

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0172

AUTHORIZATION TO SELL AN ADDITIONAL \$984,745,000 AGGREGATE PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS FOR CAPITAL PLAN PURPOSES AND AN ADDITIONAL \$550,000,000 AGGREGATE PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE REFUNDING BONDS

WHEREAS, on December 3, 1991, by Resolution No. 91-0210 (as previously supplemented and amended, the 1991 Resolution), the Airport Commission of the City and County of San Francisco (Commission) provided for the issuance of San Francisco International Airport Second Series Revenue Bonds; and

WHEREAS, the 1991 Resolution provides for the issuance by the Commission from time to time of its San Francisco International Airport Second Series Revenue Bonds (1991 Resolution Bonds) for any lawful purpose of the Commission; and

WHEREAS, the 1991 Resolution authorizes the issuance of up to \$7,826,725,000 aggregate principal amount of 1991 Resolution Bonds to finance and refinance the construction, acquisition, equipping and development of capital projects undertaken by the Airport (Capital Plan Bonds) of which \$2,460,105,000 aggregate principal amount of Capital Plan Bonds remains unissued; and

WHEREAS, the Board of Supervisors of the City and County of San Francisco (Board), by its Resolutions No. 229-08, 50-11, 349-12, 125-14, 433-15, 156-17 and 269-17, has approved the issuance of \$7,826,725,000 aggregate principal amount of the Capital Plan Bonds; and

WHEREAS, by Resolutions No. 09-0137, 10-0307 (Resolution No. 10-0307), 13-0013, 14-0147, 16-0226, 17-0237, 18-0089, 18-0090 and 18-0384, adopted on June 2, 2009, October 5, 2010, January 30, 2013, July 22, 2014, August 23, 2016, October 3, 2017, April 3, 2018 and December 4, 2018, respectively (collectively, the Prior Capital Plan Bond Sale Resolutions), the Commission has authorized the sale of \$5,663,940,000 aggregate principal amount of the Capital Plan Bonds, of which \$5,366,620,000 aggregate principal amount has been sold to date and \$297,320,000 remains unsold; and

WHEREAS, the Commission now desires to amend the Prior Capital Plan Bond Sale Resolutions to authorize the sale by the Commission of an additional \$984,745,000 aggregate principal amount of Capital Plan Bonds; and

WHEREAS, the proceeds of the Capital Plan Bonds approved for sale will be used to fund (1) construction costs of projects that either do not require environmental review or have already undergone all necessary environmental review and received Commission approval to proceed, and (2) planning and development costs necessary to prepare other projects for environmental review and the necessary approvals; and

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- WHEREAS, by Resolutions No. 98-0114, 02-0010, 03-0220, 04-0220, 05-0181, 08-0152, 10-0307, 16-0025 and 18-0109, adopted on May 19, 1998, January 8, 2002, October 21, 2003, November 2, 2004, October 11, 2005, August 19, 2008, October 5, 2010, January 19, 2016 and April 24, 2018, respectively, the Commission has previously authorized the issuance of up to \$11,060,000,000 aggregate principal amount of Second Series Revenue Bonds for refunding purposes (Refunding Bonds), of which \$2,939,615,000 aggregate principal amount of Refunding Bonds remains unissued; and
- WHEREAS, the Board, by its Resolutions No. 583-98, 811-00, 113-02, 800-03, 733-04, 235-07, 471-08, 50-11 and 305-18, has approved the issuance of up to \$11,060,000,000 aggregate principal amount of Refunding Bonds; and
- WHEREAS, by Resolutions No. 16-0025 and 17-0237, adopted on January 19, 2016 and October 3, 2017, respectively (collectively, the Prior Refunding Bond Sale Resolutions), the Commission authorized the sale of \$1,420,555,000 aggregate principal amount of the Refunding Bonds, of which \$1,100,940,000 aggregate principal amount has been sold to date and \$319,615,000 remains unsold; and
- WHEREAS, the Commission now desires to amend the Prior Refunding Bond Sale Resolutions to authorize the sale of an additional \$550,000,000 aggregate principal amount of Refunding Bonds; and
- WHEREAS, in Resolution No. 50-11, the Board provided, among other things, that the Commission may only sell Refunding Bonds if the expected net present value savings from the issuance of the Refunding Bonds is at least equal to three percent of the principal amount of the bonds to be refunded, except as otherwise provided in the Debt Policy of the Commission; and
- WHEREAS, the Commission's Debt Policy provides that Refunding Bonds may be issued without meeting any savings requirement when issued for the purpose of restructuring scheduled debt service or converting bonds from or to a variable or fixed interest rate structure; and
- WHEREAS, the Commission's Debt Policy also provides that bonds may be issued to pay extraordinary unfunded costs of the Commission, including swap termination payments; and
- WHEREAS, the Commission has determined that it is in its best interests to: (1) sell approximately \$350,000,000 aggregate principal amount of Refunding Bonds to restructure scheduled debt service by (a) refunding the Commission's outstanding Issue 37C and Series 2010A Bonds in order to convert such bonds from a variable to a fixed interest rate structure; and (b) terminating the related swap agreements entered into in connection with the Issue 37C and Series 2010A Bonds; and (2) sell approximately \$200,000,000 aggregate principal amount of Refunding Bonds to refund other outstanding 1991 Resolution Bonds; and

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WHEREAS, Resolution No. 08-0185, adopted by the Commission on October 7, 2008, and Resolution No. 10-0307 delegate authority to the Airport Director to terminate any existing Swap Transaction; and

WHEREAS, in connection with the sale of Capital Plan Bonds and Refunding Bonds, it may be beneficial for the Commission to combine in one series of bonds, bearing interest at a taxable interest rate, both Capital Plan Bonds and Refunding Bonds with the allocation between Capital Plan Bonds and Refunding Bonds to be set forth in a Certificate of Additional Terms; now, therefore, be it

RESOLVED, that this Commission authorizes the following:

Section 1. Defined Terms. All capitalized terms used but not defined in this Resolution shall have the meanings assigned to them in the 1991 Resolution.

Section 2. Commission Findings. The Commission finds and determines as follows:

- (a) The above recitals are true and correct.
- (b) Sufficient unencumbered balances are expected to be available in the proper funds and accounts of the Airport to meet all payments due under the Capital Plan Bonds and the Refunding Bonds as they become due.

Section 3. Amendment of Prior Capital Plan Bond Sale Resolutions. The Prior Capital Plan Bond Sale Resolutions are amended and supplemented as follows:

- (a) The aggregate principal amount of Capital Plan Bonds authorized by the Prior Capital Plan Bond Sale Resolutions (\$5,663,940,000) is amended and increased by \$984,745,000, which increases the total amount of Capital Plan Bonds authorized to be sold under the 1991 Resolution to \$1,282,065,000;
- (b) The final date by which all Capital Plan Bonds must be sold is confirmed as June 30, 2023; and
- (c) All other terms of the Capital Plan Bonds in the Prior Capital Plan Bond Sale Resolutions, including maximum maturity and maximum interest rates, as previously amended, are confirmed.

Section 4. Amendment of Prior Refunding Bond Sale Resolutions. The Prior Refunding Bond Sale Resolutions are amended and supplemented as follows:

- (a) The aggregate principal amount of Refunding Bonds authorized by the Prior Refunding Bond Sale Resolutions (\$1,420,555,000) is amended and increased by \$550,000,000, which increases the total amount of Refunding Bonds authorized to be sold under the 1991 Resolution to \$869,615,000;

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- (b) The final date by which all Refunding Bonds must be sold is June 30, 2023; and
- (c) All other terms of the Refunding Bonds in the Prior Refunding Bond Sale Resolutions, as previously amended, including maximum maturity, minimum savings requirements and authorization to terminate related swap agreements to restructure scheduled debt service, are confirmed.

Section 5. Continuing Disclosure. By Resolution No. 10-0307, the Commission authorized the Airport Director to execute and deliver one or more continuing disclosure certificates or agreements for the benefit of the underwriters and the holders and beneficial owners of the 1991 Resolution Bonds and to comply with and carry out all of the provisions of any such continuing disclosure certificate or agreement. The Commission ratifies, approves and confirms the authority granted in Resolution No. 10-0307, with respect to Continuing Disclosure, and Section 11 of such resolution shall remain in full force and effect.

Section 6. Ratification of Prior Acts. The actions of the officers, agents and employees of the Commission to carry out the purposes and intents of this Resolution taken prior to the adoption of this Resolution are ratified, approved and confirmed.

Section 7. General Authorization. The Airport Director and the other officers, agents and employees of the Commission are authorized and directed to execute and deliver such documents, agreements and certificates, including without limitation a preliminary Official Statement and final Official Statement, prepared in accordance with the Commission's Disclosure Policies and Procedures, as such policies may be amended from time to time, and to take such other actions, upon consultation with the City Attorney, as may be necessary or desirable and in the best interests of the Airport to carry out the purposes and intents of this Resolution and the transactions contemplated by this Resolution, and the Airport Director, upon consultation with the City Attorney, may designate one or more of such certificates to be deemed to constitute a part of this Resolution.

Section 8. Effectiveness. This Resolution shall become effective on and as of the date of its adoption except as otherwise stated in this Resolution.

Section 9. Ratification of the 1991 Resolution, the Prior Capital Plan Bond Sale Resolutions and the Prior Refunding Bond Sale Resolutions. The 1991 Resolution, the Prior Capital Plan Bond Sale Resolutions and the Prior Refunding Bond Sale Resolutions are ratified and confirmed and shall continue in full force and effect in accordance with their terms and provisions, as amended and supplemented, including as amended and supplemented by this Resolution.

Section 10. Further Amendments to the 1991 Resolution. The approvals contained in this Resolution shall extend to any amendments to the 1991 Resolution and to all resolutions of the Commission supplemental to the 1991 Resolution, as well as to such additional resolutions that this Commission may adopt for the purposes of implementing the issuance, sale and delivery of any 1991 Resolution Bonds, provided, that in each case such amendment or additional resolution is consistent with the parameters set forth in this Resolution and in the 1991 Resolution.

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ADOPTED by the Airport Commission of the City and County of San Francisco this 16th day of July, 2019, by the following vote:

Ayes: 4
Noes: 0
Absent: 1

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By:  Brooke D. Abola

Brooke D. Abola
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission
at its meeting of JUL 16 2019


Secretary