

1 [Authorizing Tax-Exempt and/or Taxable Certificates of Participation (Multiple Capital  
2 Improvement Projects) - Not to Exceed \$140,000,000]

3 **Ordinance authorizing the execution and delivery of Certificates of Participation, in one**  
4 **or more series on a tax-exempt and/or taxable basis and from time to time, evidencing**  
5 **and representing an aggregate principal amount of not to exceed \$140,000,000**  
6 **(“Certificates”), to finance and refinance certain capital improvement projects within**  
7 **the City, including but not limited to certain projects within the City and County of San**  
8 **Francisco’s (“City”) capital plan and generally consisting of critical repairs,**  
9 **renovations and improvements to City-owned buildings, facilities, streets and works**  
10 **utilized by various City departments and local economic stimulus projects, generally**  
11 **consisting of repairs, renovations, improvements and street reconstruction, repaving**  
12 **and other improvements, designed to help build a more resilient and equitable San**  
13 **Francisco as part of the City’s recovery from the COVID-19 pandemic, including**  
14 **through the retirement of certain commercial paper notes of the City issued for such**  
15 **purposes; approving the form of a Supplement to Trust Agreement between the City**  
16 **and U.S. Bank National Association, as trustee (“Trustee”) (including certain**  
17 **indemnities contained therein); approving respective forms of a Supplement to**  
18 **Property Lease and a Supplement to Project Lease, each between the City and the**  
19 **Trustee, for the lease and lease back of all or a portion of certain real property and**  
20 **improvements owned by the City and located at 375 Laguna Honda Boulevard within**  
21 **the City and at 1 Moreland Drive, San Bruno, California, and/or other property as**  
22 **determined by the Director of Public Finance; approving the form of an Official Notice**  
23 **of Sale and a Notice of Intention to Sell the Certificates; approving the form of an**  
24 **Official Statement in preliminary and final form; approving the form of a purchase**  
25 **contract between the City and one or more initial purchasers of the Certificates, as**

1 defined herein; approving the form of a Continuing Disclosure Certificate, as defined  
2 herein; granting general authority to City officials to take necessary actions in  
3 connection with the authorization, sale, execution and delivery of the Certificates, as  
4 defined herein; approving modifications to documents, as defined herein; and ratifying  
5 previous actions taken in connection therewith, as defined herein.

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
8 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
9 **Board amendment additions** are in double-underlined Arial font.  
10 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
11 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
12 subsections or parts of tables.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. Background.

15 (a) The Board of Supervisors (“Board of Supervisors” or “Board”) of the City and  
16 County of San Francisco (“City”) desires to provide funds to (i) finance and refinance certain  
17 capital improvement projects within the City, including but not limited to certain projects within  
18 the City’s capital plan and generally consisting of critical repairs, renovations and  
19 improvements to City-owned buildings, facilities, streets and works utilized by various City  
20 departments and local economic stimulus projects, generally consisting of repairs,  
21 renovations, improvements and street reconstruction, repaving and other improvements,  
22 designed to help build a more resilient and equitable San Francisco as part of the City’s  
23 recovery from the COVID-19 pandemic, and (ii) retire certain commercial paper notes of the  
24 City issued for such purposes (collectively, the “Project”), (iii) fund a debt service or other  
25 similar reserve for the Certificates, as appropriate; and (iv) pay costs of issuance of the

1 Certificates, and the City is authorized pursuant to its charter (“Charter”) and the laws of the  
2 State to enter into lease financings for such purposes.

3 (b) The City and U.S. Bank National Association, as trustee (“Trustee”), have  
4 previously entered into a Property Lease, dated as of May 1, 2009 (“Original Property Lease”),  
5 pursuant to which the City has leased certain real property and all improvements thereon,  
6 generally consisting of certain land and improvements comprising portions of the Laguna  
7 Honda Hospital campus within the City (“Laguna Honda Hospital”), owned by the City and  
8 located at 375 Laguna Honda Boulevard within the City (collectively, the “Prior Leased  
9 Property”) to the Trustee.

10 (c) The Trustee and the City have previously entered into a Project Lease, dated as of  
11 May 1, 2009 (“Original Project Lease”), pursuant to which the Trustee has leased the Prior  
12 Leased Property back to the City.

13 (d) The City previously caused the execution and delivery of the City and County of  
14 San Francisco Certificates of Participation, Series 2009A (Multiple Capital Improvement  
15 Projects) (“2009A Certificates”) pursuant to a Trust Agreement, dated as of May 1, 2009, by  
16 and between the City and the Trustee (“Original Trust Agreement” and, together with the  
17 Original Property Lease and the Original Project Lease, the “Original Agreements”).

18 (e) The 2009A Certificates evidenced direct undivided interests in the lease payments  
19 made by the City under the Original Project Lease.

20 (f) The Original Trust Agreement provides for the issuance of additional certificates of  
21 participation by the execution and delivery of a supplement to the Original Trust Agreement,  
22 and authorizes the principal and interest with respect to said certificates of participation to be  
23 secured by a supplement to the Original Property Lease and to be paid from amounts paid by  
24 the City under a supplement to the Original Project Lease.

1 (g) The City subsequently caused the execution and delivery of the City and County of  
2 San Francisco Certificates of Participation, Series 2009B (Multiple Capital Improvement  
3 Projects) (“2009B Certificates” and, together with the 2009A Certificates, “2009 Certificates”)  
4 pursuant to a First Supplement to Trust Agreement, dated as of September 1, 2009 (“First  
5 Supplement to Trust Agreement”), supplementing the Original Trust Agreement.

6 (h) In connection therewith, the City and the Trustee have previously entered into a  
7 First Supplement to Property Lease, dated as of September 1, 2009 (“First Supplement to  
8 Property Lease”), supplementing the Original Property Lease.

9 (i) In connection therewith, the City and the Trustee have previously entered into a  
10 First Supplement to Project Lease, dated as of September 1, 2009 (“First Supplement to  
11 Project Lease”), supplementing the Original Project Lease.

12 (j) The 2009B Certificates evidenced direct undivided interests in the lease payments  
13 made by the City under the Original Project Lease, as supplemented by the First Supplement  
14 to Project Lease, on a parity basis with the 2009A Certificates.

15 (k) The City subsequently caused the execution and delivery of the City and County of  
16 San Francisco Certificates of Participation, Series 2012A (Multiple Capital Improvement  
17 Projects) (“2012A Certificates”) pursuant to a Second Supplement to Trust Agreement, dated  
18 as of June 1, 2012 (“Second Supplement to Trust Agreement”), supplementing the Original  
19 Trust Agreement.

20 (l) In connection therewith, the City and the Trustee have previously entered into a  
21 Second Supplement to Property Lease, dated as of June 1, 2012 (“Second Supplement to  
22 Property Lease”), supplementing the Original Property Lease.

23 (m) In connection therewith, the City and the Trustee have previously entered into a  
24 Second Supplement to Project Lease, dated as of June 1, 2012 (“Second Supplement to  
25 Project Lease”), supplementing the Original Project Lease.

1 (n) The 2012A Certificates evidence direct undivided interests in the lease payments  
2 made by the City under the Original Project Lease, as supplemented by the First Supplement  
3 to Project Lease and Second Supplement to Project Lease, on a parity basis with the 2009  
4 Certificates.

5 (o) The City subsequently caused the execution and delivery of the City and County of  
6 San Francisco Refunding Certificates of Participation, Series 2019-R1 (Multiple Capital  
7 Improvement Projects) (“2019-R1 Certificates”) pursuant to a Third Supplement to Trust  
8 Agreement, dated as of November 1, 2019 (“Third Supplement to Trust Agreement”),  
9 supplementing the Original Trust Agreement, which 2019-R1 Certificates were issued to  
10 prepay all of the then-outstanding 2009 Certificates.

11 (p) In connection therewith, the City and the Trustee have previously entered into a  
12 Third Supplement to Property Lease, dated as of November 1, 2019 (“Third Supplement to  
13 Property Lease”), supplementing the Original Property Lease.

14 (q) In connection therewith, the City and the Trustee have previously entered into a  
15 Third Supplement to Project Lease, dated as of November 1, 2019 (“Third Supplement to  
16 Project Lease”), supplementing the Original Project Lease.

17 (r) The 2019-R1 Certificates evidence direct undivided interests in the lease payments  
18 made by the City under the Original Project Lease, as supplemented by the First Supplement  
19 to Project Lease, the Second Supplement to Project Lease and the Third Supplement to  
20 Project Lease, on a parity basis with the 2012A Certificates.

