

1 [San Francisco Finance Corporation - Refunding Lease Revenue Bonds - Open Space Fund]

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3 **Ordinance approving the issuance and sale of refunding lease revenue bonds by the**
4 **City and County of San Francisco Finance Corporation (the “Corporation”) payable**
5 **from the Park, Recreation and Open Space Fund to refinance lease revenue bonds**
6 **previously issued to finance various park projects, as defined herein; approving the**
7 **form of a Second Amendment to Site Lease by and between the Corporation and the**
8 **City and County of San Francisco (the “City”) relating to certain real property**
9 **described herein; approving the form of a Second Amendment to Master Lease by and**
10 **between the Corporation and the City; approving the form of a Second Supplemental**
11 **Trust Agreement by and between the Corporation and a trustee (including certain**
12 **indemnities contained therein); approving the form of an Assignment Agreement by**
13 **and between the Corporation and a trustee; authorizing the sale of the refunding lease**
14 **revenue bonds by competitive or negotiated sale; approving the form of an Official**
15 **Notice of Sale and a Notice of Intention to Sell the refunding lease revenue bonds;**
16 **directing the publication of the Notice of Intention to Sell the refunding lease revenue**
17 **bonds; approving the form of a Purchase Contract and authorizing the appointment of**
18 **one or more underwriters for the refunding lease revenue bonds; approving the form of**
19 **an Official Statement in preliminary and final form; approving the form of a Continuing**
20 **Disclosure Certificate; authorizing the payment of costs of issuance; granting general**
21 **authority to City officials to take certain actions in connection with the refunding lease**
22 **revenue bonds, as defined herein; approving modifications to documents; and ratifying**
23 **previous actions taken in connection therewith, as defined herein.**

24 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
25 **Additions to Codes** are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.

Board amendment deletions are in ~~strikethrough~~ Arial font.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

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Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings. The Board of Supervisors of the City and County of San Francisco (the “Board”) hereby finds and declares as follows:

A. On March 7, 2000, the voters of the City and County of San Francisco (the “City”) approved Proposition C, which extended the Park, Recreation and Open Space Fund (the “Fund”), as codified in Section 16.107 of the City’s Charter (the “Charter”), and authorized the issuance of revenue bonds or other evidences of indebtedness, or the incurrence of lease financing or other obligations, payable from the Fund, the proceeds of which are to be used for the purposes set forth in Section 16.107(e) of the Charter; and,

B. The City and County of San Francisco Finance Corporation (the “Corporation”), a California nonprofit public benefit corporation, has been formed among other purposes to facilitate lease financings for the City; and,

C. The Recreation and Park Department (the “Park Department”) previously requested that the City, acting through the Corporation, issue two series of lease revenue bonds and, with the approval of this Board and the Mayor of the City in each case, the Corporation has previously issued, in each case in accordance with Charter Section 16.107(e), its \$27,005,000 principal amount of Lease Revenue Bonds, Series 2006 (Open Space Fund – Various Park Projects) (the “Series 2006 Bonds”) to finance the construction, reconstruction, rehabilitation and/or improvement of certain various park, recreation and open space improvements (the “2006 Project”), and its \$42,435,000 principal amount of Lease Revenue Bonds, Series 2007 (Open Space Fund – Various Park Projects) (the “Series 2007 Bonds”) to finance the construction, reconstruction, rehabilitation and/or improvement of

1 certain other various park, recreation and open space improvements (the “2007 Project” and,
2 together with the 2006 Project, the “Prior Projects”); and

3 D. At the present time, \$15,805,000 principal amount of the Series 2006 Bonds
4 remain outstanding, and \$28,135,000 principal amount of the Series 2007 Bonds remain
5 outstanding and are subject to optional redemption in whole or in part on any date, and such
6 outstanding amounts of such bonds are referred to in this Ordinance as the “Refunded
7 Bonds”; and

8 E. By resolution adopted April 19, 2018, the Park Department has requested that
9 the Board authorize the issuance of a series of refunding lease revenue bonds by the
10 Corporation to redeem and refund the Refunded Bonds and to refinance the Prior Projects;
11 and,

