

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA APPROVING THE ISSUANCE OF LEASE REVENUE REFUNDING BONDS IN AN AMOUNT NOT TO EXCEED \$130,000,000, INCLUDING THE EXECUTION AND DELIVERY OF A THIRD AMENDMENT TO AMENDED AND RESTATED LEASE, A FOURTH AMENDMENT TO AMENDED AND RESTATED SUBLEASE, BOND PURCHASE AGREEMENT, CONTINUING DISCLOSURE AGREEMENT, PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT IN CONNECTION THEREWITH, AND AUTHORIZING THE TAKING OF CERTAIN OTHER ACTIONS RELATING THERETO

WHEREAS, pursuant to the provisions of Article 4 of the Joint Exercise of Powers Act, comprising Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act") and the Joint Exercise of Powers Agreement, dated April 24, 2000, by and between the City of Pasadena, a municipal corporation and a chartered city of the State of California (the "City") and the Pasadena Community Development Commission, creating the Pasadena Financing Authority (the "Authority"), the Authority is authorized to issue bonds to finance public capital improvements; and

WHEREAS, the City and the Authority previously entered into a Lease, dated as of February 1, 2006, as amended by the First Amendment to Lease, dated as of November 1, 2010, as amended by the Amended and Restated Lease, dated as of May 1, 2011, as amended by the First Amendment to Amended and Restated Lease, dated as of October 1, 2016, and as amended by the Second Amendment to Amended and Restated Lease, dated as of December 1, 2018 (collectively, the "Lease"), pursuant to which the City leased certain land and improvements thereon consisting primarily of the Rose Bowl Stadium (the "Leased Property") to the Authority; and

WHEREAS, the City and the Authority previously entered into a Sublease, dated as of February 1, 2006, as amended by the First Amendment to Sublease, dated as of as of November 1, 2010, as amended by the Amended and Restated Sublease, dated as of May 1, 2011, as amended by the First Amendment to Amended and Restated Sublease, dated as of January 1, 2013, as amended by the Second Amendment to Amended and Restated Sublease, dated as of October 1, 2016, and as amended by the Third Amendment to Amended and Restated Sublease, dated as of December 1, 2018 (collectively, the "Sublease"), pursuant to which the Authority subleased the Leased Property to the City; and

WHEREAS, the Authority previously issued, among other lease revenue bonds, its \$106,660,000 Lease Revenue Bonds (Rose Bowl Renovation Project), Series 2010B (Taxable – Build America Bonds), for purposes of financing certain renovations and improvements to the Rose Bowl Stadium (the "Project"); and

WHEREAS, the City desires to refinance its obligations under the Sublease, and, correspondingly, the Authority desires to refund all or a portion of the Prior Bonds and has determined to issue its Lease Revenue Refunding Bonds (Rose Bowl Renovation Project), Series 2024 (the “Bonds”) (which includes current interest bonds and capital appreciation bonds), pursuant to a plan of finance, pursuant to the Act and pursuant to Article 11 (commencing with Section 53580), Chapter 3, Part 1, Division 2, Title 5, of the Government Code of California; and

WHEREAS, in order to refinance the Project, the City proposes to enter into a Third Amendment to Amended and Restated Lease with the Authority (the “Third Amendment to Amended and Restated Lease”); and

WHEREAS, in order to refinance the Project, the City further proposes to enter into a Fourth Amendment to Amended and Restated Sublease with the Authority (the “Fourth Amendment to Amended and Restated Sublease”), pursuant to which the City will make additional base rental payments (“2024 Base Rental Payments”) to the Authority; and

WHEREAS, pursuant to a Bond Indenture (the “Indenture”), dated as of November 1, 2024, between the Authority and U.S. Bank Trust Company, National Association, or such other financial institution as may be selected by the officers of the Authority, as trustee (the “Trustee”), the Authority will assign its rights to receive the 2024 Base Rental Payments to the Trustee and the Authority will issue the Bonds, which Bonds will be designated generally as the “Pasadena Public Financing Authority Lease Revenue Refunding Bonds (Rose Bowl Renovation Project),” of one or more series and with such other name or names as may be designated pursuant to the Indenture; and

WHEREAS, pursuant to one or more Bond Purchase Agreements (the “Purchase Agreement”) among Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), the Authority and the City, the Bonds are to be sold to the Underwriter; and

WHEREAS, the Bonds will be offered for sale by the Underwriter to investors through an official statement (the “Official Statement”); and

