

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 22-0180

AUTHORIZATION OF THE AIRPORT COMMISSION TO SELL AN ADDITIONAL \$490,865,000 AGGREGATE PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE BONDS FOR CAPITAL PLAN PURPOSES AND AN ADDITIONAL \$377,315,000 AGGREGATE PRINCIPAL AMOUNT OF PREVIOUSLY APPROVED SAN FRANCISCO INTERNATIONAL AIRPORT SECOND SERIES REVENUE REFUNDING BONDS

WHEREAS, on December 3, 1991, by Resolution No. 91-0210 (as previously supplemented and amended, the 1991 Resolution), the Airport Commission of the City and County of San Francisco (Commission) provided for the issuance of San Francisco International Airport Second Series Revenue Bonds; and

WHEREAS, the 1991 Resolution provides for the issuance by the Commission from time to time of its San Francisco International Airport Second Series Revenue Bonds for any lawful purpose of the Commission (1991 Resolution Bonds); and

WHEREAS, on October 6, 2020, by Resolution No. 20-0182, the Commission adopted its amended Debt Policy (Debt Policy); and

WHEREAS, the 1991 Resolution authorizes the issuance of up to \$10,826,725,000 aggregate principal amount of 1991 Resolution Bonds to finance and refinance the construction, acquisition, equipping and development of capital projects undertaken by the Airport (Capital Plan Bonds), of which \$4,249,535,000 aggregate principal amount of Capital Plan Bonds remains authorized but unissued; and

WHEREAS, the Board of Supervisors of the City and County of San Francisco (Board), by its Resolution Nos. 229-08, 50-11, 349-12, 125-14, 433-15, 156-17, 269-17, and 44-20 has approved the issuance of up to \$10,826,725,000 aggregate principal amount of the Capital Plan Bonds; and

WHEREAS, by Resolution Nos. 09-0137, 10-0307, 13-0013, 14-0147, 16-0226, 17-0237, 18-0089, 18-0090, 18-0384, 19-0172, and 21-0228 adopted on June 2, 2009, October 5, 2010 (Resolution 10-0307), January 30, 2013, July 22, 2014, August 23, 2016, October 3, 2017, April 3, 2018, December 4, 2018, July 16, 2019, and December 7, 2021, respectively (collectively, the Prior Capital Plan Bond Sale Resolutions), the Commission has authorized the sale of \$6,673,010,000 aggregate principal amount of the Capital Plan Bonds, of which \$6,576,955,000 aggregate principal amount has been issued and sold to date and \$96,055,000 remains authorized but unissued; and

WHEREAS, the Commission now desires to amend the Prior Capital Plan Bond Sale Resolutions to authorize the issuance and sale by the Commission of an additional \$490,865,000 aggregate principal amount of Capital Plan Bonds; and

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WHEREAS, proceeds of the Capital Plan Bonds will be used to fund (1) construction costs of projects that either do not require environmental review or have already undergone all necessary environmental review and received Commission approval to proceed, and (2) planning and development costs necessary to prepare other projects for environmental review and the necessary approvals; and

WHEREAS, by Resolution Nos. 98-0114, 02-0010, 03-0220, 04-0220, 05-0181, 08-0152, 10-0307, 16-0025, and 18-0109, adopted on May 19, 1998, January 8, 2002, October 21, 2003, November 2, 2004, October 11, 2005, August 19, 2008, October 5, 2010, January 19, 2016, and April 24, 2018, respectively, the Commission has previously authorized the issuance of up to \$11,060,000,000 aggregate principal amount of Second Series Revenue Refunding Bonds (Refunding Bonds) for the purpose of refunding outstanding 1991 Resolution Bonds and Subordinate Bonds and related obligations, of which \$1,389,575,000 aggregate principal amount of Refunding Bonds remains authorized but unissued; and

WHEREAS, the Board, by its Resolution Nos. 583-98, 811-00, 113-02, 800-03, 733-04, 235-07, 471-08, 50-11, and 305-18, has approved the issuance of up to \$11,060,000,000 aggregate principal amount of Refunding Bonds; and

WHEREAS, by Resolution Nos. 16-0025, 17-0237, 19-0172, 20-0120, 21-0049, and 21-0228 adopted on January 19, 2016, October 3, 2017, July 16, 2019, July 7, 2020, March 16, 2021, and December 7, 2021 respectively (collectively, Prior Refunding Bond Sale Resolutions), the Commission authorized the sale of \$3,604,295,000 aggregate principal amount of the Refunding Bonds, of which \$2,650,980,000 aggregate principal amount has been sold to date and \$953,315,000 remains authorized but unissued; and

WHEREAS, the Commission now desires to amend the Prior Refunding Bond Sale Resolutions to approve the sale of an additional \$377,315,000 aggregate principal amount of the Refunding Bonds; and

WHEREAS, on August 23, 2018, after a Request for Qualifications process, the City Controller's Office established a pool of 33 banks pre-qualified to provide bond underwriting, variable rate bond remarketing, and commercial paper dealer services to all City Departments, including the Airport Commission (Citywide Investment Banking Pool); and

WHEREAS, on June 15, 2020, the City Controller's Office reopened the Request for Qualifications process to allow for potential additional firms to join the pool and extended the Citywide Investment Banking Pool until July 29, 2022; and

WHEREAS, the Forty-Seventh Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency Dated February 25, 2020, signed by the Mayor of the City on April 12, 2022, authorized the City Controller's Office to extend the Citywide Investment Banking Pool until June 30, 2023; and

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- WHEREAS, on June 1, 2021, by Resolution No. 21-0131, the Commission authorized the Airport Director to sell Capital Plan Bonds and Refunding Bonds to any bank in the Citywide Investment Banking Pool in a negotiated sale and again wishes to confirm such authorization; and
- WHEREAS, on April 24, 2018, by Resolution No. 18-0110 (Direct Purchase Resolution), the Commission authorized the Airport Director to negotiate with one or more commercial banks or other similar investors to directly purchase one or more series of 1991 Resolution Bonds (a Direct Purchase Transaction); and
- WHEREAS, on November 1, 2022, by Resolution No. 22-0169, the Commission established a pool of pre-qualified financial institutions to provide liquidity and credit support for the variable rate 1991 Resolution Bonds or enter into a Direct Purchase Transaction with the Commission (individually, a Bank, and collectively, the Pool of Banks) effective as of December 4, 2022; and
- WHEREAS, the Commission desires to authorize the Airport Director to select and appoint such Banks as Credit Providers or Liquidity Providers and such Banks and their respective affiliates as purchasers of the Capital Plan Bonds and Refunding Bonds in a Direct Purchase Transaction; and
- WHEREAS, in connection with the sale of Capital Plan Bonds and Refunding Bonds, it may be beneficial for the Commission to combine in one or more series of bonds both Capital Plan Bonds and Refunding Bonds with the allocation between Capital Plan Bonds and Refunding Bonds to be set forth in a Certificate of Additional Terms; and
- WHEREAS, in Resolution No. 50-11, the Board provided, among other things, that the Commission may only sell Refunding Bonds if the expected net present value savings from the issuance of the Refunding Bonds is at least equal to three percent (3%) of the principal amount of the bonds to be refunded, except as otherwise provided in the Debt Policy; and
- WHEREAS, the Debt Policy provides that bonds may be issued to pay extraordinary unfunded costs of the Commission, including swap termination payments; and
- WHEREAS, the Commission has determined that it is in its best interests to authorize: (1) the sale of a portion of the aggregate principal amount of the Refunding Bonds to restructure scheduled debt service by (a) refunding the Commission's outstanding Series 2010A Bonds in order to convert such bonds from a variable to a fixed interest rate structure; and (b) the termination of related swap agreement or agreements entered into in connection with the Series 2010A Bonds; and (2) sell the remainder of the Refunding Bonds to refund other outstanding 1991 Resolution Bonds; and
- WHEREAS, Resolution No. 08-0185, adopted by the Commission on October 7, 2008, and Resolution No. 10-0307, adopted by the Commission on October 5, 2010, delegated authority to the Airport Director to terminate any existing Swap Transaction; now, therefore, be it

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RESOLVED, that this Commission authorizes the following:

Section 1. Defined Terms. All capitalized terms used but not defined in this Resolution shall have the meanings assigned to them in the 1991 Resolution.

Section 2. Commission Findings. The Commission finds and determines as follows:

- (a) The above recitals are true and correct.
- (b) Sufficient unencumbered balances are expected to be available in the proper funds and accounts of the Airport to meet all payments due under the Capital Plan Bonds and the Refunding Bonds as they become due.
- (c) In accordance with Section 2.02 of the 1991 Resolution, it is desirable to authorize the negotiated sale of Capital Plan Bonds and Refunding Bonds in accordance with Section 3 and Section 4 of this Resolution in order to accomplish the timely sale of the Capital Plan Bonds and the Refunding Bonds in accordance with the Commission's Debt Policy.

Section 3. Amendment of Prior Capital Plan Bond Sale Resolutions. The Prior Capital Plan Bond Sale Resolutions are amended and supplemented as follows:

- (a) The aggregate principal amount of Capital Plan Bonds authorized by the Prior Capital Plan Bond Sale Resolutions is hereby amended to provide a maximum bond authorization of \$7,163,875,000, representing an increase of \$490,865,000 of Capital Plan Bonds authorized to be sold under the 1991 Resolution;
- (b) The Airport Director is hereby authorized to sell Capital Plan Bonds to: (1) any member of the Citywide Investment Banking Pool in a negotiated sale, or (2) any member of the Pool of Banks or their affiliates in a Direct Purchase Transaction; and
- (c) All other terms of the Capital Plan Bonds in the Prior Capital Plan Bond Sale Resolutions, including maximum maturity and maximum interest rates, as previously amended, are confirmed.

Section 4. Amendment of Prior Refunding Bond Sale Resolutions. The Prior Refunding Bond Sale Resolutions are amended and supplemented as follows:

- (a) The aggregate principal amount of Refunding Bonds authorized by the Prior Refunding Bond Sale Resolutions is hereby amended to provide a maximum refunding bond authorization of \$3,981,610,000, representing an increase of \$377,315,000 of Refunding Bonds authorized to be sold under the 1991 Resolution;
- (b) The Airport Director is hereby authorized to sell Refunding Bonds to: (1) any member of the Citywide Investment Banking Pool in a negotiated sale, or (2) any member of the Pool of Banks or their affiliates in a Direct Purchase Transaction; and

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- (c) All other terms of the Refunding Bonds in the Prior Refunding Bond Sale Resolutions, as previously amended, including maximum maturity, minimum savings requirements, authorization to terminate related swap agreements and to pay termination payments, if any, in order to restructure scheduled debt service and provisions of the Debt Policy relating to Refunding Bonds, are confirmed.

Section 5. Ratification of Prior Acts. The actions of the officers, agents, and employees of the Commission to carry out the purposes and intents of this resolution taken prior to the adoption of this resolution, including without limitation the Airport Director's selection of underwriters for the Capital Plan Bonds and the Refunding Bonds from the Citywide Investment Banking Pool, are ratified, approved, and confirmed.

Section 6. Disclosure Documents. The Airport Director and the other officers, agents, and employees of the Commission are authorized and directed to prepare and revise one or more preliminary, final and supplemental Official Statements, Private Placement Memoranda or other disclosure documents and amendments and supplements thereto (collectively, Disclosure Documents), with respect to the issuance and sale, from time to time, of the 1991 Resolution Bonds in accordance with the Commission's Disclosure Policies and Procedures adopted by Resolution No. 20-0182, as they may be amended from time to time (Disclosure Policies and Procedures); provided however that the Airport Director shall not authorize distribution of any pre-sale, preliminary Official Statement or Private Placement Memorandum, as applicable, without having first circulated a substantially final preliminary Official Statement or Private Placement Memorandum to the Commissioners for their review and comment (if any), such review period being not less than 10 business days prior to the proposed distribution date.

Section 7. General Authorization. The Airport Director and the other officers, agents and employees of the Commission are authorized and directed to execute and deliver such documents, agreements and certificates, including without limitation the Disclosure Documents, prepared in accordance with the Disclosure Policies and Procedures, and to take such other actions, upon consultation with the City Attorney, as may be necessary or desirable and in the best interests of the Airport to carry out the purposes and intents of this resolution and the transactions contemplated by this resolution. The Airport Director, upon consultation with the City Attorney, may designate one or more of such certificates to be deemed to constitute a part of this resolution.

Section 8. Effectiveness. This resolution shall become effective on and as of the date of its adoption except as otherwise stated in this resolution.

Section 9. Ratification of the 1991 Resolution, the Prior Capital Plan Bond Sale Resolutions and the Prior Refunding Bond Sale Resolutions. The 1991 Resolution, the Prior Capital Plan Bond Sale Resolutions, and the Prior Refunding Bond Sale Resolutions are ratified and confirmed and shall continue in full force and effect in accordance with their terms and provisions, as amended and supplemented, including as amended and supplemented by this resolution.

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Section 10. Further Amendments to the 1991 Resolution. The approvals contained in this resolution shall extend to any amendments to the 1991 Resolution and to all resolutions of the Commission supplemental to the 1991 Resolution, as well as to such additional resolutions that this Commission may adopt for the purposes of implementing the issuance, sale, and delivery of any Capital Plan Bonds or Refunding Bonds, provided, that in each case such amendment or additional resolution is consistent with the parameters set forth in this resolution and in the 1991 Resolution.

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December, 2022, ADOPTED by the Airport Commission of the City and County of San Francisco this 6th day of
2022, by the following vote:

Ayes: 5

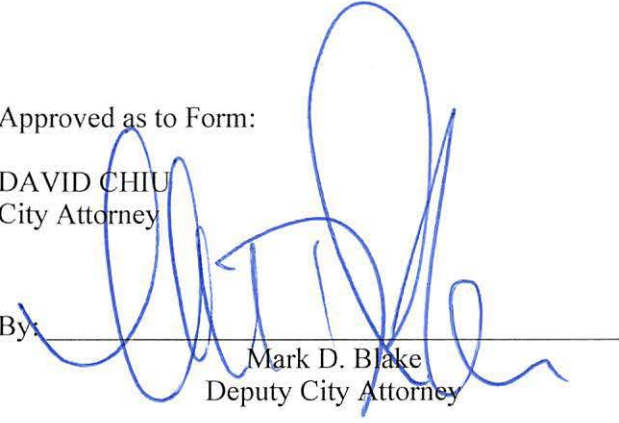
Noes: 0

Absent: 0

Approved as to Form:

DAVID CHIU
City Attorney

By: _____


Mark D. Blake
Deputy City Attorney

I hereby certify that the foregoing resolution was adopted by the Airport Commission
DEC 6 2022
at its meeting of _____


Secretary