

File No. 180961

Committee Item No. 6

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 18, 2018

Board of Supervisors Meeting

Date _____

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Completed by: Linda Wong Date October 12, 2018

Completed by: Linda Wong Date _____

1 [Peninsula Corridor Joint Powers Board - Issuance and Sale of Farebox Revenue Bonds, Not
2 to Exceed \$62,000,000 - Increase in Existing Credit Facility, Not to Exceed \$170,000,000 -
3 Additional Credit Facility, Not to Exceed \$30,000,000]

4 **Resolution authorizing the issuance and sale by the Peninsula Corridor Joint Powers**
5 **Board of Farebox Revenue Bonds and Refunding Revenue Bonds in one or more series**
6 **in an aggregate principal amount not to exceed \$62,000,000; approving an increase in**
7 **amount of existing credit facility by the Peninsula Corridor Joint Powers Board, from**
8 **an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time**
9 **to an aggregate principal amount not to exceed \$170,000,000 outstanding at any one**
10 **time; and approving an additional credit facility by the Peninsula Corridor Joint Powers**
11 **Board in an aggregate principal amount not to exceed \$30,000,000 outstanding at any**
12 **one time.**

13
14 WHEREAS, The Peninsula Corridor Joint Powers Board (the "JPB") is a public entity
15 duly established and organized under the laws of the State of California, which was created
16 pursuant to a joint exercise of powers agreement (the "Joint Powers Agreement") entered into
17 by the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County
18 Transit District, the City and County of San Francisco, and the San Mateo County Transit
19 District (each, a "Member Agency," and, collectively, the "Member Agencies"); and

20 WHEREAS, Pursuant to the Joint Powers Agreement, the JPB operates the Caltrain
21 commuter rail service ("Caltrain") within the geographical boundaries of the Member
22 Agencies; and

23 WHEREAS, Under the Joint Powers Agreement, each Member Agency is required to
24 contribute to the operating costs of Caltrain and provide for the costs of capital projects in the
25 manner set forth in the Joint Powers Agreement; and

1 WHEREAS, To facilitate operations and completion of capital projects, the JPB intends
2 to proceed with a comprehensive financing plan (the "Financing Plan"), which includes the
3 issuance of farebox revenue bonds and utilization of revolving lines of credit; and

4 WHEREAS, The JPB intends to issue farebox revenue bonds (the "Bonds") in an
5 aggregate principal amount not to exceed \$62,000,000, a portion of the proceeds of which
6 JPB intends to apply to finance the purchase of two leased facilities housing Caltrain
7 operations; and

8 WHEREAS, In the event that the JPB is unable to acquire one or both of the leased
9 facilities, the JPB intends to apply proceeds of the Bonds to finance certain capacity and
10 system improvements, including electrical multiple unit vehicles ("EMUs") in addition to the
11 EMUs to be funded as a part of the current phase of the Peninsula Corridor Electrification
12 Project described below, platform modifications, wayside bicycle parking improvements,
13 installation of a broadband communication system and planning funds to support development
14 of plans and agreements to meet goals and service levels in the 2018 State Rail Plan (such
15 projects being hereinafter referred to as the "TIRCP Projects"); and

16 WHEREAS, The JPB also intends to apply a portion of the proceeds of the Bonds to
17 refund all of its outstanding farebox revenue bonds, comprised of \$22,960,000 aggregate
18 principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2007
19 Series A and \$11,000,000 aggregate principal amount of the Peninsula Corridor Joint Powers
20 Board Farebox Revenue Bonds, 2015 Series A; and

21 WHEREAS, The Bonds, which the JPB proposes to issue, will be issued pursuant to
22 Section 6500 et seq. of the Government Code of the State of California, as amended and
23 supplemented, and will be secured by and payable from farebox revenues, comprised of
24 passenger fares, parking, shuttle and pass revenues and other revenues collected from the
25 operation of Caltrain (collectively, the "Farebox Revenues"); and

