

**AIRPORT COMMISSION**

**CITY AND COUNTY OF SAN FRANCISCO**

**RESOLUTION NO. 00-0175**

Resolution Providing for a First Supplemental Trust Agreement and Official Statement Pertaining to San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC) and Related Matters

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WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), has previously determined in its Resolution No. 97-0145, adopted May 20, 1997 (the "Authorizing Resolution"), that it is desirable to provide for the operation of a jet fuel distribution system and related facilities (the "Fuel System") at the San Francisco International Airport (the "Airport") by the SFO FUEL COMPANY LLC (the "Company"), a Delaware limited liability company whose members shall be air carriers serving the Airport; and

WHEREAS, pursuant to the Authorizing Resolution, the Commission entered into a Fuel System Lease (the "Lease"), dated as of September 1, 1997, with the Company to facilitate the operation of the Fuel System and to finance improvements (the "Project") to the Fuel System, gasoline facilities and related facilities at the Airport; and

WHEREAS, pursuant to the Authorizing Resolution, the Commission entered into a Trust Agreement (the "Trust Agreement"), with BNY Western Trust Company, as trustee (the "Trustee"), dated as of May 1, 1997 to facilitate the financing of said improvements through the issuance of its Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC) (the "Authorized Bonds") in one or more series, in an aggregate principal not to exceed \$125,000,000; and

WHEREAS, pursuant to the Authorizing Resolution, the Commission issued \$105,610,000 of the Authorized Bonds (the "Previously Issued Bonds"); and

WHEREAS, \$19,390,000 in principal amount of the Authorized Bonds remains authorized, but not issued (the "Remaining Authorized Bonds"); and

WHEREAS, the Commission has determined that it is desirable to enter into a First Supplemental Trust Agreement (the "Supplemental Trust Agreement"), with the Trustee to facilitate the financing of said improvements through the issuance of the Remaining Authorized Bonds in one or more additional series in an aggregate principal amount not to exceed \$19,390,000 ( the "Bonds"); and

WHEREAS, the Bonds (together with the Previously Issued Bonds) will be payable solely from payments made by the Company pursuant to the Lease, and further secured by certain security agreements between the Company and the Trustee, and shall not be payable from or secured by the general revenues of the Airport; and

WHEREAS, the Bonds will be issued pursuant to and in accordance with applicable provisions of the Charter of the City and County of San Francisco (the "City"), ordinances and resolutions of the Board of Supervisors, including without limitation, Article II of Chapter 43 (formerly Chapter 48) of the Administrative Code of the City, and the statutes of the State of California; and

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WHEREAS, the Commission has determined that the above recitals are true and correct;

NOW, THEREFORE, BE IT RESOLVED by the Airport Commission of the City and County of San Francisco, as follows:

Section 1. The Airport Director (the "Airport Director") is hereby authorized and directed, for and on behalf of and in the name of the Commission, to enter into a supplemental or additional Trust Agreement (the "Supplemental Trust Agreement"), by and between the Commission and the Trustee, substantially in the form presented to this meeting and on file with the Secretary, with such changes and additions therein as the Airport Director may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by the execution and delivery of the Supplemental Trust Agreement. The Airport Director is further authorized and directed to enter into a separate fee agreement with BNY Western Trust Company for its services as trustee, paying agent, authenticating agent and registrar pursuant to the Trust Agreement under such terms as the Airport Director may approve upon consultation with the City Attorney, provided that the annual fees of the Trustee shall not exceed \$30,000.

Section 2. The Airport Director is hereby authorized to instruct the underwriters as identified in the Authorizing Resolution (the "Underwriters") to distribute a preliminary Official Statement, in such form as the Airport Director shall approve upon consultation with the City Attorney, to prospective purchasers of the Bonds. The Airport Director is hereby further authorized to execute and deliver a final Official Statement, in substantially the form of said preliminary Official Statement, with such changes and additions thereto as the Airport Director shall approve upon consultation with the City Attorney, such approval to be evidenced conclusively by the execution and delivery by the Airport Director of said final Official Statement as so added to or changed. The Airport Director is hereby authorized to certify that the preliminary Official Statement and the final Official Statement are, as of their respective dates, "deemed final" (with such exceptions as are permitted by Rule 15c2-12 of the Securities and Exchange Commission) by the Commission within the meaning of said rule. The Airport Director is hereby further authorized and directed to certify and agree on behalf of the Commission to provide certain financial information and operating data of the Commission annually and notices of certain events, if material, pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission and to execute and deliver a continuing disclosure certificate for the benefit of the holders and beneficial owners of the Bonds in such form as shall be approved by the Airport Director upon consultation with the City Attorney.

