

1 [Airport Commission Capital Plan Bonds - Up to \$243,000,000 - Airport Commission Special  
2 Facility Bonds - \$225,000,000 - Airport Hotel Financing]

3 **Resolution approving the issuance of up to \$243,000,000 aggregate principal**  
4 **amount of San Francisco Airport Commission Capital Plan Bonds and**  
5 **\$225,000,000 aggregate principal amount of San Francisco Airport Commission**  
6 **Special Facility Bonds to finance a hotel at San Francisco International Airport;**  
7 **authorizing the execution and delivery of certain agreements related to such**  
8 **Bonds; and approving certain related matters.**

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10 WHEREAS, The Airport Commission (the “Commission”), by its Resolution No.  
11 91-0210, as supplemented and amended (the “1991 Resolution”), has authorized the  
12 issuance of San Francisco International Airport Second Series Revenue Bonds (the  
13 “Bonds”) for any lawful purpose of the Commission; and

14 WHEREAS, The Commission, by its Resolution No. 97-0146, as supplemented  
15 and amended, has authorized the issuance of San Francisco International Airport  
16 Second Series Subordinate Revenue Bonds (the “Subordinate Bonds”), for any lawful  
17 purpose of the Commission; and

18 WHEREAS, The Commission, by its Resolution No. 08-0035, as supplemented  
19 and amended, has authorized the issuance from time to time of \$4,773,725,000  
20 aggregate principal amount of Bonds (the “Capital Plan Bonds”) for the purpose of  
21 financing and refinancing the construction, acquisition, equipping and development of  
22 capital projects undertaken by the San Francisco International Airport (the “Airport”) that  
23 are approved by the Commission, including refunding outstanding Subordinate Bonds;  
24 and

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1           WHEREAS, The Board of Supervisors (the “Board”) has adopted Resolution  
2 Nos. 229-08, 50-11, 349-12 and 125-14 (the “Prior Board Resolutions”) approving the  
3 issuance of a \$3,190,030,773 aggregate principal amount of such Capital Plan Bonds to  
4 finance Airport capital projects other than a Commission-owned hotel to be located at  
5 the Airport (the “Hotel”); and

6           WHEREAS, The Commission, by its Resolution No. 15-0182 (as supplemented  
7 and amended, the “Eighteenth Supplemental Resolution”), has authorized the issuance  
8 of an additional \$243,000,000 aggregate principal amount of Capital Plan Bonds (the  
9 “Airport Capital Plan Bonds”) to finance the Hotel and associated AirTrain station  
10 (collectively, the “Hotel Project”), which bonds are presented for approval by the Board  
11 in this Resolution; and

12           WHEREAS, The Eighteenth Supplemental Resolution also designates the  
13 proposed Hotel as a “Special Facility,” as defined in the 1991 Resolution, and  
14 authorizes the issuance of \$225,000,000 aggregate principal amount of San Francisco  
15 International Airport Special Facility Revenue Bonds (San Francisco International  
16 Airport Hotel) to finance the Hotel (the “Hotel Special Facility Bonds”), pursuant to a  
17 Trust Agreement (the “Trust Agreement”) between the Commission and U.S. Bank  
18 National Association, as trustee (the “Hotel Trustee”), which Hotel Special Facility  
19 Bonds are also presented for approval by the Board in this Resolution; and

20           WHEREAS, In order to maintain the “special facility” status of the Hotel and  
21 finance it at the lowest available interest rates, the Eighteenth Supplemental Resolution  
22 also authorizes the Commission to combine the desirable features of the Airport Capital  
23 Plan Bonds and the Hotel Special Facility Bonds, by selling to investors the Airport  
24 Capital Plan Bonds (which are secured and payable from Airport net revenues and can  
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1 therefore be sold to investors at the lowest available interest rates) and purchasing the  
2 Hotel Special Facility Bonds with the proceeds of the Airport Capital Plan Bonds; and

3 WHEREAS, The successful operation of the Hotel also requires a bank to  
4 provide commercial banking services including collecting and safeguarding Hotel  
5 revenues in a lockbox account, all in accordance with a Cash Management and  
6 Lockbox Agreement by and among the Commission, the Hotel operator and the Hotel  
7 Trustee (the “Lockbox Agreement”); and

8 WHEREAS, The Commission, by its Resolution No. 15-0194 (the “Hotel Trustee  
9 Resolution”), has authorized the appointment of U.S. Bank National Association as  
10 Hotel Trustee for the Hotel Special Facility Bonds pursuant to the Trust Agreement and  
11 as depository bank and provider of customary commercial banking services for the  
12 Hotel pursuant to the Lockbox Agreement; and

13 WHEREAS, The Eighteenth Supplemental Resolution and the Hotel Trustee  
14 Resolution have been submitted to this Board and are on file with the Clerk of the Board  
15 in File No. 150987, which is hereby declared to be a part of this resolution as if set forth  
16 fully herein; and

17 WHEREAS, The Trust Agreement and the Lockbox Agreement with the Hotel  
18 Trustee will have an initial term of ten (10) years, with three (3) options to extend the  
19 term for an additional ten (10) years at the discretion of the Airport in order to match the  
20 final maturity of the Hotel Special Facility Bonds, and Charter, Section 9.118, requires  
21 Board approval of any contract entered into by the Commission having a term in excess  
22 of ten (10) years; and

23 WHEREAS, Charter, Section 4.115, provides that the Airport Commission has  
24 the exclusive authority to plan and issue airport revenue bonds for airport-related  
25 purposes, subject to the approval, amendment, or rejection of the Board of each issue; and

1           WHEREAS, The Board, by Resolution No. \_\_\_\_\_ (the “Board Hotel  
2 Resolution”), has adopted relevant California Environmental Quality Act (CEQA)  
3 findings, incorporated by this reference as though fully set forth herein, and has certified  
4 that it has reviewed and considered the information in the San Francisco International  
5 Airport Master Plan Environmental Impact Report (“EIR”) (San Francisco Planning  
6 Department File No. 86.638E) and the Master Plan EIR Addendum for the Hotel Project,  
7 on file with the Clerk of the Board of Supervisors in File No. 101152, concluding that no  
8 further environmental review is necessary; and

9           WHEREAS, In the Board Hotel Resolution, the Board also approved the form of  
10 a Hotel Management Agreement between the Commission and Hyatt Corporation, and  
11 the forms of the Trust Agreement and the Lockbox Agreement, which were attached as  
12 exhibits to the Hotel Management Agreement; now, therefore, be it

13           RESOLVED, That the Board of Supervisors hereby declares that each of the  
14 foregoing recitals is true and correct and is a representation of the Board; and, be it

15           FURTHER RESOLVED, That the Eighteenth Supplemental Resolution and the  
16 Hotel Trustee Resolution, each as adopted by the Commission, are hereby approved;  
17 and, be it

18           FURTHER RESOLVED, That the additional authorized aggregate principal  
19 amount of Capital Plan Bonds shall be \$243,000,000 and the total authorized aggregate  
20 principal amount approved by the Prior Board Resolutions is hereby increased by  
21 \$243,000,000; and, be it

22           FURTHER RESOLVED, That the Hotel Special Facility Bonds in the aggregate  
23 principal amount of \$225,000,000 and the purchase of the Hotel Special Facility Bonds  
24 with the proceeds of the additional Capital Plan Bonds approved by this Resolution as  
25 provided in the Eighteenth Supplemental Resolution, are hereby approved; and, be it

1           FURTHER RESOLVED, That the appointment of U.S. Bank National Association  
2 as Hotel Trustee for the Hotel Special Facility Bonds, as provided in the Hotel Trustee  
3 Resolution, is hereby approved, and that the Airport Director and other appropriate  
4 Airport officials are hereby authorized to execute and deliver the Trust Agreement and  
5 the Lockbox Agreement with the Hotel Trustee substantially in the forms previously  
6 approved by the Board in the Board Hotel Resolution, with such changes and additions  
7 as the Airport Director shall deem necessary or advisable in consultation with the City  
8 Attorney, which changes and additions shall be conclusively approved by such  
9 execution and delivery; and, be it

10           FURTHER RESOLVED, That the Capital Plan Bonds and the Hotel Special  
11 Facility Bonds shall be sold prior to June 30, 2020; and, be it

12           FURTHER RESOLVED, That the provisions of the Prior Board Resolutions,  
13 except as modified therein and herein, are hereby ratified, approved, confirmed, and  
14 made applicable to the additional Capital Plan Bonds and Hotel Special Facility Bonds  
15 approved by this Resolution; and, be it

16           FURTHER RESOLVED, That should the application of any provision of this  
17 Resolution to any particular facts or circumstances be found by a court of competent  
18 jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this  
19 Resolution shall not be affected or impaired thereby, and (b) such provision shall be  
20 enforced to the maximum extent possible so as to effect the intent of this Resolution;  
21 and, be it

22           FURTHER RESOLVED, That within thirty (30) days of the Trust Agreement and the  
23 Lockbox Agreement being fully executed by all parties, the Airport Commission shall provide  
24 the final documents to the Clerk of the Board for inclusion into the official file.  
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APPROVED AS TO FORM:

DENNIS J. HERRERA  
City Attorney

By \_\_\_\_\_  
Deputy City Attorney