

REVISED LEGISLATIVE DIGEST

(12/15/2015, Amended in Board)

[Authorizing Certificates of Participation - Acquisition of Real Property - Not to Exceed \$16,750,000]

Ordinance authorizing the execution and delivery of Certificates of Participation on a tax-exempt or taxable basis evidencing and representing an aggregate principal amount of not to exceed \$16,750,000 to finance the costs of acquisition of real property located within the City; authorizing the issuance of commercial paper notes in advance of the delivery of the Certificates; approving the form of Trust Agreement between the City and County of San Francisco and the Trustee (including certain indemnities contained therein); authorizing the selection of the Trustee by the Director of Public Finance; approving respective forms of a Property Lease and a Lease Agreement, each between the City and the Trustee for the lease and lease back of all or a portion of certain hospital property and facilities; approving the forms of Purchase Contract, Official Notice of Sale, and Notice of Intention to Sell Certificates; directing the publication of the Notice of Intention to Sell Certificates; approving the form of the Preliminary Official Statement and the form and execution of the Official Statement relating to the sale of the Certificates; approving the form of the Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, execution, sale, and delivery of the Certificates; approving modifications to documents and agreements; declaring the City's intent to reimburse certain expenditures; and ratifying previous actions taken in connection therewith.

Existing Law

This is new legislation.

Background Information

The proposed Ordinance authorizes the execution and delivery of Certificates of Participation (COPs) in an amount not to exceed \$16,750,000 to finance the cost of real property for the purpose of facilitating the rehabilitation of the Hall of Justice. (the "Project Site").

The COPs will be delivered under the terms of a trust agreement executed between the City and the trustee named therein (the "Trustee"). In connection with the execution and delivery of the Certificates, the Board would approve the execution of a Property Lease (the "Property Lease"), pursuant to which the City will lease to the Trustee a portion of Lot 001, Block 4154, known as 1001 Potrero Avenue, San Francisco (the "Leased Property"), and a Lease Agreement (the "Lease Agreement"), pursuant to which the Trustee will lease the Leased

Property back to the City. In advance of the delivery of the Certificates the Board would also authorize the issuance of commercial paper notes under the City's commercial paper program to fund interim costs of the Project Site.

The proceeds of the COPs will be used to fund (i) costs of the acquisition of the Project Site, including repayment of commercial paper notes and interest thereon issued for such purpose; (ii) a debt service or other similar reserve, as appropriate; (iii) capitalized interest, if any; and (iv) costs of issuance of the COPs.