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Technical updates as of February 14, 2024

SAN FRANCISCO ENHANCED INFRASTRUCTURE FINANCING DISTRICT NO. 1 (POWER STATION)

Infrastructure Financing Plan

_____, 20__

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~~** All estimates contained herein are subject to review and revision by a registered municipal advisor **~~

INTRODUCTION

1. *EIFD and Project Areas.* This Infrastructure Financing Plan (“IFP”) has been prepared at the direction of the Enhanced Infrastructure Financing District Public Financing Authority No. 1 (“PFA”), in its capacity as the governing body of the San Francisco Enhanced Infrastructure Financing District No. 1 (Power Station) (the “EIFD”), under Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code¹ (the “EIFD Law”).

Initially, the EIFD will consist of nine project areas. Upon further subdivision of certain properties within the Subject Property (as defined below), the EIFD is expected to consist of thirteen project areas (each, a “Project Area” and, collectively, the “Project Areas”), as follows:

Table 1. Project Areas [at Formation.](#)

Project Areas, at Formation of EIFD	Project Areas After Subdivision	Development Block Number	APNs at Formation¹	FY 2023/24 Assessed Value
Project Area 1	Project Area 1	15	4175-024, 4175-026	\$17,327,367
Project Area 2	Project Area 2	7A & 7B	4232-011, 4232-019, 4232-020	\$12,051,184
Project Area 3	Project Area 3	11	4232-012, 4232-021	\$8,230,498
Project Area 4	Project Area 4	8	4232-013, 4232-022	\$9,854,940
Project Area 5	Project Area 5	12	4232-023	\$6,497,763
Project Area 6	Project Area 6	2	4175-023, 4175-027, 4175-021	\$15,161,446
Project Area A	Project Area 7	5	4175-019 (66%), 4175-020, 4175-025	\$40,490,619
	Project Area 8	1 & 14	4175-018² (12%), 4175-019 (32%)	
	Project Area 12	13	4175-018² (88%), 4175-019 (2%)	
Project Area B	Project Area 9	3	4175-022, 4175-028 (28%)	\$23,048,237
	Project Area 10	4	4175-028 (18%)	
	Project Area 11	9	4175-028 (54%), 4232-014, 4232-015, 4232-016, 4232-017, 4232-018	
Project Area 13	Project Area 13	NA	4232-010	\$6,248,879
Total EIFD	-	-	-	\$138,910,933

¹ The allocation of APN FY 2023/24 assessed values among the future Project Areas is proportionate to the distribution of land area of each APN among the Project Areas.

² Parcel is currently owned by PG&E. California Barrel Company, LLC has determined that the property is 8.64 acres. The property's assessed land value is \$18,485,500. It has been determined that the property's improvement value is equal to its land value. A land and improvement value totaling \$36,971,000 will be recognized as the 2023/24 equalized value of APN 4175-018.

The PFA is not aware of any immediate plans to develop the Weidenmuller Property (as defined below) (Project Area 13). A portion of the PG&E Sub-Area (as defined below) was recently re-zoned to accommodate the development of market rate and/or affordable housing,

¹ Unless otherwise indicated, all statutory references are to the California Government Code.

but only if the owner of all or a portion of the PG&E Sub-Area joins the Development Agreement. The Developer (as defined herein) is building infrastructure that benefits not only the Potrero Power Station Project (as defined herein) parcels but also the Weidenmuller Parcel and the PG&E Sub-Area. The City has determined that including the Weidenmuller Property and the PG&E Sub-Area in the EIFD is compliant with the Final Board of Supervisors Guidelines for the Establishment and Use of Infrastructure Financing Districts in San Francisco, adopted by the Board of Supervisors by Resolution No. 66-11 on February 8, 2011 (File No. 110036) and an interpretive supplement of such Guidelines adopted by the Capital Planning Committee on February 27, 2023 (collectively, the “City IFD Guidelines”).

2. ***Purpose of the EIFD and the Project Areas.*** The EIFD’s sole purpose is to provide financing for the public capital facilities and other projects (whether publicly- or privately-owned) of communitywide significance, including affordable housing, described on Exhibit C hereto (collectively, the “Facilities”) in connection with the Potrero Power Station project (the “Potrero Power Station Project”). The Potrero Power Station Project is described in Section B below. The Potrero Power Station Project is being developed by California Barrel Company LLC, a Delaware limited liability company (together with its successors and permitted assigns, the “Developer”).

The EIFD’s financing purpose will be further documented in an Acquisition and Financing Agreement among the City, the Developer, and the EIFD (the “Acquisition and Financing Agreement”) to be executed ~~simultaneous~~simultaneously with the formation of the EIFD.

The purpose of the Project Areas is to establish a separate 45-year time period for the allocation of certain property tax revenues to the EIFD for each Project Area. See Section D.7(b) below.

3. ***Requirements of the IFP.*** As required by Sections 53398.59 through 53398.74 of the EIFD Law, this IFP includes the following information:

- (a) A legal description and map of the EIFD and each current Project Area which includes all of the territory designated by the Board of Supervisors of the City and County of San Francisco (the “City”) in its Resolution No. 133-23, adopted on March 21, 2023, and approved by the Mayor on March 28, 2023 (the “Resolution of Intention”). See Section A below.
- (b) A description of the public facilities and other forms of development or financial assistance that are proposed in the area of the EIFD, including those to be provided by the private sector, those to be provided by governmental entities without assistance under the EIFD Law, those public improvements and other facilities (whether publicly- or privately-owned) to be financed with assistance from the EIFD, and those to be provided jointly. The description includes the proposed location, timing, and costs of the development and financial assistance. See Section B below.
- (c) A finding that the development and financial assistance are of communitywide significance and provide significant benefits to an area larger than the area of the EIFD. See Section C below.

- (d) A financing section, which contains all of the following information (see Section D below):
- (i) A specification of the maximum portion of the incremental tax revenue of the City proposed to be committed to the EIFD for each year during which the EIFD will receive incremental tax revenue.
 - (ii) A projection of the amount of tax revenues expected to be received by the EIFD in each year during which the EIFD will receive tax revenues.
 - (iii) A plan for financing the public facilities and other projects (whether publicly- or privately-owned) to be assisted by the EIFD, including a detailed description of any intention to incur debt.
 - (iv) A limit on the total number of dollars of taxes that may be allocated to the EIFD pursuant to this IFP.
 - (v) A date on which the EIFD will cease to be in effect and all tax allocations to the EIFD will end and a date on which the EIFD's authority to repay indebtedness with incremental tax revenues received under the EIFD Law will end. Because the EIFD will include Project Areas, there is a separate and unique time limit for each Project Area that does not exceed 45 years from the end of the first fiscal year in which the applicable Project Area has actually received one hundred thousand dollars (\$100,000) in Allocated Tax Revenue under the EIFD Law.
 - (vi) An analysis of the costs to the City of providing facilities and services to the area of the EIFD while the area is being developed and after the area is developed. The plan includes an analysis of the tax, fee, charge, and other revenues expected to be received by the City as a result of expected development in the area of the EIFD.
 - (vii) An analysis of the projected fiscal impact of the EIFD and the associated development upon the City.
 - (viii) The goals the EIFD proposes to achieve for each project financed as described in this IFP.

4. ***Not a Transit Priority Project.*** Because the Potrero Power Station Project does not qualify for the Transit Priority Project Program pursuant to Section 65470, the EIFD Law does not require this IFP to include a plan for financing any potential costs that may be incurred by reimbursing the developer of a project that is located entirely within the boundaries of the EIFD and qualifies for the Transit Priority Project Program.

5. ***No Existing Dwelling Units.*** Because no dwelling units exist within the territory of the EIFD as of the date of adoption of this IFP by the PFA, the EIFD Law does not require this IFP to include a plan for the replacement of dwelling units or the relocation of persons or families.

6. ***Funding for the EIFD.*** The EIFD will be funded solely from a portion of the property tax revenues described herein that would otherwise be distributed to the City, including

amounts that would be deposited in the General Fund and amounts that would be deposited in Park, Recreation, and Open Space Fund, the Children's Fund, and the Library Preservation Fund. No other taxing agency's revenues will be affected by or available to the EIFD. Consequently, this IFP will discuss the tax increment of the City only.

A. LEGAL DESCRIPTION AND MAP

1. **General Description of Property in the EIFD.** California Barrel Company LLC, a Delaware limited liability company (previously defined as the "Developer"), ~~owns~~or its affiliates own approximately 21.0 acres of developed and undeveloped land located in the City, generally bound by 22nd Street to the north, the San Francisco Bay to the east, 23rd Street to the south and Illinois Street to the west (the "Developer Property").

Pacific Gas & Electric Company, a California corporation ("PG&E"), owns approximately 8.8 acres of land located in the City that is adjacent to the Developer Property (the "PG&E Sub-Area"), 4.8 acres of which were recently re-zoned to accommodate the development of market rate and/or affordable housing, provided the owner joins the Development Agreement.

Harrigan, Weidenmuller Co. owns approximately 10.9 acres of land to the south of the Developer Property that are improved with warehouses and ancillary improvements (the "Weidenmuller Property").

The Developer Property, the PG&E Sub-Area, and the Weidenmuller Property are referred to herein, collectively, as the "Subject Property."

The boundaries of the EIFD are coterminous with the boundaries of the Subject Property.

2. **No Overlap with Former Redevelopment Project Area(s).** The boundaries of the proposed EIFD do not include any portion of a former redevelopment project area that was created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code.

3. **Legal Description and Map.** Please refer to Exhibit A for a legal description of the property in the Project Areas and Exhibit B for a map of the EIFD and the Project Areas.

4. **Future Amendments of Project Area Boundaries - New Project Areas.** The PFA has determined that (1) at formation there are nine identified Project Areas, (2) following the formation of the EIFD and adoption of this IFP, the Developer intends from time to time to subdivide the legal parcels constituting Project Area A and Project Area B, (3) following ~~the subdivision~~one or more subdivisions of the legal parcels constituting Project Area A, Project Areas 7, 8, and 12 will be created and ultimately replace Project Area A, (4) following ~~the subdivision~~one or more subdivisions of the legal parcels constituting Project Area B, Project Areas 9, 10, and 11 will be created and ultimately replace Project Area B, and (5) as a result of the ~~subdivision~~subdivisions of the legal parcels constituting Project Area A and Project Area B and the creation, from time to time, of additional Project Areas, there will ultimately be 13 Project Areas within the EIFD.

The creation of ~~the each~~ new Project ~~Areas~~Area and the corresponding replacement of a part of Project Area A shall occur automatically upon (1) ~~final~~-subdivision of the legal parcels

constituting Project Area A [that creates the new Project Area](#) and (2) the assignment of tax rate areas to such new Project ~~Areas~~[Area](#) by the California State Board of Equalization, without any public hearing or vote of the property owners or residents in the EIFD, and shall not require approval by the PFA or the Board of Supervisors of the City.

The creation of ~~the each~~ new Project ~~Areas~~[Area](#) and the [corresponding](#) replacement of [a part of](#) Project Area B shall occur automatically upon (1) ~~final~~ subdivision of the legal parcels constituting Project Area B [that creates the new Project Area](#) and (2) the assignment of tax rate areas to the development parcels comprising such new Project ~~Areas~~[Area](#) by the California State Board of Equalization, without any public hearing or vote of the property owners or residents in the EIFD, and shall not require approval by the PFA or the Board of Supervisors of the City.

Each time that Project Areas are created through the ~~replacement~~[subdivision](#) of Project Area A or Project Area B as described in the previous paragraph, the Executive Director of the EIFD will replace the then-existing maps and legal descriptions in this IFP with updated maps and legal descriptions for the Project Areas created at that time, as appropriate, add a notation in the Index of Adoption and Amendments then deliver the updated IFP to the Secretary. To establish a public record of the creation ~~or~~[and ultimate](#) replacement of Project Areas, (1) the PFA shall acknowledge receipt of the updated IFP at its next public meeting, (2) the Executive Director shall cause the updated IFP that reflects the new Project Areas to be filed with the San Francisco Assessor, (3) the Executive Director shall post the updated IFP on the EIFD's website and (4) the Executive Director shall send the updated IFP to the Clerk of the Board of Supervisors with a cover letter that explains the changes that were made and asks the Clerk to file the updated IFP in the legislative file for the Board of Supervisors resolution that approved the original IFP.

[The following Table 2 summarizes the 13 Project Areas following subdivision of Project Area A and Project Area B:](#)

Table 2. Detailed Project Areas and Base Year Assessed Values, by Project Area

At Formation of EIFD, Pre-Subdivision			Post Subdivision ¹				
Project Areas, at Formation of EIFD	Assessor Parcel Numbers, FY 2023/24	FY 2023/24 Assessed Value	Project Areas, Post Subdivision	Share of Assessor Parcel Value/ Sq. Ft., FY 2023/24	FY 2023/24 Assessed Value	Est. Project Area Formation Year	Block Number
<u>1</u>	<u>4175-024</u>	<u>\$0</u>	<u>1</u>	<u>Unchanged</u>	<u>\$17,327,367</u>	<u>2023/24</u>	<u>15</u>
-	<u>4175-026</u>	<u>\$17,327,367</u>	<u>2</u>	<u>Unchanged</u>	<u>\$12,051,184</u>	<u>2023/24</u>	<u>7A & 7B</u>
-	<u>Subtotal, 1</u>	<u>\$17,327,367</u>	<u>3</u>	<u>Unchanged</u>	<u>\$8,230,498</u>	<u>2023/24</u>	<u>11</u>
<u>2</u>	<u>4232-011</u>	<u>\$0</u>	<u>4</u>	<u>Unchanged</u>	<u>\$9,854,940</u>	<u>2023/24</u>	<u>8</u>
-	<u>4232-019</u>	<u>\$10,643,335</u>	<u>5</u>	<u>Unchanged</u>	<u>\$6,497,763</u>	<u>2023/24</u>	<u>12</u>
-	<u>4232-020</u>	<u>\$1,407,849</u>	<u>6</u>	<u>Unchanged</u>	<u>\$15,161,446</u>	<u>2023/24</u>	<u>2</u>
-	<u>Subtotal, 2</u>	<u>\$12,051,184</u>	<u>Futr. 7 (from A)</u>	<u>4175-019 (66%)</u>	<u>\$2,306,347</u>	<u>2024/25</u>	<u>5</u>
<u>3</u>	<u>4232-012</u>	<u>\$0</u>	-	<u>4175-020 (100%)</u>	<u>\$0</u>	-	-
-	<u>4232-021</u>	<u>\$8,230,498</u>	-	<u>4175-025 (100%)</u>	<u>\$0</u>	-	-
-	<u>Subtotal, 3</u>	<u>\$8,230,498</u>	-	<u>Subtotal, 7</u>	<u>\$2,306,347</u>	-	-
<u>4</u>	<u>4232-013</u>	<u>\$0</u>	<u>Futr. 8 (from A)</u>	<u>4175-018 (12%)</u>	<u>\$4,544,085</u>	<u>2024/25</u>	<u>1 & 14</u>
-	<u>4232-022</u>	<u>\$9,854,940</u>	-	<u>4175-019 (32%)</u>	<u>\$1,136,477</u>	-	-
-	<u>Subtotal, 4</u>	<u>\$9,854,940</u>	-	<u>Subtotal, 8</u>	<u>\$5,680,561</u>	-	-
<u>5</u>	<u>4232-023</u>	<u>\$6,497,763</u>	<u>Futr. 9 (from B)</u>	<u>4175-022 (100%)</u>	<u>\$0</u>	<u>2025/26</u>	<u>3</u>
<u>6</u>	<u>4175-023</u>	<u>\$0</u>	-	<u>4175-028 (28%)</u>	<u>\$6,345,497</u>	-	-
-	<u>4175-027</u>	<u>\$15,161,446</u>	-	<u>Subtotal, 9</u>	<u>\$6,345,497</u>	-	-
-	<u>4175-021</u>	<u>\$0</u>	<u>Futr. 10 (from B)</u>	<u>4175-028 (18%)</u>	<u>\$4,216,136</u>	<u>2025/26</u>	<u>4</u>
-	<u>Subtotal, 6</u>	<u>\$15,161,446</u>	<u>Futr. 11 (from B)</u>	<u>4175-028 (54%)</u>	<u>\$12,486,604</u>	<u>2025/26</u>	<u>9</u>
<u>13</u>	<u>4232-010</u>	<u>\$6,248,879</u>	-	<u>4232-014(100%)</u>	<u>\$0</u>	-	-
<u>A</u>	<u>4175-018</u>	<u>\$36,971,000</u> ²	-	<u>4232-015(100%)</u>	<u>\$0</u>	-	-
-	<u>4175-019</u>	<u>\$3,519,619</u>	-	<u>4232-016 (100%)</u>	<u>\$0</u>	-	-
-	<u>4175-020</u>	<u>\$0</u>	-	<u>4232-017(100%)</u>	<u>\$0</u>	-	-
-	<u>4175-025</u>	<u>\$0</u>	-	<u>4232-018 (100%)</u>	<u>\$0</u>	-	-
-	<u>Subtotal, A</u>	<u>\$40,490,619</u>	-	<u>Subtotal, 11</u>	<u>\$12,486,604</u>	-	-
<u>B</u>	<u>4175-022</u>	<u>\$0</u>	<u>Futr. 12 (from A)</u>	<u>4175-018 (88%)</u>	<u>\$32,426,915</u>	<u>2024/25</u>	<u>13</u>
-	<u>4175-028</u>	<u>\$23,048,237</u>	-	<u>4175-019 (2%)</u>	<u>\$76,795</u>	-	-
-	<u>4232-014</u>	<u>\$0</u>	-	<u>Subtotal, 12</u>	<u>\$32,503,710</u>	-	-
-	<u>4232-015</u>	<u>\$0</u>	<u>13</u>	<u>Unchanged</u>	<u>\$6,248,879</u>	<u>2023/24</u>	<u>NA</u>
-	<u>4232-016</u>	<u>\$0</u>	-	-	-	-	-
-	<u>4232-017</u>	<u>\$0</u>	-	-	-	-	-
-	<u>4232-018</u>	<u>\$0</u>	-	-	-	-	-
-	<u>Subtotal, B</u>	<u>\$23,048,237</u>	-	-	-	-	-
Total		\$138,910,933	Total		\$138,910,933		

¹ The allocation of APN FY 2023/24 assessed values among the future Project Areas is proportionate to the distribution of land area of each APN among the Project Areas.

² Parcel is currently owned by PG&E. California Barrel Company, LLC has determined that the property is 8.64 acres. The property's assessed land value is \$18,485,500. It has been determined that the property's improvement value is equal to its land value. A land and improvement value totaling \$36,971,000 will be recognized as the 2023/24 equalized value of APN 4175-018.

5. ***Future Amendments of Project Area Boundaries - Tax Rate Areas.*** In addition, the PFA is aware that it may need to make other changes to the boundaries of one or more Project Areas in the future in order to conform the Project Areas described in this IFP to the final development parcels established by the recordation of one or more final subdivision maps for the Subject Property so that the California State Board of Equalization can assign tax rate areas to all of the development parcels comprising the Project Areas. Accordingly, the PFA reserves the right, and nothing in this IFP limits the ability of the PFA, to amend the boundaries of one or more Project Areas by resolution, following the provision of a 30-day mailed notice describing the amendment to the City (the only affected taxing entity under this EIFD Law) and all property owners and residents within the EIFD, and without any public hearing or vote of the property owners or residents in the EIFD, to the extent necessary to provide for the assignment of tax rate areas, as long as (i) an independent fiscal consultant determines that the amendment will not impair the EIFD's ability to pay debt service on its tax increment bonds (the "Bonds") then outstanding or, in and of itself, reduce the debt service coverage on any Bonds then outstanding below the amount required to issue parity debt and (ii) the amendment does not remove land from the EIFD. For the avoidance of doubt, the authority to change the boundaries of the Project Areas, pursuant to this IFP applies to (i) the initial Project Areas and (ii) each new Project Area established pursuant to Section A.4 above or through annexation of property to the EIFD in the future, if any, in each case as amended or expanded as described in this IFP or permitted by the EIFD Law. Upon completion of an amendment of the boundaries of one or more Project Areas as described in this paragraph and, if necessary, the assignment of tax rate areas to such amended Project Areas by the California State Board of Equalization, the PFA will replace the then-existing maps and legal descriptions in this IFP with updated maps and legal descriptions, as appropriate, and a notation will be added to the Index of Adoption and Amendments. To establish a public record of the amendment of the boundaries of the Project Areas, (1) the Executive Director shall cause the amended IFP to be filed with the San Francisco Assessor, (2) the Executive Director shall post the amended IFP on the EIFD's website and (3) the Executive Director shall send the amended IFP to the Clerk of the Board of Supervisors with a cover letter that explains the changes that were made and asks the Clerk to file the amended IFP in the legislative file for the Board of Supervisors resolution that approved the original IFP.

