

1 [Resolution Authorizing the Issuance of Special Tax Bonds – Community Facilities District No.
2 2014-1 (Transbay Transit Center) ---- Not to Exceed Aggregate Principal Amount of
3 \$220,000,000; Confirming Annexation of Properties into City and County of San Francisco
Community Facilities District No. 2014-1 (Transbay Transit Center)]

4 **Resolution authorizing the issuance and sale of one or more series of Special Tax**
5 **Bonds for City and County of San Francisco Community Facilities District No. 2014-1**
6 **(Transbay Transit Center) in the aggregate principal amount not to exceed**
7 **\$220,000,000, approving related documents, including an Official Statement, First**
8 **Supplement to Fiscal Agent Agreement, Bond Purchase Agreement and Continuing**
9 **Disclosure Undertaking, confirming annexation of properties into City and County of**
10 **San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center), and**
11 **determining other matters in connection therewith**

12
13 WHEREAS, On September 23, 2009, the Board of Supervisors considered and
14 adopted "Local Goals and Policies for Community Facilities Districts and Special Tax Districts"
15 ("Goals and Policies"), which Goals and Policies, among other things, relate to the formation
16 of community facilities districts under the Mello-Roos Community Facilities Act of 1982, as
17 amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section
18 53311) of the California Government Code ("Mello-Roos Act"); and

19 WHEREAS, On September 23, 2014, the Board of Supervisors considered and
20 adopted Resolution No. 350-14, entitled "Resolution of formation of City and County of San
21 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining
22 other matters in connection therewith" ("Resolution of Formation"), which Resolution of
23 Formation ordered the formation of the "City and County of San Francisco Community
24 Facilities District No. 2014-1 (Transbay Transit Center)" ("CFD") and the "City and County of
25 San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (Future

1 Annexation Area),” authorized the levy of special taxes upon the land within the CFD and
2 authorized the issuance of bonds and other debt (as defined in the Mello-Roos Act) secured
3 by said special taxes for the purpose of financing certain public improvements (“Facilities”), all
4 as described in those proceedings and all pursuant to the Mello-Roos Act; and

5 WHEREAS, Pursuant to Resolution No. 2-15, which was approved by the Board of
6 Supervisors on January 13, 2015 and signed by the Mayor on January 20, 2015 (“Original
7 Resolution of Issuance”), the Board of Supervisors authorized the issuance of up to
8 \$1,400,000,000 of bonded indebtedness and other debt on behalf of the CFD; and

9 WHEREAS, In the Original Resolution of Issuance, the Board of Supervisors approved
10 the form of a fiscal agent agreement and directed the Director of the Office of Public Finance
11 to return to the Board of Supervisors with a recommendation as to the method for selling one
12 or more series of the bonds, whether competitive or negotiated, and for approval of all related
13 sales documentation; and

14 WHEREAS, Pursuant to Resolution No. 247-17, which was approved by the Board of
15 Supervisors on June 13, 2017 and signed by the Mayor on June 22, 2017 (“First
16 Supplemental Resolution of Issuance”) and a Fiscal Agent Agreement, dated as of November
17 1, 2017 (“Master Fiscal Agent Agreement”), by and between the City and Zions Bank, a
18 Division of ZB, National Association (“Fiscal Agent”), the Board of Supervisors previously
19 issued the following special tax bonds on behalf of the CFD: City and County of San
20 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax
21 Bonds, Series 2017A (Federally Taxable) (“2017A Bonds”) and City and County of San
22 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax
23 Bonds, Series 2017B (Federally Taxable - Green Bonds) (“2017B Bonds”; together with the
24 2017A Bonds, “2017 Bonds”); and

25

1 WHEREAS, The Board of Supervisors now wishes to further supplement the Original
2 Resolution of Issuance to provide for the issuance of one or more additional series of special
3 tax bonds on a parity basis with the 2017 Bonds to finance a portion of the Facilities and
4 related costs and expenses; and

5 WHEREAS, There has been submitted to this Board of Supervisors a form of a First
6 Supplement to the Fiscal Agent Agreement between the City and the Fiscal Agent (“First
7 Supplement”; together with the Master Fiscal Agent Agreement, the “Fiscal Agent
8 Agreement”), which supplements the Master Fiscal Agent Agreement for the purposes of
9 issuing one or more additional series of special tax bonds, and this Board of Supervisors with
10 the aid of its staff has reviewed the First Supplement and found it to be in proper order; and

