

Los Angeles City Council, **Journal/Council Proceedings**
Wednesday, **November 15, 2006**
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: Cardenas, Greuel, Huizar, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Wesson, Zine and President Garcetti (12); Absent: Hahn, Padilla and Weiss (3).

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

Items for Which Public Hearings Have Not Been Held - Item 58-59

(10 Votes Required for Consideration)

ITEM NO. (58) - ENTIRE MATTER CONTINUED TO NOVEMBER 29, 2006 - SEE FOLLOWING

Roll Call #1 - Motion (Parks - Cardenas) to Substitute, Failed of Adoption, Ayes (7); Noes: Cardenas, Parks, Perry and Wesson (4); Absent: Hahn, Huizar, Padilla and Weiss (4)

Roll Call #2 - Motion (Greuel - Cardenas) Adopted to Continue Entire Matter, Ayes (10); Noes: Parks (1); Absent: Hahn, Huizar, Padilla and Weiss (4)

02-2658

ORDINANCE FIRST CONSIDERATION relative to extending the new business tax exemption for ten years for the second year of operation and updating the industry codes for contractors and film producers.

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

PRESENT and ADOPT the accompanying ORDINANCE amending Article I, Chapter II, Section 21.30 of the Los Angeles Municipal Code to extend the new business tax exemption for ten years for the second year of operation and update the industry codes for contractors and film producers.

(Pursuant to Council action of November 7, 2006)

SUBSTITUTE MOTION (PARKS - CARDENAS)

Recommendation for Council action:

ADOPT the following recommendations in lieu of portions of the Ordinance on Council file No. 02-2658 pertaining to extension of the new business tax exemption for the second year of operation:

- 1. The second year exemption from the business tax for new businesses will be subject to review and may result in a suspension of the second-year exemption for new businesses under any of the following circumstances, as determined by the Council, subject to the approval of the Mayor:**
 - a. The City experiences a major natural or man-made disaster including, but not limited to, earthquakes, fires, or terrorist incident, the response and recovery for which require expenditure of more than one percent of General Fund revenues (i.e. \$40M in 2006-07); or**
 - b. An economic downturn resulting in a resulting than one percent overall actual decline in all General Fund revenue for the fiscal year ended June 30 of that year (i.e. \$40M in 2006-07); or**
 - c. The City is legislatively, legally or otherwise precluded from levying and collecting General Fund revenue that result in a greater than one percent total decline in budgeted General Fund revenue for that fiscal year (i.e. \$40M in 2006-07); or**
 - d. The City receives a legal judgment for which either an option for legal appeal does not exist, or the City Council and the Mayor decline to pursue such legal appeal, and such judgment exceeds 10 percent of the Reserve Fund (i.e. \$18.5M in 2006-07); or**
 - e. There is a non-discretionary situation requiring expenditure of any funds from the Emergency Reserve Account of the Reserve Fund.**
- 2. To implement a suspension of the exemption in a given calendar year, action by the Council, subject to the approval of the Mayor, must be made by September 30th of the preceding calendar year to allow sufficient time to advertise the suspension of the exemption to the business community.**
- 3. A suspension of the tax exemption will result in a period equivalent to the suspension period being added to the original five-year exemption period. This would result in the sunset clause of the ordinance expiring at the end of five years, or the number of years the exemption was in effect plus any suspension period, whichever is greater, but in no event would the actual number of years of second year tax exemption exceed five total years.**

4. Reinstatement of the exemption shall require approval of the Council, subject to the approval of the Mayor.
5. Request the City Attorney to prepare and submit an ordinance for Council consideration to implement a Business Tax Exemption policy for the second year for new businesses, as specified above.

ITEM NO. (59) - ADOPTED, AS AMENDED - SEE FOLLOWING

Roll Call #3 - Motion (Cardenas - Parks) to Adopt as Amended, Ayes (11); Absent: Hahn, Huizar, Padilla and Weiss (4)

06-2627

CITY ADMINISTRATIVE OFFICER TO REPORT relative to a \$500 million bond issuance to be sold on a negotiated basis for the new Police Headquarters Facility and the Public Works Building and provide a list of the underwriters to be used for this bond issuance as detailed in Motions (Cardenas - Parks) adopted by Council on November 8, 2006.

(Pursuant to Council action of November 8, 2006)

ADOPTED

AMENDING MOTION (CARDENAS - PARKS)

Recommendations for Council action:

1. **FIND**, pursuant to Charter Section 371(e)(2), that, in order to meet certain policy goals of the City, it is more advantageous and practical to sell the not-to-exceed \$500,000,000 Municipal Improvement Corporation of Los Angeles Lease Revenue Bonds, Series 2006-A (Police Headquarters Facility and Public Works Building) on a negotiated basis rather on a competitive basis.
2. **FIND**, as the contracting authority, the Council has determined that (1) the Department of Water and Power (LADWP) Qualified List of Underwriters is current and valid; (2) the scope of underwriter services in the Request for Proposal used by LADWP is substantially equal to the City's scope of services for underwriting the Municipal Improvement Corporation of Los Angeles (MICLA) Bonds; and (3) the criteria for selecting the LADWP underwriters for the LADWP Qualified List are substantially similar to and at least as high as the criteria that the City would use in selecting its own list of qualified underwriters for the MICLA Bonds.
3. **FIND**, that the City, in using the LADWP Qualified List, would be bound by the terms and conditions in the LADWP Request for Proposal, and the underwriters must be willing to provide such services to the City on the same terms and conditions set out in the LADWP Request for Proposal.

ADOPTED

ADDITIONAL MOTION (CARDENAS - PARKS)

Recommendation for Council action:

APPROVE the following list of underwriters, for the following percentages, for the negotiated sale of \$500,000,000 in Municipal Improvement Corporation of Los Angeles Lease Revenue Bonds, Series 2006-A (Police Headquarters Facility and Public Works Building):

De La Rosa & Co.	Bookrunner Senior Co-Manager	30 percent
Siebert Brandford Shank & Co. L.L.C.	Senior Co-Manager	30 percent
Lehman Brothers	Co-Manager	20 percent
Merrill Lynch	Co-Manager	20 percent

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

Ayes, Cardenas, Greuel, LaBonge, Parks, Perry, Reyes, Rosendahl, Smith, Wesson, Zine and President Garcetti (11); Absent: Hahn, Huizar, Padilla and Weiss (4).

Whereupon the Special Council meeting did adjourn.

ATTEST: Frank T. Martinez, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL