

LEGISLATIVE DIGEST

[Remarketing of Finance Corporation Lease Revenue Bonds Series 2008-1 and 2008-2 (Moscone Center Expansion Project)]

Ordinance approving the remarketing of the City and County of San Francisco Finance Corporation Lease Revenue Refunding Bonds, Series 2008-1 (Moscone Center Expansion Project) and City and County of San Francisco Finance Corporation Lease Revenue Refunding Bonds, Series 2008-2 (Moscone Center Expansion Project); approving the form of a reimbursement agreement among the City and County of San Francisco, the City and County of San Francisco Finance Corporation and State Street Bank and Trust Company; approving the form of an amended and restated reimbursement agreement; approving the form of a fee agreement; approving the form of an amended and restated fee agreement; approving the form of a remarketing supplement; approving the form of custodian agreement; approving the form of amended and restated custodian agreement; granting general authority to City officials to take necessary actions in connection with the remarketing of the Bonds; approving modifications to documents; approving the execution and delivery of certain documents described herein and ratifying previous actions taken in connection therewith.

Existing Law

This is new legislation.

Background Information

The proposed Ordinance authorizes the remarketing by the San Francisco Finance Corporation (the "Corporation") of its Lease Revenue Refunding Bonds, Series 2008-1 (Moscone Center Expansion Project) (the "Series 2008-1 Bonds") and its Lease Revenue Refunding Bonds, Series 2008-2 (Moscone Center Expansion Project) (the "Series 2008-2 Bonds" and, together with the Series 2008-1 Bonds, the "Bonds"), which were issued to finance the expansion of the Moscone Convention Center (the "Project"). Currently \$116,020,000 of the Bonds are outstanding. The Bonds are secured as to repayment primarily by base rental payments by the City and County of San Francisco (the "City") to the Corporation for the City's use and occupancy of the Project.

The Series 2008-1 Bonds, which are secured by a expiring direct pay letter of credit with Bank of America, will be subject to mandatory tender and remarketing and the Corporation and the City will enter into a substitute irrevocable, direct-pay letter of credit with State Street Bank and Trust Company (the "Bank"). The Series 2008-2 Bonds are currently secured by a direct-pay letter of credit with the Bank, and such letter of credit will be extended and there will be no tender and remarketing of the 2008-2 Bonds.

The legislation approves certain security documents and agreements (including a Reimbursement Agreement, an Amended and Restated Reimbursement Agreement, a Fee Agreement and a Amended and Restated Fee Agreement, a Remarketing Supplement, a Custodial Agreement, and an Amended and Restated Custodial Agreement) related to the execution of a new letter of credit with the Bank.

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