

1 [Authorizing Certificates of Participation - Concourse Garage Project - Not to Exceed
2 \$29,000,000]

3 **Ordinance authorizing the execution and delivery of Certificates of Participation on a**
4 **tax-exempt or taxable basis evidencing and representing an aggregate principal**
5 **amount of not to exceed \$29,000,000 to fund all or a portion of the acquisition of the**
6 **Concourse Garage; authorizing the issuance of commercial paper notes in advance of**
7 **the delivery of the Certificates; approving the form of Trust Agreement between the**
8 **City and County of San Francisco and the Trustee (including certain indemnities**
9 **contained therein); authorizing the selection of the Trustee by the Director of Public**
10 **Finance; approving respective forms of a Property Lease and a Lease Agreement, each**
11 **between the City and County of San Francisco and the Trustee for the lease and lease**
12 **back of certain property and facilities of the City; approving the forms of Purchase**
13 **Contract, Official Notice of Sale, and Notice of Intention to Sell Certificates; directing**
14 **the publication of the Notice of Intention to Sell Certificates; approving the form of the**
15 **Preliminary Official Statement and the form and execution of the Official Statement**
16 **relating to the sale of the Certificates; approving the form of the Continuing Disclosure**
17 **Certificate; granting general authority to City officials to take necessary actions in**
18 **connection with the authorization, execution, sale and delivery of the Certificates,**
19 **including termination of the Ground Lease and transfer of the Concourse Garage**
20 **property and related property to the City and County of San Francisco under the**
21 **jurisdiction of the Recreation and Park Commission; approving modifications to**
22 **documents and agreements; declaring the City's intent to reimburse certain**
23 **expenditures; and ratifying previous actions taken in connection therewith, as defined**
24 **herein.**

25 **NOTE: Unchanged Code text and uncodified text are in plain Arial font.**

1 **Additions to Codes** are in *single-underline italics Times New Roman font*.
2 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
3 **Board amendment additions** are in double-underlined Arial font.
4 **Board amendment deletions** are in ~~strikethrough Arial font~~.
5 **Asterisks (* * * *)** indicate the omission of unchanged Code
6 subsections or parts of tables.

7 Be it ordained by the People of the City and County of San Francisco:

8 Section 1. The City and County of San Francisco (“City”), acting by and through the
9 Golden Gate Park Concourse Authority (“Authority”) and the Recreation and Park
10 Commission (“Commission”), leased certain City property under a Ground Lease, dated as of
11 February 27, 2004 (as amended, the “Ground Lease”), to the Music Concourse Community
12 Partnership (“MCCP”).

13 (a) The property leased under the Ground Lease has been developed into the
14 underground parking facility (“Concourse Garage”) contemplated by the Golden Gate Park
15 Revitalization Act of 1998 (adopted as Proposition J on June 2, 1998, at an election of the
16 voters of the City) (“Proposition J”); and

17 (b) Proposition J was amended by an ordinance known as Proposition N (“Proposition
18 N”) approved by the City’s voters at an election held on November 8, 2022, to permit the City
19 to acquire the Concourse Garage and place the Concourse Garage under the jurisdiction of
20 the Commission.

21 (c) The Board of Supervisors (“Board”) of the City desires to fund all or a portion of the
22 costs to acquire the Concourse Garage and related property (“Project”) through the execution
23 and delivery of one or more series of certificates of participation (“Certificates”).

24 (d) The Certificates will be executed and delivered in one or more series on a tax-
25 exempt and/or taxable basis pursuant to a trust agreement (“Trust Agreement”) between the
 City and the trustee to be named therein (“Trustee”).

1 (e) In advance of the execution and delivery of the Certificates, the Board desires to
2 authorize the issuance of commercial paper notes under the City's Commercial Paper
3 Program (established by the Board through the adoption of resolutions 85-09 and 136-10, as
4 amended to date) to fund costs of the Project on an interim basis until the Certificates are
5 executed and delivered to provide permanent financing for the acquisition costs of the
6 Concourse Garage and related property.

7 (f) In connection with the execution and delivery of the Certificates, the Board desires
8 to cause the execution of a Property Lease ("Property Lease"), pursuant to which the City will
9 lease to the Trustee the Concourse Garage property, and/or other property designated by the
10 Director of Public Finance ("Leased Property"), and a Lease Agreement ("Lease Agreement"),
11 pursuant to which the Trustee will lease the Leased Property back to the City.

