

LEGISLATIVE DIGEST

[Authorizing Tax-Exempt and/or Taxable Certificates of Participation - Multiple Capital Improvement Projects - Not to Exceed \$65,000,000]

Ordinance authorizing the execution and delivery from time to time of tax-exempt or taxable Certificates of Participation, in one or more series, evidencing and representing an aggregate principal amount of not to exceed \$65,000,000 ("Certificates"), to finance and refinance certain capital improvement projects within the City and County of San Francisco's ("City") contained in the Capital Plan and generally consisting of street resurfacing and curb ramp improvements; approving the form of a Supplement to Trust Agreement between the City and U.S. Bank Trust Company, National Association (as successor-in-interest to U.S. Bank National Association), as trustee ("Trustee") (including certain indemnities contained therein); approving respective forms of a Supplement to Property Lease and a Supplement to Project Lease, each between the City and the Trustee, for the lease to the Trustee and lease back to the City of all or a portion of certain real property and improvements owned by the City, together with any other property determined by the City's Director of Public Finance to be made subject to the lease and lease back arrangements; approving the form of an Official Notice of Sale and a Notice of Intention to Sell the Certificates; approving the form of an Official Statement in preliminary and final form; approving the form of a purchase contract between the City and one or more initial purchasers of the Certificates; approving the form of a Continuing Disclosure Certificate, as defined herein; granting general authority to City officials to take necessary actions in connection with the authorization, sale, execution, and delivery of the Certificates, as defined herein; approving modifications to documents; and ratifying previous actions taken in connection therewith, as defined herein.

Existing Law

This is new legislation.

Background Information

The proposed Ordinance authorizes the execution and delivery from time to time of Tax-Exempt or Taxable Certificates of Participation (Multiple Capital Improvement Projects) ("Certificates"). The proceeds of the Certificates will be used, together with other available funds of the City, to (i) finance and refinance certain capital improvement projects within the City, including but not limited to certain capital projects contained in the City's capital plan and generally consisting of street resurfacing and curb ramp improvements (collectively, the "Project"); (ii) fund a debt service or other similar reserve for the Certificates, as appropriate; and (iii) pay costs of execution and delivery of the Certificates.

The Certificates will be executed and delivered in one or more series, from time to time, pursuant to one or more supplements to the Original Trust Agreement, dated May 1, 2009 (each, a "Supplement to Trust Agreement"), by and between the City and the Trustee, supplementing the Original Trust Agreement.

The proposed Ordinance also approves the execution of one or more supplements to the Project Lease ("Original Project Lease"), dated May 1, 2009 (each, a "Supplement to Project Lease"), supplementing and amending the Project Lease to provide for (i) the additional or adjusted Base Rental to be paid by the City in connection with the issuance of the Certificates (provided such amount does not exceed \$8,700,000 per annum), and (ii) certain other related matters as determined by the Director of Public Finance.

The Leased Property subject to the Original Property Lease, dated May 1, 2009, between the City and the Trustee, and subject to the Original Project Lease, as previously supplemented, currently consists of portions of the property located within the City at 375 Laguna Honda Boulevard, 1 South Van Ness Avenue, and the property located at 1 Moreland Drive, San Bruno, California. The proposed Ordinance authorizes the Mayor the Controller to add to or release property from the Leased Property as may be necessary to execute the transaction.

The Certificates will be secured by lease payments made by the City under the Original Project Lease.

The proposed Ordinance authorizes the Controller or the Director of Public Finance to sell the Certificates by competitive sale or negotiated sale. If sold by competitive sale, the Certificates will be awarded to the bidder whose bid constitutes the lowest true interest cost to the City. In the alternative, the proposed Ordinance also authorizes the Director of Public Finance to sell the Certificates on a negotiated sale basis, provided the compensation to the selected underwriter cannot exceed (0.5%) of the principal amount of the Certificates.

The proposed Ordinance also approves forms of standard sale documents: the Preliminary Official Statement (including Appendix A (i.e. the City's demographic and financial information)), Purchase Contract, Notice of Intention to Sell, Official Notice of Sale, the Continuing Disclosure Certificate.