

1 [Amended and Restated Development Agreement - California Barrel Company LLC - Potrero  
2 Power Station Mixed-Use Development Project]

3 **Ordinance approving an Amended and Restated Development Agreement between the**  
4 **City and County of San Francisco and California Barrel Company LLC, a Delaware**  
5 **limited liability company, for the Potrero Power Station Mixed-Use Development**  
6 **Project; including but not limited to amendments to its Housing Plan, Transportation**  
7 **Plan, and Phasing Plan; affirming the applicability of certain Code waivers with respect**  
8 **to the Amended and Restated Development Agreement; making findings under the**  
9 **California Environmental Quality Act; and findings of conformity with the General Plan,**  
10 **and the eight priority policies of Planning Code, Section 101.1(b).**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

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

19 Section 1. Background and Findings.

20 (a) California Government Code Sections 65864 et seq. authorize any city, county,  
21 or city and county to enter into an agreement for the development of real property within the  
22 jurisdiction of the city, county, or city and county.

23 (b) Pursuant to California Government Code Section 65865, Chapter 56 of the San  
24 Francisco Administrative Code (“Chapter 56”) sets forth certain procedures for the processing  
25 and approval of development agreements in the City and County of San Francisco (the “City”).

1 (c) California Barrel Company LLC, a Delaware limited liability company  
2 ("Developer"), and its successors and assigns own approximately 22 acres of developed and  
3 undeveloped land located in the City, generally bounded by 22nd Street and the southern  
4 portion of the newly created Craig Lane to the north, the San Francisco Bay to the east, 23rd  
5 Street to the south, and Illinois Street to the west ("Developer Property"), as more particularly  
6 described in Exhibit A-1 to the Amended and Restated Development Agreement (as defined  
7 below).

8 (d) Pacific Gas & Electric Company, a California corporation ("PG&E"), owns  
9 approximately 3.8 acres of land located in the City that is adjacent to the Developer Property,  
10 as more particularly described in Exhibit A-2 to the Amended and Restated Development  
11 Agreement (the "PG&E Sub-Area").

12 (e) The City, through the Port of San Francisco (the "Port"), owns approximately 2.9  
13 acres of land located in the City that is comprised of the following three noncontiguous sites in  
14 the vicinity of the Developer Property (collectively, the "Port Sub-Area"): (i) approximately 1.5  
15 acres of land located between Developer Property and the San Francisco Bay, as more  
16 particularly described on Exhibit A-3 to the Amended and Restated Development Agreement  
17 (the "Port Open Space"); (ii) approximately 1.3 acres of land located along 23<sup>rd</sup> Street  
18 between the Developer Property and Illinois Street, as more particularly described on Exhibit  
19 A-4 to the Amended and Restated Development Agreement (the "Port 23<sup>rd</sup> Street Property");  
20 and (iii) less than 0.1 acres of land located near the northeast corner of the Developer  
21 Property and adjacent to the San Francisco Bay, as more particularly described on Exhibit A-5  
22 to the Amended and Restated Development Agreement (the "Port Bay Property"). Developer  
23 and the Port have entered into a ground lease to allow Developer to occupy and develop the  
24 Port Open Space and the Port Bay Property and include the same in the Waterfront Park (as  
25 defined in the Amended and Restated Development Agreement). The Port 23<sup>rd</sup> Street

1 Property is subject to a license allowing Developer to construct public improvements, as more  
2 particularly described therein.

3 (f) The City also owns less than 0.1 acres of land located in the City that is between  
4 the Developer Property and the Port 23<sup>rd</sup> Street Property, as more particularly described on  
5 Exhibit A-7 to the Amended and Restated Development Agreement (the “City Sub-Area” and,  
6 collectively with the Developer Property, the Port Sub-Area, and the PG&E Sub-Area, the  
7 “Project Site”).

8 (g) The Developer and the City executed a Development Agreement dated  
9 September 22, 2020 (as amended prior to the effective date of this ordinance, the “Original  
10 Development Agreement”), relating to the proposed development on the Project Site of a  
11 project known as the Potrero Power Station Mixed-Use Development Project (the "Project").  
12 The Original Development Agreement was approved by the Board of Supervisors and Mayor  
13 in Ordinance No. 62-20, a copy of which is in File No. 200040 (the “Original DA Enacting  
14 Ordinance”). Prior to the effective date of this ordinance, the Original Development Agreement  
15 has been corrected by that certain Correction to Development Agreement, dated as of  
16 September 30, 2021 and recorded in the Official Records on October 13, 2021 as Document  
17 No. 2021157025, amended by that certain Memorandum of Minor Modification of  
18 Development Agreement, Potrero Power Station Mixed-Use Development Project (First  
19 Amendment), dated as of June 20, 2023 and recorded in the Official Records on June 20,  
20 2023 as Document No. 2023044096, amended by that certain Memorandum of Minor  
21 Modification of Development Agreement, Potrero Power Station Mixed-Use Development  
22 Project (Second Amendment), dated as of June 20, 2023 and recorded in the Official Records  
23 on June 20, 2023 as Document No. 2023044102, amended by that certain First Amendment  
24 to Development Agreement between the City and Developer, dated as of August 13, 2024  
25 and recorded in the Official Records on August 13, 2024 as Document No. 2024063236, as

1 corrected by that certain Correction to First Amendment to Development Agreement, dated as  
2 of August 27, 2024 and recorded in the Official Records on September 13, 2024 as Document  
3 No. 2024070521, and amended by that certain Memorandum of Minor Modification of  
4 Development Potrero Power Station Mixed-Use Development Project (Third Amendment),  
5 dated as of May 22, 2025.

6 (h) The Project is a phased, mixed use development on or around the Developer  
7 Property.

8 (i) Since 2020, Developer has made significant progress toward the completion of  
9 the first phase of construction with new streets and utility infrastructure and 104 units of new  
10 affordable housing. In addition, construction has commenced on a new approximately  
11 270,000 square foot state-of-the-art cancer center operated by the University of California,  
12 San Francisco.

13 (j) Continuing the Project is more important now than ever, as the Project's  
14 approximately 2,800 planned housing units represent a significant portion of the City's  
15 housing production goals established under its Housing Element 2022 Update of the General  
16 Plan.

17 (k) Since the Developer and the City entered into the Original Development  
18 Agreement, real estate development in San Francisco has faced several challenges, including  
19 significant construction cost increases, a global pandemic, a rapid rise in interest rates, a  
20 softening of commercial rents, and a softening of the San Francisco residential condominium  
21 and rental markets. In light of these challenges, the Developer and the City have negotiated  
22 amendments to the Original Development Agreement, including but not limited to  
23 amendments to its Housing Plan, Transportation Plan, and Phasing Plan (the "Amended and  
24 Restated Development Agreement"), to facilitate the Project's continued horizontal and  
25

1 vertical development and contribute to the City’s housing production goals and economic  
2 recovery.

3 (l) The amendments to the Original Development Agreement, which are set forth in  
4 the Amended and Restated Development Agreement, expand affordable housing  
5 opportunities, facilitate the delivery of community benefits, align the escalation and payment of  
6 impact fees with other development projects in the City, create an option for the parties to  
7 mutually agree to a five year extension of the term, and facilitate implementation of the  
8 Project.

9

10 Section 2. CEQA Findings.

11 (a) On January 30, 2020, by Motion No. 20635, the Planning Commission certified  
12 as adequate, accurate, and complete the Final Environmental Impact Report ("FEIR") for the  
13 Project pursuant to the California Environmental Quality Act (California Public Resources  
14 Code Sections 21000 et seq.) ("CEQA"), the CEQA Guidelines (14 Cal. Code Regs. Sections  
15 15000 et seq.), and Chapter 31 of the Administrative Code, and made certain environmental  
16 findings, including adoption of a Mitigation Monitoring and Reporting Program ("MMRP") and a  
17 Statement of Overriding Considerations. A copy of Planning Commission Motion No. 20635 is  
18 on file with the Clerk of the Board of Supervisors in File No. 200040, and is incorporated  
19 herein by reference.

20 (b) CEQA authorizes lead agencies to prepare addenda to previously-prepared  
21 environmental documents when they consider adopting a revised project, and the conditions  
22 for preparing subsequent or supplemental environmental review are not met (CEQA Section  
23 21166; Guidelines Sections 15162 and 15164).

24 (c) On [\_\_\_\_\_], the Planning Department published an Addendum to the  
25 FEIR ("Addendum") finding that the changes to the Project set forth in the Amended and

1 Restated Development Agreement, and concurrent amendments to the Planning Code and  
2 Zoning Map and the Project’s Design for Development document, did not change the  
3 conclusions of the FEIR because the environmental impacts of these actions were adequately  
4 identified and analyzed under CEQA in the FEIR, and the proposed amendments would not  
5 result in any new or more severe environmental impacts than were identified previously. The  
6 Planning Department also amended the MMRP through the Addendum. A copy of the  
7 Addendum is on file with the Clerk of the Board of Supervisors in File No. [\_\_\_\_], which  
8 is incorporated herein by reference.

