

1 [Purchase of 555-7th Street Building]
2 AUTHORIZING THE EXERCISE OF THE PURCHASE OPTION IN THE LEASE BETWEEN
3 THE CITY AND COUNTY OF SAN FRANCISCO ("CITY"), AS LESSEE, AND BURT J.
4 HAMROL, AS LESSOR, FOR THE REAL PROPERTY AND BUILDING LOCATED AT 555-
5 7TH STREET (THE "PROPERTY"); AUTHORIZING THE OFFICERS OF THE CITY TO
6 ENTER INTO DOCUMENTS TO IMPLEMENT SAID PURCHASE; APPROVING A PROJECT
7 LEASE RELATED TO FINANCING THE ACQUISITION OF THE PROPERTY (INCLUDING
8 CERTAIN INDEMNITIES CONTAINED THEREIN); APPROVING A TRUST AGREEMENT
9 BETWEEN THE CITY AND A TRUSTEE (INCLUDING CERTAIN INDEMNITIES
10 CONTAINED THEREIN); AUTHORIZING THE SELECTION OF A TRUSTEE; APPROVING
11 THE EXECUTION AND DELIVERY OF CERTIFICATES OF PARTICIPATION TO FINANCE
12 THE ACQUISITION OF THE PROPERTY; AUTHORIZING THE OFFER AND SALE OF THE
13 CERTIFICATES; APPROVING THE FORM OF OFFICIAL NOTICE OF SALE, NOTICE OF
14 INTENTION TO SELL, AND OFFICIAL STATEMENT; APPROVING THE FORM OF
15 CONTINUING DISCLOSURE CERTIFICATE RELATING TO THE CERTIFICATES;
16 APPROVING THE VALIDATION OF THE EXECUTION AND DELIVERY OF THE
17 CERTIFICATES; ADOPTING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL
18 QUALITY ACT AND FINDINGS PURSUANT TO CITY PLANNING CODE SECTION 101.1;
19 AND RATIFYING PREVIOUS ACTIONS TAKEN IN CONNECTION THEREWITH.

20 WHEREAS, The Board of Supervisors (the "Board") desires to exercise the purchase
21 option in that certain Lease dated December 20, 1991 between the City and County of San
22 Francisco (the "City") and Burt J. Hamrol, as amended (the "Lease"), relating to the real
23 property located at 555-7th Street; and,
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1 WHEREAS, The Board desires to finance the acquisition of the real property, together
2 with the building thereon, located at 555-7th Street with certificates of participation (the
3 "Certificates"); and,

4 WHEREAS, In connection with the financing of the Property, the City shall enter into a
5 Project Lease, a Trust Agreement and certain other related agreements; and,

6 WHEREAS, It is anticipated that the Certificates will be sold by competitive sale
7 pursuant to an Official Notice of Sale (the "Official Notice of Sale"); and,

8 WHEREAS, The City reasonably expects to reimburse certain expenditures incurred
9 prior to the execution and delivery of the Certificates with proceeds of such Certificates; and,

10 WHEREAS, On October 23, 1998, the Department of City Planning adopted and
11 issued a General Plan Consistency Finding for the acquisition of the Property, a copy of which
12 is on file with the Clerk of the Board of Supervisors, wherein the Department of City Planning
13 found that the acquisition of the Property is consistent with the General Plan and the Eight
14 Priority Policies of Planning Code Section 101.1; and,

15 WHEREAS, On October 23, 1998, the Department of City Planning found that the
16 acquisition of the Property is exempt from Environmental Review under Class 1 of State
17 Environmental Review guidelines which exempts from environmental review the operations of
18 existing facilities, a copy of which finding is on file with the Clerk of the Board of Supervisors;
19 now, therefore, be it

20 RESOLVED, by the Board of Supervisors of the City and County of San Francisco as
21 follows:

22 Section 1. Approval of Exercise of Purchase Option and Entering into Escrow
23 Documents. The Director of Property at his discretion is hereby authorized to exercise the
24 City's purchase option in the Existing Lease, to enter into an escrow arrangement to facilitate
25 and implement the purchase of that certain real property located at 555-7th Street, and to

MAYOR'S OFFICE OF PUBLIC FINANCE
BOARD OF SUPERVISORS

Page 2
1/26/99

1 convey the Property to a third party to facilitate the financing of the acquisition of the Property.
2 The Director of Property at his discretion is hereby authorized to execute and deliver an
3 escrow agreement or escrow instructions or such other documents in such form as the
4 Director of Property may approve upon consultation with the City Attorney in order to facilitate
5 the purchase of the Property and the financing contemplated by this Resolution; such
6 approval to be conclusively evidenced by the execution and delivery of said escrow
7 agreement, escrow instructions or other documents.

