



RESOLUTION AUTHORIZING AN UP-TO-\$140 MILLION REVOLVING CREDIT FACILITY WITH STATE STREET PUBLIC LENDING CORPORATION AND U.S. BANK NATIONAL ASSOCIATION OR AN ALTERNATE LENDER OR LENDERS; EXECUTION AND DELIVERY OF LEGAL DOCUMENTS RELATING THERETO; AND THE TAKING OF ALL NECESSARY OR APPROPRIATE RELATED ACTIONS IN CONNECTION THEREWITH

WHEREAS, The San Francisco County Transportation Authority (“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.) (“Act”); and

WHEREAS, On July 22, 2003, the Board of Commissioners of the Transportation Authority (“Board of Commissioners”) adopted Resolution No. 04-05 to approve an expenditure plan and a proposal to extend the imposition and collection of the one-half of one percent (1/2%) sales tax throughout the City and County of San Francisco (“County”), and to recommend that such revised expenditure plan and tax extension be considered by the Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”); and

WHEREAS, On July 29, 2003, the Board of Supervisors adopted Resolution No. 485-03, to approve the “New Transportation Expenditure Plan for San Francisco” (“Expenditure Plan”), and to call and provide for an election for the purpose of submitting to the voters an ordinance (“Ordinance”) that would, in part, authorize implementation of the Expenditure Plan, continue collection of the retail transactions and use tax applicable in the County at the existing level of one-half of one percent (1/2%) (“Sales Tax”), continue the Transportation Authority as the independent agency to administer



the Sales Tax and oversee implementation of the projects identified in the Expenditure Plan, 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, At the election held for such purpose on November 4, 2003, the Ordinance was approved by more than two-thirds of the electors voting on the measure; and

WHEREAS, Pursuant to Sections 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; and

WHEREAS, The Transportation Authority has entered into a Revolving Credit Agreement, dated June 1, 2015 (“Existing Revolving Credit Agreement”) with State Street Public Lending Corporation (“State Street”), pursuant to which the Transportation Authority may borrow and reborrow amounts from State Street from time to time in accordance with the terms of such Existing Revolving Credit Agreement in an amount up to \$140,000,000 outstanding at any one time; and

WHEREAS, The Transportation Authority’s repayment obligations under the Existing Revolving Credit Agreement constitute limited tax bonds and are payable from and secured by the Sales Tax Revenues (which constitute the proceeds of the Sales Tax collected by the State Board of Equalization of the State of California (or the California Department of Tax and Fee Administration, to which the authority to collect the Sales Tax on behalf of the Transportation Authority and to remit it to the Trustee has been transferred) (“BOE”), less the administrative fee deducted by BOE) on a basis subordinate to the Transportation Authority’s Senior Lien Bonds as provided in the Second Amended and Restated Indenture, dated as of June 1, 2015, as amended and restated by the Third Amended and Restated Indenture, dated as of November 1, 2017 (“Indenture”), by and between the



Transportation Authority and U.S. Bank National Association, as trustee (“Trustee”), and by the Sales Tax Revenues Bank Note (Limited Tax Bond), dated June 11, 2015 (“Existing Bank Note”), issued pursuant to the Indenture; and

WHEREAS, There is presently approximately \$49,000,000 outstanding under the Existing Revolving Credit Agreement and the Existing Bank Note; and

WHEREAS, The Transportation Authority presently has approximately \$248,250,000 aggregate principal amount of Senior Bonds outstanding and may issue additional Senior Bonds in the future; and

WHEREAS, The Existing Revolving Credit Agreement expires by its terms on June 8, 2018; and

WHEREAS, On February 16, 2018, the Transportation Authority issued a Request for Proposals (“RFP”) to various banks regarding credit/liquidity facilities for the Transportation Authority’s interim borrowing program to replace the Existing Revolving Credit Agreement; and

WHEREAS, By the due date of March 9, 2018, the Transportation Authority received four proposals from financial institutions in response to the RFP;

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 commitment, credit ratings and various proposed terms and consulted with KNN Public Finance LLC and Nixon Peabody LLP; and

WHEREAS, Based on this competitive selection process, the review panel recommended, and the Transportation Authority proposes, to replace the Existing Revolving Credit Agreement with a revolving credit facility (“Replacement Facility”) with State Street and U.S. Bank National



Association (“U.S. Bank”) or, if an Authorized Representative (defined herein) determines that the Transportation Authority is not reasonably likely to reach agreement with State Street and/or U.S. Bank on covenants, representations or other terms that are satisfactory to the Transportation Authority, with an alternate revolving credit facility or letter of credit provider or providers with respect to a revolving credit facility or a letter of credit and reimbursement agreement supporting a commercial paper program, provided that the terms of such Replacement Facility shall be within the parameters set forth in Exhibit A; and

WHEREAS, The Transportation Authority’s obligations under the Replacement Facility would constitute limited tax bonds and shall be payable from and secured by the Sales Tax Revenues on a basis subordinate to the Senior Lien Bonds; and

WHEREAS, The proceeds of the Replacement 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 (“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 Replacement Facility; and

WHEREAS, The Board of Commissioners finds that the Sales Tax Revenues are expected to be sufficient to meet debt service on the Transportation Authority’s outstanding Senior Lien Bonds and amounts expected to be outstanding under the Replacement Facility; and

WHEREAS, The outstanding amount under the Existing Revolving Credit Agreement shall be repaid from the Replacement Facility; and

WHEREAS, Senate Bill 450 (Chapter 625, Statutes of 2017) (“SB 450”) requires that the Board of Commissioners obtain and disclose good faith estimates from a financial advisor, underwriter or private lender, prior to the authorization of bonds, of certain specified information regarding the



bonds in a meeting open to the public, which such information has been disclosed prior to the adoption of this resolution; and

WHEREAS, The Board of Commissioners desires to authorize (i) the Replacement Facility and (ii) the execution and delivery of all documents, instruments and agreements necessary or appropriate in connection with the Replacement Facility, including, if and to the extent applicable, an amendment to or amendment and restatement of the Existing Revolving Credit Agreement or a new revolving credit agreement or similar document; any amendments, supplements, or modifications to the Indenture; an amendment to the Existing Bank Note or an amended and restated note or a new note or notes (any such document a “New Note”); any reimbursement agreement, issuing and paying agent agreement, dealer agreement, offering memorandum and any other documentation required to establish a commercial paper program and to obtain a letter of credit supporting that program; any documents with respect to the repayment of the outstanding amount under and termination of the Existing Revolving Credit Agreement; any documents with respect to a borrowing under the Replacement Facility to repay the outstanding amount under the Existing Revolving Credit Agreement; and other documents related thereto as deemed appropriate by an Authorized Representative (defined below) (collectively, the “Documents”); and

WHEREAS, At its March 28, 2018 meeting, the Citizens Advisory Committee considered and adopted a motion of support for the staff recommendation; and

WHEREAS, the Board of Commissioners has reviewed the staff recommendation and desires to approve the Replacement Facility, the Documents and related actions as provided in this resolution; NOW, THEREFORE, be it

RESOLVED, That the Board of Commissioners 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 of Commissioners hereby authorizes the Replacement Facility. The Executive Director of the Transportation Authority and the Chief Deputy Director of the Transportation Authority, and any such officer serving or acting in an interim capacity, and any authorized designee of either such officer (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 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 Replacement Facility are within the parameters set forth in Exhibit A to the extent applicable; and be it further

RESOLVED, That any New Note shall be executed on behalf of the Transportation Authority by an Authorized Officer and by any other officer, Board of Commissioners member, employee or agent to the extent determined by an Authorized Representative to be appropriate or to be necessary to comply with the terms of the Indenture (as it may be modified) or applicable law (such determination to be conclusively evidenced by the execution and delivery of such New Note by such Authorized Representative). Any such execution may be by manual or facsimile signature, and each New Note shall be authenticated by the endorsement of the Trustee or an agent of the Trustee. Any facsimile signature of any person signing a New Note shall have the same force and effect as if such person had manually signed such New Note; and be it further

RESOLVED, That if an Authorized Representative determines that the Transportation Authority and State Street and U.S. Bank are not reasonably likely to reach agreement with respect to the Replacement Facility 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 enter into a Replacement Facility with an alternate provider or providers, in her sole discretion, from the responses received to the Transportation Authority's RFP, such approval to be conclusively evidenced by the execution and delivery thereof, provided that the final terms of the Replacement Facility are within the parameters set forth in Exhibit A to the extent applicable; 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 Replacement Facility and carry out the terms of the Replacement Facility; the officers, employees and agents of the Transportation Authority are authorized to take all actions and execute and deliver such documents as may be required to carry out the purposes of this Resolution and the Ordinance and to consummate the Replacement Facility or to carry out the terms of the Replacement Facility; and all actions heretofore taken by all officers, employees and agents of the Transportation Authority with respect to the Replacement Facility, 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 Authorized Representatives are, and each of them hereby is, authorized to negotiate agreement terms and conditions; and be it further

RESOLVED; That notwithstanding any rule or policy of the Transportation Authority to the contrary, each of the Authorized Representatives is expressly authorized to execute agreements and amendments to agreements within the parameters established in this Resolution.



Attachment (1):

1. Exhibit A: Transaction Parameters






The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 24th day of April, 2018, by the following votes:

**Ayes:** Commissioners Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang, Yee (10)

**Absent:** Commissioner Breed (1)

 5/8/18

Aaron Peskin  
Chair

Date

ATTEST:

 5/16/18

Tilly Chang  
Executive Director

Date



EXHIBIT A  
TRANSACTION PARAMETERS

Maximum Principal Amount:	\$140,000,000 outstanding at any time; Transportation Authority may borrow and reborrow under the facility
Maximum Interest Rate:	Maximum permitted by law
Maximum Term:	3 year term of facility plus term out period not to exceed 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 or Physical