

Agenda Report

May 8, 2000

TO: City Council/Community Development Commission

FROM: Cynthia J. Kurtz, City Manager/Chief Executive Officer

SUBJECT: PUBLIC HEARING OF THE CITY COUNCIL AND THE PASADENA COMMUNITY DEVELOPMENT COMMISSION REGARDING FINANCING OF CERTAIN PUBLIC CAPITAL IMPROVEMENTS THROUGH THE PASADENA PUBLIC FINANCING AUTHORITY FOR THE PASEO COLORADO PROJECT

RECOMMENDATION

It is recommended that the City Council and Community Development Commission hold a public hearing regarding financing of certain public capital improvements through the Pasadena Public Financing Authority for the Paseo Colorado Project.

Discussion

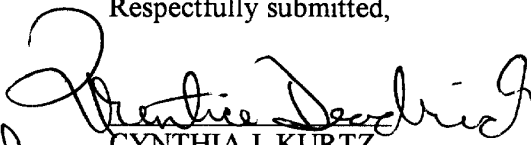
This hearing is being held pursuant to Section 6586.5 of the California Government Code in connection with the proposed issuance of bonds of the Pasadena Public Financing Authority. The approval of the bond issuance and the related documents will be considered by the Authority, the City and the Commission following the closure of this public hearing. The bonds are proposed to be issued in connection with the redevelopment and modernization of the shopping center known as Paseo Colorado located in the Downtown Redevelopment Project of the Commission within the City. The bonds are being issued for the purpose of assisting the Commission and the City in the financing (i) the acquisition by the City of all interests of H-CHH Associates, a California limited partnership, in certain parking facilities owned by the Commission adjacent to the shopping center under an existing Agreement for Lease, Operation and Maintenance of Parking and Other Facilities, between the Commission and H-CHH Associates, and (ii) the costs of construction of certain improvements to the parking facilities and other related [public] property and facilities in connection with the redevelopment and modernization of the shopping center.

The City and the Commission have determined that the financing of the project through the use of the Authority will result in demonstrable savings in effective interest rate, bond preparation, bond underwriting, and/or bond issuance costs. At this time, any interested person may appear and be heard on the proposed method of financing.

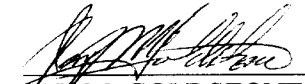
Fiscal Impact

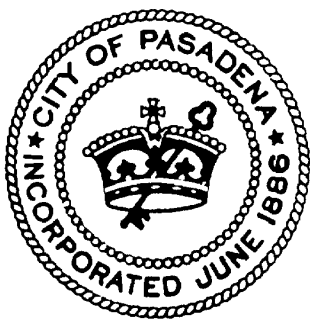
There is no fiscal impact with this public hearing.

Respectfully submitted,


for CYNTHIA J. KURTZ
City Manager

Approved:


JAY M. GOLDSTONE
Director of Finance



Agenda Report

May 8, 2000

TO: City Council

THROUGH: Finance Committee

FROM: Cynthia J. Kurtz, City Manager

SUBJECT: APPROVAL OF A RESOLUTION OF THE CITY COUNCIL APPROVING THE ISSUANCE AND SALE BY THE PASADENA PUBLIC FINANCING AUTHORITY OF ITS TAXABLE VARIABLE RATE DEMAND LEASE REVENUE BONDS (PASEO COLORADO PARKING FACILITIES), SERIES 2000, APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE, A STANDBY BOND PURCHASE AGREEMENT AND A REIMBURSEMENT AGREEMENT, APPROVING THE FORM OF AND AUTHORIZING THE ACKNOWLEDGEMENT OF A PURCHASE CONTRACT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS IN CONNECTION THEREWITH

RECOMMENDATION

It is recommended that the City Council adopt a Resolution approving the issuance and sale by the Pasadena Public Financing Authority of its Taxable Variable Rate Demand Lease Revenue Bonds (Paseo Colorado Parking Facilities), Series 2000, approving the form of and authorizing the execution and delivery of a lease, a standby bond purchase agreement and a reimbursement agreement, approving the form of and authorizing the acknowledgement of a purchase contract, authorizing the distribution of an official statement and authorizing the execution and delivery of and approving other related documents and actions in connection therewith.