12 F. In order to refinance the costs of the Prior Projects, the Board now desires to
13 authorize the issuance and sale of refunding lease revenue bonds (the “Bonds”) by the
14 Corporation pursuant to Section 16.107 of the Charter and in accordance with Section
15 9.108(2) of the Charter, which refunding Bonds are expected to result in net debt service
16 savings to the Corporation and to the City on a present value basis of at least 3% of the par
17 value of the Refunded Bonds on a net present value basis, using the True Interest Cost (or
18 “TIC,” as defined in the Debt Policy of the City (the “Debt Policy”) of the Bonds as the discount
19 rate; and,

20 G. The Board has selected certain City-owned property(ies) under the jurisdiction of
21 the Park Department (as set forth and further described in Section 4, below, the “Property”) for
22 purposes of leasing in connection with the issuance and sale of the Bonds; and,

23 H. Pursuant to a Second Amendment to Site Lease between the City and the
24 Corporation (the “Second Amendment to Site Lease” and, together with the Site Lease, dated
25 as of October 1, 2006, by and between the City as lessor and the Corporation as lessee (the

1 form of which having been previously approved by ordinance of this Board), as amended by
2 the First Amendment to Site Lease, dated as of October 1, 2007, by and between the City as
3 lessor and the Corporation as lessee (the form of which having been previously approved by
4 ordinance of this Board), the "Site Lease"), the City shall lease certain City-owned property
5 (as further described in Section 4, below, the "Facilities") to the Corporation, and the
6 Corporation shall make an advance rental payment to the City from the proceeds of the
7 Bonds; and,

8 I. Pursuant to a Second Supplemental Trust Agreement between the Corporation
9 and U.S. Bank National Association, as Trustee (together with Master Trust Agreement, dated
10 as of October 1, 2006, by and between the Corporation and the Trustee (the form of which
11 having been previously approved by ordinance of this Board), as supplemented by the First
12 Supplemental Trust, dated as of October 1, 2007, by and between the Corporation and the
13 Trustee (the form of which having been previously approved by ordinance of this Board), the
14 "Trust Agreement"), the Corporation shall issue the Bonds and use a portion of the proceeds
15 thereof to make an advance rental payment to the City under the Site Lease, which the City
16 will in turn use to prepay its payment obligations under the Original Master Lease (defined
17 below) as amended by the First Amendment to Lease (defined below); and,

18 J. Pursuant to a Second Amendment to Master Lease between the Corporation
19 and the City (the "Second Amendment to Lease" and, together with the Master Lease, dated
20 as of October 1, 2006 (the "Original Master Lease"), by and between the City as lessee and
21 the Corporation as lessor (the form of which having been previously approved by ordinance of
22 this Board), as amended by the First Amendment to Master Lease (the "First Amendment to
23 Lease"), dated as of October 1, 2007, by and between the City as lessor and the Corporation
24 as lessee (the form of which having been previously approved by ordinance of this Board), the
25 "Lease"), Corporation shall lease back the Facilities to the City, and the City shall make

1 certain periodic rental payments to the Corporation; and,

2 K. Pursuant to an Assignment Agreement (the “Assignment Agreement”), between
3 the Corporation and the Trustee, the Corporation shall assign to the Trustee its right to
4 receive such periodic rental payments in order to provide funds to repay the Bonds; and,

5 L. In connection with the sale of the Bonds, the City will enter into a Continuing
6 Disclosure Certificate (the “Continuing Disclosure Certificate”) and certain other related
7 agreements; and,

8 M. As delegated to the Director of Public Finance herein, the sale of the Bonds will
9 be conducted either by negotiated sale pursuant to a Purchase Contract by and among the
10 Corporation, the City and one or more underwriters (the “Purchase Contract”), or by
11 competitive sale in accordance with the terms of an Official Notice of Sale (the “Official Notice
12 of Sale”), in which case the competitive sale will be publicized by means of a Notice of
13 Intention to Sell Bonds (the “Notice of Intention”).

