

OFFICE OF THE MAYOR  
SAN FRANCISCO



DANIEL LURIE  
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Dexter Darmali, Legislative & Ethics Secretary  
RE: Agreement – PRG-Potrero Properties LLC – Potrero Yard Modernization Project – Design,  
Construction, Financing – 2500 Mariposa Street – \$1,396,433,595 – Approving Bond Issuance -  
\$900,000,000  
DATE: February 24, 2026

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Resolution approving Contract No. 1334, Infrastructure Facility Project Agreement ("Project Agreement"), with PRG – Potrero Properties LLC, for the design, construction, and financing of a bus storage and maintenance facility for the Potrero Yard Modernization Project, which Project Agreement provides for (1) a 30-year term commencing after substantial completion, scheduled for 2030, and expected to end in 2060, (2) milestone payments of \$65,000,000 at or around financial close and \$250,000,000 during construction, (3) a \$5,000,000 development fee payable after substantial completion, (4) annual availability payments commencing approximately one year after anticipated substantial completion and continuing through the end of the term, projected to start at approximately \$33 million, with an estimated cumulative total of approximately \$980 million, (5) potential delay event or termination compensation, all as provided in the Project Agreement and for an estimated not-to-exceed amount of \$1.4 billion, all expressed in nominal dollars; affirming the Planning Department's determination under the California Environmental Quality Act; and approving, for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended, the issuance by the California Municipal Finance Authority of tax-exempt obligations in an aggregate principal amount not to exceed \$900,000,000 to finance the costs of the Project, and making related findings and determinations related thereto.

Should you have any questions, please contact Adam Thongsavat at [adam.thongsavat@sfgov.org](mailto:adam.thongsavat@sfgov.org)