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.

WHEREAS, The Peninsula Corridor Joint Powers Board (the "JPB") is a public entity duly established and organized under the laws of the State of California, which was created pursuant to a joint exercise of powers agreement (the "Joint Powers Agreement") entered into by the Santa Clara Valley Transportation Authority, formerly known as the Santa Clara County Transit District, the City and County of San Francisco, and the San Mateo County Transit District (each, a "Member Agency," and, collectively, the "Member Agencies"); and

WHEREAS, Pursuant to the Joint Powers Agreement, the JPB operates the Caltrain commuter rail service ("Caltrain") within the geographical boundaries of the Member Agencies; and

WHEREAS, Under the Joint Powers Agreement, each Member Agency is required to contribute to the operating costs of Caltrain and provide for the costs of capital projects in the manner set forth in the Joint Powers Agreement; and
WHEREAS, To facilitate operations and completion of capital projects, the JPB intends
to proceed with a comprehensive financing plan (the "Financing Plan"), which includes the
issuance of farebox revenue bonds and utilization of revolving lines of credit; and

WHEREAS, The JPB intends to issue farebox revenue bonds (the "Bonds") in an
aggregate principal amount not to exceed $62,000,000, a portion of the proceeds of which
JPB intends to apply to finance the purchase of two leased facilities housing Caltrain
operations; and

WHEREAS, In the event that the JPB is unable to acquire one or both of the leased
facilities, the JPB intends to apply proceeds of the Bonds to finance certain capacity and
system improvements, including electrical multiple unit vehicles ("EMUs") in addition to the
EMUs to be funded as a part of the current phase of the Peninsula Corridor Electrification
Project described below, platform modifications, wayside bicycle parking improvements,
installation of a broadband communication system and planning funds to support development
of plans and agreements to meet goals and service levels in the 2018 State Rail Plan (such
projects being hereinafter referred to as the "TIRCP Projects"); and

WHEREAS, The JPB also intends to apply a portion of the proceeds of the Bonds to
refund all of its outstanding farebox revenue bonds, comprised of $22,960,000 aggregate
principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2007
Series A and $11,000,000 aggregate principal amount of the Peninsula Corridor Joint Powers
Board Farebox Revenue Bonds, 2015 Series A; and

WHEREAS, The Bonds, which the JPB proposes to issue, will be issued pursuant to
Section 6500 et seq. of the Government Code of the State of California, as amended and
supplemented, and will be secured by and payable from farebox revenues, comprised of
passenger fares, parking, shuttle and pass revenues and other revenues collected from the
operation of Caltrain (collectively, the "Farebox Revenues"); and
WHEREAS, In order to electrify the Caltrain rail corridor running between San Francisco and the Tamien Station in San José (the "Peninsula Corridor") and convert a portion of the Caltrain diesel fleet to EMUs, the JPB has undertaken the Peninsula Corridor Electrification Project (the "PCEP"); and

WHEREAS, The JPB has advised that costs of the current phase of the PCEP are being provided from federal, state, regional and local sources, including, but not limited to, (i) grants from the federal government, (ii) funding made available pursuant to The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, commonly referred to as Proposition 1A ("Proposition 1A"), The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, commonly referred to as Proposition 1B ("Proposition 1B"), the Transit and Intercity Rail Capital Program (the "TIRCP") and the Caltrain Low Carbon Transit Operations Program, (iii) funding allocated by the Metropolitan Transportation Commission and the Bay Area Air Quality Management District, and (iv) funding allocated by the Member Agencies; and

WHEREAS, To pay costs of the current phase of the PCEP expected to be due and payable in advance of receipt of funds identified to pay such costs, in December 2016, the JPB secured a revolving line of credit (the "Existing Credit Facility") from an affiliate of JPMorgan Chase Bank, National Association in an amount not to exceed $150,000,000 outstanding at any one time; and

WHEREAS, In April 2018, the JPB secured an additional grant from the TIRCP (such grant being herein referred to as the "2018 TIRCP Grant"), and receipts of such 2018 TIRCP Grant to be applied to fund a portion of the TIRCP Projects; and

WHEREAS, In order to provide local match funds to enable the JPB to access the TIRCP Grant, the JPB and the provider of the Existing Credit Facility intend to increase the amount available to be drawn under the Existing Credit Facility by $20,000,000 to an amount
WHEREAS, The indebtedness incurred and to be incurred by the JPB under the Existing Credit Facility is secured by and payable from Farebox Revenues on a basis subordinate to payment of debt service on the Bonds and from receipts of the funds identified above, which will include receipts of the 2018 TIRCP Grant; and

WHEREAS, In order to enhance safety and prepare for the shared use of the Peninsula Corridor with the state high speed rail system currently under construction, the JPB is installing an advanced signal and train control system that includes federally-mandated safety improvements (such system being hereinafter referred to as the "PTC Project"); and