1 WHEREAS, In order to electrify the Caltrain rail corridor running between San
2 Francisco and the Tamien Station in San José (the "Peninsula Corridor") and convert a
3 portion of the Caltrain diesel fleet to EMUs, the JPB has undertaken the Peninsula Corridor
4 Electrification Project (the "PCEP"); and

5 WHEREAS, The JPB has advised that costs of the current phase of the PCEP are
6 being provided from federal, state, regional and local sources, including, but not limited to, (i)
7 grants from the federal government, (ii) funding made available pursuant to The Safe, Reliable
8 High-Speed Passenger Train Bond Act for the 21st Century, commonly referred to as
9 Proposition 1A ("Proposition 1A"), The Highway Safety, Traffic Reduction, Air Quality, and
10 Port Security Bond Act of 2006, commonly referred to as Proposition 1B ("Proposition 1B"),
11 the Transit and Intercity Rail Capital Program (the "TIRCP") and the Caltrain Low Carbon
12 Transit Operations Program, (iii) funding allocated by the Metropolitan Transportation
13 Commission and the Bay Area Air Quality Management District, and (iv) funding allocated by
14 the Member Agencies; and

15 WHEREAS, To pay costs of the current phase of the PCEP expected to be due and
16 payable in advance of receipt of funds identified to pay such costs, in December 2016, the
17 JPB secured a revolving line of credit (the "Existing Credit Facility") from an affiliate of
18 JPMorgan Chase Bank, National Association in an amount not to exceed \$150,000,000
19 outstanding at any one time; and

20 WHEREAS, In April 2018, the JPB secured an additional grant from the TIRCP (such
21 grant being herein referred to as the "2018 TIRCP Grant"), and receipts of such 2018 TIRCP
22 Grant to be applied to fund a portion of the TIRCP Projects; and

23 WHEREAS, In order to provide local match funds to enable the JPB to access the
24 TIRCP Grant, the JPB and the provider of the Existing Credit Facility intend to increase the
25 amount available to be drawn under the Existing Credit Facility by \$20,000,000 to an amount

1 not to exceed \$170,000,000 outstanding at any one time; and

2 WHEREAS, The indebtedness incurred and to be incurred by the JPB under the
3 Existing Credit Facility is secured by and payable from Farebox Revenues on a basis
4 subordinate to payment of debt service on the Bonds and from receipts of the funds identified
5 above, which will include receipts of the 2018 TIRCP Grant; and

6 WHEREAS, In order to enhance safety and prepare for the shared use of the
7 Peninsula Corridor with the state high speed rail system currently under construction, the JPB
8 is installing an advanced signal and train control system that includes federally-mandated
9 safety improvements (such system being hereinafter referred to as the "PTC Project"); and

10 WHEREAS, The JPB has advised that the JPB currently expects that costs of the PTC
11 Project will be funded from federal, state and local sources, including, but not limited to (i)
12 grants from the federal government, (ii) funding made available pursuant to Proposition 1A
13 and Proposition 1B, and (iii) funding allocated by the Member Agencies; and

14 WHEREAS, In order (i) to provide necessary funding with respect to the PTC Project,
15 including costs of the PTC Project expected to be due and payable in advance of receipt of
16 funds identified to pay such costs, and possibly other projects and (ii) to provide working
17 capital for Caltrain system needs, the JPB also intends to secure an additional revolving credit
18 facility in an amount not to exceed \$30,000,000 outstanding at any one time, such revolving
19 credit facility (the "Additional Credit Facility") to be provided by the provider of the Existing
20 Credit Facility; and

21 WHEREAS, The indebtedness to be incurred by the JPB under the Additional Credit
22 Facility is expected to be secured by and payable from Farebox Revenues on a basis
23 subordinate to payment of debt service on the Bonds and from receipts of the funds identified
24 above, including receipts of the funds identified above to pay costs of the PTC Project; and

25 ///

1 WHEREAS, The JPB anticipates that the financing of the purchase of the leased
2 facilities and completion of the PCEP and the PTC Project will enable the JPB to (i) meet
3 current and future transportation demand between San José and San Francisco, (ii) offset
4 existing and future worsening roadway congestion, (iii) address continuing regional air quality
5 issues, (iv) reduce greenhouse gas emissions, (v) provide electrical infrastructure compatible
6 with contemplated future high-speed rail service and (vi) enhance safety throughout the
7 Caltrain system; and

8 WHEREAS, Pursuant to Section 6586.5 of the Government Code of the State of
9 Californian ("Section 6586.5"), each Member Agency within whose boundaries a public capital
10 improvement to be financed is located is required (i) to approve the financing and (ii) to make
11 a finding of significant public benefit in accordance with the criteria specified in Section 6586
12 of the Government Code of the State of California ("Section 6586") after holding a public
13 hearing; and

14 WHEREAS, The Board of Supervisors (this "Board") is the appropriate entity to
15 approve the proposed financing within the meaning of Section 6586.5, such financing being
16 comprised of (i) the issuance of Bonds in an amount not to exceed \$62,000,000, (ii) an
17 increase in the amount available to be drawn under the Existing Credit Facility from an
18 amount not to exceed \$150,000,000 outstanding at any one time to an amount not to exceed
19 \$170,000,000 outstanding at any one time, such funds drawn under the Existing Credit
20 Facility to be applied for the purposes described herein, and (iii) execution and delivery of the
21 Additional Credit Facility in an amount not to exceed \$30,000,000 outstanding at any one
22 time, funds drawn under the Additional Credit Facility to be applied for the purposes described
23 herein; and

24 WHEREAS, In its Reso. No. ____ the Municipal Transportation Agency Board of
25 Directors recommended to this Board of Supervisors approval of this resolution; and

1 WHEREAS, In accordance with Section 6586.5, a notice was published in a newspaper
2 of general circulation in the City and County of San Francisco. (the "City") at least five (5) days
3 prior to such public hearing stating that a public hearing would be conducted with respect to
4 the proposed financing described herein; and

5 WHEREAS, This Board held a public hearing on October 18, 2018, at the Budget and
6 Finance Committee, in accordance with the requirements of Section 6586.5; now, therefore,
7 be it

8 RESOLVED, That the Board finds and declares that the above recitals are true and
9 correct; and, be it

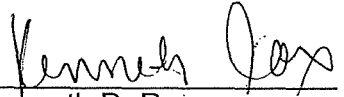
10 FURTHER RESOLVED, That this Board approves the proposed financing to be
11 undertaken by the JPB, comprised of (i) the issuance of Bonds in an amount not to exceed
12 \$62,000,000, (ii) the increase in the amount available to be drawn under the Existing Credit
13 Facility from an amount not to exceed \$150,000,000 outstanding at any one time to an
14 amount not to exceed \$170,000,000 outstanding at any one time and (iii) and execution and
15 delivery of the Additional Credit Facility in an amount available to be drawn not to exceed
16 \$30,000,000 outstanding at any one time, and finds, in accordance with Section 6586.5, that
17 (i) the undertaking of the indebtedness to be incurred by the JPB in connection with the
18 proposed financing (the "Financing") for the purposes and as described herein will result in
19 significant public benefits by making it possible to provide more frequent and/or faster Caltrain
20 service to residential and commercial development within the geographic boundaries of the
21 Member Agencies, including the City, and (ii) such enhanced service serves a public purpose;
22 and, be it

23 FURTHER RESOLVED, That notwithstanding anything in this Resolution to the
24 contrary, the City shall not be obligated to levy any form of taxes, and no credit, funds or
25 property of the City shall be pledged by the City to provide for payment of the indebtedness or

1 any security for the indebtedness to be incurred by the JPB in connection with the Financing;
2 and, be it

3 FURTHER RESOLVED, That the Mayor, Controller, and the Director of the Controller's
4 Office of Public Finance (and designees thereof), employees and agents of the City are
5 hereby authorized and directed, jointly and severally, subject to the terms of this Resolution,
6 to do any and all things and to execute and deliver any and all documents that they deem
7 necessary or advisable in order to carry out, give effect to, and comply with the terms and
8 intent of this Resolution and the Financing approved under this Resolution.

9
10 APPROVED AS TO FORM:
11 DENNIS J. HERRERA
12 CITY ATTORNEY

13
14 By: 
15 Kenneth D. Roux
16 Deputy City Attorney
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BOARD OF DIRECTORS 2018

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GILLIAN GILLET, VICE CHAIR
CHERYL BRINKMAN
CINDY CHAVEZ
DEVORA "DEV" DAVIS
JEFF GEE
DAVE PINE
CHARLES STONE
MONIQUE ZMUDA

JIM HARTNETT
EXECUTIVE DIRECTOR

TO: Honorable Members, Board of Supervisors

FROM: Derek Hansel, Chief Financial Officer, Peninsula Corridor Joint Powers Board

SUBJECT: Legislation Approving Proposed Financing by the Peninsula Corridor Joint Powers Board to Satisfy Section 6586 and Section 6586.5 of Government Code

DATE: September 26, 2018

Recommended Action:

The Peninsula Corridor Joint Powers Board respectfully recommends approval of the attached Resolution by the Budget and Finance Committee in connection with the proposed financing for the purposes described below. Approval is required to satisfy Section 6586.5 of the Government Code. The proposal includes authorization of (i) the issuance by the Peninsula Corridor Joint Powers Board of not to exceed \$62 million of farebox revenue bonds, (ii) an increase in the maximum amount outstanding at any one time under an existing interim financing from \$150 million to \$170 million, and (iii) an additional interim financing in an amount not to exceed \$30 million outstanding at any one time.

Executive Summary:

- Adoption of a resolution after a public hearing approving the proposed financing by the Peninsula Corridor Joint Powers Board is required to satisfy the requirements of Section 6586 and Section 6586.5 of the Government Code.

Peninsula Corridor Joint Powers Board:

The Peninsula Corridor Powers Board (JPB) was created pursuant to a joint exercise of powers agreement entered into by the City and County of San Francisco, the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District, and the San Mateo County Transit District. The JPB operates the Caltrain commuter rail service.

Request for Approval to Satisfy Section 6586 and Section 6586.5 of the of the Government Code:

In order to satisfy the requirements set forth in Section 6586.5 of the of the Government Code, the JPB has requested that the Board of Supervisors of the City and County of San Francisco (i) cause a public hearing to be held, (ii) make a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the of the Government Code after such public hearing has been held, and (iii) approve the proposed financing to be undertaken by the JPB which is described herein in order to satisfy the requirements of Section 6586.5 of the of the Government Code.

Proposed Financing Plan:

The JPB is proposing a three-part financing plan that is intended to: (i) reduce interest cost by refunding \$33.9 million of farebox revenue bonds to achieve interest savings; (ii) fund the acquisition of two facilities that are currently leased, resulting in anticipated savings; and (iii) increase short-term borrowing capacity to ensure sufficient funding to provide local match monies necessary to receive and utilize a \$164.5 million Transit and Intercity Rail Capital Program grant (TIRCP grant), to support completion of a signal and train control system referred to as the Positive Train Control project (PTC project) and possibly other capital projects, and to provide working capital.

