

BURBANK REDEVELOPMENT AGENCY
JANUARY 14, 2003

A regular meeting of the Burbank Redevelopment Agency was held in the City of Burbank Council Chamber, 275 East Olive Avenue, on the above date. The meeting was called to order at 5:06 p.m. by Mr. Laurell, Chairman.

CLOSED SESSION

Present- - - - - Members Murphy, Ramos, Vander Borcht and Laurell.
Absent - - - - - Member Golonski.
Also Present - Mr. Ovrom, City Manager; Mr. Barlow, City Attorney; Mrs. Georgino, Assistant Executive Director; and, Mrs. Campos, Secretary.

5:06 P.M. The Agency recessed at this time to the City Hall Basement Lunch
Recess Room/Conference Room to hold a Closed Session on the following:

- a. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Property: Former police block bounded by Olive Avenue, Third Street, Angeleno Avenue and San Fernando Boulevard (except APN 2453-13-010, commonly referred to as the Radio Shack parcel).
Parties With Whom Agency is Negotiating: Mark Buckland of the Olson Company.
Terms Under Negotiation: Possible sale of Agency-owned property.
- b. Conference with Real Property Negotiator:
Pursuant to Govt. Code §54956.8
Agency Negotiator: Assistant Executive Director/Susan M. Georgino.
Property: Media City Mall.
Parties With Whom Agency is Negotiating: Pan Pacific Properties, Inc.
Terms Under Negotiation: Waiver of Section 6.2 of the Site Lease between Pan Pacific Properties, Inc. and the Redevelopment Agency of the City of Burbank.

Regular Meeting Reconvened in Council Chambers The regular meeting of the Redevelopment Agency of the City of Burbank was reconvened at 6:36 p.m. by Mr. Laurell, Chairman.

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

Flag The pledge of allegiance to the flag was led by Joey Almario,

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Salute Providence High School.

ROLL CALL

Present- - - - - Members Golonski, Murphy, Ramos, Vander Borcht and Laurell.

Absent - - - - - Members None.

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

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

7:35 P.M. Commissioner Laurell stated that "this is the time and place for the
Jt. Public Hrg. w/ joint public hearing of the Burbank Public Financing Authority, the
Council and Redevelopment Agency and the Council of the City of Burbank
Burbank Public regarding first the issuance of 2003 Golden State Project Bonds and
Financing Auth. the refinancing of a portion of the 1993 Golden State Project
RA 50 Bonds; and second, the issuance of 2003 South San Fernando
RA 90 Project Bonds by the Agency and the Public Financing Authority,
Issuance of up to pursuant to Section 6584 of the Government Code."
\$102.2 Million in
Burbank Public
Financing Auth.
Revenue Bonds,
2003 Series A
(Golden State
Redev. Proj.) &
\$6 Million in
Burbank Public
Financing Auth.
Revenue Bonds,
2003 Series B
(S. San Fernando
Redev. Proj.)

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

Staff Mr. Hanway, Financial Services Director, presented an overview of
Report 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.

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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.

Burbank Public Financing Auth. Reso. Adopted Burbank Public Financing Authority Resolution No. F-7 Authorizing Issuance of Revenue Bonds, Approving, and Authorizing and Directing Execution of Certain Financing Documents and Authorizing and Directing Actions with Respect Thereto (Golden State Project Area) was adopted.

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

RA 50
Authorizing and Execution of Bond and Removal and Appointment of Trustee w/Golden State Redev. Proj.
Tax Allocation Bonds, 1993 Series A RESOLUTION NO. R-2052:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK APPROVING, AND AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN BOND FINANCING DOCUMENTS RELATING TO THE FINANCING AND REFINANCING OF 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).

Adopted The resolution was adopted by the following vote:

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

Noes: Members None.

Absent: Members None.

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.

Burbank Public Financing Auth. Reso. Adopted Burbank Public Financing Authority Resolution No. F-8 Authorizing Issuance of Revenue Bond, Approving, and Authorizing and Directing Execution of Certain Financing Documents and Authorizing and Directing Actions With Respect Thereto (South San Fernando 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:"

RA 90 Execution of Bond Relating to S. San Fernando Redev. Proj. Area RESOLUTION NO. R-2053:
A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK 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).

Adopted The resolution was adopted by the following vote:

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

City Council Reso. Adopted City Council Resolution No. 26,403 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 (South San Fernando Project Area) was adopted.

7:53 P.M. Recess The Agency recessed at this time to allow the City Council to continue its meeting. The Agency reconvened at 8:31 p.m. with all members present.

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RA 62-1
Waiver of
Lessor's Right of
1st Refusal of Site
Lease Relating to
Media City Mall

Mrs. Georgino, Community Development Director, reported on the request of a Waiver for First Right of Refusal to purchase the property the Media City Mall. She stated Pan Pacific Properties, Inc. was in the process of buying the assets of Center Trust, including the Media City Mall. She further stated Pan Pacific Properties, Inc. had offered the mall interest for sale to a third party buyer since it is a publicly held company and is well established in the retail market. As the owner, they are also the lessee under the site lease which has language requiring the Redevelopment Agency be given the first right of refusal for the sale of the interest. She also stated Pan Pacific Properties, Inc. was requesting the Agency to waive the notification requirements. She concluded it was not staff's recommendation that the Redevelopment Agency or City own the Media City Mall, thereby requesting the Council waive the provision of the lease and authorize staff to send a letter to Pan Pacific Properties Inc. to that effect.

Motion

It was moved by Ms. Murphy and seconded by Mr. Vander Borght that "the Executive Director provide a letter to Pacific Pan Properties, Inc. waiving provision 6.2 of the Site lease."

Adopted

The motion adopted by the following vote:

Ayes: Members Golonski, Murphy, Ramos, Vander Borght and Laurell.
Noes: Members None.
Absent: Members None.

8:36 P.M.
Recess

The Agency recessed at this time to permit the City Council to continue its meeting. The Agency reconvened at 10:47 p.m. for public comment with all members present.

11:00 P.M.
Adjournment

There being no further business to come before the Agency, the meeting was adjourned at 11:00 p.m.

Secretary

APPROVED MAY 13, 2003

Chairperson