

1 [Resolution of Intention to Establish San Francisco Enhanced Infrastructure Financing District  
2 No. 1 (Power Station)]

3 **Resolution of intention to establish San Francisco Enhanced Infrastructure Financing**  
4 **District No. 1 (Power Station) to finance public capital facilities and projects of**  
5 **communitywide significance related to the Potrero Power Station project and other**  
6 **authorized costs, and determining other matters in connection therewith, as defined**  
7 **herein.**

8  
9 WHEREAS, California Barrel Company LLC, a Delaware limited liability company  
10 ("Developer"), owns approximately 21.0 acres of developed and undeveloped land located in  
11 the City and County of San Francisco ("City"), generally bound by 22nd Street to the north, the  
12 San Francisco Bay to the east, 23rd Street to the south and Illinois Street to the west  
13 ("Developer Property"); and

14 WHEREAS, Existing structures on the Developer Property consist primarily of vacant  
15 buildings and facilities associated with its use as a former power station; and

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

19 WHEREAS, Harrigan, Weidenmuller Co. owns approximately 10.9 acres of land to the  
20 south of the Developer Property and is improved with warehouses and ancillary improvements  
21 (the "Weidenmuller Property"); and

22 WHEREAS, The Developer Property, the PG&E Sub-Area, and the Weidenmuller  
23 Property are referred to herein as the "Subject Property"; and

24 WHEREAS, The Developer and the City executed a Development Agreement dated  
25 (for reference purposes only) as of September 22, 2020 (as it may be amended from time to

1 time, "Development Agreement"), relating to the proposed development of a project known as  
2 the Potrero Power Station ("Project"), which was approved by the Board of Supervisors  
3 pursuant to Ordinance No. 62-20, which was adopted by the Board of Supervisors on April 21,  
4 2020, and signed by the Mayor on April 24, 2020, and a copy of which is in File No. 200040;  
5 and

6 WHEREAS, The Project is a phased, mixed use development on or around the  
7 Developer Property that is more particularly described in the Development Agreement; and

8 WHEREAS, On January 30, 2020, by Motion No. 20635, the Planning Commission  
9 certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR")  
10 for the Project pursuant to the California Environmental Quality Act (California Public  
11 Resources Code Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion  
12 No. 20635 is on file with the Clerk of the Board of Supervisors in File No. 230168. Also, on  
13 January 30, 2020, by Motion No. 20635, the Planning Commission adopted findings, including  
14 a rejection of alternatives and a statement of overriding considerations ("CEQA Findings") and  
15 a Mitigation Monitoring and Reporting Program ("MMRP"); these motions are on file with the  
16 Clerk of the Board of Supervisors in File No. 230168; in Ordinance No. 62-20, the Board of  
17 Supervisors adopted as its own and incorporated by reference as though fully set forth therein  
18 the CEQA Findings, including the statement of overriding considerations, and the MMRP; and

19 WHEREAS, On September 9, 2020, the San Francisco Planning Department published  
20 an Addendum to the FEIR finding certain proposed changes to the Project's phasing plan did  
21 not change the conclusions of the FEIR and that the changes would not result in substantially  
22 more severe impacts than what was identified in the FEIR (the "FEIR Addendum"); and

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1           WHEREAS, Pursuant to Resolution No. 66-11, which was adopted by the Board of  
2 Supervisors on February 8, 2011, and signed by the Mayor on February 18, 2011, and a copy  
3 of which is in File No. 110036, the Board of Supervisors adopted Final Board of Supervisors  
4 Guidelines for the Establishment and Use of Infrastructure Financing Districts in San  
5 Francisco (“Guidelines”) that describe minimum threshold criteria and strategic criteria for the  
6 City to consider when evaluating the proposed formation of an infrastructure financing district;  
7 and

8           WHEREAS, On February 27, 2023, the Capital Planning Committee adopted an  
9 interpretative supplement to the Guidelines to provide guidance to City staff and the  
10 development community about application of the Guidelines; and

11           WHEREAS, The Project will provide a significant number of new housing units in San  
12 Francisco, 30% of which will be affordable to persons of low and moderate income, and  
13 significant community benefits including public open spaces and community facility areas, but  
14 the Project has significant public infrastructure obligations that must be completed before the  
15 Project’s residential units and community benefits can be constructed; and

16           WHEREAS, The Project is eligible for financial assistance from an infrastructure  
17 financing district under the Guidelines; and

18           WHEREAS, The Board of Supervisors is authorized to initiate the process to establish  
19 an enhanced infrastructure financing district over the Subject Property pursuant to  
20 Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing  
21 with Section 53398.50 (“EIFD Law”); and

22           WHEREAS, In accordance with Government Code, Section 53398.54, the City has  
23 complied with the prerequisites to initiate the creation of, or participate in the governance or  
24 financing of, an enhanced infrastructure financing district for the Project and will provide the

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1 required certification to the Department of Finance and the EIFD Public Financing Authority  
2 No. 1 (as defined below) in accordance with the EIFD Law; and

3 WHEREAS, Pursuant to Government Code, Section 53398.59, an enhanced  
4 infrastructure financing district may be divided into project areas; and

5 WHEREAS, The Board of Supervisors intends to establish the San Francisco  
6 Enhanced Infrastructure Financing District No. 1 (Power Station”) (“Power Station EIFD”) and  
7 project areas within the Power Station EIFD to finance (i) the purchase, construction,  
8 expansion, improvement, seismic retrofit or rehabilitation of certain real or other tangible  
9 property with an estimated useful life of 15 years or longer that are projects of communitywide  
10 significance that provide significant benefits to the Power Station EIFD or the surrounding  
11 community, including any directly-related planning and design work, (ii) the costs described in  
12 Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable) and (iii) the  
13 ongoing or capitalized costs to maintain public capital facilities financed in whole or in part by  
14 the Power Station EIFD, all as more fully described in Exhibit A attached hereto; and

15 WHEREAS, The Power Station EIFD shall be a legally constituted governmental entity  
16 separate and distinct from the City and its sole purpose shall be to finance public capital  
17 facilities and projects of communitywide significance; and

18 WHEREAS, Government Code, Section 53398.63(d)(5)(B), provides that the  
19 infrastructure financing plan for the Power Station EIFD may establish a separate and unique  
20 time limit for each project area after which all tax allocations to the Power Station EIFD from  
21 the project area will end and the Power Station EIFD’s authority to repay indebtedness from  
22 tax allocations to the Power Station EIFD from the project area will end, not to exceed 45  
23 years from the date that the Power Station EIFD has actually received \$100,000 in annual  
24 incremental tax revenue from the project area, and the Board of Supervisors intends that the

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1 infrastructure financing plan for the Power Station EIFD will specify the date on which the  
2 allocation of tax increment will end on a project area-by-project area basis; and

3 WHEREAS, The Power Station EIFD will be governed by a legislative body to be  
4 known as the Enhanced Infrastructure Financing District Public Financing Authority No. 1  
5 ("EIFD Public Financing Authority No. 1"), and the EIFD Public Financing Authority No. 1 will  
6 be established by an ordinance of the Board of Supervisors to be considered for approval  
7 concurrently with this Resolution; and

8 WHEREAS, The EIFD Public Financing Authority No. 1 will be responsible for causing  
9 preparation of the infrastructure financing plan for the Power Station EIFD ("Power Station  
10 IFP"), which will describe, among other things, the allocation by the City to the Power Station  
11 EIFD of certain incremental property tax revenue for the purpose of funding public capital  
12 facilities and other specified projects of communitywide significance that provide significant  
13 benefits to the Power Station EIFD or the surrounding community and the issuance by the  
14 Power Station EIFD of bonds and other debt; and

15 WHEREAS, The Power Station IFP will be subject to the review and approval by  
16 resolution of the Board of Supervisors following a public hearing, and adoption and  
17 implementation by the EIFD Public Financing Authority No. 1 following three public hearings;  
18 now, therefore, be it

19 RESOLVED, That the Board of Supervisors hereby finds that the recitals are true and  
20 correct; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby proposes and intends to  
22 cause the establishment of the Power Station EIFD over the Subject Property, to be known as  
23 the "San Francisco Enhanced Infrastructure Financing District No. 1 (Power Station)", under  
24 the provisions of the EIFD Law, and further proposes and intends that the Power Station EIFD  
25 shall include project areas (each, "Project Area"; collectively, "Project Areas"), which shall be

1 referred to as “Project Area \_\_\_ of the San Francisco Enhanced Infrastructure Financing  
2 District No. 1 (Power Station)”; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby determines that the  
4 proposed boundaries of the Power Station EIFD and the Project Areas are as shown on the  
5 map of the Power Station EIFD and the Project Areas on file with the Clerk of the Board of  
6 Supervisors in File No. 230168, which boundaries are hereby preliminarily approved and to  
7 which map reference is hereby made for further particulars; and, be it

8 FURTHER RESOLVED, That the boundaries of the proposed EIFD shall include all of  
9 the Subject Property; and, be it

10 FURTHER RESOLVED, That because the Board of Supervisors anticipates the need  
11 to make future changes to the boundaries of the Power Station EIFD and the Project Areas in  
12 order to conform to final development parcels approved by the Board of Supervisors and so  
13 that the California State Board of Equalization can assign tax rate areas to the Project Areas,  
14 the Board of Supervisors hereby declares its intention that the Power Station IFP shall  
15 establish a procedure by which certain future amendments of the boundaries of the Power  
16 Station EIFD and the Project Areas and corresponding amendments to the Power Station IFP  
17 may be approved by the EIFD Public Financing Authority No. 1 without further hearings or  
18 approvals, as long as the EIFD Public Financing Authority No. 1 finds that the amendments  
19 will not impair the Power Station EIFD’s ability to pay debt service on its bonds or other debt  
20 or, in and of themselves, reduce the debt service coverage on any bonds or other debt below  
21 the amount required to issue parity debt; and

22 FURTHER RESOLVED, That the Board of Supervisors hereby determines and finds  
23 that the boundaries of the proposed EIFD do not include any portion of a former  
24 redevelopment project area that was created pursuant to Part 1 (commencing with Section  
25 33000) of Division 24 of the California Health and Safety Code; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby determines and finds  
2 that there are no existing dwelling units within the boundaries of the proposed EIFD; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby determines and finds  
4 that the types of public capital facilities and other projects of communitywide significance to be  
5 financed by the Power Station EIFD shall consist of those described on Exhibit A hereto and  
6 hereby incorporated herein (the "Facilities"), that the Facilities are authorized to be financed  
7 by the Power Station EIFD under Government Code Sections 53398.52 and 53398.55(b), and  
8 that each of the Facilities (i) constitutes real or other tangible property with an estimated  
9 useful life of 15 years or longer that is of communitywide significance and provides significant  
10 benefits to the Power Station EIFD or the surrounding community, (ii) is in addition to those  
11 facilities provided in the territory of the Power Station EIFD before the Power Station EIFD  
12 was created, (iii) will not supplant facilities already available within the proposed boundaries of  
13 the Power Station EIFD, although the Facilities may supplement, rehabilitate or upgrade such  
14 facilities or make such facilities more sustainable and (iv) if it is located outside the boundaries  
15 of the proposed EIFD, it has a tangible connection to the work of the Power Station EIFD;  
16 and, be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Power  
18 Station EIFD is necessary to advance the City's goal in proposing establishment of the Power  
19 Station EIFD, which is to help address a shortfall in (i) funding for the provision of public  
20 capital facilities of communitywide significance that provide significant benefits and promote  
21 economic development and the construction of housing within the boundaries of the Power  
22 Station EIFD or the surrounding community and (ii) funding for affordable housing; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant  
24 to the EIFD Law, if the Power Station EIFD is approved by the EIFD Public Financing  
25 Authority No. 1 in accordance with the EIFD Law, and if the Power Station IFP is approved by

1 resolution of the Board of Supervisors pursuant to Government Code Section 53398.68, in  
2 each case after any public hearings required by the EIFD Law, the incremental property tax  
3 revenue that is allocated by the City to the Power Station EIFD (but not by any other affected  
4 taxing entity), which may include incremental property tax revenue described in Government  
5 Code, Sections 53398.75(a)(2) and 53398.75(e)(1), may be used to finance Facilities and  
6 other authorized costs and to pay debt service on bonds and other debt of the Power Station  
7 EIFD; and be it

8 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
9 of the Office of Public Finance to establish the time and date for a public hearing of the Board  
10 of Supervisors on the proposed Power Station IFP and to cause the Clerk of the Board of  
11 Supervisors to (i) publish a notice of such public hearing in accordance with the Power Station  
12 EIFD law and (ii) mail a copy of such notice to (A) each owner of land (as defined in the EIFD  
13 Law) within the proposed EIFD, (B) each affected taxing entity (as defined in the EIFD Law), if  
14 any, and (C) the EIFD Public Financing Authority No. 1; and, be it

15 FURTHER RESOLVED, Pursuant to Government Code, Section 53398.60, the Board  
16 of Supervisors hereby directs the Clerk of the Board of Supervisors to mail a copy of this  
17 Resolution to (i) each owner of land within the proposed EIFD (although the Director of the  
18 Office of Public Finance is hereby authorized to instead mail a notice of intention to create the  
19 Power Station EIFD in accordance with Government Code, Section 53398.60(b)), (ii) each  
20 affected taxing entity and (iii) the EIFD Public Financing Authority No. 1; and, be it

21 FURTHER RESOLVED, That in connection with the formation of the City and County  
22 of San Francisco Special Tax District No. 2022-1 (Power Station) (“CFD”) related to the  
23 Project, pursuant to Resolution No. 30-22, adopted by the Board of Supervisors on  
24 January 25, 2022, the Board of Supervisors approved the execution and delivery of a Deposit  
25 and Reimbursement Agreement between the City and the Developer (“Deposit Agreement”),

1 under which the Developer agreed to deposit funds with the City to pay the costs of forming  
2 the CFD, and the Board of Supervisors hereby authorizes and approves an amendment of the  
3 Deposit Agreement to provide for a deposit by the Developer to pay the costs of forming the  
4 Power Station EIFD and managing the Power Station EIFD, including any costs incurred by  
5 the EIFD Public Financing Authority No. 1 and the City, and an Authorized Officer is hereby  
6 authorized and directed to execute such amendment of the Deposit Agreement; and, be it

7 FURTHER RESOLVED, That this resolution in no way obligates the Board of  
8 Supervisors or the EIFD Public Financing Authority No. 1 to form the Power Station EIFD. The  
9 establishment of the Power Station EIFD is subject to all requirements of EIFD Law, including:  
10 (a) the Board of Supervisors' approval of a proposed Power Station IFP following a public  
11 hearing, to the extent required by the EIFD Law; and (b) the EIFD Public Financing Authority  
12 No. 1's approval of the Power Station IFP following three public hearings conducted pursuant  
13 to EIFD Law; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
15 the FEIR and FEIR Addendum, and finds that the FEIR and Addendum are adequate for their  
16 use for the actions taken by this resolution and incorporates the FEIR and the CEQA findings  
17 contained in Ordinance No. 62-20 and the FEIR Addendum by this reference and further finds  
18 that, pursuant to CEQA Guidelines, Section 15162, no additional environmental review is  
19 required because there are no substantial changes to the Project analyzed in the FEIR and  
20 the FEIR Addendum, no change in circumstances under which the Project is being  
21 undertaken, and no new information that was not known and could not have been known  
22 shows that new significant impacts would occur, that the impacts identified in the FEIR and  
23 the FEIR Addendum as significant impacts would be substantially more severe, or that  
24 mitigation or alternatives previously found infeasible are now feasible; and, be it

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

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

18           FURTHER RESOLVED, That all actions authorized and directed by this resolution,  
19 consistent with any documents presented herein, and heretofore taken are hereby ratified,  
20 approved and confirmed by this Board of Supervisors; and, be it

21           FURTHER RESOLVED, That this resolution shall take effect upon its enactment.  
22 Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution

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1 unsigned or does not sign the resolution within ten days of receiving it, or the Board of  
2 Supervisors overrides the Mayor's veto of the resolution.

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

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7 By: /s/ Mark D. Blake  
8 Mark D. Blake  
Deputy City Attorney

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1 California Barrel Company LLC dated as of March 15, 2021, as may be amended from time to time ("Port Lease").

- 2 • Port Approval Items, as described on Exhibit G to the Port Lease.
- 3 • Craig Lane, as defined in the Reciprocal Easement Agreement by and among California Barrel Company LLC, FC PIER 70, LLC and the City, operating by and through the San Francisco Port commission, dated as of March 15, 2021, as may be amended from time to time.
- 4 • The partial demolition, abatement, stabilization and/or rehabilitation of existing structures for incorporation into the Project, including "Station A", "Unit 3" and "The Stack" in accordance with Section 53398.55(b).

#### 6 OTHER EXPENSES

7 The Power Station EIFD may also finance any of the following:

8 1. Costs described in Government Code Sections 53398.53, 53398.56, 53398.57 and  
9 53398.58, including, but not limited to, the reimbursement for any costs advanced to file and prosecute  
an action or proceeding pursuant Government Code Sections 53398.57 and 53398.58.

10 2. Costs incurred in connection with the division of taxes pursuant to Government Code  
11 Section 53398.75.

12 3. The ongoing or capitalized costs to maintain the Facilities financed in whole or in part by  
the Power Station EIFD.

13 4. Expenses related to bonds and other debt of the Power Station EIFD, including  
14 underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and  
disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.

15 5. Administrative fees of the City, the Power Station EIFD and the bond trustee or fiscal agent  
16 related to the bonds and other debt of the Power Station EIFD.

17 6. Reimbursement of costs related to the formation of the Power Station EIFD (and the  
18 Project Areas) advanced by the City, the landowner(s) in the Power Station EIFD, or any party related  
to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s)  
19 in the Power Station EIFD or any party related to any of the foregoing, for Facilities, fees or other  
purposes or costs of the Power Station EIFD.

20 7. Costs otherwise incurred in order to carry out the authorized purposes of the Power  
21 Station EIFD; and any other expenses incidental (including administrative and legal costs) to the EIFD  
and to the construction, expansion, improvement, seismic retrofit, rehabilitation, completion,  
22 inspection, or acquisition of the Facilities.