

1 [Authorizing Interim Financing - Peninsula Corridor Joint Powers Board - Peninsula Corridor
2 Electrification Project - up to \$150,000,000]

3

4 **Resolution authorizing interim financing by the Peninsula Corridor Joint Powers Board**
5 **for the Peninsula Corridor Electrification Project, in an aggregate principal amount not**
6 **to exceed \$150,000,000 outstanding at any one time.**

7

8 WHEREAS, The Peninsula Corridor Joint Powers Board (the "JPB"), is a public entity
9 duly established and organized under the laws of the State of California, which was created
10 pursuant to a joint exercise of powers agreement (the "Joint Powers Agreement") entered into
11 by the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County
12 Transit District, the City and County of San Francisco, and the San Mateo County Transit
13 District (each, a "Member Agency"; collectively, "Member Agencies"); and

14 WHEREAS, Pursuant to the Joint Powers Agreement, the Joint Powers Board operates
15 the Caltrain commuter rail service; and

16 WHEREAS, Under the Joint Powers Agreement, each Member Agency is required to
17 contribute to the operating costs of the Caltrain commuter rail service and provide for the
18 costs of capital projects of the Joint Powers Board in the manner set forth in the Joint Powers
19 Agreement; and

20 WHEREAS, The JPB is undertaking the Peninsula Corridor Electrification Project
21 ("PCEP") in order to convert the Caltrain commuter rail service running between San
22 Francisco and the Tamien Station in San Jose from diesel-hauled trains to electric multiple-
23 unit trains; and

24 WHEREAS, The JPB anticipates that completion of PCEP will enable the JPB to (i)
25 meet current and future transportation demand between San Jose and San Francisco, (ii)
offset existing and future worsening roadway congestion, (iii) address continuing regional air

1 quality issues, (iv) reduce greenhouse gas emissions, and (v) provide electrical infrastructure
2 compatible with contemplated future high-speed rail service; and

3 WHEREAS, The JPB Board of Directors certified the PCEP Final Environmental Impact
4 Report ("PCEP FEIR") for the Peninsula Corridor Electrification Project in conformance with
5 CEQA law and Guidelines, and the interim financing approved in this resolution is for that
6 project; and

7 WHEREAS, In Resolution No. 7-16 on January 26, 2016, the Board of Supervisors,
8 representing the City as a responsible agency under CEQA, reviewed and considered the
9 PCEP FEIR and record as a whole, and made findings required by CEQA; and

10 WHEREAS, The JPB expects to finance, on an interim basis, certain costs of the
11 PCEP through a loan or revolving line of credit with a banking institution; and

12 WHEREAS, Such financing is being undertaken by the Joint Powers Board to pay
13 costs of the PCEP expected to be due and payable in advance of receipt of funds identified to
14 pay such costs (the "Project Funding"), which Project Funding is currently expected to be
15 provided from federal, state, regional and local sources, including, but not limited to, (i) grants
16 from the federal government; (ii) funding made available pursuant to The Safe, Reliable High-
17 Speed Passenger Train Bond Act for the 21st Century, commonly referred to as Proposition
18 1A, The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006,
19 commonly referred to as Proposition 1B, the Transit Intercity Rail Capital Program, and the
20 Caltrain Low Carbon Transportation Operations Program; (iii) funding allocated by the
21 Metropolitan Transportation Commission and the Bay Area Air Quality Management District;
22 and (iv) funding allocated by the Member Agencies; and

23 WHEREAS, The indebtedness to be incurred by the JPB in connection with the
24 financing is expected to be secured by and payable from receipts of the Project Funding,
25

1 passenger fares, parking, shuttle and pass revenues, and other revenues collected from the
2 operation of the Caltrain commuter rail service; and

3 WHEREAS, Pursuant to California Government Code, Section 6586.5 ("Section
4 6586.5"), each Member Agency of the JPB within whose boundaries a public capital
5 improvement to be financed is located is required (i) to approve the financing and (ii) to make
6 a finding of significant public benefit in accordance with the criteria specified in Government
7 Code Section 6586 ("Section 6586") after holding a public hearing; and

8 WHEREAS, The Board of Supervisors is the appropriate entity to approve the proposed
9 financing within the meaning of Section 6586.5; and

10 WHEREAS, In accordance with Section 6586.5, the City caused a notice to be published
11 in a newspaper of general circulation in the City and County of San Francisco stating that a
12 public hearing would be conducted by this Board with respect to the proposed financing; and

13 WHEREAS, This Board held a public hearing on October 26, 2016, at the Budget and
14 Finance Committee, in accordance with the requirements of Section 6586.5; now, therefore, be
15 it

16 RESOLVED, That the Board finds and declares that the above recitals are true and
17 correct; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors incorporates the CEQA findings
19 and determinations it made under Resolution No. 07-16 for the purposes of this action; and
20 further finds that no subsequent or supplemental environmental review is required; and, be it

21 FURTHER RESOLVED, That this Board approves the proposed financing to be
22 undertaken by the JPB in an amount not to exceed \$150,000,000 outstanding at any one time,
23 and finds, in accordance with Section 6586.5, that (i) the undertaking of the indebtedness to be
24 incurred by the JPB in connection with the proposed financing (the "Financing") for the purposes
25 described herein will result in significant public benefits by making it possible to provide more

1 frequent and/or faster Caltrain service to residential and commercial development within the
2 geographic boundaries of the Member Agencies, including the City, and (ii) such enhanced
3 service serves a public purpose; and, be it

4 FURTHER RESOLVED, That notwithstanding anything in this Resolution to the contrary,
5 the City shall not be obligated to levy any form of taxes, and no credit, funds, or property of the
6 City shall be pledged by the City to provide for payment of the indebtedness or any security for
7 the indebtedness to be incurred by the JPB in connection with the Financing; and, be it

8 FURTHER RESOLVED, That the Mayor, Controller, and the Director of the Controller's
9 Office of Public Finance (and designees thereof), employees and agents of the City are
10 authorized and directed, jointly and severally, subject to the terms of this Resolution, to do any
11 and all things and to execute and deliver any and all documents that they deem necessary or
12 advisable in order to carry out, give effect to, and comply with the terms and intent of this
13 Resolution and the financing approved under this Resolution; and, be it

14 FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
15 passage, which occurs when the Mayor signs the resolution, returns the resolution unsigned,
16 does not sign the resolution within ten days of receiving it, or the Board of Supervisors overrides
17 the Mayor's veto of the resolution.