WHEREAS, there have been presented to this meeting proposed forms of the following documents and agreements:

- (1) Third Amendment to Amended and Restated Lease;
- (2) Fourth Amendment to Amended and Restated Sublease;
- (3) Purchase Agreement;
- (4) Continuing Disclosure Agreement; and
- (5) Official Statement; and

WHEREAS, the Project is located within the City, which is a member of the Authority; and

WHEREAS, the issuance and delivery of the Bonds shall be subject to the approval of and execution by the Authority; and

WHEREAS, on February 27, 2017, the City Council adopted a Debt Management Policy for the City, as amended, that complies with Government Code Section 8855(i) (the “Debt Management Policy”), and the execution and delivery of the Third Amendment to Amended and Restated Lease as contemplated by this resolution and sale and issuance by the Authority of the Bonds is in compliance with the Debt Management Policy; and

WHEREAS, pursuant to Section 5852.1 of the Government Code of the State of California, the City Council has received from its Municipal Advisor, KNN Public Finance, LLC, good faith estimates of the following information: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND FOUND by the City Council of the City of Pasadena, that:

Section 1. The foregoing recitals are true and correct, and the City Council so finds and determines.

Section 2. The form of Third Amendment to Amended and Restated Lease presented to this meeting, and on file with the City Clerk, is hereby approved. Each of the Mayor, the City Manager and the Director of Finance and any of their designees (collectively, the “Authorized Officers”), acting singly, is hereby authorized and directed for, on behalf of, and in the name of the City, to execute and deliver the Second Amendment to Amended and Restated Lease in substantially said form, with such changes, insertions and deletions as may be consistent with this Resolution and as may be approved by the officer executing the Second Amendment to Amended and Restated Lease, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The form of Fourth Amendment to Amended and Restated Sublease presented to this meeting, and on file with the City Clerk, is hereby approved. Any of the Authorized Officers, acting singly, is hereby authorized and directed for, on behalf of, and in the name of the City, to execute and deliver the Fourth Amendment to Amended and Restated Sublease in substantially said form, with such changes, insertions and deletions as may be consistent with this Resolution and as may be approved by the officer executing the Sublease, such approval to be conclusively evidenced by the execution and delivery thereof provided, however, that the annual 2024 Base Rental Payments payable by the City under the Fourth Amendment to Amended and Restated Sublease shall not be greater than \$15,000,000 per year and the final payment under the Fourth Amendment to Amended and Restated Sublease shall be no later than June 1, 2050.

Section 4. The City Council hereby approves of the issuance by the Authority of the Bonds in one or more series, pursuant to a plan of finance, and in an aggregate principal amount of not to exceed \$130,000,000.

Section 5. The form of Purchase Agreement presented to this meeting, and on file with the City Clerk, is hereby approved. Any of the Authorized Officers, acting singly, is hereby authorized and directed for, on behalf of, and in the name of the City, to execute and deliver one or more Purchase Agreements in substantially said form, with such changes, insertions and deletions as may be consistent with this Resolution and as may be approved by the officer executing such Purchase Agreement, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officer executing the Purchase Agreement is hereby authorized to determine the purchase price to be paid for the Bonds under the Purchase Agreement; provided, however, that the Underwriter's discount shall not be more than one-quarter of one percent (0.25%) of the initial principal amount of the Bonds, and the true interest cost of the Bonds shall not be greater than five and one-half percent (5.50%) per annum.

Section 6. The form of the Continuing Disclosure Agreement presented to this meeting, and on file with the City Clerk, is hereby approved. Any of the Authorized Officers, acting singly, is hereby authorized and directed for, on behalf of, and in the name of the City, to execute and deliver the Continuing Disclosure Agreement in substantially said form, with such changes, insertions and deletions as may be consistent with this Resolution and as may be approved by the officer executing the Continuing Disclosure Agreement, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. The City Council hereby approves the form of the Preliminary Official Statement (the "Preliminary Official Statement"), in substantially the form on file with the City Clerk and presented to the City Council at this meeting, with such changes and modifications as shall be necessary or appropriate for completion to the satisfaction of any Authorized Officer to reflect changes between the date of adoption of this Resolution and the date the Preliminary Official Statement is delivered to potential investors in the Bonds. Any one of the Authorized Officers is authorized and directed, on behalf of the City, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934. The City Council further approves distribution of the Preliminary Official Statement by the Underwriter to persons who may be interested in purchasing the Bonds. Any one of the Authorized Officers is authorized and directed to execute and deliver a final Official Statement in substantially the form of the Preliminary Official Statement hereby approved, with such additions thereto and changes therein as are consistent with this Resolution and recommended or approved by disclosure counsel to the City and approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 8. The City Manager, Director of Finance, City Clerk and all other appropriate officers of the City are hereby authorized and directed, acting singly, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. The foregoing authorization includes, but is in no way limited to, the execution and delivery of any tax certificate required by the Sublease, the recording of the Third Amendment to Amended and

Restated Lease and the Fourth Amendment to Amended and Restated Sublease, the obtaining of title insurance, the execution and delivery of an escrow agreement, if any, to defease the Prior Bonds, any bond insurance, bond reserve fund surety or other form of credit enhancement determined by such officer to be in the best interests of the City in order to provide for the cost-effective issuance of the Bonds, and the execution and delivery of any and all other documents determined to be necessary or appropriate by such officials and not inconsistent with this Resolution, and such determination thereof shall be final, binding and conclusive upon the City. Any actions heretofore taken by such officers in connection therewith are hereby ratified, confirmed and approved.

Section 9. In accordance with Section 5852.1 of the Government Code of the State of California, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds.

Section 10. With the passage of this resolution, the City hereby certifies that the City's Debt Management Policy complies with Government Code Section 8855(i), and that the Bonds authorized to be issued pursuant to this resolution are consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond Counsel, on behalf of the Authority, with respect to the Bonds issued pursuant to this resolution, (a) to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Government Code Section 8855, and (b) to check, on behalf of the Authority, the "Yes" box relating to such certifications in the notice of proposed sale filed pursuant to Government Code Section 8855.

Section 11. The City Clerk is hereby authorized and directed to attest the signature of the City Manager, the Director of Finance or such other City officers as may be required or appropriate in connection with the execution and delivery of the agreements and documents contemplated by this Resolution or any related document or instrument.

Section 12. This Resolution shall take effect immediately upon its adoption.

ADOPTED at a regular meeting of the City Council of the City of Pasadena this 28th day of October, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:


APPROVED AS TO FORM:

ATTEST:


Michele Beal Bagneris
City Attorney

Mark Jomsky, CMC
City Clerk

APPROVED AS TO FORM:



Marc Bauer
Orrick, Herrington & Sutcliffe LLP
Bond Counsel

EXHIBIT A

GOOD FAITH ESTIMATES

The following information was obtained from KNN Public Finance, LLC, as municipal advisor for the Bonds, with respect to the Bonds, and is provided in compliance with Senate Bill 450 (Section 5852.1 of the Government Code) with respect to the Bonds:

1. *True Interest Cost of the Bonds.* Assuming the estimated principal amount of the Bonds of \$107,058,848.25 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.92%.

2. *Finance Charge of the Bonds.* Assuming the estimated aggregate principal amount of the Bonds of \$107,058,848.25 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds) is \$817,647.12, as follows:

<u>Cost of Issuance</u>	<u>Amount</u>
Underwriter's Discount	\$267,647.12
Municipal Advisor	60,000.00
Bond Counsel	175,000.00
Disclosure Counsel	125,000.00
Trustee	7,600.00
Printing	2,500.00
Rating	84,000.00
Title Insurance	91,000.00
Miscellaneous	4,900.00
Total	\$817,647.12

3. *Amount of Proceeds to be Received.* Assuming the estimated principal amount of the Bonds of \$107,058,848.25 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$116,674,928.53.

4. *Total Payment Amount.* Assuming the estimated principal amount of the Bonds of \$107,058,848.25 are sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$201,709,530.56.

Attention is directed to the fact that the foregoing information constitutes good faith estimates only. The actual interest cost, finance charges, amount of proceeds and total payment amount may vary from the estimates above due to variations from these estimates in the timing of Bond sales, the amount of Bonds sold, the amortization of the Bonds sold and market interest rates at the time of each sale. The date of sale and the amount of Bonds sold will be determined by the Authority based on need for project funds and other factors. The actual interest rates at which the Bonds will be sold will depend on the bond market at the time of each sale. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale. Market interest rates are affected by economic and other factors beyond the City's and the Authority's control. The Authority shall approve the issuance of the Bonds with a maximum true interest cost of 5.50%.