

1 [Golden Gate Park Music Concourse Garage Refinance]

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3 **Resolution concurring in the recommendation of the Controller and the Director of the**  
4 **Office of Public Finance that the issuance of \$30,000,000 tax-exempt bank qualified**  
5 **bonds with First Republic Bank for and on behalf of the Music Concourse Community**  
6 **Partnership, a California nonprofit public benefit corporation, is reasonably prudent;**  
7 **and directing the Controller and the Director of the Office of Public Finance to do**  
8 **everything necessary and desirable to provide for the issuance of such bonds.**  
9

10 WHEREAS, At the June 2, 1998, special election the voters of the City and County of  
11 San Francisco (the "City") approved Proposition J, now codified in Appendix 41 of the City's  
12 Administrative Code ("Proposition J"); and

13 WHEREAS, Proposition J is an initiative measure which, among other things,  
14 authorized the creation of the Golden Gate Park Concourse Authority (the "Authority") and the  
15 construction, by or on behalf of the Authority, of an underground parking facility (the "Facility")  
16 containing approximately 800 parking spaces in Golden Gate Park (the "Project"); and

17 WHEREAS, Proposition J also authorized the City's Board of Supervisors (the "Board  
18 of Supervisors") to grant administrative jurisdiction over certain lands in or near the area of the  
19 Golden Gate Park Music Concourse (the "Concourse") to the Authority to facilitate the Project;  
20 and

21 WHEREAS, Music Concourse Community Partnership ("MCCP"), is a nonprofit public  
22 benefit corporation organized and existing under the laws of the State of California, formed  
23 and existing for the primary purpose of funding, designing, constructing and operating the  
24 Facility; and  
25

1 WHEREAS, By Resolution No. 737-03, the Board of Supervisors approved a ground  
2 lease (the "Lease") between M CCP, as tenant, and the City, acting through the Authority and  
3 the Recreation and Park Commission (the "Commission"), as landlord, which governs the  
4 relationship between the parties with respect to the construction and operation of the Facility;  
5 and

6 WHEREAS, Under the terms of the Lease, M CCP was granted a long-term leasehold  
7 interest in lands beneath the Concourse and the right to construct the Facility at its own  
8 expense, and as such shall be deemed the owner of the physical improvements constituting  
9 the Facility until expiration or termination of the Lease, at which time title to such  
10 improvements shall be transferred to the City at no cost; and

11 WHEREAS, Under the terms of the Lease, M CCP is permitted to apply the revenues of  
12 the Facility to help finance the costs of constructing the Facility; and

13 WHEREAS, In June 2005, California Statewide Communities Development Authority  
14 (the "CSCDA") issued \$26,500,000 in Revenue Bond Anticipation Notes (the "Notes") on  
15 behalf of the M CCP to finance a portion of the costs of construction of an underground  
16 parking facility in Golden Gate Park located between the M.H. de Young Museum and the  
17 California of Academy of Sciences (the "Project") in the City; and

18 WHEREAS, The Notes have a final maturity of December 1, 2011; and

19 WHEREAS, M CCP expected on or prior to the maturity of the Notes to secure long-  
20 term financing for the Project, including the retirement of the Notes, from the sale of refunding  
21 revenue bonds or other evidences of indebtedness as permitted by law; and

22 WHEREAS, The Project was partially completed in October 2005, and finally  
23 completed in 2007 ; and

24 WHEREAS, In July 2007, in order to make final construction payments to the  
25 contractor, M CCP borrowed additional \$1,500,000 in private loans (collectively the "Loan")

1 arranged directly with the Fine Arts Museum Foundation and the California Academy of  
2 Sciences; and,

3 WHEREAS, The Loan, together with the principal amount of the Notes, did not exceed  
4 the amount reasonably necessary to facilitate the Project; and

5 WHEREAS, MCCC now proposes to secure long-term private placement financing with  
6 First Republic Bank in an amount not to exceed \$30,000,000 to refund or refinance the Notes  
7 and the Loan, under provisions of the American Reinvestment and Recovery Act of 2008  
8 (ARRA), Bank Qualified Tax Exempt Bond Program ("Bonds"); and,

9 WHEREAS, The ARRA Bank Qualified Tax Exempt Bond Program, which expires  
10 December 31, 2010, offers advantageous terms including but not limited attractive interest  
11 rates and lower costs of issuance; and,

12 WHEREAS, In accordance with the Ground Lease and the First Amendment to the  
13 Ground Lease, MCCC is not required to obtain approval by the Board of Supervisors of a  
14 refunding the Notes and the Loan outstanding if such refunding is reasonably prudent in the  
15 light of MCCC's financial situation; and,

16 WHEREAS, The Controller and the Director of the Office of Public Finance, have  
17 determined to proceed with refunding of the Notes and the Loan through the issuance of the  
18 Bonds with First Republic Bank, and believes such financing is reasonably prudent; now,  
19 therefore, be it

20 RESOLVED, That Board hereby concurs with the Controller and the Director of the  
21 Office of Public Finance that such financing is reasonably prudent, and directs the Controller  
22 and the Director of the Office Public Finance, and all other appropriate officers, employees,  
23 representatives and agents of the City, to do everything necessary and desirable to provide  
24 for the issuance of not more than \$30,000,000 of Tax Exempt Bank Qualified Bonds on a  
25 private placement basis with First Republic Bank on such terms and conditions as the

1     Controller and the Director of the Office Public Finance, in consultation with MCCP and the  
2     City Attorney, believe are reasonably prudent and in accordance with the provisions of this  
3     Resolution. Provided, however, that no funds of the City shall be made available or shall  
4     otherwise secure repayment of the Bonds.