

1 [Airport Concession Bond/Loan Program]
2 AUTHORIZING THE AIRPORT COMMISSION ("COMMISSION") TO INCREASE ITS
3 LINE OF CREDIT WITH WELLS FARGO BANK FROM \$4 MILLION TO \$6 MILLION
4 TO PROVIDE FUNDING TO INDUCE BOND COMPANIES AND FINANCIAL
5 INSTITUTIONS TO PROVIDE SURETY BONDS AND WORKING CAPITAL
6 FINANCING TO CERTAIN DISADVANTAGED BUSINESS ENTERPRISES.

7 WHEREAS, the Airport Commission adopted Resolution No. 94-0138 on June
8 21, 1994, which approved the creation of a minority business enterprise/women
9 business enterprise/small business enterprise ("M/W/SBE") bonding program to assist
10 M/W/SBE contractors and subcontractors in obtaining surety bonds and working capital
11 financing to further M/W/SBE participation in Airport construction projects; and,

12 WHEREAS, The program described in Airport Commission Resolution 94-0138
13 included the Airport's providing credit enhancement on behalf of M/W/SBE contractors
14 and subcontractors; and,

15 WHEREAS, The Airport Commission adopted Resolution No. 94-0267 on
16 December 20, 1994, which approved implementation of a surety bond program (the
17 "Program"), including the authority of Airport staff to appoint one or more letter of credit
18 providers to issue letters of credit to surety bond companies and financial institutions
19 on behalf of the Airport for the benefit of M/W/SBE contractors and subcontractors;
20 and,

21 WHEREAS, The Program requires that the aggregate amount of such letters of
22 credit not exceed \$4 million at any one time; and

23 WHEREAS, With the opening of the new International Terminal, there will be
24 many concession leasing opportunities at the Airport; and

25

1 WHEREAS, Disadvantaged business enterprises, (including M/W/SBEs) have
2 difficulty bidding on concession leases due to problems obtaining bonding and working
3 capital loans; and

4 WHEREAS, For the Airport to expand its Program to establish a Concession
5 Bond and Loan Program for disadvantaged business enterprises for Airport concession
6 leases, the Airport must increase its line of credit with Wells Fargo Bank from \$4 million
7 to \$6 million; and

8 WHEREAS, the Airport currently holds sufficient funds in its capital funds to
9 support an additional \$2 million in its line of credit, and no further appropriation of funds
10 is necessary to support said line of credit; and

11 WHEREAS, Airport Commission Resolution No. 99-0133 requests that the
12 Board of Supervisors approve the increase in the line of credit described in this
13 resolution; now therefore, be it

14 RESOLVED, That the Airport is authorized to increase the line of credit with
15 Wells Fargo Bank from \$4 million to \$6 million or such greater principal amount as may
16 be subsequently approved by the Airport Commission in connection with the Program;
17 and be it

18 FURTHER RESOLVED, That the Airport is authorized to pay any interest,
19 penalties or other charges which may be incurred in connection with said line of credit
20 and issuance of letters of credit, provided that no further appropriation of funds is
21 necessary for the payment of such amounts.



City and County of San Francisco

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

Tails

Resolution

File Number: 990979

Date Passed:

Resolution authorizing the Airport Commission ("Commission") to increase its line of credit with Wells Fargo Bank from \$4 Million to \$6 Million to provide funding to induce bond companies and financial institutions to provide surety bonds and working capital financing to certain disadvantaged business enterprises.

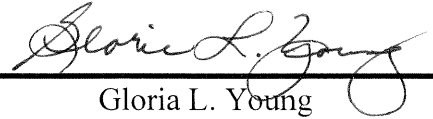
July 19, 1999 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng,
Yaki, Yee

Excused: 1 - Becerril

File No. 990979

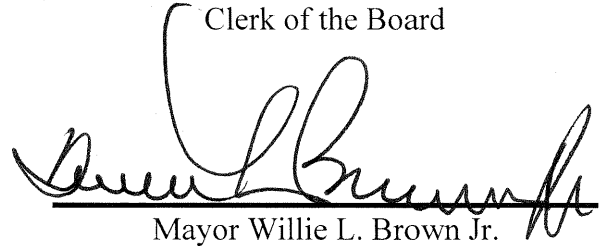
I hereby certify that the foregoing Resolution was ADOPTED on July 19, 1999 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

JUL 30 1999

Date Approved



Mayor Willie L. Brown Jr.