Background

In 1999, the City Council and the Pasadena Community Development Commission authorized the City Manager to enter into an Owner Participation Agreement (OPA), Reciprocal Easement Agreement (REA), and Parking, Operation and Maintenance Agreement (POMA) with TrizecHahn Development regarding the renovation of the Plaza Pasadena (Paseo Colorado). As part of this transaction, the City agreed to contribute \$10 million towards the cost to construct public improvements to the subterranean and two satellite parking garages as well as public improvements to the Garfield Promenade. In addition, the City Council authorized the purchase of the leasehold interest in the parking garages held by the developer at a cost of approximately \$16 million.

Discussion

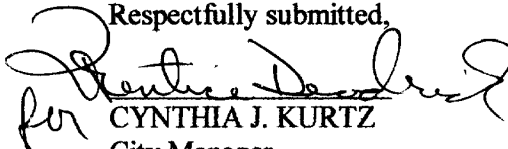
Staff has been working with the City’s financing team to prepare the necessary bond documents in order to consummate the financing of the City’s \$26 million contribution. Approval of the attached resolution will provide the Pasadena Public Financing Authority with the authority it requires to actual solicit the sale of the revenue bonds.

There are related resolutions on tonight’s agendas of the Pasadena Community Development Commission and Pasadena Public Financing Authority.


Fiscal Impact

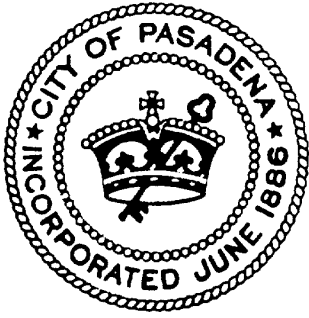
There will be two years of capitalized interest incorporated into the sizing of this bond transaction. During that time, the City will not be required to cover any of the debt service on these bonds. Following this two year period, it is anticipated that the revenues from the three parking facilities at the Paseo Colorado will be used to cover the debt service. During the early years of operations, the revenue from the garages will not be sufficient to cover 100% of the debt service as well as all of the operating expenses. Based upon a pre-determined formula, if at anytime there is a revenue shortfall, the City (out of its General Fund) and Developer will cover these shortfalls. Any advances by the City and Developer will be accrue 6% annual interest and will be proportionately repaid from future revenues.

Respectfully submitted,


for CYNTHIA J. KURTZ
City Manager

Approved:


JAY M. GOLDSTONE
Director of Finance



Agenda Report

May 8, 2000

TO: Community Development Commission

THROUGH: Finance Committee

FROM: Cynthia J. Kurtz, Chief Executive Officer

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RECOMMENDATION

It is recommended that the Community Development Commission adopt a Resolution approving the issuance and sale by the Pasadena Public Financing Authority of its Taxable Variable Rate Demand Lease Revenue Bonds (Paseo Colorado Parking Facilities), Series 2000, authorizing the execution and delivery of an authority lease and a reimbursement agreement and authorizing the execution and delivery of and approving other related documents and actions in connection therewith.

Background

In 1999, the City Council and the Pasadena Community Development Commission authorized the City Manager to enter into an Owner Participation Agreement (OPA), Reciprocal Easement Agreement (REA), and Parking, Operation and Maintenance Agreement (POMA) with TrizecHahn Development regarding the renovation of the Plaza Pasadena (Paseo Colorado). As part of this transaction, the City agreed to contribute \$10 million towards the cost to construct public improvements to the subterranean and two satellite parking garages as well as public improvements to the Garfield Promenade. In addition, the City Council authorized the purchase of the leasehold interest in the parking garages held by the developer at a cost of approximately \$16 million.

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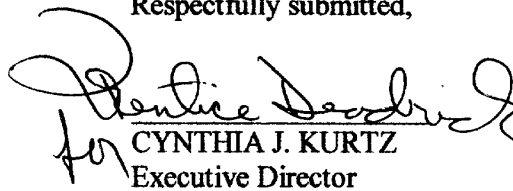
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Fiscal Impact

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Respectfully submitted,


for CYNTHIA J. KURTZ
Executive Director

Approved:


JAY M. GOLDSTONE
Treasurer