The proposed financing plan supports the work for the Caltrain Modernization (CalMod) Program which is currently underway. That work includes the Peninsula Corridor Electrification Project (PCEP), which is the electrification of the existing corridor between San Francisco and San Jose and the partial conversion of trains from diesel trains to use of Electrical Multiple Unit (EMU) vehicles. The proposed financing plan also supports completion of the PTC project by authorizing an additional revolving credit facility in an amount not to exceed \$30 million outstanding at any one time to facilitate cash flow borrowings and funding for PTC project expenses and possibly other capital projects, expected to be reimbursed by grants or local contributions, and to provide working capital.

The JPB expects that undertaking the proposed financing will enable the JPB to: (i) meet current and future transportation demand between San Jose and San Francisco; (ii) offset existing and future worsening roadway congestion; (iii) address continuing regional air quality issues; (iv) reduce greenhouse gas emissions; (v) provide electrical infrastructure compatible with contemplated future high-speed rail service; and (vi) enhance safety throughout the Caltrain system.

Components of Financing Plan:

There are three components to the proposed financing plan.

1. Issuance of long-term farebox revenue bonds (i) to refund \$33.9 million of outstanding farebox revenue bonds and (ii) providing \$23 million to fund the acquisition of two operating facilities that are currently being leased.

- a. The refunding to reduce interest cost is expected to generate present value savings estimated at \$3.9 million, net of issuance costs, based on current market conditions.
- b. Depending on the final acquisition cost, it is anticipated that the cost of the borrowing and ownership related to the leased properties will be lower than the escalating costs for rent. Additionally, acquisition of the two important operating facilities will ensure continued access to the facilities.

In the event that the JPB is unable to acquire one or both of the leased properties, the JPB will apply a portion of the proceeds of the farebox revenue bonds to finance certain capacity and system improvement projects for Caltrain, including acquisition of EMUs in addition to the EMUs included in the PCEP work currently underway, modification of platforms to provide for an increase in the size of train sets operating on the electrified Caltrain rail corridor running between San Francisco and San Jose from 6 cars to 8 cars, installation of a broadband communication system and planning funds to support development of plans and agreements to meet goals and service levels in the 2018 State Rail Plan.

2. Existing Interim Financing Increase. The increase in the amount which may be outstanding at any one time under the existing revolving credit facility, secured by the JPB in 2016 to provide cash flow funding for the PCEP work, from \$150 million to \$170 million, will enable the JPB to provide local match funds for the TIRCP grant awarded in April 2018 and to fund grant reimbursable portions of the TIRCP grant.
3. Additional Interim Financing. An additional revolving credit facility in an amount of \$30 million outstanding at any one time is being entered into to provide advances of local and grant reimbursable portions of project costs related to the PTC project and possibly other capital projects and to provide working capital for Caltrain system needs. A separate revolving credit facility was required to be established to support the PTC project because of grant eligibility differences for the PTC project and PCEP.

Terms of Financing Structure:

Certain basic terms and features of the farebox revenue bond financing and the interim financings are identified below.

Farebox Revenue Bonds:

- Issue Size: Not to exceed \$62 million
- Expected Maturity: 30 years
- Purpose: Refund all outstanding farebox revenue bonds and acquire two leased properties
- Security: Senior lien pledge of farebox revenues
- Targeted closing timeframe: November 2018

- Covenants: Set forth in Trust Agreement, dated as of October 1, 2007, as supplemented and amended

Increase in Existing Interim Financing:

- Existing Revolving Credit Facility Size: Not to exceed \$170 million outstanding at any one time, increased from not to exceed \$150 million outstanding at any one time
- Maturity Date: December 31, 2022
- Purpose: To fund costs in anticipation of receipt of grant reimbursements for PCEP and TIRCP grant and fund local match for TIRCP grant
- Security: Subordinate pledge of farebox revenues and receipts of reimbursements
- Targeted closing timeframe: November 2018
- Covenants: Substantially the same as set forth in the Credit Agreement entered into in 2016 (Existing Credit Agreement), receipts of TIRCP grant to be added as additional security

Additional Interim Financing:

- Additional Revolving Credit Facility Size: Not to exceed \$30 million outstanding at any one time
- Maturity Date: December 31, 2022
- Purpose: Support for PTC project, possibly other capital projects and working capital
- Security: Subordinate pledge of farebox revenues
- Targeted closing timeframe: November 2018
- Covenants: Substantially the same as set forth in the Existing Credit Agreement

Your consideration of this matter is greatly appreciated.

