: Enhance the working environment within industrial areas.

Public efforts to enhance the environment of industrial areas should also be pursued to influence the attractiveness and appeal of industrial neighborhoods. The promotion of a limited number of small retail areas, restaurants, small parks, and pleasant sidewalks would serve to improve the environment of many dreary industrial areas. The current development at 555 Selby provides an outdoor seating and dining area for employees with potted plants and trees, all of which should be considered along with the new facility.

POLICY 6.1: Encourage emission reduction through energy conservation to improve air quality.

Any form of energy consumption ranging from using electricity to operating an automobile uses energy which, in the process of generation or consumption, usually creates some air pollution. Encouraging conservation of energy facilitates improvements in air quality. The Bayview Hunters Point neighborhood, especially along the I-280 corridor has some of the poorest air quality and highest rates of asthma and other respiratory health impacts in the city. New development should seek ways to help improve local air quality issues. Given this, as well as the building's sizeable flat roof and location alongside the I-280 gateway corridor into San Francisco make it a key opportunity for the inclusion of a living roof. The Planning Department's Living Roof Program <<http://www.sf-planning.org/livingroof>> supports new development in achieving a long list of co benefits, including energy efficiency, stormwater management, air quality improvements, ecological benefits, and usable open space.

BAYVIEW HUNTERS POINT AREA PLAN

INDUSTRIAL LAND USE

Policy 1.5: Encourage a wider variety of light industrial uses throughout the Bayview by maintaining the newly established Production, Distribution and Repair zoning, by more efficient use of industrial space, and by more attractive building design.

Policy 8.1: Maintain industrial zones for production, distribution, and repair activities in the Northern Gateway, South Basin, Oakinba, and India Basin Industrial Park subdistricts.

The Project helps maintain PDR and related industrial uses in the Bayview. It relocates and maintains its current range and intensity of light industrial uses, mainly the repair and maintenance of City vehicles, including lighter vehicles (police, fire-related automobiles and pick-up trucks) and heavier service vehicles (dump trucks, fire engines, street cleaning). The new locations are adjacent to and in close proximity to other complementary light industrial uses in a larger PDR zone.

MOBILITY

Policy 4.2: Develop the necessary improvements in public transit to move people efficiently and comfortably between different neighborhoods of Bayview Hunters Point, to and from Candlestick Park Point, and to and from Downtown and other parts of the region.

Policy 4.5: Create a comprehensive system for pedestrian and bicycle circulation.

Policy 11.2: Increase awareness and use of the pedestrian/bicycle trail system that links subareas in Bayview Hunters Point with the rest of the City.

The Plan encourages the City to continue to refine and give special attention to the bicycle and pedestrian needs of Bayview Hunters Point. Special attention should be given to pedestrian and bicycle linkages across physical barriers created by elevated highways, rail corridors, and large lots. Given the topography and existing built environment conditions, bicycling is often a convenient alternative to walking. The project should support the development of safe bicycle routes that connect to Project to the existing surrounding bicycle routes on Evans, Oakdale, and Barneveld. There may be an opportunity to extend the City's Bicycle Plan through the area with the use of abandoned rail lines. The Project should also consider enhanced pedestrian connections to proximate MUNI service.

ENERGY CONSERVATION

Policy 17.1: Promote the Bayview as an area for implementing energy conservation and alternative energy supply initiatives.

Policy 17.2: Strengthen linkages between district energy planning efforts and overall community development goals and objectives.

Policy 18.3: Promote effective energy management practices in new and existing commercial and industrial facilities to increase energy efficiency and maintain the economic viability of businesses.

Per the Area Plan, every attempt should be made to integrate energy planning with other community goals and revitalization efforts. Especially within the industrial / PDR sectors, which use substantial amounts of electricity for lighting, air conditioning, industrial operations such as welding and painting. The greatest energy savings can be achieved through improved design, management and maintenance of lighting, heating, ventilation and air conditioning (HVAC) systems. The ideal time to address energy use in existing buildings, for example, is during major rehabilitation. Energy efficiency can help minimize operating costs, reduce GHG emissions to improve air quality, and upgrade existing public facilities by implementing energy saving programs and capital improvements, thereby expanding the power of tax dollars and improving the comfort and aesthetics of facilities. Onsite renewable electricity production is a priority of the City and State, and the Project site location and building design are ideal for hosting

significant rooftop solar (Photo Voltaic, PV) use. Furthermore, conservation and renewable energy technologies can also provide opportunities for addressing job training and employment needs. Community talents, resources and businesses can be brought together in a coordinated effort to both establish new job opportunities and train workers in skills that will help bring about community energy savings.

PROPOSITION M FINDINGS – PLANNING CODE SECTION 101.1

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project, demolition and replacement of the Chinese Recreation Center, is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

Eight Priority Policies Findings

The proposed project is found to be consistent with the Eight Priority Policies of Planning Code Section 101.1 in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced.

There are no existing neighborhood-serving retail uses within the proposed project area and the project would not affect any existing neighborhood-serving retail uses. The proposed project would be carried out on PDR-zoned land in an industrial area of the Bayview neighborhood, consistent with the character of other surrounding PDR zoned uses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhood.

The proposed project would not affect existing housing, as it is located on PDR zoned land surrounded by other PDR zoned land, where Residential use is prohibited. The project is designed in context with its industrial neighborhood, similar to other proximate, large, utilitarian, warehouse structures in the area. The project would be subject to Civic Design Review at the Arts Commission, which will ensure the neighborhood character is conserved and protected.

3. That the City's supply of affordable housing be preserved and enhanced.

The proposed project is located in a PDR-zoned area, which does not permit residential uses. Retaining space for the storage and maintenance of the City's vehicle fleet and the wastewater treatment plant in its current neighborhood helps maintain space for new affordable housing to be constructed in other more appropriate areas.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking.

The proposed project would not generate additional commuter traffic as the project would not expand the use of Central Shops but would simply relocate the use to sites nearby. The project is located on the route of the MUNI bus number 23. The project would implement a traffic control plan during construction to ensure that the MUNI transit service is not affected. After construction there would be adequate off-street parking to serve the Central Shops employees during work hours. Because the project is located in an area of the City zoned for production, distribution and repair where residential uses are not permitted, neighborhood parking is not an issue. As discussed above, the project would also need to ensure safe bicycle and pedestrian access.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for residential employment and ownership in these sectors be enhanced.

The proposed project maintains industrial uses in the current neighborhood, as zoned, and does not include commercial office space. The Central Shops would relocate and maintain current employees in the production, distribution and repair sector, supporting the City's diverse economic base.

6. That the City achieves the greatest possible preparedness to protect against injury and loss of life in an earthquake.

The proposed project would be constructed in compliance with the City's building codes and seismic safety requirements. The new Central Shops facility would allow GSA to better serve the City's emergency services vehicles, including fire trucks, ambulances, and police cars, and ensure they are ready for use during an earthquake or other emergency response.

7. That landmarks and historic buildings be preserved.

The proposed project would not affect designated landmarks or architecturally significant buildings. None of the industrial warehouse buildings that would be demolished or renovated are considered eligible for designation as a City landmark building.

8. That our parks and open space and their access to sunlight and vistas be protected from development.

The proposed project would not affect any existing parks or open space. It is located in a PDR-zoned area with no parks or open space in its vicinity. As mentioned above, the project would be encouraged to provide outdoor space for its employees and those from the surrounding area.

RECOMMENDATION:

**Finding the Project, on balance, in-conformity
with the General Plan**

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 15-0241

WHEREAS, In 1946, the City and County of San Francisco (City) Board of Supervisors passed Resolution No. 4744 (Series of 1939) requiring the City to purchase certain real property "for the construction, operation, and maintenance of the North Point Sludge Treatment Plant near Islais Creek," now commonly known as the Southeast Water Pollution Control Plant (Southeast Plant); and

WHEREAS, In 1946, pursuant to Resolution No. 4744 (Series of 1939) and specifically for the purposes of a sludge treatment plant, the City purchased Assessor's Block 5262 in its entirety [Resolution No. 5518 (Series of 1939)]; and

WHEREAS, Between 1946 and 1948, pursuant to Resolution No. 4744 (Series of 1939) and specifically for the purposes of a sludge treatment plant, the City purchased the portion of Assessor's Block 5270 east of the Southern Pacific Railroad tracks [Resolution Nos. 5385, 5437 and 5963, and Ordinance No. 4849 (all Series of 1939)]; and

WHEREAS, Until August 1, 1996, the San Francisco Department of Public Works had jurisdiction over and maintained the City's wastewater system including all municipal sewage treatment and disposal systems and other related facilities located within the City; and

WHEREAS, Effective August 1, 1996, jurisdiction over the City's wastewater system, including sewerage facilities, assets and properties, including a portion of Assessor's Block 5262 was transferred to the SFPUC; and

WHEREAS, Since the mid-1960's, the City has maintained the Central Fleet Maintenance Shop (Central Shops), a facility providing repair services to the City's non-revenue vehicle fleet on a portion of Assessor' Block/Lot 5262-009, with an address of 1800 Jerrold Avenue (1800 Jerrold). The Office of Contract Administration (OCA) of the City's General Services Agency (GSA) has jurisdiction over 1800 Jerrold; and

WHEREAS, Employees and equipment of the City's Department of Technology (DT) also are located at 1800 Jerrold; and

WHEREAS, 1800 Jerrold is approximately 6.04 acres in size and located adjacent to the Southeast Plant, which the City owns under the jurisdiction of the San Francisco Public Utilities Commission (SFPUC); and

WHEREAS, The Southeast Plant facilities are old, and substantial maintenance, repair and replacement is required. The SFPUC has an immediate need for additional space of at least six acres for storage of equipment and vehicles and temporary relocation of existing uses while it undertakes scheduled repair and replacement projects in the next two years. Many of the Southeast Plant's facilities have reached the end of their useful life and are in need of substantial and constant maintenance. In the longer term, the SFPUC anticipates a continuing need for more space for capital improvement wastewater treatment projects that are in the planning stages related to existing facilities and upgrades to the sewer system as part of its Sewer System Improvement Program, including the proposed Biosolids Digester Facilities Project, which is

currently undergoing separate environmental review. Due to the existing intense private sector competition for available industrial land in the City, particularly in proximity to the SFPUC's existing utility plants and facilities, the SFPUC now seeks to secure land necessary to support its current and future obligation to provide essential utility services; and

WHEREAS, OCA will consider consenting to a jurisdictional transfer of 1800 Jerrold to the SFPUC, provided that the OCA receives compensation to enable occupancy of functionally equivalent facilities and for necessary incurred relocation expenses; and

WHEREAS, SFPUC staff, together with staff of GSA's Real Estate Division (RED), has negotiated the terms of a Memorandum of Understanding (MOU), on file with the Commission Secretary for this agenda item, which provides for the terms and conditions of the proposed jurisdictional transfers; and

WHEREAS, The MOU provides that the SFPUC and OCA will seek the approval by the Board of Supervisors and the Mayor of a jurisdictional transfer of 1800 Jerrold to the SFPUC, subject to the terms and conditions of the MOU; and

WHEREAS, The City's Director of Property has determined the current fair market value of 1800 Jerrold is less than the reasonable and necessary expense required to relocate Central Shops to facilities that are functional equivalent to Central Shops' existing facilities, including property acquisition costs, rent, and development, design and construction of improvements for replacement facilities; and

WHEREAS, RED has identified an assemblage, through both leasing and purchase, of three separate properties, close to 1800 Jerrold: the proposed acquisition of 555 Selby and 1975 Galvez (Acquisition Sites) and a long-term lease of 450 Toland (Leased Site), as proposed replacement sites for Central Shops, and proposes to enter into agreements to develop, design and construct replacement facilities and tenant improvements, subject to Board of Supervisors approval; and

WHEREAS, On October 28, 2015, the Environmental Review Officer determined the proposed jurisdictional transfer of 1800 Jerrold to the SFPUC is categorically exempt as Class 32: In-Fill Development categorical exemption under section 15332 of the California Environmental Quality Act (CEQA). The Planning Department sent notification on October 13, 2015 of the project receiving environmental review and received no public comments by the end of the specified comment period; now, therefore, be it

RESOLVED, That this Commission authorizes the General Manager to enter into a MOU with OCA and RED, in substantially the form on file with the Commission Secretary, establishing the terms of the jurisdictional transfer of 1800 Jerrold in exchange for payment of \$73,700,000 (Transfer Price) from Project Number CWWSIPRPL91 for relocation of Central Shops to functionally equivalent facilities, based upon the value determined by the City's Director of Property, subject to approval by the Board of Supervisors and the Mayor of the jurisdictional transfer of 1800 Jerrold and the Acquisition Sites to the SFPUC consistent with the terms of the MOU, and approval of related actions necessary to implement the MOU; and be it

FURTHER RESOLVED, The SFPUC shall have no obligation to pay any amount above the Transfer Price to OCA for the right to assume jurisdiction and occupy 1800 Jerrold and jurisdiction over the Acquired Sites. Any changes to the cost of acquisitions, lease or

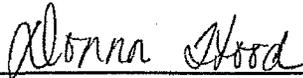
construction necessary to achieve the jurisdictional transfer of 1800 Jerrold and the relocation schedule, will be the sole responsibility of OCA ; and be it

FURTHER RESOLVED, That the SFPUC funds transferred to OCA are anticipated to be expended in the following manner: (i) \$11,500,000 shall be expended for the acquisition of the Acquired Sites; (ii) \$6,900,000 shall be expended toward the ten-year lease of Leased Site; and (iii) \$55,300,000 shall be expended for the construction of a new one-story maintenance shop building at the Acquired Sites, tenant improvements at the Leased Site and relocation costs; and be it

FURTHER RESOLVED, That any deviation to this allocation of SFPUC funds transferred to OCA shall require the prior written approval of the SFPUC's General Manager; and be it

FURTHER RESOLVED, That this Commission approves the terms and conditions of the MOU and authorizes the General Manager of the SFPUC to execute the MOU and enter into any amendments or modifications to the MOU, including without limitation, modification, addition, or deletion of exhibits and to enter into any related documents, instruments, memorandum, or other agreements reasonably necessary to consummate the transaction contemplated in the MOU, that the General Manager determines, in consultation with the City Attorney, are in the best interests of the City; do not materially increase the liabilities or obligations of the SFPUC or materially diminish the benefits to the SFPUC; are necessary or advisable to effectuate the purposes and intent of the MOU or this Resolution; and comply with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of November 10, 2015.



Secretary, Public Utilities Commission

PUBLIC UTILITIES COMMISSION

City and County of San Francisco

RESOLUTION NO. 15-0265

WHEREAS, By Resolution No. 15-0241 on November 10, 2015, this Commission approved a Memorandum of Understanding (Initial MOU) with the General Services Agency (GSA)'s Office of Contract Administration (OCA) of the City and County of San Francisco (City) and the GSA's Real Estate Division (RED), establishing the terms and conditions of the jurisdictional transfer of the property at 1800 Jerrold in San Francisco (1800 Jerrold) to the SFPUC, OCA and RED, agreeing to incur costs and pay OCA the total amount of \$73,700,000 to accomplish the jurisdictional transfer of 1800 Jerrold to the SFPUC, provided that OCA agrees to obtain or construct the necessary functionally equivalent facilities for Central Shops, and relocate by June 2017; and

WHEREAS, The Initial MOU provided that the SFPUC would retain jurisdiction over the properties to be purchased for the relocated facilities, subject to Central Shops' right to maintain jurisdiction over and use such properties for Central Shops' functions; and

WHEREAS, After November 10, 2015, the SFPUC, OCA and RED agreed that OCA, rather than the SFPUC, would acquire jurisdiction over the purchased properties and decided to revise the Initial MOU to address these new terms and conditions (Revised MOU); and

WHEREAS, On December 1, 2015, the SFPUC introduced a Resolution at the Board of Supervisors (Board File No. 151215) to authorize the execution and acceptance of a ten-year lease by and between the City and Four Fifty Toland, LLC for a leased site at 450 Toland Street (Leased Site) with an initial rental amount of \$735,600 per year; the execution and acceptance of a Purchase and Sale Agreement by and between the City and the Selby and the Hudson Corporation, for the real property located at 555 Selby Street for \$6,300,000; the execution and acceptance of a Purchase and Sale Agreement by and between the City and W.Y.L. Five Star Service Industries, Inc. for the real property located at 1975 Galvez Avenue for \$5,000,000; and finding the proposed transactions are in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1 (Proposed Resolution); and

WHEREAS, The purchased properties at 555 Selby Street and 1975 Galvez Street are referred to as the Acquisition Sites; and

WHEREAS, The SFPUC seeks to enter into the Leased Site and Acquisition Site transactions to further the proposed jurisdictional transfer of 1800 Jerrold, subject to the terms and conditions of the Revised MOU, and further subject to the final adoption of a proposed Ordinance authorizing the jurisdictional transfer of 1800 Jerrold (Proposed Ordinance) and the agreements to undertake development, design and construction of new improvements on the Acquisition Sites and the Leased Site. However, if the Board of Supervisors approves the Proposed Resolution, the SFPUC intends to execute the Lease and the Purchase and Sale Agreements for SFPUC Wastewater Enterprise purposes, and such action is not contingent on final approval of the Proposed Ordinance; and

WHEREAS, If both the Proposed Resolution and the Proposed Ordinance become effective, the Acquisition Sites acquired by the City for the relocation of Central Shops will be placed under the jurisdiction of GSA, subject to one condition. If Central Shops fails to occupy, vacates, or ceases to use the acquired property for Central Shop functions (Triggering Event), however, GSA must pay to the SFPUC within thirty (30) days after the Triggering Event a sum equal to the unamortized value of the Acquisition Sites. The amortization schedule shall be straight-line depreciation of land and improvements over thirty (30) years, commencing on the date of receipt of Temporary Certificate of Occupancy, with a first year value of \$50,000,000; and

WHEREAS, SFPUC staff, together with staff of GSA's Real Estate Division (RED), has negotiated the terms of the Revised MOU, on file with the Commission Secretary for this agenda item, which provides for the terms and conditions of the proposed jurisdictional transfers; and

WHEREAS, The Revised MOU provides that the SFPUC and OCA will seek the approval by the Board of Supervisors and the Mayor of a jurisdictional transfer of 1800 Jerrold to the SFPUC, subject to the terms and conditions of the Revised MOU and the Proposed Ordinance; and

WHEREAS, On October 28, 2015 the Planning Department determined that this MOU is categorically exempt from CEQA as Class 32: In-Fill Development categorical exemption under CEQA section 15332. This MOU was approved by this Commission on November 10, 2015, Resolution No. 15-0241, and this modification to the MOU has no physical effect on the environment. now, therefore, be it

RESOLVED, That this Commission authorizes the General Manager to enter into the Revised MOU with OCA and RED, in substantially the form on file with the Commission Secretary, establishing the terms of the jurisdictional transfer of 1800 Jerrold in exchange for payment of \$73,700,000 (Transfer Price) from Project Number CWWSIPRPL91 for relocation of Central Shops to functionally equivalent facilities, based upon the value determined by the City's Director of Property, subject to approval by the Board of Supervisors and the Mayor of the jurisdictional transfers of 1800 Jerrold to the SFPUC and the Acquisition Sites to GSA consistent with the terms of the Related MOU, and approval of related actions necessary to implement the Revised MOU; and be it

