

1 [Lease Financing Refunding of Combined Emergency Communication System Bonds and
2 Citywide Emergency Radio System Bonds]

3 **Resolution approving the issuance and sale of lease revenue refunding bonds to**
4 **refinance the Combined Emergency Communication System and Citywide Emergency**
5 **Radio System of the City and County of San Francisco (the “City”); approving the form**
6 **of a Facilities Lease by and between the City and County of San Francisco Finance**
7 **Corporation (the “Corporation”) and the City relating to certain real property described**
8 **herein; approving the form of a Master Lease by and between the Corporation and the**
9 **City; approving the form of a Master Trust Agreement by and between the Corporation**
10 **and a trustee (including certain indemnities contained therein); authorizing the**
11 **selection of a trustee (the “Trustee”); approving the form of an Assignment Agreement**
12 **by and between the Corporation and the Trustee; approving the form of Escrow**
13 **Agreements by and between the Corporation and an escrow agent; approving the form**
14 **of an Official Notice of Sale and a Notice of Intention to Sell the lease revenue**
15 **refunding bonds; directing the publication of the Notice of Intention to Sell the lease**
16 **revenue refunding bonds; approving the form of a Purchase Contract and authorizing**
17 **the appointment of one or more underwriters for the lease revenue refunding bonds;**
18 **approving the form of an Official Statement in preliminary and final form; approving the**
19 **form of a Continuing Disclosure Certificate; authorizing the payment of cost of**
20 **issuance; authorizing the reimbursement of certain expenditures; granting general**
21 **authority to City officials to take certain actions in connection with the lease revenue**
22 **refunding bonds; approving modifications to documents; and ratifying previous**
23 **actions taken in connection therewith.**

24 WHEREAS, Pursuant to Section 9.108(1) of the Charter of the City and County of San Francisco
25 (the “Charter”), the City may enter into lease financing agreements only with the assent of the majority of

1 the voters voting upon any proposition for the authorization of the lease financing, subject to certain
2 exceptions for which voter approval is not required; and,

3 WHEREAS, pursuant to voter approval, the City has entered into leases with the City
4 and County of San Francisco Finance Corporation (the "Corporation"), a California nonprofit
5 public benefit corporation, the base rental payments under which secure the following series
6 of bonds issued by the Corporation (collectively, the "Prior Bonds"): (a) the City and County of
7 San Francisco Finance Corporation Lease Revenue Bonds, Series 1997 (Combined
8 Emergency Communications Center), now outstanding in the aggregate principal amount of
9 \$15,810,000; (b) the City and County of San Francisco Finance Corporation Lease Revenue
10 Bonds, Series 1998 (Combined Emergency Communications System Equipment), now
11 outstanding in the aggregate principal amount of \$2,230,000; (c) the City and County of San
12 Francisco Finance Corporation Lease Revenue Bonds, Series 1998-I (Citywide Emergency
13 Radio System), now outstanding in the aggregate principal amount of \$3,895,000; and (d) the
14 City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 1999-I
15 (Citywide Emergency Radio System), now outstanding in the aggregate principal amount of
16 \$4,900,000; and,

17 WHEREAS, the City now desires to cause the refunding of all or a portion of the Prior
18 Bonds (the "Refunded Bonds") in order to achieve a reduction in overall rental payments;

19 WHEREAS, Section 9.108(2) of the Charter provides that the City may enter into a
20 lease without voter approval for the refunding of a lease financing which is expected to result
21 in net savings in rental payments to the City on a present value basis; and,

22 WHEREAS, Article VIII of Chapter 43 of the Administrative Code of the City provides
23 the method of calculating net savings as described above and that the Board of Supervisors
24 of the City and County of San Francisco (the "Board of Supervisors") may authorize the
25 issuance and provide the final terms, amounts, maturities, interest rates and other provisions

1 of the refunding bonds (including a reference to the procedure under which debt service
2 savings is to be calculated) by means of an indenture, resolution, ordinance, order, agreement
3 or other instrument in writing and if the Board establishes the minimum savings to be
4 generated by the issuance of such refunding bonds, the Board may delegate to appropriate
5 officials or officers of the City or of the Board the authority to determine the final terms,
6 amounts, maturities, interest rates and other provisions of said refunding bonds.

