

1 [Airport Leases; Airport Revenue Bonds]

2 APPROVING THE FUEL SYSTEM LEASE BY AND BETWEEN THE CITY AND
3 COUNTY OF SAN FRANCISCO ACTING THROUGH ITS AIRPORT COMMISSION AND
4 SFO FUEL COMPANY LLC; APPROVING EARLY TERMINATION OF A LEASE
5 BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO ACTING THROUGH ITS
6 AIRPORT COMMISSION AND CHEVRON U.S.A.; APPROVING THE ISSUANCE OF
7 UP TO \$125,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO
8 INTERNATIONAL AIRPORT SPECIAL FACILITIES LEASE REVENUE BONDS (SFO
9 FUEL COMPANY LLC) IN ONE OR MORE SERIES FOR THE PURPOSE OF
10 FINANCING CERTAIN FUEL SYSTEM IMPROVEMENTS AT SAN FRANCISCO
11 INTERNATIONAL AIRPORT; APPROVING THE MAXIMUM INTEREST RATE
12 THEREON AND THE TRUST AGREEMENT RELATED THERETO; AND PROVIDING
13 FOR THE DELEGATION OF CERTAIN MATTERS TO THE AIRPORT COMMISSION

14 WHEREAS, The Airport Commission of the City and County
15 of San Francisco determined that it is desirable to provide for
16 the operation of a jet fuel distribution system and related
17 facilities (the "Fuel System") at the San Francisco International
18 Airport (the "Airport") by the SFO FUEL COMPANY LLC (the
19 "Company"), a Delaware limited liability company; and,

20 WHEREAS, The Fuel System is part of the Airport's
21 Master Plan Program which was previously analyzed in The Master
22 Plan Program EIR and reviewed and considered by this Board of
23 Supervisors; and,

24 WHEREAS, By Resolution Nos. 97-0143 and 97-0145 the
25 Airport Commission determined to enter into a Fuel System Lease

1 (the "Lease") with the Company to facilitate the operation of the
2 Fuel System and to finance improvements (the "Project") to the
3 Fuel System, gasoline facilities and related facilities at the
4 Airport; and,

5 WHEREAS, Pursuant to Lease No. 76-0136 dated July 1,
6 1976 (the "Chevron Lease"), Chevron U.S.A., Inc. ("Chevron")
7 leases from the City and County of San Francisco acting through
8 its Airport Commission certain Airport properties (the "Chevron
9 Leased Premises"), which Chevron Lease is due to expire on
10 June 30, 2001, unless sooner terminated; and,

11 WHEREAS, The Airport Commission and Chevron have agreed
12 to the early termination of the Chevron Lease to facilitate
13 uniform operation and maintenance of the Airport's fuel system,
14 including the Chevron Leased Premises, through the Lease; and,

15 WHEREAS, By Resolution No. 97-0144 the Airport
16 Commission approved that certain Termination of Lease Agreement
17 establishing the conditions for Chevron's early termination and
18 surrender of the Chevron Lease (the "Termination Agreement"),
19 effective concurrent with the commencement date of the Lease;
20 and,

21 WHEREAS, The Airport Commission, by its Resolution
22 No. 97-0145, adopted on May 20, 1997 (the "Bond Resolution"), has
23 authorized the issuance of San Francisco International Airport
24 Special Facilities Lease Revenue Bonds (SFO FUEL COMPANY LLC)
25 (the "Bonds") in one or more series, in an aggregate principal

1 amount not to exceed \$125,000,000 pursuant to a trust agreement
2 (the "Trust Agreement") by and between the Airport Commission and
3 the trustee named therein to finance the Project; and,

4 WHEREAS, Section 4.115 of the Charter provides that the
5 Airport Commission has the exclusive authority to plan and issue
6 airport revenue bonds for airport-related purposes, subject to
7 the approval, amendment or rejection of this Board of Supervisors
8 of each issue; and,

9 WHEREAS, Section 2.62 of the Administrative Code of the
10 City and County of San Francisco provides that revenue bonds
11 issued pursuant thereto shall bear a rate of interest not to
12 exceed that which may be fixed and prescribed by the Airport
13 Commission, subject to the approval or rejection of this Board of
14 Supervisors; and,

15 WHEREAS, The Lease and the Trust Agreement have been
16 submitted to this Board of Supervisors in substantially final
17 form; and,

18 WHEREAS, The Bond Resolution, among other things,
19 establishes a maximum rate of interest for the Bonds of ten
20 percent (10%) per annum; and,