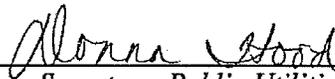
FURTHER RESOLVED, The SFPUC shall have no obligation to pay any amount above the Transfer Price to OCA for the right to assume jurisdiction and occupy 1800 Jerrold and jurisdiction over the Acquired Sites. Any changes to the cost of acquisitions, lease or construction necessary to achieve the jurisdictional transfer of 1800 Jerrold and the relocation schedule, will be the sole responsibility of OCA; and be it

FURTHER RESOLVED, That the SFPUC funds transferred to OCA are anticipated to be expended in the following manner: (i) \$11,500,000 shall be expended for the acquisition of the Acquired Sites; (ii) \$6,900,000 shall be expended toward the ten-year lease of Leased Site; and (iii) \$55,300,000 shall be expended for the construction of a new one-story maintenance shop building at the Acquired Sites, tenant improvements at the Leased Site and relocation costs; and be it

FURTHER RESOLVED, That any deviation to this allocation of SFPUC funds transferred to OCA shall require the prior written approval of the SFPUC's General Manager; and be it

FURTHER RESOLVED, That this Commission approves the terms and conditions of the Revised MOU and authorizes the General Manager of the SFPUC to execute the Revised MOU and enter into any amendments or modifications to the Revised MOU, including without limitation, modification, addition, or deletion of exhibits and to enter into any related documents, instruments, memorandum, or other agreements reasonably necessary to consummate the transaction contemplated in the Revised MOU, that the General Manager determines, in consultation with the City Attorney, are in the best interests of the City; do not materially increase the liabilities or obligations of the SFPUC or materially diminish the benefits to the SFPUC; are necessary or advisable to effectuate the purposes and intent of the Revised MOU or this Resolution; and comply with all applicable laws, including the City Charter.

I hereby certify that the foregoing resolution was adopted by the Public Utilities Commission at its meeting of December 8, 2015.



Secretary, Public Utilities Commission

OFFICE OF THE MAYOR
SAN FRANCISCO



RECEIVED
OFFICE OF SUPERVISORS
FRANCISCO

EDWIN M. LEE

DEC -1 PM 4:25

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Waiver of Certain Contract Requirements for Project Delivery Agreement
for New Central Shops Facilities - Oryx LLC - \$55,000,000 Project Cost;
Interdepartmental Property Transfers
DATE: December 1, 2015

Attached for introduction to the Board of Supervisors is an ordinance approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx, LLC ("Developer") for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessors Block 5250, Lot 15, Assessors Block 5250, Lot 16), and tenant improvements to future City leased property at 450 Toland Street (Assessors Block 5230, Lot 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessors Blocks 5262 and 5270), with total anticipated project delivery cost of \$55,000,000 from San Francisco Public Utilities Commission ("SFPUC") Wastewater Enterprise funds; exempting the project from certain contracting requirements in Administrative Code Chapter 6 by waiving the requirements of Administrative Code Sections 6.61(b) and 6.61(c)(1) - (4), and approving the selection of Oryx LLC as Developer, and Developer's selection of FM&E Architecture & Design as a Subcontractor to serve as the Project Architect and Charles Pankow Builders, Ltd. as a Subcontractor to serve as General Contractor, without competitive bidding; authorizing the jurisdictional transfer of 1800 Jerrold Street, from General Services Agency's Office of Contract Administration ("OCA") to the SFPUC Wastewater Enterprise, and the jurisdictional transfer of 555 Selby Street and 1975 Galvez Avenue, and the leasehold of 450 Toland Street, from the SFPUC to OCA, subject to the terms and conditions of the Memorandum of Understanding entered into between the RED, OCA and SFPUC; and finding the proposed transactions are in conformance with the City's General Plan, and the eight priority policies of Planning Code, Section 101.1.

I respectfully request a waiver of the 30-day hold and that this item be heard in Budget & Finance Committee on December 9th, 2015.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors

Contractor Information <i>(Please print clearly.)</i> Name of contractor: Charles Pankow Builders, LTD
--

Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.

(1) Board of Directors
Kim Lum, Dave Eichten, James Waltz, Gerald Salontai

(2)
CEO – **Kim Lum**
CFO – **Kim Petersen**
COO – **Dave Eichten**

(3) None
(4) None
(5) None

Contractor address: 1111 Broadway, Ste. 200 Oakland, CA 94607
--

Date that contract was approved:	Amount of contract:
----------------------------------	---------------------

Describe the nature of the contract that was approved:
Approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx, LLC ("Developer") for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessors Block No. 5250, Lot No. 15, and Assessors Block No. 5250, Lot No. 16), and tenant improvements to future City leased property at 450 Toland Street (Assessors Block No. 5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessors Block Nos. 5262 and 5270.

Comments:

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor Edwin M. Lee)
- a board on which the City elective officer(s) serves (San Francisco Board of Supervisors)
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>

Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s):	City elective office(s) held:
Members, Board of Supervisors	Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Oryx Development I, LLC a Nevada limited liability company	
Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.	
Oryx Development I, LLC ("Oryx Development") is a single member limited liability company that is wholly owned by Oryx Partners, LLC a Delaware limited liability company ("Oryx Partners"). Oryx Partners is the sole Managing Member of Oryx Development and is authorized to act on its behalf.	
Oryx Partners has two Managing Members who are John F Ramsbacher and Juan Carlos Wallace.	
The following have ownership interests greater than 20% in Oryx Partners: the John F. Ramsbacher Living Trust UTA dated January 3rd, 1997 and the Carr-Wallace Family Revocable Trust UTA dated July 17th, 2008	
Oryx Development I, LLC will sub-contract with Charles Pankow Builders and FME Architecture & Design.	
(5) None	
Contractor address: Mailing address: PO Box 14315 San Francisco, CA 94114 Physical address: 1001 Van Ness Avenue, San Francisco, 94109	
Date that contract was approved:	Amount of contract: Development Fee - \$1,295,000.00
Describe the nature of the contract that was approved: Approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx, LLC ("Developer") for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessors Block No. 5250, Lot No. 15, and Assessors Block No. 5250, Lot No. 16), and tenant improvements to future City leased property at 450 Toland Street (Assessors Block No. 5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessors Block Nos. 5262 and 5270).	
Comments:	

This contract was approved by (check applicable):

- the City elective officer(s) identified on this form (Mayor Edwin M. Lee)
- a board on which the City elective officer(s) serves (San Francisco Board of Supervisors)
Print Name of Board
- the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: FME Architecture + Design	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
(1) Board of Directors: Jack Munson, Eric Ibsen, Andrew Wilson (2) Chief Executive Officer: Jack Munson Chief Financial Officer: Andrew Wilson Chief Operating Officer: None	
(3) 20% or more ownership: Eric Ibsen, Andrew Wilson (4) None (5) Political committee sponsored or controlled: None	
Contractor address: 500 Montgomery Street, San Francisco CA 94111	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract:
Describe the nature of the contract that was approved: Approving and authorizing the Director of Property of the General Services Agency's Real Estate Division ("RED") to execute a Project Delivery Agreement with Oryx, LLC ("Developer") for the design and construction of proposed improvements to future City owned real estate at 555 Selby Street and 1975 Galvez Avenue (Assessors Block No. 5250, Lot No. 15, and Assessors Block No. 5250, Lot No. 16), and tenant improvements to future City leased property at 450 Toland Street (Assessors Block No. 5230, Lot No. 18), to create new facilities for the relocation of the City's Central Fleet Maintenance Shop ("Central Shops") from 1800 Jerrold Street (portions of Assessors Block Nos. 5262 and 5270.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

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Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