Section 3. The officers, agents and employees of the Commission are hereby authorized to take such actions, to execute such documents, and to enter into such agreements as they may deem necessary or desirable in order to consummate the entering into of the Supplemental Trust Agreement, the financing and undertaking of the Project and the issuance and sale of the Bonds.

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ADOPTED by the Airport Commission of the City and County of San Francisco this sixteenth day of May, 2000, by the following vote:

Ayes: 3

Noes: 0

Absent: 2

[SEAL]

Approved as to Form:

LOUISE H. RENNE  
City Attorney of the  
City and County of San Francisco,

By *Yara E. Losada*  
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission  
at its meeting of MAY 16 2000

*Jean Caronatti*  
Secretary



San Francisco International Airport

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MEMORANDUM

May 11, 2000

TO: AIRPORT COMMISSION  
Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

00-0175  
MAY 16 2000

AIRPORT  
COMMISSION  
CITY AND COUNTY  
OF SAN FRANCISCO

WILLIE L. BROWN, JR.  
MAYOR

FROM: Airport Director

HENRY E. BERMAN  
PRESIDENT

SUBJECT: Approval of a First Supplemental Trust Agreement and Official Statement  
Pertaining to San Francisco International Airport Special Facilities Lease  
Revenue Bonds (SFO FUEL COMPANY, LLC) and Related Matters

LARRY MAZZOLA  
VICE PRESIDENT

MICHAEL S. STRUNSKY

DIRECTOR'S RECOMMENDATION: APPROVE A FIRST SUPPLEMENTAL  
TRUST AGREEMENT AND OFFICIAL STATEMENT PERTAINING TO SAN  
FRANCISCO INTERNATIONAL AIRPORT SPECIAL FACILITIES LEASE  
REVENUE BONDS (SFO FUEL COMPANY LLC) AND RELATED MATTERS.

LINDA S. CRAYTON

CARYL ITO

Background

JOHN L. MARTIN  
AIRPORT DIRECTOR

On May 20, 1997, the Commission adopted Resolution No. 97-0143, approving a Fuel System Lease with SFO Fuel LLC, for the financing, construction, operation and maintenance of the Airport's fuel system. On June 23, 1997, the Board of Supervisors adopted Resolution 619-97, authorizing the issuance of \$125 million of Special Facilities Lease Revenue Bonds, in one or more series, for the fuel system improvements. On October 7, 1997, the Airport sold Series 1 and 2 of the bonds in an aggregate amount of \$105,610,000, to fund the new International Terminal jet fuel hydrant system and other improvements related to Near-Term Master Plan projects.

SFO Fuel is now requesting Airport assistance in obtaining \$19,390,000 in additional bond financing to fund certain improvements to meet the fueling needs at the Airport.

Description of Project

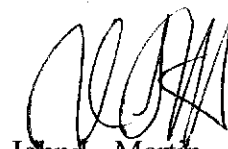
The project includes installation of two (2) new 75,000-barrel jet fuel storage tanks and certain improvements to the pump pads that are necessary to ensure continued sufficient jet fuel supply for airlines using the Airport. The total project cost is estimated at \$19,390,000 as shown below.

<u>Categories</u>	<u>Estimated Cost of Improvements</u>
Reliability and Control	\$1,000,000
Refueler Vehicle-Related Facilities	\$1,500,000
Tank Farm Improvements	\$10,783,700
Plot 22 Development	\$244,000
Engineering and Project Administration	\$1,223,100
Other Costs	\$2,462,500
Contingency	\$2,176,700
Total	<u>\$19,390,000</u>

Financing Request

Pursuant to Section 4.02 of the Fuel System Lease, SFO Fuel has requested that the Commission issue a third series of Special Facilities Lease Revenue Bonds (Series 2000) using the remaining authorization available under Resolution 619-97, adopted by the Board of Supervisors on June 23, 1997. Section 4.02 requires that the City use commercially reasonable efforts to issue and sell such bonds upon request of the lessee. Since only \$105,610,000 of the \$125,000,000 originally authorized was sold in Series 1 and 2, there is adequate authorization under Board of Supervisors Resolution No. 619-97 for the financing requested at this time.

I recommend that you approve the attached resolution approving the First Supplemental Trust Agreement and Official Statement pertaining to San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO Fuel Company, LLC).



John L. Martin  
Airport Director

Prepared by: Marcus Perro