[The PFA does not expect any of the amendments of the Project Area boundaries described in the previous paragraph to impact the base year value for any such Project Area.](#)

B. DESCRIPTION OF FACILITIES AND DEVELOPMENT OR FINANCIAL ASSISTANCE

This section of the IFP describes the proposed land uses in the EIFD, reflects assumptions and projections, and is intended for illustrative purposes only. Actual results may vary, and the descriptions do not constitute limitations on the use of the Allocated Tax Revenue (as defined herein) as described in this IFP.

1. *Anticipated Future Private Development in the EIFD.*

(a) Potrero Power Station Project.

Description of the Potrero Power Station Project. The Developer Property and, if the owner elects to join the Development Agreement, a portion of the PG&E Sub-Area is expected to be developed with the Potrero Power Station Project, which is summarized in Table 23 below.

Table 23. Anticipated Development Program – San Francisco EIFD No. 1 (Power Station)

	Building Area (Square Feet)	Units/Hotel/Pkg. Spaces	Anticipated Construction Period
Commercial Uses	-	-	-
Office	453,967	-	2030-2032
R&D	1,045,999	-	2024-2035
Retail	108,028	-	2025-2036
PDR ¹	133,144	-	2027-2029
Hotel	200,000	200	2033-2037
Commercial Subtotal	1,941,138	-	-
Parking²	854,724	2,332	-
Community Facilities	33,645	-	2026-2037
Total, Non- Residential	2,829,507	-	-
Residential Uses	-	-	-
Market-Rate For-Sale ³	-	551	2029-2034
Market-Rate Rental ³	-	1,326	2024-2038
Affordable Rental, Inclusionary Units	-	260	2024-2038
Affordable Rental, Stand- alone Units	-	178	2024-2028
Residential Subtotal	-	2,315	-

1. Includes 118,000 square feet of existing building area.

2. Includes 86,800 square feet of existing parking area.

3. The anticipated development program includes a total of 1,877 new market rate residential units. 258 of these market rate units are permitted by the Developer paying a fee in-lieu of providing 258 on-site affordable units.

Table 34 below summarizes the proposed Potrero Power Station Project by Project Area (after subdivision of Project Area A and Project Area B).

Table 34. Anticipated Development Program by Project Area - San Francisco EIFD No. 1 (after Subdivision of Project Area A and Project Area B)

Project Area	Commercial Development		Market Rate Residential ⁽¹⁾		Affordable Residential		Public Facilities	Anticipated Construction Period
	Type	Sq. ft.	Type	Units	Type	Units	Sq. ft.	Years
#1	Office	453,967	-	-	-	-	-	2030-2032
#2	Retail	10,883	For Sale	383	For Rent	98	4,545	2024-2032
#3	R&D, Retail, PDR	205,769	-	-	-	-	-	2026-2028
#4	Retail	11,901	For Rent	372	-	-	4,100	2027-2029
#5	R&D, Retail, PDR	171,289	-	-	-	-	-	2024-2026
#6	R&D, Retail	358,703	-	-	-	-	-	2026-2029
#7	Retail	20,390	For Rent	258	For Rent	44	-	2028-2031
#8	Retail	11,907	For Rent	346	For Rent	146	-	2026-2028
#9	R&D, Retail	358,703	-	-	-	-	-	2033-2035
#10	Retail	7,757	For Sale	168	-	-	-	2032-2034
#11	Retail, Hotel	205,000	-	-	-	-	-	2033-2037
#12	Retail ⁽²⁾	6,869	For Rent	350	For Rent	150	25,000	2035-2038
#13	PDR	118,000	-	-	-	-	-	2027-2029
Total		1,941,138		1,877	438	33,645		
<p>1. 258 of the project's market rate residential units are permitted by the Developer paying a fee in-lieu of providing 258 on-site affordable units.</p> <p>2. Includes 118,000 square feet of existing building area.</p>								

THE TYPE OF DEVELOPMENT AND THE NUMBER OF RESIDENTIAL UNITS AND SQUARE FOOTAGE OF RETAIL/COMMERCIAL SPACE SET FORTH IN TABLES 2 AND 3 ARE BASED ON CURRENT PROJECTIONS PROVIDED BY THE DEVELOPER; ACTUAL DEVELOPMENT MAY, AND WILL LIKELY, VARY. NOTHING IN THIS IFP SHALL LIMIT THE ABILITY OF THE DEVELOPER TO REVISE THE SCOPE AND TIMING OF THE POTRERO POWER STATION PROJECT, AND ANY CHANGE IN THE NATURE OF THE POTRERO POWER STATION PROJECT WILL NOT REQUIRE AN AMENDMENT OF THIS IFP.

Development Agreement and Financing Plan. The Developer and the City executed the Development Agreement for the Potrero Power Station Project, dated as of September 22, 2020 and recorded in the Official Records on October 2, 2020 as Document No. 2020025312 (as it may be further amended from time to time, "Development Agreement"). The Development Agreement was corrected by that certain Correction to Development

Agreement, dated as of September 30, 2021 and recorded in the Official Records on October 13, 2021 as Document No. 2021157025, and modified by that certain first Memorandum of Minor Modification of Development Agreement, dated as of June 20, 2023, as Document No. 2023044096 and by that certain second Memorandum of Minor Modification of Development Agreement, dated as of June 20, 2023, as Document No. 2023044102.

The In connection with establishing the EIFD, the Developer and the City are amending the Development Agreement includes, including an Amended amendment and Restated restatement of the Financing Plan that is Exhibit C to the Development Agreement (herein, the "Development Agreement Financing Plan") dated as of _____, 2023 and recorded in the Official Records on _____, 2023 as Document No. _____. The"). As amended, the Development Agreement Financing Plan describes certain terms of this IFP and the priorities for use of the Allocated Tax Increment Revenue (as set forth in this IFP), and provides for execution of the Acquisition and Financing Agreement described below. The Development Agreement, as amended in connection with establishing the EIFD, will be recorded in the Official Records.

Certain terms used in this IFP but not defined herein have the meanings given to them in the Development Agreement Financing Plan.

Acquisition and Financing Agreement. Upon formation of the EIFD, the City, the EIFD, and the Developer will enter into an Acquisition and Financing Agreement. The Acquisition and Financing Agreement will describe (1) the conditions under which the City will acquire Acquisition Facilities (as defined in the Acquisition and Financing Agreement) or reimburse the Actual Costs (as defined in the Acquisition and Financing Agreement) of the Developer for construction of the Privately-Owned Facilities (as defined in the Acquisition and Financing Agreement), (2) the circumstances in which the EIFD may finance Privately-Owned Facilities at the request of the Developer, including issuing Bonds to finance construction of Privately-Owned Facilities constructed by parties other than the Developer and (3) the EIFD's use of Bond proceeds, Allocated Tax Revenue, and Conditional Tax Revenue to finance the City's payment obligations and other authorized purposes. The Acquisition Facilities and Privately-Owned Facilities are the Facilities referenced in this IFP and described in Exhibit C hereto.

Total Cost of the Potrero Power Station Project and Related Improvements. The Developer of the Potrero Power Station Project estimates that the total cost of the Potrero Power Station Project will be approximately \$3.9 billion (2023 dollars), of which nearly \$3.35 billion (2023 dollars) is estimated to be attributable to development of the private elements of the project not being financed by the EIFD (the "Privately-Financed Elements"). The Privately-Financed Elements will be paid, or caused to be paid, by the Developer of the Potrero Power Station Project without assistance from the EIFD. The following elements of the Potrero Power Station Project constitute Facilities that are eligible for financing by the EIFD:

- Acquisition Facilities, which are expected to cost approximately \$178.5 million (2023 dollars)
- Privately-Owned Facilities, including:

- Privately-owned parks and streets that will be open to the public, which are expected to cost approximately \$111.6 million (2023 dollars)
- Privately-owned affordable housing units, which are expected to cost approximately \$258.1 million (2023 dollars)

(b) **PG&E Sub-Area.**

A portion of the PG&E Sub-Area was recently re-zoned to accommodate the development of market rate and/or affordable housing, but only if the owner of that portion of the PG&E Sub-Area joins the Development Agreement. See Tables [23](#) and [34](#).

(c) **Weidenmuller Property.**

The Weidenmuller Property is currently improved with approximately 118,000 square feet of industrial and warehouse space and 217 parking spaces; the referred to improvements are included in Table [23](#). The PFA is not currently aware of any proposed new or additional development of the Weidenmuller Property.

2. *Facilities and Other Forms of Development or Financial Assistance to be Provided by the Private Sector.*

The Facilities that will be constructed, or caused to be constructed, by the Developer are described in Appendix C. Under the EIFD Law, the facilities financed by the EIFD must be in addition to those provided in the territory of the EIFD before the EIFD was created. The additional facilities may not supplant facilities already available within that territory when the EIFD was created but may supplement, rehabilitate, upgrade, or make more sustainable those facilities.

All affordable housing financed by the EIFD will be restricted by recorded covenants or restrictions to occupancy by persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the California Health and Safety Code, for rent or purchase, for the longest feasible time, but for not less than 55 years for rental units and 45 years for owner-occupied units.

All of the Facilities are authorized to be financed by the EIFD, but some Facilities may not be financed by the EIFD. See *“Facilities and Other Projects Costs to be Financed by the EIFD”* below.

To the extent they are not financed by the EIFD (or other forms of public finance, including special tax financing by City and County of San Francisco Special Tax District No. 2022-1 (Power Station) (“CFD”), which was established by the City for the Potrero Power Station Project), the costs of the Facilities will be borne by the Developer, except as set forth immediately below.