21 (s) The City subsequently caused the execution and delivery of the City and County of  
22 San Francisco Refunding Certificates of Participation, Series 2020-R1 (Multiple Capital  
23 Improvement Projects) (“2020-R1 Certificates”) pursuant to a Fourth Supplement to Trust  
24 Agreement, dated as of November 1, 2020 (“Fourth Supplement to Trust Agreement”),  
25 supplementing the Original Trust Agreement, which 2020-R1 Certificates were issued to

1 prepay all of the then-outstanding City and County of San Francisco Refunding Certificates of  
2 Participation, Series 2010A (“2010A Certificates”) issued pursuant to that certain Trust  
3 Agreement, dated as of September 1, 2010 (“2010A Trust Agreement”), by and between the  
4 City and the City and U.S. Bank National Association, as successor trustee (“2010A Trustee”).

5 (t) The City’s prepayment of all of the 2010A Certificates permitted the City to  
6 terminate (i) the 2010A Trust Agreement, (ii) that certain Property Lease, dated as of  
7 September 1, 2010 (“2010A Property Lease”), pursuant to which the City had leased certain  
8 City-owned real property located at 1 Moreland Drive, San Bruno, California and all  
9 improvements thereon, generally known as the San Bruno Complex (“San Bruno Complex  
10 Property”) to the 2010A Trustee, and (iii) that certain Project Lease, dated as of September 1,  
11 2010 (“2010A Project Lease”), pursuant to which the 2010A Trustee had leased the San  
12 Bruno Complex Property back to the City, which termination of the 2010A Trust Agreement,  
13 2010A Property Lease and 2010A Project Lease caused the San Bruno Complex Property to  
14 then be unencumbered and vest in the City.

15 (u) In connection with the execution and delivery of the 2020-R1 Certificates, the City  
16 and the Trustee have previously entered into a Fourth Supplement to Property Lease, dated  
17 as of November 1, 2020 (“Fourth Supplement to Property Lease”), supplementing and  
18 amending the Original Property Lease, including to add the San Bruno Complex Property to  
19 the Leased Property subject thereto.

20 (v) In connection with the execution and delivery of the 2020-R1 Certificates, the City  
21 and the Trustee have previously entered into a Fourth Supplement to Project Lease, dated as  
22 of November 1, 2020 (“Fourth Supplement to Project Lease”), supplementing and amending  
23 the Original Project Lease, including to add the San Bruno Complex Property to the Leased  
24 Property subject thereto.

25

1 (w) The 2020-R1 Certificates evidence direct undivided interests in the lease  
2 payments made by the City under the Original Project Lease, as supplemented by the First  
3 Supplement to Project Lease, the Second Supplement to Project Lease, the Third  
4 Supplement to Project Lease and the Fourth Supplement to Project Lease, on a parity basis  
5 with the 2012A Certificates and the 2019-R1 Certificates.

6 (x) The City subsequently caused the execution and delivery of the City and County of  
7 San Francisco Certificates of Participation, Series 2021A (Multiple Capital Improvement  
8 Projects) (“2021A Certificates”) pursuant to a Fifth Supplement to Trust Agreement, dated as  
9 of May 1, 2021 (“Fifth Supplement to Trust Agreement”), supplementing the Original Trust  
10 Agreement.

11 (y) WHEREAS, In connection therewith, the City and the Trustee have previously  
12 entered into a Fifth Supplement to Property Lease, dated as of May 1, 2021 (“Fifth  
13 Supplement to Property Lease”), supplementing and amending the Original Property Lease,  
14 including to add the improvements on the Laguna Honda Hospital campus generally known as  
15 the South Residence building and the land associated therewith (collectively, the “South  
16 Residence”) to the Leased Property subject thereto, as authorized by the City’s Ordinance No.  
17 226-19 and its Ordinance No. 227-19, each approved as of October 11, 2019.

18 (z) In connection therewith, the City and the Trustee have previously entered into a  
19 Fifth Supplement to Project Lease, dated as of May 1, 2021 (“Fifth Supplement to Project  
20 Lease”), supplementing and amending the Original Project Lease, including to add the South  
21 Residence to the Leased Property subject thereto, as authorized by the City’s Ordinance No.  
22 226-19 and its Ordinance No. 227-19, each approved as of October 11, 2019.

23 (aa) The 2021A Certificates evidence direct undivided interests in the lease payments  
24 made by the City under the Original Project Lease, as supplemented by the First Supplement  
25 to Project Lease, the Second Supplement to Project Lease, the Third Supplement to Project

1 Lease, the Fourth Supplement to Project Lease and the Fifth Supplement to Project Lease, on  
2 a parity basis with the 2012A Certificates, the 2019-R1 Certificates and the 2020-R1  
3 Certificates.

