

1 [Issuance - Equipment Lease Revenue Bonds, Series 2013A - Finance Corporation
2 Equipment Program - Not to Exceed \$12,500,000]

3 **Resolution approving the form of and authorizing execution and delivery of Equipment**
4 **Lease Revenue Bonds, Series 2013A, Supplement No. 19, between the City and County**
5 **of San Francisco Finance Corporation, as lessor, and the City and County of San**
6 **Francisco (City), as lessee, with respect to certain equipment to be used for city**
7 **purposes, a related certificate of approval and a continuing disclosure certificate;**
8 **approving the issuance of lease revenue bonds by said nonprofit corporation in an**
9 **amount not to exceed \$12,500,000; approving the form of the official statement and the**
10 **distribution thereof in preliminary and final form; providing for reimbursement to the**
11 **City of certain city expenditures incurred prior to the issuance of lease revenue bonds;**
12 **and providing for the execution of documents in connection therewith.**

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14 WHEREAS, Pursuant to Section 9.108(3) of the Charter of the City and County of San
15 Francisco (the "Charter"), the Board of Supervisors of the City and County of San Francisco
16 (the "Board of Supervisors") may approve lease financing involving a nonprofit corporation
17 established for such purposes for the acquisition of equipment, the obligations with respect to
18 which shall not exceed in the aggregate at one time a principal amount of \$20 million
19 increased by five percent in each fiscal year commencing with fiscal year 1990-1991, provided
20 that the Controller of the City and County of San Francisco or his designee (collectively, the
21 "Controller") makes the certification required by said section of the Charter prior to the sale of
22 such obligations; and,

23 WHEREAS, The City and County of San Francisco Finance Corporation (the
24 "Corporation"), a California nonprofit public benefit corporation, has been formed to, among
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1 other purposes, serve as the nonprofit corporation pursuant to Section 9.108(3) of the
2 Charter; and,

3 WHEREAS, The Board of Supervisors has previously entered into an equipment lease
4 (the "Equipment Lease") with the Corporation to provide for the acquisition, construction and
5 installation by the Corporation of equipment to be used for the purposes of the City and
6 County of San Francisco (the "City") and the leasing of said equipment and certain equipment
7 subject to existing leases to the City; and,

8 WHEREAS, The Board of Supervisors desires to approve the issuance of commercial
9 paper under the City's commercial paper program to initially fund all or a portion of the
10 acquisition, construction and installation of additional equipment to be used for City purposes;
11 and,

12 WHEREAS, The Board of Supervisors has determined to enter into an Equipment
13 Lease Supplement No. 19 (Series 2013A Bonds) (the "Equipment Lease Supplement" and,
14 together with the Equipment Lease, the "Lease") to provide for the acquisition, construction
15 and installation of said additional equipment by the Corporation and the leasing of said
16 equipment to the City; and,

17 WHEREAS, The Corporation proposes to issue its lease revenue bonds designated as
18 the "City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series
19 2013A (Equipment Program)" (the "Bonds"), secured by base rentals to be paid by the City
20 under the Lease, a portion of the proceeds of which will be used to finance or refinance the
21 acquisition, construction and installation of such additional equipment; and,

22 WHEREAS, The Board of Supervisors is authorized to approve the execution and
23 delivery of the Equipment Lease Supplement and the issuance of the Bonds pursuant to a
24 resolution duly adopted by the Board of Supervisors; and,

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1 WHEREAS, Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”)
2 requires that an “obligated person” (as defined in the Rule) agree to provide certain annual
3 financial information and notice of certain specified events to Participating Underwriters (as
4 defined in the Rule), to bondholders and beneficial owners of the Bonds, and the City is an
5 obligated person; now, therefore, be it

6 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as
7 follows:

8 Section 1. Recitals. All of the recitals herein are true and correct.

9 Section 2. Approval of Form of Equipment Lease Supplement and Certificate of
10 Approval. In accordance with the recommendation of the Office of Public Finance of the City,
11 the form of the Equipment Lease Supplement, by and between the Corporation and the City,
12 and the related Certificate of Approval presented to this Board of Supervisors, copies of which
13 are on file with the Clerk of the Board of Supervisors in File No. 130376, and which are hereby
14 declared to be a part of this resolution as if set forth fully herein, are hereby approved. The
15 Mayor of the City or his designee (collectively, the “Mayor”) is hereby authorized to execute
16 the Equipment Lease Supplement and the related Certificate of Approval, and the Clerk of the
17 Board of Supervisors or the designee of such officer (collectively, the “Clerk of the Board”) is
18 hereby authorized to attest and affix the seal of the City on the Equipment Lease Supplement,
19 in substantially the forms presented to the Board of Supervisors, with such modifications,
20 changes, or additions as the Mayor may approve in accordance with Section 3 hereof.

