

1 [Airport Revenue Bonds.]
2

3 **Resolution approving a form of Letter of Credit and Reimbursement Agreement relating**
4 **to the Airport Subordinate Commercial Paper Notes; approving the issuance of up to**
5 **~~\$2,000,000,000~~ \$400,000,000 additional aggregate principal amount of San Francisco**
6 **International Airport Second Series Revenue Refunding Bonds for the purpose of**
7 **refinancing 1991 Resolution Bonds and Subordinate Bonds of the Airport Commission;**
8 **approving the time for sale of Refunding Bonds as ending March 31, 2006; approving a**
9 **final maturity date of Refunding Bonds of not later than May 1, 2040; and approving**
10 **certain amendments to the 1991 Master Resolution and the 1997 Master Subordinate**
11 **Resolution in connection therewith.**
12

13 WHEREAS, The Airport Commission, by its Resolution No. 91-0210, adopted on
14 December 3, 1991 (as supplemented and amended, the "1991 Master Resolution"), has
15 authorized the issuance of San Francisco International Airport Second Series Revenue Bonds
16 (the "1991 Resolution Bonds") for any lawful purpose of the Airport Commission; and

17 WHEREAS, The Airport Commission, by its Resolution No. 97-0146, adopted on May
18 20, 1997 (as supplemented and amended, the "1997 Master Subordinate Resolution"), has
19 authorized the issuance of San Francisco International Airport Second Series Subordinate
20 Revenue Bonds (the "Subordinate Bonds") for any lawful purpose of the Airport Commission;
21 and,

22 WHEREAS, The Airport Commission, by its Resolution No. 99-0299, adopted on
23 September 21, 1999, supplemented the 1997 Master Subordinate Resolution to authorize the
24 issuance of (a) up to \$400,000,000 aggregate principal amount outstanding at any one time of
25 its San Francisco International Airport Subordinate Commercial Paper Notes (the

1 “Commercial Paper Notes”) for the purpose of financing and refinancing the acquisition,
2 construction and development of approved Airport capital improvements, as well as paying
3 costs of issuance and other incidental costs, and (b) up to \$435,506,850 aggregate principal
4 amount outstanding at any one time of its San Francisco International Airport Subordinate
5 Revenue Notes (the “Bank Notes”) to evidence any unreimbursed drawings on the letter of
6 credit supporting the payment when due of the principal of and interest on the Commercial
7 Paper Notes; and,

8 WHEREAS, The Airport Commission obtained an irrevocable direct-pay Letter of Credit
9 from Société Générale, acting through its New York Branch, to support the payment when due
10 of the principal of and interest on the Commercial Paper Notes and such Letter of Credit will
11 expire by its terms on April 12, 2002; and,

12 WHEREAS, The Airport Commission has requested and received competitive bids
13 from banking institutions to provide a substitute irrevocable direct-pay Letter of Credit
14 necessary with respect to the Commercial Paper Notes; and,

15 WHEREAS, The Airport Commission has determined that the bid from Westdeutsche
16 Landesbank Girozentrale, New York Branch, and certain other banks (collectively, the
17 “Banks”) to issue a substitute irrevocable direct-pay Letter of Credit to be effective on or
18 before April 12, 2002, is the lowest and best bid; and,

19 WHEREAS, In connection with the substitute Letter of Credit, the Airport Commission
20 will enter into a Letter of Credit and Reimbursement Agreement (the “Reimbursement
21 Agreement”) with the Banks wherein the Airport Commission will agree, among other things,
22 to reimburse the Banks for any drawings upon the Letter of Credit and to pay certain fees in
23 connection therewith; and,

24 WHEREAS, The Airport Commission, by its Resolution No. 01-0370, adopted on
25 December 18, 2001, approved the form of the Reimbursement Agreement; and,

1 WHEREAS, This Board of Supervisors by its Resolution No. 583-98, adopted on July
2 20, 1998, and signed by the Mayor on July 31, 1998, as amended by Resolution No. 224-99
3 of the Board, adopted on March 15, 1999, and signed by the Mayor on March 26, 1999,
4 approved the issuance by the Airport Commission from time to time on or before April 30,
5 2003, of up to \$1,400,000,000 aggregate principal amount of its San Francisco International
6 Airport Second Series Revenue Refunding Bonds (the "Refunding Bonds"), pursuant to
7 Resolution No. 98-0114, adopted by the Airport Commission on May 19, 1998 (as
8 supplemented and amended, the "Seventh Supplemental Resolution"), for the purpose of
9 refunding outstanding 1991 Resolution Bonds and Subordinate Bonds, which amount the
10 Airport currently expects to have been exhausted as of March 31 of this year; and,

11 WHEREAS, As a condition to the issuance of the substitute Letter of Credit, the Banks
12 have requested and the Airport Commission has found it necessary and desirable that the
13 Airport Commission (a) maintain its capacity to issue Refunding Bonds in order to refund the
14 Commercial Paper Notes under certain circumstances, (b) extend the authorized period for
15 the issuance of the Refunding Bonds to March 31, 2006, which is the maximum term of the
16 Reimbursement Agreement, (c) extend the maximum maturity of Refunding Bonds to May 1,
17 2040, and (d) amend the 1997 Master Subordinate Resolution with regard to the timing of
18 issuance of Bank Notes; and,

19 WHEREAS, An increase in the Airport's refunding authorization is also necessary and
20 desirable in order for the Airport Commission to refund and/or restructure its outstanding 1991
21 Resolution Bonds and Subordinate Bonds in order to realize debt service savings and to
22 provide debt service relief, particularly in light of the events of September 11, 2001 and their
23 impacts on the Airport; and,

24 WHEREAS, The Airport Commission, by its Resolution No. 02-0010, adopted on
25 January 8, 2002 (the "Tenth Supplemental Resolution"), amended the Seventh Supplemental

1 Resolution to approve the issuance of an additional ~~\$2,000,000,000~~ \$400,000,000 principal
2 amount of Refunding Bonds (increasing the original authorization to ~~\$3,400,000,000~~
3 \$1,800,000,000 aggregate principal amount of Refunding Bonds), to extend the final maturity
4 of Refunding Bonds to May 1, 2040, and to extend the final date upon which a Bond Purchase
5 Contract may be entered into or bids for the purchase of a Series of Refunding Bonds may be
6 received to March 31, 2006; and,

7 WHEREAS, The Airport Commission, by its Resolution No. 02-0011, adopted on
8 January 8, 2002 (the "Fourth Supplemental Resolution"), approved certain technical
9 amendments to the 1997 Master Subordinate Resolution relating to the issuance of Bank
10 Notes; and,

11 WHEREAS, Section 4.115 of the Charter provides that the Airport Commission has the
12 exclusive authority to plan and issue airport revenue bonds for airport-related purposes,
13 subject to the approval, amendment, or rejection of the Board of Supervisors of each issue;
14 and,

15 WHEREAS, Section 2.62 of the Administrative Code of the City and County of San
16 Francisco provides that such revenue bonds shall bear a rate of interest not to exceed that
17 which may be fixed and prescribed by the Airport Commission, subject to the approval or
18 rejection of this Board of Supervisors; and,

19 WHEREAS, The interest on the Refunding Bonds, the 1991 Resolution Bonds and the
20 Subordinate Bonds (collectively, the "Bonds") may qualify for exclusion from gross income for
21 federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as
22 amended (the "Code") only if such Bonds are approved in accordance with Section 147(f) of
23 the Code; and,

1 WHEREAS, This Board of Supervisors is the elected legislative body of the City and is
2 the applicable elected representative required to approve the Bonds for purposes of Section
3 147(f) of the Code; and,

4 WHEREAS, A notice of public hearing with respect to the Bonds to be issued by the
5 Airport Commission was published not less than fourteen (14) days prior to said public
6 hearing, in the official newspaper of the City, being a newspaper of general circulation
7 available to the residents of the City; and,

8 WHEREAS, On January 31, 2002, a public hearing was held pursuant to such notice
9 before the Deputy Airport Director, Business and Finance, and an opportunity was provided
10 for interested persons to present arguments for and against the issuance of such Bonds and
11 the nature and location of the projects to be finance or refinanced with the proceeds thereof;
12 and,

13 WHEREAS, The Fourth Supplemental Resolution, the Tenth Supplemental Resolution,
14 Resolution No. 01-0370 of the Airport Commission, and the form of the Reimbursement
15 Agreement have been submitted to this Board of Supervisors and are on file with the Clerk of
16 the Board of Supervisors in File No. 020093, which is hereby declared to be a part of this
17 resolution as if set forth fully herein; now, therefore, be it

18 RESOLVED, That the Board of Supervisors hereby declares that each of the foregoing
19 recitals is true and correct and is a representation of the Board of Supervisors; and, be it

20 FURTHER RESOLVED, That the issuance by the Airport Commission of the Refunding
21 Bonds for the purposes of refinancing the 1991 Resolution Bonds and the Subordinate Bonds,
22 as well as funding debt service reserve funds and paying costs of issuance, including
23 redemption premiums, and other incidental costs, is hereby approved in accordance with
24 Section 4.115 of the Charter. The total principal amount of Refunding Bonds shall not exceed
25 ~~\$3,400,000,000~~ \$1,800,000,000 and each reference in Resolution No. 583-98 of the Board of

1 Supervisors to "\$1,400,000,000" of Refunding Bonds is hereby amended to read
2 "~~\$3,400,000,000~~ \$1,800,000,000"; and, be it

3 FURTHER RESOLVED, That the time for sale of Refunding Bonds shall end on March
4 31, 2006, and the references in Resolution No. 583-98 of the Board of Supervisors to
5 "December 31, 2001" and in Resolution No. 224-99 of the Board of Supervisors to "April 30,
6 2003" as the final dates upon which Refunding Bonds may be sold, are hereby amended to
7 read "March 31, 2006"; and, be it

8 FURTHER RESOLVED, That the authorized final maturity date of Refunding Bonds
9 shall end on May 1, 2040, and the references in Resolution No. 583-98 of the Board of
10 Supervisors to "May 1, 2032" as the authorized final maturity date of Refunding Bonds, is
11 hereby amended to read "May 1, 2040"; and, be it

12 FURTHER RESOLVED, That the Tenth Supplemental Resolution, as adopted by the
13 Airport Commission, is hereby approved; and, be it

14 FURTHER RESOLVED, That the Refunding Bonds shall be issued pursuant to the
15 1991 Master Resolution and the Tenth Supplemental Resolution and such additional
16 Supplemental Resolutions of the Airport Commission as the Airport Commission shall deem
17 necessary or desirable and as shall be approved by the City Attorney, which approval shall be
18 conclusively evidenced by the signature of the City Attorney on each such Supplemental
19 Resolution; and, be it

20 FURTHER RESOLVED, That the form of Reimbursement Agreement, as on file with
21 the Clerk of the Board, is hereby approved, with such changes and modifications as the
22 Airport Director and the City Attorney or their authorized designees shall approve; and, be it

23 FURTHER RESOLVED, That the Fourth Supplemental Resolution, as adopted by the
24 Airport Commission, is hereby approved; and, be it

1 FURTHER RESOLVED, That it is the purpose and intent of the Board of Supervisors
2 that this Resolution constitute the approval of the Bonds by the appropriate applicable elected
3 representative for purposes of, and in accordance with, Section 147(f) of the Code; and, be it

4 FURTHER RESOLVED, That the approvals contained in this Resolution shall extend to
5 any amendments to the 1991 Master Resolution, the 1997 Master Subordinate Resolution,
6 the Tenth Supplemental Resolution, the Fourth Supplemental Resolution and all resolutions
7 of the Airport Commission supplemental thereto, as well as to such additional resolutions that
8 the Airport Commission may adopt for the purpose of implementing the issuance, sale and
9 delivery of the Bonds; and, be it

10 FURTHER RESOLVED, That this Resolution does not provide the Airport Commission
11 with any new or additional appropriation authority for any new or continuing projects.



City and County of San Francisco

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

Tails

Resolution

File Number: 020093

Date Passed:

Resolution approving a form of Letter of Credit and Reimbursement Agreement relating to the Airport Subordinate Commercial Paper Notes; approving the issuance of up to \$400,000,000 additional aggregate principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds for the purpose of refinancing 1991 Resolution Bonds and Subordinate Bonds of the Airport Commission; approving the time for sale of Refunding Bonds as ending March 31, 2006; approving a final maturity date of Refunding Bonds of not later than May 1, 2040; and approving certain amendments to the 1991 Master Resolution and the 1997 Master Subordinate Resolution in connection therewith.

February 19, 2002 Board of Supervisors — ADOPTED

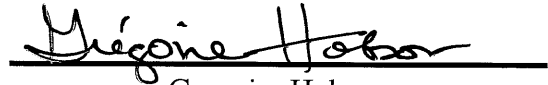
Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick,
Newsom, Peskin, Sandoval, Yee

File No. 020093

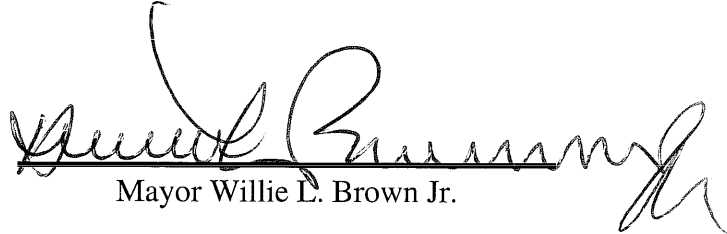
I hereby certify that the foregoing Resolution was ADOPTED on February 19, 2002 by the Board of Supervisors of the City and County of San Francisco.

MAR 01 2002

Date Approved



Gregoire Hobson
Acting Clerk of the Board



Mayor Willie L. Brown Jr.