

[Airport Commission Bond-Related Authorizations]

Resolution approving the issuance of not to exceed \$6,060,195,000 aggregate principal amount of San Francisco International Airport Second Series Refunding Revenue Bonds to refinance Bonds and Subordinate Bonds; approving the issuance of not to exceed \$60,525,000 aggregate principal amount of San Francisco International Airport Special Facilities Bonds to refund bonds issued to finance fuel storage and delivery facilities; approving the issuance of not to exceed \$262,530,000 aggregate principal amount of San Francisco International Airport Special Facilities Bonds to refund bonds issued to finance the Airport Hotel; approving revolving lines of credit and term loans in an available principal amount, together with the aggregate outstanding principal amount of Subordinate Bonds issued as Commercial Paper Notes, not to exceed \$600,000,000; approving the purchase of Bonds or Subordinate Bonds by the Airport; approving the maximum interest rates, maturity dates and number of issues of such Capital Plan Bonds, Refunding Bonds, Subordinate Bonds and Special Facilities Bonds; approving certain Resolutions of the Airport Commission; and approving certain other related matters, as defined herein.

WHEREAS, The Airport Commission of the City and County of San Francisco ("Airport Commission"), on December 3, 1991, duly adopted its Resolution No. 91-0210, providing for the issuance of San Francisco International Airport Second Series Revenue Bonds ("Bonds") for any lawful purpose of the Airport Commission (as supplemented and amended, including by Resolution No. 17-0236, adopted by the Commission on October 3, 2017, the "1991 Resolution"); and

1 WHEREAS, The 1991 Resolution provides that the Airport Commission may issue
2 Bonds from time to time as the issuance thereof is authorized by the Airport Commission; and

3 WHEREAS, The Airport Commission, by its Resolution Nos. 08-0035, 09-0137, 10-
4 0307, 11-0209, 12-0050, 13-0013, 14-0024, 14-0147, 15-0182, 16-0226, 16-0274, 17-0044,
5 17-0237, 18-0089, 18-0090, 18-0384, 19-0172, 19-0260 and 21-0228 has authorized the
6 issuance from time to time of San Francisco International Airport Second Series Revenue
7 Bonds ("Capital Plan Bonds"), for the purpose of financing and refinancing the development,
8 construction, acquisition and equipping of certain capital Projects undertaken by the Airport (
9 "Capital Plan"); and

10 WHEREAS, This Board of Supervisors (the "Board") by its Resolution Nos. 1006-92,
11 621-97, 583-98, 224-99, 811-00, 800-03, 174-06, 229-08, 50-11, 349-12, 125-14, 433-15,
12 156-17, 269-17, 305-18 and 44-20, has previously approved the issuance from time to time by
13 the Airport Commission of such Capital Plan Bonds, of which \$4,249,770,000 remains
14 authorized but unissued; and

15 WHEREAS, The Airport Commission by its Resolution Nos. 98-0114, 02-0010, 03-
16 0220, 04-0220, 05-0181, 07-0043, 08-0152, 08-0185, 10-0304, 10-0307, 11-0209, 16-0025,
17 17-0237, 18-0109, 19-0172, 20-0120, 21-0049 and 21-0228 has authorized the issuance from
18 time to time of San Francisco International Airport Second Series Revenue Refunding Bonds
19 ("Refunding Bonds"), for the purpose of refunding outstanding Bonds and Subordinate Bonds;
20 and

21 WHEREAS, This Board by its Resolution Nos. 583-98, 113-02, 800-03, 733-04, 235-
22 07, 471-08, 50-11 and 305-18, has previously approved the issuance from time to time by the
23 Airport Commission of such Refunding Bonds, of which \$1,147,660,000 remains authorized
24 but unissued; and
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1 WHEREAS, The Airport Commission has a contractual obligation under the Letter of
2 Credit and Reimbursement Agreement relating to its Commercial Paper Notes, to retain
3 approximately \$654,000,000 of refunding capacity in reserve in the event it is necessary to
4 refund the Commercial Paper Notes; and

