

File No. 240570

Committee Item No. 8

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 17, 2024

Board of Supervisors Meeting Date \_\_\_\_\_

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

- |                                     |                          |                                   |
|-------------------------------------|--------------------------|-----------------------------------|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>PUC Presentation 7/17/2024</u> |
| <input type="checkbox"/>            | <input type="checkbox"/> | _____                             |
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Completed by: Brent Jalipa Date July 11, 2024

Completed by: Brent Jalipa Date \_\_\_\_\_

<b>Item 8</b> <b>File 24-0570</b>	<b>Department:</b> Public Utilities Commission (PUC)
<b>EXECUTIVE SUMMARY</b>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <ul style="list-style-type: none"> <li>The proposed hearing would release \$2,536,607 from Budget and Finance Committee reserve for the San Francisco Public Utilities Commission (SFPUC) City Distribution Division headquarters replacement project underway at 2000 Marin Street.</li> </ul> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>The Public Utilities Commission's FY 2022-23 Water Enterprise capital budget appropriation totaled \$122,471,597, including \$2,536,607 in Water bond funding for predevelopment costs relating to a project to replace the Water Enterprise's City Distribution Division's headquarters at 1990 Newcomb Avenue with a new facility at 2000 Marin Street. Because of delays in procuring contractors for the 2000 Marin project, the timeline, total cost, and disposition of the Newcomb site was not known when the Board of Supervisors considered the appropriation in May 2022 (Files 22-0503 and 22-0502). At our recommendation, the Board of Supervisors amended the appropriation ordinance to place that funding on Budget &amp; Finance Committee Reserve. Since that time, all prime contractors for the 2000 Marin project have been awarded.</li> <li>According to SFPUC capital planning documents, construction at 2000 Marin is expected to begin in September 2024 and be complete in 2029. Total project costs are \$393.6 million, before debt service.</li> <li>The SFPUC does not plan to declare the Newcomb site as surplus property but has not determined a future use for the site. According to a letter from the SFPUC accompanying this request that is included in the legislative file, the site could be used for storage or a water recycling facility.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>The proposed hearing would release \$2,536,607 in previously appropriated Water Enterprise capital funding.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>Approve the requested release of reserves.</li> </ul>	

**MANDATE STATEMENT**

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

**BACKGROUND**

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

**DETAILS OF PROPOSED LEGISLATION**

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

**Project Status**

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

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

**FISCAL IMPACT**

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

**RECOMMENDATION**

Approve the requested release of reserves.



## MEMORANDUM

**DATE:** May 22, 2024

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

**THROUGH:** Jeremy Spitz, Local Government Affairs Manager

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

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

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

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

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

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

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**Tim Paulson**  
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Vice President

**Newsha K. Ajami**  
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**Kate H. Stacy**  
Commissioner

**Dennis J. Herrera**  
General Manager



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

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

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



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Services of the San Francisco Public Utilities Commission

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

**Shelby Campbell  
Senior Project Manager**

**July 17, 2024**





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## Who: SFWD = Local Water

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







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# Where: 2000 Marin Street



**VICINITY** | NEIGHBORHOOD OF MUNICIPAL OPERATIONS YARDS ALONG CESAR CHAVEZ





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# 2000 Marin Street







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# Why: Current Conditions



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



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



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



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



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





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# What: SFWD Headquarters







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# Key Design Objectives: Community-building, Sustainability & Safety



