

1 [Municipal Transportation Agency leveraged lease-leaseback financing]

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3 **Resolution authorizing the San Francisco Municipal Transportation Agency to proceed**  
4 **with Tranche 2 of the Breda light rail vehicle leveraged lease-leaseback transaction**  
5 **without an obligation to pay broken-deal costs.**

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7 WHEREAS, The Board of Supervisors authorized Tranche 1 of the Municipal  
8 Transportation Agency (MTA)'s leveraged lease-leaseback financing with respect to up to 118  
9 Breda light rail vehicles on April 15, 2002; and

10 WHEREAS, Prior to this approval and based on the recommendations of its lease  
11 advisors, in April 2001, the MTA sought to maximize its economic benefits by soliciting bids  
12 for the entire Breda fleet at the same time and separated the vehicles into two "tranches" or  
13 groups; the vehicles then available were included in Tranche 1 and the remainder of the  
14 vehicles (21) will be included in Tranche 2, which is planned to close soon after the delivery of  
15 the remainder of the Breda fleet, expected in June 2003; and,

16 WHEREAS, In April 2002, following the Board of Supervisors' approval, the MTA  
17 completed Tranche 1 of the leveraged lease-leaseback transaction involving 118 Breda Light  
18 Rail Vehicles; and,

19 WHEREAS, The MTA now wishes to proceed with Tranche 2 of the leveraged lease-  
20 leaseback transaction involving 21 Breda Light Rail Vehicles; and,

21 WHEREAS, MTA staff expects to reduce the expenses for Tranche 2 by using  
22 substantively the same legal agreements that were negotiated for Tranche 1, as well as one  
23 of the same equity investors, and by having each party or advisor to Tranche 2 (other than the  
24 City Attorney) cover its own transaction (or "broken-deal") costs in the event that Tranche 2  
25 does not close; and,

1           WHEREAS, At its February 18, 2003 meeting, the MTA Board of Directors authorized  
2 the Director of Transportation to proceed with Tranche 2 of the Breda light rail vehicle  
3 leveraged lease-leaseback transaction without an obligation to pay broken-deal costs; now,  
4 therefore, be it

5           RESOLVED, That the Board of Supervisors of the City and County of San Francisco  
6 hereby authorizes the San Francisco Municipal Transportation Agency to proceed with  
7 Tranche 2 of the Breda light rail vehicle leveraged lease-leaseback transaction without an  
8 obligation to pay broken-deal costs; and, be it

9           FURTHER RESOLVED, That the Municipal Transportation Agency will submit the legal  
10 agreements in connection with Tranche 2, in substantially final form, to the Board of  
11 Supervisors for approval prior to the closing of the transaction.

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