14 Section 2. Recitals. All of the recitals herein are true and correct.

15 Section 3. Approval of the Bonds. The Board hereby approves the issuance and
16 sale of the Bonds by the Corporation in accordance with the Trust Agreement and the
17 redemption and refunding of the Refunded Bonds, subject to the provisions of Section 18 of
18 this Ordinance. The Bonds shall be comprised of, and designated as, the “City and County of
19 San Francisco Finance Corporation Refunding Lease Revenue Bonds, Series 2018A (Open
20 Space Fund – Various Park Projects)” or such other designation as determined by the
21 Director of Public Finance of the City or her designee (together with the Director of Public
22 Finance of the City, the “Director of Public Finance”). The Director of Public Finance is hereby
23 authorized to approve the sale date, the manner of sale, the maturity dates, the redemption
24 provisions and all other terms of the Bonds, subject to the following additional limitations: the
25 Bonds shall be in an aggregate principal amount not to exceed \$41,320,000 and shall bear

1 interest at a rate not to exceed twelve percent (12%) per annum.

2 Section 4. Asset Transfer; Description of Property. The execution of the Bonds and
3 lease financing hereby approved may involve the lease and leaseback by the City of the
4 following real property and the improvements thereon (the “Facilities”), as well as any other
5 real property of the City under the jurisdiction of the Park Department.

6 Property(ies):

7 Betty Ann Ong Chinese Recreation Center, 1199 Mason St. San Francisco, CA 94108;

8 Sunset Recreation Center, 2201 Lawton St. San Francisco, CA 94122; and

9 Palace of Fine Arts, 3601 Lyon St & Marina Blvd San Francisco, CA 94123.

10 Section 5. Approval of the Form of Second Amendment to Site Lease. The form of
11 the Second Amendment to Site Lease, as presented to this Board, a copy of which is on file
12 with the Clerk of the Board, is hereby approved. The Mayor of the City, or his designee
13 (together with the Mayor of the City, the “Mayor”), is hereby authorized to execute the Second
14 Amendment to Site Lease, and the Clerk of the Board is hereby authorized to attest to such
15 execution of the Second Amendment to Site Lease, with such changes, additions,
16 modifications or deletions as the Mayor may make or approve in accordance with Section 18
17 hereof.

18 Section 6. Approval of the Form of Second Amendment to Lease. The form of the
19 Second Amendment to Lease, as presented to this Board, a copy of which is on file with the
20 Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute the
21 Second Amendment to Lease, and the Clerk of the Board is hereby authorized to attest to
22 such execution of the Second Amendment to Lease, with such changes, additions,
23 modifications or deletions as the Mayor may make or approve in accordance with Section 18
24 hereof, provided however, that the maximum base rental in connection with the Bonds
25 scheduled to be paid under the Lease in any fiscal year shall not exceed \$41,320,000 and the

1 term of the Lease shall not be longer than 36 years, except as such date may be extended by
2 future ordinance.

3 Section 7. Approval of the Form of Second Supplemental Trust Agreement. The
4 form of the Second Supplemental Trust Agreement, as presented to this Board, a copy of
5 which is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby
6 authorized to execute the Second Supplemental Trust Agreement, and the Clerk of the Board
7 is hereby authorized to attest to such execution of the Second Supplemental Trust
8 Agreement, with such changes, additions, modifications or deletions as the Mayor may make
9 or approve in accordance with Section 18 hereof.

10 Section 8. Approval of the form of Assignment Agreement. The form of the
11 Assignment Agreement, as presented to this Board, a copy of which is on file with the Clerk of
12 the Board, is hereby approved. The Mayor is hereby authorized to execute the Assignment
13 Agreement, and the Clerk of the Board is hereby authorized to attest to such execution of the
14 Assignment Agreement, with such changes, additions, modifications or deletions as the Mayor
15 may make or approve in accordance with Section 18 hereof.

16 Section 9. Sale of Bonds by Competitive or Negotiated Sale. The Board authorizes
17 the sale of the Bonds by solicitation of competitive bids or by negotiated sale to one or more
18 underwriters to be appointed in accordance with City policies, if so determined by the Director
19 of Public Finance.

20 Section 10. Approval of the Form of Official Notice of Sale; Authorization for
21 Competitive Sale; Authorization to Award Bonds. The form of the Official Notice of Sale, as
22 presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
23 approved. The Director of Public Finance is hereby authorized to approve the distribution of
24 the Official Notice of Sale, with such changes, additions, modifications or deletions as the
25 Director of Public Finance may approve upon consultation with the City Attorney; such

1 approval to be conclusively evidenced by the distribution of the Official Notice of Sale to
2 potential purchasers of the Bonds. The Director of Public Finance is hereby authorized to sell
3 the Bonds by competitive sale if the Director of Public Finance determines that such manner
4 of sale is in the best interest of the City, such determination to be conclusively evidenced by
5 the receipt of bids and the award of the Bonds in accordance with the Official Notice of Sale. If
6 the Director of Public Finance determines to sell the Bonds by competitive sale, the Director of
7 Public Finance, on behalf of the Controller, is hereby authorized and directed to receive bids
8 for the purchase of the Bonds, and the President of the Corporation or the Chief Financial
9 Officer of the Corporation is each hereby authorized to award the Bonds in accordance with
10 the procedures described in the Official Notice of Sale; provided, that the Bonds shall be
11 issued and sold only if the Director of Public Finance determines that the sale of the Bonds
12 complies with the debt service savings requirement of the City's Debt Policy, such
13 determination to be conclusively evidenced by the award of the Bonds to the purchaser
14 thereof in accordance with the terms and conditions set forth in the Official Notice of Sale.

15 Section 11. Approval of the Form of Notice of Intention to Sell the Bonds. The form of
16 the Notice of Intention, as presented to this Board, a copy of which is on file with the Clerk of
17 the Board, is hereby approved. The Director of Public Finance is hereby authorized to
18 approve the publication of the Notice of Intention to Sell, with such changes, additions,
19 modifications or deletions as the Director of Public Finance may approve upon consultation
20 with the City Attorney; such approval to be conclusively evidenced by the publication of the
21 Notice of Intention to Sell.

22 Section 12. Official Statement. The form of Preliminary Official Statement related to
23 the Bonds is hereby approved with such changes, additions, amendments or modifications
24 made in accordance with Section 13 hereof. The Director of Public Finance is hereby
25 authorized to approve the distribution of the preliminary Official Statement in substantially said

1 form, with such changes, additions, modifications or deletions as the Director of Public
2 Finance may approve upon consultation with the City Attorney and Disclosure Counsel to the
3 City; such approval to be conclusively evidenced by the distribution of the preliminary Official
4 Statement to potential bidders for or purchasers of the Bonds. The Controller is hereby
5 authorized to cause the distribution of the Revised Preliminary Official Statement in
6 connection with the Bonds, deemed final for purposes of Rule 15c2-12 of the Securities and
7 Exchange Act of 1934, as amended, and to sign a certificate to that effect. The Controller is
8 hereby further authorized and directed to prepare and sign a final Official Statement for the
9 Bonds. The Co-Municipal Advisors to the City, under the direction of the Director of Public
10 Finance, are hereby authorized and directed to cause to be printed and mailed, or distributed
11 electronically, to prospective bidders or purchasers, as appropriate, for the Bonds, copies of
12 the Preliminary Official Statement and the final Official Statement relating to the Bonds.

13 Section 13. Modifications to Preliminary Official Statement. The Controller is further
14 authorized, in consultation with the City Attorney, to approve and make such changes,
15 additions, amendments or modifications to the Preliminary Official Statement or the final
16 Official Statement described in Section 12 as may be necessary or advisable. The approval
17 of any change, addition, amendment or modification to the Revised Preliminary Official
18 Statement or the final Official Statement shall be evidenced conclusively by the distribution of
19 the preliminary Official Statement to potential bidders for or purchasers of the Bonds and the
20 execution and delivery of the final Official Statement.

