[Agreements - Tax Exempt and Taxable Lease Revenue Commercial Paper Certificates of Participation - Not to Exceed $100,000,000]

Resolution authorizing the execution and delivery from time to time of Tax-Exempt (Series 3 and Series 4) and Taxable Lease Revenue Commercial Paper Certificates of Participation (Series 3-T and Series 4-T), in a aggregate principal amount not to exceed $100,000,000, to provide interim financing for certain City capital projects; and approving and authorizing execution of a trust agreement, a site lease, a sublease, a letter of credit, and reimbursement agreement, a fee agreement and certain other financing documents, and authorizing other related actions.

WHEREAS, Pursuant to Section 9.113(e) of the Charter the Board of Supervisors is has the power to borrow money through the issuance of commercial paper; and

WHEREAS, On March 17, 2009 the Board of Supervisors adopted Resolution 85-09, and on April 6, 2010 the Board of Supervisors adopted Resolution 135-06 (the “Program Resolutions”) to establish a general fund backed commercial paper program (the “Program”) with an authorization of not to exceed $150,000,000 in aggregate principal amount of tax-exempt or taxable Commercial Paper Certificates, a portion of the proceeds of which will be applied toward the interim financing of the acquisition, construction and rehabilitation of capital improvements within or owned by the City, and the financing of vehicles and equipment (herein the “Capital Projects”); and

WHEREAS, For the purposes of increasing the authorization of the Program to $250,000,000 from $150,000,000, the City has determined to cause to be executed and delivered, under and pursuant to the provisions of the Trust Agreement and the Delivery and Paying Agent Agreement (as such terms are hereinafter defined), its Tax-Exempt Lease
Paying Agent Agreement (as such terms are hereinafter defined), its Tax-Exempt Lease Revenue Commercial Paper Certificates of Participation, Series 3 and Series 4, and its Taxable Lease Revenue Commercial Paper Certificates of Participation, Series 3-T and 4-T (collectively, the "Commercial Paper Certificates") in the aggregate principal amount not to exceed $100,000,000, which will be sufficient, among other things (i) to pay costs of the Capital Projects; (ii) to fund capitalized interest with respect to the Commercial Paper Certificates; (iii) to fund Capitalized Fees and Expenses (as defined in the Trust Agreement); and (iv) to pay costs incurred in connection with the sale and delivery of the Commercial Paper Certificates; and

WHEREAS, The City has also determined to provide authorization to the Mayor to utilize the Program to provide emergency funding to protect the lives, property or welfare of the City in the event of an emergency declared under Section 3.100 (14) of the Charter; and

WHEREAS, Pursuant to a Site Lease (the "Site Lease"), the City, as lessor, will lease the property described therein, including the improvements located thereon (collectively, the "Property") to the Trustee, as lessee, and, in return therefor, U.S. Bank National Association, as trustee (the "Trustee") will apply, or caused to be applied, a portion of the proceeds of the Commercial Paper Certificates to the acquisition, construction and rehabilitation of the Capital Projects; and

WHEREAS, Pursuant to a Sublease (the "Sublease"), the Trustee will lease-back the Property to the City, and the City, pursuant to the Sublease, will pay to the Trustee base rental lease payments (the "Base Rental Payments") for the use and occupancy of the Property, which Base Rental Payments will be used to (i) reimburse the Bank (as hereinafter defined) or other credit support provider for payments made by the Bank under a Credit Facility (as hereinafter defined) with respect to the Commercial Paper Certificates or (ii) if necessary, make payments on the Commercial Paper Certificates; and
WHEREAS, The payment of principal of and interest on the Commercial Paper Certificates will be supported by an irrevocable direct pay letter of credit (the "Credit Facility") issued by State Street Bank and Trust Company or another financial institution or institutions selected by the Controller (the "Bank") pursuant to the terms of a letter of credit and reimbursement agreement (the "Reimbursement Agreement") between the City, and the Bank, including the terms of a Fee Agreement related thereto; and