- Pedestrian-Safe Pathway
- Central Green Hub

- Stormwater Garden
- Solar Energy
- Recycling Existing Building

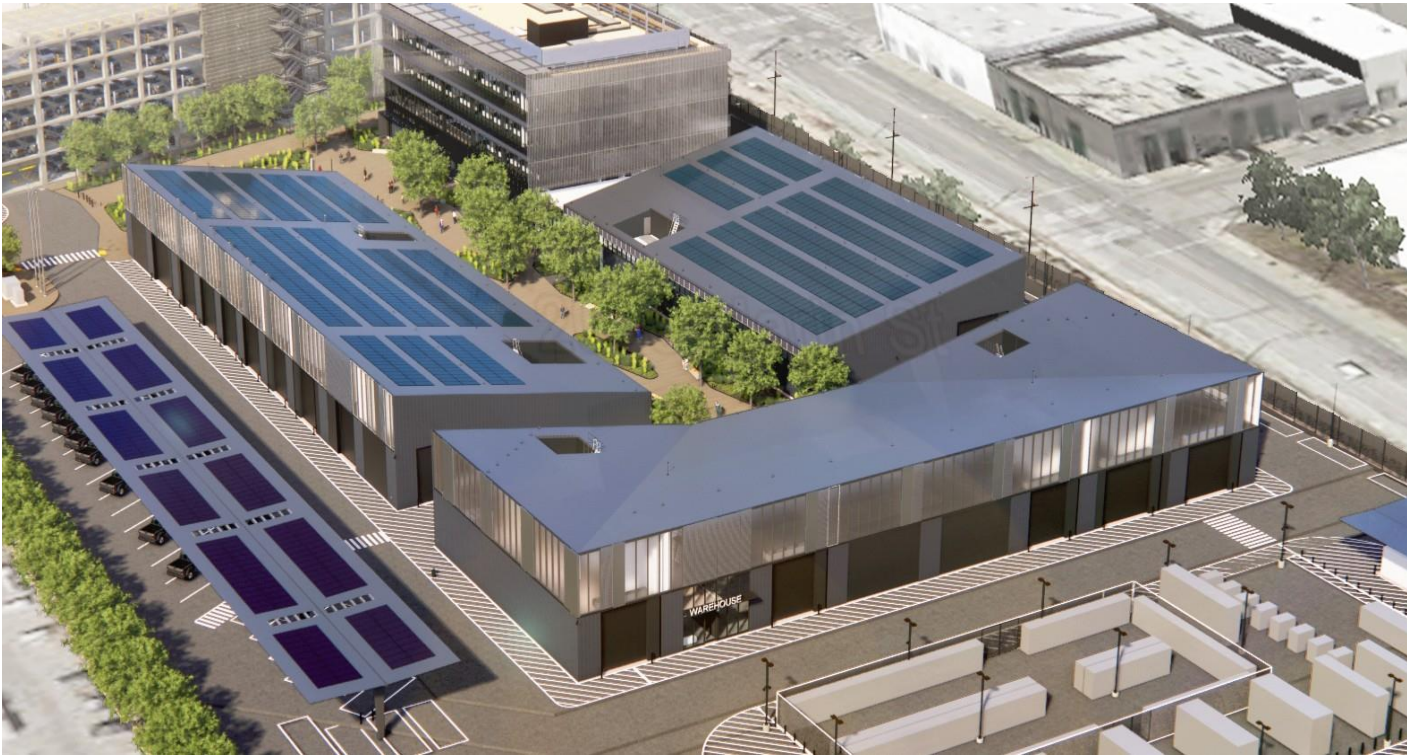






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# When: Project Milestones



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

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

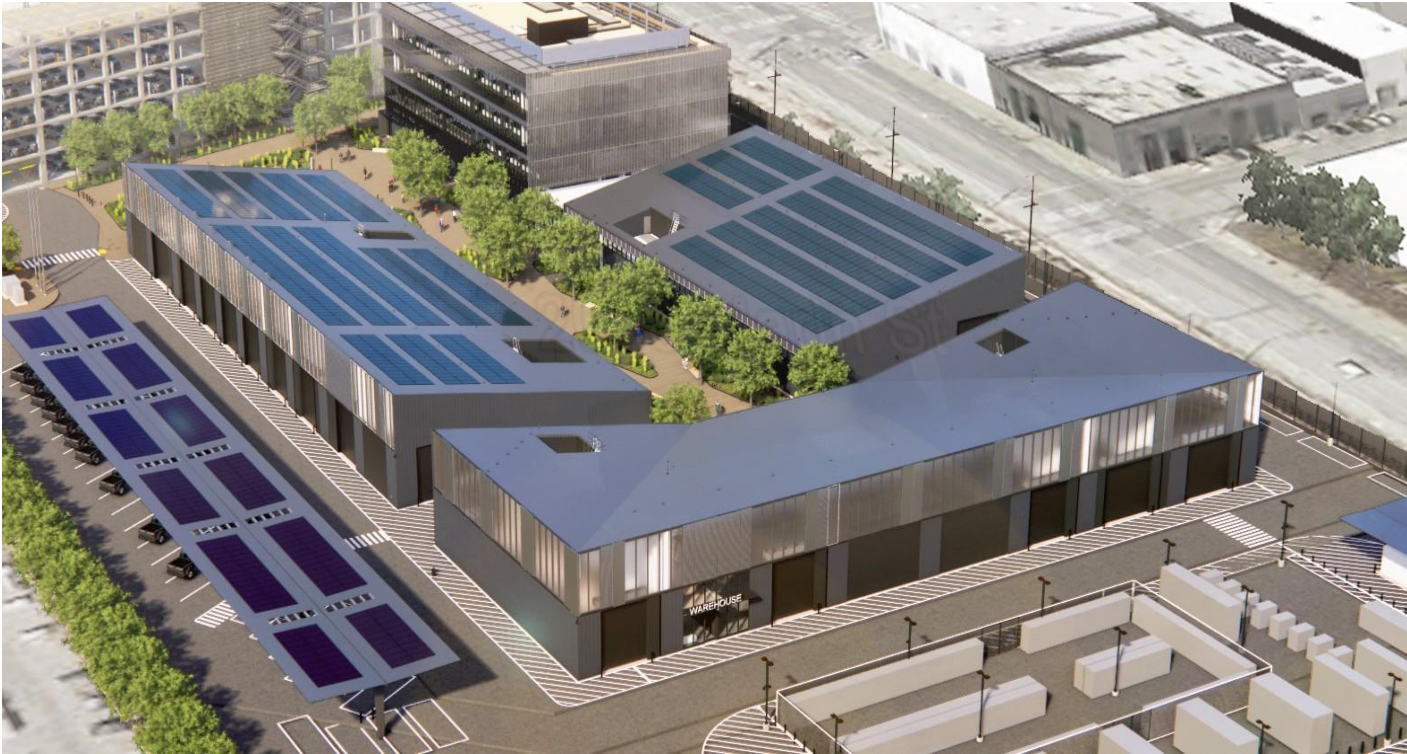
**CONSTRUCTION START:  
SEPTEMBER 2024**

**CONSTRUCTION FINISH:  
DECEMBER 2028**



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# Project Budget Request



**TOTAL PROJECT BUDGET:**  
**\$393.4 Million**

**FUNDING RELEASE REQUEST:**  
**\$2,536,604**





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# The Future - Thank You!