12 (g) The Board has been presented with the form of certain documents and agreements
13 referred to herein relating to the Certificates, and the Board has examined and is approving
14 each such document and agreement and desires to authorize the execution of such
15 documents and agreements and the consummation of such financing.

16 (h) Upon the effectiveness of this Ordinance, all conditions, things and acts required
17 by law to exist, to happen and to be performed precedent to and as a condition of the
18 execution and delivery of the Property Lease, the Lease Agreement, the Trust Agreement and
19 the Certificates will exist, have happened and have been performed in due time, form and
20 manner in accordance with applicable law, and the City shall be authorized pursuant to its
21 Charter and other applicable law to execute and deliver the Property Lease, the Lease
22 Agreement, the Continuing Disclosure Certificate, the Trust Agreement and, if applicable, the
23 Purchase Contract, and to cause the execution and delivery of the Certificates in the manner
24 and form provided in this Ordinance.
25

1 (i) The City has paid and expects to pay certain expenditures in connection with the
2 Project to be financed by the Certificates prior to the execution and delivery of the Certificates,
3 and the City intends to reimburse itself and to pay third parties for such prior expenditures
4 from the proceeds of the Certificates.

5 (j) Section 1.150-2 of the Treasury Regulations promulgated under the Internal
6 Revenue Code of 1986 ("Reimbursement Regulations") requires the City to declare its
7 reasonable official intent to reimburse prior expenditures with the proceeds of a subsequent
8 borrowing.

9 (k) The Reimbursement Regulations require that any reimbursement allocation of
10 proceeds of the Certificates to be made with respect to expenditures incurred prior to the
11 execution and delivery of the Certificates will occur not later than eighteen (18) months after
12 the later of (i) the date on which the expenditure is paid or (ii) the date on which the facilities
13 are placed in service, but in no event later than three (3) years after the expenditure is paid.

14 (l) The adoption of this Ordinance shall constitute authorization of the Certificates
15 within the meaning of Section 864 of the California Code of Civil Procedure and any Validation
16 Act that is effective after this Ordinance takes effect.

17 Section 2. Findings. The Board hereby finds and determines that the recitals set
18 forth above are true and correct.

19 Section 3. File Documents. The documents presented to the Board and on file with
20 the Clerk of the Board or their designee (collectively, the "Clerk") are contained in File
21 No. 240723.

22 Section 4. Authorization of the Certificates. The Board hereby authorizes and
23 approves the execution and delivery of the Certificates in accordance with the Trust
24 Agreement. The Board hereby approves the issuance of commercial paper notes from time to
25 time to fund certain costs relating to the Project. The proceeds of the Certificates will be used

1 to fund (i) costs of the Project, including not more than \$500,000 of Certificate proceeds to
2 discharge certain loans owed by MCCP to the California Academy of Sciences and the de
3 Young Museum and the repayment of commercial paper notes and interest thereon issued for
4 such purpose; (ii) a debt service or other similar reserve, as appropriate; (iii) capitalized
5 interest, if any; and (iv) costs of the execution and delivery of the Certificates. The Certificates
6 shall be designated as "Certificates of Participation (Concourse Garage Project)," with such
7 other or additional designation, including the year of execution and delivery, as determined by
8 the Director of Public Finance of the City or their designee, acting for and on behalf of the City
9 Controller (collectively, the "Director of Public Finance").

10 The Certificates shall evidence an aggregate principal amount of not to exceed Twenty-
11 Nine Million Dollars (\$29,000,000), and shall evidence interest at a true interest cost up to but
12 not to exceed twelve percent (12%) per annum. The Certificates shall be subject to
13 prepayment as set forth in the Lease Agreement and Trust Agreement. The Director of Public
14 Finance is hereby authorized, to the extent such officer deems it necessary or advisable and
15 financially advantageous to the City, to procure credit enhancement for the Certificates,
16 including but not limited to municipal bond insurance and/or a debt service reserve fund surety
17 policy.