4 (bb) The 2021A Certificates were executed and delivered by the City in the aggregate  
5 principal amount of \$76,020,000 as portions of the issuance authority provided therefor under  
6 the City's Ordinance No. 226-19 and its Ordinance No. 227-19, each approved as of  
7 October 11, 2019.

8 (cc) The City, pursuant to its Ordinance No. 226-19 and its Ordinance No. 227-19,  
9 each approved as of October 11, 2019; pursuant to its Ordinance No. 281-19, approved as of  
10 December 20, 2019; pursuant to its Ordinance No. 222-20, approved as of November 6,  
11 2020; and pursuant to its Ordinance No. 123-21, approved as of August 4, 2021, has  
12 authorized (i) the expansion of the Leased Property subject to the Original Property Lease, as  
13 previously supplemented, and to the Original Project Lease, as previously supplemented,  
14 pursuant to additional supplements to such Original Property Lease and Original Project  
15 Lease to be executed and delivered in the future, to include the entire campus of Laguna  
16 Honda Hospital (except for the portion thereof generally known as Laguna Honda Juvenile  
17 Detention Center) and the San Bruno Complex Property, and (ii) the execution and delivery of  
18 additional certificates of participation of the City, pursuant to additional supplements to the  
19 Original Trust Agreement, as previously supplemented, to be executed and delivered in the  
20 future, to finance various projects of the City in the remaining aggregate principal amount of  
21 up to \$388,680,000 (collectively, "Additional Certificates") and on a parity basis with the  
22 2012A Certificates, the 2019-R1 Certificates, the 2020-R1 Certificates, the 2021A Certificates  
23 and any Certificates, when issued, which supplements to the Original Property Lease, Original  
24 Project Lease and Original Trust Agreement may be executed and delivered and which  
25 Additional Certificates may be issued, in whole or in part, on a tax-exempt and/or taxable



1 basis, prior to, on, or after the date of the adoption of this Ordinance.

2 (dd) The Board desires to finance the Project and to cause the execution and delivery  
3 of one or more additional series of certificates of participation (as further defined herein, the  
4 “Certificates”) in an aggregate principal amount not to exceed \$140,000,000.

5 (ee) The Certificates will be executed and delivered in one or more series, from time to  
6 time, on a tax-exempt and/or taxable basis pursuant to a one or more supplements to the  
7 Original Trust Agreement (each, a “Supplement to Trust Agreement”), by and between the  
8 City and the Trustee, supplementing the Original Trust Agreement.

9 (ff) In connection with the execution and delivery of the Certificates, the Board desires  
10 to cause the execution of one or more supplements to the Original Property Lease (each, a  
11 “Supplement to Property Lease”), supplementing and amending the Original Property Lease  
12 to provide for additional rental to be paid by the Trustee in connection with the financing of the  
13 Project and certain related matters and pursuant to which the City intends to lease to the  
14 Trustee the Prior Leased Property, as previously supplemented, and such other property  
15 specified in the Supplement to Property Lease (collectively, the “Leased Property”); one or  
16 more supplements to the Original Project Lease (each, a “Supplement to Project Lease”),  
17 supplementing and amending the Original Project Lease to provide for the leasing of the  
18 Leased Property back to the City and the additional Base Rental to be paid by the City in  
19 connection with the financing of the Project and certain related matters, with such additional  
20 changes to the Supplement to Property Lease and Supplement to Project Lease as shall be  
21 determined by the City’s Director of Public Finance (defined below); a form of a purchase  
22 contract between the City and one or more initial purchasers of the Certificates (“Purchase  
23 Contract”); a Continuing Disclosure Certificate and certain other related documents.

24 (gg) The Certificates, when issued, will evidence direct undivided interests in the lease  
25 payments made by the City under the Original Project Lease, as previously supplemented and

1 amended and as supplemented and amended by the Supplement to Project Lease, on a  
2 parity basis with the outstanding 2012A Certificates, 2019-R1 Certificates, 2020-R1  
3 Certificates and 2021A Certificates any other Additional Certificates authorized and issued  
4 pursuant to additional, respective, executed and delivered supplements to the Original  
5 Agreements, prior to the issuance of the Certificates.

6 (hh) The Board has been presented with the forms of certain documents and  
7 agreements referred to herein relating to the Certificates, and the Board has examined and is  
8 approving each such document and agreement and desires to authorize the execution of such  
9 documents and agreements and the consummation of such financing.

10 (ii) The Board has received from the City's Office of Public Finance and disclosed to  
11 the public certain good faith estimates, as required by Section 5852.1 of the California  
12 Government Code, regarding certain costs relating to, the net proceeds of, and the debt  
13 service cost of the proposed issuance of the Certificates, which estimated information has  
14 been provided by the City's municipal advisor, KNN Public Finance, LLC, and which estimated  
15 information is based upon conditions that are subject to change prior to, on, or after the date  
16 of final adoption of this Ordinance, including prevailing market conditions.

17 (jj) Upon the effectiveness of this Ordinance, all conditions, things and acts required by  
18 law to exist, to happen and to be performed precedent to and as a condition of the execution  
19 and delivery of the Supplement or Supplements to Property Lease, the Supplement or  
20 Supplements to Project Lease, the Supplement or Supplements to Trust Agreement, the  
21 Purchase Contract(s), the Continuing Disclosure Certificate, the Official Statement (as defined  
22 herein) and the Certificates will exist, have happened and have been performed in due time,  
23 form and manner in accordance with applicable law, and the City shall be authorized pursuant  
24 to its Charter and other applicable law to execute and deliver each Supplement to Property  
25 Lease, each Supplement to Project Lease, the Purchase Contract(s), the Continuing

1 Disclosure Certificate, each Supplement to Trust Agreement and the Official Statement and to  
2 cause the execution and delivery of the Certificates in the manner and form provided in this  
3 Ordinance.

4 (kk) WHEREAS, The City has paid and expects to pay certain expenditures in  
5 connection with the Project to be financed by the Certificates prior to the execution and  
6 delivery of the Certificates, and the City intends to reimburse itself and to pay third parties for  
7 such prior expenditures from the proceeds of the Certificates.

8 (ll) Section 1.150-2 of the Treasury Regulations promulgated under the Internal  
9 Revenue Code of 1986, as amended (“Reimbursement Regulations”), requires the City to  
10 declare its reasonable official intent to reimburse prior expenditures with the proceeds of a  
11 subsequent borrowing.

12 (mm) The Reimbursement Regulations require that any reimbursement allocation of  
13 proceeds of the Certificates to be made with respect to expenditures incurred prior to the  
14 execution and delivery of the Certificates will occur not later than eighteen (18) months after  
15 the later of (i) the date on which the expenditure is paid or (ii) the date on which the facilities  
16 are placed in service, but in no event later than three (3) years after the expenditure is paid.

17 (nn) The adoption of this Ordinance constitutes authorization of the Certificates within  
18 the meaning of Section 864 of the California Code of Civil Procedure, as amended, and any  
19 Validation Act that is effective after this Ordinance takes effect.

20  
21 Section 2. Findings and Determinations.

22 a. Findings. The Board hereby finds and determines that the recitals set forth  
23 above are true and correct.

24 b. Conditions Precedent. All conditions, things and acts required by law to exist, to  
25 happen and to be performed precedent to the execution and delivery of the Certificates exist,

1 have happened and have been performed in due time, form and manner in accordance with  
2 applicable law, and the City is now authorized pursuant to its Charter and applicable law to  
3 incur indebtedness in the manner and form provided in this Ordinance.  
4

5 Section 3. File Documents. The documents presented to the Board and on file with the  
6 Clerk of the Board of Supervisors or his, her or their designee (collectively, the “Clerk”) are  
7 contained in File No. 220683.  
8

9 Section 4. Authorization of the Certificates. The Board hereby authorizes and  
10 approves the execution and delivery of the Certificates in one or more series on a tax-exempt  
11 and/or taxable basis and on one or more delivery dates in accordance with the applicable  
12 Supplement to Trust Agreement. The proceeds of the Certificates will be used, together with  
13 other available funds of the City, to (i) finance and/or refinance the Project, including through  
14 the retirement of certain commercial paper notes of the City issued therefor; (ii) fund a debt  
15 service or other similar reserve, as appropriate; and (iii) pay costs of issuance of the  
16 Certificates. The Certificates shall be designated as “City and County of San Francisco  
17 Certificates of Participation (Multiple Capital Improvement Projects)” with such other or  
18 additional designations as to series and sub-series and the year of execution and delivery as  
19 determined by the Controller’s Director of Public Finance (“Director of Public Finance”) or his,  
20 her or their designee.

21 (a) Certain Terms of the Certificates. The Certificates shall evidence an aggregate  
22 principal amount of not to exceed One Hundred Forty Million Dollars (\$140,000,000), and  
23 shall evidence interest at a true interest cost up to but not to exceed twelve percent (12%) per  
24 annum. The Certificates shall be subject to prepayment as set forth in the applicable  
25 Supplement to Project Lease and Supplement to Trust Agreement. The Director of Public

1 Finance is hereby authorized, to the extent such officer deems it necessary or advisable and  
2 financially advantageous to the City, to procure credit enhancement for the Certificates,  
3 including but not limited to municipal bond insurance and/or a debt service reserve fund surety  
4 policy.

5 (b) Tax Status of the Certificates. The Director of Public Finance is hereby  
6 authorized, to the extent such officer deems it necessary or advisable and in the interests of  
7 the City, to cause the execution and delivery of the Certificates (i) with interest with respect  
8 thereto being exempt or not exempt from federal income tax, and (ii) under any federal tax law  
9 provisions which provide for federal grants or credits to the City or to investors in lieu of the  
10 exemption of interest from federal income tax.

11 (c) Approval of the Supplement to Trust Agreement. The form of a Supplement to  
12 Trust Agreement between the City and the Trustee, as presented to the Board, a copy of  
13 which is on file with the Clerk, is hereby approved. The Mayor of the City (“Mayor”) or the  
14 City’s Controller (“Controller”) or designees thereof are hereby authorized to execute and  
15 deliver one or more Supplements to Trust Agreement in the form hereby approved, and the  
16 Clerk is hereby authorized to attest to and affix the seal of the City on such Supplements to  
17 Trust Agreement, with such changes, additions and modifications as the Mayor or the  
18 Controller may make or approve in accordance with Section 22 hereof.

19  
20 Section 5. Approval of the Supplement to Property Lease. The form of a Supplement  
21 to Property Lease between the City and the Trustee, as presented to the Board, a copy of  
22 which is on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby  
23 authorized to execute and deliver one or more Supplements to Property Lease in the form  
24 hereby approved, and the Clerk is hereby authorized to attest to and affix the seal of the City  
25 on such Supplements to Property Lease, with such changes, additions and modifications as

1 the Mayor or the Controller may make or approve in accordance with Section 22 hereof.

2  
3 Section 6. Approval of the Supplement to Project Lease. The form of a Supplement to  
4 Project Lease between the City and the Trustee, as presented to the Board, a copy of which is  
5 on file with the Clerk, is hereby approved. The Mayor or the Controller is hereby authorized to  
6 execute and deliver one or more Supplements to Project Lease in the form hereby approved,  
7 and the Clerk is hereby authorized to attest to and affix the seal of the City on such  
8 Supplements to Project Lease with such changes, additions and modifications as the Mayor  
9 or Controller may make or approve in accordance with Section 22 hereof; provided, however,  
10 that the maximum Base Rental (as defined in the Project Lease) to be paid under such  
11 Supplement to Project Lease in any fiscal year shall not exceed Twelve Million Five Hundred  
12 Thousand Dollars (\$12,500,000) and the term of any Supplement to Project Lease shall not  
13 extend beyond the 30<sup>th</sup> year following its date of execution, as such initial term may be  
14 extended in accordance with the Project Lease.

15  
16 Section 7. Approval of the Leased Property and the Base Rental Payments. The Board  
17 hereby approves the leasing, pursuant to the terms of the Supplement to Property Lease and  
18 the Supplement to Project Lease, of all or a portion of the Leased Property, including as such  
19 Leased Property may be supplemented pursuant to the applicable provisions of the Property  
20 Lease and the Project Lease. The Board also hereby approves the payment by the City of the  
21 Base Rental with respect thereto.

22  
23 Section 8. Sale and Award of Certificates by Competitive Sale. In the event the  
24 Director of Public Finance determines to sell the Certificates by competitive sale, the Director  
25 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive

1 bids for the purchase of the Certificates, and the Controller and the Director of Public Finance  
2 are each hereby authorized and directed to award the Certificates to the bidder whose bid  
3 represents the lowest true interest cost to the City, all in accordance with the procedures  
4 described in the Official Notice of Sale (as defined herein).

5  
6 Section 9. Approval of Form of Official Notice of Sale. The form of an official notice of  
7 sale relating to the Certificates (“Official Notice of Sale”), as presented to this Board, a copy of  
8 which is on file with the Clerk, is hereby approved. The Controller or the Director of Public  
9 Finance is authorized to approve the distribution of an Official Notice of Sale for the  
10 Certificates, with such changes, additions and modifications as such official may make or  
11 approve in accordance with Section 22 hereof.

12  
13 Section 10. Approval of Notice of Intention to Sell Relating to the Certificates. The form  
14 of a notice of intention to sell relating to the Certificates (“Notice of Intention to Sell”), as  
15 presented to this Board, a copy of which is on file with the Clerk, is hereby approved. The  
16 Controller or the Director of Public Finance is hereby authorized to approve the publication of  
17 the Notice of Intention to Sell relating to the Certificates, with such changes, additions and  
18 modifications as such official may make or approve in accordance with Section 22 hereof.

19  
20 Section 11. Sale of Certificates by Negotiated Sale. If the Controller or the Director of  
21 Public Finance determines to sell the Certificates by negotiated sale, the Controller or the  
22 Director of Public Finance is hereby authorized to sell the Certificates by negotiated sale  
23 pursuant to one or more Purchase Contracts by and between the City and the underwriter or  
24 underwriters named therein; provided, however, that the underwriters’ discount under any  
25 such Purchase Contract shall not exceed one-half of one percent (0.5%) of the principal

1 amount of the Certificates. The form of Purchase Contract, as presented to the Board, a copy  
2 of which is on file with the Clerk, is hereby approved.

3  
4 Section 12. Authorization to Appoint Underwriters. To accomplish the sale of the  
5 Certificates by negotiated sale, if applicable, the Controller or the Director of Public Finance is  
6 hereby authorized to appoint one or more financial institutions to act as underwriter(s) for the  
7 Certificates in accordance with City policies and procedures, including but not limited to the  
8 City’s policy to provide locally disadvantaged business enterprises an equal opportunity to  
9 participate in the performance of all City contracts.

10  
11 Section 13. Approval of the Official Statement in Preliminary and Final Form. The form  
12 of an official statement relating to the Certificates (“Official Statement”), as presented to this  
13 Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved. The  
14 Controller is hereby authorized to approve the preliminary Official Statement in substantially  
15 said form, with such changes, additions, modifications (including but not limited to the  
16 inclusion of the most current City financial information) or deletions as such official may make  
17 or approve in accordance with Section 22 hereof, and to deem the preliminary Official  
18 Statement final for purposes of the Rule 15c2-12 of the Securities and Exchange Act of 1934,  
19 as amended, to execute, and to designate the Director of Public Finance to execute in his, her  
20 or their stead, a certificate to that effect, and to cause the preliminary Official Statement to be  
21 delivered, in printed or electronic form, to potential purchasers of the Certificates, such  
22 approval to be conclusively evidenced by the delivery of said deemed-final certificate. The  
23 Controller is hereby further authorized and directed to sign and deliver the Official Statement  
24 in final form to purchasers of the Certificates.



1           Section 14. Approval of the Continuing Disclosure Certificate. The form of a Continuing  
2 Disclosure Certificate of the City relating to the Certificates, as presented to the Board, a copy  
3 of which is on file with the Clerk, is hereby approved. The Controller or the Director of Public  
4 Finance is hereby authorized to execute the Continuing Disclosure Certificate, with such  
5 changes, additions, modifications or deletions as the Controller or the Director of Public  
6 Finance may approve upon consultation with the City Attorney; such approval to be  
7 conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.  
8

9           Section 15. Sale and Award of Certificates by Direct Placement. In the event the  
10 Director of Public Finance determines to sell the Certificates by direct placement, the Director  
11 of Public Finance, on behalf of the Controller, is hereby authorized and directed to receive  
12 bids for the purchase of the Certificates, and the Controller is hereby authorized and directed  
13 to award the Certificates to the bidder whose bid represents the lowest true interest cost to the  
14 City.  
15

16           Section 16. Authorization to Appoint Placement Agents. To accomplish the sale of the  
17 Certificates by direct placement, if applicable, the Controller or the Director of Public Finance  
18 is hereby authorized to appoint one or more financial institutions to act as placement agent(s)  
19 for the Certificates in accordance with City policies and procedures, including but not limited to  
20 the City's policy to provide locally disadvantaged business enterprises an equal opportunity to  
21 participate in the performance of all City contracts.  
22

23           Section 17. Reimbursement. The City declares its official intent to reimburse prior  
24 expenditures of the City incurred prior to the execution and delivery of the Certificates in  
25 connection with the Project or portions thereof with the proceeds of the Certificates. The

1 Board of Supervisors declares the City’s intent to reimburse the City with the proceeds of the  
2 Certificates for the expenditures with respect to the Project (“Expenditures” and each, an  
3 “Expenditure”) made on and after that date that is no more than 60 days prior to adoption of  
4 this Ordinance. The City reasonably expects on the date of adoption of this Ordinance that it  
5 will reimburse the Expenditures with the proceeds of the Certificates.  
6

7 Section 18. Terms of Reimbursement. Each Expenditure was and will be either (a) of a  
8 type properly chargeable to a capital account under general federal income tax principles  
9 (determined in each case as of the date of the Expenditure), (b) a cost of issuance with  
10 respect to the Certificates, (c) a nonrecurring item that is not customarily payable from current  
11 revenues, or (d) a grant to a party that is not related to or an agent of the City so long as such  
12 grant does not impose any obligation or condition (directly or indirectly) to repay any amount  
13 to or for the benefit of the City. The maximum aggregate principal amount of the Certificates  
14 expected to be executed and delivered for the Project is \$140,000,000. The City shall make a  
15 reimbursement allocation, which is a written allocation by the City that evidences the City’s  
16 use of proceeds of the Certificates to reimburse an Expenditure, no later than 18 months after  
17 the later of the date on which the Expenditure is paid or the Project is placed in service or  
18 abandoned, but in no event more than three (3) years after the date on which the Expenditure  
19 is paid. The City recognizes that exceptions are available for certain “preliminary  
20 expenditures,” costs of issuance, certain de minimis amounts, expenditures by “small issuers”  
21 (based on the year of issuance and not the year of expenditure) and expenditures for  
22 construction projects of at least five (5) years.  
23

24 Section 19. General Authority. The Mayor, the Treasurer, the City Attorney, the  
25 Controller, the City Administrator, the Director of Public Finance, the Clerk and other officers

1 of the City and their duly authorized deputies, designees and agents are hereby authorized  
2 and directed, jointly and severally, to take such actions and to execute and deliver such  
3 certificates, agreements, requests or other documents as they may deem necessary or  
4 desirable to accomplish the purposes of this Ordinance, including but not limited to the  
5 execution and delivery of any Supplement to Property Lease, any Supplement to Project  
6 Lease, any Supplement to Trust Agreement, the Official Statement, one or more Purchase  
7 Contracts, the Continuing Disclosure Certificate and the Certificates, to obtain bond insurance  
8 or other credit enhancements and/or a surety policy with respect to the Certificates, to obtain  
9 title insurance, to clear any encumbrances to title and to carry out other title work. Any such  
10 actions are solely intended to further the purposes of this Ordinance and are subject in all  
11 respects to the terms of this Ordinance. No such actions shall increase the risk to the City or  
12 require the City to spend any resources not otherwise granted herein. Final versions of any  
13 such documents shall be provided to the Clerk for inclusion in the official file within 30 days of  
14 execution (or as soon thereafter as final documents are available) by all parties.

15

16 Section 20. Modifications, Changes and Additions. The Mayor, the Treasurer, the  
17 Controller and the Director of Public Finance each are hereby authorized to make such  
18 modifications, changes and additions to the documents and agreements approved hereby,  
19 upon consultation with the City Attorney, as may be necessary or desirable and in the  
20 interests of the City, and which changes do not materially increase the City's obligations or  
21 reduce its rights thereunder or hereunder. The respective official's approval of such  
22 modifications, changes and additions shall be conclusively evidenced by the execution and  
23 delivery by such official and the Clerk of the applicable Supplement to Property Lease,  
24 Supplement to Project Lease and Supplement to Trust Agreement, one or more Purchase  
25 Contracts or any of the other documents approved in this Ordinance. Any such actions are

1 solely intended to further the purposes of this Ordinance and are subject in all respects to the  
2 terms of this Ordinance. No such actions shall increase the risk to the City or require the City  
3 to spend any resources not otherwise granted herein. Final versions of any such documents  
4 shall be provided to the Clerk for inclusion in the official file within 30 days (or as soon  
5 thereafter as final documents are available) of execution by all parties.

6  
7 Section 21. Partial Invalidity. Any provision of this Ordinance found to be prohibited by  
8 law shall be ineffective only to the extent of such prohibition, and shall not invalidate the  
9 remainder of this Ordinance.

10  
11 Section 22. Effective Date. This Ordinance shall take effect immediately.

12  
13 Section 23. Ratification of Prior Actions. All actions authorized consistent with any  
14 documents presented herein and approved by this Ordinance but heretofore taken are hereby  
15 ratified, approved and confirmed by the Board.

16  
17 APPROVED AS TO FORM:  
18 DAVID CHIU, City Attorney

19 By: /s/ MARK D. BLAKE  
20 MARK D. BLAKE  
21 Deputy City Attorney

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