

Introduced by _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF PASADENA ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED ELECTORS OF THE CITY OF PASADENA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 5, 2024, FOR THE PURPOSE OF FINANCING THE COST OF THE EARTHQUAKE RETROFIT, REPAIR AND UPDATE OF THE CENTRAL LIBRARY

The People of the City of Pasadena ordain as follows:

SECTION 1. PURPOSE AND INTENT.

Under Section 909 of the City of Pasadena Charter and pursuant to authority provided by the California Constitution, the California Government Code, the California Elections Code, the City Council (the "City Council") of the City of Pasadena (the "City") proposes to order the submission of a proposition authorizing the City to issue general obligation bonds (the "Bonds") to the qualified voters of the City at the general municipal election to be held on November 5, 2024.

SECTION 2. FINDINGS

The City Council hereby makes the following findings with respect to the proposed measure for the Bonds:

- A. The City owns the Central Library, which due to its age and condition, is in need of earthquake retrofit, repair and upgrade.
- B. On July 22, 2024, the City Council adopted, by a two-thirds vote of all of its members, a resolution entitled "A Resolution of the City Council of the City of Pasadena, California, Determining that the Public Interest and Necessity Demand the Earthquake Retrofit and Building Repairs and Upgrades to the Central Library and its Financing through the Issuance of General Obligation Bonds," pursuant to which the City Council has found and determined, *inter alia*, that the public interest and necessity demand the issuance of general obligations bonds to finance the cost of the earthquake retrofit, repair and upgrade project for the Central Library (the "Project").
- C. In order to provide for the issuance by the City of general obligation bonds to provide for the financing for the Project, it is necessary for the City Council to adopt an ordinance ordering the submission of the proposition of incurring bonded indebtedness for such purpose to the qualified voters of the City at a municipal election.

- D. The City Council desires to submit said ballot measure to the qualified voters of the City at a regular election to be held by the City on November 5, 2024, and to consolidate the bond election with other elections held within the City on that date.
- E. Existing funds and funding sources of the City are inadequate to finance the Project and the City Council has evaluated alternative funding sources for the Project.
- F. Assembly Constitutional Amendment No. 10, also known as Proposition 5 (“Proposition 5”), has qualified for the November 5, 2024 Statewide election. Proposition 5, if approved by the voters, inter alia, would lower the voter approval requirement for the issuance of general obligation bonds issued by a city to fund construction of “public infrastructure” from two-thirds (2/3) to fifty-five percent (55%) of the voting electorate, provided the bond authorization includes certain accountability requirements. Proposition 5 further provides that its terms, including the lower 55% voter approval requirements, would apply to any proposition authorizing the incurrence of general obligation bonds by a city approved at the same election as Proposition 5 (i.e., November 5, 2024). The City Council intends that the provisions of this Ordinance comply with the requirements of Proposition 5, and accordingly, if Proposition 5 is approved by the Statewide voters at the November 5, 2024 election, the proposition for the incurrence of the Bonds will be subject to the approval of 55% of the City electorate voting on the measure. The City Council further finds, for clarity, that if Proposition 5 is not approved by the Statewide voters, a two-thirds (2/3) vote of the City electorate voting on the measure will be required to approve the proposition for the incurrence of the Bonds. It is determined that the design, construction and improvements comprising the Project are “public infrastructure” within the meaning of Proposition 5.
- G. The nearly 100-year-old Central Library is listed on the National Register of Historic Places, and was the first structure built in the historic Pasadena Civic Center alongside the Pasadena City Hall and Civic Auditorium and is a cornerstone of the community's architectural and cultural heritage, forming a key part of Pasadena’s historical identity.
- H. The Project will enable the Central Library to reopen after earthquake and seismic repairs, meet current fire safety regulations, replace the leaky roof, remove asbestos and lead paint, update outdated technology and mechanical systems, and restore library services and programs while maintaining the historic and architectural characteristic.
- I. The Central Library promotes access to knowledge and learning by providing educational resources, supporting lifelong learning for residents of all ages crucial for personal and professional development, fostering a more informed and skilled community.

- J. The Central Library offers various programs and services that cater to different community needs, including literacy programs, cultural events, and technological training, helping to bridge educational gaps and promote community engagement.
- K. The Central Library acts as a vital resource for underserved populations, offering equal and free access to books, the internet, and other learning materials that might otherwise be inaccessible.
- L. The Central Library provides a gateway to crucial opportunities by providing access to knowledge and educational resources enabling residents to pursue future opportunities and achieve their goals that are particularly transformative for individuals from low-income backgrounds.
- M. The Central Library served as a refuge, especially for those experiencing homelessness, offering a temperature-controlled, safe space while providing a full-time Care Navigator from the Pasadena Public Health Department, providing essential social services not replicated at the library branches and which will return upon the reopening.
- N. The Project not only aims to preserve the Central Library's historical essence but also to modernize its facilities and bring it into the 21st century ensuring that the Central Library continues to meet contemporary needs and can adapt to future demands, thereby sustaining its role as a critical community resource.
- O. Beyond its educational role, the Central Library contributes to the City's broader mission of providing numerous critical support services that include offering a reliable space for community gatherings, growth, educational workshops, a location to seek assistance and needed support, an outlet for the arts, and as a shelter during emergencies.
- P. The closure of the Central Library has significantly impacted library services in the City, as evidenced by key metrics comparing Fiscal Year 2019, when all libraries were open, to Fiscal Year 2023, with the Central Library closed, despite the continued operation of our branch libraries, and the absence of the Central Library has led to marked declines in various aspects of library usage, highlighting its critical role in the community.

