Ordinance approving the issuance and sale of lease revenue bonds payable from the Park, Recreation and Open Space Fund to finance various park projects as further described herein; approving the form of a Site Lease by and between the City and County of San Francisco Finance Corporation (the “Corporation”) and the City and County of San Francisco (the “City”) relating to certain City-owned properties located in the City (as further described herein); approving the form of a Master Lease by and between the Corporation and the City; approving the form of a Master Trust Agreement by and between the Corporation and a trustee (including certain indemnities contained therein); authorizing the selection of a trustee; approving the form of an Assignment Agreement by and between the Corporation and a trustee; approving the form of an official notice of sale and a notice of intention to sell the lease revenue bonds; directing the publication of the notice of intention to sell the lease revenue bonds; approving the form of an official statement in preliminary and final form; approving the form of a continuing disclosure certificate; authorizing the payment of cost of issuance; authorizing reimbursement of certain expenditures; adopting findings under the California Environmental Quality Act and findings pursuant to City Planning Code Section 101.1; and ratifying previous actions taken in connection therewith.

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 hereby finds and declares as follows:

A. On March 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 Charter, and authorized the Board of Supervisors of the City (the “Board”) to issue bonds and other evidences of indebtedness, including lease financing, payable from the Fund for the purposes set forth in Section 16.107(d) of the City 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 proposes, in accordance with Charter Section 16.107(d), to acquire, construct, reconstruct, rehabilitate and/or improve certain real property and/or facilities, and purchase equipment related to neighborhood playgrounds, neighborhood parks and squares, community pools, neighborhood recreation centers, and clubhouses (together, the “Project”) to be used for City purposes and leased to the City pursuant to a master lease agreement (as defined herein); and,

D. In order to finance the costs of the Project, the Board now desires to authorize the issuance and sale by the Corporation of lease revenue bonds pursuant to Charter Section 16.107 (the “Bonds”); and,

E. The Board has selected certain City-owned properties under the jurisdiction of the Recreation and Parks Department (as set forth and further described in Section 3 below, the “Property”) for purposes of leasing in connection with the issuance and sale of the Bonds to provide funds for the Project; and,

F. In connection with the proposed issuance and sale of the Bonds, the City shall lease the Property to the Corporation pursuant to a site lease, and the Corporation shall lease back the Property to the City pursuant to a master lease; and,
G. In connection with the issuance and sale of the Bonds and financing of the Project, the City shall enter into a site lease, master lease, master trust agreement and certain other related agreements; and,

H. It is anticipated that the Bonds will be sold by competitive sale in accordance with the terms of the official notice of sale; and,

I. The City reasonably expects to reimburse certain expenditures incurred prior to the issuance and sale of the Bonds with proceeds of such Bonds; and,

J. On September 28, 1999, the Department of City Planning adopted and issued a General Plan Consistency Finding for the Project, a copy of which is on file with the Clerk of the Board, wherein the Department of City Planning found that the Project is consistent with the Eight Priority Policies under Planning Code Section 101.1; and,

K. The Department of City Planning has determined that the Bonds do not constitute a project under the California Environmental Quality Act, as set forth in a letter dated September 28, 1999, a copy of which is on file with the Clerk of the Board.

Section 2. Approval of the Bonds. The Board hereby approves the issuance and sale of the Bonds by the Corporation in accordance with the master trust agreement (as defined herein). The Bonds shall be comprised of, and designated as, the "City and County of San Francisco Finance Corporation Lease Revenue Bonds, Series 2004 (Open Space Fund – Various Park Projects)" or such other designation as determined by the Director of Public Finance or her designee (together with the Director of Public Finance, the "Director of Public Finance"). The Bonds shall have an aggregate principal amount not to exceed $23,470,000 $27,005,000, with an interest rate not to exceed twelve percent (12%) per annum. To the extent deemed necessary by the Director of Public Finance, this Board authorizes the procurement of credit enhancement for the Bonds, including, but not limited to, municipal bond insurance and/or a debt service reserve fund surety bond. Notwithstanding Section 15
hereof, the documents authorized herein may be modified or amended to permit the
procurement of credit enhancement for the Bonds, to the extent deemed necessary by the
Director of Public Finance, upon consultation with the City Attorney.

Section 3. Asset Transfer; Description of Property. The execution of the Bonds and
lease financing of the Project hereby approved may involve the lease and leaseback by the
City of the following real property, as well as any other real property, under the jurisdiction of
the Recreation and Parks Department.