3. *Public Facilities and Other Forms of Development or Financial Assistance to be Provided by Governmental Entities without Assistance from the EIFD.* Affordable housing to be constructed as a condition of development of the Potrero Power Station Project is currently expected to be financed using multiple sources of public and private debt and equity, which, in addition to assistance from the EIFD, may include (but are not limited to) federal tax credits, qualified private activity bonds, voter-approved general obligation bonds, affordable housing and jobs/housing impact fees, and other local, state and federal affordable housing resources. The EIFD may provide financing for the Actual Costs of affordable housing constructed, or

caused to be constructed, by the Developer, either directly, indirectly, or through payment of in-lieu fees, [subject to City approval. Affordable housing financed with in-lieu fees will not necessarily be built within the EIFD boundaries.](#)

4. ***Facilities and Other Projects Costs to be Financed by the EIFD.*** The EIFD is projected to use Allocated Tax Revenue (as defined in Section D below) to finance on a pay-go basis and issue Bonds or other debt that is payable from Allocated Tax Revenue to finance approximately \$548 million (estimated in 2023 dollars) in Actual Costs of Facilities, including public capital facilities (estimated to be approximately \$178.5 million in 2023 dollars), privately-owned parks and streets (estimated to be approximately \$111.6 million in 2023 dollars), and privately-owned affordable housing costs (estimated to be approximately \$258.1 million in 2023 dollars).

Table 45. Estimated Costs of Facilities to be Financed by EIFD

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

The obligation to provide financing for the Facilities to the extent that Allocated Tax Revenue is available as set forth in the Acquisition and Financing Agreement constitutes debt of the EIFD under the EIFD Law.

See Section D.7(c) below for a summary of other capital sources projected to be available to finance the Facilities.

5. ***Facilities and Other Forms of Development or Financial Assistance to be Jointly Provided.*** There are no public facilities that will be jointly provided by the private and governmental entities.

6. ***Administrative Costs to be Financed by the EIFD.*** The EIFD may finance any other expenses incidental to the formation, administration (including preparation of annual reports and audits required by the EIFD Law) and implementation of the EIFD and to the construction, completion, inspection, and acquisition of the Facilities, including, but not limited to, the costs of creation and administration of the EIFD; costs of issuance of Bonds or other debt of the EIFD or of any other public agency (including a community facilities district) that finances authorized Facilities, and payment of debt service thereon; costs incurred by the City or the EIFD in

connection with the division of taxes pursuant to Government Code section 53398.75; and legal costs. See Section D below.

The City will pay to the EIFD, be deemed to have paid to the EIFD or advance to third parties on behalf of the EIFD such amounts as the City deems necessary for the EIFD's administrative expenses and overhead. The funds paid by the City to the EIFD, deemed to have been paid to the EIFD or advanced to third parties on behalf of the EIFD for administrative expenses and overhead shall constitute an advance and shall be repaid by the EIFD.

C. FINDING OF COMMUNITYWIDE SIGNIFICANCE

All of the Facilities (including the Acquisition Facilities and the Privately-Owned Facilities) to be financed by the EIFD have communitywide significance and provide significant benefits to the EIFD and the surrounding community. Those Facilities that are not physically located within the boundaries of the EIFD have a tangible connection to the work of the EIFD, including, but not limited to, any affordable housing financed by the EIFD that is located outside the EIFD boundaries.

The formation of the EIFD will enable the development of the Potrero Power Station Project, which the City has determined will provide clear benefits to the public and neighboring communities, including: (i) affordable housing in excess of the number of units required pursuant to existing City ordinances, regulations, and policies, intended to constitute thirty percent (30%)² of the total number of housing units to be constructed within the EIFD; (ii) workforce obligations, including significant training, employment, and economic development opportunities, related to the development and operation of the Potrero Power Station Project; (iii) construction and maintenance of publicly accessible open space, totaling approximately 6.9 acres, including a series of contiguous, integrated parks, plazas, and green spaces, a publicly-accessible soccer field, and extension of the Blue Greenway and Bay Trail; (iv) delivery of child care spaces; (v) one or more community facilities; (vi) sea level rise improvements; and (vii) measures to prioritize and promote travel by walking, biking, and transit for new residents, tenants, employees, and visitors, all as set forth in greater detail in the Development Agreement.

D. FINANCING

1. **Introduction.** Section 53398.75(a) of the EIFD Law authorizes this IFP to include a provision that taxes, if any, levied upon taxable property in the area included within the EIFD each year by or for the benefit of the State of California, or any affected taxing entity, after the effective date of the resolution adopted pursuant to the EIFD Law to create the EIFD, shall be divided, subject to the provisions of Section 53993, as follows:

(a1) That portion of the taxes that would be produced by the rate upon which the tax is levied each year by or for each of the affected taxing entities upon the total sum of the assessed value of the taxable property in the EIFD as shown upon the assessment roll used in connection with the taxation of the property by the affected taxing entity, last equalized prior to the effective date of the resolution adopted pursuant to Section 53398.69 to create

² In addition to providing on-site affordable units that comprise 19% of total on-site units, the Potrero Power Station Project will provide in-lieu fees for the construction of additional affordable units, resulting in a total affordable housing contribution equivalent to 30% of the project's units. Affordable housing financed with in-lieu fees will not necessarily be built within the EIFD boundaries.

the EIFD, shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(b~~2~~) That portion of the levied taxes each year specified in the adopted infrastructure financing plan for the city or county and each affected taxing entity that has agreed to participate pursuant to Section 53398.68 in excess of the amount specified in paragraph (a~~1~~) shall be allocated to, and when collected shall be paid into a special fund of, the EIFD for all lawful purposes of the EIFD. Unless and until the total assessed valuation of the taxable property in the EIFD exceeds the total assessed value of the taxable property in the EIFD as shown by the last equalized assessment roll referred to in paragraph (a~~1~~), all of the taxes levied and collected upon the taxable property in the EIFD shall be paid to the respective affected taxing entities. When the EIFD ceases to exist pursuant to the adopted infrastructure financing plan, all moneys thereafter received from taxes upon the taxable property in the district shall be paid to the respective affected taxing entities as taxes on all other property are paid.

Section 53398.63(d)(5)(B) of the EIFD Law provides for creation of project areas, and provides for tax allocations to an enhanced infrastructure financing district from each project area to continue for a period not later than 45 years from the date the project area has actually received an allocation of at least \$100,000 in incremental tax revenues. Section 53398.63(d)(5)(B) also requires an infrastructure financing plan, where a district is divided into project areas, to include a date on which the infrastructure financing plan will cease to be in effect and all tax allocations to the district will end and a date on which the district's authority to repay indebtedness with incremental tax revenues received under the EIFD Law will end, not to exceed 45 years from the date the district or the applicable project area has actually received one hundred thousand dollars (\$100,000) in annual incremental tax revenues.

Pursuant to Section 53398.63(d)(5)(B), the City intends to establish a separate tax rate area for each Project Area and to calculate tax increment on a Project Area-by-Project Area basis. Each Project Area will have a separate and unique time limit as set forth in Section D.6 below.

In compliance with Sections 53398.75(a) and 53398.63(d)(5)(B) of the EIFD Law, this IFP provides as follows:

(1) That portion of the taxes that would be produced by the levy of the 1% ad valorem property tax rate upon the total sum of the assessed value of the taxable property in the EIFD as shown upon the last equalized assessment roll prior to the effective date of the resolution adopted by the PFA to create the EIFD (i.e., the assessment roll for tax year 2023-24), shall be allocated to, and when collected shall be paid to, the respective affected taxing entities as taxes by or for the affected taxing entities on all other property are paid.

(2) The City's tax revenues in excess of the amount specified in paragraph (1) are hereby allocated to, and when collected by the EIFD shall be paid into a special fund of, the EIFD for the purposes specified in this IFP. Unless and until the total assessed valuation of the taxable property in the EIFD exceeds the total assessed value of the taxable property in the EIFD as shown by the last equalized assessment roll referred to in paragraph (1), all of the taxes levied and collected upon the taxable property in the EIFD shall be paid to the respective affected taxing entities. Notwithstanding the calculation of the Allocated Tax Revenue and the Conditional Tax Revenue on a Project Area-by-Project Area basis, the total amount of the Allocated Tax Revenue

and the Conditional Tax Revenue for a tax year may not exceed the amount determined pursuant to this paragraph (2) for such tax year.

(3) When the 45-year time period expires for a Project Area (which is referred to as the Project Area's Termination Date, as defined herein), (a) all tax allocations to the EIFD from the expired Project Area shall end, (b) the IFP will cease to be in effect with respect to such expired Project Area, and (c) when calculating the Allocated Tax Revenue and the Conditional Tax Revenue, the amount of taxes described in paragraph (1) above shall no longer include the taxes generated in the expired Project Area.

2. **Definitions.** ~~For the purpose of financing the Facilities and other related Actual Costs~~ Subject to Section 53398.75(a) as described in the preceding Section D.1, and except to the extent provided in Section D.5 below, the City has made an irrevocable allocation of Allocated Tax Revenue to the EIFD ~~(except to the extent provided in Section D.5 below),~~ and a conditional allocation of Conditional Tax Revenue to the EIFD, in each case for the purpose of financing the Facilities and other related Actual Costs. The Conditional Tax Revenue may only be used to (i) provide coverage on the EIFD Bonds, (ii) pay debt service on Bonds, and (iii) replenish debt service reserve funds for such Bonds to the extent that Allocated Tax Revenue is not available for those purposes. *The Conditional Tax Revenue is not available to pay debt (as defined in the EIFD Law) that does not constitute Bonds.*

If the Conditional Tax Revenue is ever used to pay debt service on Bonds or replenish debt service reserve funds for such Bonds, then in future fiscal years after first paying or setting aside Allocated Tax Revenue needed to pay EIFD administration expenses, to pay debt service due during such fiscal year on Bonds issued by the EIFD, and to replenish any debt service reserve fund for Bonds, the EIFD shall repay the City out of Allocated Tax Revenue for any Conditional Tax Revenue used to pay debt service on Bonds or replenish debt service reserve funds for such Bonds in an amount equal to the Conditional Tax Revenue used to pay debt service on Bonds or replenish debt service reserve funds for such Bonds plus interest through the date of repayment at an interest rate equal to the rate of interest on the United States Treasury bond with a 10-year maturity on the date of the first use of Conditional Tax Revenue plus 300 basis points, and such interest rate shall remain fixed for the remainder of the term of this IFP.

This IFP uses the following terms to describe the property tax revenues allocated to the EIFD by the City:

"Allocated Tax Revenue" means 58.252419% of the City Share of Increment.³

³ For the benefit of eligible development projects, like the Power Station Project, the City IFD Guidelines provide that the maximum incremental property tax revenue that may be allocated to an enhanced infrastructure financing district is 50% of the total incremental property tax revenue (including 50% of the VLF revenues, as defined below), and that the City may allocate all or a portion of the remaining 50% of the annual incremental property tax revenue (including the remaining 50% of the VLF revenues) on a conditional basis to provide debt service coverage for the district's bonds or other debt. For purposes of this IFP, the City is not allocating VLF revenues to the EIFD, and instead the City is allocating 58.252419% of the City Share of Increment, which represents (i) 50% of the City Share of Increment plus (ii) an amount estimated to be equal to 50% of the VLF revenues. All of the VLF revenues will be deposited in the City general fund and none of the VLF revenue is allocated to the EIFD. For purposes of this footnote, "VLF revenues" means, for each Project Area, that portion of the ad valorem property tax revenue allocated to

“Base Year” means, for each Project Area, the fiscal year in which the assessed value of taxable property in the Project Area was last equalized prior to the effective date of the resolution adopted pursuant to Section 53398.69 to create the EIFD. The Base Year for each of the 13 Project Areas is fiscal year 2023-24. Upon subdivision of the parcels constituting Project Area A and the creation of new Project Areas as described in Section A.4, the ~~San Francisco Assessor will allocate the~~ Base Year assessed value for Project Area A will be allocated to each of newly-created Project Areas 7, 8, and 12 as shown in Table 2. Upon subdivision of the parcels constituting Project Area B and the creation of new Project Areas as described in Section A.4, the ~~San Francisco Assessor will allocate the~~ Base Year assessed value for Project Area B will be allocated to each of newly-created Project Areas 9, 10, and 11 as shown in Table 2.

“City Share of Increment” means 64.588206% of Gross Tax Increment.

“Conditional Tax Revenue” means the 41.747581% of the City Share of Increment that does not constitute Allocated Tax Revenue.

“Gross Tax Increment” means, for each Project Area, 100% of the revenue produced by the application of the 1% ad valorem tax rate to the Incremental Assessed Property Value of property within the Project Area.

“Incremental Assessed Property Value” means, in any fiscal year, for each Project Area, the difference between the assessed value of the taxable property within the Project Area for that fiscal year and the assessed value of the taxable property within the Project Area in the Base Year, to the extent that the difference is a positive number. Incremental Assessed Property Value shall be measured on a Project Area by Project Area basis, and not on an aggregate EIFD basis.

3. **Allocated Tax Revenue.** ~~As~~Subject to Section D.1 above, as shown in Table 56 below, the City has agreed to irrevocably allocate Allocated Tax Revenue to the EIFD, except to the extent provided in Section D.5 below and subject to the maximum amounts specified below (see Section D.7(d) - “Limit on Total Dollars Allocated to the EIFD”). It is anticipated that the Allocated Tax Revenue will be utilized to finance the Facilities on both a “pay-as-you-go” (“pay-go”) basis and to pay debt service on Bonds or other debt permitted by the EIFD Law. As used in this IFP, “finance” includes not only using Allocated Tax Revenue or Conditional Tax Revenue to pay debt service on the Bonds and other debt of the EIFD, as applicable, but also using Allocated Tax Revenue on a pay-go basis to pay for eligible Actual Costs.

Table 56. Summary of Ad Valorem Tax Revenues Allocated to the EIFD

Gross Tax Increment, as a % of Incremental Assessed Property Value	1.0000%
City Share of Increment	64.588206%
Allocated Tax Revenue = 58.252419% of the City Share of Increment	37.624193%
Conditional Tax Revenue = 41.747581% of the City Share of Increment	26.964013%

the City pursuant to Section 97.70 of the Revenue and Taxation Code that corresponds to the Incremental Assessed Property Value of property within the Project Area according to the formula set forth in California Revenue & Taxation Code Section 97.70 as of the date hereof.

(a) **City Share of Increment.** The following table shows the distribution of the 1% ad valorem property tax rate among taxing entities in the City, including the areas in the EIFD. *No taxing entity other than the City is allocating property tax revenue to the EIFD.*

Table 67 - Distribution of 1% Property Tax Rate Among Taxing Agencies

	<i>Amount Available</i>	<i>Allocated Tax Increment Revenue</i>	<i>Conditional Tax Increment Revenue</i>
City Portion			
City General Fund Portion	55.588206%	32.381475%	23.206731%
City Special Fund Portion	<u>9.000000%</u>	<u>5.242718%</u>	<u>3.757282%</u>
City Share of Increment	64.588206%	37.624193%	26.964013%
Other Taxing Agencies			
Education Revenue Augmentation Fund	25.330113%	0.000000%	0.000000%
San Francisco Unified School District	7.698857%	0.000000%	0.000000%
San Francisco Community College Fund	1.444422%	0.000000%	0.000000%
San Francisco County Office of Education	0.097335%	0.000000%	0.000000%
Bay Area Rapid Transit District	0.632528%	0.000000%	0.000000%
Bay Area Air Quality Management District	<u>0.208539%</u>	<u>0.000000%</u>	<u>0.000000%</u>
Total, Other Taxing Agencies	35.411794%	0.000000%	0.000000%
Total, All Taxing Agencies	100.000000%	37.624193%	26.964013%

~~The Allocated Tax Revenue allocated by the City to the EIFD includes 58.252419% of the City Share of Increment.~~

4. **Conditional Tax Revenue.** The City has agreed to allocate the remaining 41.747581% of the City Share of Increment not constituting Allocated Tax Revenue on a conditional basis; the Conditional Tax Revenue is only available to (i) provide coverage for the EIFD Bonds and (ii) pay debt service on Bonds (but not other debt), issued by the EIFD, including replenishing debt service reserve funds for such Bonds, to the extent that Allocated Tax Revenue is not available for that purpose.

5. **Contingent Allocation.** The annual allocation of Allocated Tax Revenue to the EIFD by the City is contingent upon the EIFD's use of such increment to pay for the Actual Costs of Facilities, projects, or services, and to accomplish other authorized purposes, including to pay debt service on Bonds and other debt issued to accomplish such purposes. Subject to the final sentence of this paragraph, the annual allocation of Allocated Tax Revenue to the EIFD by the City shall be subject to this condition, and in no event may future allocations of tax revenues be accelerated. For the avoidance of doubt, nothing in this IFP is intended to require the Allocated Tax Revenue to be immediately spent on such authorized purposes; rather Allocated Tax Revenue may be accumulated and spent for authorized purposes over a period of time. Prior to

each issuance of Bonds by the EIFD, an authorized representative of the City shall certify in writing that the proceeds of the proposed Bonds will be used for authorized purposes under the EIFD Law and this IFP, which certificate shall represent a determination by the City that the proceeds of the Bonds are being used for authorized purposes under the EIFD Law and this IFP and that the allocation of Allocated Tax Revenue for the purpose of paying debt service on such Bonds or replenishing a debt service reserve fund for such Bonds shall be irrevocable.

Similarly, the annual allocation of Conditional Tax Revenue to the EIFD by the City is contingent upon the EIFD's use of such increment to pay debt service on Bonds (including replenishing debt service reserve funds and providing adequate coverage for such Bonds) that finance the Actual Costs of Facilities and other authorized costs. Subject to the final sentence of this paragraph, the annual allocation of Conditional Tax Revenue to the EIFD by the City shall be subject to this condition, and in no event may future allocations of tax revenues be accelerated. Prior to each issuance of Bonds by the EIFD, an authorized representative of the City shall certify in writing that the proceeds of the proposed Bonds will be used for authorized purposes under the EIFD Law and this IFP, which certificate shall represent a determination by the City that the proceeds of the Bonds are being used for authorized purposes under the EIFD Law and this IFP and that the allocation of Conditional Tax Revenue for the purpose of paying debt service on such Bonds or replenishing a debt service reserve fund for such Bonds shall be irrevocable.

6. *Commencement of Allocation of Allocated Tax Revenue.* The date that Allocated Tax Revenue is allocated to the EIFD for a Project Area shall be referred to herein as the "Commencement Date." The Commencement Date for each Project Area is determined separately, and there is no requirement that the Commencement Date for each Project Area be the same.

Determined separately for each Project Area:

(i) the Commencement Date for Project Areas 1, 2, 3, 4, 5, 6, or 13 shall be the first day of the fiscal year in which the applicable Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year,

(ii) the Commencement Date for Project Areas 7, 8, or 12 shall be the first day of the fiscal year in which both of the following have occurred ~~for~~with respect to the applicable Project Area: (1) ~~the parcels constituting a portion of~~ Project Area A ~~have~~has been subdivided and, ~~as applicable,~~ Project Areas 7, 8, and 12 ~~have~~has been established pursuant to Section A.4 of this IFP, and (2) the applicable Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year, and

(iii) the Commencement Date for Project Areas 9, 10, or 11 shall be the first day of the fiscal year in which both of the following have occurred ~~for~~with respect to the applicable Project Area: (1) ~~the parcels constituting a portion of~~ Project Area B ~~have~~has been subdivided and, ~~as applicable,~~ Project Areas 9, 10, and 11 ~~have~~has been established pursuant to Section A.4 of this IFP, and (2) the applicable Project Area produces at least \$100,000 of Allocated Tax Revenue in such fiscal year.

It is understood that Project Areas 7, 8, and 12 may be created at different times as Project Area A is subdivided from time to time; likewise, Project Areas 9, 10, and 11 may be created at different times as Project Area B is subdivided from time to time.

Prior to the issuance of any Bonds by the EIFD, and notwithstanding any other provision of this IFP, the allocation of Allocated Tax Revenue and Conditional Tax Revenue under this IFP may be permanently terminated by the adoption by the Board of Supervisors of a termination resolution only if the first tax increment-producing building in the EIFD that was constructed, or caused to be constructed, by the Developer (regardless of Project Area) has not received a certificate of occupancy for new construction or expansion of a building constituting permanent new development (not including rehabilitation, relocation, or other work that does not constitute permanent new development) before the tenth anniversary of the adoption by the PFA of the resolution establishing the EIFD (herein, the "Optional Termination for Cause"). For purposes of this paragraph, "certificate of occupancy" means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a building or a portion of a building has met all of the building codes and can be occupied for residential or non-residential use. To provide clarity, the Optional Termination for Cause provisions set forth above shall no longer be applicable upon the first to occur of the (i) date that the first tax increment-producing building in any Project Area of the EIFD that was constructed or caused to be constructed by the Developer receives a certificate of occupancy for new construction or expansion of a building constituting permanent new development (not including rehabilitation, relocation, or other work that does not constitute permanent new development) or (ii) date of the first issuance of Bonds by the EIFD. Within sixty (60) days of the occurrence of either (i) or (ii) in the preceding sentence, the Director of the Controller's Office of Public Finance shall confirm in writing to the Developer that the Optional Termination for Cause provisions set forth in this Section D.6 are no longer applicable to the EIFD and that the allocation of Allocated Tax Revenue and Conditional Tax Revenue under this IFP is no longer subject to Optional Termination for Cause pursuant to this Section D.6.

Any Allocated Tax Revenue received by the EIFD prior to the earlier of (i) the Optional Termination for Cause or (ii) the Director of the Controller's Office of Public Finance written confirmation to the Developer that the Optional Termination For Cause provisions are no longer applicable to the EIFD as described in the previous paragraph, shall accumulate and may be used by the PFA exclusively to pay administrative expenses and for no other purpose. If the Director of the Controller's Office of Public Finance provides written confirmation to the Developer that the Optional Termination For Cause provisions are no longer applicable to the EIFD, any accumulated Allocated Tax Revenue received by the EIFD that was not used for administrative expenses shall be available to the Developer for financing Facilities.

If the Optional Termination for Cause occurs, any accumulated Allocated Tax Revenue received by the EIFD that was not used for administrative expenses shall be returned by the PFA to the City.

7. *Requirements of the EIFD Law.*

(a) **Maximum Portion of Incremental Tax Revenue Dedicated to the EIFD**

~~The~~ [Subject to Section 53398.75\(a\) of the EIFD Law as described in Section D.1 above, and except to the extent provided in Section D.5 above, the](#) City is allocating to the EIFD 100% of the Allocated Tax Revenue for each year during which the EIFD will receive Allocated Tax Revenue for the purpose of financing the Facilities and paying related administrative costs.

~~In addition~~In addition, subject to Section 53398.75(a) of the EIFD Law as described in Section D.1 above, and except to the extent provided in Section D.5 above, the City has agreed to allocate to the EIFD 100% of the Conditional Tax Revenue for each year during which the EIFD will receive Conditional Tax Revenue. However, the Conditional Tax Revenue is only available to meet debt service coverage requirements for Bonds, pay debt service on Bonds issued by the EIFD and replenish debt service reserve funds for such Bonds to the extent that Allocated Tax Revenue is not available to pay debt service or replenish debt service reserve funds.

(b) **Projection of EIFD Tax Revenues by Year**

Set forth in the following Table 78 is the projected annual Allocated Tax Revenue based on the projected assessed value growth by Project Area. The annual projection of Allocated Tax Revenue by project area is presented in Appendix D.

The Allocated Tax Revenue is projected to total approximately \$1.6764 billion across all Project Areas over the 45-year term of each Project Area.

The Conditional Tax Revenue is projected to total approximately \$1.2018 billion across all Project Areas over the 45-year term of each Project Area.

The projections in this IFP are based on available data at the time of IFP preparation for purposes of planning and illustration. Actual results ~~may vary~~will likely differ depending on numerous factors including, but not limited to: (i) actual construction and administration costs; (ii) actual construction and absorption schedules for both residential and commercial components; (iii) the final development program; (iv) economic factors such as rents, vacancy, ~~construction costs~~ and interest rates; and (v) property valuation assessments.

In addition, because the commencement years and final years for the allocation of tax increment are dependent on the timing of generation and receipt of tax increment within each Project Area, the commencement and final years for each Project Area shown in the following tables are estimates only; actual dates for each Project Area ~~may~~will likely differ.

Table 7.8. Projected Aggregate Annual Incremental Tax Revenues to be Allocated to EIFD

Aggregate - All Project Areas, Post Subdivision								
EIFD Year	Fiscal Year	Estimated Incremental Assessed Value (\$000)	Gross Tax Increment (1% Incremental Assessed Value) ¹ (\$000)	City Share of Increment (64.588206%) ¹ (\$000)	Allocated Tax Revenue to EIFD (58.252419% of City Share of Increment), conditioned on Project Area allocation exceeding \$100,000 ² (\$000)	Admin Fee Estimate = \$150,000 per year, inflated. (\$000)	Allocated Tax Revenue Minus Admin Fee(s) (\$000)	Conditional Tax Revenue Available for Bond Debt service If Necessary (41.747581% of City Share of Increment) ²
	2024/25	\$1,970,200	\$20	\$13	\$0	\$0	\$0	\$0
	2025/26	\$5,666,327	\$57,533	\$37,343	\$0	\$0	\$0	\$0
1	2026/27	\$120,915,624.26	\$1,209,624	\$781,403	\$436,197	\$164	\$272,333	\$243,141
2	2027/28	\$359,551,300.69	\$3,596,007	\$2,322,194	\$1,227,082	\$169	\$1,159,913	\$954,776
3	2028/29	\$512,971,448.83	\$5,130,488	\$3,313,289	\$1,902,633	\$174	\$1,728,460	\$1,363,171
4	2029/30	\$1,368,829,302.541	\$13,688,025	\$8,844,413	\$5,045,477	\$179	\$4,866,591	\$3,616,419
5	2030/31	\$2,446,516,379.715	\$24,465,237.97	\$15,802,370	\$9,181,894	\$184	\$8,996,710	\$6,580,374
6	2031/32	\$2,545,461,477.910	\$25,455,247.79	\$16,444,004	\$9,554,257	\$190	\$9,364,067	\$6,845,634
7	2032/33	\$3,081,325,299.7044	\$30,813,299.70	\$19,902,357	\$11,576,235	\$196	\$11,380,040	\$8,296,052
8	2033/34	\$4,392,880,307.571	\$43,929,076	\$28,373,278.22	\$16,509,161	\$202	\$16,307,159.60	\$11,831,582
9	2034/35	\$4,545,535,459.656	\$45,455,445.97	\$29,359,288.04	\$17,085,167.32	\$208	\$16,878,524	\$12,244,199.1
10	2035/36	\$5,049,723,496.0569	\$50,497,496.06	\$32,615,039	\$18,985,618	\$214	\$18,771,404	\$13,606,343
11	2036/37	\$5,818,776,728.488	\$58,188,572.85	\$37,582,369.99	\$21,877,503	\$220	\$21,657,283	\$15,679,411
12	2037/38	\$6,007,314,591.7611	\$60,073,591.76	\$38,800,221	\$22,602,225	\$227	\$22,375,219.99	\$16,198,159.28
13	2038/39	\$6,563,677,429.316	\$65,637,642.93	\$42,394,152.6	\$24,695,190	\$234	\$24,462,239.56	\$17,698,336
14	2039/40	\$7,148,555,012.149	\$71,486,701.21	\$46,171,452.90	\$26,896,383	\$241	\$26,655,142	\$19,275,189.08
15	2040/41	\$7,304,952,166.458	\$73,050,716.65	\$47,181,462.87	\$27,484,269.63	\$248	\$27,236,267.15	\$19,697,324
16	2041/42	\$7,464,726,324.098	\$74,647,732.41	\$48,213,473.05	\$28,085,275.56	\$255	\$27,830,301	\$20,128,197.49
17	2042/43	\$7,627,950,485.143	\$76,279,748.51	\$49,268,483.45	\$28,700,162	\$263	\$28,437,278.99	\$20,568,183
18	2043/44	\$7,794,697,649.665	\$77,947,764.97	\$50,345,494.08	\$29,327,287.81	\$271	\$29,056,285.10	\$21,018,206.27
19	2044/45	\$7,965,045,817.740	\$79,650,781.77	\$51,445,504.93	\$29,968,414	\$279	\$29,689,135	\$21,477,080
20	2045/46	\$8,139,070,798.9445	\$81,391,798.94	\$52,569,516.02	\$30,623,060	\$287	\$30,335,297.72	\$21,946,543
21	2046/47	\$8,316,853,164.857	\$83,169,816.49	\$53,717,527.35	\$31,291,307.20	\$296	\$30,995,424	\$22,426,016
22	2047/48	\$8,498,474,344.057	\$84,985,834.41	\$54,890,538.93	\$31,975,394	\$305	\$31,670,089	\$22,915,499
23	2048/49	\$8,684,018,527.127	\$86,840,852.71	\$56,089,550.75	\$32,673,083	\$314	\$32,359,317.69	\$23,416,229.93
24	2049/50	\$8,873,567,714.151	\$88,736,871.42	\$57,313,562.83	\$33,386,327.86	\$323	\$33,063,324.63	\$23,927,497
25	2050/51	\$9,067,209,890.5213	\$90,672,890.52	\$58,562,575.17	\$34,115,335.05	\$333	\$33,781,172	\$24,449,012
26	2051/52	\$9,265,032,100.402	\$92,650,910.04	\$59,841,587.78	\$34,859,240	\$343	\$34,516,338.96	\$24,982,538
27	2052/53	\$9,467,127,299.806	\$94,671,929.98	\$61,146,600.66	\$35,619,349.90	\$353	\$35,266,346.36	\$25,527,076
28	2053/54	\$9,673,586,503.517	\$96,736,950.35	\$62,480,613.82	\$36,396,357.56	\$364	\$36,032,353.92	\$26,084,256.25
29	2054/55	\$9,884,503,711.627	\$98,845,971.16	\$63,842,627.26	\$37,190,365.39	\$375	\$36,815,164	\$26,653,186
30	2055/56	\$10,099,975,999.24232	\$101,000,999.242	\$65,234,640.99	\$38,000,373.39	\$386	\$37,614,369.53	\$27,234,267.60
31	2056/57	\$10,320,099,141.429	\$103,201,101.414	\$66,656,655.02	\$38,829,156	\$398	\$38,431,377.58	\$27,827,345
32	2057/58	\$10,544,977,363.317	\$105,450,103.633	\$68,108,669.35	\$39,675,389.91	\$410	\$39,265,388.51	\$28,433,279.44
33	2058/59	\$10,774,714,589.997	\$107,747,105.900	\$69,592,683.99	\$40,539,398.44	\$422	\$40,117,399.42	\$29,053,285.55

34	2059/60	\$11,009,407.10 821,573	\$110,094,108,216	\$71,108,69,895	\$41,422,40,715	\$435	\$40,987,281	\$29,686,179
35	2060/61	\$11,249,174,058 .151	\$112,492,110,582	\$72,656,71,423	\$42,324,41,605	\$448	\$41,876,158	\$30,332,29,817
36	2061/62	\$11,494,112,299 .839	\$114,944,112,998	\$74,238,72,984	\$43,246,42,515	\$461	\$42,784,054	\$30,993,469
37	2062/63	\$11,744,344,546 .747	\$117,443,115,467	\$75,855,74,578	\$44,187,43,444	\$475	\$43,712,42,9 69	\$31,667,135
38	2063/64	\$11,999,980,798 .989	\$120,000,117,990	\$77,506,76,208	\$45,149,44,393	\$489	\$44,660,43,9 03	\$32,357,31,815
39	2064/65	\$12,264,136,056 .679	\$122,614,120,567	\$79,192,77,872	\$46,132,45,362	\$504	\$45,628,44,8 58	\$32,064,32,510
40	2065/66	\$12,527,933,319 .936	\$125,279,123,199	\$80,916,79,572	\$47,135,46,353	\$519	\$46,616,45,8 34	\$33,780,219
41	2066/67	\$12,800,492,588 .879	\$128,005,125,889	\$82,676,81,309	\$48,164,47,365	\$535	\$47,626,46,8 30	\$34,515,33,945
42	2067/68	\$13,078,938,12. 863,632	\$130,789,128,636	\$84,475,83,084	\$49,208,48,398	\$551	\$48,658,47,8 48	\$35,266,34,686
43	2068/69	\$13,363,398,144 .319	\$133,634,131,443	\$86,312,84,897	\$50,279,49,454	\$567	\$49,711,48,8 87	\$36,033,35,442
44	2069/70	\$13,654,004,431 .071	\$136,540,134,311	\$88,189,86,749	\$51,372,50,533	\$584	\$50,788,49,9 49	\$36,817,216
45	2070/71	\$13,950,882,724 .016	\$139,509,137,240	\$90,406,88,641	\$52,489,51,636	\$602	\$51,887,034	\$37,617,005
46	2071/72	\$11,608,352,569 .852	\$116,084,115,699	\$74,976,728	\$43,675,531	\$620	\$43,056,42,9 11	\$31,304,197
47	2072/73	\$11,858,766,820 .266	\$118,588,203	\$76,594,345	\$44,618,473	\$638	\$43,979,834	\$31,976,872
48	2073/74	\$10,172,604,138 .549	\$101,726,385	\$65,703,483	\$38,274,145	\$658	\$37,616,488	\$27,429,338
49	2074/75	\$7,433,614,399. 562	\$74,336,73,996	\$48,012,47,792	\$27,968,840	\$677	\$27,294,163	\$20,044,19,952
50	2075/76	\$7,246,404,213. 846	\$72,464,138	\$46,803,593	\$27,264,142	\$698	\$26,566,444	\$19,539,451
51	2076/77	\$6,808,346,775. 983	\$68,083,67,760	\$43,974,765	\$25,616,494	\$719	\$24,897,776	\$18,358,271
52	2077/78	\$4,867,197,834. 834	\$48,672,348	\$31,436,227	\$18,312,191	\$740	\$17,572,451	\$13,124,037
53	2078/79	\$4,972,696,940. 333	\$49,727,403	\$32,118,31,909	\$18,709,588	\$762	\$17,947,825	\$13,408,321
54	2079/80	\$4,256,079,223. 329	\$42,564,233	\$27,489,278	\$16,013,15,890	\$785	\$15,228,105	\$11,476,388
55	2080/81	\$2,259,842,228. 836	\$22,598,288	\$14,596,396	\$8,502,386	\$809	\$7,694,577	\$6,093,010
56	2081/82	\$2,308,351,277. 344	\$23,084,22,773	\$14,909,709	\$8,685,568	\$833	\$7,852,735	\$6,224,141
57	2082/83	\$1,373,458,341. 131	\$13,735,411	\$8,871,662	\$5,168,046	\$858	\$4,310,188	\$3,703,616
	2083/84	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2084/85	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2085/86	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	2086/87	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cumulative Total Over EIFD Term			\$4,440,357,369,318	\$2,867,947,822,064	\$1,670,309,643,228	\$23,994	\$1,646,315,619,233	\$1,197,055,177,647

¹ Represents aggregate Gross Tax Increment and City Share of Increment figures without consideration for Commencement Date.

² The Commencement Date for the Allocated Tax Revenue and Conditional Tax Revenue is determined separately for each Project Area based upon the conditions set forth in Section D.6 of this IFP. Figures reflect the sum of Allocated Tax Revenue or Conditional Tax Revenue projections for each project area, as shown in the Exhibit D tables.

(c) **Plan for Financing Facilities**

(i) *Facilities.* Multiple capital sources will be needed to pay for the Facilities to be financed by the EIFD. The currently contemplated capital sources related to the Facilities to be financed by the EIFD include:

- developer capital to be advanced by the Developer of the Potrero Power Station Project;

- proceeds from Bonds secured by and payable from the Allocated Tax Revenue and the Conditional Tax Revenue to be issued by the EIFD;
- proceeds from other debt (as defined in the EIFD Law) secured by and payable from the Allocated Tax Revenue to be issued by the EIFD;
- Allocated Tax Revenue not utilized in the payment of debt service on Bonds or other debt, utilized on a pay-go basis;
- proceeds of bonds and other debt issued by the City for the CFD;
- proceeds of special taxes levied by the City on the taxable property in the CFD;
- with regard to affordable housing, federal tax credits, qualified private activity bonds, voter-approved general obligation bonds, affordable housing and jobs/housing impact fees, and other local, state and federal affordable housing resources; and
- other capital sources, including commercial construction loans, grants, and loans from governmental agencies, among others.

(ii) *Bonds*. The EIFD intends to issue Bonds as provided in the EIFD Law, and such Bonds may be taxable or tax-exempt, and may be current-interest Bonds, capital appreciation Bonds, fixed-rate Bonds, or variable-rate Bonds.

The EIFD shall consider the issuance of Bonds only upon the written request of the Developer and if the EIFD has received a copy of a Board of Supervisors resolution approving such Bonds. The Bonds will have a term that maximizes the proceeds of the Bonds but is consistent with sound municipal financing practices and the limitations on the EIFD's receipt of Allocated Tax Revenue described in Sections D.7(d) ("*Limit on Total Dollars Allocated to the EIFD*") and D.7(e) ("*Termination Date*") below.

When issuing Bonds, the EIFD shall comply with the provisions of the Acquisition and Financing Agreement, including consulting with the City's Office of Public Finance as to the timing, parameters, and terms of any Bonds.

Allocated Tax Revenue will be used exclusively to finance the following in the priority listed below:

- (A) to pay EIFD administrative costs;
- (B) to pay debt service on Bonds or other debt and to replenish any reserve funds associated with Bonds;
- (C) to repay the City for any expenditures of Conditional Tax Revenue actually spent on debt service on Bonds or to replenish any reserve funds for the Bonds; and
- (D) to accumulate over time and, from time to time at the Developer's request, to pay directly or reimburse the Developer for the Actual Costs of Facilities.

(iv) *Anticipated Financing Plan.*

Nothing in this IFP shall obligate the EIFD or the City to provide any moneys or funding sources other than the Allocated Tax Revenue and the Conditional Tax Revenue to the extent set forth herein, and neither the EIFD nor the City makes any representation that such moneys or funding sources will be available.

(d) **Limit on Total Dollars Allocated to the EIFD**

(i) *Allocated Tax Revenue.* After providing an allowance for variations in future inflation, it has been determined that the total nominal dollar amount of Allocated Tax Revenue to be allocated to the EIFD from the Project Areas over the life of the EIFD shall not exceed \$3.3429 billion, which reflects a contingency factor of 100% over the projections presented in Table 78 and Exhibit D to account for potential changes in the escalation rates of assessed values and the Actual Costs of the Facilities.

The City intends for Allocated Tax Revenue in excess of the authorized uses described in this IFP to be returned to the City. The EIFD would begin returning excess Allocated Tax Revenue to the City beginning in the fiscal year after the Facilities have been fully-financed (including any financing provided by the EIFD), the Bonds and all related costs have been paid in full, the City has been repaid for any Conditional Tax Revenue as described above, and the EIFD has paid all amounts required by the Acquisition and Financing Agreement. Excess tax increment shall consist of any Allocated Tax Revenue that is not required for the purposes set forth in this IFP and the Acquisition and Financing Agreement, including (i) debt service on Bonds and other Bond-related obligations (such as replenishment of debt service reserve funds), (ii) payments required on other debt of the EIFD, (iii) reimbursement of the City for the EIFD's use of Conditional Tax Revenue, (iv) pay-go payments for Facilities, and (v) EIFD administrative expenses. The EIFD shall provide the City an annual accounting of the status of the financing of the approved Facilities and the amount of any excess Allocated Tax Revenue. For the avoidance of doubt, nothing in this IFP is intended to require the Allocated Tax Revenue to be immediately spent on such authorized purposes; rather Allocated Tax Revenue may be accumulated and spent for authorized purposes over a period of time. The accumulation of Allocated Tax Revenue for authorized purposes shall not be construed as excess Allocated Tax Revenue subject to return to the City.

(ii) *Conditional Tax Revenue.* After providing an allowance for variations in future inflation, it has been determined that the total nominal dollar amount of Conditional Tax Revenue to be conditionally allocated to the EIFD from the Project Areas over the life of the EIFD shall not exceed \$2.3936 billion, which reflects a contingency factor of 100% over the projections presented in Table 78 and Exhibit D to account for potential changes in the escalation rates of assessed values and the Actual Costs of the Facilities.

