

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 15-0194

**APPOINTMENT OF U.S. BANK NATIONAL ASSOCIATION AS TRUSTEE FOR THE AIRPORT COMMISSION'S HOTEL SPECIAL FACILITY BONDS UNDER A TRUST AGREEMENT AND AS PROVIDER OF COMMERCIAL BANKING SERVICES FOR THE ON-AIRPORT HOTEL UNDER A CASH MANAGEMENT AND LOCKBOX AGREEMENT, EACH FOR AN INITIAL TERM OF TEN YEARS WITH AN INITIAL COMPENSATION AMOUNT NOT TO EXCEED \$500,000; AUTHORIZATION TO EXECUTE DOCUMENTS; AND RELATED MATTERS**

WHEREAS, the Airport Commission (the "Commission") anticipates issuing its San Francisco Special Facility Revenue Bonds (San Francisco International Airport Hotel) (the "Hotel Special Facility Bonds") under a Trust Agreement between the Commission and a bond trustee (the "Trust Agreement"), in accordance with Section 2.16 of the Commission's 1991 Master Bond Resolution No. 91-0210, as amended and supplemented (the "1991 Resolution"); and

WHEREAS, the Hotel Special Facility Bonds will finance the construction of a Commission-owned hotel (the "Hotel") at the San Francisco International Airport and require the appointment of a bank with corporate trust powers to act as trustee under the Trust Agreement while the Hotel Special Facility Bonds are outstanding; and

WHEREAS, the successful operation of the Hotel also requires a bank to provide commercial banking services, including collecting and safeguarding Hotel revenues in a lockbox account, all in accordance with a Cash Management and Lockbox Agreement among the Commission, the Hotel operator and the trustee bank (the "Lockbox Agreement"); and

WHEREAS, the forms of the Trust Agreement and the Lockbox Agreement are on file with the Commission Secretary; and

WHEREAS, on October 5, 2010, by Resolution No. 10-0307, the Commission authorized the selection of a bond trustee bank by means of a competitive selection process, and Request for Proposals (RFP) No. 50006.C was issued on August 21, 2015, to solicit proposals from qualified firms to provide bond trustee and commercial banking services; and

WHEREAS, Airport staff received one proposal from U.S. Bank National Association, which met the minimum qualifications; and

WHEREAS, Airport staff has reached agreement in principal with U.S. Bank National Association, the sole proposer, on the terms of the Trust Agreement and the Lockbox Agreement, and recommends that the Commission authorize the execution of such agreements with U.S. Bank National Association; and

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WHEREAS, the Airport Master Plan was the subject of a Program Environmental Impact Report (“EIR”) certified by the San Francisco Planning Commission on May 28, 1992 by Motion No. 13356; and

WHEREAS, the Environmental Planning Division of the San Francisco Planning Department reviewed the Hotel Project and issued an addendum to the EIR (“Addendum”) on February 5, 2014, determining that the Hotel Project is within the scope of the EIR and no additional environmental review is required under the California Environmental Quality Act (Public Resources Code Section 21000 et seq., “CEQA”); and

WHEREAS, on May 19, 2014, the Commission, by Resolution No. 14-0095, adopted findings under the CEQA related to the Hotel Project, determined to proceed with the Hotel Project, and authorized the Airport Director to proceed with implementation of the Hotel Project; and

WHEREAS, the project files, including the EIR, Addendum, and Commission Resolution No. 14-0095, have been made available for review by the Commission and the public, and those files are part of the record before the Commission; now, therefore, be it

RESOLVED, that this Commission has reviewed and considered the information in the EIR and Addendum, and hereby incorporates the CEQA findings contained in Resolution No. 14-0095, including findings of the Statement of Overriding Considerations, by this reference as though fully set forth in this Resolution; and, be it further

RESOLVED, that this Commission finds that since the EIR and Addendum were finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the EIR and Addendum; and, be it further

RESOLVED, that this Commission hereby approves: (a) the appointment of U.S. Bank National Association as trustee for the Hotel Special Facility Bonds and as provider of commercial banking services for the Hotel, and (b) the execution and delivery of the Trust Agreement and the Lockbox Agreement with U.S. Bank National Association in substantially the forms presented and on file with the Commission Secretary, with such changes thereto as the Airport Director may approve, upon consultation with the City Attorney, the Airport’s financial advisors and bond counsel, such approval to be conclusively evidenced by the

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execution and delivery thereof, for an initial term of ten years, with three ten-year options to extend the term exercisable at the discretion of the Airport Commission, and with an initial compensation amount for bond trustee and commercial banking services not to exceed \$500,000; and, be it further

RESOLVED, that the Commission Secretary, for and on behalf of and in the name of the Commission, is authorized and directed to seek any approvals the Airport Director deems necessary or desirable from the Board of Supervisors of the City in order to carry out the intents and purposes of this Resolution, including approval of the appointment of the Bank as trustee for the Hotel Special Facility Bonds and as provider of customary commercial banking services for the Hotel, and the execution and delivery of the Trust Agreement and the Lockbox Agreement with U.S. Bank National Association under Section 9.118 of the San Francisco Charter; and, be it further

RESOLVED, that the actions of the officers, agents, and employees of the Commission taken prior to the adoption of this Resolution to carry out the purposes and intents of this Resolution are ratified, approved and confirmed; and, be it further

RESOLVED, that the Airport Director and the other officers, agents, and employees of the Commission are hereby authorized and directed to execute such documents, agreements, and certificates and to take such other actions, in consultation with the City Attorney, as may be necessary or desirable to accomplish the purposes set forth in this Resolution and the transactions contemplated hereby.

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*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

~~DATE~~ **OCT 02 2015**

*at its meeting of* \_\_\_\_\_

  
Secretary