

1 [Authorizing the execution and delivery of certificates of participation to finance the
2 acquisition, improvement, construction and/or reconstruction of a new juvenile detention
3 facility to replace the existing San Francisco Juvenile Hall.]

4 **Resolution authorizing the execution and delivery of certificates of participation to**
5 **finance the acquisition, improvement, construction and/or reconstruction of a new**
6 **juvenile detention facility to replace the existing San Francisco Juvenile Hall;**
7 **approving the form of a property lease between the City and County of San Francisco**
8 **(the “City”) and a trustee relating to certain City-owned property (as further described**
9 **in this Resolution); approving the form of a project lease between the City and a trustee**
10 **(including certain indemnities contained therein); authorizing the selection of a trustee;**
11 **approving the form of a trust agreement between the City and a trustee (including**
12 **certain indemnities contained therein); approving the form of an official notice of sale**
13 **and notice of intention to sell for the certificates of participation; approving the form of**
14 **an official statement in preliminary and final form; approving the form of a continuing**
15 **disclosure certificate; authorizing the filing of a validation action validating the**
16 **execution and delivery of the certificates of participation; authorizing the**
17 **reimbursement of certain expenditures; authorizing the payment of costs of issuance;**
18 **adopting findings under the California Environmental Quality Act and findings**
19 **pursuant to the City Planning Code Section 101.1; and ratifying previous actions taken**
20 **in connection therewith.**

21
22 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
23 “Board”) desires to acquire, improve, construct and/or reconstruct a new juvenile detention
24 facility to replace the existing San Francisco Juvenile Hall (the “Project”); and,
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1 WHEREAS, The Board desires to finance the acquisition, improvement, construction
2 and/or reconstruction of the Project with proceeds from the sale of certificates of participation
3 (the "Certificates"); and,

4 WHEREAS, The Board has selected certain City-owned property under the control of
5 the San Francisco Juvenile Probation Commission (the "Commission") (as set forth and
6 further described in Section 2 below, the "Property") for purposes of leasing in connection with
7 the execution of the Certificates; and,

8 WHEREAS, In connection with the execution and delivery of the Certificates, the City
9 and County of San Francisco (the "City") shall enter into a property lease, a project lease and
10 a trust agreement, and certain other related documents; and,

11 WHEREAS, It is anticipated that the Certificates will be sold by competitive sale
12 pursuant to an official notice of sale; and,

13 WHEREAS, The City reasonably expects to reimburse certain expenditures incurred
14 prior to the execution and delivery of the Certificates with proceeds of such Certificates; and,

15 WHEREAS, On May 15, 2001, the Department of City Planning adopted and issued a
16 General Plan Consistency Finding, a copy of which is on file with the Clerk of the Board,
17 wherein the Department of City Planning found that the Project is consistent with the City's
18 General Plan and with the Eight Priority Policies under Planning Code Section 101.1; and,

19 WHEREAS, On March 29, 1999, Major Environmental Analysis Division of the Planning
20 Department found that the Project is categorically exempt pursuant to the State's California
21 Environmental Quality Act ("CEQA") guidelines, a copy of which finding is on file with the
22 Clerk of the Board; now, therefore, be it

23 RESOLVED, BY THIS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF
24 SAN FRANCISCO AS FOLLOWS:

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1 Section 1. Approval of the Certificates. The Board hereby approves the execution
2 and delivery of the Certificates, which shall be executed and delivered in accordance with a
3 trust agreement as the same is finally executed and delivered. The Certificates shall be
4 designated as "City and County of San Francisco Certificates of Participation, Series 2002
5 (Juvenile Hall Replacement Project)," or such other designation as deemed appropriate by the
6 Director of Public Finance, or her designee (collectively, the "Director of Public Finance"). The
7 Certificates shall have an aggregate principal amount not to exceed \$45,000,000, with an
8 interest rate not to exceed twelve percent (12%) per annum. To the extent deemed
9 necessary by the Director of Public Finance, this Board authorizes the procurement of credit
10 enhancement for the Certificates, including, but not limited to, municipal bond insurance or a
11 debt service reserve fund surety bond. Notwithstanding Section 14 hereof, the documents
12 authorized herein may be modified or amended to permit the procurement of credit
13 enhancement for the Certificates, to the extent deemed necessary by the Director of Public
14 Finance, upon consultation with the City Attorney.