The EIFD cash flow projection used to calculate these limits these is set forth in Appendix D.

(e) **Termination Date**

Each Project Area will have a unique date (the “Termination Date”) on which this IFP will cease to be in effect with respect to such Project Area, all allocations of Allocated Tax Revenue to the EIFD from such Project Area will end and the EIFD’s authority to repay Bonds and other debt with Allocated Tax Revenue from the Project Area under the EIFD Law will end. For each Project Area, the Termination Date will be the final day of the fiscal year that occurs 45 years after the Commencement Date for such Project Area. The Termination Date shall be calculated separately for each Project Area.

Exhibit D includes projections of the first fiscal year in which the EIFD expects to receive \$100,000 of Allocated Tax Revenue from each Project Area and the final year in which the Allocated Tax Revenue and the Conditional Tax Revenue would be allocated to the EIFD from each Project Area.

(f) **Analysis of Costs to Provide Facilities and Services**

Exhibit E provides a summary that details the projected fiscal expenditures by the City for facilities and services to the EIFD while the area is being developed and after the area is developed.

(g) **Fiscal Impact Analysis**

Exhibit E of the IFP provides a summary of the estimated impact of the EIFD and the Potrero Power Station Project on the City’s fiscal revenues.

(h) **Developer Reimbursement for Transit Priority Project**

The EIFD is not intended to finance any potential costs that may be incurred by reimbursing a developer of a project that is both located entirely within the boundaries of the EIFD and qualifies for the Transit Priority Project Program, pursuant to California Government Code Section 65470. The Potrero Power Station Project does not qualify as a Transit Priority Project.

E. REMOVAL OF DWELLING UNITS AND REPLACEMENT HOUSING PLAN

Because no dwelling units exist within the territory of the EIFD as of the date of adoption of this IFP by the PFA, the EIFD Law does not require this IFP to include a plan for the replacement of dwelling units or the relocation of persons or families.

F. GOALS OF THE EIFD

The City’s goal in proposing establishment of the EIFD was to help address a shortfall in financing for the provision of Facilities of communitywide significance that provide significant benefits and promote economic development and the construction of housing (including affordable housing) within the boundaries of the EIFD or the surrounding community.

G. FUTURE AMENDMENTS OF THIS INFRASTRUCTURE FINANCING PLAN

1. *Amendments related to the Development Agreement and the Financing Plan.*

The provisions of the Development Agreement, the Development Agreement Financing Plan and the Acquisition and Financing Agreement, as they may be amended from time to time, are incorporated in this IFP as if fully set forth herein, and any such amendments of the Development Agreement, the Development Agreement Financing Plan and the Acquisition and Financing Agreement shall not require an amendment of this IFP. Nothing in this IFP shall prevent any amendment to the Development Agreement, the Development Agreement Financing Plan and the Acquisition and Financing Agreement.

2. *Amendments of Project Area Boundaries Related to Subdivision of Project Area A and Project Area B.*

See Section A for a discussion of future amendments of the boundaries of the EIFD and Project Areas related to subdivision of the parcels constituting Project Area A and Project Area B.

3. *Amendments of Project Area Boundaries Related to Tax Rate Areas.*

See Section A for a discussion of future amendments of the boundaries of the EIFD and Project Areas for purposes of coordinating tax rate areas.

4. *Approval by the City and the Developer.*

Other than amendments described in 1-3, inclusive, above, any amendment of this IFP shall require written approval by (i) the Board of Supervisors of the City and (ii) the Developer.

H. DEFAULTS AND REMEDIES

In the event that the EIFD defaults under its obligations under the Acquisition and Financing Agreement, and an Event of Default (as defined in the Acquisition and Financing Agreement) occurs, the City and the Developer may exercise all legal and equitable remedies available, including but not limited to, filing proceedings to compel injunctive relief or specific performance of the IFP and the Acquisition and Financing Agreement; provided however, the City, the Developer and the EIFD have determined that, to the extent permitted under applicable law, the exclusive remedy should be an action for injunctive relief or specific performance of the IFP and the Acquisition and Financing Agreement. The EIFD acknowledges and agrees that a failure of the EIFD to timely perform any duty, obligation, or covenant under the IFP, including the application of the Allocated Tax Revenue and Conditional Tax Revenue in accordance with the IFP and the application of such Allocated Tax Revenue to fund the Facilities in accordance with the Acquisition and Financing Agreement, will cause irreparable harm to the Developer that cannot be fully compensated by monetary damages and shall entitle the Developer to seek injunctive relief or specific performance. In addition, the City shall also be entitled to all legal and equitable remedies, including, but not limited to, injunctive relief to compel the EIFD to perform its duties, obligations, or covenants under the IFP and the Acquisition and Financing Agreement.

Due to the unique nature of the IFP and the Potrero Power Station Project and because time is of the essence in the performance of obligations under the IFP, the City and the EIFD have waived in the Acquisition and Financing Agreement the procedural protections of the Government Claims Act, California Government Code Section 810 et seq, in connection with any

dispute related to or arising out of the IFP or the Acquisition and Financing Agreement, including those procedures requiring the filing of an administrative claim within the applicable statute of limitation.

Except as expressly limited by this IFP or the Acquisition and Financing Agreement, the rights and remedies of the parties to the Acquisition and Financing Agreement regarding the enforcement of the IFP shall be cumulative, and the exercise by any party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies contained in the Acquisition and Financing Agreement for the same breach by the applicable party. In addition, the remedies provided in the Acquisition and Financing Agreement regarding the enforcement of the IFP do not limit the remedies provided in other Potrero Power Station Project agreements (such as the Development Agreement).

Exhibit A - Legal Description

[\[Omitted\]](#)

Exhibit B - Site Map

| [\[Omitted\]](#)

Exhibit C -Facilities Eligible for Financing by the EIFD⁴

DESCRIPTION OF FACILITIES

The EIFD shall be authorized to finance all or a portion of the costs of the purchase, construction, expansion, improvement, seismic retrofit, rehabilitation, repair, replacement or maintenance of the public capital facilities or other projects (whether publicly- or privately-owned) of communitywide significance that are (i) authorized by the EIFD Law and (ii) ~~related to~~required or permitted by the Development Agreement, the Plan Documents or the Approvals for the development of the project known as the Potrero Power Station Project, including, but not limited to, the actual costs of those facilities and projects of communitywide significance described below (the "Facilities") and those costs described below.

The Facilities may be owned by a public agency (including, but not limited to, the City and County of San Francisco (including through its Port Commission or other City agencies, collectively, "City")) or privately-owned as permitted by the EIFD law.

Facilities may be physically located within or outside the boundaries of the EIFD; any Facilities that are located outside the boundaries of the EIFD must have a tangible connection to the work of the EIFD.

Unless otherwise indicated, capitalized terms used herein but not defined herein have the meanings given them in the Development Agreement.

The Facilities include, but are not limited to, the following:

1. Infrastructure, as defined in the Development Agreement, constructed or caused to be constructed by Developer.
2. Parks and Open Space, as defined in the Development Agreement, including any Interim Uses, as defined in Planning Code section 249.87.
3. Public Improvements, as defined in the Development Agreement.
4. Privately-Owned Community Improvements, as defined in the Development Agreement, constructed or caused to be constructed by Developer and located within the EIFD or offsite on City- or privately-owned land.
5. Affordable Housing. The acquisition, construction, or rehabilitation of housing ~~for~~ for persons of very low, low, and moderate income, as defined in Sections 50105 and 50093 of the California Health and Safety Code, for rent or purchase.
6. TDM Measures, as defined in the Transportation Plan attached to the Development Agreement.
7. Improvements, Waterfront Park, and Recreational Dock, all as defined in the Ground Lease (No. L-16662) between the City, operating by and through the San Francisco Port Commission and California Barrel Company LLC dated as of March 15, 2021, as it may be amended from time to time (the "Port Lease").
8. Port Approval Items, as described on Exhibit G to the Port Lease.

⁴ The description of Facilities set forth in this Exhibit C has been modified from the description of Facilities included in Exhibit A of the Resolution of Intention.

9. 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 it may be amended from time to time.
10. The partial demolition, abatement, stabilization and/or rehabilitation of existing structures for incorporation into the Potrero Power Station Project, including "Station A", "Unit 3" and "The Stack."
11. Developer's contribution to the costs of developing an (i) Enlarged Pump Station on the Pier 70 site (which eliminates the need to build the pump station included in the Power Station Infrastructure Plan (see section 14.4.1.1, Northern Connection Alternative)) and (ii) the SFPUC Sewer Connection in connection therewith.
12. Developer's contribution for tenant improvements in YMCA or other community facilities located at Power Station and/or the surrounding area (such as Building 49 at Crane Cove Park).
- ~~13. Other facilities and improvements (whether publicly or privately owned) authorized by the Development Agreement and eligible to be financed by the EIFD pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53398.50.~~

OTHER EXPENSES

The EIFD may also finance any of the following:

1. Costs described in Government Code Sections 53398.53, 53398.56, 53398.57 and 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.
2. Costs incurred in connection with the division of taxes pursuant to Government Code Section 53398.75.
3. ~~The ongoing or~~ capitalized costs to maintain the Facilities financed in whole or in part by the Power Station EIFD.
4. Expenses related to bonds and other debt of the EIFD, including 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.
5. Administrative fees of the City, the EIFD and the bond trustee or fiscal agent related to the bonds and other debt of the EIFD.
6. Reimbursement of costs related to the formation of the EIFD (and the Project Areas) advanced by the City, the landowner(s) in the EIFD, 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 EIFD or any party related to any of the foregoing, for Facilities, fees or other purposes or costs of the EIFD.
7. Costs otherwise incurred in order to carry out the authorized purposes of the EIFD; and any other expenses incidental (including administrative and legal costs) to the EIFD and to the construction, expansion, improvement, seismic retrofit, rehabilitation, completion, inspection, or acquisition of the Facilities.

Exhibit D - Annual Estimates of Tax Increment to be Allocated to the EIFD

[\[Omitted\]](#)

Exhibit E -Power Station Fiscal Impact Analysis

[\[Omitted\]](#)