

1 [Resolution of Intention to Establish Special Tax District No. 2022-1 (Power Station)]

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3 **Resolution of Intention to establish City and County of San Francisco Special Tax**
4 **District No. 2022-1 (Power Station), Improvement Area No. 1 and a Future Annexation**
5 **Area; setting a hearing date for March 8, 2022, at 3:00 p.m.; and determining other**
6 **matters in connection therewith, as defined herein.**

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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

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

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

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

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

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

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

1 January 30, 2020, by Motion No. 20635, the Planning Commission adopted findings, including
2 a rejection of alternatives and a statement of overriding considerations ("CEQA Findings") and
3 a Mitigation Monitoring and Reporting Program ("MMRP"); these Motions are on file with
4 the Clerk of the Board of Supervisors in File No. 200040; in Ordinance No. 62-20, the Board
5 of Supervisors adopted as its own and incorporated by reference as though fully set forth
6 therein the CEQA Findings, including the statement of overriding considerations, and the
7 MMRP; and

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

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

19 WHEREAS, This Board of Supervisors now desires to proceed with the establishment
20 of a special tax district in order to finance costs of infrastructure and certain public services
21 necessary or incident to development within the proposed boundaries of the proposed special
22 tax district, including, without limitation, future improvements detailed in the Development
23 Agreement; and

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1 WHEREAS, Pursuant to Mello-Roos Act, Section 53339.2, this Board of Supervisors
2 further desires to undertake proceedings to provide for future annexation of territory to the
3 proposed special tax district; now, therefore, be it

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5 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
6 establish a special tax district pursuant to the Code, and hereby determines that public
7 convenience and necessity require that a future annexation area be established; and, be it

8 FURTHER RESOLVED, That the name proposed for the special tax district is “City and
9 County of San Francisco Special Tax District No. 2022-1 (Power Station)” (“Special Tax
10 District”); and, be it

11 FURTHER RESOLVED, That pursuant to Mello-Roos Act, Section 53350, the territory
12 to be initially included in the Special Tax District (as shown on the map described below) is
13 hereby designated to include the following improvement area: “Improvement Area No. 1 of the
14 City and County of San Francisco Special Tax District No. 2022-1 (Power Station)”
15 (“Improvement Area No. 1”); and, be it

16 FURTHER RESOLVED, That the name proposed for the territory proposed to be
17 annexed into the Special Tax District in the future is “City and County of San Francisco
18 Special Tax District No. 2022-1 (Power Station) (Future Annexation Area)” (“Future
19 Annexation Area”), and in connection with the annexation of all or a portion of the Future
20 Annexation Area, this Board of Supervisors shall follow the Annexation Approval Procedures
21 described herein, which may include a designation that the area to be annexed shall be
22 annexed as a separate improvement area; and, be it

23 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District,
24 Improvement Area No. 1 and the Future Annexation Area are as shown on the map of them
25 on file with the Clerk of the Board of Supervisors, which boundaries are hereby preliminarily

1 approved and to which map reference is hereby made for further particulars, and the Clerk of
2 the Board of Supervisors is hereby directed to record, or cause to be recorded, the map of the
3 boundaries of the Special Tax District, Improvement Area No. 1 and the Future Annexation
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5 Area in the office of the Assessor-Recorder for the City and County of San Francisco within 15
6 days of the date of adoption of this Resolution; and, be it

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

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

1 Improvement Area No. 1 and the Future Annexation Area showing the Excluded Property as
2 part of the Future Annexation Area; and, be it

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

19 FURTHER RESOLVED, That the type of facilities proposed to be financed by the
20 Special Tax District, Improvement Area No. 1 and the Future Annexation Area (including any
21 area therein designated to be annexed as a separate improvement area) pursuant to the
22 Code shall consist of those listed as facilities on Exhibit A hereto and hereby incorporated
23 herein (“Facilities”), and this Board of Supervisors hereby determines that the Facilities are
24 necessary to meet increased demands placed upon local agencies as the result of
25 development occurring within the Special Tax District, Improvement Area No. 1 and the

1 Future Annexation Area, and this Board of Supervisors hereby finds and determines that the
2 public interest will not be served by allowing the property owners in the Special Tax District to
3 enter into a contract in accordance with Mello-Roos Act, Section 53329.5(a), and
4 notwithstanding the foregoing, this Board of Supervisors, on behalf of the Special Tax District,
5 may enter into one or more contracts directly with any of the property owners with respect to
6 the construction and/or acquisition of the any portion of the Facilities; and, be it