21 Section 3. Modifications to Equipment Lease Supplement and Certificate of Approval.

22 The Mayor is hereby authorized to approve and make such modifications, changes or
23 additions to the Equipment Lease Supplement and the Certificate of Approval, upon
24 consultation with the City Attorney of the City, as may be necessary or desirable in the
25 interests of the City, and which changes do not materially increase the obligations of the City

1 under the Lease, such approval to be conclusively evidenced by the execution and delivery by
2 the Mayor and the Clerk of the Board of the Equipment Lease Supplement and by the Mayor
3 of the Certificate of Approval; provided, however, that the total project costs of the acquisition
4 and installation of the equipment to be financed or refinanced with the proceeds of the Bonds
5 (the "Project") shall not exceed \$12,500,000, that the maximum interest rate on the Bonds
6 shall not exceed 10% per annum and that the Equipment Lease Supplement shall have a
7 termination date no later than April 1, 2019.

8 Section 4. Approval of Issuance of the Bonds. The Board hereby approves the
9 issuance of commercial paper from time to time to fund all or a portion of the initial costs of
10 the Project. The issuance by the Corporation of not to exceed \$12,500,000 aggregate
11 principal amount of City and County of San Francisco Finance Corporation Lease Revenue
12 Bonds, Series 2013A (Equipment Program), to be secured by the payment of base rental by
13 the City pursuant to the Lease, is hereby approved; provided, however, that the Bonds shall
14 not be issued unless prior to the sale thereof the Controller certifies that in his opinion the net
15 interest cost to the City will be lower as a result of the issuance of the Bonds than other
16 financings or refinancings involving a lease or leases.

17 Section 5. Approval of the Official Statement in Preliminary and Final Form. The form
18 of the Official Statement relating to the Bonds (the "Official Statement"), as presented to this
19 Board, a copy of which is on file in preliminary form with the Clerk of the Board in File No.
20 130376, and which is hereby declared to be a part of this resolution as if set forth fully herein,
21 is hereby approved. The Director of Public Finance, or her designee (collectively, the
22 "Director of Public Finance") is hereby authorized to approve the distribution of the preliminary
23 Official Statement, with such changes, additions, modifications or deletions as the Director of
24 Public Finance may approve upon consultation with the City Attorney; such approval to be
25 conclusively evidenced by the distribution of the preliminary Official Statement to potential

1 purchasers of the Bonds. The Controller of the City is hereby authorized to execute, and the
2 Director of Public Finance is hereby further authorized to approve the distribution of, the
3 Official Statement in final form.

4 Section 6. Reimbursement of Certain Expenditures. In the event that the City pays
5 certain capital expenditures from its general fund in connection with the equipment listed on
6 Exhibit A to the Equipment Lease Supplement (the "Equipment") as finally executed and as
7 may be amended from time to time in connection with the issuance of the Bonds or other
8 indebtedness for the Equipment, and to the extent that the City has already made such
9 payments in connection with the Equipment, all such payments will be and have been made
10 with the reasonable expectation by the City that such payments for such expenditures will be
11 reimbursed from the proceeds of the Bonds or such other indebtedness. Pursuant to
12 Treasury Regulation Section 1.150-2, the City hereby declares its official intent to be
13 reimbursed from the proceeds of the Bonds or other indebtedness for such Equipment
14 expenditures. This Section 6 of this Resolution is approved by the City solely for the purposes
15 of establishing compliance with the requirements of Section 1.150-2 of the Treasury
16 Regulations, and does not bind the City or the Corporation to make any expenditure, incur any
17 indebtedness or proceed with the Project.

18 Section 7. Title to the Equipment. The City will accept title to the Equipment, including
19 any additions to the Equipment, as provided under the Lease.

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1 Section 8. Approval of Form of Continuing Disclosure Certificate. The form of
2 Continuing Disclosure Certificate (the "Certificate") to be executed and delivered by the City, a
3 copy of which is on file with the Clerk of the Board in File No. 130376, and which is hereby
4 declared to be a part of this resolution as if set forth fully herein, is hereby approved. The
5 Mayor or the Controller is hereby authorized to execute the Certificate, in substantially the
6 form presented to the Board of Supervisors, with such modifications, changes or additions as
7 the Mayor or the Controller may make or approve upon consultation with the City Attorney,
8 such approval to be conclusively evidenced by the execution and delivery of the Certificate.

9 Section 9. General Authorization. The Mayor, the City Attorney, the Controller, the
10 Director of Public Finance, the Clerk of the Board and the other officers of the City and their
11 duly authorized deputies and agents are hereby authorized and directed, jointly and severally,
12 to take action to authorize the purchase of the Equipment by the Corporation, to execute and
13 deliver such certificates, requests or other documents and agreements, including, but not
14 limited to, certificates relating to the Official Statement for the Bonds in preliminary or final
15 form or to other offering material relating to the Bonds, or relating to the purchase of bond
16 insurance, if any, on the Bonds, as they may deem necessary or desirable to facilitate the
17 execution and delivery by the City of the Equipment Lease Supplement and of the Certificate
18 of Approval and the consummation of the financing contemplated thereby, and to otherwise
19 carry out the provisions of this Resolution.

20 APPROVED AS TO FORM:

21 DENNIS J. HERRERA, City Attorney

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23 By:

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25 KENNETH DAVID ROUX
Deputy City Attorney