7 RESOLVED By the Board of Supervisors of the City and County of San Francisco, as
8 follows:

9 Section 1. Recitals. All of the recitals herein are true and correct.

10 Section 2. Approval of the Bonds. The Board hereby approves the issuance and
11 sale of lease revenue refunding bonds (the "Bonds") by the Corporation in accordance with
12 the Master Trust Agreement (as defined herein) for the purpose of refunding the Refunded
13 Bonds. The Bonds shall be comprised of, and designated as, the "City and County of San
14 Francisco Finance Corporation Lease Revenue Refunding Bonds, Series 2010-R1
15 (Emergency Communications System Refinancing)" or such other designation as determined
16 by the Director of Public Finance of the City or her designee (together with the Director of
17 Public Finance of the City, the "Director of Public Finance"). The Director of Public Finance is
18 hereby authorized to approve the sale date, the manner of sale, the maturity dates, the
19 redemption provisions and all other terms of the Bonds, subject to the following limitations: the
20 principal amount of the Bonds shall not to exceed \$24,000,000; the Bonds shall bear interest
21 rates yielding a true interest cost at not to exceed six percent (6%) per annum; the price of the
22 Bonds shall be at least 98% of the principal amount thereof; and the issuance of Bonds
23 authorized hereby shall result in net debt service savings in rental payments to the City on a
24 present value basis in accordance with Section 9.108(2) of the Charter and Article VIII of
25 Chapter 43 of the Administrative Code of the City, as determined and certified by the Director

1 of Public Finance. To the extent deemed necessary or desirable by the Director of Public
2 Finance, this Board authorizes the procurement of credit enhancement for the Bonds,
3 including, but not limited to, municipal bond insurance and/or a debt service reserve fund
4 surety bond or insurance policy. In accordance with Section 16 hereof, the documents
5 authorized herein may be modified or amended to permit the procurement of credit
6 enhancement for the Bonds, to the extent deemed necessary by the Director of Public
7 Finance, upon consultation with the City Attorney of the City (the "City Attorney").

8 Section 3. Asset Transfer; Description of Property. The issuance of the Bonds and
9 lease financing hereby approved may involve the lease and leaseback by the City of all or any
10 portion of either of the following facilities within the City: (a) the emergency communications
11 center located at 1011 Turk Street, and for (b) the San Francisco General Hospital mental
12 health rehabilitation facility located at 887 Potrero Avenue.

13 Section 4. Approval of the Form of Facilities Lease. The form of the Facilities
14 Lease, as presented to this Board, a copy of which is on file with the Clerk of the Board of
15 Supervisors in File No. _____, is hereby approved. The Mayor of the City, or his designee
16 (together with the Mayor of the City, the "Mayor"), is hereby authorized to execute the
17 Facilities Lease, and the Clerk of the Board is hereby authorized to attest to such execution of
18 the Facilities Lease, with such changes, additions, modifications or deletions as the Mayor
19 may make or approve in accordance with Section 16 hereof.

20 Section 5. Approval of the Form of Master Lease. The form of the Master Lease, as
21 presented to this Board, a copy of which is on file with the Clerk of the Board of Supervisors in
22 File No. _____, is hereby approved. The Mayor is hereby authorized to execute the Master
23 Lease, and the Clerk of the Board is hereby authorized to attest to such execution of the
24 Master Lease, with such changes, additions, modifications or deletions as the Mayor may
25 make or approve in accordance with Section 16 hereof, provided however, that the maximum

1 base rental in connection with the Bonds scheduled to be paid under the Master Lease in any
2 fiscal year shall not exceed \$3,750,000 and the term of the Master Lease shall not be greater
3 than 20 years, except as such date may be extended by future resolution.

4 Section 6. Approval of the Form of Master Trust Agreement and Authorization of
5 Selection of the Trustee. The form of the Master Trust Agreement, as presented to this
6 Board, a copy of which is on file with the Clerk of the Board of Supervisors in File No. _____,
7 is hereby approved. The Director of Public Finance is hereby authorized to select the Trustee
8 in accordance with City policies and procedures, including, but not limited to, the City's policy
9 to provide locally disadvantaged minority business enterprises and women enterprises an
10 equal opportunity to participate in the performance of all City contracts. The Controller or the
11 Director of Public Finance, or their respective designees, is hereby authorized to execute the
12 Master Trust Agreement, and the Clerk of the Board is hereby authorized to attest to such
13 execution of the Master Trust Agreement, with such changes, additions, modifications or
14 deletions as the Controller or the Director of Public Finance may make or approve in
15 accordance with Section 16 hereof.

