

1 [Agreements, Leases, and Subleases - Tax Exempt and Taxable Lease Revenue Commercial  
2 Paper Certificates of Participation - Not to Exceed \$100,000,000]

3 **Resolution authorizing the execution and delivery from time to time of Tax-Exempt**  
4 **(Series 3 and Series 4) and Taxable Lease Revenue Commercial Paper Certificates of**  
5 **Participation (Series 3-T and Series 4-T ), in a aggregate principal amount not to exceed**  
6 **\$100,000,000, to provide interim financing for certain City capital projects; and**  
7 **approving and authorizing execution of a trust agreement, a site lease, a sublease, a**  
8 **letter of credit, and reimbursement agreement, a fee agreement and certain other**  
9 **financing documents, and authorizing other related actions.**

10  
11 WHEREAS, Pursuant to Section 9.113(e) of the Charter the Board of Supervisors is  
12 has the power to borrow money through the issuance of commercial paper; and

13 WHEREAS, On March 17, 2009 the Board of Supervisors adopted Resolution 85-09,  
14 and on April 6, 2010 the Board of Supervisors adopted Resolution 135-06 (the "Program  
15 Resolutions") to establish a general fund backed commercial paper program (the "Program")  
16 with an authorization of not to exceed \$150,000,000 in aggregate principal amount of tax-  
17 exempt or taxable Commercial Paper Certificates, a portion of the proceeds of which will be  
18 applied toward the interim financing of the acquisition, construction and rehabilitation of capital  
19 improvements within or owned by the City, and the financing of vehicles and equipment  
20 (herein the "Capital Projects"); and

21 WHEREAS, For the purposes of increasing the authorization of the Program to  
22 \$250,000,000 from \$150,000,000, the City has determined to cause to be executed and  
23 delivered, under and pursuant to the provisions of the Trust Agreement and the Delivery and  
24 Paying Agent Agreement (as such terms are hereinafter defined), its Tax-Exempt Lease  
25

1 Revenue Commercial Paper Certificates of Participation, Series 3 and Series 4, and its  
2 Taxable Lease Revenue Commercial Paper Certificates of Participation, Series 3-T and 4-T  
3 (collectively, the "Commercial Paper Certificates") in the aggregate principal amount not to  
4 exceed \$100,000,000, which will be sufficient, among other things (i) to pay costs of the  
5 Capital Projects; (ii) to fund capitalized interest with respect to the Commercial Paper  
6 Certificates; (iii) to fund Capitalized Fees and Expenses (as defined in the Trust Agreement);  
7 and (iv) to pay costs incurred in connection with the sale and delivery of the Commercial  
8 Paper Certificates; and

9 WHEREAS, The City has also determined to provide authorization to the Mayor to  
10 utilize the Program to provide emergency funding to protect the lives, property or welfare of  
11 the City in the event of an emergency declared under Section 3.100 (14) of the Charter; and

12 WHEREAS, Pursuant to a Site Lease (the "Site Lease"), the City, as lessor, will lease  
13 the property described therein, including the improvements located thereon (collectively, the  
14 "Property") to the Trustee, as lessee, and, in return therefor, U.S. Bank National Association,  
15 as trustee (the "Trustee") will apply, or caused to be applied, a portion of the proceeds of the  
16 Commercial Paper Certificates to the acquisition, construction and rehabilitation of the  
17 Capital Projects; and

18 WHEREAS, Pursuant to a Sublease (the "Sublease"), the Trustee will lease-back the  
19 Property to the City, and the City, pursuant to the Sublease, will pay to the Trustee base rental  
20 lease payments (the "Base Rental Payments") for the use and occupancy of the Property,  
21 which Base Rental Payments will be used to (i) reimburse the Bank (as hereinafter defined) or  
22 other credit support provider for payments made by the Bank under a Credit Facility (as  
23 hereinafter defined) with respect to the Commercial Paper Certificates or (ii) if necessary,  
24 make payments on the Commercial Paper Certificates; and

25

1           WHEREAS, The payment of principal of and interest on the Commercial Paper  
2 Certificates will be supported by an irrevocable direct pay letter of credit (the "Credit Facility")  
3 issued by State Street Bank and Trust Company or another financial institution or institutions  
4 selected by the Controller (the "Bank") pursuant to the terms of a letter of credit and  
5 reimbursement agreement (the "Reimbursement Agreement") between the City, and the  
6 Bank, including the terms of a Fee Agreement related thereto; and

7           WHEREAS, The Commercial Paper Certificates will be placed initially by one or more  
8 banks (each, a "Dealer") to be selected pursuant to the terms of a request for qualifications  
9 issued by the Director of Public Finance; and

10          WHEREAS, This Board has duly considered such transactions and wishes at this time  
11 to approve said transactions in the public interests of the City; now, therefore, be it,

12          RESOLVED, By the Board of Supervisors of the City and County of San Francisco as  
13 follows:

14          Section 1. Delivery of Certificates; Approval of Trust Agreement; Approval of Issuing  
15 and Paying Agent Agreement. The Board hereby authorizes an increase in the authorization  
16 of the Program to \$250,000,000 in aggregate principal amount of Commercial Paper  
17 Certificates to be outstanding from time to time, and the execution and delivery of the  
18 Commercial Paper Certificates from time to time in an aggregate total principal amount of not  
19 to exceed \$100,000,000 hereunder for the purpose of providing moneys which will be  
20 sufficient, among other things (i) to pay costs of the Capital Projects; (ii) to provide funding for  
21 emergencies declared by the Mayor under Section 3.100 (14) of the Charter to protect the  
22 lives, property or welfare of the City; (iii) to fund capitalized interest with respect to the  
23 Certificates (as defined in the Trust Agreement); (iv) to fund Capitalized Fees and Expenses  
24 (as defined in the Trust Agreement); and (v) to pay costs incurred in connection with the sale  
25 and delivery of the Commercial Paper Certificates; provided, however, that the interest rate on

1 any Commercial Paper Certificate shall not exceed the maximum rate permitted by law, and  
2 the Commercial Paper Certificates shall mature not later than 270 days from the date of  
3 issuance although each certificate may be marketed for a subsequent period(s) also not to  
4 exceed 270 days. The Commercial Paper Certificates shall be executed and delivered  
5 pursuant to a Trust Agreement (the "Trust Agreement") between the City and the Trustee, and  
6 the Delivery and Paying Agent Agreement (the "Delivery and Paying Agent Agreement")  
7 between the City and the Trustee, acting as delivery and paying agent. This Board hereby  
8 approves the Trust Agreement and the Delivery and Paying Agent Agreement in the forms on  
9 file with the Clerk of the Board, together with such additions thereto and changes therein as  
10 the Controller (the "Controller") shall deem necessary, desirable or appropriate upon  
11 consultation with the City Attorney, the execution of which by the City shall be conclusive  
12 evidence of the approval of any such additions and changes. The Controller and the Director  
13 of the Office of Public Finance (each, a "Designated Officer"), each acting alone, are hereby  
14 authorized to execute the final form of the Trust Agreement and the final form of the Delivery  
15 and Paying Agent Agreement for and in the name and on behalf of the City. This Board  
16 hereby authorizes the performance by the City of its obligations under the Trust Agreement  
17 and the Delivery and Paying Agent Agreement.

18 Section 2. Approval of Financing Documents. This Board hereby approves the form of  
19 the Sublease and the form of the Site Lease, in each case in the form on file with the Clerk of  
20 the Board, together with such additions thereto and changes therein as the Controller shall  
21 deem necessary, desirable or appropriate upon consultation with the City Attorney, the  
22 execution of which by the City shall be conclusive evidence of the approval of any such  
23 additions and changes. The properties that may be leased under the Sublease and the Site  
24 Lease include, but are not limited to, one or more of the following properties of the City:  
25 Firehouse 9, located at 2245 Jerrold Avenue (Lots 4 & 6, Block 5286A); Firehouse 10, located

1 at 655 Presidio Avenue (Lot 1, Block 1032); Central Shops, located at 1758 Jerrold Street (Lot  
2 9, Block 5262); Health Services Administration Building, located at 166-170 Otis Street (Lots 8  
3 & 81, Block 3513); Alemany, located at 100 Alemany Street (Lot 3, Block 5731, Lots 2 & 3,  
4 Block 5734, Lots 1 & 2, Block 5733A). The Designated Officers, each acting alone, are hereby  
5 authorized to execute the final form of the Sublease and the final form of the Site Lease for  
6 and in the name of and on behalf of the City. This Board hereby authorizes the performance  
7 by the City of its obligations under the Sublease and the Site Lease.