5 WHEREAS, The Airport Commission, on May 20, 1997, duly adopted its Resolution
6 No. 97-0146, providing for the issuance of San Francisco International Airport Second Series
7 Subordinate Revenue Bonds ("Subordinate Bonds"), including the San Francisco International
8 Airport Subordinate Commercial Paper Notes ("Commercial Paper Notes") for any lawful
9 purpose of the Airport Commission (as supplemented and amended, the "1997 Subordinate
10 Resolution"); and

11 WHEREAS, The 1997 Subordinate Resolution provides that the Airport Commission
12 may issue Subordinate Bonds from time to time as the issuance thereof is authorized by the
13 Airport Commission; and

14 WHEREAS, This Board by its prior Resolutions, including most recently Resolutions
15 Nos. 156-17 and 94-21, has approved the issuance from time to time by the Airport
16 Commission of such Subordinate Bonds, and now desires to ratify and confirm such prior
17 Resolutions; and

18 WHEREAS, On April 4, 2023, the Airport Commission adopted its Resolution No. 23-
19 0083 (the "Airport Commission 2023 Omnibus Resolution"); and

20 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorizes the
21 issuance of bonds as variable rate bonds and the sale of bonds through a direct placement;
22 and

23 WHEREAS, The Airport Commission by its Resolution Nos. 97-0145, 00-0175, 10-
24 0307 and 18-0385, providing for the issuance of San Francisco International Airport Special
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1 Facility Lease Revenue Bonds (SFO Fuel Company LLC) (“SFO Fuel Bonds”), to finance and
2 refinance the Airport’s fuel storage and delivery system; and

3 WHEREAS, This Board of Supervisors by Resolution Nos. 619-97 and 50-11 approved
4 the issuance by the Airport Commission of such SFO Fuel Bonds; and

5 WHEREAS, The Airport Commission by its Resolution Nos. 15-0182, 17-0045 and 18-
6 0089, providing for the issuance of Hotel Special Facility Bonds (“SFO Hotel Bonds”), to
7 finance and refinance the Airport hotel; and

8 WHEREAS, This Board of Supervisors by Resolution Nos. 433-15, and 269-17
9 approved the issuance by the Airport Commission of such SFO Hotel Bonds; and

10 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorized the
11 issuance of an additional \$6,060,195,000 of Refunding Bonds, for a total authorized amount
12 of \$17,120,195,000, and the Airport Commission now seeks approval from this Board to issue
13 such additional Refunding Bonds in order to refund additional outstanding Bonds and
14 Subordinate Bonds for significant debt service savings and for other purposes of the Airport
15 Commission; and

16 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorized the Airport
17 Commission to purchase any Bonds with the proceeds of Refunding Bonds or Special Facility
18 Bonds, through the issuance of Refunding Bonds or Special Facility Bonds in exchange for
19 such Bonds or from any legally available funds, and the Airport Commission now seeks
20 approval from this Board to engage in such transactions; and

21 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorized the Airport
22 Director, for and on behalf of the Airport Commission, to enter into one or more revolving lines
23 of credit or term loans (“Lines of Credit”) with banks, financial institutions or other similar
24 lenders in a maximum principal amount, together with the aggregate outstanding principal
25 amount of Subordinate Bonds issued as Commercial Paper Notes, not to exceed

1 \$600,000,000 and authorized the issuance of Bonds and Subordinate Bonds to evidence
2 such Lines of Credit; and

3 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorized the
4 issuance of \$60,525,000 of additional SFO Fuel Bonds to refund SFO Fuel Bonds, and the
5 Airport Commission now seeks approval from this Board to issue such additional SFO Fuel
6 Bonds in order to refund any outstanding SFO Fuel Bonds for debt service savings or for
7 other purposes of the Airport Commission; and

8 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorized the
9 issuance of \$262,530,000 of additional SFO Hotel Bonds (and together with the SFO Fuel
10 Bonds, the "Special Facility Bonds" and together with the Bonds, Capital Plan Bonds, the
11 Refunding Bonds and the Subordinate Bonds, the "Airport Bonds"), and the Airport
12 Commission now seeks approval from this Board to issue such additional SFO Hotel Bonds in
13 order to refund SFO Hotel Bonds for debt service savings and for other purposes of the
14 Airport Commission; and

15 WHEREAS, The Airport Commission 2023 Omnibus Resolution also ratified and
16 confirmed certain prior Airport Commission resolutions related to the Airport Bonds
17 (collectively, the "Prior Airport Commission Resolutions"), and authorized and approved the
18 execution and delivery of certain documents and agreements and certain other matters
19 related thereto; and

20 WHEREAS, The Airport Commission 2023 Omnibus Resolution authorized the Airport
21 Director to extend the term of certain existing agreements, so long as such extension does not
22 extend the term of such agreement by more than five years beyond the current term of such
23 agreement; and

24 WHEREAS, This Board by Resolution has previously approved Prior Airport
25 Commission Resolutions and the actions authorized thereby, including by the Board

1 Resolutions cited above and Resolutions Nos. 1006-92, 583-98, 224-99, 811-00, 800-03 and
2 174-06, 50-11 (collectively, the “Prior Board Resolutions”), and now desires to ratify and
3 confirm such Prior Board Resolutions; and

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

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

11 WHEREAS, The Airport Commission 2023 Omnibus Resolution has been submitted to
12 this Board and is on file with the Clerk of the Board in File No. 230473, which is hereby
13 declared to be a part of this Resolution as if set forth fully herein; and

14 WHEREAS, The interest on the Airport Bonds may qualify for exclusion from gross
15 income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of
16 1986, as amended (“Code”) only if such Airport Bonds comply with the provisions and
17 requirements of the Code; and

18 WHEREAS, This Board is the elected legislative body of the City and is the applicable
19 elected representative required to approve the Airport Bonds for purposes of Section 147(f) of
20 the Code; and

21 WHEREAS, A notice of public hearing with respect to the Airport Bonds to be issued by
22 the Airport Commission in an aggregate principal amount not to exceed \$4,622,612,335, was
23 published on March 26, 2023, not less than seven (7) days prior to the public hearing, in a
24 newspaper of general circulation available to the residents of the City; and
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1 WHEREAS, A public hearing was held on April 4, 2023, pursuant to such notice and an
2 opportunity was provided for interested persons to present arguments for and against the
3 issuance of such Airport Bonds and the nature and location of the projects to be financed and
4 refinanced with the proceeds thereof; now, therefore, be it,

5 RESOLVED, By the Board, as follows:

6 Section 1. Recitals. All of the recitals herein are true and correct.

7 Section 2. Capitalized Terms. Capitalized terms used but not otherwise defined in this
8 Resolution shall have the meanings set forth in the Airport Commission 2023 Omnibus
9 Resolution.

10 Section 3. Airport Commission 2023 Omnibus Resolution. The Airport Commission
11 2023 Omnibus Resolution, and the terms and provisions thereof, as adopted by the Airport
12 Commission, is hereby approved.

13 Section 4. Airport Commission Capital Plan Bonds. The issuance by the Airport
14 Commission of its Capital Plan Bonds in accordance with the Prior Board Resolutions and the
15 Airport Commission 2023 Omnibus Resolution is hereby approved in accordance with
16 Section 4.115 of the Charter.

17 Section 5. Airport Commission Refunding Bonds. The issuance by the Airport
18 Commission of its Refunding Bonds in an additional aggregate principal amount not to exceed
19 \$6,060,195,000 (in addition to the amount of authorized but unissued Refunding Bonds in the
20 aggregate principal amount of \$1,147,660,000) in accordance with the Prior Board
21 Resolutions and the Airport Commission 2023 Omnibus Resolution is hereby approved in
22 accordance with Section 4.115 of the Charter.

23 Section 6. Variable Rate Bonds. The issuance by the Airport Commission of its
24 Variable Rate Bonds in accordance with the Prior Board Resolutions and the Airport
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1 Commission 2023 Omnibus Resolution is hereby approved in accordance with Section 4.115
2 of the Charter.

3 Section 7. Subordinate Bonds-Commercial Paper Notes. The issuance by the Airport
4 Commission of its Subordinate Bonds (including Commercial Paper Notes) in accordance with
5 the Prior Board Resolutions and the Airport Commission 2023 Omnibus Resolution is hereby
6 approved in accordance with Section 4.115 of the Charter.

7 Section 8. Direct Placement. In accordance with Section 4.115 of the Charter, the
8 Airport Commission is hereby authorized to sell Bonds through a direct purchase in
9 accordance with the Airport Commission's 2023 Omnibus Resolution.

10 Section 9. Lines of Credit. In accordance with Section 4.115 of the Charter the Airport
11 Commission is hereby authorized to enter into one or more revolving lines of credit with one or
12 more banks, financial institutions or other lenders ("Lenders") in accordance with the Airport
13 Commission 2023 Omnibus Resolution.

14 Section 10. SFO Fuel Bonds. The issuance by the Airport Commission of its SFO
15 Fuel Bonds in an additional aggregate principal amount not to exceed \$60,525,000 in
16 accordance with the Prior Board Resolutions and the Airport Commission 2023 Omnibus
17 Resolution is hereby approved in accordance with Section 4.115 of the Charter.

18 Section 11. SFO Hotel Bonds. The issuance by the Airport Commission of its SFO
19 Hotel Bonds in an additional aggregate principal amount not to exceed \$262,530,000 in
20 accordance with the Prior Board Resolutions and the Airport Commission 2023 Omnibus
21 Resolution is hereby approved in accordance with Section 4.115 of the Charter.

22 Section 12. Maximum Rates. the following maximum interest rates are hereby
23 approved for the Airport Bonds: (a) twelve percent (12%) for tax-exempt Airport Bonds that
24 bear interest at a rate that is fixed to maturity, (b) sixteen percent (16%) for taxable Airport
25 Bonds that bear interest at a rate that is fixed to maturity, and (c) eighteen percent (18%) for

1 Airport Bonds that bear interest at a rate that is adjusted periodically; provided, however, that
2 the maximum interest rate applicable to Credit or Liquidity Provider Bonds shall be as set forth
3 in related agreement with the Credit Provider or Liquidity Provider.

4 Section 13. Final Maturity Date. The Airport Bonds approved by this Resolution may
5 be issued by the Airport Commission at such times and in such number of issues as the
6 Airport Commission shall determine; provided the aggregate principal amount of Bonds issued
7 shall not exceed the respective aggregate principal amounts of Bonds approved hereby; and
8 the authorized final maturity date of the Airport Bonds shall be forty (40) years from the date of
9 issuance thereof; and provided further that such Airport Bonds authorized hereunder shall be
10 issued no later than June 30, 2028.

11 Section 14. TEFRA Matters. This Board, as the appropriate applicable elected
12 representative, hereby approves the Airport Bonds described in the TEFRA Notice for
13 purposes of, and in accordance with, Section 147(f) of the Code.

14 Section 15. Prior Airport Commission and Prior Board Resolutions. The Prior Airport
15 Commission Resolutions and the Prior Board Resolutions, except as subsequently modified
16 and amended, are hereby ratified, approved and confirmed.

17 Section 16. Ratification of Prior Acts. The actions of the officers, agents and
18 employees of the Airport Commission and the City to carry out the intents and purposes of
19 this Resolution taken prior to the adoption of this Resolution are hereby ratified, approved and
20 confirmed.

21 Section 17. Additional Documents. The Airport Commission and its officers, agents
22 and employees and those of the City are hereby authorized to execute and deliver such
23 documents and agreements and to take such other actions, in consultation with the City
24 Attorney, as may be necessary or desirable to carry out the intents and purposes of this
25 Resolution and the transactions contemplated hereby.

1 Section 18. Applicability to Future Resolutions. The approvals contained in this
2 Resolution shall extend to any amendments to the 1991 Resolution, the 1997 Subordinate
3 Resolution, the Airport Commission 2023 Omnibus Resolution, the Index Rate Resolution,
4 and all Resolutions of the Airport Commission supplemental thereto, as well as to such
5 additional Resolutions that the Airport Commission may adopt for the purposes of
6 implementing the issuance, sale and delivery of the Airport Bonds and to take such other
7 actions or executes such other certificates, documents and agreements, in consultation with
8 the City Attorney, as may be necessary or desirable to carry out the intents and purposes of
9 the Resolution and the transactions contemplated hereby.

10 Section 19. Effective Date. This Resolution shall take effect from and after its adoption
11 and approval.

1 APPROVED AS TO FORM:

2 DAVID CHIU
3 City Attorney

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5 By: /s/
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7 Monica Baranovsky
8 Deputy City Attorney
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