

1 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation (Multiple Capital  
2 Improvement Projects) - Not to Exceed \$67,500,000]

3 **Ordinance authorizing the execution and delivery of Certificates of Participation, in one**  
4 **or more series on a tax-exempt and/or taxable basis and from time to time, evidencing**  
5 **and representing an aggregate principal amount of not to exceed \$67,500,000**  
6 **(“Certificates”), to finance and refinance certain capital improvement projects within**  
7 **the City, including but not limited to certain projects within the City and County of San**  
8 **Francisco’s (“City”) capital plan and generally consisting of critical repairs,**  
9 **renovations and improvements to City-owned buildings, facilities and works utilized by**  
10 **various City departments and local economic stimulus projects, generally consisting of**  
11 **repairs, renovations and improvements, designed to help build a more resilient and**  
12 **equitable San Francisco as part of the City’s recovery from the COVID-19 pandemic,**  
13 **including through the retirement of certain commercial paper notes of the City issued**  
14 **for such purposes; approving the form of a Supplement to Trust Agreement between**  
15 **the City and U.S. Bank National Association, as trustee (“Trustee”) (including certain**  
16 **indemnities contained therein); approving respective forms of a Supplement to**  
17 **Property Lease and a Supplement to Project Lease, each between the City and the**  
18 **Trustee, for the lease and lease back of all or a portion of certain real property and**  
19 **improvements owned by the City and located at 375 Laguna Honda Boulevard within**  
20 **the City and at 1 Moreland Drive, San Bruno, California, and/or other property as**  
21 **determined by the Director of Public Finance; approving the form of an Official Notice**  
22 **of Sale and a Notice of Intention to Sell the Certificates; approving the form of an**  
23 **Official Statement in preliminary and final form; approving the form of a purchase**  
24 **contract between the City and one or more initial purchasers of the Certificates;**  
25 **approving the form of a Continuing Disclosure Certificate; granting general authority to**

1 **City officials to take necessary actions in connection with the authorization, sale,**  
2 **execution and delivery of the Certificates, as defined herein; approving modifications**  
3 **to documents, as defined herein; and ratifying previous actions taken in connection**  
4 **therewith, as defined herein.**

5 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
7 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
8 **Board amendment additions** are in double-underlined Arial font.  
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
10 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
11 subsections or parts of tables.

12 Be it ordained by the People of the City and County of San Francisco:

13 WHEREAS, The Board of Supervisors (“Board of Supervisors” or “Board”) of the  
14 City and County of San Francisco (“City”) desires to provide funds to (i) finance and  
15 refinance certain capital improvement projects within the City, including but not limited to  
16 certain projects within the City’s capital plan and generally consisting of critical repairs,  
17 renovations and improvements to City-owned buildings, facilities and works utilized by  
18 various City departments and local economic stimulus projects, generally consisting of  
19 repairs, renovations and improvements, designed to help build a more resilient and  
20 equitable San Francisco as part of the City’s recovery from the COVID-19 pandemic, and  
21 (ii) retire certain commercial paper notes of the City issued for such purposes (collectively,  
22 the “Project”), (iii) fund a debt service or other similar reserve for the Certificates, as  
23 appropriate; and (iv) pay costs of issuance of the Certificates, and the City is authorized  
24 pursuant to its charter (“Charter”) and the laws of the State to enter into lease financings for  
25 such purposes; and

1           WHEREAS, The City and U.S. Bank National Association, as trustee (“Trustee”),  
2           have previously entered into a Property Lease, dated as of May 1, 2009 (“Original Property  
3           Lease”), pursuant to which the City has leased certain real property and all improvements  
4           thereon, generally consisting of certain land and improvements comprising portions of the  
5           Laguna Honda Hospital campus within the City (“Laguna Honda Hospital”), owned by the  
6           City and located at 375 Laguna Honda Boulevard within the City (collectively, the “Prior  
7           Leased Property”) to the Trustee; and

8           WHEREAS, The Trustee and the City have previously entered into a Project Lease,  
9           dated as of May 1, 2009 (“Original Project Lease”), pursuant to which the Trustee has  
10          leased the Prior Leased Property back to the City; and

11          WHEREAS, The City previously caused the execution and delivery of the City and  
12          County of San Francisco Certificates of Participation, Series 2009A (Multiple Capital  
13          Improvement Projects) (“2009A Certificates”) pursuant to a Trust Agreement, dated as of  
14          May 1, 2009, by and between the City and the Trustee (“Original Trust Agreement” and,  
15          together with the Original Property Lease and the Original Project Lease, the “Original  
16          Agreements”); and

