

1 [Airport Revenue Bonds - Bond Issuance - Airport Revenue Refunding Bonds - Continuing
2 Covenant Agreement - Not to Exceed \$2,620,000,000]

3 **Resolution approving the issuance of up to \$2,620,000,000 aggregate principal amount**
4 **of San Francisco International Airport Second Series Revenue Refunding Bonds for the**
5 **purpose of refinancing bonds and subordinate bonds of the Airport Commission and**
6 **related obligations; approving the form of and authorizing the execution and delivery of**
7 **one or more Continuing Covenant Agreements in connection with the direct purchase**
8 **of bonds of the Airport Commission; and approving certain related matters, as defined**
9 **herein.**

10
11 WHEREAS, The Airport Commission of the City and County of San Francisco (the
12 "Commission"), by its Resolution No. 91-0210 (as supplemented and amended, the "1991
13 Master Resolution"), has duly authorized the issuance of San Francisco International Airport
14 Second Series Revenue Bonds (the "Senior Bonds") for any lawful purpose of the
15 Commission; and

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

21 WHEREAS, The Commission, by its Resolution Nos. 98-0114, 02-0010, 03-0220, 04-
22 0220, 05-0181, 08-0152 and 10-0307, has authorized the issuance from time to time of Senior
23 Bonds for the purpose of refunding and/or paying outstanding Senior Bonds and Subordinate
24 Bonds and related obligations (such authorized Senior Bonds, the "Refunding Bonds"), and by
25 its Resolution No. 18-0109 (the "Twenty-Second Supplemental Resolution" and together with

1 Resolution Nos. 98-0114, 02-0010, 03-0220, 04-0220, 05-0181, 08-0152 and 10-0307, the
2 “Commission Refunding Resolutions”), has authorized the issuance of additional Refunding
3 Bonds of which \$2,620,000,000 in aggregate principal amount require the approval of this
4 Board of Supervisors; and

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

9 WHEREAS, This Board of Supervisors, by its Resolution Nos. 583-98, 113-02, 800-03,
10 733-04, 235-07, 471-08 and 50-11 (as amended, the “Prior Board Refunding Resolutions”),
11 has approved the issuance of \$8,440,000,000 aggregate principal amount of Refunding
12 Bonds; and

13 WHEREAS, \$730,500,000 aggregate principal amount of the Refunding Bonds remain
14 authorized but unissued; and

15 WHEREAS, This Board of Supervisors, pursuant to the resolutions referenced in its
16 Resolution No. 50-11, together with its Resolution Nos. 50-11, 349-12, 125-14, 433-15, 156-
17 17 and 269-17 (such Resolutions, as amended, collectively with the Prior Refunding
18 Resolutions, the “Prior Board Resolutions”), has approved certain Capital Plan Bonds,
19 Subordinate Bonds and Special Facilities Bonds (each as defined in the Prior Board
20 Resolutions and, collectively with the Refunding Bonds, the “Airport Bonds”); and

21 WHEREAS, The Commission has determined that it may be necessary or desirable to
22 negotiate with one or more commercial banks or other similar investors (each, a “Bank”) to
23 directly purchase one or more future series of Senior Bonds (a “Direct Purchase Transaction”)
24 and that, in connection with any such Direct Purchase Transaction, it may be necessary or
25

1 desirable for the Commission to enter into one or more Continuing Covenant Agreements or
2 similar agreements with a Bank (each, a "Covenant Agreement"); and

3 WHEREAS, The Commission, by its Resolution No. 17-0002 adopted on January 17,
4 2017 ("Commission Resolution No. 17-0002"), established a two-year pool of pre-qualified
5 Banks eligible to provide liquidity and credit facilities for Senior Bonds and Subordinate Bonds
6 and enter into one or more Direct Purchase Transactions, and authorized the Airport Director
7 to solicit proposals from Banks in the pool, conduct negotiations as necessary or appropriate
8 for agreements with the Bank or Banks proposing the most favorable terms, and return to the
9 Commission to approve the award of each agreement; and

10 WHEREAS, The Commission, by its Resolution No. 18-0110 adopted on April 24, 2018
11 ("Commission Resolution No. 18-0110"), approved a form of Covenant Agreement and
12 authorized the execution and delivery of additional documents, agreements and certificates
13 that provide that Senior Bonds sold in a Direct Purchase Transaction shall, under certain
14 circumstances, be subject to mandatory redemption prior to their stated maturity dates, and
15 that such redemption payments shall be made in whole or in part on a basis subordinate to
16 the repayment of Senior Bonds, other Commission obligations, or both; and

17 WHEREAS, It is the intent and purpose of this resolution to approve the issuance by
18 the Commission of the Refunding Bonds and to approve the form of Covenant Agreement for
19 execution and delivery in connection with the sale of Senior Bonds in a Direct Purchase
20 Transaction; and

21 WHEREAS, The Commission Refunding Resolutions, Commission Resolution No. 17-
22 0002, Commission Resolution No. 18-0110, and the form of Covenant Agreement approved
23 by the Commission have been submitted to this Board of Supervisors and are on file with the
24 Clerk of the Board of Supervisors in File No. 180655; now, therefore, be it
25

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

3 FURTHER RESOLVED, That the Twenty-Second Supplemental Resolution, as
4 adopted by the Commission, is hereby approved; and, be it

5 FURTHER RESOLVED, That the issuance by the Commission of the Refunding Bonds
6 for the purposes of refunding, paying, calling and retiring a portion or all of the principal of
7 and/or interest on one or more series of outstanding Senior Bonds and Subordinate Bonds
8 and related obligations, funding debt service reserves (including reserves currently funded
9 with municipal bond insurance surety policies), and paying costs of issuance, including any
10 redemption premiums, swap termination payments, and other incidental costs in connection
11 therewith, is hereby approved in accordance with Section 4.115 of the Charter; and, be it

12 FURTHER RESOLVED, That the additional authorized aggregate principal amount of
13 Refunding Bonds shall be \$2,620,000,000 and each reference in Prior Board Resolutions to
14 the authorized aggregate principal amount of Refunding Bonds is hereby increased by
15 \$2,620,000,000; and, be it

16 FURTHER RESOLVED, That the time for sale of the Airport Bonds set forth in the Prior
17 Board Resolutions shall be extended to June 30, 2023 in all cases, and each reference in
18 Prior Board Resolutions to the time for sale of Airport Bonds is hereby stated to be June 30,
19 2023; and, be it

20 FURTHER RESOLVED, That Commission Resolution No. 18-0110, as adopted by the
21 Commission, is hereby approved; and, be it

22 FURTHER RESOLVED, That the selection by the Commission of one or more Banks
23 to enter into one or more Covenant Agreements with the Commission, in accordance with
24 Commission Resolution No. 17-0002 or such other resolutions of the Commission approving a
25 substantially similar selection process, is hereby approved; and, be it

1 FURTHER RESOLVED, That the execution of one or more Covenant Agreements by
2 the Commission in connection with the Senior Bonds is hereby approved, with such changes
3 as the Airport Director shall deem necessary or advisable in consultation with the City
4 Attorney; and, be it

5 FURTHER RESOLVED, That the provisions of the Prior Board Resolutions, except as
6 modified hereby and subsequently modified, are hereby ratified, approved and confirmed;
7 and, be it

8 FURTHER RESOLVED, That all actions heretofore taken by the officers, agents and
9 employees of the Commission and the City and County of San Francisco (the "City") to carry
10 out the intents and purposes of this Resolution, as consistent with this resolution, are hereby
11 ratified, approved and confirmed; and, be it

12 FURTHER RESOLVED, That the Commission and its proper officers, agents and
13 employees and those of the City are hereby authorized to execute and deliver such
14 certificates, documents and agreements as are contemplated by or required under the 1991
15 Master Resolution, the 1997 Master Subordinate Resolution, the Commission Refunding
16 Resolutions, any other Refunding Bond-related resolutions of the Commission, any existing
17 Refunding Bond-related agreement or contract, the applicable bond purchase agreement and
18 any other applicable Airport Bond-related agreement or contract authorized hereby, including
19 such related credit facility and other agreements, including bond insurance commitments,
20 reserve fund surety policy commitments and agreements, letter of credit agreements, line of
21 credit agreements, remarketing agreements, interest rate swap agreement amendments or
22 termination confirmations, Covenant Agreements, and/or investment agreements as the
23 Airport Director shall determine is necessary or desirable in connection with the issuance of
24 Refunding Bonds (the "Contemplated Documents"), to carry out the intents and purposes of
25 this resolution and the transactions contemplated hereby, and to take such other actions or

1 execute such other certificates, documents and agreements, in consultation with the City
2 Attorney, as may be necessary or desirable to carry out the intents and purposes of this
3 resolution and the transactions contemplated hereby (the "Other Documents"); provided, that
4 any such actions or execution of any the Contemplated Documents and Other Documents are
5 intended solely to further the purposes of this resolution, and are subject in all respects to the
6 terms of this resolution and the Prior Board Resolutions (as modified hereby); and provided
7 further, that no such actions or execution of such Contemplated Documents and Other
8 Documents shall increase the risk to the Commission or the City or require the Commission or
9 the City to expend any resources not otherwise authorized hereby; and, be it

10 FURTHER RESOLVED, That the approvals contained in this resolution shall extend to
11 any amendments to the 1991 Master Resolution, the 1997 Master Subordinate Resolution,
12 the Commission Refunding Resolutions and all resolutions of the Commission supplemental
13 thereto, as well as to such additional resolutions that the Commission may adopt for the
14 purpose of implementing the issuance, sale and delivery of the Refunding Bonds; provided,
15 that in each case such amendment or additional resolution is consistent with the parameters
16 set forth herein; and, be it

17 FURTHER RESOLVED, That should the application of any provision of this resolution
18 to any particular facts or circumstances be found by a court of competent jurisdiction to be
19 invalid or unenforceable, then (a) the validity of other provisions of this resolution shall not be
20 affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent
21 possible so as to effect the intents and purposes of this resolution.

1 Approved as to Form:

2 DENNIS J. HERRERA
3 City Attorney

4 By Brooke D. Abola
5 Brooke D. Abola
6 Deputy City Attorney

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City and County of San Francisco

Tails
Resolution

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

File Number: 180655

Date Passed: September 18, 2018

Resolution approving the issuance of up to \$2,620,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Refunding Bonds for the purpose of refinancing bonds and subordinate bonds of the Airport Commission and related obligations; approving the form of and authorizing the execution and delivery of one or more Continuing Covenant Agreements in connection with the direct purchase of bonds of the Airport Commission; and approving certain related matters, as defined herein.

September 06, 2018 Budget and Finance Committee - RECOMMENDED

September 18, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 180655

I hereby certify that the foregoing Resolution was ADOPTED on 9/18/2018 by the Board of Supervisors of the City and County of San Francisco.

for Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

9/28/18

Date Approved