8 Section 3. Approval of Reimbursement Agreement and Fee Agreement. This Board  
9 hereby approves the form of the Reimbursement Agreement and the form of the fee  
10 agreement related thereto (the Fee Agreement), in the forms on file with the Clerk of the  
11 Board, together with such additions thereto and changes therein as the Controller shall deem  
12 necessary, desirable or appropriate upon consultation with the City Attorney, the execution of  
13 which by the City shall be conclusive evidence of the approval of any such additions and  
14 changes. The Designated Officers, each acting alone, are hereby authorized to execute the  
15 final form of the Reimbursement Agreement and Fee Agreement, with the Bank, for and in the  
16 name of and on behalf of the City. This Board hereby authorizes the performance by the City  
17 of its obligations under the Reimbursement Agreement and the Fee Agreement.

18 Notwithstanding anything herein to the contrary, the term of the Credit Facility shall not be les  
19 than one year, the interest on any unreimbursed draws on the Credit Facility shall not exceed  
20 12%, and the fees paid for any Credit Facility shall not exceed 2.1% per year of the  
21 commitment available under the Credit Facility and the Reimbursement Agreement.

22 Section 4. Dealer Agreement. This Board hereby authorizes and directs the  
23 Designated Officers to negotiate a Dealer Agreement with one or more Dealers on such terms  
24 on such terms as the Controller and the Director of the Office of Public Finance shall deem  
25 necessary, advisable or appropriate upon consultation with the City Attorney.

1           Section 5. Offering Memorandum. This Board hereby approves the form of the  
2 Offering Memorandum to be used with respect to the sale from time to time of the Commercial  
3 Paper Certificates, on file with the Clerk of the Board, together with such additions thereto and  
4 changes therein as the Controller shall deem necessary, desirable or appropriate upon  
5 consultation with the City Attorney, the execution of which by the City shall be conclusive  
6 evidence of the approval of any such additions and changes to the Offering Memorandum.

7           Section 6. Extension of Credit Facility. The Board hereby delegates the authority to  
8 the Designated Officers, each acting alone, to execute and deliver one or more extensions to  
9 the Credit Facility or the commitment available under the Credit Facility and the  
10 Reimbursement Agreement for any duration of time that they deem necessary, advisable or  
11 prudent, provided that no such extension shall (i) increase the principal amount of Commercial  
12 Paper Certificates authorized hereunder, or (ii) require an annual fee in excess of 2.1% per  
13 year of the commitment available under the Reimbursement Agreement without the approval  
14 of this Board. In connection with obtaining such extension, the Designated Officers shall be  
15 authorized to execute such amendments or modifications as are necessary or advisable to  
16 obtain such extensions, provided that such amendments or modifications reflect customary  
17 provisions in letter of credit and reimbursement agreements being executed at the time the  
18 extension is obtained.

19           Section 7. Source of Repayment. Notwithstanding anything herein to the contrary, if  
20 the ultimate source of repayment of the Commercial Paper Certificates delivered for Capital  
21 Projects are bonds, notes, other indebtedness or certificates of participations (the  
22 “Indebtedness”) that are payable from or secured by funds or monies other than the General  
23 Fund of the City, then in such event, prior to drawing on the proceeds of Commercial Paper  
24 Certificates to fund such Project, all approvals required for the issuance of said Indebtedness  
25 shall have been obtained, including any prior approval by this Board of Supervisors. This

1 paragraph 7 shall not apply to drawings under the program for emergencies declared by the  
2 Mayor under Section 3.100 (14) of the City Charter.

3 Section 8. Official Actions. The Controller, the Director of the Office of Public Finance,  
4 the Clerk of the Board and any and all other officers of the City are hereby authorized, for and  
5 in the name of and on behalf of the City, to do any and all things and take any and all actions,  
6 including execution and delivery of any and all documents, assignments, certificates,  
7 requisitions, agreements, notices, consents, instruments of conveyance, warrants and  
8 documents, which they, or any of them, may deem necessary or advisable in order to  
9 consummate the lawful issuance and sale of the Commercial Paper Certificates and the  
10 consummation of the transactions as described herein, including without limitation, such  
11 documents, assignments, certificates and agreements as may be required by the Trust  
12 Agreement, the Delivery and Paying Agent Agreement, the Sublease, the Site Lease, the  
13 Dealer Agreement, the Reimbursement Agreement or the Fee Agreement. Any authority  
14 delegated under this resolution to a specified official may also be exercised by either the  
15 Controller or by the specified official's authorized designee.

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

18  
19 By: \_\_\_\_\_  
20 MARK D. BLAKE  
21 Deputy City Attorney  
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