17          WHEREAS, The 2009A Certificates evidenced direct undivided interests in the  
18          lease payments made by the City under the Original Project Lease; and

19          WHEREAS, The Original Trust Agreement provides for the issuance of additional  
20          certificates of participation by the execution and delivery of a supplement to the Original Trust  
21          Agreement, and authorizes the principal and interest with respect to said certificates of  
22          participation to be secured by a supplement to the Original Property Lease and to be paid  
23          from amounts paid by the City under a supplement to the Original Project Lease;

24          WHEREAS, The City subsequently caused the execution and delivery of the City and  
25          County of San Francisco Certificates of Participation, Series 2009B (Multiple Capital

1 Improvement Projects) (“2009B Certificates” and, together with the 2009A Certificates, “2009  
2 Certificates”) pursuant to a First Supplement to Trust Agreement, dated as of September 1,  
3 2009 (“First Supplement to Trust Agreement”), supplementing the Original Trust Agreement;  
4 and

5 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
6 into a First Supplement to Property Lease, dated as of September 1, 2009 (“First Supplement  
7 to Property Lease”), supplementing the Original Property Lease; and

8 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
9 into a First Supplement to Project Lease, dated as of September 1, 2009 (“First Supplement  
10 to Project Lease”), supplementing the Original Project Lease; and

11 WHEREAS, The 2009B Certificates evidenced direct undivided interests in the lease  
12 payments made by the City under the Original Project Lease, as supplemented by the First  
13 Supplement to Project Lease, on a parity basis with the 2009A Certificates; and

14 WHEREAS, The City subsequently caused the execution and delivery of the City and  
15 County of San Francisco Certificates of Participation, Series 2012A (Multiple Capital  
16 Improvement Projects) (“2012A Certificates”) pursuant to a Second Supplement to Trust  
17 Agreement, dated as of June 1, 2012 (“Second Supplement to Trust Agreement”),  
18 supplementing the Original Trust Agreement; and

19 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
20 into a Second Supplement to Property Lease, dated as of June 1, 2012 (“Second Supplement  
21 to Property Lease”), supplementing the Original Property Lease; and

22 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
23 into a Second Supplement to Project Lease, dated as of June 1, 2012 (“Second Supplement  
24 to Project Lease”), supplementing the Original Project Lease; and

25 WHEREAS, The 2012A Certificates evidence direct undivided interests in the lease

1 payments made by the City under the Original Project Lease, as supplemented by the First  
2 Supplement to Project Lease and Second Supplement to Project Lease, on a parity basis with  
3 the 2009 Certificates; and

4 WHEREAS, The City subsequently caused the execution and delivery of the City and  
5 County of San Francisco Refunding Certificates of Participation, Series 2019-R1 (Multiple  
6 Capital Improvement Projects) (“2019-R1 Certificates”) pursuant to a Third Supplement to  
7 Trust Agreement, dated as of November 1, 2019 (“Third Supplement to Trust Agreement”),  
8 supplementing the Original Trust Agreement, which 2019-R1 Certificates were issued to  
9 prepay all of the then-outstanding 2009 Certificates; and

10 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
11 into a Third Supplement to Property Lease, dated as of November 1, 2019 (“Third Supplement  
12 to Property Lease”), supplementing the Original Property Lease; and

13 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
14 into a Third Supplement to Project Lease, dated as of November 1, 2019 (“Third Supplement  
15 to Project Lease”), supplementing the Original Project Lease; and

16 WHEREAS, The 2019-R1 Certificates evidence direct undivided interests in the lease  
17 payments made by the City under the Original Project Lease, as supplemented by the First  
18 Supplement to Project Lease, the Second Supplement to Project Lease and the Third  
19 Supplement to Project Lease, on a parity basis with the 2012A Certificates; and

20 WHEREAS, The City subsequently caused the execution and delivery of the City and  
21 County of San Francisco Refunding Certificates of Participation, Series 2020-R1 (Multiple  
22 Capital Improvement Projects) (“2020-R1 Certificates”) pursuant to a Fourth Supplement to  
23 Trust Agreement, dated as of November 1, 2020 (“Fourth Supplement to Trust Agreement”),  
24 supplementing the Original Trust Agreement, which 2020-R1 Certificates were issued to  
25 prepay all of the then-outstanding City and County of San Francisco Refunding Certificates of

