

FILE NO. 98-1066

RESOLUTION NO. 583-98

[Airport Revenue Bonds]

APPROVING THE ISSUANCE OF UP TO \$1,400,000,000 AGGREGATE  
PRINCIPAL AMOUNT OF SAN FRANCISCO INTERNATIONAL AIRPORT SECOND  
SERIES REVENUE REFUNDING BONDS FOR THE PURPOSE OF REFINANCING  
CERTAIN OUTSTANDING 1991 RESOLUTION BONDS AND SUBORDINATE  
BONDS OF THE AIRPORT COMMISSION ISSUED FOR THE PURPOSE OF  
FINANCING OR REFINANCING CERTAIN CAPITAL IMPROVEMENTS AT SAN  
FRANCISCO INTERNATIONAL AIRPORT; APPROVING THE MAXIMUM  
INTEREST RATE THEREON; APPROVING THE TIME FOR SALE OF REFUNDING  
BONDS AS ENDING DECEMBER 31, 2001; AND APPROVING A MAXIMUM  
NUMBER OF ISSUES AND FINAL MATURITY DATE OF THE SALE OF REFUNDING  
BONDS OF NOT LATER THAN MAY 1, 2032.

WHEREAS, The Airport Commission, by its Resolution No. 91-0210,  
adopted on December 3, 1991 (as supplemented and amended, the "Master  
Bond Resolution"), has authorized the issuance of San Francisco International  
Airport Second Series Revenue Bonds (the "1991 Resolution Bonds") for any  
lawful purpose of the Airport Commission; and,

WHEREAS, The Airport Commission by its Resolution No. 97-0146,  
adopted on May 20, 1997 (as supplemented and amended, the "Master  
Subordinate Bond Resolution") has authorized the issuance of San Francisco  
International Airport Second Series Subordinate Bonds (the "Subordinate  
Bonds") for any lawful purpose of the Airport Commission; and,

WHEREAS, The Airport Commission, by its Resolution No. 98-0114,  
adopted on May 19, 1998 (the "Seventh Supplemental Resolution"),  
supplemented and amended the Master Bond Resolution to authorize and  
approve the issuance by the Airport Commission of up to \$1,400,000,000  
aggregate principal amount of its San Francisco International Airport Second  
Series Revenue Refunding Bonds (the "Refunding Bonds") for the purpose of

1 refinancing the outstanding 1991 Resolution Bonds and Subordinate Bonds, as  
2 well as funding debt service reserves and paying costs of issuance, including  
3 redemption premiums, and other incidental costs; and,

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

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

12 WHEREAS, The interest on the Refunding Bonds, the 1991 Resolution  
13 Bonds and the Subordinate Bonds (collectively, the "Bonds") may qualify for  
14 exclusion from gross income for federal income tax purposes under Section  
15 103(a) of the Internal Revenue Code of 1986, as amended (the "Code") only if  
such Bonds are approved in accordance with Section 147(f) of the Code; and,

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

19 WHEREAS, Notice of a public hearing with respect to the Bonds to be  
20 issued by the Airport Commission was published not less than fourteen (14)  
21 days prior to said public hearing, in the official newspaper of the City, being a  
newspaper of general circulation available to the residents of the City; and,

22 WHEREAS, On June 15, 1998, a public hearing was held pursuant to  
23 such notice before the Deputy Airport Director, Business and Finance, and an  
24 opportunity was provided for interested persons to present arguments for and  
25 against the issuance of such Bonds and the nature and location of the projects

1 to be financed or refinanced with the proceeds thereof; and,

2 WHEREAS, The Seventh Supplemental Resolution has been submitted to  
3 this Board of Supervisors; and,

4 WHEREAS, The Seventh Supplemental Resolution, among other things,  
5 establishes a maximum rate of interest for the Refunding Bonds of (i) twelve  
6 percent (12%) per annum with respect to issues the interest on which is  
7 excluded from gross income for federal income tax  
8 purposes; and (ii) fifteen percent (15%) per annum with respect to issues the  
9 interest on which is included in gross income for federal income tax purposes;  
10 now, therefore, be it

11 RESOLVED:

12 1. The Board of Supervisors hereby declares that each of the foregoing  
13 recitals is true and correct and is a representation of the Board of Supervisors.

14 2. The issuance by the Airport Commission of the Refunding Bonds for  
15 the purposes of refinancing the 1991 Resolution Bonds and the Subordinate  
16 Bonds, as well as funding debt service reserve funds and paying costs of  
17 issuance, including redemption premiums, and other incidental costs, is hereby  
18 approved in accordance with Section 4.115 of the Charter. The total principal  
amount of the Refunding Bonds shall not exceed \$1,400,000,000.

19 3. The Seventh Supplemental Resolution, as adopted by the Airport  
20 Commission, is hereby approved.

21 4. The Refunding Bonds shall be issued pursuant to the Master Bond  
22 Resolution and the Seventh Supplemental Resolution and such additional  
23 Supplemental Resolutions of the Airport Commission as the Airport Commission  
24 shall deem necessary or desirable and as shall be approved by the City Attorney,  
25 which approval shall be conclusively evidenced by the signature of the City  
Attorney on each such Supplemental Resolution.

1           5.     The following maximum interest rates for the Refunding Bonds are  
2 hereby approved: (i) twelve percent (12%) per annum with respect to issues the  
3 interest on which is excluded from gross income for federal income tax  
4 purposes; and (ii) fifteen percent (15%) per annum with respect to issues the  
5 interest on which is included in gross income for federal income tax purposes.

6           6.     It is the purpose and intent of the Board of Supervisors that this  
7 Resolution constitute the approval of the Bonds by the appropriate applicable  
8 elected representative for purposes of, and in accordance with, Section 147(f) of  
9 the Code.

10          7.     The time for sale of Refunding Bonds shall end on December 31,  
11 2001; the maximum number of issues of Refunding Bonds shall be fifteen (15);  
12 and the authorized final maturity date of the Refunding Bonds shall be May 1,  
13 2032.

14          8.     The approvals contained in this Resolution shall extend to any  
15 amendments to the Master Bond Resolution, the Master Subordinate Bond  
16 Resolution and the Seventh Supplemental Resolution and all resolutions of the  
17 Airport Commission supplemental thereto, as well as to such additional  
18 resolutions as the Airport Commission may adopt for the purpose of  
19 implementing the issuance, sale and delivery of the Bonds.

20 APPROVED AS TO FORM:

21 LOUISE H. RENNE  
22 City Attorney

23 By Theodore R. Lakey  
24 Deputy City Attorney  
25

Adopted - Board of Supervisors, San Francisco July 20, 1998

Ayes: Supervisors Ammiano Bierman Brown Katz Kaufman Leno  
Teng Yaki Yee

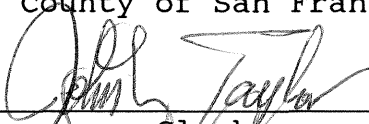

Absent: Supervisors Medina Newsom

I hereby certify that the foregoing resolution  
was adopted by the Board of Supervisors  
of the City and County of San Francisco

File No.  
98-1066

JUL 31 1998

Date Approved

  
Clerk  
  
Mayor