

1 [Credit Agreement - Goldman Sachs Bank USA - Transbay Joint Powers Authority - Not to
2 Exceed \$171,000,000]

3 **Resolution approving a Credit Agreement for an amount not to exceed \$171,000,000**
4 **from Goldman Sachs Bank USA to the Transbay Joint Powers Authority and making**
5 **certain public benefit findings for the Transbay Transit Center program under**
6 **California Government Code, Section 6586.5.**

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8 WHEREAS, The Transbay Joint Powers Authority (the “TJPA”) is a public entity duly
9 established and organized under the laws of the State of California, which was created
10 pursuant to a joint exercise of powers agreement (the “Joint Powers Agreement”) entered into
11 by and among the City and County of San Francisco (the “City”), the Alameda-Contra Costa
12 Transit District, and the Peninsula Corridor Joint Powers Board; and

13 WHEREAS, The Joint Powers Agreement charges the TJPA with development, design,
14 construction, operation, management, and maintenance of the Transbay Transit Center
15 Program (the “Transbay Program”), which includes: (1) the design and construction of a
16 temporary terminal and then the permanent Transbay Transit Center, including bus ramps
17 and bus storage facility (“Phase 1”); (2) the extension of Caltrain commuter rail service from
18 its current San Francisco terminus at Fourth and Townsend Streets to a new underground
19 terminus beneath the Transbay Transit Center (“Phase 2”); and (3) activities related to
20 implementation of the Redevelopment Plan for the Transbay Redevelopment Project Area;
21 and

22 WHEREAS, The Transbay Program will be located within the geographical boundaries
23 of the City; and

24 WHEREAS, The TJPA has entered into a TIFIA Loan Agreement for a loan in an
25 amount up to \$171,000,000 with the United States Department of Transportation, acting by

1 and through the Federal Transit Administration under the Transportation Infrastructure
2 Finance and Innovation Act of 1998, Sections 1501 et seq. of Public Law 105-178 (as
3 amended by the Public Law 105-206 and Public Law 109-59) (the “TIFIA Loan”), to finance a
4 portion of the costs of Phase 1; and

5 WHEREAS, Under the TIFIA Loan Agreement, the TIFIA Loan will not be disbursed
6 until certain conditions precedent are met including, among other things, the sale of certain
7 real estate parcels (the “TIFIA Loan Conditions”); and

8 WHEREAS, The TJPA needs funds to enter into contracts and pay construction costs
9 prior to the time the TIFIA Loan Conditions can be met; and

10 WHEREAS, The TJPA has negotiated with Goldman Sachs Bank USA for an interim
11 loan in an amount up to \$171,000,000 (the “Bridge Financing”) under the terms of that certain
12 Credit Agreement between the TJPA and Goldman Sachs Bank USA in substantially the form
13 on file with the Clerk of the Board of Supervisors in File No. 141189 and incorporated herein
14 by reference, which the TJPA intends to repay with the proceeds of the TIFIA Loan upon
15 satisfaction of the TIFIA Loan Conditions; and

16 WHEREAS, The TJPA intends to enter the Bridge Financing in accordance with
17 California Government Code, Sections 6584-6599.3 known as the Marks-Roos Local Bond
18 Pooling Act of 1985 (the “Bond Act”); and

19 WHEREAS, Under Section 6586.5 of the Bond Act, the local agency within whose
20 boundaries a public capital improvement is located is required to approve debt financing and
21 make a finding of significant public benefit in accordance with the criteria specified in Section
22 6586 of the Bond Act after holding a public hearing; and

23 WHEREAS, In order to satisfy the requirements set forth in Section 6586.5 of the Bond
24 Act, the TJPA has requested that the Board of Supervisors: (i) cause a public hearing to be
25 held, after giving the notice required by the Bond Act; (ii) make a finding of significant public

1 benefit in accordance with the criteria specified in Section 6586 of the Bond Act; and
2 (iii) approve the TJPA's entering into the Bridge Financing under the terms of the Credit
3 Agreement; and

4 WHEREAS, The City caused a notice to be published on December 3, 2014, in a
5 newspaper of general circulation in the City and County of San Francisco for the public
6 hearing required under Section 6586.5 of the Bond Act with respect to the proposed Bridge
7 Financing, and such hearing was held by the Board sitting as a Committee of the Whole on
8 December 9, 2014; now, therefore, be it

9 RESOLVED, That the Board approves the form of Credit Agreement for the Bridge
10 Financing from Goldman Sachs Bank USA in accordance with Section 6586.5 of the Bond
11 Act; and, be it

12 FURTHER RESOLVED, That the Board finds that the TJPA's execution of the Credit
13 Agreement will result in significant public benefits to the City because it will, among other
14 things, allow the TJPA to undertake construction of Phase 1 in a timely fashion, resulting in
15 the creation of significant construction jobs and employment benefits in the City, and result in
16 more efficient delivery of improved public transit services to the City's residential and
17 commercial development through the timely completion of a new Transbay Transit Center at
18 First and Mission Streets; and, be it

19 FURTHER RESOLVED, That this Resolution does not make any representation to
20 Goldman Sachs Bank USA regarding the ability of the TJPA to timely repay the Bridge
21 Financing or otherwise comply with the terms of the Credit Agreement, or to commit the credit
22 or resources of the City to make any expenditure, incur any indebtedness or in any way
23 obligate itself in any way whatsoever under the TJPA's Credit Agreement; and, be it

24 FURTHER RESOLVED, That this approval by the City of the Bridge Financing under
25 the terms of the Credit Agreement is neither an approval of the underlying credit issues of the

1 Transbay Program nor an approval of the financing structure of the Bridge Financing; and, be
2 it

3 FURTHER RESOLVED, That the officers and employees of the City are hereby
4 authorized and directed, jointly and severally, to do any and all things necessary or advisable
5 to effectuate the purposes of this Resolution, and all actions previously taken by such officers
6 and employees with respect to those purposes, are hereby ratified and approved.

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