

**ADOPT THE RESOLUTION OF NECESSITY AND
CONDUCT FIRST READING OF AN ORDINANCE,
ORDERING THE SUBMISSION OF A MEASURE
INCURRING BONDED INDEBTEDNESS TO THE VOTERS
AT THE NOVEMBER 5, 2024 STATEWIDE GENERAL
ELECTION**

Presented to City Council
Item No. 15 and Item No. 18
July 22, 2024





Background

Libraries and Information Services

Key Events

- On June 10, 2024, the City Council directed the preparation of election materials for a bond measure
- This measure, proposed to be on the November 5, 2024 ballot, will fund earthquake retrofitting, repairs, and upgrades for the Pasadena Central Library
- The project will be financed through \$195,000,000 in General Obligation (GO) bonds, known for their low borrowing costs
- These voter-approved bonds are backed by property taxes, ensuring stable repayment



General Obligation (GO) Bonds

Libraries and Information Services

Why GO Bonds?

- Cities need cost-effective ways to borrow for major projects
- General Obligation (GO) bonds are a trusted solution
- They offer the lowest borrowing costs and are voter-approved

Details of the Proposed Bond

- Amount: \$195,000,000
- Annual debt service: ~\$12,000,000
- Tax levy: \$28.90 per \$100,000 of assessed valuation
- Duration: 30 years



Resolution of Necessity

Libraries and Information Services

Legal Requirement

- California Government Code § 43607 mandates a Resolution of Necessity
- Requires affirmative votes from at least six Council members

Purpose

- Confirms the public need for the library improvements
- Highlights that the project cost exceeds the City's annual levy capacity



Ordinance

Libraries and Information Services

Crucial Details

- Outlines the bonds' purpose and estimated costs
- Emphasizes earthquake retrofitting, repair, and upgrades of the library
- Sets a bond limit: \$195,000,000 with a maximum interest rate of 12%

Timeline

- First reading: July 22, 2024
- Second reading: July 29, 2024
- Publication: August 1 and 8
- Submission deadline to Registrar: August 9, 2024



Election Procedure

Libraries and Information Services

Voter Requirement

- Requires 2/3 voter approval
- If Proposition 5 is passed by California voters, only 55% voter approval required by Pasadena voters for passage of the Library bond measure

Purpose of Proposition 5

- Aims to reduce the voter approval threshold for public infrastructure bonds

Impact of Proposition 5 on the Library Bond

- Proposition 5 will be on the same November 5, 2024 ballot
- Library bond measure would benefit from a lower approval threshold if Proposition 5 passes by Statewide voters



Ballot Measure Details

Libraries and Information Services

What Voters Will See

- A concise 75-word statement on their ballots

Measure Purpose

- Earthquake retrofit for the 97-year-old Central Library
- Compliance with fire safety regulations
- Roof replacement, asbestos/mold/lead paint removal
- Bringing the Central Library into the 21st Century for future generations

Financial Details

- Bond amount: \$195,000,000
- Levy rate: Levy rate: \$28.90 per \$100,000 assessed valuation initially and averaging \$19 over 30 years
- Annual revenue: \$12,000,000

Transparency and Oversight

- Mandatory independent audits and public spending disclosure
- Assurance that all funds stay local



Next Steps to Ballot

Libraries and Information Services

Council's Role

- Conduct first reading of ordinance on July 22nd; conduct second reading and adoption of ordinance on July 29th
- Post-approval: adopt a resolution to place the measure on the ballot
- Consider authorship for direct and rebuttal arguments in the voter guide

Draft Ballot Question

- "Shall the measure to earthquake retrofit the 97-year old library building; meet current fire safety regulations; replace the leaky roof; remove asbestos/mold/lead paint; update outdated technology; restore Pasadena Central Library services by the City of Pasadena issuing \$195,000,000 in bonds at legal rates, levying \$28.90 per \$100,000 of assessed valuation, generating \$12,000,000 annually while bonds are outstanding, requiring independent audits, public spending disclosure, all funds staying local, be adopted?"



Recommendation

Libraries and Information Services

It is recommended that the City Council:

- (1) Find that the proposed action and the proposed ballot measure are not subject to the CEQA pursuant to Section 15060(c)(2) (the activities will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activities are not a project as defined in Section 15378) of the CEQA Guidelines, California Code Regulations, Title 14, Chapter 3;
- (2) Adopt the Resolution of Necessity determining necessity to issue bonds; and
- (3) Conduct first reading of an ordinance ordering the submission of a General Obligation bond to Pasadena voters at the November 5, 2024 general election for the purpose of financing the cost of the earthquake retrofit, repair, and update of the Central Library