8 Section 2. Approval of Execution and Delivery of Project Lease. The form of the
9 Project Lease providing for the financing of the acquisition of the Property, as presented to
10 this Board, a copy of which documents is on file with the Clerk of the Board, is hereby
11 approved. The Mayor is hereby authorized to execute, and the Clerk of the Board is hereby
12 authorized to attest to, the Project Lease, with such changes, additions and modifications as
13 the Mayor may approve upon consultation with the City Attorney; such approval to be
14 conclusively evidenced by the execution and delivery of the Project Lease; provided, however,
15 that the maximum Base Rental (as defined in the Project Lease) scheduled to be paid under
16 the Project Lease in any fiscal year shall not exceed \$750,000 and the term of the Project
17 Lease shall not extend beyond December 31, 2034.

18 Section 3. Approval of the Trust Agreement and Authorization of Selection of
19 Trustee. The form of the Trust Agreement, as presented to this Board, a copy of which
20 document is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby
21 authorized to execute, and the Clerk of the Board is hereby authorized to attest to, the Trust
22 Agreement, with such changes, additions and modifications as the Mayor may approve upon
23 consultation with the City Attorney; such approval to be conclusively evidenced by the
24 execution and delivery of the Trust Agreement. The Director of Public Finance of the City (the
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1 "Director of Public Finance") or his or her designee is hereby authorized to select a bond
2 trustee to serve as trustee under the Trust Agreement.

3 Section 4. Approval of Certificates. The Certificates shall be executed and delivered
4 in accordance with the Trust Agreement as the same is finally executed and delivered;
5 provided, however, that the total aggregate principal amount represented by the Certificates
6 shall not exceed \$8,700,000 and the maximum stated annual interest rate represented by the
7 Certificates shall not exceed twelve percent (12%). The Director of Public Finance or his or
8 her designee is hereby authorized to obtain credit enhancement for the Certificates, including,
9 but not limited to, municipal bond insurance or a debt service reserve fund surety bond.

10 Section 5. Approval of Form of Official Notice of Sale. The Official Notice of Sale
11 relating to the Certificates, a copy of which document is on file with the Clerk of the Board, is
12 hereby approved. The Director of Public Finance or his or her designee is hereby authorized
13 to approve the distribution of an Official Notice of Sale for the Certificates in substantially said
14 form, with such changes, additions, modifications or deletions as the Director of Public
15 Finance or his or her designee may approve upon consultation with the City Attorney; such
16 approval to be conclusively evidenced by the distribution of the Official Notice of Sale to
17 potential purchasers of the Certificates.

18 Section 6. Approval of Form of Notice of Intention to Sell. The Notice of Intention to
19 Sell relating to the Certificates, a copy of which document is on file with the Clerk of the
20 Board, is hereby approved. The Director of Public Finance or his or her designee is hereby
21 authorized to approve the publication of a Notice of Intention to Sell for the Certificates in
22 substantially said form, with such changes, additions, modifications or deletions as the
23 Director of Public Finance or his or her designee may approve upon consultation with the City
24 Attorney; such approval to be conclusively evidenced by the publication of the Notice of
25 Intention to Sell.

1 Section 7. Approval of the Official Statement in Preliminary and Final Form. The
2 Official Statement relating to the Certificates, a copy of which document is on file in
3 preliminary form with the Clerk of the Board, is hereby approved. The Director of Public
4 Finance or his or her designee is hereby authorized to approve the distribution of a
5 preliminary Official Statement for the Certificates in substantially said form, with such
6 changes, additions, modifications or deletions as the Director of Public Finance or his or her
7 designee may approve upon consultation with the City Attorney; such approval to be
8 conclusively evidenced by the distribution of the preliminary Official Statement to potential
9 purchasers thereof. The Controller of the City is hereby authorized to execute, and the
10 Director of Public Finance or his or her designee is hereby further authorized to approve the
11 distribution of, the Official Statement for the Certificates in final form.

12 Section 8. Approval of Continuing Disclosure Certificate. The form of Continuing
13 Disclosure Certificate of the City (the "Continuing Disclosure Certificate"), presented to this
14 Board, a copy of which document is on file with the Clerk of the Board, is hereby approved.
15 The Controller is hereby authorized to execute the Continuing Disclosure Certificate, in
16 substantially the form presented to the Board, with such modifications, changes, or additions
17 as the Controller may approve upon consultation with the City Attorney; such approval to be
18 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

19 Section 9. Authorization of Validation Action. The City Attorney is hereby requested
20 to file a validation action validating the City's authority to enter into the Project Lease and the
21 Trust Agreement and to finance the acquisition of the Property, as such legal action is
22 authorized by Section 860 et seq. of the California Code of Civil Procedure.