11 WHEREAS, There has also been submitted to this Board of Supervisors a form of
12 preliminary Official Statement in connection with the marketing of such bonds and this Board
13 of Supervisors, with the aid of its staff, has reviewed the preliminary Official Statement to
14 assure disclosure of all material facts relating to such bonds; and

15 WHEREAS, The Board of Supervisors has obtained and disclosed in the staff report for
16 this matter the information required to be disclosed by Government Code Section 5852.1; and

17 WHEREAS, All conditions, things and acts required to exist, to have happened and to
18 have been performed precedent to and in the issuance of the special tax bonds and the levy
19 of the special taxes as contemplated by this Resolution and the documents referred to herein
20 exist, have happened and have been performed in due time, form and manner as required by
21 the laws of the State of California, including the Mello-Roos Act; and

22 WHEREAS, In the Resolution of Formation, this Board of Supervisors resolved that
23 parcels within the Future Annexation Area shall be annexed to the CFD only with the
24 unanimous approval (each, a “Unanimous Approval”) of the owner or owners of each parcel or
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1 parcels at the time that parcel or those parcels are annexed, without any requirement for
2 further public hearings or additional proceedings; and,

3 WHEREAS, This Board of Supervisors was previously provided with Unanimous
4 Approvals executed by the owners of certain property in the Future Annexation Area
5 (“Annexation Properties”) and this Board of Supervisors wishes to confirm the annexation of
6 such Annexation Properties; now, therefore, be it

7 RESOLVED, That the foregoing recitals are true and correct; and, be it

8 FURTHER RESOLVED, That pursuant to the Mello-Roos Act, this Resolution and the
9 Fiscal Agent Agreement, one or more series of special tax bonds, in an aggregate principal
10 amount not to exceed \$220,000,000, are hereby authorized to be issued (collectively,
11 “Bonds”); and, be it

12 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the issuance
13 of the Bonds is in compliance with the Mello-Roos Act and applicable provisions of the Goals
14 and Policies. More specifically, this Board of Supervisors hereby makes the following
15 determinations:

16 (i) The rate and method of apportionment of special taxes for the District is in
17 compliance with the Goals and Policies.

18 (ii) Section 53345.8 of the Mello-Roos Act requires, with certain exceptions, that
19 the value of the real property subject to special taxes levied in the CFD must be at least
20 three times the principal amount of the Bonds and the principal amount of all other
21 bonds that will be outstanding following issuance of the Bonds that are secured by a
22 special tax levied pursuant to the Mello-Roos Act on property within the CFD or a
23 special assessment levied on property within the CFD, and this Board of Supervisors
24 hereby determines that the assessed value of the property within the CFD is at least
25 three times (i) the maximum initial principal amount of the Bonds authorized by this

1 Resolution and (ii) the outstanding principal amount of all other outstanding bonds that
2 are secured by a special tax or special assessment levied on property within the CFD;
3 and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
5 the First Supplement, in substantially the form on file with the Clerk of the Board of
6 Supervisors. Each of the Mayor, the Controller and the Director of the Office of Public
7 Finance, or such other official of the City as may be designated by such officials (each, an
8 "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the Clerk
9 of the Board of Supervisors is hereby authorized and directed to attest to, the First
10 Supplement in substantially the form on file with the Clerk of the Board of Supervisors,
11 together with such additions or changes as are approved by such Authorized Officer upon
12 consultation with the City Attorney and the City's bond counsel, including such additions or
13 changes as are necessary or advisable to permit the timely issuance, sale and delivery of the
14 Bonds. The approval of such additions or changes shall be conclusively evidenced by the
15 execution and delivery by an Authorized Officer of the First Supplement. The proceeds of the
16 Bonds shall be used as set forth in the Fiscal Agent Agreement. The terms and provisions of
17 the First Supplement, as executed, are incorporated herein by this reference as if fully set
18 forth herein; and, be it

19 FURTHER RESOLVED, That this Board of Supervisors hereby approves the Official
20 Statement prepared in connection with the Bonds in the form on file with the Clerk of the
21 Board of Supervisors, together with any changes therein or additions thereto deemed
22 advisable by an Authorized Officer after consultation with the City's disclosure counsel. The
23 Board hereby approves and authorizes the distribution by the Underwriter (defined below) of
24 the Bonds of the preliminary Official Statement to prospective purchasers of the Bonds, and
25 authorizes and directs an Authorized Officer on behalf of the City to deem the preliminary

1 Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934
2 ("Rule") prior to its distribution to prospective purchasers of the Bonds. The execution of the
3 final Official Statement, which shall include then current financial information regarding the
4 CFD and such other changes and additions thereto deemed advisable by an Authorized
5 Officer and such information permitted to be excluded from the preliminary Official Statement
6 pursuant to the Rule, shall be conclusive evidence of the approval of the Official Statement by
7 the City; and, be it

8 FURTHER RESOLVED, That this Board of Supervisors hereby approves the form of
9 the continuing disclosure undertaking ("Continuing Disclosure Undertaking") with respect to
10 the Bonds in the form thereof attached to the Official Statement on file with the Clerk of the
11 Board of Supervisors. An Authorized Officer is hereby authorized and directed to complete
12 and execute the Continuing Disclosure Undertaking on behalf of the City with such changes,
13 additions or deletions as may be approved by the Authorized Officer in consultation with the
14 City's disclosure counsel; and, be it

15 FURTHER RESOLVED, That the form of the Bond Purchase Agreement ("Purchase
16 Contract") providing for the sale of the Bonds by the City to Stifel, Nicolaus & Company,
17 Incorporated and any other investment banking firms identified by the Director of the Office of
18 Public Finance, as underwriters (collectively, "Underwriter"), on file with the Clerk of the Board
19 is hereby approved and each of the Authorized Officers is hereby authorized to execute the
20 Purchase Contract in the form so approved, with such additions thereto and changes therein
21 as are necessary to conform the Purchase Contract to the dates, amounts and interest rates
22 applicable to the Bonds as of the sale date or as are approved by an Authorized Officer upon
23 consultation with the City Attorney and the City's bond counsel; provided that the interest rate
24 borne by each series of Bonds shall not exceed the maximum rate permitted by law and the
25 maximum amount of Underwriter's discount on the sale of each series of Bonds may not

1 exceed 1.0% of the par amount of such series of Bonds. Approval of such additions and
2 changes shall be conclusively evidenced by the execution and delivery of the Purchase
3 Contract by an Authorized Officer. This Board of Supervisors hereby finds that sale of the
4 Bonds to the Underwriter at a negotiated sale pursuant to the Purchase Contract will result in
5 a lower overall cost than would be achieved by selling the Bonds utilizing competitive bidding;
6 and, be it

7 FURTHER RESOLVED, That the Bonds shall be prepared, executed and delivered to
8 the Fiscal Agent for authentication, all in accordance with the terms of the Fiscal Agent
9 Agreement and the Purchase Contract. The Fiscal Agent, an Authorized Officer and other
10 responsible officers of the City are hereby authorized and directed to take such actions as are
11 required to cause the delivery of the Bonds upon receipt of the purchase price thereof; and,
12 be it

13 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
14 authorized to determine, after consultation with the City's bond counsel, municipal advisors
15 and the Underwriter, (i) the name of the Bonds, (ii) whether all or a portion of one or more
16 series of Bonds shall be designated as "green bonds," (iii) the final principal amount of each
17 series of the Bonds and (iv) whether each series of the Bonds will be issued as tax-exempt or
18 taxable bonds; and, be it

19 FURTHER RESOLVED, That this Board of Supervisors hereby confirms that the
20 Annexation Properties, namely Assessor's Parcel Number(s) 3718-012, were previously
21 annexed to the CFD and hereby acknowledges that the Clerk of the Board previously caused
22 to be recorded an amendment to the Notice of Special Tax Lien recorded for the CFD in
23 connection to the Annexation Properties; and, be it

24 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
25 the City (including, but not limited to, the Authorized Officers) with respect to the

1 establishment of the CFD, the annexation of properties to the CFD, the levy of the special tax
2 and the issuance of the Bonds are hereby approved, confirmed and ratified, and the
3 appropriate officers of the City are hereby authorized and directed to do any and all things and
4 take any and all actions and execute any and all certificates, agreements and other
5 documents, which they, or any of them, may deem necessary or advisable in order to
6 accomplish the purposes of this Resolution and consummate the lawful issuance and delivery
7 of the Bonds in accordance with this Resolution, any determination authorized by this
8 Resolution, and any certificate, agreement, and other document described in the documents
9 herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be
10 taken by such Authorized Officer or any designee, with the same force and effect as if taken
11 by the Authorized Officer; and, be it

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

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

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17 By: _____
18 Mark D. Blake
19 Deputy City Attorney

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