9 (d) The Board of Supervisors has reviewed and considered the FEIR and  
10 Addendum and adopts and incorporates by reference the findings and the revisions to the  
11 MMRP in the Addendum as though fully set forth herein, and concurs with the Planning  
12 Department’s analysis and conclusions, finding that the Addendum adequately identified and  
13 analyzed the environmental impacts of the Amended and Restated Development Agreement  
14 and concurrent amendments to the Planning Code and Zoning Map and Design for  
15 Development document for the Project, and that no additional environmental review is  
16 required under CEQA Section 21166 and CEQA Guidelines Sections 15162-15164, for the  
17 following reasons:

18 (1) The Project with the proposed amendments will not have any new  
19 significant environmental effects or a substantial increase in the severity of previously  
20 identified significant impacts, beyond what was analyzed in the FEIR; and

21 (2) No substantial changes have occurred with respect to the circumstances  
22 under which the Project would be carried out, with the proposed amendments, that would lead  
23 to new significant environmental effects, or a substantial increase in the severity of effects  
24 identified in the FEIR; and

25

1 (3) No new information of substantial importance to the Project analyzed in  
2 the FEIR has become available, which would indicate that (i) the Project with the proposed  
3 amendments will have significant effects not discussed in the FEIR; (ii) significant  
4 environmental effects identified in the FEIR will be substantially more severe; (iii) mitigation  
5 measures or alternatives found not feasible, which would reduce one or more significant  
6 effects, have become feasible but the City and Developer refuse to implement them; or (iv)  
7 mitigation measures or alternatives, which are considerably different from those in the FEIR,  
8 will substantially reduce one or more significant effects, but the City and Developer refuse to  
9 implement them.

10  
11 Section 3. General Plan and Planning Code Findings.

12 On [\_\_\_\_\_], the Planning Commission, in Resolution No. [\_\_\_\_], adopted findings  
13 that the actions contemplated in this ordinance are consistent, on balance, with the City's  
14 General Plan and eight priority policies of Planning Code Sections 101.1. The Board adopts  
15 these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of  
16 Supervisors in File No. [\_\_\_\_\_], and is incorporated herein by reference.

17  
18  
19 Section 4. Amended and Restated Development Agreement.

20 (a) The Board of Supervisors approves the Amended and Restated Development  
21 Agreement, in substantially the form on file with the Clerk of the Board of Supervisors in File  
22 No. [\_\_\_\_\_].

23 (b) The Board of Supervisors approves and authorizes the execution, delivery and  
24 performance by the City of the Amended and Restated Development Agreement as follows:  
25 (1) the Director of Planning and (other City officials listed thereon) are authorized to execute

1 and deliver the Amended and Restated Development Agreement; and (2) the Director of  
2 Planning and other applicable City officials are authorized to take all actions reasonably  
3 necessary or prudent to perform the City's obligations under the Amended and Restated  
4 Development Agreement in accordance with the terms of the Amended and Restated  
5 Development Agreement.

6 (c) The Board of Supervisors finds that this ordinance satisfies the requirements of  
7 both Article 11 of the Original Development Agreement and Article 56 of the Administrative  
8 Code as governing the amendment of the Original Development Agreement.

9 (d) The Original DA Enacting Ordinance waives various provisions of the City's  
10 Municipal Code, including but not limited to provisions of the Planning Code, Administrative  
11 Code (including Chapter 56), Subdivision Code, and Public Works Code. All Municipal Code  
12 waivers in the Original DA Enacting Ordinance are incorporated herein by reference, and the  
13 Board of Supervisors affirms the applicability of such waivers with respect to the Amended  
14 and Restated Development Agreement.

15

16 Section 5. Effective and Operative Dates.

17 (a) This ordinance shall become effective on the 31st day after enactment.  
18 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
19 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of  
20 Supervisors overrides the Mayor's veto of the ordinance.

21 ///

22 ///

23 ///

24 ///

25

1 (b) This ordinance shall become effective on the 31st day after enactment.  
2 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance  
3 unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of  
4 Supervisors overrides the Mayor's veto of the ordinance.

5

6 APPROVED AS TO FORM:  
7 DAVID CHIU, City Attorney

8 By: /s/ HEIDI J. GEWERTZ  
9 HEIDI J. GEWERTZ  
Deputy City Attorney

10 4918-0967-9800, v. 1

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25