FILE NO. 110921

RESOLUTION NO. 368-11

[Certificates of Participation - Moscone Center Refunding Project - Not to Exceed $110,000,000]

Resolution approving the execution and delivery of not to exceed $110,000,000 aggregate principal amount of Refunding Certificates of Participation for the purpose of refinancing certain lease revenue refunding bonds issued by the Redevelopment Agency; approving a Property Lease, Project Lease, Escrow Agreements, and a Trust Agreement; providing for the manner of sale of Refunding Certificates of Participation, whether by competitive or negotiated sale; approving the form of the official notice of sale and the notice of intention to sell for the Refunding Certificates of Participation; directing the publication of the notice of intention to sell for the Refunding Certificates of Participation; approving the form of the Certificate Purchase Contract; approving the form of the official statement in preliminary and final form; approving the form of the continuing disclosure certificate; authorizing the acceptance by the City of certain property in connection with the execution and delivery of the Refunding Certificates of Participation; authorizing the payment of cost of issuance; authorizing the taking of appropriate actions in connection therewith; and related matters.

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the "Agency") has previously issued its Lease Revenue Refunding Bonds, Series 2002 (George R. Moscone Convention Center) (the "2002 Bonds") and its Lease Revenue Refunding Bonds, Series 2004 (George R. Moscone Convention Center) (the "2004 Bonds" and, together with the 2002 Bonds, the "Prior Bonds") to finance and refinance the acquisition, demolition, construction, reconstruction, installation, equipping, improvement or rehabilitation of various capital improvement projects (as further described herein, the "Project") for the benefit of the City; and,

WHEREAS, In 1976 and in 1986 the voters approved the issuance of the lease revenue bonds (the "Original Bonds") to finance the costs of the Project, and the Prior Bonds were issued in accordance with the Charter of the City based on voter approval; and,

WHEREAS, The Prior Bonds were secured primarily by base rental payments paid by the City from its general fund for the City's use and occupancy of the Project; and,

WHEREAS, The Board of Supervisors of the City (the "Board") now intends to reduce the aggregate base rental payments by refinancing, in part and/or in whole, the Prior Bonds through the execution and delivery of two series of Refunding Certificates of Participation, including such certificates in an aggregate principal amount not to exceed $35,000,000 (the "2011A Certificates") and certificates in an aggregate principal amount of $75,000,000 (the "2011B Certificates" and, together with the 2011A Certificates, the "2011 Certificates"); and,

WHEREAS, Said 2011 Certificates will be secured primarily by base rental payments to be paid by the City from the City's general fund pursuant to a Project Lease by and between the City and the Trustee, defined below (the "Project Lease"); and,

WHEREAS, In connection with the execution and delivery of the 2011 Certificates, the City shall enter into a Property Lease (as defined herein), a Project Lease, a Trust Agreement (as defined herein), an Escrow Agreements (as defined herein), and certain other related documents (as set forth herein); and,

WHEREAS, It is anticipated that the 2011 Certificates will be sold by competitive sale pursuant to an Official Notice of Sale (as defined herein); now, therefore, be it

RESOLVED, BY THIS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO AS FOLLOWS:

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

Section 2. Approval of 2011 Certificates; Authorization of Selection of Trustee. The Board hereby approves the execution and delivery of the 2011 Certificates. The Controller or the Director of Public Finance of the City or his or her designee is hereby authorized to determine the manner of sale of the 2011 Certificates, whether by competitive sale or negotiated sale; the sale date, the interest rate or rates, the definitive principal amount thereof (not to exceed $110,000,000) subject to the provisions of this Resolution. The 2011 Certificates shall be executed and delivered in accordance with the Trust Agreement by and between the City and the Trustee (defined below) (the "Trust Agreement"). The 2011 Certificates shall be comprised of, and designated as, the "City and County of San Francisco Refunding Certificates of Participation, Series 2001A (Moscone Center South Refunding Project)" and as the "City and County of San Francisco Refunding Certificates of Participation, Series 2011B (Moscone Center North Refunding Project)" or such other designation as determined by the Director of Public Finance. The 2011A Certificates shall have an aggregate principal amount not to exceed $35,000,000, and the 2011B Certificates shall have an aggregate principal amount not to exceed 75,000,000, each with an interest rate not to exceed twelve percent (12%) per annum. The execution and delivery of the 2011 Certificates will result in debt service savings to the City on a present value basis of at least two percent (2.00%), calculated in accordance with Section 43.6.6. of the City's Administrative Code. Furthermore, the Controller or Director of Public Finance or his or her designee is hereby authorized to determine the final terms, amounts, maturity dates, interest rates and other provisions or the 2011Certificates subject to the provisions set forth herein; provided that the execution and delivery of the 2011 Certificates would result in net debt service savings to the

City on a present value basis of at least 2.00 percent, calculated in accordance with Section 43.6.6 of the City's Administrative Code. To the extent deemed necessary by the Controller or the Director of Public Finance, this Board authorizes the procurement of credit enhancement for the 2011 Certificates, including, but not limited to, municipal bond insurance and/or debt service reserve fund surety bond. Notwithstanding Section 13 hereof, the documents authorized herein may be modified or amended to permit the procurement of credit enhancement for the 2011 Certificates, to the extent deemed necessary by the Controller or the Director of Public Finance, upon consultation with the City Attorney.

The Controller or the Director of Public Finance is hereby authorized to select a trustee ("the Trustee") in accordance with City policies and procedures, including but not limited to the City's policy to provide locally disadvantaged business enterprises an equal opportunity in the performance of all City contracts.

Section 3. Approval of the Property Lease. The form of the Property Lease (the "Property Lease") between the City and the Trustee, as presented to this Board, a copy of which is on file with the Clerk of the Board, or her designee (together with the Clerk of the Board, the "Clerk of the Board"), is hereby approved. The Mayor, or his designee (together with the Mayor, the "Mayor"), is hereby authorized to execute the Property Lease, and the Clerk of the Board is hereby authorized to attest to and to affix the seal of the City on the Property Lease, with such changes, additions, modifications or deletions as the Mayor may make or approve in accordance with Section 13 hereof.

Section 4. Approval of the Project Lease. The form of the Project Lease between the City and the Trustee (the "Project Lease"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute the Project Lease, and the Clerk of the Board is hereby authorized to attest and to affix the seal of the City on the Project Lease with such changes, additions, modifications or deletions as the Mayor may make or approve in accordance with Section 13 hereof, provided however, that the maximum Base Rental in connection with the Certificates scheduled to be paid under the Project Lease in any fiscal year shall not exceed $20,000,000 and the term of the Project Lease shall not extend beyond 2051.

Section 5. Approval of the Trust Agreement. The form of the Trust Agreement between the City and the Trustee as presented to this Board, a copy of which on file with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute the Trust Agreement, and the Clerk of the Board is hereby authorized to attest to and affix the seal of the City on the Trust Agreement, with such changes, additions, modifications or deletions as the Mayor may make or approve in accordance with Section 13 hereof.

Section 6. Approval of the Escrow Agreements. The form of the escrow agreements, one each for the 2002 Bonds and the 2004 Bonds, between the City and U.S. Bank National Association (the "Escrow Agreements"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute the Escrow Agreements, and the Clerk of the Board is hereby authorized to attest to and affix the seal of the City on the Escrow Agreements, with such changes, additions, modifications or deletions as the Mayor may make or approve in accordance with Section 13 hereof.

Section 7. Acceptance of Property. To the extent deemed necessary by the Controller or the Director of Public Finance, the Mayor is hereby authorized to accept a grant deed on behalf of the City for Moscone South, located at 747 Howard Street, San Francisco, California 94103, in order to lease the property to the Trustee at no additional cost to the City.

Section 8. Approval of Form of Official Notice of Sale. The form of the official notice of sale relating to the 2011 Certificates (the "Official Notice of Sale"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. In the event the Controller or the Director of Public Finance determines to sell the 2011 Certificates pursuant to a competitive sale, as provided in Section 10 below, the Controller or the Director of Public Finance is hereby authorized to approve the distribution of an Official Notice of Sale, with such changes, additions, modifications or deletions as the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the distribution of the Official Notice of Sale to potential purchasers of the 2011 Certificates.

In the event the Controller or the Director of Public Finance determines to sell the 2011 Certificates by competitive sale, the Director of Public Finance, on behalf of the Controller, is hereby authorized to receive bids for the purchase of the 2011 Certificates, and the Controller is hereby authorized and directed to award the 2011 Certificates to the bidder whose bid represents the lowest true interest cost to the City, all in accordance with the procedures described in the Official Notice of Sale.

Section 9. Approval of Notice of Intention to Sell relating to the 2011 Certificates. The form of the notice of intention to sell relating to the 2011 Certificates (the "Notice of Intention to Sell"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. In the event the Controller or the Director of Public Finance determines to sell the 2011 Certificates pursuant to a competitive sale, as provided in Section 10 below, the Controller or the Director of Public Finance is hereby authorized to approve the publication of the Notice of Intention to Sell, with such changes, additions, modifications or deletions as the Controller or the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the publication of the Notice of Intention to Sell.

Section 10. Sale of 2011 Certificates; Solicitation of Competitive Bids; Negotiated Sale. This Board hereby authorizes the sale of the 2011 Certificates by either (i) solicitation of competitive bids for the purchase of the 2011 Certificates on the date and at the place determined in accordance with the Official Notice of Sale herein referenced or (ii) by negotiated sale to underwriters, the form and manner of such sale to be determined by the Controller or the Director of Public Finance. If the Controller or the Director of Public Finance determines to sell the 2011 Certificates by negotiated sale, the Controller or the Director of Public Finance is hereby authorized and directed to determine the terms and conditions thereof and, in connection therewith, to enter into the Certificate Purchase Contract, pursuant to which the 2011 Certificates will be sold to the underwriter(s) named therein (collectively, together with the investment agreement referred to below, the "Certificate Purchase Contract"). The Certificate Purchase Contract is hereby approved substantially in the form presented to this meeting, with such additions and changes therein as the Controller or the Director shall approve as being in the best interests of the City. The underwriters' discount under the Certificate Purchase Contract shall not exceed one percent (1.00%) of the principal amount of the 2011 Certificates. This Board hereby authorizes the sale and purchase of the 2011 Certificates. If the Controller or the Director of Public Finance determines to sell the 2011 Certificates pursuant to a private placement, the Controller or the Director of Public Finance is hereby authorized and directed to determine the terms and conditions thereof and, in connection therewith, to enter into an investment agreement, pursuant to which the 2011 Certificates will be sold to the purchasers named therein, such investment agreement to be subject to the same limitations, terms and provisions as herein specified for the Certificate Purchase Contract referred to in the first sentence of this Section 10.

Section 11. <u>Approval of the Official Statement in Preliminary and Final Form</u>. The form of the official statement relating to the 2011 Certificates (the "Official Statement"), as presented to this Board, a copy of which is on file in preliminary form with the Clerk of the Board, is hereby approved. The Controller or the Director of Public Finance is hereby authorized to approve the distribution of the preliminary Official Statement, with such changes, additions, modifications or deletions as the Controller or the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the distribution of the preliminary Official Statement to potential purchasers of the 2011 Certificates. The Controller of the City, or his designee (together with the Controller of the City, the "Controller"), is hereby authorized to execute, and the Director of Public Finance is hereby further authorized to approve the distribution of, the Official Statement in final form.

Section 12. Approval of the Continuing Disclosure Certificate. The form of the continuing disclosure certificate of the City (the "Continuing Disclosure Certificate"), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Controller is hereby authorized to execute the Continuing Disclosure Certificate, with such changes, additions, modifications or deletions as the Controller may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate.

Section 13. Payment of Costs of Issuance. The Board hereby authorizes the expenditure of a portion of the proceeds of the Certificates for the payment of certain costs of issuance incurred in connection with the execution and delivery of the 2011 Certificates.

Section 14. General Authority. The Mayor, the City Attorney, the Controller, the City Administrator, the Director of Public Finance, the Clerk of the Board and other officers of the City and their duly authorized deputies and agents are hereby authorized and directed, jointly and severally, to take such actions and to execute and deliver such certificates, agreements, requests or other documents, as they may deem necessary or desirable to facilitate the execution and delivery of the 2011 Certificates and, to obtain bond insurance or other credit enhancements with respect to the 2011 Certificates and otherwise to carry out the provisions of this Resolution.

Section 15. Modifications, Changes, Additions or Deletions. The Mayor is hereby authorized to approve and make such modifications, changes, additions or deletions to the Property Lease, the Project Lease, the Trust Agreement or the Escrow Agreements, including but not limited to substituting the Trustee as escrow agent under the Escrow Agreements, upon consultation with the City Attorney, as may be necessary or desirable in the interests of the City, and which changes do not materially increase the obligations of the City under the Property Lease, the Project Lease, the Trust Agreement or the Escrow Agreements. The Mayor's approval of such modifications, changes, additions or deletions shall be conclusively evidenced by the execution and delivery by the Mayor and the Clerk of the Board of the Property Lease, the Project Lease, the Trust Agreement and the Escrow Agreements.

Section 16. Ratification of Prior Actions. All actions authorized and directed by this Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board.

Section 17. File Documents. All documents referred to as on file with the Clerk of the Board are in File No. 110921.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: ______________________
MARK D. BLAKE
Deputy City Attorney

City and County of San Francisco

Tails

Resolution

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

File Number: 110921 **Date Passed:** September 13, 2011

Resolution approving the execution and delivery of not to exceed $110,000,000 aggregate principal amount of Refunding Certificates of Participation for the purpose of refinancing certain lease revenue refunding bonds issued by the Redevelopment Agency; approving a property lease, project lease, escrow agreements, and a trust agreement; providing for the manner of sale of Refunding Certificates of Participation, whether by competitive or negotiated sale; approving the form of the official notice of sale and the notice of intention to sell for the Refunding Certificates of Participation; directing the publication of the notice of intention to sell for the Refunding Certificates of Participation; approving the form of the Certificate Purchase Contract; approving the form of the official statement in preliminary and final form; approving the form of the continuing disclosure certificate; authorizing the acceptance by the City of certain property in connection with the execution and delivery of the Refunding Certificates of Participation; authorizing the payment of cost of issuance; authorizing the taking of appropriate actions in connection therewith; and related matters.

September 07, 2011 Budget and Finance Committee - RECOMMENDED

September 13, 2011 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110921

I hereby certify that the foregoing Resolution was ADOPTED on 9/13/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

9/21/11

Date Approved