SECTION 3. CALL FOR ELECTION.

The City Council hereby orders that there be submitted to the qualified voters of the City a proposition on incurring bonded indebtedness for the purposes set forth in this Ordinance, at the regular election to be held on November 5, 2024.

SECTION 4. BALLOT PROPOSITION.

The City Council hereby submits to the qualified voters of the City, at the regular election to be held on November 5, 2024, a proposition on issuing the Bonds. The statement of the measure shall be in substantially the following form:

<p>PASADENA CENTRAL LIBRARY EARTHQUAKE RETROFIT, REPAIR, UPGRADE MEASURE</p> <p>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?</p>	<p>YES</p>	
	<p>NO</p>	

SECTION 5. OBJECT AND PURPOSE OF BONDS.

The object and single purpose of the issuing the Bonds is to finance the cost of the design, construction and improvement of the Central Library, including earthquake retrofit, repair of the building and upgrades. The proceeds of the Bonds may only be applied to costs relating to that purpose.

The Project includes all work, facilities and expenditures necessary and incidental to the Project described above. Examples of such work, facilities and expenditures, include but are not limited to: costs of design, engineering, architect and other professional services, inspections, site preparation, utilities (including improvements to plumbing, sewer and electrical systems to preserve energy and water), landscaping, construction management and other planning and permitting, legal, accounting and similar costs; a customary construction contingency; demolition and disposal of existing structures; rental or construction of storage facilities and other space on an interim basis for materials and other equipment and furnishings displaced during construction; interim facilities for municipal functions, including modular facilities; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes; environmental improvements to preserve energy and water; access requirements of the Americans with Disabilities Act; costs of the election; bond issuance costs; and project administration during the duration of such projects, as permitted by law.

The final costs, locations, designs, layouts and other details of the Project will be determined as plans are finalized, construction bids are awarded, and projects are completed.

SECTION 6. HISTORICAL BUILDING DESIGNATION.

Work on the Project, where required by California law, shall be done in accordance with the State Historical Building Code (Part 2.7 (commencing with Section 18950) of Division 13 of the California Health and Safety Code).

SECTION 7. ESTIMATED COSTS OF PROJECT.

The estimated cost of the Project is \$205,000,000. The estimated cost includes legal and other fees, the costs of printing the Bonds, and other costs and expenses which are incidental to or connected with the authorization, issuance and sale of the Bonds.

SECTION 8. AMOUNT OF PRINCIPAL OF THE INDEBTEDNESS.

The amount of the principal of the Bonds shall not exceed \$195,000,000.

SECTION 9. MAXIMUM INTEREST RATE.

The maximum interest rate to be paid on the Bonds shall be the statutory maximum of 12% per annum. Said interest shall be payable semiannually, except that interest for the first year after the date of the Bonds may be payable at the end of said year.

SECTION 10. FORM AND DATE OF BONDS.

The form of the Bonds shall be general obligation bonds, issued in one or more series pursuant to the Charter of the City of Pasadena, and certain provisions of the California Government Code, including Article 1, commencing with Section 43600 of Chapter 4 of Division 4 of Title 4 and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 (collectively, the "Bond Law"). The maximum number of years any series of Bonds shall run shall not exceed thirty (30) years.

SECTION 11. ISSUANCE AND SALE OF BONDS.

The City proposes to issue and sell the Bonds pursuant to the Bond Law, in one or more series, in the maximum amount and for the objects and purposes set forth above if fifty-five percent (55%) or two-thirds (2/3), as applicable, of all qualified voters voting on the proposition set forth above vote in favor thereof. The Bonds will be general obligations of the City payable from and secured by *ad valorem* taxes levied and collected in the manner prescribed by the laws of the State of California. The revenue generated by the *ad valorem* tax levied and collected will be used for the payment of debt service on the Bonds. All of the Bonds shall be equally and ratably secured, without priority, by the taxing power of the City.

SECTION 12. MANNER OF CONDUCTING ELECTION.