7 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
8 authorized and directed to enter into joint community facilities agreements with any entity that
9 will own or operate any of the Facilities, as may be necessary to comply with the provisions of
10 Mello-Roos Act, Sections 53316.2(a) and (b), and this Board of Supervisors' approval of a
11 joint community facilities agreement shall be conclusively evidenced by the execution and
12 delivery thereof by the Director of the Office of Public Finance, and this Board of Supervisors
13 hereby declares that such joint agreements will be beneficial to owners of property in the area
14 of the Special Tax District; and, be it

15 FURTHER RESOLVED, That the type of services 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 Mello-Roos Act upon satisfaction of certain contingencies shall consist of those listed in
19 Exhibit A hereto and hereby incorporated herein ("Contingent Services") this Board of
20 Supervisors hereby determines that the Contingent Services are necessary to meet increased
21 demands for such services placed upon local agencies as the result of development occurring
22 within the area of the Special Tax District, Improvement Area No. 1 and the Future Annexation
23 Area; and, be it

24 FURTHER RESOLVED, That the Contingent Services are in addition to those provided
25 in the territory of the Special Tax District, Improvement Area No. 1 and the Future Annexation

1 Area as of the date hereof and will not supplant services already available within the territory
2 of the Special Tax District, Improvement Area No. 1 and the Future Annexation Area as of the
3 date hereof, and the City intends to provide the Contingent Services on an equal basis in the
4 original territory of the Special Tax District and Improvement Area No. 1 and, when it has
5 been annexed to the Special Tax District, the Future Annexation Area (including any area
6 therein designated to be annexed as a separate improvement area); and, be it

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

18 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
19 Special Tax among the parcels of real property within Improvement Area No. 1, in sufficient
20 detail to allow each landowner within Improvement Area No. 1 to estimate the maximum
21 amount such owner will have to pay, is described in Exhibit B attached hereto and hereby
22 incorporated herein (“Improvement Area No. 1 Rate and Method”); and, be it

23 FURTHER RESOLVED, That the Special Tax to be levied in Improvement Area No. 1
24 (“Improvement Area No. 1 Special Tax”) shall not be levied in Improvement Area No. 1 to
25 finance Facilities after the fiscal year established therefor in the Improvement Area No. 1 Rate

1 and Method, except that an Improvement Area No. 1 Special Tax that was lawfully levied in or
2 before the final tax year and that remains delinquent may be collected in subsequent years.
3 Under no circumstances shall the Improvement Area No. 1 Special Tax levied against any
4 parcel in Improvement Area No. 1 to finance Facilities in any fiscal year used for private
5 residential purposes be increased in that fiscal year as a consequence of delinquency or
6 default by the owner of any other parcel or parcels within Improvement Area No. 1 by more
7 than 10 percent; and, be it

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

18 FURTHER RESOLVED, That for Future Improvement Areas, a different rate and
19 method of apportionment may be adopted for annexed territory if the annexed territory is
20 designated as a separate improvement area. No supplements to the rate and method of
21 apportionment for any of the Future Improvement Areas and no new rate and method of
22 apportionment shall cause the maximum tax rate in the then-existing territory of the Special
23 Tax District (including Improvement Area No. 1) to increase, and the designation as an
24 improvement area of any territory annexing to the Special Tax District, the maximum amount
25 of bonded indebtedness and other debt for such improvement area, and the rate and method

1 of apportionment of special tax for such improvement area (including the conditions under
2 which the obligation to pay the special tax may be prepaid and permanently satisfied, if any),
3 shall be identified and approved in the Unanimous Approval executed by property owner(s) in
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5 connection with its annexation to the Special Tax District in accordance with the Annexation
6 Approval Procedures described herein; and, be it

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

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

13 (1) The annexation is to an existing improvement area and the property proposed to
14 be annexed shall be subject to the Improvement Area No. 1 Rate and Method and the same
15 bonded indebtedness limits as such existing improvement area; or

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

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

21 (ii) The rate and method of apportionment of special tax for the new
22 improvement area is consistent with the Financing Plan.

23 (iii) The rate and method of apportionment of special tax for the new
24 improvement area does not establish a maximum special tax rate for the initial fiscal
25 year in which the special tax may be levied for any category of property subject to the

1 special tax that is greater than 120% of the maximum special tax rate established for
2 the same category of property subject to the special tax for the same fiscal year
3 calculated pursuant to the Improvement Area No. 1 Rate and Method.

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

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

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

21 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the
22 Director of the Office of Public Finance and set forth in a written acceptance by the Director of
23 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous
24 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be
25 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an

1 amendment to the notice of special tax lien or a new notice of special tax lien for the Special
2 Tax District pursuant to Streets & Highways Code Section 3117.5.

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

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

16 *Second*, the Director of the Office of Public Finance shall have 60 days to either (a)
17 submit the Unanimous Approval to the Board of Supervisors, accompanied by a written staff
18 report that includes a statement from the Director of the Office of Public Finance as to whether
19 the Unanimous Approval is consistent with the Financing Plan and, if not, a description of the
20 inconsistencies, the reasons for such inconsistencies given by the property owners or the
21 Developer and the Director of the Office of Public Finance's recommendation as to such
22 inconsistencies or (b) notify the property owners and the Developer that the Director of the
23 Office of Public Finance shall not submit the Unanimous Approval to the Board of Supervisors
24 due to inconsistencies with the Financing Plan.

1 *Third*, the Board of Supervisors shall, within 60 days of the receipt of any Unanimous
2 Approval by the Director of the Office of Public Finance pursuant to *Second* above, either (i)
3 adopt a resolution accepting the Unanimous Approval or (ii) adopt a resolution rejecting the
4 Unanimous Approval, with the sole basis for rejection being a detailed conclusion that the
5 Unanimous Approval is not consistent with the Financing Plan.

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

17 *Fifth*, if the Board of Supervisors adopts a resolution accepting the Unanimous
18 Approval, the Clerk of the Board of Supervisors shall record an amendment to the notice of
19 special tax lien for the Special Tax District pursuant to Streets & Highways Code Section
20 3117.5 or a new notice of special tax lien for the Special Tax District pursuant to Streets &
21 Highways Code Section 3117.5; and, be it

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

3 FURTHER RESOLVED, That as required by Mello-Roos Act, Section 53339.3(d), this
4 Board of Supervisors hereby determines that the Special Tax proposed to pay for the
5 Facilities to be supplied within the Future Annexation Area financed with bonds that have
6 already been issued and that are secured by previously-existing areas of the Special Tax
7 District will be equal to the Special Taxes levied to pay for the same Facilities in previously-
8 existing areas of the Special Tax District and Improvement Area No. 1, except that (i) a higher
9 Special Tax may be levied within the Future Annexation Area to pay for the same Facilities to
10 compensate for the interest and principal previously paid from Special Taxes in the original
11 area of the Special Tax District and Improvement Area No. 1, less any depreciation allocable
12 to the financed Facilities and (ii) a higher Special Tax may be levied in the Future Annexation
13 Area to pay for new or additional Facilities, with or without bond financing; and, be it

14 FURTHER RESOLVED, That as required by Mello-Roos Act Section 53339.3(d), this
15 Board of Supervisors hereby further determines that the Special Tax proposed to pay for
16 Contingent Services to be supplied within the Future Annexation Area shall be equal to any
17 Special Tax levied to pay for the same Contingent Services in the existing Special Tax District
18 and Improvement Area No. 1, except that a higher or lower tax may be levied within the
19 Future Annexation Area to the extent that the actual cost of providing the Contingent Services
20 in the Future Annexation Area is higher or lower than the cost of providing those Contingent
21 Services in the existing Special Tax District and Improvement Area No. 1. In so finding, this
22 Board of Supervisors does not intend to limit its ability to levy a Special Tax within the Future
23 Annexation Area to provide new or additional services beyond those supplied within the
24 existing Special Tax District and Improvement Area No. 1 or its ability to implement changes
25 pursuant to Article 3 of the Mello-Roos Act within one or more improvement areas; and, be it

1 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
2 Improvement Area No. 1 Rate and Method, all lands owned by any public entity, including the
3 United States, the State of California and/or the City, or any departments or political
4 subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the
5 costs and expenses of the Facilities, the Contingent Services, the Special Tax District or
6 Improvement Area No. 1. In the event that a portion of the property within Improvement Area
7 No. 1 shall become for any reason exempt, wholly or in part, from the levy of the Special Tax,
8 this Board of Supervisors will, on behalf of the Special Tax District, increase the levy to the
9 extent necessary upon the remaining property within Improvement Area No. 1 which is not
10 exempt in order to yield the required debt service payments and other annual expenses of
11 Improvement Area No. 1, if any, subject to the provisions of the Improvement Area No. 1 Rate
12 and Method; and, be it

