

FILE NO.

RESOLUTION NO.

1 [Airport Hotel Bonds]

2

3 **Resolution approving the issuance of up to \$243,000,000 aggregate principal**
4 **amount of San Francisco Airport Commission Capital Plan Bonds and \$225,000,000**
5 **aggregate principal amount of San Francisco Airport Commission Special Facility**
6 **Bonds to finance a hotel at San Francisco International Airport; authorizing the**
7 **execution and delivery of certain agreements related to such Bonds; and approving**
8 **certain related matters.**

9

10 WHEREAS, The Airport Commission (the "Commission"), by its Resolution No. 91-
11 0210, as supplemented and amended (the "1991 Resolution"), has authorized the
12 issuance of San Francisco International Airport Second Series Revenue Bonds (the
13 "Bonds") for any lawful purpose of the Commission; and,

14 WHEREAS, The Commission, by its Resolution No. 97-0146, as supplemented and
15 amended, has authorized the issuance of San Francisco International Airport Second
16 Series Subordinate Revenue Bonds (the "Subordinate Bonds"), for any lawful purpose of
17 the Commission; and,

18 WHEREAS, The Commission, by its Resolution No. 08-0035, as supplemented and
19 amended, has authorized the issuance from time to time of \$4,773,725,000 aggregate
20 principal amount of Bonds (the "Capital Plan Bonds") for the purpose of financing and
21 refinancing the construction, acquisition, equipping and development of capital projects
22 undertaken by the San Francisco International Airport (the "Airport") that are approved by
23 the Commission, including refunding outstanding Subordinate Bonds; and,

24 WHEREAS, The Board of Supervisors (the "Board") has adopted Resolutions Nos.
25 229-08, 50-11, 349-12 and 125-14 (the "Prior Board Resolutions") approving the issuance

1 of a \$3,190,030,773 aggregate principal amount of such Capital Plan Bonds to finance
2 Airport capital projects other than a Commission-owned hotel to be located at the Airport
3 (the “Hotel”); and

4 WHEREAS, The Commission, by its Resolution No. 15-_____ (as supplemented
5 and amended, the “Eighteenth Supplemental Resolution”), has authorized the issuance of
6 an additional \$243,000,000 aggregate principal amount of Capital Plan Bonds to finance
7 the Hotel (the “Airport Capital Plan Bonds”), which are presented for approval by the Board
8 in this Resolution; and,

9 WHEREAS, The Eighteenth Supplemental Resolution also designates the
10 proposed Hotel as a “Special Facility,” as defined in the 1991 Resolution, and authorizes
11 the issuance of \$225,000,000 aggregate principal amount of San Francisco International
12 Airport Special Facility Revenue Bonds (San Francisco International Airport Hotel) to
13 finance the Hotel (the “Hotel Special Facility Bonds”), pursuant to a Trust Agreement (the
14 “Trust Agreement”) between the Commission and [BANK], as trustee (the “Hotel Trustee”),
15 which Hotel Special Facility Bonds are also presented for approval by the Board in this
16 Resolution; and,

17 WHEREAS, In order to maintain the special facility status of the Hotel and finance
18 it at the lowest available interest rates, the Eighteenth Supplemental Resolution also
19 authorizes the Commission to combine the desirable features of the Airport Capital Plan
20 Bonds (which are secured and payable from Airport net revenues and can therefore be
21 sold to investors at the lowest available interest rates) and the Hotel Special Facility Bonds,
22 by selling the Airport Capital Plan Bonds to investors and purchasing the Hotel Special
23 Facility Bonds with the proceeds of the Airport Capital Plan Bonds; and,

24 WHEREAS, the successful operation of the Hotel also requires a bank to provide
25 commercial banking services including collecting and safeguarding Hotel revenues in a
lockbox account, all in accordance with a Cash Management and Lockbox Agreement by

1 and among the Commission, the Hotel operator and the Hotel Trustee (the “Lockbox
2 Agreement”); and

3 WHEREAS, The Commission, by its Resolution No. 15-_____ (the “Hotel Trustee
4 Resolution”), has authorized the appointment of [BANK] as Hotel Trustee for the Hotel
5 Special Facility Bonds and as depository bank and provider of customary commercial
6 banking services for the Hotel pursuant to the Lockbox Agreement; and,

7 WHEREAS, The Eighteenth Supplemental Resolution and the Hotel Trustee
8 Resolution have been submitted to this Board and are on file with the Clerk of the Board
9 in File No. _____, which is hereby declared to be a part of this resolution as if set
10 forth fully herein; and,

11 WHEREAS, The Trust Agreement and the Lockbox Agreement with the Hotel
12 Trustee will have an initial term of ten (10) years, with three (3) options to extend the term
13 for an additional ten (10) years at the discretion of the Airport in order to match the maturity
14 of the Hotel Special Facility Bonds, and Section 9.118 of the Charter requires Board
15 approval of any contract entered into by the Commission having a term in excess of ten
16 years; and,

17 WHEREAS, Section 4.115 of the Charter provides that the Airport Commission has
18 the exclusive authority to plan and issue airport revenue bonds for airport-related
19 purposes, subject to the approval, amendment, or rejection of the Board of each issue;
20 now, therefore, be it,

21 RESOLVED, That the Board of Supervisors hereby declares that each of the
22 foregoing recitals is true and correct and is a representation of the Board; and, be it

23 FURTHER RESOLVED, That the Eighteenth Supplemental Resolution and the
24 Hotel Trustee Resolution, each as adopted by the Commission, are hereby approved; and,
25 be it

1 FURTHER RESOLVED, That the additional authorized aggregate principal amount
2 of Capital Plan Bonds shall be \$243,000,000 and the total authorized aggregate principal
3 amount approved by the Prior Board Resolutions is hereby increased by \$243,000,000;
4 and, be it

5 FURTHER RESOLVED, That the Hotel Special Facility Bonds in the aggregate
6 principal amount of \$225,000,000 and the purchase of the Hotel Special Facility Bonds
7 with the proceeds of the additional Capital Plan Bonds approved by this Resolution as
8 provided in the Eighteenth Supplemental Resolution, are hereby approved; and, be it

9 FURTHER RESOLVED, That the appointment of [BANK] as Hotel Trustee for the
10 Hotel Special Facility Bonds, as provided in the Hotel Trustee Resolution, is hereby
11 approved, and that the Airport Director and other appropriate Airport officials are hereby
12 authorized to execute and deliver the Trust Agreement and the Lockbox Agreement with
13 the Hotel Trustee substantially in the forms approved by the Airport Director, with such
14 changes and additions as the Airport Director shall deem necessary or advisable in
15 consultation with the City Attorney, which changes and additions shall be conclusively
16 approved by such execution and delivery; and, be it

17 FURTHER RESOLVED, That the time for the sale of the Capital Plan Bonds and
18 the Hotel Special Facility Bonds, is hereby confirmed as June 30, 2020; and, be it

19 FURTHER RESOLVED, That the provisions of the Prior Board Resolutions, except
20 as modified therein and herein, are hereby ratified, approved, confirmed, and made
21 applicable to the additional Capital Plan Bonds and Hotel Special Facility Bonds approved
22 by this Resolution; and, be it

23 FURTHER RESOLVED, That should the application of any provision of this
24 Resolution to any particular facts or circumstances be found by a court of competent
25 jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this

1 Resolution shall not be affected or impaired thereby, and (b) such provision shall be
2 enforced to the maximum extent possible so as to effect the intent of this Resolution.

3 APPROVED AS TO FORM:
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5 DENNIS J. HERRERA
6 City Attorney

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8 By _____
9 Deputy City Attorney

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