WHEREAS, The JPB has advised that the JPB currently expects that costs of the PTC Project will be funded from federal, state and local sources, including, but not limited to (i) grants from the federal government, (ii) funding made available pursuant to Proposition 1A and Proposition 1B, and (iii) funding allocated by the Member Agencies; and

WHEREAS, In order (i) to provide necessary funding with respect to the PTC Project, including costs of the PTC Project expected to be due and payable in advance of receipt of funds identified to pay such costs, and possibly other projects and (ii) to provide working capital for Caltrain system needs, the JPB also intends to secure an additional revolving credit facility in an amount not to exceed $30,000,000 outstanding at any one time, such revolving credit facility (the "Additional Credit Facility") to be provided by the provider of the Existing Credit Facility; and

WHEREAS, The indebtedness to be incurred by the JPB under the Additional Credit Facility is expected to be secured by and payable from Farebox Revenues on a basis subordinate to payment of debt service on the Bonds and from receipts of the funds identified above, including receipts of the funds identified above to pay costs of the PTC Project; and
WHEREAS, The JPB anticipates that the financing of the purchase of the leased
facilities and completion of the PCEP and the PTC Project will enable the JPB to (i) meet
current and future transportation demand between San José and San Francisco, (ii) offset
existing and future worsening roadway congestion, (iii) address continuing regional air quality
issues, (iv) reduce greenhouse gas emissions, (v) provide electrical infrastructure compatible
with contemplated future high-speed rail service and (vi) enhance safety throughout the
Caltrain system; and

WHEREAS, Pursuant to Section 6586.5 of the Government Code of the State of
Californian ("Section 6586.5"), each Member Agency within whose boundaries a public capital
improvement to be financed is located is required (i) to approve the financing and (ii) to make
a finding of significant public benefit in accordance with the criteria specified in Section 6586
of the Government Code of the State of California ("Section 6586") after holding a public
hearing; and

WHEREAS, The Board of Supervisors (this "Board") is the appropriate entity to
approve the proposed financing within the meaning of Section 6586.5, such financing being
comprised of (i) the issuance of Bonds in an amount not to exceed $62,000,000, (ii) an
increase in the amount available to be drawn under the Existing Credit Facility from an
amount not to exceed $150,000,000 outstanding at any one time to an amount not to exceed
$170,000,000 outstanding at any one time, such funds drawn under the Existing Credit
Facility to be applied for the purposes described herein, and (iii) execution and delivery of the
Additional Credit Facility in an amount not to exceed $30,000,000 outstanding at any one
time, funds drawn under the Additional Credit Facility to be applied for the purposes described
herein; and

WHEREAS, In its Reso. No. 181016-136 the Municipal Transportation Agency Board of
Directors recommended to this Board of Supervisors approval of this resolution; and
WHEREAS, In accordance with Section 6586.5, a notice was published in a newspaper of general circulation in the City and County of San Francisco (the "City") at least five (5) days prior to such public hearing stating that a public hearing would be conducted with respect to the proposed financing described herein; and

WHEREAS, This Board held a public hearing on October 18, 2018, at the Budget and Finance Committee, in accordance with the requirements of Section 6586.5; now, therefore, be it

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

FURTHER RESOLVED, That this Board approves the proposed financing to be undertaken by the JPB, comprised of (i) the issuance of Bonds in an amount not to exceed $62,000,000, (ii) the increase in the amount available to be drawn under the Existing Credit Facility from an amount not to exceed $150,000,000 outstanding at any one time to an amount not to exceed $170,000,000 outstanding at any one time and (iii) and execution and delivery of the Additional Credit Facility in an amount available to be drawn not to exceed $30,000,000 outstanding at any one time, and finds, in accordance with Section 6586.5, that (i) the undertaking of the indebtedness to be incurred by the JPB in connection with the proposed financing (the "Financing") for the purposes and as described herein will result in significant public benefits by making it possible to provide more frequent and/or faster Caltrain service to residential and commercial development within the geographic boundaries of the Member Agencies, including the City, and (ii) such enhanced service serves a public purpose; and, be it

FURTHER RESOLVED, That notwithstanding anything in this Resolution to the contrary, the City shall not be obligated to levy any form of taxes, and no credit, funds or property of the City shall be pledged by the City to provide for payment of the indebtedness or
any security for the indebtedness to be incurred by the JPB in connection with the Financing;
and, be it

FURTHER RESOLVED, That the Mayor, Controller, and the Director of the Controller's
Office of Public Finance (and designees thereof), employees and agents of the City are
hereby authorized and directed, jointly and severally, subject to the terms of this Resolution,
to do any and all things and to execute and deliver any and all documents that they deem
necessary or advisable in order to carry out, give effect to, and comply with the terms and
intent of this Resolution and the Financing approved under this Resolution.

APPROVED AS TO FORM:
DENNIS J. HERRERA
CITY ATTORNEY

By: Kenneth D. Roux
Deputy City Attorney

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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

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.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved