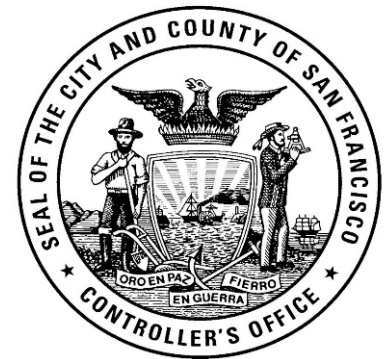
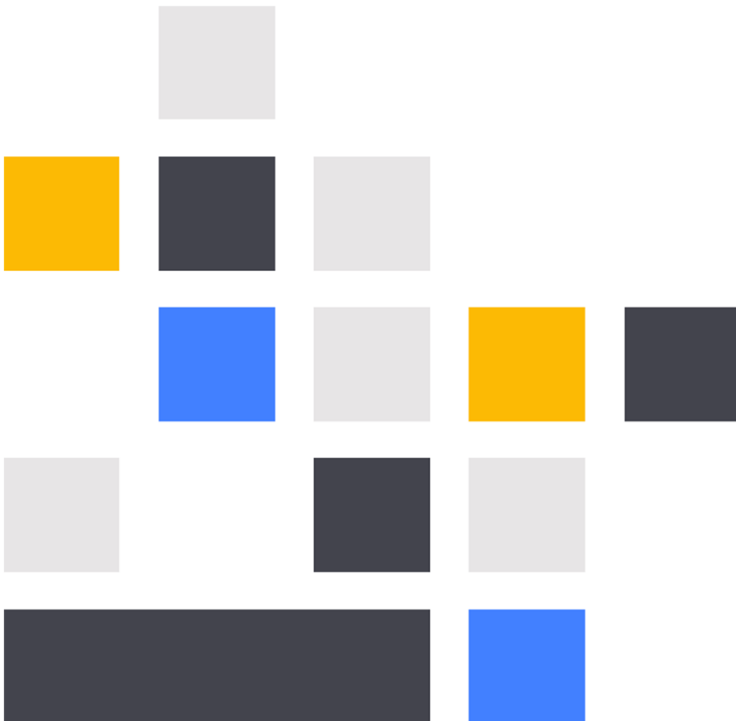


San Francisco Enhanced Infrastructure Financing District No. 1 (Power Station)

BUDGET & FINANCE COMMITTEE



March 13, 2024

City & County of San Francisco
Controller's Office of Public Finance

Power Station EIFD Formation Milestones to Date

- **April 2020** – Development Agreement for Potrero Power Station Mixed-Use Project approved by BOS
- **March 2023** – Resolution of Intention to Establish EIFD No. 1 (Power Station) (“Power Station EIFD”) approved by the BOS
- **June 2023** – Public Financing Authority (PFA) No. 1 formed
- **July 2023 through February 2024** – 4 PFA meetings, including 2 public hearings on the Infrastructure Financing Plan (IFP)
- **March 13, 2024** – Budget & Finance Committee public hearings on and consideration of:
 - Resolution Approving the Infrastructure Financing Plan and Related Documents and Actions - San Francisco Enhanced Infrastructure Financing District No. 1 (Power Station)
 - Ordinance Approving Development Agreement Amendment - California Barrel Company, LLC - Potrero Power Station



Power Station Project



Power Station Program

- 2,600 residential units (30% affordable)
- 1,600,000 sf commercial uses (life science or office)
- 7 acres of public parks and waterfront
- 250,000 sf hotel
- 100,000 sf retail



Description of Public Facilities

- Public capital facilities or other projects (whether publicly- or privately-owned) of communitywide significance that are:
 1. Authorized by the EIFD Law
 2. Related to the development of the project known as the Potrero Power Station Project, including public capital facilities, privately-owned and publicly accessible parks and streets and privately-owned affordable housing costs

Public Facility ¹	Estimated Improvement Costs (\$millions)	Estimated Timing
Parks / Open Spaces	\$111.58	2023 – 2033
Streets	42.18	2023 – 2028
Site Work / Shoreline	89.49	2023 – 2028
Utilities	46.83	2023 - 2028
Affordable Housing	258.14	2023 - 2038
Total	\$548.22	

1. The facilities not located within the boundaries of the EIFD have a tangible connection to the work of the EIFD, including affordable housing.



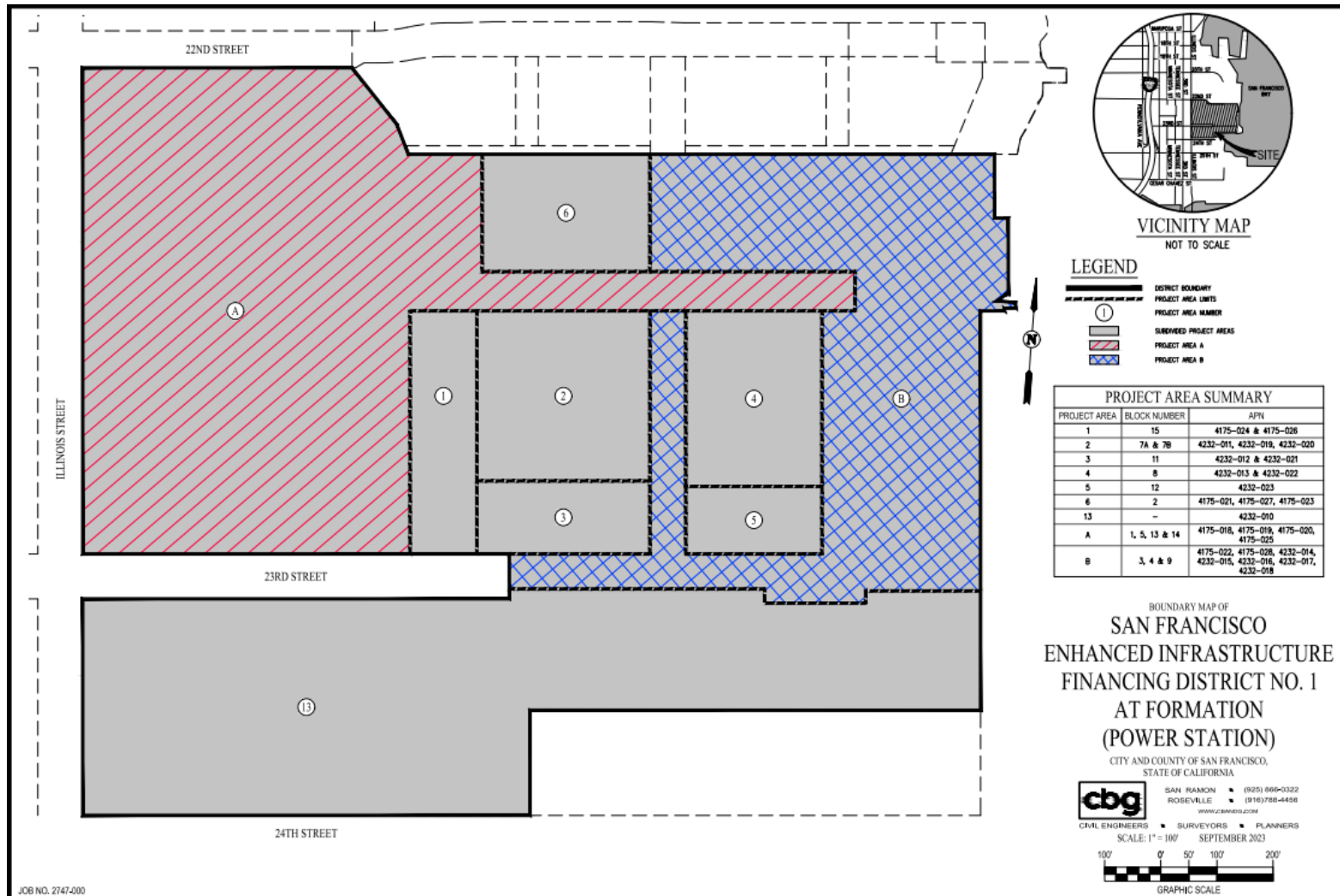
Key Elements of the Infrastructure Financing Plan