Please contact Derek Hansel at 650-508-6466 if you have any questions.

cc: Angela Calvillo, Clerk of the Board of Supervisors
Harvey Rose, Budget and Legislative Analyst
Kanishka Karunaratne Cheng, Mayor's Office
Kelly Kirkpatrick, Mayor's Budget Director
Robin Reitzes, Deputy City Attorney
Ben Rosenfield, City Controller
Anna Van Degna, Public Finance Director
Ed Reiskin, Director of Transportation, SFMTA
Sonali Bose, Director of Finance, SFMTA

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The City and County of San Francisco (City) is a member agency of the Peninsula Corridor Joint Powers Board (JPB) and is required to contribute to the operating costs of Caltrain and for the costs of JPB capital projects as set forth in the JPB Joint Powers Agreement; and,

WHEREAS, As the transportation agency for the City, the San Francisco Municipal Transportation Agency (SFMTA) is responsible for paying the City's portion of these costs through its Operating Budget; and,

WHEREAS, In 2007, the JPB issued \$23,140,000 of 2007 Series A farebox revenue bonds (2007 Issuance), of which \$22,960,000 of those bonds are still outstanding, and in 2015, the JPB issued \$11,000,000 in 2015 Series A farebox revenue bonds (2015 Issuance), of which all \$11,000,000 in bonds are still outstanding, since debt service on those bonds consists of interest only until January 2019; the 2007 Issuance and the 2015 Issuance helped to finance rail car capacity expansion; and,

WHEREAS, The JPB is now proposing to undertake a financing (2018 Financing), comprised of: (i) the issuance of up to \$62 million aggregate principal amount of farebox revenue bonds to finance the purchase of two leased facilities housing Caltrain operations and to refund the 2007 Issuance and the 2015 Issuance; (ii) an increase in an existing interim financing from an amount not to exceed \$150,000,000 outstanding at any one time to an amount not to exceed \$170,000,000 outstanding at any one time to support work currently underway to electrify the Caltrain rail corridor between San Francisco and San José and to provide local matching funds for a \$164,500,000 grant from the Transit and Intercity Rail Capital Program, awarded in 2018, to support Caltrain capacity and system improvements, including additional electric rolling stock, and interim financing for such capacity and system improvements; and (iii) an additional interim financing in an amount not to exceed \$30 million outstanding at any one time to support completion of the installation of the positive train control system and possibly other projects, and to provide working capital for Caltrain system needs; and,

WHEREAS, The JPB expects that the 2018 Financing will reduce the JPB's debt service and will result in a decrease in the costs of certain capital projects, thereby reducing the amount of the annual contributions for operations and for capital projects required to be provided by the City and each of the other member agencies; and,

WHEREAS, On September 27, 2018, the SFMTA, under authority delegated by the Planning Department, determined that the Approval of JPB Financing Package and the City's Portion of Debt Service Payments is not a "project" under the California Environmental Quality Act (CEQA) pursuant Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and,

WHEREAS, The Board of Supervisors is required to approve the 2018 Financing; now therefore be it

RESOLVED, That the SFMTA Board of Directors affirms the SFMTA's FY2019 and FY2020 Operating Budget includes the City's portion of debt service payments for issuance of farebox revenue bonds and interim proposed financing by the Peninsula Corridor Joint Powers Board which is to be offset by reductions in Caltrain operating costs; and be it

FURTHER RESOLVED, That the SFMTA Board recommends that the Board of Supervisors approve the 2018 Financing; and be it

FURTHER RESOLVED, That the SFMTA Board authorizes the Director of Transportation to execute any documents which may be necessary to complete this transaction.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of October 16, 2018.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO BUDGET AND FINANCE COMMITTEE

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: October 18, 2018

Time: 10:00 a.m.

