

FILE NO. 170-97-6

RESOLUTION NO. 621-97

1 [BART/Airport Lease; Airport Revenue Bonds]
2 APPROVING THE LEASE BETWEEN BART AND THE CITY AND COUNTY OF SAN
3 FRANCISCO THROUGH ITS AIRPORT COMMISSION; APPROVING THE ISSUANCE
4 OF UP TO \$220,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO
5 INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS IN ONE OR MORE
6 SERIES FOR THE PURPOSE OF FINANCING CERTAIN CAPITAL IMPROVEMENTS
7 AT SAN FRANCISCO INTERNATIONAL AIRPORT AND APPROVING THE MAXIMUM
8 INTEREST RATE THEREON

9 WHEREAS, On June 7, 1994, the voters of the City and
10 County of San Francisco adopted Proposition I, a policy
11 supporting the extension of the Bay Area Rapid Transit System
12 ("BART") to the Airport Terminal area, and directing the Airport
13 Commission, as well as other San Francisco officers and agencies,
14 to take all actions necessary to implement said transit service;
15 and

16 WHEREAS, This Board of Supervisors has previously
17 reviewed and considered the information in the BART FEIR/FEIS for
18 the extension and has adopted relevant findings under the
19 California Environmental Quality Act ("CEQA"); and

20 WHEREAS, In furtherance of the enactment of
21 Proposition I this Board of Supervisors approved the BART/SFIA
22 Airport Extension project agreement, dated October 30, 1996; and

23 WHEREAS, Said agreement outlined the general
24 arrangements regarding a BART Station and related facilities and
25 provides for an Airport contribution of up to \$200 million for

1 the project, and recognized that additional agreements to this
2 agreement would be necessary to further define the parties'
3 respective responsibilities regarding the BART Project on Airport
4 property; and

5 WHEREAS, The Board of Supervisors has previously
6 authorized the Airport Commission to include in the Lease between
7 BART and the Airport a right for the Airport to deduct from the
8 Annual Service Payment payable to the City an amount equal to any
9 past due rent and/or operations and maintenance expenses payable
10 by BART to the Airport, provided that in such event the City is
11 authorized to deduct from any regularly scheduled and
12 predictably-sized payments by the City to BART those overdue
13 amounts payable by BART to the Airport under the Lease; and

14 WHEREAS, BART and the Airport have negotiated the
15 Lease, Use, and Operating Agreement for BART Station and Related
16 Facilities and Grant of Easement at San Francisco International
17 Airport ("Lease") to further set forth the parties' rights and
18 obligations with respect to the BART Project; and

19 WHEREAS, The Airport Commission approved the Lease on
20 April 1, 1997; and

21 WHEREAS, The Airport Commission, by its Resolution
22 No. 91-0210, adopted on December 3, 1991 (as supplemented and
23 amended, the "Master Bond Resolution"), has authorized the
24 issuance of San Francisco International Airport Second Series
25 Revenue Bonds for any lawful purpose of the Airport Commission;

1 and,

2 WHEREAS, The Airport Commission, by its Resolution
3 No. 97-0104, adopted on April 15, 1997 (the "Sixth Supplemental
4 Resolution"), supplemented the Master Bond Resolution to
5 authorize and approve the issuance by the Airport Commission of
6 up to \$220,000,000 aggregate principal amount of its San
7 Francisco International Airport Second Series Revenue Bonds, in
8 one or more series (the "BART/Infrastructure Bonds") for the
9 purpose of financing the construction, acquisition, equipping and
10 development of infrastructure projects at the Airport other than
11 Master Plan Projects (the "Infrastructure Projects"), including,
12 but not limited to, improvements related to the development and
13 construction of a BART station at the Airport; and,

14 WHEREAS, Section 4.115 of the Charter provides that the
15 Airport Commission has the exclusive authority to plan and issue
16 airport revenue bonds for airport-related purposes, subject to
17 the approval, amendment or rejection of this Board of Supervisors
18 of each issue; and,

19 WHEREAS, Section 2.62 of the Administrative Code of the
20 City and County of San Francisco provides that such revenue bonds
21 shall bear a rate of interest not to exceed that which may be
22 fixed and prescribed by the Airport Commission, subject to the
23 approval or rejection of this Board of Supervisors; and,

24 WHEREAS, The BART/Infrastructure Bonds are not Master
25 Plan Bonds; and,

1 WHEREAS, The interest on the BART/Infrastructure Bonds
2 may qualify for exclusion from gross income for federal income
3 tax purposes under Section 103(a) of the Internal Revenue Code of
4 1986, as amended (the "Code") only if such Bonds are approved in
5 accordance with Section 147(f) of the Code; and,

6 WHEREAS, This Board of Supervisors is the elected
7 legislative body of the City and is the applicable elected
8 representative required to approve the BART/Infrastructure Bonds
9 for purposes of Section 147(f) of the Code; and,

10 WHEREAS, Notice of a public hearing with respect to the
11 Bonds to be issued by the Airport Commission was published not
12 less than fourteen (14) days prior to said public hearing, in the
13 official newspaper of the City, being a newspaper of general
14 circulation available to the residents of the City; and,

15 WHEREAS, On June 12, 1997, a public hearing was held
16 pursuant to such notice before the Manager, Capital Financing,
17 and an opportunity was provided for interested persons to present
18 arguments for and against the issuance of such Bonds and the
19 nature and location of the projects to be financed or refinanced
20 with the proceeds thereof; and,

21 WHEREAS, The Sixth Supplemental Resolution has been
22 submitted to this Board of Supervisors; and,

23 WHEREAS, The Sixth Supplemental Resolution, among other
24 things, establishes a maximum rate of interest for the
25 BART/Infrastructure Bonds of twelve percent (12%) per annum;

1 provided, however, that the Sixth Supplemental Resolution
2 establishes a maximum rate of fifteen percent (15%) per annum for
3 BART/Infrastructure Bonds designated as taxable pursuant to the
4 Sixth Supplemental Resolution; now, therefore, be it

5 RESOLVED:

6 1. The Board of Supervisors hereby declares that each
7 of the foregoing recitals is true and correct and is a
8 representation of the Board of Supervisors.

9 2. That pursuant to San Francisco Charter
10 Sections 2.110 and 9.118 the Board of Supervisors hereby approves
11 the Lease, a copy of which is on file with the Clerk of the Board
12 of Supervisors in File No. 170-97-006.

13 3. The issuance by the Airport Commission of the
14 BART/Infrastructure Bonds in one or more series for the purposes
15 of financing the costs of the construction, acquisition,
16 equipping and development of the Infrastructure Projects,
17 including, but not limited to, improvements related to the
18 development and construction of a BART station at the Airport, as
19 well as funding a debt service reserve fund and paying costs of
20 issuance and other incidental costs, is hereby approved in
21 accordance with Section 4.115 of the Charter. The total
22 principal amount of the BART/Infrastructure Bonds shall not
23 exceed \$220,000,000.

24 4. The Sixth Supplemental Resolution, as adopted by
25 the Airport Commission, is hereby approved.

1 5. The BART/Infrastructure Bonds shall be issued
2 pursuant to the Master Bond Resolution and the Sixth Supplemental
3 Resolution and such additional supplemental resolutions of the
4 Airport Commission as the Airport Commission shall deem necessary
5 or desirable and as shall be approved by the City Attorney, which
6 approval shall be conclusively evidenced by the signature of the
7 City Attorney on each such supplemental resolution.

8 6. Twelve percent (12%) per annum is hereby approved
9 as the maximum interest rate for the BART/Infrastructure Bonds
10 (excluding BART/Infrastructure Bonds designated as taxable
11 pursuant to the Sixth Supplemental Resolution). Fifteen percent
12 (15%) per annum is hereby approved as the maximum interest rate
13 for any BART/Infrastructure Bonds designated as taxable pursuant
14 to the Sixth Supplemental Resolution.

15 7. It is the purpose and intent of the Board of
16 Supervisors that this Resolution constitute the approval of the
17 BART/Infrastructure Bonds by the appropriate applicable elected
18 representative for purposes of, and in accordance with,
19 Section 147(f) of the Code.

20 8. The approvals contained in this Resolution shall
21 extend to any amendments to the Master Bond Resolution and the
22 Sixth Supplemental Resolution and all resolutions of the Airport
23 Commission supplemental thereto, as well as to such additional
24 resolutions as the Airport Commission may adopt for the purpose
25 of implementing the issuance, sale and delivery of the

1 BART/Infrastructure Bonds. The approvals contained in this
2 Resolution shall continue to apply to the BART/Infrastructure
3 Bonds in the event such Bonds are renamed or renumbered by the
4 Commission pursuant to the Sixth Supplemental Resolution.
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6 APPROVED AS TO FORM:

7 LOUISE H. RENNE
8 City Attorney

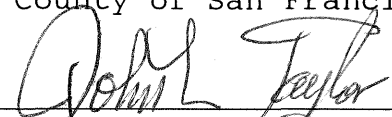
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10 By  Deputy City Attorney
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Adopted - Board of Supervisors, San Francisco June 23, 1997

Ayes: Supervisors Ammiano Bierman Brown Katz Kaufman Leal
Medina Newsom Yaki Yee

Absent: Supervisor Teng

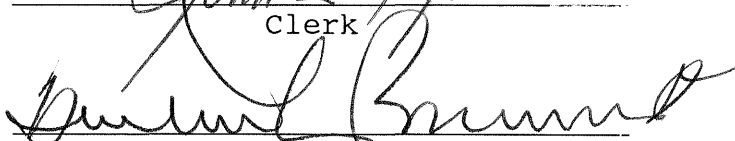
I hereby certify that the foregoing resolution
was adopted by the Board of Supervisors
of the City and County of San Francisco



Clerk

File No.
170-97-6

JUN 27 1997
Date Approved



Mayor