

BURBANK PUBLIC FINANCING AUTHORITY
JANUARY 14, 2003

A regular meeting of the Burbank Public Financing Authority was held in the Council Chamber of the City Hall, 275 East Olive Avenue, on the above date. The meeting was called to order at 6:36 p.m., by Mr. Laurell, Chairman.

Invocation The invocation was given by Father Chuck Mitchell, St. Jude's Episcopal Church.

Pledge of Allegiance The pledge of allegiance to the flag was led by Joey Almario, Providence High School.

ROLL CALL

Present- - - - - Directors Golonski, Murphy, Ramos, Vander Borgh and Laurell.

Absent - - - - - Directors None.

Also Present - - Mr. Ovrom, Executive Director; Ms. Alvord, Assistant City Manager; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and Mrs. Campos, Secretary.

7:35 P.M. Meeting Continued Following a City Council public hearing, the Council, Redevelopment Agency and Burbank Public Financing Authority held a joint public hearing.

7:35 P.M. Jt. Public Hrg w/ Council and Redev. Agency F2 Issuance of Up to \$102.2 Million in Public Financing Auth. Revenue Bonds 2003 Series A (Golden State Redev. Proj.) & \$6 Million in Public Financing Auth. Revenue Bonds, 2003 Series B (S. San Fernando Redev. Project) Commissioner Laurell stated that "this is the time and place for the joint public hearing of the Burbank Public Financing Authority, the Redevelopment Agency and the Council of the City of Burbank regarding first the issuance of 2003 Golden State Project Bonds and the refinancing of a portion of the 1993 Golden State Project Bonds; and second, the issuance of 2003 South San Fernando Project Bonds by the Agency and the Public Financing Authority, pursuant to Section 6584 of the Government Code."

Notice Given The Secretary was asked if notices had been given as required by law. She replied in the affirmative and advised that no written communications had been received.

Staff
Report

Mr. Hanway, Financial Services Director, presented an overview of the proposal by the Burbank Financing Authority (Authority) to issue up to \$108.2 million in two different series, Series A which relates to the Golden State Project and Series B which relates to the South San Fernando Project. He reported that the goal of the Authority was to take advantage of the current low interest rates and provide new money for both the Golden State and South San Fernando Projects.

Mr. Hanway reported on the Golden State Bond Structure, which is comprised of two pieces operating simultaneously. The first piece included the refinancing of \$50.5 million of the 1993 outstanding bonds and the second piece was a little over \$8 million and would not be refunded with this issue. In addition, he stated that the Authority is generating a little less than \$34 million in new project money, \$4 million of which can be used for any City capital project. He stated the proposed financing mechanism is purchase in lieu of redemption, noting the existing 1993 bond debt has a final maturity date of 2024 which is beyond the plan limitation date of 2020. This financing mechanism would preserve the advantage of maintaining the existing 2024 maturity date while the current financial markets offer the advantage of low interest rates. He noted the Authority would call the bonds and continue to hold them as would a bondholder, rather than a traditional defeasance on the December 1, 2003 call date.

Regarding the South San Fernando Project, Mr. Hanway reported this was the first bond issuance since this was a brand new project. He stated a small amount is being issued to net over \$4.5 million of the project money to the South San Fernando Project. He said it was a traditional 30-year issuance with June 1, 2003 as the first interest payment date and December 1, 2003 as the first principal payment date, to the year 2032. He noted since this was a new project area, the average interest rate was higher, 5.7 percent, since the bonds are uninsured and have a BBB rating by Standards and Poors. He added that the average annual gross debt service for the South San Fernando bond approximates \$347, 000.

Mr. Hanway also reported on the State budget, particularly noting the Governor's proposed \$250 million shift from Redevelopment Agencies to the State's obligation to fund schools. He said this was 3.3 times the amount shifted in the current budget year with a stated goal of increasing the amount in the future years. He added that Standards and

Poors has made a commitment to stand by their ratings of the Golden State bonds.

Mrs. Ramos requested that Mrs. Georgino, Community Development Department Director, identify the projects, other than the Burbank Boulevard streetscape improvements, that are included in the \$3.3 million budget of the Golden State Project area. Mrs. Georgino reported that other projects included Hollywood Way, Victory Boulevard and some funds could also be used for the re-use of the old Buena Vista Library. She also added that if the City Center Project merged with the Golden State Project, these funds could be used for improvements in the City Center Project as well.

Mr. Golonski inquired about the fees related to the bond issuance financing team. Mr. Hanway reported that the maximum amount allowed for underwriting was not to exceed 0.9 percent of the total cost and that the final bond counsel for both issues combined was not yet negotiated but would not exceed \$136,000 and \$57,000 for the financial advisor. He added that he expected the fees to be lower than 0.9 percent, which is the acceptable market value.

Hearing Closed There being no response to the Mayor's invitation for oral comment, the hearing was declared closed.

Motion It was moved by Mr. Vander Borgh and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

F2 RESOLUTION NO. F-7:
Issuance of A RESOLUTION OF THE BURBANK PUBLIC FINANCING AUTHORITY
Revenue Bonds AUTHORIZING ISSUANCE OF REVENUE BONDS, APPROVING, AND
(Golden State AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN
Project Area) FINANCING DOCUMENTS AND AUTHORIZING AND DIRECTING
 ACTIONS WITH RESPECT THERTO (GOLDEN STATE PROJECT
 AREA).

Adopted The resolution was adopted by the following vote:

Ayes: Directors Golonski, Murphy, Ramos, Vander Borgh and
 Laurell.
Noes: Directors None.
Absent: Directors None.

1/14/03

Redev. Agency Reso. Adopted Redevelopment Agency Resolution No. R-2052 Approving, and Authorizing and Directing Execution of Certain Bond Financing Documents Relating to the Financing and Refinancing of Redevelopment Activities within its Golden State Redevelopment Project Area and Authorizing and Directing Actions with Respect Thereto, Removing the Trustee Appointed in Connection with the Agency's Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A, Appointing a Successor Trustee and Authorizing and Directing Execution of Documents Necessary in Connection with Such Removal and Appointment (Golden State Project Area) was adopted.

City Council Reso. Adopted City Council Resolution No. 26, 402 Making Findings with Respect to and Approving the Issuance of Bonds by the Burbank Public Financing Authority, Approving the Issuance of Bonds by the Redevelopment Agency of the City of Burbank and Approving the Sale Thereof to the Authority (Golden State Project Area) was adopted.

Motion It was moved by Mr. Vander Borgh and seconded by Mrs. Ramos that "the following resolution be passed and adopted:"

F2 RESOLUTION NO. F-8:
Issuance of Revenue Bonds Regarding S. San Fernando Project Area A RESOLUTION OF THE BURBANK PUBLIC FINANCING AUTHORITY AUTHORIZING ISSUANCE OF REVENUE BONDS, APPROVING, AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN FINANCING DOCUMENTS AND AUTHORIZING AND DIRECTING ACTIONS WITH RESPECT THERETO (SOUTH SAN FERNANDO PROJECT AREA).

Adopted The following resolution was adopted by the following vote:

Ayes: Members Golonski, Murphy, Ramos, Vander Borgh and Laurell.

Noes: Members None.

Absent: Members None.

Redev. Agency Reso. Adopted Redevelopment Agency Resolution No. R-2053 Approving, and Authorizing and Directing Execution of Certain Bond Financing Documents Relating to the Financing of Redevelopment Activities within its South San Fernando Redevelopment Project Area and Authorizing and Directing Actions with Respect Thereto (South San Fernando Project Area) was adopted.

