

Los Angeles City Council, Journal/Council Proceedings
Friday, August 13, 2004
John Ferraro Council Chamber, Room 340, City Hall - 11:00 am

- - - SPECIAL COUNCIL MEETING - - -

11:00 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

ROLL CALL - Members present: Cardenas, Garcetti, Greuel, Hahn, LaBonge, Ludlow, Miscikowski, Parks, Reyes, Smith, Villaraigosa, Weiss and President Padilla (13); Absent: Perry and Zine (2).

ROLL CALL NUMBER (#) - INDICATES THE ORDER IN WHICH THE ITEMS WERE ACTED UPON DURING THE COUNCIL MEETING

Item for Which Public Hearing Has Been Held - Item 1

ITEM NO. (1) - CONTINUED TO AUGUST 17, 2004, PURSUANT TO COUNCIL RULE 53

**Roll Call #1 - Motion (LaBonge - Parks) Failed of Adoption - Over to Next Meeting, Ayes (4);
Noes: Cardenas, Garcetti, Greuel, Reyes, Smith, Villaraigosa and Weiss (7);
Absent: Ludlow, Perry, Zine and President Padilla (4)**

04-1365 - BUDGET AND FINANCE and INFORMATION TECHNOLOGY AND GENERAL SERVICES
CD 9 COMMITTEES' REPORT relative to the purchase of Figueroa Plaza at 201 and 221 North
Figueroa Street.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Department of General Services (GSD), with assistance from the City Attorney, City Administrative Officer (CAO), Chief Legislative Analyst, and Bureau of Engineering, to negotiate and execute a Purchase and Sales Agreement for the acquisition of the Figueroa Plaza complex, under the terms and conditions as substantially outlined in the GSD report attached to the Council file, contingent upon receipt from the seller of satisfactory representations and warranties, that the information provided to the City by the seller are true and correct copies, that the seller stands behind the information that has been provided to the City, and that there is nothing else, whether the City asks for it or not, that the seller is aware of that is material.

2. AUTHORIZE the CAO to issue Municipal Improvement Corporation of Los Angeles (MICLA) Bonds in the amount necessary to acquire the property at the stated price of \$125,000,000, including additional funds for the title report, escrow fees, other closing costs and cost of bond issuance.
3. AUTHORIZE the General Manager of the GSD, or designee(s), to execute all documents relating to the acquisition of this complex.
4. TRANSFER \$5.1 million for operating costs from September 1, 2004 through June 30, 2005, from the Reserve Fund to the Unappropriated Balance Fund 100/58, and APPROPRIATE therefrom to Department 40, General Services Trust Fund No. 843, Figueroa Plaza Account 220A.
5. AUTHORIZE the General Manager, GSD, or designee(s), to expend from Department 40, General Services Trust Fund No. 843, Figueroa Plaza Account No. 220A as necessary for the operation and maintenance of the Figueroa Plaza Complex.

Fiscal Impact Statement: The GSD reports that Figueroa Plaza would be purchased for \$125,000,000 with MICLA Bonds. The annual debt service will be \$10,631,320. For calendar year 2005, this will be offset by Third Party rent of \$7,753,720. This leaves a balance to be funded from the General Fund of \$2,877,600. The annual cost to operate and maintain the building complex is \$6,100,000. A separate budget appropriation in this amount will have to be made each year to maintain the complex as a Class A building. For the last 10-months of Fiscal Year 2004-05, this would amount to an appropriation of \$5,083,330.

When the difference between the debt service and building revenue (\$2,877,600) is combined with the building's operating and maintenance expense (\$6,100,000), the total annual impact to the General Fund is \$8,977,600. This is offset by the City's rent savings of \$5,557,830, for a total impact to the General Fund of \$3,419,770.

Councilmember Garcetti moved, seconded by Councilmember Weiss, that the Special Council meeting adjourn.

Ayes, Cardenas, Garcetti, Greuel, Miscikowski, Parks, Reyes, Smith, Villaraigosa, and Weiss(11); Absent: Ludlow, Perry, Zine and President Padilla (4).

Whereupon the Special Council meeting did adjourn.

ATTEST: J. Michael Carey, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL