

1 [Peninsula Corridor Joint Powers Board - Issuance and Sale - Measure RR Sales Tax
2 Revenue Bonds - NTE \$140,000,000 - Refund - PCJPB Revenue Bonds, 2019 Series
3 A - NTE \$75,000,000 - Replacement of Existing Revolving Credit Facilities]

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4 **Resolution authorizing the issuance of Measure RR sales tax revenue bonds in an**
5 **amount not to exceed (NTE) \$140,000,000 to fund Peninsula Corridor Electrification**
6 **Project (PCEP) Fundings; the issuance of Measure RR sales tax revenue bonds in an**
7 **amount not to exceed \$75,000,000 to refund the Peninsula Corridor Joint Powers Board**
8 **(PCJPB) Farebox Revenue Bonds, 2019 Series A; the replacement of the existing**
9 **revolving credit facility for the PCEP with a new credit facility in an amount not to**
10 **exceed \$100,000,000 at any one time; and the replacement of the existing revolving**
11 **credit facility for working capital purposes with a new credit facility in an amount not to**
12 **exceed \$100,000,000 at any one time.**

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14 WHEREAS, The Peninsula Corridor Joint Powers Board (the “JPB”), is a public entity
15 duly established and organized under the laws of the State of California, which was created
16 pursuant to a joint exercise of powers agreement (the “Joint Powers Agreement”) entered into
17 by the Santa Clara Valley Transportation Authority (“VTA”), formerly known as the Santa
18 Clara County Transit District, the City and County of San Francisco (the “City”), and the San
19 Mateo County Transit District (“SamTrans”, and each a “Member Agency,” and, collectively,
20 the “Member Agencies”); and

21 WHEREAS, Pursuant to the Joint Powers Agreement, the JPB operates the Caltrain
22 commuter rail service (“Caltrain”) within the geographic boundaries of the Member Agencies;
23 and

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1 WHEREAS, Under the Joint Powers Agreement, each Member Agency is required to
2 contribute to the operating costs of Caltrain and provide for the costs of capital projects in the
3 manner set forth in the Joint Powers Agreement; and

4 WHEREAS, On, October 23, 2018, this Board of Supervisors (the “Board”) approved
5 Resolution No. 363-18 which approved a plan of finance consisting of the following
6 components: (i) the issuance of farebox revenue bonds, comprised of \$47,635,000 aggregate
7 principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2019
8 Series A (the “2019 Farebox Bonds”) in order to achieve debt service savings and certain
9 other benefits; (ii) an increase in the amount of the JPB’s existing revolving credit facility with
10 an affiliate of JP Morgan Chase Bank, N.A. for the Peninsula Corridor Electrification Project
11 (“PCEP”) from \$150,000,000 to \$170,000,000 (the “Existing PCEP Credit Facility”); and (iii) an
12 additional \$30,000,000 revolving credit facility with the same affiliate of JP Morgan Chase
13 Bank, N.A. for working capital (the “Existing Working Capital Credit Facility,” and, together
14 with the Existing PCEP Credit Facility, the “Existing Credit Facilities”); and

15 WHEREAS, On November 3, 2020, the voters in the City and County of San Francisco,
16 San Mateo County and Santa Clara County approved Measure RR, which will provide the
17 JPB with a dedicated revenue source consisting of a 1/8th cent sales and use tax on taxable
18 transactions in those counties (the “Measure RR Sales Tax”); and

19 WHEREAS, Collection of the Measure RR Sales Tax will commence on July 1, 2021,
20 and expire in thirty (30) years on June 30, 2051; and

21 WHEREAS, To facilitate operations and completion of capital projects, the JPB intends
22 to proceed with a financing plan (the “2021 Financing Plan”) that utilizes and leverages the
23 Measure RR Sales Tax and consists of restructuring and replacing the Existing Credit
24 Facilities, the issuance of sales tax revenue bonds for additional PCEP costs and the
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1 refinancing of the 2019 Farebox Bonds with sales tax revenue refunding bonds, as further
2 described below; and

3 WHEREAS, Pursuant to the 2021 Financing Plan, the JPB intends to replace the
4 Existing PCEP Credit Facility with a new revolving credit facility for the same purposes as the
5 Existing PCEP Credit Facility in an amount not to exceed \$100,000,000 at any one time (the
6 “Replacement PCEP Credit Facility”), and replace the Existing Working Capital Credit Facility
7 with a new revolving credit facility to finance working capital expenses and to make up for
8 potential revenue fundings (the “Fundings”) due to the timing of receipt of Measure RR Sales
9 Tax revenues in an amount not to exceed \$100,000,000 at any one time (the “Replacement
10 Working Capital Credit Facility”, and together with the Replacement PCEP Credit Facility, the
11 “Replacement Credit Facilities”), each from Wells Fargo, National Association or an affiliate
12 thereof; and

13 WHEREAS, Any outstanding amounts, plus accrued interest, under the Existing Credit
14 Facilities shall be repaid from the Replacement Credit Facilities; and

15 WHEREAS, The indebtedness to be incurred by the JPB under the Replacement
16 Credit Facilities will be secured by a subordinate lien on the Measure RR Sales Tax revenues
17 and the Replacement PCEP Credit Facility will also payable from grant proceeds tied to the
18 PCEP as currently provided under the Existing PCEP Credit Facility; and

19 WHEREAS, Pursuant to the 2021 Financing Plan, the JPB also intends to issue certain
20 sales tax revenue bonds (hereinafter referred to as the “PCEP Funding Bonds”) in an
21 aggregate principal amount not to exceed \$140,000,000, to fund (i) a portion of additional
22 capital costs associated with completing the PCEP, and (ii) capitalized interest through the
23 expected commencement of revenue service and transaction costs; and

24 WHEREAS, The JPB anticipates that completion of the PCEP will enable the JPB to (i)
25 meet current and future transportation demand between San José and San Francisco; (ii)

1 offset roadway congestion; (iii) address continuing regional air quality issues; (iv) reduce
2 greenhouse gas emissions; and (v) provide electrical infrastructure compatible with
3 contemplated future high-speed rail service; and

4 WHEREAS, Pursuant to the 2021 Financing Plan, the JPB also intends to issue sales
5 tax revenue refunding bonds, in whole or in part, in an aggregate principal amount not to
6 exceed \$75,000,000 to refinance the 2019 Farebox Bonds at such time that such refunding
7 produces debt service savings (the “Refunding Bonds”); and

8 WHEREAS, The PCEP Funding Bonds and Refunding Bonds will be secured by a
9 senior lien pledge of the Measure RR Sales Tax revenues; and

10 WHEREAS, While Measure RR Sales Tax Revenues will be pledged to repay the
11 PCEP Funding Bonds, the JPB also anticipates repaying the PCEP Funding Bonds from a
12 portion of the proceeds from the sale of low carbon fuel standards credits that it expects to
13 receive following the commencement of Caltrain electric revenue service; and

14 WHEREAS, On January 8, 2015, the Joint Powers Board (JPB) Board of Directors
15 approved Resolution No. 2015-03, certifying the Peninsula Corridor Electrification Plan
16 (PCEP) Final Environmental Impact Report (FEIR), and Resolution No. 2015-04, adopting and
17 approving CEQA Findings, a Statement of Overriding Considerations to address Significant
18 and Unavoidable Impacts identified in the FEIR, and a Mitigation Monitoring and Reporting
19 Program (MMRP); subsequently, the JPB Board approved the PCEP under Resolution No.
20 2015-04; and

21 WHEREAS, on May 16, 2017, the San Francisco Municipal Transportation Agency
22 Board of Directors also adopted CEQA findings in its Resolution No. 170516-065; and

23 WHEREAS, The PCEP FEIR may be found in the records of the Planning Department
24 at <https://sfplanning.org/> and 49 South Van Ness Avenue, Suite 1400 in San Francisco; and

25 WHEREAS, The resolution authorization falls within the scope of the PCEP FEIR; and

1 WHEREAS, There have been no substantial changes to the PCEP or the
2 circumstances under which the PCEP is being undertaken, nor substantial new information
3 that would require subsequent or supplemental environmental review, beyond the PCEP
4 FEIR; and

5 WHEREAS, The PCEP FEIR is on file with the SFMTA Board of Directors, may be
6 found in the records of the Planning Department at <https://sfplanning.org/> and 49 South Van
7 Ness Avenue, Suite 1400 in San Francisco, and is incorporated herein by reference; and

8 WHEREAS, Pursuant to Section 6586.5 of the Government Code of the State of
9 California (the "Government Code"), each Member Agency within whose boundaries a public
10 capital improvement to be financed is located is required: (i) to approve the 2021 Financing
11 Plan and the financing transactions that comprise such Plan; and (ii) to make a finding of
12 significant public benefit in accordance with the criteria specified in Section 6586 of the
13 Government Code after holding a public hearing; and

14 WHEREAS, The Board is the appropriate entity to approve the proposed financing
15 within the meaning of Section 6586.5 of the Government Code; and

16 WHEREAS, In order to satisfy the requirements set forth in Section 6586.5 of the
17 Government Code, the JPB has requested that the Board hold the required public hearing and
18 approve the 2021 Financing Plan described herein, comprised of (i) the replacement of the
19 Existing Credit Facilities with the Replacement PCEP Credit Facility in an amount not to
20 exceed \$100,000,000 at any one time and with the Replacement Working Capital Credit
21 Facility in an amount not to exceed \$100,000,000 at any one time; (ii) the issuance of the
22 PCEP Funding Bonds in an amount not to exceed \$140,000,000; and (iii) the issuance of the
23 Refunding Bonds in an aggregate principal amount not to exceed \$75,000,000 provided that
24 such issuance generates sufficient debt services savings; and
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1 WHEREAS, Pursuant to Section 6586.5 of the Government Code, the Board caused a
2 public hearing to be held regarding the 2021 Financing Plan described herein, notice of which
3 public hearing was published in a newspaper of general circulation in the City and County of
4 San Francisco at least five (5) days prior to such public hearing; and

5 WHEREAS, The Board now desires to approve the 2021 Financing Plan in order to
6 satisfy the requirements of Section 6586.5 of the Government Code; and

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

9 FURTHER RESOLVED, The CEQA findings contained in SFMTA Board of Directors
10 Resolution 170516-065, including any mitigation measures within the jurisdiction of the City
11 and as are applicable to this action, are hereby incorporated herein by reference; and, be it

12 FURTHER RESOLVED, This Board hereby approves the 2021 Financing Plan and
13 hereby finds that: (i) the 2021 Financing Plan will result in significant public benefits by
14 meeting current and future transportation demand, offsetting existing and future worsening
15 roadway congestion, addressing continuing regional air quality issues, reducing greenhouse
16 gas emissions, providing electrical infrastructure compatible with contemplated future high-
17 speed rail service within the geographic boundaries of the Member Agencies, including within
18 the geographic boundaries of the City, and realizing savings as a result of the Replacement
19 PCEP Credit Facility and the refinancing of the 2019 Farebox Bonds; and (ii) such anticipated
20 enhanced service and savings serves a public purpose. It is the purpose and intent of the
21 Board that this Resolution constitute such approval of the 2021 Financing Plan as is required
22 for the purposes of Section 6586.5 of the Government Code; and, be it

23 FURTHER RESOLVED, That notwithstanding anything in this Resolution to the
24 contrary, the City shall not be obligated to levy any form of taxes other than the Measure RR
25 Sales Tax, and no credit, funds or property of the City other than the Measure RR Sales Tax

1 revenues shall be pledged by the City to provide for payment of the indebtedness or any
2 security for the indebtedness to be incurred by the JPB in connection with the 2021 Financing
3 Plan; and, be it

4 FURTHER RESOLVED, That the Mayor, Controller, and the Director of the Controller's
5 Office of Public Finance (and designees thereof), employees and agents of the City are
6 hereby authorized and directed, jointly and severally, subject to the terms of this Resolution,
7 to do any and all things and to execute and deliver any and all documents which they deem
8 necessary or advisable in order to carry out, give effect to and comply with the terms and
9 intent of this Resolution and the 2021 Financing Plan approved hereby..

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