1 Participation, Series 2010A (“2010A Certificates”) issued pursuant to that certain Trust  
2 Agreement, dated as of September 1, 2010 (“2010A Trust Agreement”), by and between the  
3 City and the City and U.S. Bank National Association, as successor trustee (“2010A Trustee”);  
4 and

5 WHEREAS, The City’s prepayment of all of the 2010A Certificates permitted the City to  
6 terminate (i) the 2010A Trust Agreement, (ii) that certain Property Lease, dated as of  
7 September 1, 2010 (“2010A Property Lease”), pursuant to which the City had leased certain  
8 City-owned real property located at 1 Moreland Drive, San Bruno, California and all  
9 improvements thereon, generally known as the San Bruno Complex (“San Bruno Complex  
10 Property”) to the 2010A Trustee, and (iii) that certain Project Lease, dated as of September 1,  
11 2010 (“2010A Project Lease”), pursuant to which the 2010A Trustee had leased the San  
12 Bruno Complex Property back to the City, which termination of the 2010A Trust Agreement,  
13 2010A Property Lease and 2010A Project Lease caused the San Bruno Complex Property to  
14 then be unencumbered and vest in the City;

15 WHEREAS, In connection with the execution and delivery of the 2020-R1 Certificates,  
16 the City and the Trustee have previously entered into a Fourth Supplement to Property Lease,  
17 dated as of November 1, 2020 (“Fourth Supplement to Property Lease”), supplementing and  
18 amending the Original Property Lease, including to add the San Bruno Complex Property to  
19 the Leased Property subject thereto; and

20 WHEREAS, In connection with the execution and delivery of the 2020-R1 Certificates,  
21 the City and the Trustee have previously entered into a Fourth Supplement to Project Lease,  
22 dated as of November 1, 2020 (“Fourth Supplement to Project Lease”), supplementing and  
23 amending the Original Project Lease, including to add the San Bruno Complex Property to the  
24 Leased Property subject thereto; and

25 WHEREAS, The 2020-R1 Certificates evidence direct undivided interests in the lease

1 payments made by the City under the Original Project Lease, as supplemented by the First  
2 Supplement to Project Lease, the Second Supplement to Project Lease, the Third  
3 Supplement to Project Lease and the Fourth Supplement to Project Lease, on a parity basis  
4 with the 2012A Certificates and the 2019-R1 Certificates; and

5 WHEREAS, The City subsequently caused the execution and delivery of the City and  
6 County of San Francisco Certificates of Participation, Series 2021A (Multiple Capital  
7 Improvement Projects) (“2021A Certificates”) pursuant to a Fifth Supplement to Trust  
8 Agreement, dated as of May 1, 2021 (“Fifth Supplement to Trust Agreement”), supplementing  
9 the Original Trust Agreement; and

10 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
11 into a Fifth Supplement to Property Lease, dated as of May 1, 2021 (“Fifth Supplement to  
12 Property Lease”), supplementing and amending the Original Property Lease, including to add  
13 the improvements on the Laguna Honda Hospital campus generally known as the South  
14 Residence building and the land associated therewith (collectively, the “South Residence”) to  
15 the Leased Property subject thereto, as authorized by the City’s Ordinance No. 226-19 and its  
16 Ordinance No. 227-19, each approved as of October 11, 2019; and

17 WHEREAS, In connection therewith, the City and the Trustee have previously entered  
18 into a Fifth Supplement to Project Lease, dated as of May 1, 2021 (“Fifth Supplement to  
19 Project Lease”), supplementing and amending the Original Project Lease, including to add the  
20 South Residence to the Leased Property subject thereto, as authorized by the City’s  
21 Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of October 11, 2019;  
22 and

23 WHEREAS, The 2021A Certificates evidence direct undivided interests in the lease  
24 payments made by the City under the Original Project Lease, as supplemented by the First  
25 Supplement to Project Lease, the Second Supplement to Project Lease, the Third

1 Supplement to Project Lease, the Fourth Supplement to Project Lease and the Fifth  
2 Supplement to Project Lease, on a parity basis with the 2012A Certificates, the 2019-R1  
3 Certificates and the 2020-R1 Certificates; and