18 The Director of Public Finance is hereby authorized, to the extent such officer deems it
19 necessary or advisable and in the interests of the City, to cause the execution and delivery of
20 the Certificates (i) with interest with respect thereto exempt or not exempt from federal income
21 tax, and (ii) under any federal tax law provisions which provide for federal grants or credits to
22 the City or to investors in lieu of the exemption of interest from federal income tax.

23 Section 5. Approval of the Trust Agreement; Authorization of the Selection of the
24 Trustee. The form of the Trust Agreement between the City and the Trustee, as presented to
25 the Board, a copy of which is on file with the Clerk, is hereby approved. The Mayor of the City

1 or their designee (collectively, the "Mayor") or the City Controller or their designee
2 ("Controller") and the General Manager of the Recreation and Park Department or their
3 designee (collectively, the "General Manager of the Recreation and Park Department") are
4 hereby authorized to execute and deliver the Trust Agreement, and the Clerk is hereby
5 authorized to attest to the Trust Agreement, with such changes, additions and modifications
6 as made or approved in accordance with Section 14 hereof.

7 The Director of Public Finance is hereby authorized to select the Trustee in accordance
8 with City policies and procedures.

9 Section 6. Approval of the Property Lease. The form of the Property Lease between
10 the City and the Trustee, as presented to the Board, a copy of which is on file with the Clerk,
11 is hereby approved. The Mayor or the Controller and the General Manager of the Recreation
12 and Park Department are hereby authorized to execute and deliver the Property Lease, and
13 the Clerk is hereby authorized to attest to the Property Lease, with such changes, additions
14 and modifications as made or approved in accordance with Section 14 hereof.

15 Section 7. Approval of the Lease Agreement. The form of the Lease Agreement
16 between the City and the Trustee, as presented to the Board, a copy of which is on file with
17 the Clerk, is hereby approved. The Mayor or the Controller and the General Manager of the
18 Recreation and Park Department are hereby authorized to execute and deliver the Lease
19 Agreement, and the Clerk is hereby authorized to attest to the Lease Agreement with such
20 changes, additions and modifications as made or approved in accordance with Section 14
21 hereof; provided, however, that the maximum Base Rental (as defined in the Lease
22 Agreement) to be paid under the Lease Agreement in any fiscal year shall not exceed Three
23 Million Dollars ~~Dollars~~ (\$3,000,000) and the initial stated term of the Lease Agreement shall
24 not extend beyond the 35th year following its date of execution, as such initial term may be
25 extended in accordance with the Lease Agreement.

1 Section 8. Approval of the Leased Property and the Base Rental Payments. The
2 Board hereby approves the leasing, pursuant to the terms of the Property Lease and the
3 Lease Agreement, of all or a portion of the Leased Property. The Board also hereby approves
4 the payment by the City of the Base Rental with respect thereto.

5 Section 9. Official Statement. The form of proposed Preliminary Official Statement
6 describing the Certificates (“Preliminary Official Statement”) submitted to the Board is
7 approved and adopted as the Preliminary Official Statement describing the Certificates, with
8 such additions, corrections and revisions as may be determined to be necessary or desirable
9 made in accordance herewith. The Controller is authorized to cause the distribution of a
10 Preliminary Official Statement deemed final for purposes of Securities and Exchange
11 Commission Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as
12 amended (“Rule”), and to sign a certificate to that effect. The Director of Public Finance is
13 authorized and directed to cause to be printed and mailed or electronically distributed to
14 prospective bidders or purchasers for the Certificates the Preliminary Official Statement in
15 substantially the form of the Preliminary Official Statement approved and adopted by this
16 Ordinance, as completed, supplemented, corrected or revised. The Controller is authorized
17 and directed to approve, execute, and deliver the final Official Statement with respect to the
18 Certificates, which final Official Statement shall be in the form of the Preliminary Official
19 Statement, with such additions, corrections and revisions as may be determined to be
20 necessary or desirable made in accordance herewith and as are permitted under the Rule.
21 The Director of Public Finance is authorized and directed to cause to be printed and mailed or
22 electronically distributed the final Official Statement to all actual initial purchasers of the
23 Certificates.

24 Section 10. Continuing Disclosure Certificate. The form of Continuing Disclosure
25 Certificate (“Continuing Disclosure Certificate”), to be signed by the Controller to permit the

1 original purchasers of the Certificates to comply with the Rule, submitted to the Board is
2 approved and adopted as the Continuing Disclosure Certificate, with such changes, additions
3 and modifications as made or approved in accordance with Section 14 hereof. The Controller
4 is authorized and directed to execute the Continuing Disclosure Certificate on behalf of the
5 City and deliver the Continuing Disclosure Certificate to the original purchasers of the
6 Certificates.

7 Section 11. Sale of the Certificates. The Controller or the Director of Public Finance
8 is hereby authorized to cause the sale of the Certificates by competitive or negotiated sale. If
9 sold by competitive sale, the Controller or the Director of Public Finance is hereby authorized
10 and directed to award the Certificates to the bidder whose bid represents the lowest true
11 interest cost to the City (as confirmed by the City's municipal advisor) and whose bid
12 otherwise conforms to the bid requirements contained in the Official Notice of Sale.

13 The form of proposed Notice of Intention to Sell the Certificates ("Notice of Intention to
14 Sell Certificates") submitted to the Board is approved and adopted as the Notice of Intention
15 to Sell the Certificates, and the Controller or the Director of Public Finance is authorized and
16 directed to cause the Notice of Intention to Sell Certificates, subject to such changes,
17 additions and modifications as made or approved in accordance with Section 14 hereof, to be
18 published once in *The Bond Buyer* or another financial publication generally circulated
19 throughout the State of California.

20 If the Controller or the Director of Public Finance determines to sell the Certificates by
21 negotiated sale, the Controller or the Director of Public Finance is hereby authorized to sell
22 the Certificates by negotiated sale pursuant to one or more purchase contracts (each, a
23 "Purchase Contract") by and between the City and the underwriters named therein; provided,
24 however, that the underwriters' discount under any such Purchase Contract shall not exceed
25 one and one-half percent (1.5%) of the principal amount of the Certificates.

1 To accomplish the sale of the Certificates by negotiated sale, if applicable, the
2 Controller or the Director of Public Finance is hereby authorized to appoint one or more
3 financial institutions to act as underwriter for the Certificates in accordance with City policies
4 and procedures, including but not limited to the City's policy to provide locally disadvantaged
5 business enterprises an equal opportunity to participate in the performance of all City
6 contracts.

7 Section 12. Reimbursement. The City declares its official intent to reimburse prior
8 expenditures of the City incurred prior to the execution and delivery of the Certificates in
9 connection with the Project or portions thereof with the proceeds of the Certificates. The
10 Board declares the City's intent to reimburse the City with the proceeds of the Certificates for
11 the expenditures with respect to the Project ("Expenditures" and each an "Expenditure") made
12 on and after that date that is no more than 60 days prior to adoption of this Ordinance. The
13 City reasonably expects on the date of adoption of this Ordinance that it will reimburse the
14 Expenditures with the proceeds of the Certificates.

15 Each Expenditure was and will be either (a) of a type properly chargeable to a capital
16 account under general federal income tax principles (determined in each case as of the date
17 of the Expenditure), (b) a cost of issuance with respect to the Certificates, (c) a nonrecurring
18 item that is not customarily payable from current revenues, or (d) a grant to a party that is not
19 related to or an agent of the City so long as such grant does not impose any obligation or
20 condition (directly or indirectly) to repay any amount to or for the benefit of the City. The
21 maximum aggregate principal amount of the Certificates expected to be executed and
22 delivered for the Project is \$29,000,000. The City shall make a reimbursement allocation,
23 which is a written allocation by the City that evidences the City's use of proceeds of the
24 Certificates to reimburse an Expenditure, no later than 18 months after the later of the date on
25 which the Expenditure is paid or the Project is placed in service or abandoned, but in no event

1 more than three years after the date on which the Expenditure is paid. The City recognizes
2 that exceptions are available for certain "preliminary expenditures," costs of issuance, certain
3 *de minimis* amounts, expenditures by "small issuers" (based on the year of issuance and not
4 the year of expenditure) and expenditures for construction projects of at least 5 years.

5 Section 13. Appraisal Not Required. The appraisal requirement in Section 23.14 of
6 the Administrative Code shall not apply to any transfer contemplated under this Ordinance.

7 Section 14. General Authority. The Mayor, the City Treasurer, the City Attorney, the
8 City Controller, the City Administrator, the Director of Public Finance, the Clerk, the General
9 Manager of the Recreation and Park Department, the Director of Transportation and other
10 officers of the City and their duly authorized deputies, designees and agents are hereby
11 authorized and directed, jointly and severally, to take such actions and to execute and deliver
12 such certificates, agreements (including, without limitation, any escrow agreements), requests
13 or other documents as they may deem necessary or desirable to accomplish the purposes of
14 this Ordinance, including but not limited to the execution and delivery of the Property Lease,
15 the Lease Agreement, the Trust Agreement, the Continuing Disclosure Certificate, the
16 Purchase Contract and the Certificates, a quitclaim deed and/or termination agreement to
17 evidence termination of the Ground Lease, an agreement regarding transfer of the Project and
18 Project operations to the City consistent with this Ordinance and the Ground Lease, to obtain
19 bond insurance and/or other credit enhancements and/or a surety policy with respect to the
20 Certificates, to obtain title insurance, to clear any encumbrances to title and to carry out other
21 title work and transfer jurisdiction of the Concourse Garage to the Commission in accordance
22 with Proposition N. Any such actions are solely intended to further the purposes of this
23 Ordinance, and are subject in all respects to the terms of this Ordinance. No such actions
24 shall increase the risk to the City or require the City to spend any resources not otherwise
25 granted herein. Final versions of any such documents shall be provided to the Clerk of the

1 Board for inclusion in the official file within 30 days of execution (or as soon thereafter as final
2 documents are available) by all parties.

3 Section 15. Modifications, Changes and Additions. The Mayor, the City Treasurer,
4 the Controller, the Director of Public Finance, and the General Manager of the Recreation and
5 Park Department each are hereby authorized to make such modifications, changes and
6 additions to the documents and agreements approved hereby, upon consultation with the City
7 Attorney, as may be necessary or desirable and in the interests of the City, and which
8 changes do not materially increase the City's obligations or reduce its rights thereunder or
9 hereunder. The respective official's approval of such modifications, changes and additions
10 shall be conclusively evidenced by the execution and delivery thereof by such official.

11 Section 16. Partial Invalidity. Any provision of this Ordinance found to be prohibited
12 by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the
13 remainder of this Ordinance.

14 Section 17. Ratification of Prior Actions. All actions authorized consistent with any
15 documents presented herein and approved by this Ordinance but heretofore taken are hereby
16 ratified, approved and confirmed by the Board.

17 Section 18. Effective Date. This Ordinance shall take effect immediately.
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APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ MARK D. BLAKE
MARK D. BLAKE
Deputy City Attorney

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City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 240723

Date Passed: September 10, 2024

Ordinance authorizing the execution and delivery of Certificates of Participation on a tax-exempt or taxable basis evidencing and representing an aggregate principal amount of not to exceed \$29,000,000 to fund all or a portion of the acquisition of the Concourse Garage; authorizing the issuance of commercial paper notes in advance of the delivery of the Certificates; approving the form of Trust Agreement between the City and County of San Francisco and the Trustee (including certain indemnities contained therein); authorizing the selection of the Trustee by the Director of Public Finance; approving respective forms of a Property Lease and a Lease Agreement, each between the City and County of San Francisco and the Trustee for the lease and lease back of certain property and facilities of the City; approving the forms of Purchase Contract, Official Notice of Sale, and Notice of Intention to Sell Certificates; directing the publication of the Notice of Intention to Sell Certificates; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the Certificates; approving the form of the Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, execution, sale and delivery of the Certificates, including termination of the Ground Lease and transfer of the Concourse Garage property and related property to the City and County of San Francisco under the jurisdiction of the Recreation and Park Commission; approving modifications to documents and agreements; declaring the City's intent to reimburse certain expenditures; and ratifying previous actions taken in connection therewith, as defined herein.

July 31, 2024 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 31, 2024 Budget and Finance Committee - RECOMMENDED AS AMENDED

September 03, 2024 Board of Supervisors - PASSED ON FIRST READING

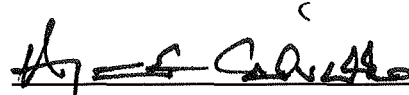
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

September 10, 2024 Board of Supervisors - FINALLY PASSED


Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240723

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 9/10/2024 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

9/12/24

Date Approved