Honorable Board of Trustees of the
San Francisco Community College District

Subject: Resolution No. 960125-B5

Amending Resolution No. 950727-B29, authorization to 1) enter into a master lease arrangement to secure up to $4.75 million in financing for the Library/LRC telecommunications system, energy conservation improvements, and improvements to district-owned facilities and grounds subject to recreational and related use by the community 2) refinance the District’s existing lease with Hewlett-Packard for a management information system and related items 3) enter into binding agreements with Municipal Leasing Associates Inc. for leasing the Property upon such terms, conditions and interest rates as specified in attachment A, and 4) to execute, all necessary agreements including, but not limited to, an agreement for financial advisory services with Liberty Public Financial Advisors (at a compensation rate not to exceed .0065 per cent of the total amount financed), a master lease/option agreement, individual Lease Schedules, assignment of rights of ownership, advance payment agreement, acknowledgment of assignment and acceptance certificates and a transfer of assets valued at $500,000, to be pledged as additional security for the lease. The authority given for these purposes shall be deemed retroactive, all acts performed prior to the passage of this resolution are hereby ratified and affirmed

President and Members:

WHEREAS: The San Francisco Community College District, State of California (District) is duly authorized and existing under the laws of the State of California; and

WHEREAS: The District will enter into agreements or issues purchase orders during the remainder of the 1995-96 fiscal year / calendar year for certain public capital improvements and for the acquisition and installation of various items of equipment, energy efficiency and lighting equipment, telecommunications equipment, furniture and office equipment (individually or collectively “Property”) all of which will be awarded to vendors in accordance with the applicable provisions of the Public Contract Code and will not exceed $ 4.75 million of cost in the aggregate; and

WHEREAS: It may now be advantageous to refinance the District’s existing lease with Hewlett-Packard for a management information system and related items; and
WHEREAS: The energy conservation measures to be financed by this resolution will generate sufficient savings to pay for the cost of these particular improvements; and

WHEREAS: The District continues to pursue a claim against the insurer of the architectural firm for the Library/LRC that includes the amount to be financed by this resolution for the Library/LRC telecommunications system; and

WHEREAS: The Board of Trustees adopted resolution 950720-S1 for the purpose of improving district-owned facilities and grounds subject to recreational and related use by the community: and

WHEREAS: The governing body has determined it is in the best interest of the District and the citizens it serves to enter into a master lease purchase financing (“Master Lease”) with Municipal Leasing Associates Inc. (“Corporation”) to meet the district’s requirement to pay for and to lease purchase all or a portion of the property, and

WHEREAS: In consideration of the Corporation’s commitment to finance the property, the District shall designate the portion of the property being acquired and financed to be included in the Master Lease upon District’s approval to acquire same and shall concurrently approve the sale and assignment of its ownership rights in that portion of the Property to the Corporation pursuant to the provision of Education Code Section 81645.5;

NOW, THEREFORE, BE IT RESOLVED: That the Chancellor, Chief Operating Officer, and/or Vice Chancellor of Administration and Finance are hereby authorized in the name and on behalf of the District to enter into a master lease arrangement to secure up to $4.75 million in financing for the Library/LRC telecommunications system, energy conservation improvements, and improvements to district-owned facilities and grounds subject to recreational and related use by the community, and in addition, to refinance the District’s existing lease with Hewlett-Packard for a management information system and related items; and

BE IT FURTHER RESOLVED: That the Chancellor, Chief Operating Officer, and/or Vice Chancellor of Administration and Finance are hereby authorized in the name and on behalf of the District to enter into binding agreements with Municipal Leasing Associates Inc. for leasing the Property upon such terms, conditions and interest rates as specified in attachment A, and to execute, as agent for the district, all necessary agreements including, but not limited to, an
agreement for financial advisory services with Liberty Public Financial Advisors a certified San Francisco WBE (at a compensation rate not to exceed .0065 percent of the total amount financed), a master lease/option agreement, individual Lease Schedules, assignment of rights of ownership, advance payment agreement, acknowledgment of assignment and acceptance certificates, and a transfer of assets valued at $500,000, to be pledged as additional security for the lease. Each officer is also authorized to accept or direct delivery of the property. The authority given thereunder shall be deemed retroactive and any and all acts authorized prior to the passage of this resolution are hereby ratified and affirmed.

BE IT FURTHER RESOLVED: That San Francisco Community College District declares its official intent to be reimbursed from the proceeds of the Master Lease for a maximum principal amount of $500,000 $4,750,000 of expenditures occurring no earlier than sixty days before the adoption of this resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

BE IT FURTHER RESOLVED: That each individual Lease Schedule issued under the Master Lease be designated as a qualified tax exempt obligation for the calendar year in which the lease schedule is issued pursuant to Section 265 (b) of the Internal Revenue Code of 1986 (as amended) and the authorized officers be directed to execute the “Designation of Qualification” document. In accordance with this the District certifies that it’s total outstanding financial obligation to lenders for calendar year 1996 will be less than $10 million.

Recommended for adoption:

Del M. Anderson
 Chancellor

Originator: Peter Goldstein