

ORDINANCE NO. 2416

AN ORDINANCE OF THE CITY OF SOUTH PASADENA ORDERING THE SUBMISSION OF A PROPOSITION INCURRING BONDED INDEBTEDNESS TO THE QUALIFIED VOTERS OF THE CITY OF SOUTH PASADENA AT THE GENERAL MUNICIPAL ELECTION TO BE HELD ON NOVEMBER 3, 2026, FOR THE PURPOSE OF FINANCING THE COSTS OF THE ACQUISITION, CONSTRUCTION, COMPLETION, IMPROVEMENT, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF CERTAIN MUNICIPAL IMPROVEMENT PROJECTS OF THE CITY

WHEREAS, the City of South Pasadena (the “City”) is a municipal corporation and general law city duly organized and existing under the Constitution and laws of the State of California; and

WHEREAS, the City is responsible for maintaining a substantial public infrastructure footprint with 69 miles of street, more than 100 miles of sidewalk, 33 traffic signals, 454 fire hydrants, 60 miles of underground sewer lines, and more than 80 miles of water mains; and

WHEREAS, according to the City’s Draft 2025 Citywide Engineering and Traffic Survey for Speed Limits updated on February 9, 2026, on average, more than 100,000 vehicles traverse South Pasadena streets and corridors each day; and

WHEREAS, since 2016, the City has received more than 200 liability and property damage claims, resulting in more than \$7 million in claims costs, related to street and sidewalk conditions; and

WHEREAS, each year, on average, the City fills more than 1,000 potholes, costing tens of thousands in labor hours and contractor costs; and

WHEREAS, the City relies on its “local return” share of state and county special taxes that are specifically dedicated for street and transportation uses, which currently provides approximately \$2.5 million per year, as well as one-time grant funding, when available, to maintain and repair streets, sidewalks, and make traffic safety improvements; and

WHEREAS, according to the City’s most recent bid documents, simple repairs and maintenance, including slurry seal to extend the life of a street in good condition, costs approximately \$50,000 per center-lane mile; rehabilitating a street in fair condition costs approximately \$1,000,000 per center-lane mile; and reconstructing a street in poor condition costs approximately \$2,500,000 per center-lane mile; and

WHEREAS, approximately every five (5) years, the City engages professional pavement engineers to physically inspect the City’s street network and score each segment on a scale of zero to one hundred through a standard measure known as a Pavement Condition Index, or PCI. This data is compiled and used to prepare a Pavement Management Plan.

WHEREAS, the City's most recent Draft Pavement Management Plan provides an overall PCI score in the mid-50's for the City's street network. This means that many streets show significant cracking, rutting and surface deterioration. It is the streets that fall into the "poor" and "fair" categories that require extensive repair to improve this score and nearly 50% of the roads in South Pasadena fall into these "fair" or "poor" categories according to the PCI index; and

WHEREAS, the City estimates a total cost of \$136 million to improve the City's PCI to excellent condition. Without additional investment, this score will continue to decline; and

WHEREAS, insufficient funding for streets, roads, sidewalks for current and future demand will continue to deteriorate the City's infrastructure and therefore a significant investment for unfunded infrastructure improvements is needed; and

WHEREAS, investing \$1.00 in road maintenance now prevents \$6 to \$10 dollars in future reconstruction costs; and

WHEREAS, the City is undertaking the acquisition, construction, completion, improvement, reconstruction, rehabilitation or replacement of the City's streets, roads and sidewalks, including curbs, gutters and parkways, evacuation routes and storm drains (together, the "Improvements"); and

WHEREAS, the undertaking of the Improvements by the City constitutes the acquisition, construction, completion, improvement, reconstruction, rehabilitation and/or replacement of "municipal improvements" because the Improvements are: (1) part of the structures, facilities and equipment owned and operated under the control of the City, (2) part of the basic, underlying features of the City's physical landscape, community identity, and organization, (3) once completed, open to the public for use and/or benefiting the public, and (4) necessary or convenient to carry out the objects, purposes and powers of the City; and

WHEREAS, the City intends to issue its general obligation bonds (the "Bonds") to finance the cost of the acquisition, construction, completion, improvement, reconstruction, rehabilitation or replacement of the Improvements; and

WHEREAS, under existing law, approval of the Bonds requires two-thirds (2/3) of the voters in the City voting on the proposition to vote in favor; and

WHEREAS, if the ballot measure authorizing issuance of the Bonds is approved by the requisite number of affirmative votes, the City will be authorized to issue the Bonds.

NOW, THEREFORE, the City Council of the City of South Pasadena does hereby ordain as follows:

SECTION 1. PURPOSE AND INTENT. Pursuant to the authority provided by the California Government Code and California Elections Code, the City Council 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 3, 2026.

SECTION 2. FINDINGS. The City Council hereby makes the following findings with respect to the proposed measure for the Bonds:

- (i) On June 17, 2026, the City Council adopted, by a two-thirds vote of all its members, a resolution entitled “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOUTH PASADENA DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY DEMAND THE ACQUISITION, CONSTRUCTION, COMPLETION, IMPROVEMENT, RECONSTRUCTION, REHABILITATION OR REPLACEMENT OF MUNICIPAL IMPROVEMENT PROJECTS OF THE CITY, AND THEIR FINANCING THROUGH THE ISSUANCE OF GENERAL OBLIGATION BONDS,” pursuant to which the City Council has found and determined that the public interest and necessity demand the issuance of general obligation bonds to finance the Improvements, which are municipal improvement projects constituting public infrastructure of the City.
- (ii) In order to provide for the issuance by the City of general obligation bonds to provide financing for the Improvements, 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.
- (iii) The City Council desires to submit said ballot measure to the qualified voters of the City at the regular election to be held in the City on November 3, 2026, and to consolidate the bond election with other elections held within the City on that date.

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 3, 2026.

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 3, 2026, a proposition on issuing the Bonds. The statement of the measure shall be in substantially the form set forth in the resolution of the City placing the measure on the ballot.

SECTION 5. OBJECT AND PURPOSE OF BONDS. The object and purpose of the Bonds is to finance some or all of the costs of the Improvements. The authorized Improvements also includes all work, facilities and expenditures necessary and incidental to the improvements 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, 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; addressing unforeseen conditions revealed by construction or renovation, and other necessary improvements required to comply with existing building codes and other applicable law, including the Americans

with Disabilities Act; costs of the bond election; bond issuance costs; project administration during the duration of such projects; and financing and interest costs on the Bonds.

The final costs, locations, designs, layouts and other components of the Improvements will be determined as plans are finalized, construction bids are awarded, and projects are completed. Therefore, the City Council cannot guarantee that the Bonds will provide sufficient funds to allow completion of all needed Improvements.

SECTION 6. ESTIMATED COSTS OF PROJECT. The estimated cost of the Improvements is \$80,000,000. The estimated cost includes legal or other fees, the cost of printing the Bonds, and other costs and expenses incidental to or connected with the authorization, issuance and sale of the Bonds. To the extent the Improvements financed are revenue-producing public works, the cost of the Improvements may also include bond interest estimated to accrue during the construction period and for a period of not to exceed 12 months after completion of construction.

SECTION 7. PRINCIPAL AMOUNT OF BONDS. The amount of the principal of the Bonds shall not exceed \$80,000,000.

SECTION 8. MAXIMUM INTEREST RATE. The maximum rate of interest 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 made payable at the end of said year.

SECTION 9. ISSUANCE AND SALE OF BONDS. The City proposes to issue and sell the Bonds pursuant to Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 of the California Government Code, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, in one or more series, in the maximum amount and for the objects and purposes set forth above if the requisite number of qualified voters voting on the proposition 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 from 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 10. MANNER OF CONDUCTING ELECTION. The election on the Bonds held on November 3, 2026 shall be held and conducted, election officers appointed, voting precincts designated, ballots printed, polls opened and closed, ballots counted, and returned, returns canvassed, results declared, and all other proceedings incidental to and connected with the election shall be regulated and done in accordance with the provisions of law regulating the election with which it is consolidated.

SECTION 11. 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 of Los Angeles (the “County”) charged with conducting the election.

SECTION 12. ACCOUNTABILITY REQUIREMENTS. In accordance with Sections 53410 and 53411 of the California Government Code, the City Council hereby adopts the following accountability measures relating to the Bonds:

- (i) The proceeds from the sale of the Bonds shall be used only for the purposes specified in this Ordinance, and not for any other purpose, including City employee salaries and other operating expenses.
- (ii) A separate account shall be created and held by the City, into which the proceeds of the Bonds shall be deposited and applied solely for the purpose of financing the Improvements.
- (iii) The Chief Financial Officer of the City shall file a report with the City Council at least annually showing the amount of Bond proceeds collected and expended, and the status of the Improvements.

SECTION 13. 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 14. OFFICIAL ACTIONS. The Mayor, the City Manager, the Chief Financial Officer, the City Clerk, the City Attorney, 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 15. 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 16. 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 17. PUBLICATION OF ORDINANCE. In accordance with Government Code Section 43611, this Ordinance shall be published once a day for at least seven days in a newspaper published at least six days a week in the City, or once a week for two weeks in a newspaper published less than six days a week in the City. The first of said publications shall, in either event, be within 15 days after the adoption of this Ordinance. If there are no such newspapers, it shall be posted in three public places in the City for two succeeding weeks. No other notice need be given.

SECTION 18. EFFECTIVE DATE. In accordance with Section 36937(a) of the California Government Code, this Ordinance shall become effective immediately, as an ordinance relating to an election, upon its adoption by two-thirds vote of all the members of this City Council.

INTRODUCED at a regular meeting of the City Council on the 17th day of June 2026, by the following roll call vote:

AYES: Braun, Primuth, Cacciotti, Mayor Rossi
NOES: None.
ABSENT: Ferguson
ABSTAINED: None.

PASSED AND ADOPTED at a regular meeting of the City Council on the 7th day of July 2026, by the following roll call vote:

AYES: Braun, Primuth, Cacciotti, Ferguson, Mayor Rossi
NOES: None.
ABSENT: None.
ABSTAINED: None.

Signed by:

Sheila Rossi

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Sheila Rossi, Mayor

APPROVED AS TO FORM:

DocuSigned by:

Roxanne Diaz

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Roxanne Diaz, City Attorney

ATTEST:

Signed by:

Nikima S. Newsome

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Nikima S. Newsome, Chief City Clerk