15 Section 2. Asset Transfer; Description of Property. The execution and delivery of
16 the Certificates and the lease financing of the acquisition, improvement, construction and/or
17 reconstruction of the Project hereby approved may involve the lease and leaseback by the
18 City of the following real property under the control of the Commission.

19 Property:

20 San Francisco Juvenile Hall
21 375 Woodside Avenue
22 San Francisco, CA 94127

23 Section 3. Approval of the Trust Agreement and Authorization of Selection of the
24 Trustee. The form of a trust agreement (the "Trust Agreement"), as presented to this Board, a
25 copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor of the City

1 or his designee (collectively, the "Mayor") is hereby authorized to execute the Trust
2 Agreement, and the Clerk of the Board or her designee (collectively, the "Clerk of the Board"),
3 is hereby authorized to attest to and affix the seal of the City on the Trust Agreement, with
4 such changes, additions and modifications as the Mayor may make or approve in accordance
5 with Section 14 hereof. The Director of Public Finance is hereby authorized to select a
6 trustee to serve as trustee under the Trust Agreement (the "Trustee").

7 Section 4. Approval of the Property Lease. The form of a property lease between
8 the City and the Trustee providing for the lease of the Property from the City to the Trustee
9 (the "Property Lease"), as presented to this Board, for a maximum term not to exceed forty-
10 five (45) years from the date of commencement thereof, at a total rent of \$1.00 per annum, a
11 copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby
12 authorized to execute the Property Lease, and the Clerk of the Board is hereby authorized to
13 attest to and affix the seal of the City on the Property Lease with such changes, additions and
14 modifications as the Mayor may make or approve in accordance with Section 14 hereof.

15 Section 5. Approval of the Project Lease. The form of a project lease between the
16 City and the Trustee (the "Project Lease"), providing for the financing of the Project, as
17 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
18 approved. The Mayor is hereby authorized to execute the Project Lease, and the Clerk of the
19 Board is hereby authorized to attest and to affix the seal of the City on the Project Lease with
20 such changes, additions and modifications as the Mayor may make or approve in accordance
21 with Section 14 hereof, provided however, that the maximum Base Rental (as defined in the
22 Project Lease) scheduled to be paid under the Project Lease in any fiscal year shall not
23 exceed \$4,000,000 and the term of the Project Lease shall not extend beyond 2047.

24 Section 6. Approval of Form of Official Notice of Sale. The form of an official notice
25 of sale relating to the Certificates (the "Official Notice of Sale"), as presented to this Board, a

1 copy of which is on file with the Clerk of the Board, is hereby approved. The Director of Public
2 Finance is hereby authorized to approve the distribution of an Official Notice of Sale for the
3 Certificates, with such changes, additions modifications or deletions as the Director of Public
4 Finance may approve upon consultation with the City Attorney; such approval to be
5 conclusively evidenced by the distribution of the Official Notice of Sale to potential purchasers
6 of the Certificates.

7 Section 7. Approval of Notice of Intention to Sell relating to the Certificates. The
8 form of a notice of intention to sell relating to the Certificates (the “Notice of Intention to Sell”),
9 as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
10 approved. The Director of Public Finance is hereby authorized to approve the publication of
11 the Notice of Intention to Sell relating to the Certificates, with such changes, additions,
12 modifications or deletions as the Director of Public Finance may approve upon consultation
13 with the City Attorney; such approval to be conclusively evidenced by the publication of the
14 Notice of Intention to Sell relating to the Certificates.

15 Section 8. Approval of the Official Statement in Preliminary and Final Form. The
16 form of an official statement relating to the Certificates (the “Official Statement”), as presented
17 to this Board, a copy of which is on file in preliminary form with the Clerk of the Board, is
18 hereby approved. The Director of Public Finance is hereby authorized to approve the
19 distribution of the preliminary Official Statement for the Certificates, with such changes,
20 additions, modifications or deletions as the Director of Public Finance may approve upon
21 consultation with the City Attorney; such approval to be conclusively evidenced by the
22 distribution of the preliminary Official Statement to potential purchasers of the Certificates.
23 The Controller of the City, or his designee (collectively, the “Controller”), is hereby authorized
24 to execute, and the Director of Public Finance is hereby further authorized to approve the
25 distribution of, the Official Statement for the Certificates in final form.

