[Taxable and/or Tax Exempt Certificates of Participation for Various Capital Improvements - Not to Exceed $48,000,000]

Ordinance authorizing the execution and delivery of Certificates of Participation in an aggregate principal amount not to exceed $48,000,000 to finance the acquisition, construction, improvement and installation of certain street improvements and of various disability access improvement projects; approving the form of a Second Supplement to Trust Agreement between the City and County of San Francisco and the Trustee named therein (including certain indemnities contained therein); approving the form of a Second Supplement to Property Lease between the City, as lessor, and the Trustee, as lessee; approving the form of a Second Supplement to Project Lease between the Trustee, as lessor, and the City, as lessee; approving the form of an Official Notice of Sale and Notice of Intention to Sell for the Certificates of Participation, if sold by competitive sale; authorizing certain actions relating to the Certificates of Participation, if sold by negotiated sale; delegating to the Director of Public Finance the authority to sell the Certificates of Participation by either a competitive or negotiated sale; approving the form of a Purchase Contract between the City and the underwriter(s) selected in accordance herewith, if the Certificates of Participation are sold by negotiated sale; approving the form of an official statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of the Certificates of Participation; approving modifications to documents; and ratifying previous actions taken in connection therewith.
WHEREAS, The Board of Supervisors of the City and County of San Francisco (the
"Board of Supervisors" or the "Board"), desires to provide for capital improvements to various
City streets and also to provide for various disability access improvement projects
(collectively, the "Project"), and the City is authorized pursuant to its charter and the laws of
the State to enter into lease financings for such purpose; and

WHEREAS, the City and U.S. Bank National Association (the “Trustee”) have
previously entered into a Property Lease, dated as of May 1, 2009 (the “Original Property
Lease”), pursuant to which the City has leased certain real property and all improvements
thereon (collectively, the “Leased Property”) to the Trustee; and

WHEREAS, pursuant to a Project Lease, dated as of May 1, 2009, by and between the
City and the Trustee (the “Original Project Lease”), the Trustee has leased the Leased
Property back to the City; and

WHEREAS, in order to provide funds for certain capital improvements of the City, the
Trustee executed and delivered certificates of participation captioned “$163,335,000 City and
County of San Francisco Certificates of Participation, Series 2009A (Multiple Capital
Improvement Projects)” (the “2009A Certificates”) under a Trust Agreement, dated as of May
1, 2009, between the City and the Trustee (the “Original Trust Agreement”); and

WHEREAS, the Board authorized the execution and delivery of the 2009A Certificates
by Ordinance No. 74-09 passed on May 5, 2009, and approved by the Mayor of the City on
May 11, 2009; and

WHEREAS, the 2009A Certificates evidence direct undivided interests in the lease
payments made by the City under the Original Project Lease; and

WHEREAS, The Trust Agreement provides for the issuance of additional Certificates of
Participation to provide funds for additional capital projects of the City by the execution and
delivery of a supplement to the Trust Agreement, and authorizes the principal and interest
with respect to said Certificates of Participation to be secured by a supplement to the Property
Lease and to be paid from amounts paid by the City under a supplement to the Project Lease;
and,

WHEREAS, in order to provide funds for certain street improvements of the City, the
Trustee subsequently executed and delivered a series of certificates of participation captioned
"$37,885,000 City and County of San Francisco Certificates of Participation, Series 2009B
(Multiple Capital Improvement Projects)" (the “2009B Certificates”) under a First Supplement
to Trust Agreement dated as of September 1, 2009 (the “First Supplement to Trust
Agreement”); and

WHEREAS, in connection with the execution and delivery of the 2009B Certificates, the
City and the Trustee have previously entered into a First Supplement to Property Lease,
dated as of September 1, 2009 (the “First Supplement to Property Lease”), supplementing the
Original Property Lease to provide for additional rental to be paid by the Trustee in connection
with the financing of the 2009B Project and certain related matters; and

WHEREAS, in connection therewith, the City and the Trustee simultaneously entered
into a First Supplement to Project Lease, dated as of September 1, 2009, by and between the
City and the Trustee (the “First Supplement to Project Lease”), supplementing the Original
Project Lease to provide for additional Base Rental to be paid by the City in connection with
the financing of the 2009B Project and certain related matters; and

WHEREAS, the 2009B Certificates evidence direct undivided interests in the lease
payments made by the City under the Original Project Lease, as supplemented by the First
Supplement to Project Lease, on a parity basis with the 2009A Certificates; and

WHEREAS, the Board desires to finance the acquisition, construction and installation
of the Project, and to cause the execution and delivery of one or more series of additional
Certificates of Participation (as further defined herein, the "Certificates") to provide funds for
the Project; and

WHEREAS, in connection with the execution and delivery of Certificates, the City and
the Trustee will enter into a Second Supplement to Property Lease (as further defined herein,
the "Second Supplement to Property Lease"), supplementing the Original Property Lease to
provide for additional rental to be paid by the Trustee in connection with the financing of the
Project and certain related matters; and

WHEREAS, in connection therewith, the City and the Trustee will simultaneously enter
into a Second Supplement to Project Lease, by and between the City and the Trustee (as
further defined herein, the "Second Supplement to Project Lease"), supplementing the
Original Project Lease to provide for additional Base Rental to be paid by the City in
connection with the financing of the Project and certain related matters; and

WHEREAS, the Certificates will evidence direct undivided interests in the lease
payments made by the City under the Original Project Lease, as supplemented by the First
Supplement to Project Lease and the Second Supplement to Project Lease, on a parity basis
with the 2009A Certificates and the 2009B Certificates;

WHEREAS, the Certificates may be sold by competitive sale pursuant to an official
notice of sale and a notice of intention to sell or, in accordance with certain procedures, by
negotiated sale; and,

WHEREAS, In order to ensure an orderly sale of the Certificates, the Director of Public
Finance of the City or her designee (collectively, the "Director") seeks the authority to choose
with respect to the Certificates either a negotiated sale or a competitive sale on terms that are
advantageous financially to the City; and,

WHEREAS, The Director now seeks approval of the form of a purchase contract
relating to a negotiated sale of the Certificates (the "Purchase Contract") and of the
underwriters that shall underwrite the sale of the Certificates, if so determined by the Director; and

WHEREAS, the Board has been presented with the form of certain documents referred to herein relating to the Certificates, including a Second Supplement to the Trust Agreement, a Second Supplement to the Property Lease and a Second Supplement to the Project Lease, and the Board has examined and is approving each document and desires to authorize and direct the execution of such documents and the consummation of such financing; and,

WHEREAS, the adoption of this Ordinance shall constitute authorization of the Certificates within the meaning of Section 864 of the California Code of Civil Procedure and any Validation Act that is effective after this Ordinance takes effect;

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

Section 1. Recitals. All of the recitals herein are true and correct.

Section 2. Conditions Precedent. All conditions, things and acts required by law to exist, to happen and to be performed precedent to and in the execution and delivery of the Certificates exist, have happened and have been performed in due time, form and manner in accordance with applicable law, and the City is now authorized pursuant to its Charter and applicable law to enter into the transactions described herein in the manner and form provided in this Ordinance.

Section 3. File Documents. The documents presented to this Board and on file with the Clerk of the Board or her designee (the "Clerk") are contained in File No. 101159.

Section 4. Approval of the Certificates. The Board hereby approves the execution and delivery of the Certificates, which shall be executed and delivered in accordance with the second supplement to trust agreement referred to in Section 5 below (the "Second Supplement to Trust Agreement"), as the same is finally executed and delivered. The proceeds of the Certificates will be used to (i) fund the Project; (ii) fund a reserve fund or the
costs of a reserve surety policy, as the Controller or his designee shall determine; (iii) fund
capitalized interest; and (iv) pay costs of issuance of the Certificates. The Certificates shall be
designated as "City and County of San Francisco Certificates of Participation, (Multiple
Capital Improvement Projects)," with such other designations as to series and year of
issuance as deemed appropriate by the Director. The Certificates may be executed and
delivered in one or more series, all or any portion of which may be designated as Build
America Bonds under Section 54AA of the Internal Revenue Code, or under any other
provision of the Internal Revenue Code that creates a substantially similar direct-pay subsidy
program in the future. The Trustee shall be authorized to cause the execution and delivery of
Certificates in an aggregate principal amount which shall not be greater than $48,000,000,
and which shall bear interest rates not to exceed 12 percent per annum. The Certificates
shall be subject to prepayment as set forth in the Second Supplement to Trust Agreement. To
the extent deemed necessary by the Director, this Board authorizes the procurement of credit
enhancement for the Certificates, including, but not limited to, municipal bond insurance or a
debt service reserve fund surety policy. Notwithstanding Section 15 hereof, the documents
authorized herein may be modified or amended to permit the procurement of credit
enhancement for the Certificates, to the extent deemed necessary by the Director, upon
consultation with the City Attorney.

Section 5. Approval of the Second Supplement to Trust Agreement. The form of a
second supplement to trust agreement (the "Second Supplement to Trust Agreement")
between the City and the Trustee, as presented to this Board, a copy of which is on file with
the Clerk of the Board, is hereby approved. The Mayor of the City or his designee
(collectively, the "Mayor") is hereby authorized to execute the Second Supplement to Trust
Agreement, and the Clerk of the Board or her designee (collectively, the "Clerk of the Board"),
is hereby authorized to attest to and affix the seal of the City on the Second Supplement to
Trust Agreement, with such changes, additions and modifications as the Mayor may make or approve in accordance with Section 15 hereof.

In connection with any Build America Bonds, the Director of Public Finance is authorized to make any necessary or desirable changes to the Second Supplement to Trust Agreement, including but not limited to any election required so that the City is entitled, with respect to such Certificates, to receive interest subsidy payments pursuant to Section 6431 of the Code. If such election is made, the Director of Public Finance is further authorized to approve language to be inserted into the Trust Agreement, and/or to enter into a separate agreement with the Trustee, to require the Trustee to file any documentation or certificates with the Internal Revenue Service required in connection with any such interest subsidy payments.

Section 6. Approval of the Second Supplement to Property Lease. The form of a second supplement to property lease between the City and the Trustee (the "Second Supplement to Property Lease"), providing for the payment of additional rental by the Trustee in connection with the issuance of the Certificates, as presented to this Board, a copy of which is on file with the Clerk of the Board, is hereby approved. The term of the Second Supplement to Property Lease shall not extend beyond 2053. The Mayor is hereby authorized to execute the Second Supplement to Property Lease, and the Clerk of the Board is hereby authorized to attest and to affix the seal of the City on the Second Supplement to Property Lease with such changes, additions and modifications as the Mayor may make or approve in accordance with Section 15 hereof.

Section 7. Approval of the Second Supplement to Project Lease. The form of a second supplement to project lease between the City and the Trustee (the "Second Supplement to Project Lease"), providing for the financing of the Project, 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 Second Supplement to Project Lease, and the Clerk of the Board is hereby authorized to attest and to affix the seal of the City on the Second Supplement to Project Lease with such changes, additions and modifications as the Mayor may make or approve in accordance with Section 15 hereof, provided however, that the maximum Base Rental (as defined in the Project Lease) relating to the Project scheduled to be paid under the Project Lease, as supplemented by the Second Supplement to Project Lease in any fiscal year shall not exceed $4,900,000 and the term of the Second Supplement to Project Lease shall not extend beyond 2053.

Section 8. Sale and Award of Certificates by Competitive Sale. In the event the Director determines to sell the Certificates by competitive sale, the Director, on behalf of the Controller, is hereby authorized and directed to receive bids for the purchase of the Certificates, and the Controller is hereby authorized and directed to award the Certificates to the bidder whose bid represents the lowest true interest cost to the City, all in accordance with the procedures described in the Notice of Sale (as defined herein).

Section 9. Approval of Form of Official Notice of Sale. The form of an official notice of sale relating to the Certificates (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 is hereby authorized to approve the distribution of an Official Notice of Sale for the Certificates, with such changes, additions modifications or deletions as the Director 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 bidders for or purchasers of the Certificates.

Section 10. Approval of Notice of Intention to Sell Relating to the Certificates. The form of a notice of intention to sell relating to the Certificates (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 is hereby authorized to approve the publication of the Notice of Intention to Sell relating to the Certificates, with such changes, additions, modifications or deletions as the Director may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the publication of the Notice of Intention to Sell relating to the Certificates.

Section 11. Authorization for Sale of Certificates by Negotiated Sale; Authorization to Select Underwriters; Approval of the Form of Purchase Contract. The Director, in consultation with the Controller, is hereby authorized to sell the Certificates by negotiated sale pursuant to the Purchase Contract, by and between the City and the underwriter(s) named therein (the "Underwriters"), if the Director determines that such manner of sale is in the best interest of the City, such determination to be conclusively evidenced by the execution and delivery of the Purchase Contract as hereinafter approved. The form of such Purchase Contract 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 Purchase Contract with such charges, additions and modifications as the Controller may make or approve in accordance with Section 15 hereof; provided however, that the Underwriters' discount under any such Purchase Contract shall not exceed 2.00% of the principal amount of the Certificates. In order to facilitate the sale of the Certificates by negotiated sale, the Director of Public Finance is hereby authorized and directed to appoint one or more financial institutions to act as underwriter for the Certificates in accordance with City policies and procedures, including, but not limited to, the City's policy to provide locally disadvantaged minority business enterprises and women enterprises an equal opportunity to participate in the performance of all City contracts.

Section 12. Approval of the Official Statement in Preliminary and Final Form. The form of an official statement relating to the Certificates (the "Official Statement"), as presented to
this Board, a copy of which is on file in preliminary form with the Clerk, is hereby approved. The Director is hereby authorized to approve the distribution of the preliminary Official Statement in substantially said form, with such changes, additions, modifications or deletions as the Director may approve upon consultation with the City Attorney; such approval to be conclusively evidenced by the distribution of the preliminary Official Statement to potential bidders for or purchasers of the Certificates. The Controller of the City or his designee (collectively, the "Controller") is hereby authorized to cause the distribution of the Preliminary Official Statement, deemed final for purposes of Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended, and to execute a certificate to that effect. The Controller is hereby further authorized and directed to sign the Official Statement in final form. The Controller or the Director are hereby authorized to direct the Co-Financial Advisors to cause to be printed and mailed, or distributed electronically, to prospective bidders, copies of the Preliminary Official Statement and the final Official Statement.

Section 13. Approval of the Continuing Disclosure Certificate. The form of a Continuing Disclosure Certificate of the City, 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 14. General Authority. The Mayor, the City Attorney, the Controller, the City Administrator, the Director, 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 accomplish the proposed financing.
through the execution and delivery of the Certificates, the Official Statement and the
Continuing Disclosure Certificate, and to enter into the Second Supplement to Trust
Agreement, the Second Supplement to Property Lease, the Second Supplement to Project
Lease and the Purchase Contract, to facilitate the execution and delivery of the Certificates, to
prepare and deliver or cause to be prepared and delivered such certificates and documents
necessary in connection with the Build America Bonds, including any elections or
determinations required in connection therewith, to obtain bond insurance or other credit
enhancements with respect to the financing of the Project, to obtain title insurance, clear any
encumbrances to title, survey property and carry out other title work and otherwise to carry out
the provisions of this Ordinance.

Section 15. Modifications, Changes and Additions. The Mayor and Controller is each
hereby authorized to approve and make such modifications, changes or additions to the
Second Supplement to Trust Agreement, the Second Supplement to Property Lease, the
Second Supplement to Project Lease, the Continuing Disclosure Certificate or the Purchase
Contract, 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 Second Supplement to Trust Agreement, the Second Supplement to Property
Lease, the Second Supplement to Project Lease, the Continuing Disclosure Certificate or the
Purchase Contract. The Mayor’s or Controller’s approval of such modifications, changes or
additions shall be conclusively evidenced by the execution and delivery by the Mayor and the
Clerk of the Board or the Controller, as the case may be, of the Second Supplement to Trust
Agreement, the Second Supplement to Property Lease, the Second Supplement to Project
Lease, the Continuing Disclosure Certificate and the Purchase Contract.

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Section 16. Ratification of Prior Actions. All actions authorized and directed by this Ordinance and heretofore taken are hereby ratified, approved and confirmed by this Board.

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

By:  
KENNETH DAVID ROUX
Deputy City Attorney
File Number: 101159  Date Passed: October 26, 2010

Ordinance authorizing the execution and delivery of Certificates of Participation in an aggregate principal amount not to exceed $48,000,000 to finance the acquisition, construction, improvement and installation of certain street improvements and of various disability access improvement projects; approving the form of a Second Supplement to Trust Agreement between the City and County of San Francisco and the Trustee named therein (including certain indemnities contained therein); approving the form of a Second Supplement to Property Lease between the City, as lessor, and the Trustee, as lessee; approving the form of a Second Supplement to Project Lease between the Trustee, as lessor, and the City, as lessee; approving the form of an Official Notice of Sale and Notice of Intention to Sell for the Certificates of Participation, if sold by competitive sale; authorizing certain actions relating to the Certificates of Participation, if sold by negotiated sale; delegating to the Director of Public Finance the authority to sell the Certificates of Participation by either a competitive or negotiated sale; approving the form of a Purchase Contract between the City and the underwriter(s) selected in accordance herewith, if the Certificates of Participation are sold by negotiated sale; approving the form of an official statement in preliminary and final form; approving the form of a Continuing Disclosure Certificate; granting general authority to City officials to take necessary actions in connection with the authorization, issuance, sale and delivery of the Certificates of Participation; approving modifications to documents; and ratifying previous actions taken in connection therewith.

October 13, 2010 Budget and Finance Committee - RECOMMENDED

October 19, 2010 Board of Supervisors - PASSED, ON FIRST READING
Ayes: 11 - Alioto-Pier, Avalos, Campos, Chiu, Chu, Daly, Duffy, Elsbernd, Mar, Maxwell and Mirkarimi

October 26, 2010 Board of Supervisors - FINALLY PASSED
Ayes: 10 - Avalos, Campos, Chiu, Chu, Daly, Duffy, Elsbernd, Mar, Maxwell and Mirkarimi
Excused: 1 - Alioto-Pier
I hereby certify that the foregoing Ordinance was FINALLY PASSED on 10/26/2010 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

November 5, 2010
Date Approved

Mayor Gavin Newsom