23 Section 10. Adoption of Findings of Department of City Planning. The Board of
24 Supervisors hereby adopts and incorporates herein by reference the findings of the
25 Department of City Planning in the General Plan Consistency Finding that the proposed

1 acquisition of the Property is in conformity with the Master Plan and is consistent with the
2 Eight Priority Policies of Planning Code Section 101.1. The Board further adopts and
3 incorporates by reference the findings of the Department of City Planning that the acquisition
4 of the Property is exempt from Environmental Review under Class 1 of State Environmental
5 Review guidelines which exempts from environmental review the operations of existing
6 facilities.

7 Section 11. Approval of Reimbursement. Pursuant to Treasury Regulation Section
8 1.150-2, the City hereby declares its intent to reimburse from proceeds of the sale of the
9 Certificates capital expenditures of the Project paid within sixty (60) days prior to the date of
10 adoption of this Resolution, costs of issuance of the Certificates and other expenditures
11 permitted to be reimbursed pursuant to Treasury Regulation Section 1.150-2. Any
12 reimbursement allocation of proceeds of the Certificates to be made with respect to
13 expenditures incurred prior to the issuance of the Certificates (excluding certain de minimis
14 expenditures and preliminary expenditures in an amount not to exceed 20 percent of the issue
15 price of the Certificates) will occur not later than eighteen (18) months after the later of (i) the
16 date on which the expenditure is paid, or (ii) the date on which the facilities are placed in
17 service, but in no event more than three years after the expenditure is paid.

18 Section 12. Payment of Costs of Issuance. The Board of Supervisors hereby
19 authorize the expenditure of a portion of the proceeds of the Bonds, not to exceed \$400,000
20 (or such higher amount deemed reasonable by the Director of Public Finance), to the payment
21 of certain costs of issuance incurred in connection with the execution and delivery of the
22 Certificates.

23 Section 13. General Authority. The Mayor, the City Attorney, the Controller, the City
24 Administrator, the Director of Property, the Director of Public Finance or his or her designee,
25 the Clerk of the Board and the other officers of the City and their duly authorized deputies and

1 agents are hereby authorized and directed, jointly and severally, to take such actions and to
2 execute and deliver such certificates, requests or other documents as they may deem
3 necessary or desirable to acquire and finance the Property, to validate the proposed financing
4 through the execution and delivery of the Certificates, to enter into the Project Lease and the
5 Trust Agreement, to facilitate the execution and delivery of the Certificates and the obtaining
6 of bond insurance or other credit enhancements with respect thereto and the financing of the
7 Property and otherwise to carry out the provisions of this Resolution.

8 Section 14. Ratification of Prior Actions. All actions authorized and directed by this
9 Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board of
10 Supervisors.

11 Section 15. File Documents. All documents referred to as on file with the Clerk of the
12 Board of Supervisors are in File No. 990152.

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15 APPROVED AS TO FORM:

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17 LOUISE H. RENNE
18 City Attorney

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20
21 By: Michelle W. Sexton

22 MICHELLE W. SEXTON
23 Deputy City Attorney
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MAYOR'S OFFICE OF PUBLIC FINANCE
BOARD OF SUPERVISORS



City and County of San Francisco

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

Tails

Resolution

File Number: 990152

Date Passed:

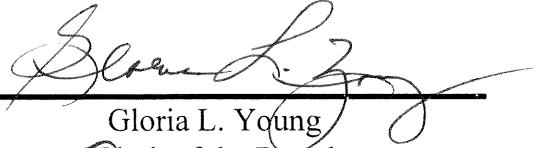
Resolution authorizing the exercise of the purchase option in the lease between the City and County of San Francisco ("City"), as lessee, and Burt J. Hamrol, as lessor, for the real property and building located at 555-7th Street (the "Property"); authorizing the officers of the City to enter into documents to implement said purchase; approving a Project Lease related to financing the acquisition of the property (including certain indemnities contained therein); approving a Trust Agreement between the City and a Trustee (including certain indemnities contained therein); authorizing the selection of a Trustee; approving the execution and delivery of Certificates of Participation to finance the acquisition of the property; authorizing the offer and sale of the certificates; approving the form of Official Notice of Sale, Notice of Intention to Sell, and Official Statement; approving the form of Continuing Disclosure Certificate relating to the certificates; approving the validation of the execution and delivery of certificates; adopting findings pursuant to Planning Code Section 101.1; and ratifying previous actions taken in connection therewith.

February 22, 1999 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 990152

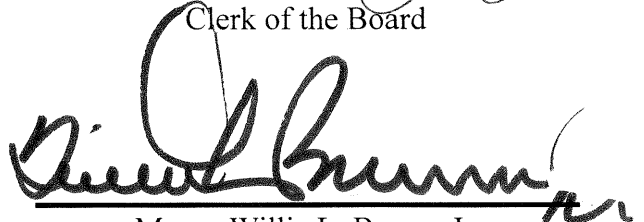
I hereby certify that the foregoing Resolution was ADOPTED on February 22, 1999 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

MAR - 5 1999

Date Approved



Mayor Willie L. Brown Jr.

File No. 990152 continued...