Property:

- Esprit Park located on Potrero Hill between Minnesota, Indiana, 19th and 20th
  Streets, San Francisco, CA.
- Fay Park located at 2366 Leavenworth, at the corner of Chestnut Street, San
  Francisco, CA.
- Ferry Park (exc. Lot 013 in Block 0203) located at Drumm Street, between Clay and
  Washington Streets, San Francisco, CA.
- Hoff Street Park located at 45 Hoff Street between 16th and 17th Streets, San
  Francisco, CA.
- Justin Herman Plaza located on the Embarcadero at the foot of Market Street, San
  Francisco, CA.
- Parque Ninos Unidos located between Folsom and Treat Streets and 23rd Street,
  San Francisco, CA.
- Richmond Recreation Center located at 251 18th Avenue, San Francisco, CA.
- Sigmund Stern Recreation Grove located at the intersection of 19th Avenue and
  Sloat Boulevard, San Francisco, CA.
- Soma Park located at Folsom Street between Seventh Street and Sherman
  Avenue, San Francisco, CA.
Section 4. Approval of the Form of Site Lease. The form of a site lease (the “Site Lease”) between the City and Corporation, as presented to this Board, a copy of which is on file with the Clerk of the Board, or her designee (together with the Clerk of the Board, the “Clerk of the Board”), is hereby approved. The Mayor, or his designee (together with the Mayor, the “Mayor”), is hereby authorized to execute the Site Lease, and the Clerk of the Board is hereby authorized to attest to and to affix the seal of the City on the Site Lease, with such changes, additions, modifications or deletions as the Mayor may make or approve in accordance with Section 15 hereof.

Section 5. Approval of the Form of Project Lease. The form of a master lease between the City and the Corporation (the “Lease”), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Mayor is hereby authorized to execute the Project Lease, and the Clerk of the Board is hereby authorized to attest and to affix the seal of the City on the Lease with such changes, additions, modifications or deletions as the Mayor may make or approve in accordance with Section 15 hereof, provided however, that the maximum Base Rental in connection with the Bonds scheduled to be paid under the Lease in any fiscal year shall not exceed $2,000,000 and the term of the Lease shall not extend beyond 2031, except as such date may be extended by future ordinance.

Section 6. Approval of the Master Trust Agreement and Authorization of Selection of the Trustee. The form of a master trust agreement between the Corporation and a trustee (the “Trust Agreement”), as presented to this Board, a copy of which on file with the Clerk of the Board, is hereby approved. The Director of Public Finance is hereby authorized to select a trustee to serve as trustee under the Trust Agreement (the “Trustee”).
Section 7. Approval of the form of Assignment Agreement. The form of an assignment agreement between the Corporation and the Trustee (the “Assignment Agreement”), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved.

Section 8. Approval of the Form of Official Notice of Sale. The form of an official notice of sale relating to the Bonds (the “Official Notice of Sale”), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Director of Public Finance is hereby authorized to approve the distribution of an Official Notice of Sale, with such changes, additions, modifications or deletions as the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the distribution of the Official Notice of Sale to potential purchasers of the Bonds.

Section 9. Approval of the Notice of Intention to Sell relating to the Bonds. The form of a notice of intention to sell relating to the Bonds (the “Notice of Intention to Sell”), as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The Director of Public Finance is hereby authorized to approve the publication of the Notice of Intention to Sell, with such changes, additions, modifications or deletions as the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the publication of the Notice of Intention to Sell.

Section 10. Approval of the Official Statement in Preliminary and Final Form. The form of an official statement relating to the Bonds (the “Official Statement”), as presented to this Board, a copy of which is on file in preliminary form with the Clerk of the Board, is hereby approved. The Director of Public Finance is hereby authorized to approve the distribution of the preliminary Official Statement, with such changes, additions, modifications or deletions as the Director of Public Finance may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the distribution of the preliminary Official Statement.
to potential purchasers of the Bonds. The Controller of the City, or his designee (together with
the Controller of the City, the "Controller"), is hereby authorized to execute, and the Director of
Public Finance is hereby further authorized to approve the distribution of, the Official
Statement in final form.

Section 11. Approval of the Continuing Disclosure Certificate. The form of a
continuing disclosure certificate of the City (the "Continuing Disclosure Certificate"), as
presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby
approved. The Controller is hereby authorized to execute the Continuing Disclosure
Certificate, with such changes, additions, modifications or deletions as the Controller may
approve upon consultation with the City Attorney; such approval to be conclusively evidenced
by the execution and delivery of the Continuing Disclosure Certificate.

Section 12. Payment of Cost of Issuance. The Board hereby authorizes the
expenditure of a portion of the proceeds of the Bonds for the payment of certain costs of
issuance incurred in connection with the issuance and sale of the Bonds.

Section 13. Approval of Reimbursement. Pursuant to Treasury Regulation Section
1.150-2, the City hereby declares its intent to reimburse from proceeds of the sale of the
Bonds capital expenditures of the Project paid within sixty (60) days prior to the date of
adoption of this Ordinance, costs of issuance of the Bonds and other expenditures permitted
to be reimbursed pursuant to Treasury Regulation Section 1.150-2. Any reimbursement
allocation of proceeds of the Bonds to be made with respect to expenditures incurred prior to
the issuance of the Bonds (excluding certain de minimis expenditures and preliminary
expenditures in an amount not to exceed twenty percent (20%) of the issue price of the
Bonds) will occur not later than eighteen (18) months after the later of (i) the date on which the
expenditure is paid, or (ii) the date on which the facilities are placed in service, but in no event
more than three (3) years after the expenditure is paid.
Section 14. **General Authority.** The Mayor, the City Attorney, the Controller, the Director of Public Finance, the General Manager for the Recreation and Parks Department, the Director of Real Estate and the Clerk of the Board and other officers of the City and their duly authorized deputies and agents are hereby authorized and directed, jointly and severally, to take such actions and to execute and deliver such certificates, agreements, requests or other documents, as they may deem necessary or desirable to facilitate the execution and delivery of the Bonds and, to obtain bond insurance or other credit enhancements with respect to the Bonds and otherwise to carry out the provisions of this Ordinance.

Section 15. **Modifications, Changes and Additions.** The Mayor is hereby authorized to approve and make such modifications, changes, additions or deletions to the Site Lease or the Lease, upon consultation with the City Attorney, as may be necessary or desirable in the interests of the City, and which changes do not materially increase the obligations of the City under the Site Lease or the Lease. The Mayor's approval of such modifications, changes, additions or deletions shall be conclusively evidenced by the execution and delivery by the Mayor and the Clerk of the Board of the Site Lease and the Lease.

Section 16. **Adoption of Finding of Department of Planning.** The Board hereby adopts and incorporates herein by reference the findings of the Department of City Planning in the General Plan Consistency Finding that the proposed Project is in conformity with the Master Plan and is consistent with the Eight Priority Policies of Planning Code Section 101.1. The Board further adopts and incorporates by reference the findings of the Department of City Planning that the Project is not subject to environmental review.

Section 17. **Ratification of Prior Actions.** All actions authorized and directed by this Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

Section 18. **File Documents.** All documents referred to as on file with the Clerk of the Board are in File No.041175.
Section 19. **Immediate Effect.** Pursuant to Section 2.105 of the City's Charter, this Ordinance shall take effect immediately following the date of passage.

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

By:

Theresa Alvarez Hackett
Deputy City Attorney

Supervisor Jake McGoldrick
BOARD OF SUPERVISORS
Ordinance approving the issuance and sale of lease revenue bonds payable from the Park, Recreation and Open Space Fund to finance various park projects as further described herein; approving the form of a Site Lease by and between the City and County of San Francisco Finance Corporation (the "Corporation") and the City and County of San Francisco (the "City") relating to certain City-owned properties located in the City (as further described herein); approving the form of a Master Lease by and between the Corporation and the City; approving the form of a Master Trust Agreement by and between the Corporation and a trustee (including certain indemnities contained therein); authorizing the selection of a trustee; approving the form of an Assignment Agreement by and between the Corporation and a trustee; approving the form of an official notice of sale and a notice of intention to sell the lease revenue bonds; directing the publication of the notice of intention to sell the lease revenue bonds; approving the form of an official statement in preliminary and final form; approving the form of a continuing disclosure certificate; authorizing the payment of cost of issuance; authorizing reimbursement of certain expenditures; adopting findings under the California Environmental Quality Act and findings pursuant to City Planning Code Section 101.1; and ratifying previous actions taken in connection therewith.

September 28, 2004  Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval

October 5, 2004  Board of Supervisors — FINALLY PASSED
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval
I hereby certify that the foregoing Ordinance was FINALLY PASSED on October 5, 2004 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom