[Approval of TEFRA Hearing for Proposed Loan - Asian Art Museum Foundation - Not to Exceed $98,400,000]

Resolution approving the TEFRA Hearing in accordance with Section 147(f) of Internal Revenue Code for proposed loan among JPMorgan Chase Bank, National Association, the California Enterprise Development Authority, and the Asian Art Museum Foundation.

WHEREAS, The Asian Art Commission of the City and County of San Francisco (the "Commission") is a commission of the City and County of San Francisco (the "City") organized and operating under the provisions of Article V of the San Francisco Charter (the "Charter") and is mandated by Charter Section 5.104 to develop and administer the museum currently known as the Asian Art Museum of San Francisco (the "Museum") and located in the City and County of San Francisco (the "City"); and;

WHEREAS, To facilitate the development and administration of the Museum, the Commission and the Asian Art Museum Foundation (the "Foundation") entered into a Museum Project Facilitation Agreement (the "Project Agreement"), dated September 8, 2000; and;

WHEREAS, Pursuant to the Project Agreement, Bonds were issued and the proceeds thereof were loaned to the Foundation to finance the renovation and development of an existing building to provide the Museum facility; and;

WHEREAS, The California Enterprise Development Authority ("Authority") has agreed to provide a Loan (the "Loan") to the Borrower in an amount not to exceed $98,400,000 to retire the currently outstanding California Infrastructure and Economic Development Bank Variable Rate Revenue Bonds, Series 2005 (Asian Art Museum Foundation of San Francisco) (the "Project"), simultaneously with the execution of the proposed Loan Agreement; and;
WHEREAS, The City and County of San Francisco (the "City") is a member of the Authority; and,

WHEREAS, The execution of the Loan Agreement shall be subject to the approval of and execution by the Authority of all financing documents relating thereto to which the Authority is a party; and,

WHEREAS, The Project is located wholly within the City; and,

WHEREAS, The interest on the Loan may qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") only if the Loan is approved in accordance with Section 147(f) of the Code; and,

WHEREAS, The Board of Supervisors of the City (the "Board") is the elected legislative body of the City and is one of the applicable elected representatives required to approve the issuance and execution of the Loan Agreement within the meaning of Section 147(f) of the Code; and,

WHEREAS, The Authority has requested the Board to approve the issuance and execution of the Loan Agreement in order to satisfy the public approval requirements of Section 147(f) of the Code and the provisions of the Joint Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act") and a Joint Exercise of Powers Agreement, dated June 1, 2006 (the "Joint Powers Agreement"), among the cities of Eureka, Lancaster and Selma and other public agencies who have and may subsequently become associate members of Authority thereto (the "Agreement"); and,

WHEREAS, On January 12, 2011, the City caused a notice to appear in the San Francisco Examiner, which is a newspaper of general circulation in the City, stating that a
public hearing with respect to the issuance of the Loan would be held by the City’s Office of
Public Finance on January 26, 2011; and

WHEREAS, The Office of Public Finance held the public hearing described above on
January 26, 2011, and an opportunity was provided for persons to comment on the issuance
and execution of the Loan Agreement and the plan of financing for the Project; now, therefore
be it

RESOLVED, That this Board hereby finds and declares the above recitals are true and
correct; and, be it

FURTHER RESOLVED, That this Board hereby approves the issuance and execution
of the Loan Agreement by the Authority for the purposes of financing and/or refinancing the of
the Project; and, be it

FURTHER RESOLVED, That it is the purpose and intent of this Board that this
Resolution constitute approval by the applicable elected representative of the governmental
unit having jurisdiction over the area in which the Project is located for the purposes of and in
accordance with Section 147(f) of the Code and Article IV of the Agreement; and, be it

FURTHER RESOLVED, That the approval of the issuance and execution of the Loan
Agreement by the Authority is neither an approval of the underlying credit issues of the
proposed Project nor an approval of the financial structure of the Loan Agreement; and, be it

FURTHER RESOLVED, That the Loan Agreement shall not constitute a debt or
obligation of the City and the payment of the principal, prepayment premium, if any, and
interest on the Loan shall be solely the responsibility of Borrower; and, be it

FURTHER RESOLVED, The adoption of this Resolution shall not obligate (i) the City to
provide financing to the Borrower for the acquisition, rehabilitation and development of the
Project or to issue the Loan for purposes of such financing; or (ii) the City, or any department
of the City, to approve any application or request for, or take any other action in connection
with, any environmental, General Plan, zoning or any other permit or other regulatory action
sought in connection with the Project; and, be it

    FURTHER RESOLVED, That this Resolution shall take effect immediately upon its
adoption.

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: Mark D. Blake
Deputy City Attorney
File Number: 110098  Date Passed: February 01, 2011

Resolution approving the TEFRA Hearing in accordance with Section 147(f) of Internal Revenue Code for proposed loan among JPMorgan Chase Bank, National Association, the California Enterprise Development Authority, and the Asian Art Museum Foundation.

February 01, 2011 Board of Supervisors - ADOPTED
Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

File No. 110098

I hereby certify that the foregoing Resolution was ADOPTED on 2/1/2011 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor Edwin Lee

2/1/11
Date Approved