4 WHEREAS, The 2021A Certificates were executed and delivered by the City in the  
5 aggregate principal amount of \$76,020,000 as portions of the issuance authority provided  
6 therefor under the City's Ordinance No. 226-19 and its Ordinance No. 227-19, each approved  
7 as of October 11, 2019; and

8 WHEREAS, The City, pursuant to its Ordinance No. 226-19 and its Ordinance No. 227-  
9 19, each approved as of October 11, 2019; pursuant to its Ordinance No. 281-19, approved  
10 as of December 20, 2019; and pursuant to its Ordinance No. 222-20, approved as of  
11 November 6, 2020, has authorized (i) the expansion of the Leased Property subject to the  
12 Original Property Lease, as previously supplemented, and to the Original Project Lease, as  
13 previously supplemented, pursuant to additional supplements to such Original Property Lease  
14 and Original Project Lease to be executed and delivered in the future, to include the entire  
15 campus of Laguna Honda Hospital (except for the portion thereof generally known as Laguna  
16 Honda Juvenile Detention Center), and (ii) the execution and delivery of additional certificates  
17 of participation of the City, pursuant to additional supplements to the Original Trust  
18 Agreement, as previously supplemented, to be executed and delivered in the future, to  
19 finance various projects of the City in the remaining aggregate principal amount of up to  
20 \$321,180,000 (collectively, "Additional Certificates") and on a parity basis with the 2012A  
21 Certificates, the 2019-R1 Certificates, the 2020-R1 Certificates, the 2021A Certificates and  
22 any Certificates, when issued, which supplements to the Original Property Lease, Original  
23 Project Lease and Original Trust Agreement may be executed and delivered and which  
24 Additional Certificates may be issued, in whole or in part, on a tax-exempt and/or taxable  
25 basis, prior to, on, or after the date of the adoption of this Ordinance; and



1           WHEREAS, The Board desires to finance the Project and to cause the execution and  
2 delivery of one or more additional series of certificates of participation (as further defined  
3 herein, the “Certificates”) in an aggregate principal amount not to exceed \$67,500,000; and

4           WHEREAS, The Certificates will be executed and delivered in one or more series, from  
5 time to time, on a tax-exempt and/or taxable basis pursuant to a one or more supplements to  
6 the Original Trust Agreement (each, a “Supplement to Trust Agreement”), by and between the  
7 City and the Trustee, supplementing the Original Trust Agreement; and

8           WHEREAS, In connection with the execution and delivery of the Certificates, the Board  
9 desires to cause the execution of one or more supplements to the Original Property Lease  
10 (each, a “Supplement to Property Lease”), supplementing and amending the Original Property  
11 Lease to provide for additional rental to be paid by the Trustee in connection with the  
12 financing of the Project and certain related matters and pursuant to which the City intends to  
13 lease to the Trustee the Prior Leased Property, as previously supplemented, and such other  
14 property specified in the Supplement to Property Lease (collectively, the “Leased Property”);  
15 one or more supplements to the Original Project Lease (each, a “Supplement to Project  
16 Lease”), supplementing and amending the Original Project Lease to provide for the leasing of  
17 the Leased Property back to the City and the additional Base Rental to be paid by the City in  
18 connection with the financing of the Project and certain related matters, with such additional  
19 changes to the Supplement to Property Lease and Supplement to Project Lease as shall be  
20 determined by the City’s Director of Public Finance (defined below); a form of a purchase  
21 contract between the City and one or more initial purchasers of the Certificates (“Purchase  
22 Contract”); a Continuing Disclosure Certificate and certain other related documents; and

23           WHEREAS, The Certificates, when issued, will evidence direct undivided interests in  
24 the lease payments made by the City under the Original Project Lease, as previously  
25 supplemented and amended and as supplemented and amended by the Supplement to

1 Project Lease, on a parity basis with the outstanding 2012A Certificates, 2019-R1 Certificates,  
2 2020-R1 Certificates and 2021A Certificates any other Additional Certificates authorized and  
3 issued pursuant to additional, respective, executed and delivered supplements to the Original  
4 Agreements, prior to the issuance of the Certificates; and

5 WHEREAS, The Board has been presented with the forms of certain documents and  
6 agreements referred to herein relating to the Certificates, and the Board has examined and is  
7 approving each such document and agreement and desires to authorize the execution of such  
8 documents and agreements and the consummation of such financing; and

9 WHEREAS, The Board has received from the City's Office of Public Finance and  
10 disclosed to the public certain good faith estimates, as required by Section 5852.1 of the  
11 California Government Code, regarding certain costs relating to, the net proceeds of, and the  
12 debt service cost of the proposed issuance of the Certificates, which estimated information  
13 has been provided by the City's municipal advisor, KNN Public Finance, LLC, and which  
14 estimated information is based upon conditions that are subject to change prior to, on, or after  
15 the date of final adoption of this Ordinance, including prevailing market conditions; and

16 WHEREAS, Upon the effectiveness of this Ordinance, all conditions, things and acts  
17 required by law to exist, to happen and to be performed precedent to and as a condition of the  
18 execution and delivery of the Supplement or Supplements to Property Lease, the Supplement  
19 or Supplements to Project Lease, the Supplement or Supplements to Trust Agreement, the  
20 Purchase Contract(s), the Continuing Disclosure Certificate, the Official Statement (as defined  
21 herein) and the Certificates will exist, have happened and have been performed in due time,  
22 form and manner in accordance with applicable law, and the City shall be authorized pursuant  
23 to its Charter and other applicable law to execute and deliver each Supplement to Property  
24 Lease, each Supplement to Project Lease, the Purchase Contract(s), the Continuing  
25 Disclosure Certificate, each Supplement to Trust Agreement and the Official Statement and to

1 cause the execution and delivery of the Certificates in the manner and form provided in this  
2 Ordinance; and

3 WHEREAS, The City has paid and expects to pay certain expenditures in connection  
4 with the Project to be financed by the Certificates prior to the execution and delivery of the  
5 Certificates, and the City intends to reimburse itself and to pay third parties for such prior  
6 expenditures from the proceeds of the Certificates; and

7 WHEREAS, Section 1.150-2 of the Treasury Regulations promulgated under the  
8 Internal Revenue Code of 1986, as amended (“Reimbursement Regulations”), requires the  
9 City to declare its reasonable official intent to reimburse prior expenditures with the proceeds  
10 of a subsequent borrowing; and

11 WHEREAS, The Reimbursement Regulations require that any reimbursement  
12 allocation of proceeds of the Certificates to be made with respect to expenditures incurred  
13 prior to the execution and delivery of the Certificates will occur not later than eighteen (18)  
14 months after the later of (i) the date on which the expenditure is paid or (ii) the date on which  
15 the facilities are placed in service, but in no event later than three (3) years after the  
16 expenditure is paid; and

17 WHEREAS, The adoption of this Ordinance constitutes authorization of the Certificates  
18 within the meaning of Section 864 of the California Code of Civil Procedure, as amended, and  
19 any Validation Act that is effective after this Ordinance takes effect; and

20 NOW THEREFORE,

21 Be it ordained by the People of the City and County of San Francisco, as follows:

22 Section 1. Findings. The Board hereby finds and determines that the recitals set  
23 forth above are true and correct.

24 Section 2. Conditions Precedent. All conditions, things and acts required by law to  
25 exist, to happen and to be performed precedent to the execution and delivery of the

1 Certificates exist, have happened and have been performed in due time, form and manner in  
2 accordance with applicable law, and the City is now authorized pursuant to its Charter and  
3 applicable law to incur indebtedness in the manner and form provided in this Ordinance.

4 Section 3. File Documents. The documents presented to the Board and on file with  
5 the Clerk of the Board of Supervisors or his, her or their designee (collectively, the “Clerk”) are  
6 contained in File No. [210645].

7 Section 4. Authorization of the Certificates. The Board hereby authorizes and  
8 approves the execution and delivery of the Certificates in one or more series on a tax-exempt  
9 and/or taxable basis and on one or more delivery dates in accordance with the applicable  
10 Supplement to Trust Agreement. The proceeds of the Certificates will be used, together with  
11 other available funds of the City, to (i) finance and/or refinance the Project, including through  
12 the retirement of certain commercial paper notes of the City issued therefor; (ii) fund a debt  
13 service or other similar reserve, as appropriate; and (iii) pay costs of issuance of the  
14 Certificates. The Certificates shall be designated as “City and County of San Francisco  
15 Certificates of Participation (Multiple Capital Improvement Projects)” with such other or  
16 additional designations as to series and sub-series and the year of execution and delivery as  
17 determined by the Controller’s Director of Public Finance (“Director of Public Finance”) or his,  
18 her or their designee.

19 Section 5. Certain Terms of the Certificates. The Certificates shall evidence an  
20 aggregate principal amount of not to exceed Sixty Seven Million Five Hundred Thousand  
21 Dollars (\$67,500,000), and shall evidence interest at a true interest cost up to but not to  
22 exceed twelve percent (12%) per annum. The Certificates shall be subject to prepayment as  
23 set forth in the applicable Supplement to Project Lease and Supplement to Trust Agreement.  
24 The Director of Public Finance is hereby authorized, to the extent such officer deems it  
25 necessary or advisable and financially advantageous to the City, to procure credit

1 enhancement for the Certificates, including but not limited to municipal bond insurance and/or  
2 a debt service reserve fund surety policy.

3 Section 6. Tax Status of the Certificates. The Director of Public Finance is hereby  
4 authorized, to the extent such officer deems it necessary or advisable and in the interests of  
5 the City, to cause the execution and delivery of the Certificates (i) with interest with respect  
6 thereto being exempt or not exempt from federal income tax, and (ii) under any federal tax law  
7 provisions which provide for federal grants or credits to the City or to investors in lieu of the  
8 exemption of interest from federal income tax.

9 Section 7. Approval of the Supplement to Trust Agreement. The form of a  
10 Supplement to Trust Agreement between the City and the Trustee, as presented to the Board,  
11 a copy of which is on file with the Clerk, is hereby approved. The Mayor of the City (“Mayor”)  
12 or the City’s Controller (“Controller”) or designees thereof are hereby authorized to execute  
13 and deliver one or more Supplements to Trust Agreement in the form hereby approved, and  
14 the Clerk is hereby authorized to attest to and affix the seal of the City on such Supplements  
15 to Trust Agreement, with such changes, additions and modifications as the Mayor or the  
16 Controller may make or approve in accordance with Section 22 hereof.

17 Section 8. Approval of the Supplement to Property Lease. The form of a Supplement  
18 to Property Lease between the City and the Trustee, as presented to the Board, a copy of  
19 which is on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby  
20 authorized to execute and deliver one or more Supplements to Property Lease in the form  
21 hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City  
22 on such Supplements to Property Lease, with such changes, additions and modifications as  
23 the Mayor or the Controller may make or approve in accordance with Section 22 hereof.

24 Section 9. Approval of the Supplement to Project Lease. The form of a Supplement  
25 to Project Lease between the City and the Trustee, as presented to the Board, a copy of

1 which is on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby  
2 authorized to execute and deliver one or more Supplements to Project Lease in the form  
3 hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City  
4 on such Supplements to Project Lease with such changes, additions and modifications as the  
5 Mayor or Controller may make or approve in accordance with Section 22 hereof; provided,  
6 however, that the maximum Base Rental (as defined in the Project Lease) to be paid under  
7 such Supplement to Project Lease in any fiscal year shall not exceed Five Million Seven  
8 Hundred Thousand Dollars (\$5,700,000) and the term of any Supplement to Project Lease  
9 shall not extend beyond the 30<sup>th</sup> year following its date of execution, as such initial term may  
10 be extended in accordance with the Project Lease.

11 Section 10. Approval of the Leased Property and the Base Rental Payments. The  
12 Board hereby approves the leasing, pursuant to the terms of the Supplement to Property  
13 Lease and the Supplement to Project Lease, of all or a portion of the Leased Property,  
14 including as such Leased Property may be supplemented pursuant to the applicable  
15 provisions of the Property Lease and the Project Lease. The Board also hereby approves the  
16 payment by the City of the Base Rental with respect thereto.

17 Section 11. Sale and Award of Certificates by Competitive Sale. In the event the  
18 Director of Public Finance determines to sell the Certificates by competitive sale, the Director  
19 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive  
20 bids for the purchase of the Certificates, and the Controller and the Director of Public Finance  
21 are each hereby authorized and directed to award the Certificates to the bidder whose bid  
22 represents the lowest true interest cost to the City, all in accordance with the procedures  
23 described in the Official Notice of Sale (as defined herein).

24 Section 12. Approval of Form of Official Notice of Sale. The form of an official notice  
25 of sale relating to the Certificates (“Official Notice of Sale”), as presented to this Board, a copy

1 of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public  
2 Finance is authorized to approve the distribution of an Official Notice of Sale for the  
3 Certificates, with such changes, additions and modifications as such official may make or  
4 approve in accordance with Section 22 hereof.

