

1 [Certificates of Participation for 525 Golden Gate Avenue.]

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3 **Resolution approving the form of and authorizing the distribution of a preliminary official**
4 **statement relating to the issuance of City and County of San Francisco certificates of**
5 **participation and authorizing the preparation, execution and delivery of a final official**
6 **statement; delegating to the Director of Public Finance the authority to sell the**
7 **certificates by either a competitive or negotiated sale; ratifying the approvals and terms**
8 **and conditions of a previous resolution; and related matters.**

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10 WHEREAS, Pursuant to the terms of Resolution No. 87-08, adopted by the Board of
11 Supervisors (the "Board") on February 26, 2008, and approved by the Mayor of the City on
12 February 29, 2008 (the "2008 Resolution"), the Board authorized the issuance of not to
13 exceed \$167,670,000 aggregate principal amount of its Certificates of Participation (the
14 "Certificates") for the purpose of financing the acquisition, demolition, improvement,
15 installation, equipping, rehabilitation, construction and/or reconstruction of a new San
16 Francisco Public Utilities Commission office building at 525 Golden Gate Avenue; and,

17 WHEREAS, In the 2008 Resolution the Board approved the forms and execution and
18 delivery of documents related to the Certificates and authorized and directed the Director of
19 the Mayor's Office of Public Finance, now known as the Office of Public Finance (the
20 "Director"), to provide for the competitive sale of the Certificates using the approved forms of
21 such documents and subject to certain terms and conditions; and,

22 WHEREAS, Among other matters, the 2008 Resolution included a provision approving
23 the form of a preliminary official statement relating to the Certificates (the "2008 Preliminary
24 Official Statement"); and,

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1 WHEREAS, The 2008 Resolution also included provisions approving the forms of
2 Official Notice of Sale and Notice of Intention to Sell relating to the Certificates; and

3 WHEREAS, The Director has determined to undertake the issuance of the Certificates,
4 under the authority granted by and subject to the terms and conditions set forth in the 2008
5 Resolution; and

6 WHEREAS, In the time since the Board approved the form and authorized the
7 distribution of the 2008 Preliminary Official Statement, the City's budget and finances have
8 changed significantly; and,

9 WHEREAS, In connection with these changes, the Director and the City Attorney now
10 seek approval of the form of revised preliminary official statement relating to the Certificates
11 (the "2009 Preliminary Official Statement"); and,

12 WHEREAS, In the time since the Board approved the 2008 Resolution, the capital
13 markets have continued to experience severe turmoil, including the market for municipal
14 securities; and

15 WHEREAS, In connection with this turmoil, the Director seeks the authority to choose
16 with respect to the Certificates either a negotiated sale or a competitive sale on terms that are
17 advantageous financially to the City; and

18 WHEREAS, The Director now seeks approval of the form of a purchase agreement
19 relating to a negotiated sale (the "Purchase Agreement"); and

20 WHEREAS, The Director has submitted the form of the 2009 Preliminary Official
21 Statement and the form of the Purchase Agreement to the Board; such documents are on file
22 with the Clerk of the Board of Supervisors in File No. _____, which is hereby declared to
23 be a part of this Resolution as if set forth fully herein; now, therefore, be it

24 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
25 follows:

1 Section 1. Recitals. All of the recitals herein are true and correct.

2 Section 2. Official Statement. The Controller of the City (the "Controller") is hereby
3 authorized and directed, in consultation with the City Attorney, to prepare a preliminary official
4 statement relating to the Certificates. The form of 2009 Preliminary Official Statement is
5 hereby approved with such changes, additions, amendments or modifications made in
6 accordance with Section 3 hereof. The Controller is hereby authorized to cause the
7 distribution of the 2009 Preliminary Official Statement in connection with the Certificates,
8 deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as
9 amended, and to sign a certificate to that effect. The Controller is hereby further authorized
10 and directed to prepare and sign a final Official Statement for the Certificates. The Co-
11 Financial Advisors to the City (the "Co-Financial Advisors"), under the direction of the Director,
12 are hereby authorized and directed to cause to be printed and mailed, or distributed
13 electronically, to prospective bidders or purchasers, as appropriate, for the Certificates, copies
14 of the 2009 Preliminary Official Statement and the final Official Statement relating to such
15 Certificates.

16 Section 3. Modifications to Preliminary Official Statement. The Controller is further
17 authorized, in consultation with the City Attorney, to approve and make such changes,
18 additions, amendments or modifications to the 2009 Preliminary Official Statement or the final
19 Official Statement described in Section 2 as may be necessary or advisable, including to the
20 extent necessary to provide for the issuance of BABs (as defined in Section 5 hereof). The
21 approval of any change, addition, amendment or modification to the 2009 Preliminary Official
22 Statement or the final Official Statement shall be evidenced conclusively by the delivery of the
23 2009 Preliminary Official Statement and the execution and delivery of the final Official
24 Statement.

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1 Section 4. Authorization for Negotiated Sale; Authorization to Select Underwriters;
2 Approval of the Form of Purchase Contract. The Director is hereby authorized to sell the
3 Certificates by negotiated sale pursuant to a purchase contract, if the Director determines that
4 such manner of sale is in the best interest of the City, such determination to be conclusively
5 evidenced by the execution and delivery of a purchase contract for the Certificates. The
6 Director is hereby authorized and directed to appoint one or more investment banking firms to
7 act as underwriters of the Certificates in accordance with City policies and procedures as such
8 are revised from time to time, including, but not limited to, the City's policy to provide locally
9 disadvantaged minority business enterprises and women enterprises an equal opportunity to
10 participate in the performance of all City contracts. The form of the Purchase Contract
11 between the City and one or more underwriters selected by the Director, as presented to this
12 Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The
13 underwriters' discount under the Purchase Agreement shall not exceed 2.00% of the principal
14 amount of the Certificates. If the Director determines to sell the Certificates by negotiated
15 sale, the Director is hereby authorized to execute the Purchase Contract, with such changes,
16 additions, modifications or deletions as the Director may approve upon consultation with the
17 City Attorney, such approval to be conclusively evidenced by the execution and delivery of the
18 Purchase Contract.

19 Section 5. Authorization for Build America Bonds. The Director is hereby authorized to
20 cause all or a portion of the Certificates to be designated and issued as federally taxable
21 "Build America Bonds" (the "BABs") under the American Recovery and Reinvestment Act, if
22 the Director determines that the issuance of BABs, after taking into account the Federal cash
23 subsidy payment to the City, will result in lower true interest costs on the Certificates, or the
24 portion so designated and issued as BABs, such determination to be conclusively evidenced
25 by the execution and delivery of the Purchase Contract.

1 Section 6. Ratification. The terms and conditions and approvals of the 2008
2 Resolution, except as such terms and conditions and approvals are superseded by this
3 resolution, are hereby approved, confirmed and ratified.

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5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

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8 By: _____
9 KENNETH DAVID ROUX
10 Deputy City Attorney