1. Map and legal description of the Power Station EIFD (including multiple project areas)
2. Proposals for public facilities and other forms of development and financial assistance to be considered within the boundaries of the Power Station EIFD
3. Finding of “communitywide significance”
4. Financing Plan, which includes:
 - a. Description of tax increment allocated to the Power Station EIFD
 - b. Projection of tax increment
 - c. Financing plan for facilities to be assisted by the Power Station EIFD
 - d. Aggregate limit on tax increment allocated to the Power Station EIFD
 - e. Time limit on tax increment allocation
 - f. Costs of providing facilities/services to the area of the Power Station EIFD and projected revenues from development in the area of the Power Station EIFD
 - g. Analysis of fiscal impact on the City of the Power Station EIFD and associated development



District Map at Formation

- At formation there will be nine project areas within the EIFD; after certain properties are subdivided, there will be 13 project areas



Tax Increment Allocation

- City Share of Increment is 64.588206% of incremental 1% ad valorem property tax revenues in Power Station EIFD
- Allocated Tax Revenue (58.252419%¹ of the City Share of Increment) will be used to pay bond debt service and paygo costs
- Conditional Tax Revenue (41.747581%¹ of the City Share of Increment) is only intended to provide debt service coverage for bonds and must be repaid to City if used

Gross Tax Increment as a % of Incremental Assessed Property Value	1.0000%
Non-City Share of Gross Tax Increment	35.4118%
City Share of Gross Tax Increment	64.5882%
Allocated Tax Revenue = 58.252419% of the City Share of Increment	37.6242%
Conditional Tax Revenue = 41.747581% of the City Share of Increment	26.9640%

1. The City IFD Guidelines provide that the City can allocate 50% of total incremental property tax revenues and 50% of property tax in lieu of vehicle license fee (VLF) revenues to the EIFD. For ease of implementation, the City will allocate 58.3% of its total incremental property tax revenues, which is equal to 50% of its total incremental property tax revenues and 50% of its incremental property tax in lieu of vehicle license fee (VLF).



Projected Tax Increment and Fiscal Impact

- FY23-24 Base Year Assessed Value: **\$138.9 million**
- Maximum Aggregate Allocated Tax Revenue: **\$3.29 billion¹**
- Maximum Aggregate Conditional Tax Revenue: **\$2.36 billion¹**
- Assuming the Power Station Project achieves the sponsor's performance projections, the Project is estimated to annually generate a **\$15.1 million** net fiscal benefit to the City's General Fund at buildout



1. Nominal dollars over the life of the EIFD

Power Station EIFD Formation Next Steps

BOARD OF SUPERVISORS (BOS) & PFA ACTIONS

DATES

BOS	Budget and Finance Committee Public Hearings and Consideration of Resolution Approving the IFP and Ordinance Amending the Development Agreement Financing Plan	March 13
BOS	Board of Supervisors Consideration of Resolution Approving the IFP and Ordinance Amending the Development Agreement Financing Plan (<i>1st Reading</i>)	March 19*
BOS	Board of Supervisors Consideration of Ordinance Amending the Development Agreement Financing Plan (<i>2nd Reading</i>)	March 26*
PFA	Third Public Hearing and Consideration of Resolution Forming the EIFD and Approving the IFP & Resolution Authorizing Bond Issuance	March 28*

*Estimated based on current schedule.



Appendix



Citywide Infrastructure Financing District Policy

- Citywide IFD guidelines established in 2011 pursuant to Board of Supervisors Resolution No. 66-11
- Interpretive Supplement to the 2011 IFD guidelines approved by Capital Planning Committee on February 27, 2023
- Formation Minimum Threshold Criteria:
 - Rezoned (Area Plan or Development Agreement) and adopted as Priority Development Area
 - Projects must maintain a net fiscal benefit to the City and can access up to 50% of annual tax increment for EIFD
 - Limit to projects that address infrastructure deficiencies
 - Require long-term maintenance commitment
 - Limits IFD debt across all IFDs such that total annual debt payments do not exceed 5% of annual property tax revenue citywide
 - Increment allocation subject to performance standard (before bonds)