16 Section 7. Approval of the form of Assignment Agreement. The form of the
17 Assignment Agreement, as presented to this Board, a copy of which is on file with the Clerk of
18 the Board of Supervisors in File No. _____, is hereby approved. The Controller or the
19 Director of Public Finance, or their respective designees, is hereby authorized to execute the
20 Assignment Agreement, and the Clerk of the Board is hereby authorized to attest to such
21 execution of the Assignment Agreement, with such changes, additions, modifications or
22 deletions as the Controller or the Director of Public Finance may make or approve in
23 accordance with Section 16 hereof.

24 Section 8. Approval of the Form of Escrow Agreements and Authorization of
25 Selection of the Escrow Agent. In connection with the refunding of the Refunded Bonds, the

1 Corporation may enter into a refunding escrow agreement (each an “Escrow Agreement”), if
2 required, for each Series of the Refunded Bonds. The form of the Escrow Agreements, as
3 presented to this Board, a copy of which is on file with the Clerk of the Board of Supervisors in
4 File No. _____, is hereby approved. The Director of Public Finance is hereby authorized to
5 select the Escrow Agent in accordance with City policies and procedures, including, but not
6 limited to, the City’s policy to provide locally disadvantaged minority business enterprises and
7 women enterprises an equal opportunity to participate in the performance of all City contracts.
8 The Controller or the Director of Public Finance, or their respective designees, is hereby
9 authorized to execute the Escrow Agreement, and the Clerk of the Board is hereby authorized
10 to attest to such execution of the Escrow Agreement, with such changes, additions,
11 modifications or deletions as the Controller or the Director of Public Finance may make or
12 approve in accordance with Section 16 hereof.

13 Section 9. Approval of the Form of Official Notice of Sale; Authorization for
14 Competitive Sale; Authorization to Award Bonds. The form of the Official Notice of Sale, as
15 presented to this Board, a copy of which is on file with the Clerk of the Board of Supervisors in
16 File No. _____, is hereby approved. The Director of Public Finance is hereby authorized to
17 approve the distribution of the Official Notice of Sale, with such changes, additions,
18 modifications or deletions as the Director of Public Finance may approve upon consultation
19 with the City Attorney; such approval to be conclusively evidenced by the distribution of the
20 Official Notice of Sale to potential purchasers of the Bonds. The Director of Public Finance is
21 hereby authorized to sell the Bonds by competitive sale if the Director of Public Finance
22 determines that such manner of sale is in the best interest of the City, such determination to
23 be conclusively evidenced by the receipt of bids and the award of the Bonds in accordance
24 with the Official Notice of Sale. If the Director of Public Finance determines to sell the Bonds
25 by competitive sale, the Director of Public Finance, on behalf of the Controller, is hereby

1 authorized and directed to receive bids for the purchase of the Bonds, and the President of
2 the Corporation or the Chief Financial Officer of the Corporation is each hereby authorized to
3 award the Bonds in accordance with the procedures described in the Official Notice of Sale,
4 subject to consultation with and approval by the Director of Public Finance.

5 Section 10. Approval of the Form of Notice of Intention to Sell the Bonds. The form of
6 the Notice of Intention, as presented to this Board, a copy of which is on file with the Clerk of
7 the Board of Supervisors in File No. _____, is hereby approved. The Director of Public
8 Finance is hereby authorized to approve the publication of the Notice of Intention to Sell, with
9 such changes, additions, modifications or deletions as the Director of Public Finance may
10 approve upon consultation with the City Attorney; such approval to be conclusively evidenced
11 by the publication of the Notice of Intention to Sell.

12 Section 11. Official Statement in Preliminary and Final Form. There has been
13 presented to this Board a form of an official statement relating to the Bonds (the "Official
14 Statement"), a copy of which is on file in preliminary form with the Clerk of the Board of
15 Supervisors in File No. _____, is hereby approved. The form of an official statement relating
16 to the Bonds (the "Official Statement"), as presented to this Board, a copy of which is on file in
17 preliminary form with the Clerk of the Board of Supervisors, is hereby approved. The Director
18 of Public Finance is hereby authorized to approve the distribution of the Preliminary Official
19 Statement in substantially said form, with such changes, additions, modifications or deletions
20 as the Director of Public Finance may approve upon consultation with the City Attorney and
21 the City's Disclosure Counsel, such approval to be conclusively evidenced by distribution of
22 the Preliminary Official Statement to potential purchasers of the Bonds and the execution of
23 the Rule 15c2-12 certificate next described. The Director of Public Finance is hereby
24 authorized to cause the distribution of the Preliminary Official Statement, deemed final for
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1 purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, and to
2 sign a certificate to that effect.

