Power Station EIFD Formation
Office of Public Finance & Office of Economic and Workforce Development
Capital Planning Committee

February 27, 2023
Power Station at Full Buildout
The Project is located on an approximately 29-acre site along San Francisco’s Central Waterfront (the site of the former Potrero Power Plant that was decommissioned in 2012)
Project Overview

**Power Station Program**

- 2,600 residential units (30% affordable)
- 1,600,000 gsf commercial uses (life science or office)
- 7 acres of new public parks and waterfront open space
- 250,000 gsf hotel
- 100,000 gsf retail
Project Public Benefits

- **Housing:** 30% affordable in every phase (up to 780 total affordable units, two-thirds onsite)
- **Transportation:** bus stop and layover facilities, shuttle to BART, $61M in transportation fees
- **Workforce Development:** robust First Source Hiring and LBE agreements – includes specific tech/biotech programs
- **Open Space:** 7 acres of new open space – includes passive and active recreation
- **Community Facilities and Historic Preservation:** space for new YMCA, on-site childcare facilities, retention of “Station A” complex
- **Adaptation/Resiliency/Benefits to Port:** improvements to shoreline areas never before open to public
## Construction Progress

<table>
<thead>
<tr>
<th>Milestones</th>
<th>Start</th>
<th>Completion</th>
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<tbody>
<tr>
<td>Demolition &amp; Grading</td>
<td>Q1 2021</td>
<td>Q2 2023</td>
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<tr>
<td>Tank Farm Remediation</td>
<td>Q1 2022</td>
<td>Q4 2022</td>
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<tr>
<td>Streets &amp; Infrastructure (Phase 1)</td>
<td>Q1 2023</td>
<td>Q4 2025</td>
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<tr>
<td>Start Vertical Construction</td>
<td>Q4 2023</td>
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Net Fiscal Benefit Analysis

- EPS has prepared a fiscal impact report to demonstrate the project’s net fiscal impact after the diversion of IFD revenues.
- On behalf of the Controller’s Office and OEWD, the City’s fiscal consultant Keyser Marston Associates has peer reviewed the analysis and has confirmed that the project will generate a net fiscal benefit.
- A more detailed projected fiscal impact of the EIFD will be prepared during the creation of the Infrastructure Financing Plan, prior to adoption of the EIFD for the project.

<table>
<thead>
<tr>
<th>Estimated Power Station Tax Increment</th>
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<tbody>
<tr>
<td>Power Station Property Tax - General Fund Revenue</td>
<td>23,434,560</td>
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<tr>
<td>Power Station - Special Funds</td>
<td>3,794,169</td>
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<tr>
<td>Power Station - Property Tax in lieu of VLF</td>
<td>4,434,396</td>
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<tr>
<td><strong>Total Power Station – TIF Revenue</strong></td>
<td>31,663,125</td>
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<tr>
<td>Developer Share Property Tax – General Fund Revenue (50%)</td>
<td>11,717,280</td>
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<tr>
<td>Developer Share – Special Funds (50%)</td>
<td>1,897,084</td>
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<tr>
<td>Developer Share – Property Tax in lieu of VLF (50%)</td>
<td>2,217,198</td>
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<tr>
<td><strong>Developer Share of Power Station TIF Revenue</strong></td>
<td>15,831,563</td>
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<tr>
<td><strong>City Share of Tax Increment</strong></td>
<td>15,831,563</td>
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EIFD Eligible Uses

**Facilities**
- Streets and Sidewalks
- 21st Century Infrastructure
- New Seawall and Shoreline Improvements
- Parks and Open Space
- Additional Community Facilities
- Privately-Owned, Publicly Accessible Community Improvements
- Preservation of Historic Structures
- Affordable Housing

**Other**
- Bond related expenses
- Administrative fees
- Reimbursement of costs related to the formation of the EIFD and Project Area(s)
Why an EIFD at Power Station?

- EIFD reduces the project’s cost of public infrastructure on a dollar-for-dollar basis at a moment when infrastructure is not financeable.

- EIFD provides a predictable source of funding for vertical construction in future phases of the project – signaling to the market a clear (and contractual) path forward.

- Absent EIFD, even high momentum projects like Power Station that require significant infrastructure will pause or stop.

- With an EIFD, infrastructure construction will begin Q1 2023, and vertical construction can start as early as Q4 2023.
Thank you