



RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO: REPLACE THE TRANSPORTATION AUTHORITY'S COMMERCIAL PAPER PROGRAM WITH A REVOLVING CREDIT AGREEMENT (REVOLVER); ENTER INTO AN UP-TO-\$140 MILLION REVOLVER WITH STATE STREET PUBLIC LENDING CORPORATION; ENTER INTO AN ALTERNATE CREDIT FACILITY IF NEGOTIATIONS WITH STATE STREET ARE NOT SUCCESSFUL; AMEND OR ENTER INTO THE ASSOCIATED LEGAL DOCUMENTS; TAKE ALL NECESSARY RELATED ACTIONS; AND NEGOTIATE THE AGREEMENT PAYMENT TERMS AND NON-MATERIAL TERMS AND CONDITIONS

WHEREAS, The San Francisco County Transportation Authority (the "Transportation Authority") is a county transportation authority duly organized and existing pursuant to the Bay Area County Traffic and Transportation Funding Act, being Division 12.5 of the Public Utilities Code of the State of California (Sections 131000 et seq.) (the "Act"); and

WHEREAS, The Board of Supervisors of the City and County of San Francisco adopted Resolution Number 485-03 on July 29, 2003, which approved the New Transportation Expenditure Plan for San Francisco, recommended on July 22, 2003 by the Transportation Authority (the "Expenditure Plan") and called and provided for an election for the purpose of submitting to the voters a measure to enact an ordinance (the "Ordinance") that would, in part, authorize implementation of the Expenditure Plan, continue collection of the retail transactions and use tax applicable in the City and County of San Francisco at the existing level of one-half of one percent (1/2%) (the "Sales Tax"), continue in effect the Transportation Authority as the independent agency to administer the Sales Tax and oversee implementation of the Project (defined below) and authorize the Transportation Authority to issue limited tax bonds as needed, in a total outstanding



aggregate amount not to exceed \$1,880,000,000 secured by and payable from the proceeds of the Sales Tax; and

WHEREAS, The enactment of the Ordinance and continued levy of the Sales Tax was approved by more than two-thirds of the electors voting on the measure to authorize enactment at the election held for such purpose on November 4, 2003; and

WHEREAS, Pursuant to Section 131109 and 131120 of the Act and the Ordinance, the Transportation Authority is authorized to issue limited tax bonds or bond anticipation notes secured by and payable from the proceeds of the Sales Tax levied by the Transportation Authority; and

WHEREAS, The Expenditure Plan as approved provided an estimate of approximately two billion eight hundred twenty million dollars (\$2,820,000,000 in 2003 dollars) for the total cost of all the transportation improvements described therein; and

WHEREAS, This Board of Commissioners of the Transportation Authority (the "Board") has an existing commercial paper program (the "Commercial Paper Program") that provides for the issuance of commercial paper notes (the "Commercial Paper Notes") in an aggregate principal amount not to exceed two hundred million dollars (\$200,000,000) outstanding any one time payable from and secured by the Sales Tax; and

WHEREAS, The Commercial Paper Program is supported by an irrevocable letter of credit (the "Existing Letter of Credit") issued by Wells Fargo Bank, National Association, which expires on July 10, 2015; and

WHEREAS, On March 19, 2015, the Transportation Authority issued a Request for Proposals (RFP) to various banks to provide credit/liquidity facilities for the Transportation Authority's existing tax-exempt commercial paper program and/or to provide alternate financing structures to replace the current commercial paper program; and



WHEREAS, By the due date of April 7, 2015, the Transportation Authority received proposals from six financial institutions in response to the RFP; and

WHEREAS, The review panel consisting of Transportation Authority staff, evaluated the proposals based on responsiveness to the RFP, as well as qualifications and other criteria identified in the RFP, with an emphasis on proposers' fees, resulting cost of funds, length of agreement, their credit ratings and various terms; and

WHEREAS, Based on this competitive selection process and due to the need to address the expiring Wells Fargo LOC, with concurrence from KNN Public Finance and Nixon Peabody LLP (the Transportation Authority's financial advisors and bond counsel, respectively), the review panel recommends replacing the current commercial paper program with a Revolver from State Street Public Lending Corporation; and

WHEREAS, the Transportation Authority proposes to replace the Commercial Paper Program with a revolving credit facility (the "State Street Facility") from State Street the obligations with respect to which shall constitute limited tax bonds and shall be payable from and secured by the Sales Tax, which State Street Facility is expected to include the terms set forth on Exhibit A (the "State Street Transaction"); and

WHEREAS, the proceeds of the State Street Facility shall be used to finance and refinance a portion of the costs and estimated costs incidental to, or connected with, the transportation improvements outlined in the Expenditure Plan (the "Project"), including, without limitation, engineering, inspection, legal, fiscal agents, financial consultants and other fees, a debt service reserve fund, working capital and expenses of all proceedings for the implementation of the State Street Facility; and

WHEREAS, The Board desires to authorize (i) the State Street Transaction and (ii) the execution and delivery of all documents, instruments and agreements necessary or desirable in



connection with the State Street Transaction, including, if and to the extent applicable, documentation with respect to the termination of the Commercial Paper Program and any other amendments or modifications to the Amended and Restated Indenture, dated as of July 1, 2012, between the Transportation Authority and Deutsche Bank National Trust Company, as trustee (the “Indenture”) and other documents related thereto as deemed appropriate by an Authorized Representative (defined below) (collectively, the “State Street Documents”); and

WHEREAS, At its April 22, 2015 meeting, the Citizens Advisory Committee considered and adopted a motion of support for the staff recommendation; and

WHEREAS, At its May 12, 2015, the Finance Committee reviewed and unanimously approved approval of the staff recommendation; now, therefore, be it

RESOLVED, That the Board hereby finds and declares that the statements, findings and determinations set forth above are true and correct; and be it further

RESOLVED, That the Board hereby authorizes the State Street Transaction. The Executive Director and the Chief Deputy Director of the Transportation Authority (each, an “Authorized Representative”) are, and each of them acting alone is, hereby authorized, for and in the name of and on behalf of the Transportation Authority, to execute by manual or facsimile signature and deliver the State Street Documents in the form approved by the Authorized Representative executing the same as being in the best interests of the Transportation Authority, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the final terms of the State Street Transaction are within the parameters set forth in Exhibit B to the extent applicable; and be it further

RESOLVED, That if an Authorized Representative determines that the Transportation Authority and State Street are not reasonably likely to reach agreement with respect to the State Street Transaction on covenants, representations and other terms that are satisfactory to the



Transportation Authority, the Authorized Representatives are, and each of them acting alone is, hereby authorized to either (a) continue the Commercial Paper Program with a new letter of credit replacing the Existing Letter of Credit (the “Replacement Letter of Credit”) or (b) replace the Commercial Paper Program with an alternative revolving credit facility (an “Alternate Facility”) the obligations with respect to which shall constitute limited tax bonds and shall be payable from and secured by the Sales Tax, in the case of either (a) or (b), as selected by an Authorized Representative, in her sole discretion, from the responses received to the Transportation Authority’s Request for Proposals 14/15-05 for Credit Facilities dated March 19, 2015 (the “RFP”) (any such Alternate Facility or Replacement Letter of Credit ultimately selected by an Authorized Representative being referred to herein as the “Alternative Transaction”); and be it further

RESOLVED, Should an Authorized Representative determine to enter into an Alternative Transaction, the Authorized Representatives are, and each of them acting alone is, hereby authorized, for and in the name of the Transportation Authority, to determine whether the Alternative Transaction shall be in the form of an Alternate Facility or a Replacement Letter of Credit; the provider of such Alternate Facility or Replacement Letter of Credit; and the terms of such Alternative Transaction; provided that the final terms of the Alternative Transaction are within the parameters set forth in Exhibit B to the extent applicable; and be it further

RESOLVED, Should an Authorized Representative determine to enter into an Alternative Transaction, the Authorized Representatives are, and each of them acting alone is, hereby authorized, for and in the name of and on behalf of the Transportation Authority, to execute by manual or facsimile signature and deliver all documents, instruments and agreements necessary or desirable in connection with the Alternative Transaction, including, if and to the extent applicable, documentation with respect to the termination of the Commercial Paper Program and any other amendments or modifications to the Indenture and documents related thereto as deemed



appropriate by an Authorized Representative (collectively, the “Alternative Transaction Documents”), in the form approved by the Authorized Representative executing the same as being in the best interests of the Transportation Authority, such approval to be conclusively evidenced by the execution and delivery of such Alternative Transaction Documents; and be it further

RESOLVED, Should an Authorized Representative determine to enter into a Replacement Letter of Credit, the circulation of an Offering Memorandum describing the Commercial Paper Notes, the Replacement Letter of Credit and other relevant subjects, in such form and at such times and in such manner as is approved by an Authorized Representative, is hereby authorized, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Representatives are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the Transportation Authority, to supplement, amend, revise, update and/or restate the Offering Memorandum from time to time as deemed necessary or advisable by the Authorized Representative, and the Offering Memorandum, as so supplemented, amended, revised, updated and/or restated, with such changes therein as an Authorized Representative may require or approve, shall be deemed to be the “Offering Memorandum” for all purposes hereof; and be it further

RESOLVED, That the Authorized Representatives are, and each of them acting alone is, hereby authorized to take any and all actions and execute and deliver such documents as the Authorized Representative executing the same deems necessary or advisable to carry out the purposes of this Resolution and the Ordinance and to consummate the State Street Transaction or any Alternative Transaction, and all actions heretofore taken by all officers, employees and agents of the Transportation Authority with respect to the State Street Transaction and any Alternative Transaction, including but not limited to the issuance of the RFP, are hereby approved, confirmed and ratified; and be it further



RESOLVED, That this Resolution shall take effect immediately upon its adoption and approval; and be it further

RESOLVED, That the Executive Director is hereby authorized to negotiate agreement payment terms and non-material agreement terms and conditions; and be it further

RESOLVED, That for the purposes of this resolution, “non-material” shall mean agreement terms and conditions other than provisions related to the overall agreement amount, terms of payment, and general scope of services; and be it further

RESOLVED; That notwithstanding the foregoing and any rule or policy of the Transportation Authority to the contrary, the Executive Director is expressly authorized to execute agreements and amendments to agreements that do not cause the total agreement value, as approved herein, to be exceeded and that do not expand the general scope of services.

Attachments (2):

1. Exhibit A: Principal Expected Terms of State Street Transaction
2. Exhibit B: Alternate Transaction Parameters



The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 19th day of May, 2015, by the following votes:

**Ayes:** Commissioners Avalos, Breed, Campos, Christensen, Cohen, Farrell, Mar, Tang, Wiener and Yee (10)

**Nays:** (0)

**Absent:** Commissioner Kim (1)

*Scott Wiener 6/3/15*

Scott Wiener  
Chair

Date

ATTEST:

*Tilly Chang*

Tilly Chang  
Executive Director

Date



**EXHIBIT A**  
**PRINCIPAL EXPECTED TERMS OF STATE STREET TRANSACTION**

Expected Principal Amount:	\$140,000,000
Expected Interest Rate:	Initially, 70% of LIBOR plus 0.30% (30bps); subject to adjustment in a variety of circumstances
Expected Term:	3 years
Expected Denominations:	No less than \$1,000,000 and integral multiples of \$250,000 in excess thereof
Expected Form of Bond:	Registered and/or Physical
Expected Unutilized Fee:	0.25% (25 bps) times the amount of the unutilized revolver

**EXHIBIT B**  
**ALTERNATE TRANSACTION PARAMETERS**

Maximum Principal Amount:	\$140,000,000
Maximum Interest Rate:	Maximum permitted by law
Maximum Term:	5 years
Minimum Denominations for Bonds:	No less than \$5,000 and minimum integral multiples of \$1,000 in excess thereof
Form of Bond:	Registered and/or Physical
Maximum Unutilized Fee:	0.625% (62.5 bps) times the amount of the unutilized facility.