Location: Legislative Chamber, Room 250, located at City Hall
1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

Subject: **File No. 180961.** Resolution authorizing the issuance and sale by the Peninsula Corridor Joint Powers Board of Farebox Revenue Bonds and Refunding Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$62,000,000; approving an increase in amount of existing credit facility by the Peninsula Corridor Joint Powers Board, from an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time to an aggregate principal amount not to exceed \$170,000,000 outstanding at any one time; and approving an additional credit facility by the Peninsula Corridor Joint Powers Board in an aggregate principal amount not to exceed \$30,000,000 outstanding at any one time.

Resolution authorizing financing by the Peninsula Corridor Joint Powers Board (the "JPB"), a joint exercise of powers authority among the Santa Clara Valley Transportation Authority (formerly known as the Santa Clara County Transit District), the City and County of San Francisco, and the San Mateo County Transit District, which operates the Caltrain commuter rail service ("Caltrain"). Financing components are listed below.

(i) Issuance of farebox revenue bonds (the "Bonds") in an aggregate principal amount not to exceed \$62,000,000. The JPB intends to use the proceeds of the Bonds to finance the acquisition of two leased facilities housing Caltrain operations and to refinance outstanding JPB farebox revenue bonds.

(ii) Interim financing for electrification of the Caltrain rail corridor between San Francisco and San José (the "Peninsula Corridor") and to provide local match funds for a Transit and Intercity Rail Capital Program grant awarded in April 2018 to fund capacity and system improvements for the Caltrain system. These system improvements include acquisition of electrical multiple unit vehicles ("EMUs") in addition to the EMUs being funded in connection

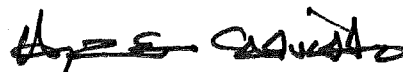
with the initial phase of electrification of the Peninsula Corridor; platform modifications; wayside bicycle parking improvements; installation of a broadband communication system; and funds to support development of plans and agreements to meet goals and service levels in the 2018 State Rail Plan. There will also be interim financing for such capacity and system improvements, which interim financing will be provided through draws on an existing revolving line of credit that is being increased from an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time to an aggregate principal amount not to exceed \$170,000,000 outstanding at any one time.

(iii) Interim financing for installation of a signal and train control system, which interim financing will be provided through draws on an additional revolving line of credit in an aggregate principal amount not to exceed \$30,000,000 outstanding at any one time.

In the event that the JPB is unable to acquire one or both of the leased facilities, the JPB intends to apply proceeds of the Bonds to finance a portion of the capacity and system improvements for the Caltrain system identified above.

This public hearing is required to be held under California Government Code Sections 6586 and 6586.5. After the public hearing, the Board of Supervisors of the City and County of San Francisco will consider adoption of a resolution approving the financing of the projects described herein by the JPB and make a finding of significant public benefit in accordance with the criteria specified in California Government Code Sections 6586 and 6586.5.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, October 12, 2018.



Angela Calvillo, Clerk of the Board

DATED/PUBLISHED/POSTED: October 12, 2018

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1 DR CARLTON B GOODLETT PL #244
SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description LW - File No. 180961 - Farebox Revenue Bonds

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

10/12/2018

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

Publication \$617.62
Total \$617.62

EXM# 3182955

NOTICE OF PUBLIC HEARING BUDGET AND FINANCE COMMITTEE SAN FRANCISCO BOARD OF SUPERVISORS THURSDAY, OCTOBER 18, 2018- 10:00 AM LEGISLATIVE CHAMBER, ROOM 250, CITY HALL, 1 DR. CARLTON B. GOODLETT PLACE, SAN FRANCISCO, CA 94102

