

Los Angeles City Council, **Journal/Council Proceedings**
Wednesday, **June 13, 2007**
John Ferraro Council Chamber, Room 340, City Hall - 10:15 am

- - - SPECIAL COUNCIL MEETING - - -

10:15 A.M. OR AS SOON THEREAFTER
AS COUNCIL RECESSES ITS REGULAR MEETING

ROLL CALL - Members present: Alarcon, Cardenas, Greuel, Hahn, Huizar, LaBonge, Perry, Reyes, Rosendahl, Weiss, Zine and President Garcetti (12); Absent: Parks, Smith and Wesson (3).

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

Items for Which Public Hearings Have Been Held - Items 52-53

Roll Call #1 - Motion (Greuel - Rosendahl) Adopted, Ayes (12); Absent: Parks, Smith and Wesson (3) (Item Nos. 52-53)

ITEM NO. (52) - ADOPTED - TO THE MAYOR FORTHWITH

07-0600-S30

BUDGET AND FINANCE COMMITTEE REPORT, RESOLUTION and ORDINANCE FIRST CONSIDERATION relative to the 2007 Tax and Revenue Anticipation Notes (2007 TRAN) for Fiscal Year 2007-08.

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

1. ADOPT the accompanying RESOLUTION, and the form of the documents relating (City Administrative Officer report Attachments 1 and 2, attached to the Council file), authorizing the sale of the 2007 TRAN not to exceed \$930 million.
2. PRESENT and ADOPT the accompanying ORDINANCE creating a 2007 TRAN Proceeds Fund and a Debt Service Fund for the 2007 TRAN issuance.
3. INSTRUCT the City Clerk to place on the Council Calendar, consideration of a Resolution awarding bids in an amount not-to-exceed \$930 million of 2007 TRAN on JUNE 27, 2007, to the lowest responsible bidder(s), and actions relating thereto, with said consideration to be rescheduled upon notification by the City Administrative Officer (CAO).

4. AUTHORIZE the CAO to receive and open bids on the published sale date and to award the 2007 TRAN to the bidders with the lowest true interest costs (TIC) on behalf of the City, if there is no City Council quorum or no meeting in City Hall, as described in the accompanying Resolution.

Fiscal Impact Statement: The CAO reports that the proposed 2007 TRAN financing would result in estimated net savings of \$2.25 million to the City's General Fund. The estimated total debt service cost on the estimated \$916 million issuance is \$950.9 million and will be repaid on June 30, 2008 from collected General Fund revenues and taxes, and interest earnings from the investment of proceeds and revenues and taxes set-aside during the fiscal year. These recommendations are in compliance with the City's Financial Policies.

Debt Impact Statement: The CAO reports there is no impact to the City's debt capacity as this transaction represents a short-term borrowing to be repaid within the same fiscal year.

**ITEM NO. (53) - MOTION ADOPTED TO APPROVE COMMITTEE REPORT RECOMMENDATIONS
- TO THE MAYOR FORTHWITH - SEE FOLLOWING**

07-1009-S1

CATEGORICAL EXEMPTION, COMMUNICATION FROM THE CITY ADMINISTRATIVE OFFICER and CITY ATTORNEY, RESOLUTION and ORDINANCE FIRST CONSIDERATION relative to a request for authorization for a \$400 million bond issuance for the refinancing of Municipal Improvement Corporation of Los Angeles Commercial Paper Notes, and the acquisition of Figueroa Plaza.

(Budget and Finance Committee report to be submitted in Council. If public hearing is not held in Committee, an opportunity for public comment will be provided.)

(For background reports and materials related to this matter, contact the Legislative Assistant for the Budget and Finance Committee at 213-978-1075.)

ADOPTED

CATEGORICAL EXEMPTION, BUDGET AND FINANCE COMMITTEE REPORT, RESOLUTION and ORDINANCE FIRST CONSIDERATION relative to authorization for a \$400 million bond issuance for the refinancing of Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper Notes, and the acquisition of Figueroa Plaza.

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

1. **FIND that this action is CATEGORICALLY EXEMPT from the requirements of the California Environmental Quality Act (CEQA) of 1970, as provided by Article III, Section 1, a(1) of the Los Angeles City CEQA Guidelines.**
2. **PRESENT and ADOPT the accompanying ORDINANCE approving lease/leaseback of property for MICLA Lease Revenue Bonds, Series 2007-B (Figueroa Plaza).**

3. **ADOPT** the accompanying **RESOLUTION** of the City Council, approving certain documents, including the Preliminary Official Statement, and authorizing the issuance of up to \$400 million in bonds.
4. **INSTRUCT** the Controller to create two new accounts entitled “MICLEA2007-A (Commercial Paper Capital Equipment Refunding)” and “MICLEA 2007-B (Figueroa Plaza)” within the Capital Finance Administration Fund (Fund 100/Department 53).
5. **AUTHORIZE** the City Administrative Officer (CAO) to pay Fiscal Year 2007-08 debt service on the \$400 million bond issuance from monies in the Capital Finance Administration Fund (Fund 100/Department 53).

Fiscal Impact Statement: The CAO reports that the proposed \$400 million bond issuance will be an obligation of the General Fund, and the resulting debt service will be paid from the Capital Finance Administration Fund (Fund 100/Department 53). The 2007-08 debt service amount for the Commercial Paper refinancing is projected to be approximately \$2.7 million. For Figueroa Plaza, the 2007-08 debt service amount is projected to be roughly \$6 million.

Debt Impact Statement: The CAO reports that issuance of the proposed \$400 million in bonds will not cause the City’s debt service payments to exceed 6 percent of General Fund revenues for non-voter approved debt as established in the City’s Financial Policies, Debt Management Section. The \$400 million bond issuance will result in annual debt service payments of approximately \$22.6 million for seven years for the Commercial Paper refinancing, and roughly \$15.7 million for 30 years for Figueroa Plaza.

Councilmember Greuel moved, seconded by Councilmember Rosendahl, that the Special Council meeting adjourn.

Ayes, Alarcon, Cardenas, Greuel, Hahn, Huizar, LaBonge, Perry, Reyes, Rosendahl, Weiss, Zine and President Garcetti (12); Absent: Parks, Smith and Wesson (3).

Whereupon the Special Council meeting did adjourn.

ATTEST: Frank T. Martinez, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL