

1 [Resolution of Formation - City and County of San Francisco Special Tax District No. 2022-1  
2 (Power Station)]

3

4 **Resolution of formation of City and County of San Francisco Special Tax District No.**  
5 **2022-1 (Power Station), Improvement Area No. 1 and a Future Annexation Area; and**  
6 **determining other matters in connection therewith, as defined herein.**

7

8 WHEREAS, California Barrel Company LLC, a Delaware limited liability company  
9 ("Developer"), owns approximately 21.0 acres of developed and undeveloped land located in  
10 the City and County of San Francisco ("City") that is generally bound by 22nd Street to the  
11 north, the San Francisco Bay to the east, 23rd Street to the south and Illinois Street to the  
12 west ("Developer Property"); existing structures on the Developer Property consist primarily of  
13 vacant buildings and facilities associated with the former power station use of the Developer  
14 Property; and

15 WHEREAS, Pacific Gas & Electric Company, a California corporation ("PG&E"), owns  
16 approximately 4.8 acres of land located in the City that is adjacent to the Developer Property  
17 ("PG&E Sub-Area"); and

18 WHEREAS, The City, through the Port of San Francisco ("Port"), owns approximately  
19 2.9 acres of land located in the City that is comprised of the following three noncontiguous  
20 sites in the vicinity of the Developer Property (collectively, "Port Sub-Area"):

21 (i) approximately 1.5 acres of land located between the Developer Property and the  
22 San Francisco Bay ("Port Open Space");

23 (ii) approximately 1.3 acres of land located along 23rd Street between the Developer  
24 Property and Illinois Street ("Port 23rd St. Property"); and

25 (iii) less than 0.1 acres of land located near the northeast corner of the Developer  
Property and adjacent to the San Francisco Bay ("Port Bay Property"); and

1           WHEREAS, Developer and the Port executed a Ground Lease, dated March 15, 2021,  
2 a copy of which is in File No. 200217, for the Port Open Space and the Port Bay Property in  
3 order to allow Developer to occupy and develop the Port Open Space and the Port Bay  
4 Property and include the same in the Waterfront Park (as defined in the Development  
5 Agreement, as defined herein), and the Port 23rd St. Property will be subject to a license  
6 allowing Developer to construct Public Improvements; and

7           WHEREAS, The City also owns less than 0.1 acres of land located in the City that is  
8 between the Developer Property and the Port 23rd Street Property ("City Sub-Area" and,  
9 collectively with the Developer Property, the Port Sub-Area, and the PG&E Sub-Area, and,  
10 upon the execution of a joinder in accordance with the Development Agreement PG&E or a  
11 subsequent fee owner, "Project Site"); and

12           WHEREAS, The Developer and the City executed a Development Agreement dated  
13 September 22, 2020, relating to the proposed development with a project known as the  
14 Potrero Power Station ("Project"), which was approved by the Board of Supervisors pursuant  
15 to Ordinance No. 62-20, which was adopted by the Board of Supervisors on April 21, 2020,  
16 and signed by the Mayor on April 24, 2020, and a copy of which is in File No. 200040; and

17           WHEREAS, The Project is a phased, mixed use development on the Project Site that is  
18 more particularly described in the Development Agreement; and

19           WHEREAS, On January 30, 2020, by Motion No. 20635, the Planning Commission,  
20 certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR")  
21 for the Project pursuant to the California Environmental Quality Act (California Public  
22 Resources Code Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion  
23 No. 20635 is on file with the Clerk of the Board of Supervisors in File No. 200040; also, on  
24 January 30, 2020, by Motion No. 20635, the Planning Commission adopted findings, including  
25 a rejection of alternatives and a statement of overriding considerations ("CEQA Findings") and

1 a Mitigation Monitoring and Reporting Program ("MMRP"); these Motions are on file with the  
2 Clerk of the Board of Supervisors in File No. 200040; in Ordinance No. 62-20, the Board of  
3 Supervisors adopted as its own and incorporated by reference as though fully set forth therein  
4 the CEQA Findings, including the statement of overriding considerations, and the MMRP; and

5 WHEREAS, No additional environmental review is required because there are no  
6 substantial changes to the project analyzed in the FEIR, no change in circumstances under  
7 which the project is being undertaken, and no new information of substantial importance  
8 indicating that new significant impacts would occur, that the impacts identified in the FEIR as  
9 significant impacts would be substantially more severe, or that mitigation or alternatives  
10 previously found infeasible are now feasible; and

11 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as  
12 it may be amended from time to time, "Code"), which Code incorporates by reference the  
13 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of  
14 Supervisors is authorized to establish a special tax district and to act as the legislative body  
15 for a special tax district; and

16 WHEREAS, Pursuant to Mello-Roos Act, Section 53339.2, this Board of Supervisors is  
17 further authorized to undertake proceedings to provide for future annexation of territory to a  
18 special tax district; and

19 WHEREAS, On January 25, 2022, pursuant to the Code, this Board of Supervisors  
20 adopted a Resolution entitled "Resolution of Intention to Establish City and County of San  
21 Francisco Special Tax District No. 2022-1 (Power Station), Improvement Area No. 1 and a  
22 Future Annexation Area, and determining other matters in connection therewith" ("Resolution  
23 of Intention"), stating its intention to form (i) "City and County of San Francisco Special Tax  
24 District No. 2022-1 (Power Station)" ("Special Tax District"), (ii) "Improvement Area No. 1 of  
25 the City and County of San Francisco Special Tax District No. 2022-1 (Power Station)"

1 (“Improvement Area No. 1”) and (iii) “City and County of San Francisco Special Tax District  
2 No. 2022-1 (Power Station) (Future Annexation Area)” (“Future Annexation Area”); and

3 WHEREAS, The Resolution of Intention, incorporating a map of the proposed  
4 boundaries of the Special Tax District, Improvement Area No. 1 and the Future Annexation  
5 Area and stating the facilities and the services to be provided (as set forth in the list attached  
6 hereto as Exhibit A), the cost of providing such facilities and the services, and the rate and  
7 method of apportionment of the special tax to be levied within the Special Tax District and  
8 Improvement Area No. 1 to pay the principal and interest on bonds proposed to be issued with  
9 respect to the Special Tax District and Improvement Area No. 1, the cost of the facilities and  
10 the cost of the services, is on file with the Clerk of the Board of Supervisors and the provisions  
11 thereof are incorporated herein by this reference as if fully set forth herein; and

12 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as  
13 required by the Code and the Resolution of Intention relative to the proposed formation of the  
14 Special Tax District, Improvement Area No. 1 and the Future Annexation Area; and

15 WHEREAS, At the hearing all interested persons desiring to be heard on all matters  
16 pertaining to the formation and the extent of the Special Tax District, Improvement Area No. 1  
17 and the Future Annexation Area, the facilities to be provided therein, the services to be  
18 provided therein and the levy of said special tax were heard and a full and fair hearing was  
19 held; and

20 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on  
21 said matters before it, including a report caused to be prepared by the Director of the Office of  
22 Public Finance (“Report”) as to the facilities and the services to be provided through the  
23 Special Tax District, Improvement Area No. 1 and the Future Annexation Area and the costs  
24 thereof, a copy of which is on file with the Clerk of the Board of Supervisors, and this Board of  
25 Supervisors at the conclusion of said hearing is fully advised in the premises; and

1           WHEREAS, The Director, Department of Elections has reported that there were no  
2 registered voters in the boundaries of the proposed Special Tax District as of January 25,  
3 2022; and

4           WHEREAS, Written protests with respect to the formation and the extent of the Special  
5 Tax District and Improvement Area No. 1, the furnishing of specified types of facilities and  
6 services and the rate and method of apportionment of the special taxes for Improvement Area  
7 No. 1 have not been filed with the Clerk of the Board of Supervisors by fifty percent (50%) or  
8 more of the registered voters or six registered voters, whichever is more, residing within the  
9 territory of the Special Tax District and Improvement Area No. 1 or property owners of one-  
10 half (1/2) or more of the area of land within the Special Tax District and Improvement Area No.  
11 1 and not exempt from the proposed special tax; and

12           WHEREAS, The special tax proposed to be levied in Improvement Area No. 1 to pay  
13 for the proposed facilities and services to be provided therein, as set forth in Exhibit B hereto,  
14 has not been eliminated by protest by fifty percent (50%) or more of the registered voters, or  
15 six registered voters, whichever is more, residing within the territory of Improvement Area No.  
16 1 or the owners of one-half (1/2) or more of the area of land within Improvement Area No. 1  
17 and not exempt from the special tax; and

18           WHEREAS, Prior to the time fixed for the hearing, written protests had not been filed  
19 with the Clerk of the Board of Supervisors against the proposed annexation of the Future  
20 Annexation Area to the Special Tax District by (i) 50% of more of the registered voters, or six  
21 registered voters, whichever is more, residing in the proposed boundaries of the Special Tax  
22 District, or (ii) 50% or more of the registered voters, or six registered voters, whichever is  
23 more, residing in the Future Annexation Area, (iii) owners of one-half or more of the area of  
24 land in the proposed Special Tax District and not exempt from the special tax or (iv) owners of  
25

1 one-half or more of the area of land in the Future Annexation Area and not exempt from the  
2 special tax; now, therefore, be it

3 RESOLVED, That the foregoing recitals are true and correct; and, be it

4 FURTHER RESOLVED, That the proposed special tax to be levied within Improvement  
5 Area No. 1 has not been precluded by majority protest pursuant to Section 53324 of the  
6 Mello-Roos Act; and, be it

7 FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors  
8 in connection with the establishment of the Special Tax District, Improvement Area No. 1 and  
9 the Future Annexation Area and the levy of the special tax have been duly considered and are  
10 hereby found and determined to be valid and in conformity with the Code; and, be it

11 FURTHER RESOLVED, That the special tax district designated “City and County of  
12 San Francisco Special Tax District No. 2022-1 (Power Station)” is hereby established  
13 pursuant to the Code; and, be it

14 FURTHER RESOLVED, That the improvement area designated “Improvement Area  
15 No. 1 of the City and County of San Francisco Special Tax District No. 2022-1 (Power  
16 Station)” is hereby established pursuant to the Code; and, be it

17 FURTHER RESOLVED, That the future annexation area designated “City and County  
18 of San Francisco Special Tax District No. 2022-1 (Power Station) (Future Annexation Area)” is  
19 hereby established pursuant to the Code; and, be it

20 FURTHER RESOLVED, That the boundaries of the Special Tax District, Improvement  
21 Area No. 1 and the Future Annexation Area, as set forth in the map of the Special Tax District  
22 heretofore recorded in the Office of the Assessor-Recorder of the City and County of San  
23 Francisco on February 10, 2022 at 2:39 p.m. in Book 1 at Pages 187-195, as Document  
24 2022014965 of Maps of Assessment and Community Facilities Districts, are hereby approved,  
25

1 are incorporated herein by reference and shall be the boundaries of the Special Tax District,  
2 Improvement Area No. 1 and the Future Annexation Area; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors has been informed by the  
4 Developer that the property owners of Assessor's Parcel Numbers 4175-017 and 4175-018  
5 have applied to the City for a lot line adjustment that, upon completion, will result in a transfer  
6 of a portion of Assessor's Parcel Number 4175-018 ("Parcel D") to Assessor's Parcel Number  
7 4175-017, and in order to document the addition of Parcel D to Improvement Area No. 1 as a  
8 result of the addition of Parcel D to Assessor's Parcel Number 4175-017, the Developer will  
9 execute a Unanimous Approval (as defined below) approving the annexation of Parcel D to  
10 the Special Tax District and Improvement Area No. 1; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors has been informed by the  
12 Developer that the property labeled on the boundary map as "AREA TO BE REMOVED  
13 FROM IMPROVEMENT AREA NO. 1" (totaling 0.06 acres) ("Excluded Property") shall be  
14 excluded from the proposed Special Tax District and automatically become part of the Future  
15 Annexation Area upon completion of the lot line adjustment referenced above without any  
16 further action by this Board of Supervisors, and the Clerk of the Board of Supervisors is  
17 hereby authorized, upon the direction of the Director of the Office of Public Finance or her  
18 designee, to (y) record a Notice of Cessation of Special Tax with respect to the Excluded  
19 Property that complies with the requirements of Section 53330.5 of the Mello-Roos Act with  
20 respect to such parcel in the in the office of the Assessor-Recorder for the City and County of  
21 San Francisco and (z) record a modified boundary map of the Special Tax District,  
22 Improvement Area No. 1 and the Future Annexation Area showing the Excluded Property as  
23 part of the Future Annexation Area; and< be it

24 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation  
25 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a

1 “Unanimous Approval”) of the owner or owners of each parcel or parcels at the time that  
2 parcel(s) are annexed, and in accordance with the Annexation Approval Procedures  
3 described herein; the Board of Supervisors hereby determines that any property for which the  
4 owner or owners execute a Unanimous Approval that is annexed into the Special Tax District  
5 in accordance with the Annexation Approval Procedures shall be added to the Special Tax  
6 District with full legal effect and the Clerk of the Board of Supervisors shall record (i) an  
7 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &  
8 Highways Code, Section 3117.5 if the property is annexed to an existing improvement area or  
9 (ii) a notice of special tax lien for the Special Tax District pursuant to Streets & Highways  
10 Code, Section 3117.5 if the property annexed is designated as a new improvement area;  
11 provided, however, the designation of property as Future Annexation Area and the ability to  
12 annex property to the Special Tax District based on a Unanimous Approval shall not limit, in  
13 any way, the annexation of property in the Future Annexation Area to the Special Tax District  
14 pursuant to other provisions of the Code; and, be it

15 FURTHER RESOLVED, That the type of facilities proposed to be financed by the  
16 Special Tax District, Improvement Area No. 1 and the Future Annexation Area (including any  
17 area therein designated to be annexed as a separate improvement area) pursuant to the  
18 Code shall consist of those items listed as facilities in Exhibit A hereto and by this reference  
19 incorporated herein (“Facilities”); and, be it

20 FURTHER RESOLVED, That the type of services proposed to be financed by the  
21 Special Tax District, Improvement Area No. 1 and the Future Annexation Area (including any  
22 area therein designated to be annexed as a separate improvement area) pursuant to the  
23 Code upon satisfaction of certain contingencies shall consist of those items shown in Exhibit A  
24 hereto and by this reference incorporated herein (“Contingent Services”); the City intends to  
25 provide the Contingent Services on an equal basis in the original territory of the Special Tax

1 District and Improvement Area No. 1 and, when it has been annexed to the Special Tax  
2 District, the Future Annexation Area (including any area therein designated to be annexed as  
3 a separate improvement area); and, be it

4 FURTHER RESOLVED, That:

5 a. Except to the extent that funds are otherwise available from Improvement Area  
6 No. 1, the City will levy a special tax (“Improvement Area No. 1 Special Tax”) sufficient to pay  
7 directly for the Facilities, including out of a special tax-funded capital reserve established for  
8 the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined  
9 in the Code) of the City issued for Improvement Area No. 1 to finance the Facilities, and to  
10 pay for the Contingent Services, and the Improvement Area No. 1 Special Tax will be secured  
11 by the recordation of a continuing lien against all non-exempt real property in Improvement  
12 Area No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the  
13 same manner as ordinary *ad valorem* property taxes or in such other manner as this Board of  
14 Supervisors or its designee shall determine, including direct billing of the affected property  
15 owners.

16 b. The proposed rate and method of apportionment of the Special Tax among the  
17 parcels of real property within Improvement Area No. 1, in sufficient detail to allow each  
18 landowner within Improvement Area No. 1 to estimate the maximum amount such owner will  
19 have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein  
20 (“Improvement Area No. 1 Rate and Method”).

21 c. The Improvement Area No. 1 Special Tax shall not be levied in Improvement  
22 Area No. 1 to finance Facilities after the fiscal year established therefor in the Improvement  
23 Area No. 1 Rate and Method, except that an Improvement Area No. 1 Special Tax that was  
24 lawfully levied in or before the final tax year and that remains delinquent may be collected in  
25 subsequent years. Under no circumstances shall the Improvement Area No. 1 Special Tax

1 levied in any fiscal year for financing Facilities against any parcel in Improvement Area No. 1  
2 used for private residential purposes be increased in that fiscal year as a consequence of  
3 delinquency or default by the owner of any other parcel or parcels within Improvement Area  
4 No. 1 by more than 10 percent.

5 d. A special tax to finance the costs of Facilities shall not be levied in one or more  
6 future improvement areas formed to include territory that annexes into the Special Tax District  
7 from the Future Annexation Area (each, a "Future Improvement Area" and together with  
8 Improvement Area No. 1, the "Improvement Areas") after the fiscal year established therefor  
9 in the rate and method of apportionment for the Future Improvement Area, except that a  
10 special tax that was lawfully levied in or before the final tax year and that remains delinquent  
11 may be collected in subsequent years. Under no circumstances shall the special tax levied in  
12 any fiscal year for financing Facilities against any parcel in the Future Improvement Area for  
13 private residential purposes be increased in that fiscal year as a consequence of delinquency  
14 or default by the owner of any other parcel or parcels within the Future Improvement Area by  
15 more than 10 percent.

16 e. For Future Improvement Areas, a different rate and method of apportionment  
17 may be adopted for the annexed territory if the annexed territory is designated as a separate  
18 improvement area. No supplements to the rate and method of apportionment for any of the  
19 Future Improvement Areas and no new rate and method of apportionment shall cause the  
20 maximum tax rate in the then-existing territory of the Special Tax District (including  
21 Improvement Area No. 1) to increase. The designation as an Improvement Area of any  
22 territory annexing to the Special Tax District, the maximum amount of bonded indebtedness  
23 for such Improvement Area and the rate and method of apportionment of special tax for such  
24 improvement area (including the conditions under which the obligation to pay the special tax  
25 may be prepaid and permanently satisfied, if any), shall be identified and approved in the

1 Unanimous Approval executed by property owner(s) in connection with its annexation to the  
2 Special Tax District in accordance with the Annexation Approval Procedures described herein.

3 f. Territory in the Future Annexation Area will be annexed into the Special Tax  
4 District and a special tax will be levied on such territory only with the Unanimous Approval of  
5 the owner or owners of each parcel or parcels at the time that parcel or those parcels are  
6 annexed into the Special Tax District in accordance with the Annexation Approval Procedures  
7 described herein. Except to the extent that funds are otherwise available to the Special Tax  
8 District to pay for the Facilities, the Contingent Services and/or the principal and interest as it  
9 becomes due on bonds of the Special Tax District issued to finance the Facilities, a Special  
10 Tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against  
11 all non-exempt real property in the Future Annexation Area, is intended to be levied annually  
12 within the Future Annexation Area, and collected in the same manner as ordinary *ad valorem*  
13 property taxes or in such other manner as may be prescribed by this Board of Supervisors.

14 g. As required by Mello-Roos Act, Section 53339.3(d), the Board of Supervisors  
15 hereby determines that the Special Tax proposed to pay for one or more Facilities to be  
16 supplied within the Future Annexation Area financed with bonds that have already been  
17 issued and that are secured by previously-existing areas of the Special Tax District will be  
18 equal to the Special Taxes levied to pay for the same Facilities in previously-existing areas of  
19 the Special Tax District, except that (i) a higher Special Tax may be levied within the Future  
20 Annexation Area to pay for the same Facilities to compensate for the interest and principal  
21 previously paid from Special Taxes in the original area of the Special Tax District, less any  
22 depreciation allocable to the financed Facilities and (ii) a higher Special Tax may be levied in  
23 the Future Annexation Area to pay for new or additional Facilities, with or without bond  
24 financing. As required by Mello-Roos Act, Section 53339.3(d), the Board of Supervisors  
25 hereby further determines that the Special Tax proposed to pay for Contingent Services to be

1 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for  
2 the same Contingent Services in the existing Special Tax District, except that a higher or  
3 lower tax may be levied within the Future Annexation Area to the extent that the actual cost of  
4 providing the Contingent Services in the Future Annexation Area is higher or lower than the  
5 cost of providing those Contingent Services in the existing Special Tax District. In so finding,  
6 the Board of Supervisors does not intend to limit its ability to levy a Special Tax within the  
7 Future Annexation Area to provide new or additional services beyond those supplied within  
8 the existing Special Tax District and Improvement Area No. 1 or its ability to implement  
9 changes pursuant to the Mello-Roos Act, Article 3, within one or more improvement areas;  
10 and, be it

11 FURTHER RESOLVED, That the “Annexation Approval Procedures” governing  
12 annexations of parcels in the Future Annexation Area into the Special Tax District shall  
13 consist of the following sets of procedures (specified in (A) and (B) that follow):

14 (A) The annexation and related matters described in the Unanimous Approval shall  
15 be implemented and completed without the need for the approval of the Board of Supervisors  
16 as long as the following conditions are met:

17 (1) The annexation is to an existing improvement area and the property  
18 proposed to be annexed shall be subject to the same rate and method of apportionment of  
19 special tax and the same bonded indebtedness limits as such existing improvement area; or

20 (2) The annexation is to a new improvement area and the following  
21 conditions apply:

22 (i) The rate and method of apportionment of special tax for the new  
23 improvement area is prepared by a special tax consultant retained by the City and paid for by  
24 the property owners submitting the Unanimous Approval.

25

1 (ii) The rate and method of apportionment of special tax for the new  
2 improvement area is consistent with the Financing Plan of the Development Agreement.

3 (iii) The rate and method of apportionment of special tax for the new  
4 improvement area does not establish a maximum special tax rate for the initial fiscal year in  
5 which the special tax may be levied for any category of property subject to the special tax that  
6 is greater than 120% of the maximum special tax rate established for the same category of  
7 property subject to the special tax for the same fiscal year calculated pursuant to the  
8 Improvement Area No. 1 Rate and Method.

9 (iv) The rate and method of apportionment of special tax for the new  
10 improvement area does not contain a type of special tax that was not included in the  
11 Improvement Area No. 1 Rate and Method (for example, a one-time special tax).

12 (v) The rate and method of apportionment of special tax for the new  
13 improvement area contains the same terms for "Collection of Special Tax" (including with  
14 respect to the term of the special tax) as the Improvement Area No. 1 Rate and Method.

15 (vi) If the rate and method of apportionment of special tax for the new  
16 improvement area includes a provision allowing prepayment of the special tax, in whole or in  
17 part, the Director of the Office of Public Finance, after consulting with the special tax  
18 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment  
19 provision will not adversely impact the financing of authorized Facilities and Contingent  
20 Services; *provided*, that if the prepayment formula set forth in such rate and method of  
21 apportionment has previously been approved by this Board, then such prepayment formula  
22 may be replicated in the rate and method of apportionment for such new improvement area  
23 without meeting such test.

24 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the  
25 Director of the Office of Public Finance and set forth in a written acceptance by the Director of

1 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous  
2 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be  
3 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an  
4 amendment to the notice of special tax lien or a new notice of special tax lien for the Special  
5 Tax District pursuant to Streets & Highways Code, Section 3117.5.

6 (B) For any annexation and related matters described in the Unanimous Approval  
7 that do not meet the requirements of Section (A) above, the following procedures shall apply  
8 (provided, however, that nothing in the following procedures shall prevent the property owners  
9 of property to be annexed into the Special Tax District from the Future Annexation Area from  
10 annexing property to the Special Tax District (including into a new improvement area)  
11 pursuant to Section (A) above and then instituting change proceedings pursuant to the Code,  
12 to make additional changes to the rate and method of apportionment of special tax or other  
13 authorized purposes):

14 *First*, the owners(s) of property to be annexed into the Special Tax District shall submit  
15 a Unanimous Approval for each parcel or parcels to be annexed into the Special Tax District  
16 to the Director of the Office of Public Finance, together with a statement as to whether the  
17 Unanimous Approval is consistent with the Financing Plan of the Development Agreement  
18 and, if not, the reasons for such inconsistency.

19 *Second*, the Director of the Office of Public Finance shall have 60 days to either (a)  
20 submit the Unanimous Approval to the Board of Supervisors, accompanied by a written staff  
21 report that includes a statement from the Director of the Office of Public Finance as to whether  
22 the Unanimous Approval is consistent with the Financing Plan of the Development Agreement  
23 and, if the Potrero Power Station Director concludes that it is not consistent with the Financing  
24 Plan of the Development Agreement, a description of the inconsistencies, the reasons for  
25 such inconsistencies given by the property owners or the Developer and the Director of the

1 Office of Public Finance’s recommendation as to such inconsistencies or (b) notify the  
2 property owners and the Developer that the Director of the Office of Public Finance shall not  
3 submit the Unanimous Approval to the Board of Supervisors due to inconsistencies with the  
4 Financing Plan of the Development Agreement.

5 *Third*, the Board of Supervisors shall, within 60 days of the receipt of any Unanimous  
6 Approval by the Director of the Office of Public Finance pursuant to *Second* above, either (i)  
7 adopt a Resolution accepting the Unanimous Approval or (ii) adopt a Resolution rejecting the  
8 Unanimous Approval, with the sole basis for rejection being a detailed conclusion that the  
9 Unanimous Approval is not consistent with the Financing Plan of the Development  
10 Agreement.

11 *Fourth*, if the Board of Supervisors adopts a Resolution rejecting the Unanimous  
12 Approval, the owner(s) of property to be annexed into the Special Tax District may revise the  
13 Unanimous Approval and resubmit it to the Director of the Office of Public Finance, who shall  
14 endeavor to submit the revised Unanimous Approval to the Board of Supervisors,  
15 accompanied by a written staff report as outlined above under *Second*, at the next available  
16 meeting of the Board of Supervisors, and the Board of Supervisors shall consider the revised  
17 Unanimous Approval and either (i) adopt a Resolution accepting the revised Unanimous  
18 Approval or (ii) adopt a Resolution rejecting the revised Unanimous Approval, with the sole  
19 basis for rejection being a detailed conclusion that the revised Unanimous Approval is not  
20 consistent with the Financing Plan of the Development Agreement, in which event the  
21 owner(s) may further revise the Unanimous Approval and repeat the process described in this  
22 clause *Fourth*.

23 *Fifth*, if the Board of Supervisors adopts a Resolution accepting the Unanimous  
24 Approval, the Clerk of the Board of Supervisors shall record an amendment to the notice of  
25 special tax lien for the Special Tax District pursuant to Streets & Highways Code, Section

1 3117.5 or a new notice of special tax lien for the Special Tax District pursuant to Streets &  
2 Highways Code, Section 3117.5; and, be it

3 FURTHER RESOLVED, That it is hereby found and determined that the Facilities and  
4 the Contingent Services are necessary to meet increased demands placed upon local  
5 agencies as the result of development occurring in the Special Tax District, Improvement Area  
6 No. 1 and the Future Annexation Area; and, be it

7 FURTHER RESOLVED, That the Director of the Office of Public Finance, 1 Dr. Carlton  
8 B. Goodlett Place, San Francisco, CA 94102, (415) 554-5956, is the officer of the City who will  
9 be responsible for preparing annually a current roll of special tax levy obligations by  
10 assessor's parcel number and who will be responsible for estimating future special tax levies  
11 pursuant to the Code; and, be it

12 FURTHER RESOLVED, That upon recordation of a notice of special tax lien pursuant  
13 to Streets & Highways Code, Section 3114.5, a continuing lien to secure each levy of the  
14 special tax shall attach to all nonexempt real property in the respective Improvement Areas  
15 and this lien shall continue in force and effect until the special tax obligation is prepaid and  
16 permanently satisfied and the lien canceled in accordance with law or until collection of the tax  
17 by the City ceases; and, be it

18 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual  
19 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California  
20 Constitution, of the Special Tax District is hereby preliminarily established at \$863,000,000,  
21 and said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as  
22 hereafter provided; the proposition establishing said annual appropriations limit shall become  
23 effective if approved by the qualified electors voting thereon and shall be adjusted in  
24 accordance with the applicable provisions of the Code; and, be it

1           FURTHER RESOLVED, That pursuant to the provisions of the Code, the proposition of  
2 the levy of the Improvement Area No. 1 Special Tax and the proposition of the establishment  
3 of the appropriations limit specified above shall be submitted to the qualified electors of  
4 Improvement Area No. 1 at an election; the time, place and conditions of the election shall be  
5 as specified by a separate Resolution of the Board of Supervisors; and, be it

6           FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either  
7 before or after formation of the Special Tax District, the City may accept work in-kind from any  
8 source, including, but not limited to, private persons or private entities, may provide, by  
9 Resolution, for the use of that work in-kind for any authorized purpose and this Board of  
10 Supervisors may enter into an agreement, by Resolution, with the person or entity advancing  
11 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of  
12 the work in-kind, as determined by this Board of Supervisors, with or without interest, under  
13 the conditions specified in the Mello-Roos Act. Any work in-kind must be performed or  
14 constructed as if the work had been performed or constructed under the direction and  
15 supervision, or under the authority of, the City and, in furtherance of Mello-Roos Act, Sections  
16 53314.9 and 53313.51, the Board of Supervisors hereby approves the execution and delivery  
17 of an Acquisition and Reimbursement Agreement (“Acquisition Agreement”), between the City  
18 and the Developer in substantially the form on file with the Clerk of the Board of Supervisors;  
19 each of the Mayor, the Controller, the Director of Public Works and the Director of the Office  
20 of Public Finance, or such other official of the City as may be designated by such officials  
21 (each, an “Authorized Officer”), is hereby authorized and directed to execute and deliver, and  
22 the Clerk of the Board of Supervisors is hereby authorized and directed to attest to, the  
23 Acquisition Agreement, together with such additions or changes that do not increase the  
24 financial liability of the City as are approved by such Authorized Officer upon consultation with  
25 the City Attorney; and, be it

1 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions  
2 of Mello-Roos Act, Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to ad  
3 valorem property taxes and schools financed by a community facilities district) are  
4 inapplicable to the proposed Special Tax District, Improvement Area No. 1 and the Future  
5 Annexation Area; and, be it

6 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and  
7 authority set forth in Mello-Roos Act, Section 53344.1, subject to any limitations set forth in  
8 any bond Resolution or trust indenture related to the issuance of bonds; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
10 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this  
11 Resolution and incorporates the FEIR and the CEQA findings contained in Ordinance No. 62-  
12 20 by this reference; and, be it

13 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
14 word of this Resolution, or any application thereof to any person or circumstance, is held to be  
15 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
16 shall not affect the validity of the remaining portions or applications of this Resolution, this  
17 Board of Supervisors hereby declaring that it would have passed this Resolution and each  
18 and every section, subsection, sentence, clause, phrase, and word not declared invalid or  
19 unconstitutional without regard to whether any other portion of this Resolution or application  
20 thereof would be subsequently declared invalid or unconstitutional; and, be it

21 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of  
22 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City  
23 are hereby authorized, for and in the name of and on behalf of the City, to do any and all  
24 things and take any and all actions, including execution and delivery of any and all  
25 documents, assignments, certificates, requisitions, agreements, notices, consents,

1 instruments of conveyance, warrants and documents, which they, or any of them, may deem  
2 necessary or advisable in order to effectuate the purposes of this Resolution; provided  
3 however that any such actions be solely intended to further the purposes of this Resolution,  
4 and are subject in all respects to the terms of the Resolution; and, be it

5 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,  
6 consistent with any documents presented herein, and heretofore taken are hereby ratified,  
7 approved and confirmed by this Board of Supervisors; and, be it

8 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.  
9 Enactment occurs when the Mayor signs the Resolution, the Mayor returns the Resolution  
10 unsigned or does not sign the Resolution within ten days of receiving it, or the Board of  
11 Supervisors overrides the Mayor's veto of the Resolution.

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14 APPROVED AS TO FORM:  
15 DAVID CHIU, City Attorney

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17 By: /s/ MARK D. BLAKE  
18 MARK D. BLAKE  
19 Deputy City Attorney

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- Parks and Open Space: All of the publicly-accessible open spaces developed in accordance with the Design for Development attached as Exhibit E to the Development Agreement.
- Public Improvements: The facilities, both on- and off-site, to be improved, constructed and dedicated by Developer and, upon Completion in accordance with the Development Agreement, accepted by the City. Public Improvements include the streets within the Project Site shown on Exhibit N of the Development Agreement, and all Infrastructure and public utilities within such streets (such as electricity, water and sewer lines but excluding any non-municipal utilities), including sidewalks, landscaping, bicycle lanes, bus boarding island, street furniture, and paths and intersection improvements (such as curbs, medians, signaling, traffic controls devices, signage, and striping). The Public Improvements also include the SFPUC Infrastructure, and the SFMTA Infrastructure. The Public Improvements do not include Privately-Owned Community Improvements or, if any, privately owned facilities or improvements in the public right of way.
- Privately-Owned Community Improvements: Those facilities and services that are privately-owned and privately-maintained, at no cost to the City (other than any public financing set forth in the Financing Plan), for the public benefit and not dedicated to the City, including any Infrastructure that is not a Public Improvement. The Privately-Owned Community Improvements are shown generally on Exhibit L-1 of the Development Agreement and further described in the Design for Development. Privately-Owned Community Improvements include certain pedestrian paths, alleys (such as Craig Lane) storm drainage facilities, open spaces, SFMTA employee restroom, Muni bus shelter, and community or recreation facilities to be built on land owned by Developer, or on land owned by the City if the Privately-Owned Community Improvements thereon are subject to an encroachment permit or other permit allowing their installation on such land.

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## SERVICES

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2 Special taxes collected in the Special Tax District (and each Improvement Area therein,  
3 as originally designated and as designated in the future in conjunction with the annexation  
4 of the Future Annexation Area) may finance, in whole or in part, the following services  
5 (“services” shall have the meaning given that term in the Code). Capitalized terms used  
6 herein but not defined herein have the meanings given them in the Development  
7 Agreement.

- 8 • Maintenance, repair, replacement and operation of the following (i) Privately-  
9 Owned Community Improvements, (ii) Infrastructure, (iii) Parks and Open  
10 Space and (iv) Public Improvements, in each case, developed by Developer  
11 or the Port Property Maintenance Party on the Port Lease Property
- 12 • Maintenance, repair, replacement and operation of Craig Lane

## OTHER

13 The Special Tax District (and each Improvement Area therein, as originally designated  
14 and as designated in the future in conjunction with the annexation of the Future  
15 Annexation Area) may also finance any of the following:

16 1. Bond related expenses, including underwriters discount, reserve fund,  
17 capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees  
18 and expenses, bond remarketing costs, and all other incidental expenses.

19 2. Administrative fees of the City and the bond trustee or fiscal agent related to  
20 the Special Tax District (and each Improvement Area therein, as originally designated  
21 and as designated in the future in conjunction with the annexation of the Future  
22 Annexation Area) and the Bonds.

23 3. Reimbursement of costs related to the formation of the Special Tax District  
24 (and each Improvement Area therein, as originally designated and as designated in the  
25 future in conjunction with the annexation of the Future Annexation Area) advanced by  
the City, the landowner(s) in the Special Tax District (and each Improvement Area  
therein, as originally designated and as designated in the future in conjunction with the  
annexation of the Future Annexation Area), or any party related to any of the foregoing,  
as well as reimbursement of any costs advanced by the City, the landowner(s) in the  
Special Tax District (and each Improvement Area therein, as originally designated and  
as designated in the future in conjunction with the annexation of the Future Annexation  
Area) or any party related to any of the foregoing, for facilities, fees or other purposes or  
costs of the Special Tax District (and each Improvement Area therein, as originally  
designated and as designated in the future in conjunction with the annexation of the  
Future Annexation Area).

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
Special Tax District No. 2022-1  
(Power Station)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
IMPROVEMENT AREA NO. 1

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