The election shall be consolidated with the Statewide general election and such other elections to be held on November 5, 2024 under State law within the territory of the City, and shall be held and conducted, and all other proceedings incidental to and connected with the election, shall be regulated and done, in accordance with the provisions of law regulating regularly scheduled elections. The precincts, polling places to said precincts in the County of Los Angeles (the "County"), and persons appointed and designated to serve as election officers for said election will be those determined, designated and appointed pursuant to State law by the Registrar-Recorder/County Clerk of the County of Los Angeles (the "Registrar"). The City, by resolution, has requested that the election be consolidated with the Statewide general election and that the Registrar conduct the election as well as perform various other services required by law on behalf of the City.

SECTION 13. PROCEDURE FOR VOTING ON PROPOSITION.

Ballots for the election shall be provided in the form and in the number provided by law. Voters shall be provided an opportunity to vote for or against the proposition on the ballot, in accordance with procedures to be adopted by the authorized officers of the County charged with conducting the election.

SECTION 14. ACCOUNTABILITY REQUIREMENTS.

In accordance with Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability requirements relating to the bonds:

- (a) The specific purpose of the bonds is to finance the Project.
- (b) The proceeds from the sale of the Bonds will be used only for the purposes specified in Section 5 of this Ordinance, and not for any other purpose.
- (c) The proceeds of the Bonds will be deposited into an account to be created and held by the City.
- (d) The Finance Director of the City shall file a report with the City Council no later than September 30, 2025, and at least once a year thereafter, showing the amount of funds collected and expended, and the status of the Project.

SECTION 15. IDENTIFICATION OF TAX.

The tax imposed by this measure is an *ad valorem* tax levied upon taxable real property in the City, and will be used to pay the principal and interest on the Bonds.

SECTION 16. REQUIREMENTS OF PROPOSITION 5.

In the event Proposition 5 is adopted by the Statewide voters, the following findings and additional accountability requirements are hereby adopted and will be effective:

- (a) The Project constitutes a public infrastructure as defined in Proposition 5;
- (b) Proceeds from the sale of the Bonds shall be used only for the purposes specified in Section 5, and not for any other purpose, including City employee salaries and other operating expenses. The administrative cost of the City executing the Project shall not exceed 5 percent of the proceeds from the sale of the Bonds;
- (c) The Project serves the jurisdiction of the City;
- (d) The City shall certify that the City has evaluated alternative funding sources;
- (e) The City shall conduct an annual, independent performance audit to ensure that the funds have been expended pursuant to this Ordinance;
- (f) The City shall conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of those proceeds have been expended for the public infrastructure;
- (g) The City shall post the audits required by clauses (e) and (f) in a manner that is easily accessible to the public;
- (h) The audits required by clauses (e) and (f) will be submitted to the California State Auditor for review;
- (i) The City shall appoint a citizens' oversight committee to ensure that proceeds of the Bonds are expended only for the purposes described in the measure approved by the voters. Members appointed to an oversight committee established pursuant to this subclause (i) shall receive educational training about bonds and fiscal oversight; and
- (j) An entity owned or controlled by a local official of the City that votes on whether to put this measure on the ballot will be prohibited from bidding on any work funded by the proposition.

SECTION 17. OFFICIAL ACTIONS.

The Mayor, the City Manager, the Finance Director, the City Clerk, and any of their designees, are hereby authorized to execute any documents and to perform all acts necessary to place the bond measure on the ballot.

SECTION 18. INTERPRETATION.

The provisions of this Ordinance, being necessary for the health, welfare, and safety of the City and its residents, is to be liberally interpreted to carry out its purposes. No error, irregularity or informality, and no neglect or omission of any officer, in any proceeding taken related to the submission of the proposition incurring bonded indebtedness to the qualified voters of the City shall void or invalidate any such proceeding, any Bonds issued by the City or any levy of ad valorem taxes to pay principal of and interest on the Bonds.

SECTION 19. SEVERABILITY.

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications, and to this end the provisions this Ordinance are declared to be severable.

SECTION 20. PUBLICATION OF ORDINANCE.

The City Clerk shall certify to the adoption of this Ordinance and shall cause this Ordinance to be published in accordance with the Charter and the Bond Law.

SECTION 21. EFFECTIVENESS.

This Ordinance shall take effect on the date of its publication pursuant to Section 508 of the Charter, following adoption by two-thirds vote of all of the members of the City Council.

Signed and approved this _____ day of _____, 2024.

Victor Gordo
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing ordinance was adopted by the City Council of the City of Pasadena at its meeting held this _____ day of _____, 2024, by the following vote:

AYES:

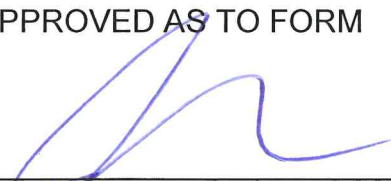
NOES:

ABSENT:

ABSTAIN:

Date Published: _____

APPROVED AS TO FORM



Javan N. Rad
Chief Assistant City Attorney

APPROVED AS TO FORM



Eric Tashman
Norton Rose Fulbright US LLP
Bond Counsel