WHEREAS, The Commercial Paper Certificates will be placed initially by one or more banks (each, a "Dealer") to be selected pursuant to the terms of a request for qualifications issued by the Director of Public Finance; and

WHEREAS, This Board has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City; now, therefore, be it,

RESOLVED, By the Board of Supervisors of the City and County of San Francisco as follows:

Section 1. Delivery of Certificates; Approval of Trust Agreement; Approval of Issuing and Paying Agent Agreement. The Board hereby authorizes an increase in the authorization of the Program to $250,000,000 in aggregate principal amount of Commercial Paper Certificates to be outstanding from time to time, and the execution and delivery of the Commercial Paper Certificates from time to time in an aggregate total principal amount of not to exceed $100,000,000 hereunder for the purpose of providing moneys which will be sufficient, among other things (i) to pay costs of the Capital Projects; (ii) to provide funding for emergencies declared by the Mayor under Section 3.100 (14) of the Charter to protect the lives, property or welfare of the City; (iii) to fund capitalized interest with respect to the Certificates (as defined in the Trust Agreement); (iv) to fund Capitalized Fees and Expenses (as defined in the Trust Agreement); and (v) to pay costs incurred in connection with the sale and delivery of the Commercial Paper Certificates; provided, however, that the interest rate on
any Commercial Paper Certificate shall not exceed the maximum rate permitted by law, and
the Commercial Paper Certificates shall mature not later than 270 days from the date of
issuance although each certificate may be marketed for a subsequent period(s) also not to
exceed 270 days. The Commercial Paper Certificates shall be executed and delivered
pursuant to a Trust Agreement (the "Trust Agreement") between the City and the Trustee, and
the Delivery and Paying Agent Agreement (the "Delivery and Paying Agent Agreement")
between the City and the Trustee, acting as delivery and paying agent. This Board hereby
approves the Trust Agreement and the Delivery and Paying Agent Agreement in the forms on
file with the Clerk of the Board, together with such additions thereto and changes therein as
the Controller (the "Controller") shall deem necessary, desirable or appropriate upon
consultation with the City Attorney, the execution of which by the City shall be conclusive
evidence of the approval of any such additions and changes. The Controller and the Director
of the Office of Public Finance (each, a "Designated Officer"), each acting alone, are hereby
authorized to execute the final form of the Trust Agreement and the final form of the Delivery
and Paying Agent Agreement for and in the name and on behalf of the City. This Board
hereby authorizes the performance by the City of its obligations under the Trust Agreement
and the Delivery and Paying Agent Agreement.

Section 2. Approval of Financing Documents. This Board hereby approves the form of
the Sublease and the form of the Site Lease, in each case in the form on file with the Clerk of
the Board, together with such additions thereto and changes therein as the Controller shall
deem necessary, desirable or appropriate upon consultation with the City Attorney, the
execution of which by the City shall be conclusive evidence of the approval of any such
additions and changes. The properties that may be leased under the Sublease and the Site
Lease include, but are not limited to, one or more of the following properties of the City:
Firehouse 9, located at 2245 Jerrold Avenue (Lots 4 & 6, Block 5286A); Firehouse 10, located
Section 3. Approval of Reimbursement Agreement and Fee Agreement. This Board hereby approves the form of the Reimbursement Agreement and the form of the fee agreement related thereto (the Fee Agreement), in the forms on file with the Clerk of the Board, together with such additions thereto and changes therein as the Controller shall deem necessary, desirable or appropriate upon consultation with the City Attorney, the execution of which by the City shall be conclusive evidence of the approval of any such additions and changes. The Designated Officers, each acting alone, are hereby authorized to execute the final form of the Reimbursement Agreement and Fee Agreement, with the Bank, for and in the name of and on behalf of the City. This Board hereby authorizes the performance by the City of its obligations under the Reimbursement Agreement and the Fee Agreement.

