

1 [Settlement of Unlitigated Tax-Related Matter.]

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3 **Resolution authorizing settlement of unlitigated tax-related matter with the Internal**
4 **Revenue Service regarding potential tax liability.**

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6 WHEREAS, on October 22, 1998, the Airport Commission issued its \$350,000,000 San
7 Francisco International Airport Second Series Revenue Bonds, Issues 20/21 (the "Bonds") as
8 governmental use bonds, the interest on which is not subject to the federal Alternative
9 Minimum Tax; and,

10 WHEREAS, Airport staff and bond counsel identified an inadvertent expenditure of a
11 portion of the Bond proceeds in excess of the amount permitted under Section 141(b)(5) of
12 the Internal Revenue Code of 1986, as amended, to fund a project that was eligible for tax-
13 exempt financing with bonds, the interest on which is subject to the federal Alternative
14 Minimum Tax; and,

15 WHEREAS, the Internal Revenue Service is willing to resolve this tax compliance
16 matter and settle the potential tax-related liability by entering into a Closing Agreement with
17 the Airport Commission under its Voluntary Closing Agreement Program; and,

18 WHEREAS, The Airport Director and the City Attorney's Office have recommended that
19 the matter be settled on the terms and conditions specified in that certain Closing Agreement
20 on file with the Clerk of the Board (File No. 081363) (the "Closing Agreement"); now,
21 therefore, be it


22 RESOLVED, That pursuant to Sections 10.25-11 and 10.22 of the San Francisco
23 Administrative Code, the City Attorney and the Airport Commission are hereby authorized to
24 settle the unlitigated tax-related matter with the Internal Revenue Service on the terms and
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conditions specified in the Closing Agreement. Under the terms of the Closing Agreement, the Airport Commission is authorized to pay a settlement fee to the IRS of up to \$140,000.

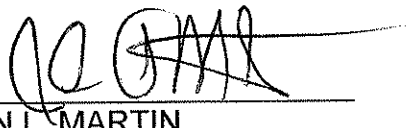
APPROVED:

DENNIS J. HERRERA
City Attorney

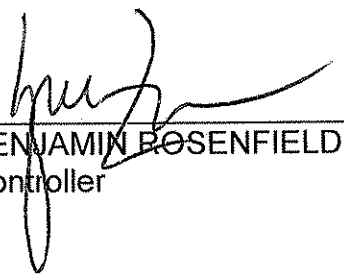

ROBERT S. MAERZ
Airport General Counsel

RECOMMENDED:

SAN FRANCISCO INTERNATIONAL
AIRPORT


JOHN L. MARTIN
Airport Director

FUNDS AVAILABLE:


BENJAMIN ROSENFELD
Controller

ATTEST:


JEAN CARAMATTI
Secretary, Airport Commission

Resolution No. 08-0182
Adopted: September 16, 2008



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 081363

Date Passed:

Resolution authorizing settlement of unlitigated tax-related matter with the Internal Revenue Service regarding potential tax liability.

January 27, 2009 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Dufty, Elsbernd, Mar, Maxwell, Mirkarimi

File No. 081363

I hereby certify that the foregoing Resolution was ADOPTED on January 27, 2009 by the Board of Supervisors of the City and County of San Francisco.

2/5/09

Date Approved

Angela Calvillo
Clerk of the Board

Mayor Gavin Newsom