

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 17-0237

**ADOPTION OF RESOLUTION AUTHORIZING THE SALE OF AN ADDITIONAL \$360,000,000 AGGREGATE PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS FOR CAPITAL PLAN PURPOSES, AMENDING A PRIOR SALE RESOLUTION REGARDING ISSUANCE OF REFUNDING BONDS, AND AUTHORIZING CERTAIN RELATED AMENDMENTS AND ACTIONS**

WHEREAS, the Airport Commission of the City and County of San Francisco (the "Commission"), on December 3, 1991, duly adopted Resolution No. 91-0210, providing for the issuance of San Francisco International Airport Second Series Revenue Bonds, which Resolution, as previously supplemented and amended, is herein called the "1991 Resolution;" and

WHEREAS, the 1991 Resolution provides for the issuance by the Commission from time to time of its San Francisco International Airport Second Series Revenue Bonds (the "1991 Resolution Bonds") for any lawful purpose of the Commission; and

WHEREAS, the 1991 Resolution, including Resolution No. 16-0274, adopted by the Commission on November 1, 2016, and Resolution No. 17-0045, adopted by the Commission on March 7, 2017, authorizes the issuance of up to \$7,826,725,000 aggregate principal amount of 1991 Resolution Bonds to finance and refinance the construction, acquisition, equipping and development of capital projects undertaken by the Airport (the "Capital Plan Bonds"); and

WHEREAS, the Board of Supervisors of the City and County of San Francisco (the "Board") by Resolution Nos. 229-08, 50-11, 349-12, 125-14, 433-15, 156-17 and 269-17 approved the issuance of \$7,826,725,000 aggregate principal amount of the Capital Plan Bonds; and

WHEREAS, the Commission approved the sale of \$2,598,765,000 aggregate principal amount of the Capital Plan Bonds by Resolution Nos. 09-0137, 13-0013, 14-0147 and 16-0226, adopted on June 2, 2009, January 30, 2013, July 22, 2014 and August 23, 2016, respectively (the "Capital Plan Bond Prior Sale Resolutions"), of which \$2,289,120,000 has been issued to date and \$309,645,000 remains unissued; and

WHEREAS, the Commission now desires to amend the Capital Plan Bond Prior Sale Resolutions to approve the sale of \$360,000,000 aggregate principal amount of additional Capital Plan Bonds, for a total of \$669,645,000 authorized by the 1991 Resolution; and

WHEREAS, the proceeds of the Capital Plan Bonds approved for sale will be used to fund: (1) construction costs of projects that either do not require environmental review or have already undergone all necessary environmental review and received Commission approval to proceed; and (2) planning and development costs necessary to prepare other projects for environmental review and the necessary approvals; and

WHEREAS, the Commission, by the 1991 Resolution and Resolution No. 98-0114, adopted on May 19, 1998, as supplemented and amended, including as supplemented and amended by Resolution No. 02-0010, adopted on January 8, 2002, Resolution No. 04-0220, adopted on November 2, 2004, Resolution No. 05-0181, adopted on October 11, 2005, Resolution No. 08-0152, adopted on August 19, 2008, and Resolution No. 10-0307, adopted on

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October 5, 2010, authorized the issuance of San Francisco International Airport Second Series Revenue Refunding Bonds (the "Refunding Bonds") in the aggregate principal amount of \$8,440,000,000, of which \$1,040,685,000 aggregate principal amount remains authorized but unissued; and

WHEREAS, the City's Board of Supervisors by its Resolution Nos. 583-98, 811-00, 113-02, 800-03, 733-04, 235-07, 471-08 and 50-11 approved the issuance of Refunding Bonds in the aggregate principal amount of \$8,440,000,000, of which \$1,040,685,000 aggregate principal amount remains authorized but unissued; and

WHEREAS, the Commission has previously authorized the sale of Refunding Bonds in the aggregate principal amount of \$1,420,555,000 by Resolution No. 16-0025, adopted on January 19, 2016 (the "Refunding Bond Prior Sale Resolution"), of which \$1,040,685,000 aggregate principal amount remains authorized but unissued; and

WHEREAS, in Resolution No. 50-11, the Board provided, among other things, that the Commission may only sell Refunding Bonds if the expected net present value savings from the issuance of the Refunding Bonds is at least equal to three percent of the principal amount of the bonds to be refunded, except as otherwise provided in the Debt Policy of the Commission; and

WHEREAS, the Commission's Debt Policy provides that Refunding Bonds may be issued without meeting any savings requirement when issued for the purpose of restructuring scheduled debt service or converting bonds from or to a variable or fixed interest rate structure; and

WHEREAS, the Commission has determined that it is in its best interests to: (1) sell approximately \$175,000,000 aggregate principal amount of Refunding Bonds to (a) refund the Commission's outstanding Issue 36A/B/C Bonds in order to convert such bonds from a variable to a fixed interest rate structure, and (b) pay costs of terminating the related swap agreement entered into in connection with the Issue 36A/B/C Bonds and restructuring its scheduled debt service; and (2) sell approximately \$175,000,000 aggregate principal amount of Refunding Bonds to refund the Commission's outstanding Issue 34E Bonds; and

WHEREAS, in connection with the sale of Capital Plan Bonds and Refunding Bonds, it may be beneficial for the Commission to combine in one series of bonds, bearing interest at a taxable interest rate, both Capital Plan Bonds and Refunding Bonds with the allocation between Capital Plan Bonds and Refunding Bonds to be set forth in a Certificate of Additional Terms; now, therefore, be it

RESOLVED, that this Commission authorizes the following:

Section 1. Commission Findings. The Commission hereby finds and determines as follows:

- (a) The above recitals are true and correct.
- (b) Sufficient unencumbered balances are expected to be available in the proper funds and accounts of the Airport to meet all payments due under the Capital Plan Bonds as they become due.

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- (c) All capitalized terms used, but not defined herein, shall have the meanings assigned to them in the 1991 Resolution.

Section 2. Amendment of Capital Plan Bond Prior Sale Resolutions. The Capital Plan Bond Prior Sale Resolutions are hereby amended and supplemented as follows:

- (a) The aggregate principal amount of Capital Plan Bonds approved by the Capital Plan Bond Prior Sale Resolutions is hereby amended and increased by \$360,000,000, from \$2,598,765,000 to \$2,958,765,000; and
- (b) The terms of the Capital Plan Bonds in the Capital Plan Bond Prior Sale Resolutions, including maximum maturity and maximum interest rates, as previously amended, are hereby confirmed; and

Section 3. Amendment of Resolution No. 16-0025. Section 2(e) of Resolution No. 16-0025 is hereby amended and restated to read as follows:

“(e) the net present value savings from the issuance of Refunding Bonds shall not be less than 1% of the refunded bonds, as reasonably determined by the Commission’s financial advisors; *provided that*, such savings threshold need not be met if the Airport Director determines, in consultation with the Commission’s financial advisors, that it is in the best interests of the Commission to issue such Refunding Bonds for the purpose of restructuring scheduled debt service or converting bonds from or to a variable or fixed interest rate structure.”

Section 4. Ratification of Prior Acts. The actions of the officers, agents and employees of the Commission to carry out the purposes and intents of this Resolution taken prior to the adoption of this Resolution are ratified, approved and confirmed.

Section 5. General Authorization. The Airport Director and the other officers, agents and employees of the Commission are authorized and directed to execute and deliver such documents, agreements and certificates and to take such other actions, upon consultation with the City Attorney, as may be necessary or desirable and in the best interests of the Airport to carry out the purposes and intents of this Resolution and the transactions contemplated hereby.

Section 6. Effectiveness. This Resolution shall become effective on and as of the date of adoption hereof except as otherwise set forth herein.

Section 7. Ratification of the 1991 Resolution and the Prior Sale Resolutions. The 1991 Resolution, the Capital Plan Bond Prior Sales Resolution and the Refunding Bond Prior Sale Resolution are hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as amended and supplemented, including as amended and supplemented by this Resolution.

Section 8. Further Amendments to the 1991 Resolution. The approvals contained in this resolution shall extend to any amendments to the 1991 Resolution and to all resolutions of the Commission supplemental thereto, as well as to such additional resolutions that this Commission may adopt for the purposes of implementing the issuance, sale and delivery of any 1991 Resolution Bonds, provided, that in each case such amendment or additional resolution is consistent with the parameters set forth herein and in the 1991 Resolution.

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ADOPTED by the Airport Commission of the City and County of San Francisco this 3<sup>rd</sup> day of October 2017, by the following vote:

Ayes: 5  
Noes: 0  
Absent: 0

[SEAL]

Approved as to Form:

DENNIS J. HERRERA  
City Attorney

By: Brooke D. Abola  
Brooke D. Abola  
Deputy City Attorney

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*

*at its meeting of* OCT 03 2017

Jan Camaratti  
Secretary