21 WHEREAS, Chapter 48 of the Administrative Code of the
22 City and County of San Francisco ("Chapter 48"), among other
23 things, provides for the financial assistance to Participating
24 Parties (as defined in Chapter 48) through the issuance of
25 revenue bonds to finance all or a portion of the Cost (as defined

1 in Chapter 48) of a Facility (as defined in Chapter 48); and,

2 WHEREAS, The Company is a "Participating Party" and the
3 Project is a "Facility" within the meaning of Chapter 48; and,

4 WHEREAS, This Board of Supervisors has determined that
5 the financing of the Project through the issuance of the Bonds
6 (1) will substantially promote (i) the full and efficient
7 utilization and modernization of existing industrial, commercial
8 and business facilities, (ii) the stability and diversification
9 of the economy of the City and County of San Francisco (the
10 "City"), and (iii) the enhancement of the general economic
11 prosperity, health safety and welfare of the residents of the
12 City; and (2) will not have the proximate effect of the
13 relocation of any substantial operations of the Company from one
14 area of the State of California to another or the abandonment of
15 any substantial operations of the Company within other areas of
16 the State of California; now, therefore, be it

17 RESOLVED:

18 1. The Board of Supervisors hereby declares that each
19 of the foregoing recitals is true and correct and is a
20 representation of the Board of Supervisors.

21 2. The issuance by the Airport Commission of the
22 Bonds in one or more series for the purposes of financing and
23 refinancing the costs of the acquisition, construction,
24 development and equipping of the Project by the Company, as well
25 as funding a debt service reserve fund and paying costs of

1 issuance and other incidental costs, is hereby approved in
2 accordance with Section 4.115 of the Charter and Section 2.62 and
3 Chapter 48 of the Administrative Code of the City and County of
4 San Francisco. The total principal amount of the Bonds shall not
5 exceed \$125,000,000.

6 3. Pursuant to Charter Sections 2.110 and 9.118, the
7 Lease, as approved by the Airport Commission, is hereby approved.

8 4. Pursuant to Charter Section 9.118, the termination
9 of the Chevron Lease pursuant to the provisions of that certain
10 Termination of Lease Agreement, is hereby approved.

11 5. The Trust Agreement, as approved by the Airport
12 Commission, is hereby approved.

13 6. Copies of the Chevron Lease, the Termination
14 Agreement, the Lease and the Trust Agreement in the forms
15 presented to the Board of Supervisors are contained in Board of
16 Supervisors' file number ¹⁷⁰⁻⁹⁷⁻⁴_____.

17 7. The Bonds shall be issued pursuant to the
18 Trust Agreement and such additional resolutions of the Airport
19 Commission as the Airport Commission shall deem necessary or
20 desirable and as shall be approved by the City Attorney, which
21 approval shall be conclusively evidenced by the signature of the
22 City Attorney on each such resolution.

23 8. Ten percent (10%) per annum is hereby approved as
24 the maximum interest rate for the Bonds.

25 9. The actions of the officers and employees of the

1 Airport Commission with respect to the negotiation, preparation
2 and implementation of the Lease and the Trust Agreement and the
3 issuance of the Bonds are hereby ratified and confirmed.

4 10. The officers and employees of the Airport
5 Commission are hereby expressly authorized and delegated the
6 authority to make all other necessary or desirable determinations
7 to be made, and to take any and all other actions, by or on
8 behalf of the City and County of San Francisco under Chapter 48,
9 and to execute and deliver any and all documents they may deem
10 necessary or desirable in connection therewith.

11 11. The approvals contained in this Resolution shall
12 extend to any amendments or supplements to the Trust Agreement,
13 as well as to such additional resolutions as the Airport
14 Commission may adopt for the purpose of implementing the
15 issuance, sale and delivery of the Bonds and the financing of the
16 Project.

17 APPROVED AS TO FORM:

18 LOUISE H. RENNE
19 City Attorney


20 By 
21 Deputy City Attorney

Adopted - Board of Supervisors, San Francisco June 23, 1997

Ayes: Supervisors Ammiano Bierman Brown Katz Kaufman Leal
Medina Newsom Yaki Yee

Absent: Supervisor Teng

I hereby certify that the foregoing resolution
was adopted by the Board of Supervisors
of the City and County of San Francisco


Clerk


Mayor

File No.
170-97-4

JUN 27 1997
Date Approved