

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. 181016-136 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

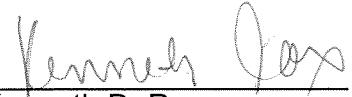
3 FURTHER RESOLVED, That the Mayor, Controller, and the Director of the Controller's  
4 Office of Public Finance (and designees thereof), employees and agents of the City are  
5 hereby authorized and directed, jointly and severally, subject to the terms of this Resolution,  
6 to do any and all things 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:   
Kenneth D. Roux  
Deputy City Attorney  
n:\financlas2018\9680110\01308054.docx

15

16

17

18

19

20

21

22

23

24

25



City and County of San Francisco

Tails  
Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

File Number: 180961

Date Passed: October 23, 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.

October 18, 2018 Budget and Finance Committee - RECOMMENDED AS COMMITTEE REPORT

October 23, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Cohen, Fewer, Kim, Mandelman, Peskin, Ronen, Safai, Stefani, Tang and Yee

File No. 180961

I hereby certify that the foregoing Resolution was ADOPTED on 10/23/2018 by the Board of Supervisors of the City and County of San Francisco.

for Angela Calvillo  
Clerk of the Board

London N. Breed  
Mayor

11/2/2018

Date Approved