5 Section 13. Approval of Notice of Intention to Sell Relating to the Certificates. The  
6 form of a notice of intention to sell relating to the Certificates (“Notice of Intention to Sell”), as  
7 presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The  
8 Controller or the Director of Public Finance is hereby authorized to approve the publication of  
9 the Notice of Intention to Sell relating to the Certificates, with such changes, additions and  
10 modifications as such official may make or approve in accordance with Section 22 hereof.

11 Section 14. Sale of Certificates by Negotiated Sale. If the Controller or the Director of  
12 Public Finance determines to sell the Certificates by negotiated sale, the Controller or the  
13 Director of Public Finance is hereby authorized to sell the Certificates by negotiated sale  
14 pursuant to one or more Purchase Contracts by and between the City and the underwriter or  
15 underwriters named therein; provided, however, that the underwriters’ discount under any  
16 such Purchase Contract shall not exceed one-half of one percent (0.5%) of the principal  
17 amount of the Certificates. The form of Purchase Contract, as presented to the Board, a copy  
18 of which is on file with the Clerk, is hereby approved.

19 Section 15. Authorization to Appoint Underwriters. To accomplish the sale of the  
20 Certificates by negotiated sale, if applicable, the Controller or the Director of Public Finance is  
21 hereby authorized to appoint one or more financial institutions to act as underwriter(s) for the  
22 Certificates in accordance with City policies and procedures, including but not limited to the  
23 City’s policy to provide locally disadvantaged business enterprises an equal opportunity to  
24 participate in the performance of all City contracts.

25 Section 16. Approval of the Official Statement in Preliminary and Final Form. The

1 form of an official statement relating to the Certificates (“Official Statement”), as presented to  
2 this Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved.  
3 The Controller is hereby authorized to approve the preliminary Official Statement in  
4 substantially said form, with such changes, additions, modifications (including but not limited  
5 to the inclusion of the most current City financial information) or deletions as such official may  
6 make or approve in accordance with Section 22 hereof, and to deem the preliminary Official  
7 Statement final for purposes of the Rule 15c2-12 of the Securities and Exchange Act of 1934,  
8 as amended, to execute, and to designate the Director of Public Finance to execute in his, her  
9 or their stead, a certificate to that effect, and to cause the preliminary Official Statement to be  
10 delivered, in printed or electronic form, to potential purchasers of the Certificates, such  
11 approval to be conclusively evidenced by the delivery of said deemed-final certificate. The  
12 Controller is hereby further authorized and directed to sign and deliver the Official Statement  
13 in final form to purchasers of the Certificates.

14 Section 17. Approval of the Continuing Disclosure Certificate. The form of a  
15 Continuing Disclosure Certificate of the City relating to the Certificates, as presented to the  
16 Board, a copy of which is on file with the Clerk, is hereby approved. The Controller or the  
17 Director of Public Finance is hereby authorized to execute the Continuing Disclosure  
18 Certificate, with such changes, additions, modifications or deletions as the Controller or the  
19 Director of Public Finance may approve upon consultation with the City Attorney; such  
20 approval to be conclusively evidenced by the execution and delivery of the Continuing  
21 Disclosure Certificate.

22 Section 18. Sale and Award of Certificates by Direct Placement. In the event the  
23 Director of Public Finance determines to sell the Certificates by direct placement, the Director  
24 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive  
25 bids for the purchase of the Certificates, and the Controller is hereby authorized and directed



1 to award the Certificates to the bidder whose bid represents the lowest true interest cost to the  
2 City.

3 Section 19. Authorization to Appoint Placement Agents. To accomplish the sale of the  
4 Certificates by direct placement, if applicable, the Controller or the Director of Public Finance  
5 is hereby authorized to appoint one or more financial institutions to act as placement agent(s)  
6 for the Certificates in accordance with City policies and procedures, including but not limited to  
7 the City's policy to provide locally disadvantaged business enterprises an equal opportunity to  
8 participate in the performance of all City contracts.

9 Section 20. Reimbursement. The City declares its official intent to reimburse prior  
10 expenditures of the City incurred prior to the execution and delivery of the Certificates in  
11 connection with the Project or portions thereof with the proceeds of the Certificates. The  
12 Board of Supervisors declares the City's intent to reimburse the City with the proceeds of the  
13 Certificates for the expenditures with respect to the Project ("Expenditures" and each, an  
14 "Expenditure") made on and after that date that is no more than 60 days prior to adoption of  
15 this Ordinance. The City reasonably expects on the date of adoption of this Ordinance that it  
16 will reimburse the Expenditures with the proceeds of the Certificates.