3 Section 12. Authorization for Negotiated Sale; Authorization to Select Underwriters;
4 Approval of the Form of Purchase Contract. The Director of Public Finance is hereby
5 authorized to sell the Bonds by negotiated sale pursuant to a purchase contract (subject to
6 same parameters as set forth in Section 2), if the Director of Public Finance, in consultation
7 with the Controller and the City's financial advisors, reasonably determines that a negotiated
8 sale will lead to lower overall debt service costs for the City or is otherwise in the best financial
9 interest of the City, such determination to be conclusively evidenced by the execution and
10 delivery of a purchase contract for the Bonds. The Director of Public Finance is hereby
11 authorized and directed to appoint one or more investment banking firms to act as
12 underwriters of the Bonds in accordance with City policies and procedures, including, but not
13 limited to, the City's policy to provide locally disadvantaged minority business enterprises and
14 women enterprises an equal opportunity to participate in the performance of all City contracts.
15 The form of the Purchase Contract, among the City, the Corporation and one or more
16 underwriters selected by the Director of Public Finance, as presented to this Board, a copy of
17 which is on file with the Clerk of the Board of Supervisors in File No. _____, is hereby
18 approved. If the Director of Public Finance determines to sell the Bonds by negotiated sale,
19 the Director of Public Finance is hereby authorized to execute the Purchase Contract, with
20 such changes, additions, modifications or deletions as the Director of Public Finance may
21 approve upon consultation with the City Attorney, such approval to be conclusively evidenced
22 by the execution and delivery of the Purchase Contract.

23 Section 13. Approval of the Form of Continuing Disclosure Certificate. The form of
24 the Continuing Disclosure Certificate of the City, as presented to this Board, a copy of which is
25 on file with the Clerk of the Board of Supervisors in File No. _____, is hereby approved. The

1 Controller is hereby authorized to execute the Continuing Disclosure Certificate, with such
2 changes, additions, modifications or deletions as the Controller may approve upon
3 consultation with the City Attorney and the City's Disclosure Counsel; such approval to be
4 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

5 Section 14. Payment of Cost of Issuance. The Board hereby authorizes the
6 expenditure of a portion of the proceeds of the Bonds for the payment of certain costs of
7 issuance incurred in connection with the issuance and sale of the Bonds.

8 Section 15. General Authority. The Mayor, the City Attorney, the Controller, the
9 Director of Public Finance, the Director of Real Estate, the Clerk of the Board and other
10 officers of the City and their duly authorized deputies and agents are hereby authorized and
11 directed, jointly and severally, to take such actions and to execute and deliver such
12 certificates, agreements, requests or other documents, as they may deem necessary or
13 desirable to facilitate the issuance, sale and delivery of the Bonds, to obtain bond insurance or
14 other credit enhancements with respect to the Bonds, to obtain title and other insurance with
15 respect to the Facilities, to execute any and all documents related to the refunding of the
16 Refunded Bonds and the termination and release of liens or security interests with respect to
17 the leased assets relating thereto and otherwise to carry out the provisions of this Ordinance.

18 Section 16. Modifications, Changes and Additions. The Mayor is hereby authorized to
19 approve and make such modifications, changes, additions or deletions to the Facilities Lease
20 or the Master Lease, upon consultation with the City Attorney, as may be necessary or
21 desirable in the interests of the City, and which changes do not materially increase the
22 obligations of the City under the Facilities Lease or the Master Lease. The Mayor's approval
23 of such modifications, changes, additions or deletions shall be conclusively evidenced by the
24 execution and delivery by the Mayor and the Clerk of the Board of the Facilities Lease and the
25 Master Lease.

1 Section17. Ratification of Prior Actions. All actions authorized and directed by this
2 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA, City Attorney

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6 By: _____
7 Mark Blake
8 Deputy City Attorney

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