

Agenda Report

May 8, 2000

TO: Pasadena Public Financing Authority

THROUGH: Finance Committee

FROM: Cynthia J. Kurtz, City Manager

SUBJECT: APPROVAL OF A RESOLUTION OF THE PASADENA PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$35,000,000 TAXABLE VARIABLE RATE DEMAND LEASE REVENUE BONDS (PASEO COLORADO PARKING FACILITIES), SERIES 2000, APPROVING THE FORMS AND AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT, AN AUTHORITY LEASE, A LEASE, A REIMBURSEMENT AGREEMENT, A STANDBY BOND PURCHASE AGREEMENT, A REMARKETING AGREEMENT AND A PURCHASE CONTRACT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION, DELIVERY AND 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 Pasadena Public Financing Authority adopt a Resolution authorizing the issuance of not to exceed \$35,000,000 Taxable Variable Rate Demand Lease Revenue Bonds (Paseo Colorado Parking Facilities), Series 2000, approving the forms and authorizing the execution of a Trust Agreement, an Authority Lease, a Lease, a Reimbursement Agreement, a Standby Bond Purchase Agreement, a Remarketing agreement and a Purchase Contract; approving the form of and authorizing the execution, delivery and 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

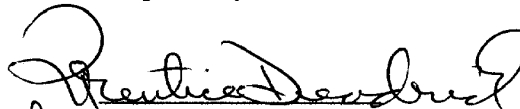
Staff has been working with the City's financing team to prepare the necessary bond documents in order to consummate the financing of the City's \$26 million contribution. Approval of the attached resolution will provide the Pasadena Public Financing Authority with the authority it requires to actual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

There are related resolutions on tonight's agendas of the City Council and Community Development Commission.


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