17 Section 21. Terms of Reimbursement. Each Expenditure was and will be either (a) of  
18 a type properly chargeable to a capital account under general federal income tax principles  
19 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with  
20 respect to the Certificates, (c) a nonrecurring item that is not customarily payable from current  
21 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such  
22 grant does not impose any obligation or condition (directly or indirectly) to repay any amount  
23 to or for the benefit of the City. The maximum aggregate principal amount of the Certificates  
24 expected to be executed and delivered for the Project is \$67,500,000. The City shall make a  
25 reimbursement allocation, which is a written allocation by the City that evidences the City's

1 use of proceeds of the Certificates to reimburse an Expenditure, no later than 18 months after  
2 the later of the date on which the Expenditure is paid or the Project is placed in service or  
3 abandoned, but in no event more than three (3) years after the date on which the Expenditure  
4 is paid. The City recognizes that exceptions are available for certain “preliminary  
5 expenditures,” costs of issuance, certain de minimis amounts, expenditures by “small issuers”  
6 (based on the year of issuance and not the year of expenditure) and expenditures for  
7 construction projects of at least five (5) years.

8 Section 22. General Authority. The Mayor, the Treasurer, the City Attorney, the  
9 Controller, the City Administrator, the Director of Public Finance, the Clerk and other officers  
10 of the City and their duly authorized deputies, designees and agents are hereby authorized  
11 and directed, jointly and severally, to take such actions and to execute and deliver such  
12 certificates, agreements, requests or other documents as they may deem necessary or  
13 desirable to accomplish the purposes of this Ordinance, including but not limited to the  
14 execution and delivery of any Supplement to Property Lease, any Supplement to Project  
15 Lease, any Supplement to Trust Agreement, the Official Statement, one or more Purchase  
16 Contracts, the Continuing Disclosure Certificate and the Certificates, to obtain bond insurance  
17 or other credit enhancements and/or a surety policy with respect to the Certificates, to obtain  
18 title insurance, to clear any encumbrances to title and to carry out other title work. Any such  
19 actions are solely intended to further the purposes of this Ordinance and are subject in all  
20 respects to the terms of this Ordinance. No such actions shall increase the risk to the City or  
21 require the City to spend any resources not otherwise granted herein. Final versions of any  
22 such documents shall be provided to the Clerk for inclusion in the official file within 30 days of  
23 execution (or as soon thereafter as final documents are available) by all parties.

24 Section 23. Modifications, Changes and Additions. The Mayor, the Treasurer, the  
25 Controller and the Director of Public Finance each are hereby authorized to make such

1 modifications, changes and additions to the documents and agreements approved hereby,  
2 upon consultation with the City Attorney, as may be necessary or desirable and in the  
3 interests of the City, and which changes do not materially increase the City's obligations or  
4 reduce its rights thereunder or hereunder. The respective official's approval of such  
5 modifications, changes and additions shall be conclusively evidenced by the execution and  
6 delivery by such official and the Clerk of the applicable Supplement to Property Lease,  
7 Supplement to Project Lease and Supplement to Trust Agreement, one or more Purchase  
8 Contracts or any of the other documents approved in this Ordinance. Any such actions are  
9 solely intended to further the purposes of this Ordinance and are subject in all respects to the  
10 terms of this Ordinance. No such actions shall increase the risk to the City or require the City  
11 to spend any resources not otherwise granted herein. Final versions of any such documents  
12 shall be provided to the Clerk for inclusion in the official file within 30 days (or as soon  
13 thereafter as final documents are available) of execution by all parties.

14 Section 24. Partial Invalidity. Any provision of this Ordinance found to be prohibited  
15 by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the  
16 remainder of this Ordinance.

17 Section 25. Effective Date. This Ordinance shall take effect immediately.

18 Section 26. Ratification of Prior Actions. All actions authorized consistent with any  
19 documents presented herein and approved by this Ordinance but heretofore taken are hereby  
20 ratified, approved and confirmed by the Board.

21  
22 APPROVED AS TO FORM:  
DENNIS J. HERRERA, City Attorney

23  
24 By: /s/ MARK D. BLAKE  
MARK D. BLAKE  
25 Deputy City Attorney

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