Notwithstanding anything herein to the contrary, the term of the Credit Facility shall not be less than one year, the interest on any unreimbursed draws on the Credit Facility shall not exceed 12%, and the fees paid for any Credit Facility shall not exceed 2.1% per year of the commitment available under the Credit Facility and the Reimbursement Agreement.

Section 4. Dealer Agreement. This Board hereby authorizes and directs the Designated Officers to negotiate a Dealer Agreement with one or more Dealers on such terms on such terms as the Controller and the Director of the Office of Public Finance shall deem necessary, advisable or appropriate upon consultation with the City Attorney.
Section 5. **Offering Memorandum.** This Board hereby approves the form of the Offering Memorandum to be used with respect to the sale from time to time of the Commercial Paper Certificates, on file with the Clerk of the Board, together with such additions thereto and changes therein as the Controller shall deem necessary, desirable or appropriate upon consultation with the City Attorney, the execution of which by the City shall be conclusive evidence of the approval of any such additions and changes to the Offering Memorandum.

Section 6. **Extension of Credit Facility.** The Board hereby delegates the authority to the Designated Officers, each acting alone, to execute and deliver one or more extensions to the Credit Facility or the commitment available under the Credit Facility and the Reimbursement Agreement for any duration of time that they deem necessary, advisable or prudent, provided that no such extension shall (i) increase the principal amount of Commercial Paper Certificates authorized hereunder, or (ii) require an annual fee in excess of 2.1% per year of the commitment available under the Reimbursement Agreement without the approval of this Board. In connection with obtaining such extension, the Designated Officers shall be authorized to execute such amendments or modifications as are necessary or advisable to obtain such extensions, provided that such amendments or modifications reflect customary provisions in letter of credit and reimbursement agreements being executed at the time the extension is obtained.

Section 7. **Source of Repayment.** Notwithstanding anything herein to the contrary, if the ultimate source of repayment of the Commercial Paper Certificates delivered for Capital Projects are bonds, notes, other indebtedness or certificates of participations (the “Indebtedness”) that are payable from or secured by funds or monies other than the General Fund of the City, then in such event, prior to drawing on the proceeds of Commercial Paper Certificates to fund such Project, all approvals required for the issuance of said Indebtedness shall have been obtained, including any prior approval by this Board of Supervisors. This
paragraph 7 shall not apply to drawings under the program for emergencies declared by the Mayor under Section 3.100 (14) of the City Charter.

Section 8. Official Actions. The Controller, the Director of the Office of Public Finance, the Clerk of the Board and any and all other officers of the City are hereby authorized, for and in the name of and on behalf of the City, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and sale of the Commercial Paper Certificates and the consummation of the transactions as described herein, including without limitation, such documents, assignments, certificates and agreements as may be required by the Trust Agreement, the Delivery and Paying Agent Agreement, the Sublease, the Site Lease, the Dealer Agreement, the Reimbursement Agreement or the Fee Agreement. Any authority delegated under this resolution to a specified official may also be exercised by either the Controller or by the specified official's authorized designee.

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

By: [Signature]
MARK D. BLAKE
Deputy City Attorney

n:\fnancias\2013\1300467\00853363.doc
Resolution authorizing the execution and delivery from time to time of Tax-Exempt (Series 3 and Series 4) and Taxable Lease Revenue Commercial Paper Certificates of Participation (Series 3-T and Series 4-T), in a aggregate principal amount not to exceed $100,000,000, to provide interim financing for certain City capital projects, and approving and authorizing execution of a trust agreement, a site lease, a sublease, a letter of credit, and reimbursement agreement, a fee agreement and certain other financing documents, and authorizing other related actions.

July 10, 2013 Budget and Finance Sub-Committee - RECOMMENDED

July 16, 2013 Board of Supervisors - ADOPTED
Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 130627

I hereby certify that the foregoing Resolution was ADOPTED on 7/16/2013 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved 7/16/2013