13 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
14 rate and method of apportionment of special tax for a Future Improvement Area, all lands
15 owned by any public entity, including the United States, the State of California and/or the City,
16 or any departments or political subdivisions thereof, shall be omitted from the levy of the
17 special tax to be made to cover the costs and expenses of the Facilities, the Contingent
18 Services and the Future Improvement Area. In the event that a portion of the property within
19 the Future Improvement Area shall become for any reason exempt, wholly or in part, from the
20 levy of the special tax, this Board of Supervisors will, on behalf of the Special Tax District,
21 increase the levy to the extent necessary upon the remaining property within the Future
22 Improvement Area which is not exempt in order to yield the required debt service payments
23 and other annual expenses of the Future Improvement Area, if any, subject to the provisions
24 of the rate and method of apportionment of the special tax; and, be it

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1 FURTHER RESOLVED, That the levy of the Improvement Area No. 1 Special Tax and
2 an appropriations limit for the Special Tax District shall be subject to the approval of the
3 qualified electors of Improvement Area No. 1 at a special election, and the proposed voting
4 procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed
5 Improvement Area No. 1, with each owner having one vote for each acre or portion of an acre
6 such owner owns in Improvement Area No. 1 not exempt from the Improvement Area No. 1
7 Special Tax; and, be it

8 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation
9 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at
10 the time that parcel or those parcels are annexed into the Special Tax District and in
11 accordance with the Annexation Approval Procedures; and, be it

12 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
13 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as
14 defined in the Mello-Roos Act) to be issued for Improvement Area No. 1 pursuant to the Mello-
15 Roos Act to finance in whole or in part the construction and/or acquisition of the Facilities, and
16 the bonds shall be in the aggregate principal amount of not to exceed \$800,000,000
17 (“Improvement Area No. 1 Bonded Indebtedness Limit”), shall be issued in such series and
18 bear interest payable semi-annually or in such other manner as this Board of Supervisors
19 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
20 applicable law at the time of sale of each series of bonds, and any series of bonds shall
21 mature not to exceed 40 years from the date of the issuance thereof; and, be it

22 FURTHER RESOLVED, That the amount of debt other than bonds that may be issued
23 by the City for the CFD with respect to Improvement Area shall not be subject to the
24 Improvement Area No. 1 Bonded Indebtedness Limit; and

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1 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
2 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as
3 defined in the Mello-Roos Act) to be issued for that portion of the Special Tax District that is
4 not included in Improvement Area No. 1 to finance in whole or in part the construction and/or
5 acquisition of the Facilities, and the bonds shall be in the aggregate principal amount of not to
6 exceed \$63,000,000 (“Non-Improvement Area No. 1 Bonded Indebtedness Limit”), shall be
7 issued in such series and bear interest payable semi-annually or in such other manner as this
8 Board of Supervisors shall determine, at a rate not to exceed the maximum rate of interest as
9 may be authorized by applicable law at the time of sale of each series of bonds, and each
10 series of bonds shall mature not to exceed 40 years from the date of the issuance thereof;
11 and, be it

12 FURTHER RESOLVED, That the amount of debt other than bonds that may be issued
13 by the City for the CFD with respect to that portion of the Special Tax District that is not
14 included in Improvement Area No. 1 shall not be subject to the Non-Improvement Area No. 1
15 Bonded Indebtedness Limit; and

16 FURTHER RESOLVED, That in the event all or a portion of the Future Annexation
17 Area is annexed as one or more Future Improvement Areas, the designation as an
18 improvement area of any territory annexing to the Special Tax District, the maximum amount
19 of bonded indebtedness and other debt for such improvement area, and the rate and method
20 of apportionment of special tax for such improvement area shall be identified and approved in
21 the Unanimous Approval executed by property owners in connection with their annexation to
22 the Special Tax District in accordance with the Annexation Approval Procedures. In that
23 event, the amount of the maximum indebtedness for the Future Improvement Area shall be
24 subtracted from the Non-Improvement Area No. 1 Bonded Indebtedness Limit, which shall
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1 result in a reduction in the Non-Improvement Area No. 1 Bonded Indebtedness Limit; and, be
2 it

3 FURTHER RESOLVED, That the City’s Director of the Office of Public Finance, as the
4 officer having charge and control of the Facilities and the Contingent Services in and for the
5 Special Tax District, Improvement Area No. 1 and the Future Annexation Area, is hereby
6 directed to study said proposed Facilities and Contingent Services and to make, or cause to
7 be made, and file with the Clerk of the Board of Supervisors a report in writing (“Special Tax
8 District Report”) presenting the following:

9 ///

10 (a) A description of the Facilities and the Contingent Services by type which
11 will be required to adequately meet the needs of the Special Tax District (which is
12 proposed to consist initially of Improvement Area No. 1) and the Future Annexation Area.

13 (b) An estimate of the fair and reasonable cost of the Facilities including the
14 cost of acquisition of lands, rights-of-way and easements, any physical facilities required
15 in conjunction therewith and incidental expenses in connection therewith, including the
16 costs of the proposed bond financing and other debt and all other related costs as
17 provided in Mello-Roos Act Section 53345.3.

18 (c) An estimate of the fair and reasonable cost of the Contingent Services and
19 incidental expenses in connection therewith, and all other related costs.

20 The Special Tax District Report shall be made a part of the record of the public hearing
21 specified below; and, be it

22 FURTHER RESOLVED, Tuesday, March 8, 2022 at 3:00 p.m. or as soon as possible
23 thereafter, in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San
24 Francisco, California, be, and the same are hereby appointed and fixed as the time and place
25 when and where this Board of Supervisors, as legislative body for the Special Tax District, will
conduct a public hearing on the establishment of the Special Tax District, Improvement Area
No. 1 and the Future Annexation Area and consider and finally determine whether the public

1 interest, convenience and necessity require the formation of the Special Tax District,
2 Improvement Area No. 1, the Future Annexation Area and the levy of the Special Tax,
3 including the Improvement Area No. 1 Special Tax; and, be it

4 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
5 to cause notice of the public hearing to be given by publication one time in a newspaper
6 published in the area of the Special Tax District and the Future Annexation Area; the
7 publication shall be completed at least seven days before the date of the public hearing
8 specified above; the notice shall be substantially in the form specified in Mello-Roos Act,

9 ///

10 Section 53322, with the form summarizing the provisions hereof hereby specifically approved;
11 and, be it

12 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9, provides that, either
13 before or after formation of the Special Tax District, the City may accept advances of funds
14 and may provide, by resolution, for the use of those funds, including but not limited to pay any
15 cost incurred by the local agency in creating the Special Tax District, and may agree to
16 reimburse the advances under all of the following conditions: (A) the proposal to repay the
17 advances is included both in the resolution of intention and the resolution of formation to
18 establish the Special Tax District; and (B) any proposed special tax is approved by the
19 qualified electors of the Special Tax District and, if the qualified electors of the Special Tax
20 District do not approve the proposed special tax, the City shall return any funds which have
21 not been committed for any authorized purpose by the time of the election and, in furtherance
22 of Mello-Roos Act, Section 53314.9, the Board of Supervisors hereby approves the execution
23 and delivery of a Deposit and Reimbursement Agreement (“Deposit Agreement”) between the
24 City and the Developer in substantially the form on file with the Clerk of the Board of
25 Supervisors; each of the Mayor, the Controller and the Director of the Office of Public

1 Finance, or such other official of the City as may be designated by such officials (each, an
2 “Authorized Officer”), is hereby authorized and directed to execute and deliver, and the Clerk
3 of the Board of Supervisors is hereby authorized and directed to attest to, the Deposit
4 Agreement, together with such additions or changes as are approved by such Authorized
5 Officer upon consultation with the City Attorney; 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, Section
16 53314.9, the Board of Supervisors will, at a subsequent meeting, be asked to approve the
17 execution and delivery of an Acquisition and Reimbursement Agreement between the City
18 and the Developer; and, be it

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

22 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
23 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution
24 and incorporates the FEIR and the CEQA findings contained in Ordinance No. 62-20 by this
25 reference; and, be it

1 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of
2 Supervisors of the City to form the Special Tax District, Improvement Area No. 1 or the Future
3 Annexation Area. The formation of the Special Tax District, Improvement Area No. 1 and the
4 Future Annexation Area shall be subject to the approval of this Board of Supervisors by
5 resolution following the holding of the public hearing referred to above; and, be it

6 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
7 word of this resolution, or any application thereof to any person or circumstance, is held to be
8 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
9 shall not affect the validity of the remaining portions or applications of this resolution, this
10 Board of Supervisors hereby declaring that it would have passed this resolution and each and
11 every section, subsection, sentence, clause, phrase, and word not declared invalid or
12 unconstitutional without regard to whether any other portion of this resolution or application
13 thereof would be subsequently declared invalid or unconstitutional; and, be it

14 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
15 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
16 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
17 things and take any and all actions, including execution and delivery of any and all
18 documents, assignments, certificates, requisitions, agreements, notices, consents,
19 instruments of conveyance, warrants and documents, which they, or any of them, may deem
20 necessary or advisable in order to effectuate the purposes of this Resolution; provided
21 however that any such actions be solely intended to further the purposes of this Resolution,
22 and are subject in all respects to the terms of the Resolution; and, be it

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

1 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

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3 APPROVED AS TO FORM:
4 DAVID CHIU, City Attorney

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6 By: /s/ MARK D. BLAKE
7 Mark D. Blake
8 Deputy City Attorney
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EXHIBIT A

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

DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE
SPECIAL TAX DISTRICT AND EACH IMPROVEMENT AREA THEREIN

FACILITIES

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) shall be authorized to finance all or a portion of the costs of the acquisition, construction, improvement, maintenance, repair or replacement of improvements authorized by Chapter 43, Article X of the San Francisco Administrative Code (as it may be amended from time to time, "Code"), which Code incorporates by reference the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), including, but not limited to, the improvements described below that are either owned by the City and County of San Francisco (including through its Port Commission or other City agencies, collectively, "City") or privately-owned and privately-maintained but dedicated to public access and use. Capitalized terms used herein but not defined herein have the meanings given them in the Development Agreement by and between the City and California Barrel Company LLC, dated September 22, 2020, relating to the Potrero Power Station development project, as amended from time to time (including all exhibits thereto, "Development Agreement").

- Shoreline Improvements: Maintenance, repair, and replacement of improvements in the Shoreline Area undertaken following Completion of the initial Improvements to that area required under the Development Agreement
- Future Sea Level Rise Improvements: Future improvements deemed necessary or appropriate by the City to ensure that the shoreline, related public or publicly accessible facilities (located on public or private property), and public access improvements will be protected should sea level rise at or near the Project Site.
- Additional Community Facilities: (i) Public facilities (located on public or private property) that serve the Project Site, including maintenance, restoration, rehabilitation, reconstruction or replacement of facilities previously financed under the Financing Plan of the Development Agreement, (ii) Future Sea Level Rise Improvements and (iii) Shoreline Improvements.
- Infrastructure: Infrastructure to be constructed by Developer as described in the Infrastructure Plan attached as Exhibit G to the Development Agreement.
- 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

1 and public utilities within such streets (such as electricity, water and sewer lines but
2 excluding any non-municipal utilities), including sidewalks, landscaping, bicycle lanes,
3 bus boarding island, street furniture, and paths and intersection improvements (such as
4 curbs, medians, signaling, traffic controls devices, signage, and striping). The Public
5 Improvements also include the SFPUC Infrastructure, and the SFMTA Infrastructure.
6 The Public Improvements do not include Privately-Owned Community Improvements or,
7 if any, privately owned facilities or improvements in the public right of way.

- 8 • Privately-Owned Community Improvements: Those facilities and services that are
9 privately-owned and privately-maintained, at no cost to the City (other than any public
10 financing set forth in the Financing Plan), for the public benefit and not dedicated to the
11 City, including any Infrastructure that is not a Public Improvement. The Privately-Owned
12 Community Improvements are shown generally on Exhibit L-1 of the Development
13 Agreement and further described in the Design for Development. Privately-Owned
14 Community Improvements include certain pedestrian paths, alleys (such as Craig Lane)
15 storm drainage facilities, open spaces, SFMTA employee restroom, Muni bus shelter,
16 and community or recreation facilities to be built on land owned by Developer, or on land
17 owned by the City if the Privately-Owned Community Improvements thereon are subject
18 to an encroachment permit or other permit allowing their installation on such land.
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SERVICES

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

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

OTHER

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

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

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

21 3. Reimbursement of costs related to the formation of the Special Tax District (and
22 each Improvement Area therein, as originally designated and as designated in the future in
23 conjunction with the annexation of the Future Annexation Area) advanced by the City, the
24 landowner(s) in the Special Tax District (and each Improvement Area therein, as originally
25 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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