NOTICE IS HEREBY GIVEN THAT the Budget and Finance Committee will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard: File No. 180961. Resolution authorizing the issuance and sale by the Peninsula Corridor Joint Powers Board of Farebox Revenue Bonds and Refunding Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$62,000,000; approving an increase in amount of existing credit facility by the Peninsula Corridor Joint Powers Board, from an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time to an aggregate principal amount not to exceed \$170,000,000 outstanding at any one time; and approving an additional credit facility by the Peninsula Corridor Joint Powers Board in an aggregate principal amount not to exceed \$30,000,000 outstanding at any one time. Resolution authorizing financing by the Peninsula Corridor Joint Powers Board (the "JPB"), a joint exercise of powers authority among the Santa Clara Valley Transportation Authority (formerly known as the Santa Clara County Transit District), the City and County of San Francisco, and the San Mateo County Transit District, which operates the Caltrain commuter rail service ("Caltrain"). Financing components are listed below. (i) Issuance of farebox revenue bonds (the "Bonds") in an aggregate principal amount not to exceed \$62,000,000. The JPB intends to use the proceeds of the Bonds to finance the acquisition of two leased facilities housing Caltrain operations and to refinance outstanding JPB farebox revenue bonds. (ii) Interim financing for electrification of the Caltrain rail corridor between San Francisco and San José (the "Peninsula Corridor") and to

provide local match funds for a Transit and Intercity Rail Capital Program grant awarded in April 2018 to fund capacity and system improvements for the Caltrain system. These system improvements include acquisition of electrical multiple unit vehicles ("EMUs") in addition to the EMUs being funded in connection with the initial phase of electrification of the Peninsula Corridor; platform modifications; wayside bicycle parking improvements; installation of a broadband communication system; and funds to support development of plans and agreements to meet goals and service levels in the 2018 State Rail Plan. There will also be interim financing for such capacity and system improvements, which interim financing will be provided through draws on an existing revolving line of credit that is being increased from an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time to an aggregate principal amount not to exceed \$170,000,000 outstanding at any one time. (iii) Interim financing for installation of a signal and train control system, which interim financing will be provided through draws on an additional revolving line of credit in an aggregate principal amount not to exceed \$30,000,000 outstanding at any one time. In the event that the JPB is unable to acquire one or both of the leased facilities, the JPB intends to apply proceeds of the Bonds to finance a portion of the capacity and system improvements for the Caltrain system identified above. This public hearing is required to be held under California Government Code Sections 6586 and 6586.5. After the public hearing, the Board of Supervisors of the City and County of San Francisco will consider adoption of a resolution approving the financing of the projects described herein by the JPB and make a finding of significant public benefit in accordance with the criteria specified in California Government Code Sections 6586 and 6586.5. In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins.



These comments will be made part of the official public record in this matter, and shall be brought to the attention of the members of the Committee. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board. Agenda information relating to this matter will be available for public review on Friday, October 12, 2018. - Angela Calvillo, Clerk of the Board

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor London Breed *MLB*
RE: Peninsula Corridor Joint Powers Board – Issuance and Sale of Farebox Revenue Bonds – Not to Exceed \$62,000,000, Increase in Existing Credit Facility – Not to Exceed \$170,000,000, and Additional Credit Facility – Not to Exceed \$30,000,000
DATE: October 2, 2018

Resolution authorizing the issuance and sale by the Peninsula Corridor Joint Powers Board of Farebox Revenue Bonds and Refunding Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$62,000,000, approving an increase in amount of existing credit facility by the Peninsula Corridor Joint Powers Board, from an aggregate principal amount not to exceed \$150,000,000 outstanding at any one time to an aggregate principal amount not to exceed \$170,000,000 outstanding at any one time, and approving an additional credit facility by the Peninsula Corridor Joint Powers Board in an aggregate principal amount not to exceed \$30,000,000 outstanding at any one time.

Should you have any questions, please contact Kanishka Karunaratne Cheng at 554-6696.

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