21 Section 14. Authorization for Negotiated Sale; Authorization to Select Underwriters;
22 Approval of the Form of Purchase Contract. The Director of Public Finance is hereby
23 authorized to sell the Bonds by negotiated sale pursuant to a purchase contract, if the Director
24 of Public Finance determines that such manner of sale is in the best interest of the City, such
25 determination to be conclusively evidenced by the execution and delivery of a purchase

1 contract for the Bonds. The Director of Public Finance is hereby authorized and directed to
2 appoint one or more investment banking firms to act as underwriters of the Bonds in
3 accordance with City policies and procedures, including, but not limited to, the City's policy to
4 provide locally disadvantaged minority business enterprises and women enterprises an equal
5 opportunity to participate in the performance of all City contracts. The form of the Purchase
6 Contract, among the City, the Corporation and one or more underwriters selected by the
7 Director of Public Finance, as presented to this Board, a copy of which is on file with the Clerk
8 of the Board, is hereby approved. If the Director of Public Finance determines to sell the
9 Bonds by negotiated sale, the Director of Public Finance is hereby authorized to execute the
10 Purchase Contract, with such changes, additions, modifications or deletions as the Director of
11 Public Finance may approve upon consultation with the City Attorney, such approval to be
12 conclusively evidenced by the execution and delivery of the Purchase Contract.

13 Section 15. Approval of the Form of Continuing Disclosure Certificate. The form of the
14 Continuing Disclosure Certificate of the City, as presented to this Board, a copy of which is on
15 file with the Clerk of the Board, is hereby approved. The Controller is hereby authorized to
16 execute the Continuing Disclosure Certificate, with such changes, additions, modifications or
17 deletions as the Controller may approve upon consultation with the City Attorney; such
18 approval to be conclusively evidenced by the execution and delivery of the Continuing
19 Disclosure Certificate.

20 Section 16. Payment of Cost of Issuance. The Board hereby authorizes the
21 expenditure of a portion of the proceeds of the Bonds for the payment of certain costs of
22 issuance incurred in connection with the issuance and sale of the Bonds.

23 Section 17. General Authority. The Mayor, the City Attorney, the Controller, the
24 Director of Public Finance, the General Manager for the Recreation and Park Department, the
25 Director of Real Estate, the Clerk of the Board and other officers of the City and their duly

1 authorized deputies and agents are hereby authorized and directed, jointly and severally, to
2 take such actions and to execute and deliver such certificates, agreements, requests or other
3 documents, as they may deem necessary or desirable to facilitate the issuance, sale and
4 delivery of the Bonds, to obtain title and other insurance with respect to the Facilities, and
5 otherwise to carry out the provisions of this Ordinance.

6 Section 18. Modifications, Changes and Additions. The Mayor is hereby authorized to
7 approve and make such modifications, changes, additions or deletions to the Site Lease or
8 the Lease or to any of the documents approved herein, upon consultation with the City
9 Attorney, as may be necessary or desirable in the interests of the City, and which changes do
10 not materially increase the obligations of the City thereunder. The Mayor's approval of such
11 modifications, changes, additions or deletions shall be conclusively evidenced by the
12 execution and delivery by the Mayor and the Clerk of the Board of the Second Amendment to
13 Site Lease, the Second Amendment to Lease, the Second Supplemental Trust Agreement or
14 any of the documents approved herein. Any such actions are solely intended to further the
15 purposes of this Ordinance and are subject in all respects to the terms of this Ordinance. No
16 such actions shall increase the risk to the City or require the City to spend any resources not
17 otherwise granted herein. Final versions of any such documents shall be provided to the Clerk
18 of the Board for inclusion in the official file within 30 days (or as soon thereafter as final
19 documents are available) of execution by all parties.

20 Section 19. Ratification of Prior Actions. All actions authorized and directed by this
21 Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

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24 Section 20. File Documents. All documents referred to as on file with the Clerk of the
25 Board are in File No. [_____].

1 Section 21. Immediate Effect. Pursuant to Section 2.105 of the Charter, this
2 Ordinance shall take effect immediately following the date of passage.

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

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7 By: _____
8 Kenneth David Roux
9 Deputy City Attorney
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