1 Section 9. Approval of the Continuing Disclosure Certificate. The form of a
2 Continuing Disclosure Certificate of the City, as presented to this Board, a copy of which is on
3 file with the Clerk of the Board, is hereby approved. The Controller is hereby authorized to
4 execute the Continuing Disclosure Certificate, with such modifications, changes or additions
5 as the Controller may approve upon consultation with the City Attorney; such approval to be
6 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

7 Section 10. Authorization of Validation Action. The City Attorney is hereby requested
8 and authorized to file a validation action validating the City's authority to enter into the
9 Property Lease, the Project Lease and the Trust Agreement, and to finance the Project, as
10 such legal action is authorized by Chapter 9, Title 10, Division 5 of the California Code of Civil
11 Procedure.

12 Section 11. Approval of Reimbursement. Pursuant to Treasury Regulations Section
13 1.150-2, the City hereby declares its intent to reimburse from proceeds of the sale of the
14 Certificates capital expenditures of the Project paid within sixty (60) days prior to the date of
15 adoption of this Resolution, costs of issuance of the certificates and other expenditures
16 permitted to be reimbursed pursuant to Treasury Regulations Section 1.150-2. Any
17 reimbursement allocation of proceeds of the Certificates to be made with respect to
18 expenditures incurred prior to the execution and delivery of the Certificates (excluding certain
19 de minimis expenditures and preliminary expenditures in an amount not to exceed twenty
20 percent (20%) of the issue price of the Certificates) will occur not later than eighteen (18)
21 months after the later of (i) the date on which the expenditure is paid, or (ii) the date on which
22 the facilities are placed in service, but in no event more than three (3) years after the
23 expenditure is paid.

24 Section 12. Payment of Costs of Issuance. The Board hereby authorizes the
25 expenditure of a portion of the proceeds of the Certificates, not to exceed \$500,000 (or such

1 higher amount deemed reasonable by the Director of Public Finance), for the payment of
2 certain costs of issuance incurred in connection with the execution and delivery of the
3 Certificates.

4 Section 13. General Authority. The Mayor, the City Attorney, the Controller, the City
5 Administrator, the Chief Probation Officer, the President of the Juvenile Probation
6 Commission, the Director of the Mayor's Office of Criminal Justice Council, the Director of
7 Public Finance, the Clerk of the Board and other officers of the City and their duly authorized
8 deputies and agents are hereby authorized and directed, jointly and severally, to take such
9 actions and to execute and delivery such certificates, agreements, requests or other
10 documents as they may deem necessary or desirable to validate the proposed financing
11 through the execution and delivery of the Certificates, to enter into the Property Lease, Project
12 Lease and the Trust Agreement, to facilitate the execution and delivery of the Certificates and,
13 to obtain bond insurance or other credit enhancements with respect to the financing of the
14 Project and otherwise to carry out the provisions of this Resolution.

15 Section 14. Modifications, Changes and Additions. The Mayor is hereby authorized
16 to approve and make such modifications, changes or additions to the Property Lease, the
17 Project Lease or the Trust Agreement, upon consultation with the City Attorney, as may be
18 necessary or desirable in the interests of the City, and which changes do not materially
19 increase the obligations of the City under the Property Lease, Project Lease or the Trust
20 Agreement. The Mayor's approval of such modifications, changes or additions shall be
21 conclusively evidenced by the execution and delivery by the Mayor and the Clerk of the Board
22 of the Property Lease, Project Lease and the Trust Agreement.

23 Section 15 Adoption of Findings of Department of City Planning. The Board hereby
24 adopts and incorporates herein by reference the findings of the Department of City Planning in
25 the General Plan Consistency Finding that the proposed Project is in conformity with the

1 Master Plan and is consistent with the Eight Priority Policies of Planning Code Section 101.1.
2 The Board further adopts and incorporates by reference the findings of the Department of City
3 Planning that the acquisition, improvement, construction and/or reconstruction of the Project is
4 categorically exempt pursuant to the State's CEQA guidelines.

5 Section 16. Ratification of Prior Actions. All actions authorized and directed by this
6 Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board.

7 Section 17. File Documents. All documents referred to as on file with the Clerk of the
8 Board are in File No. _____.

9 APPROVED AS TO FORM:

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11 DENNIS J. HERRERA
City Attorney

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14 By: _____
THERESA ALVAREZ
15 Deputy City Attorney

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