

Los Angeles City Council, **Journal/Council Proceedings**

Friday, **October 29, 2010**

John Ferraro Council Chamber, Room 340, City Hall - 10:15 am

**- - - SPECIAL COUNCIL MEETING - - -**

11:15 A.M. OR AS SOON THEREAFTER  
AS COUNCIL RECESSES ITS REGULAR MEETING

**ROLL CALL - Members present: Alarcón, Cárdenas, Hahn, Huizar, Koretz, Krekorian, Parks, Perry, Rosendahl, Smith, Wesson, Zine and President Garcetti (13); Absent: LaBonge and Reyes (2)**

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

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**Item for Which Public Hearing Has Been Held - Item 13**

**ITEM NO. (13) - ADOPTED**

**Roll Call #1 - Adopted, Ayes (13); Absent: LaBonge and Reyes (2)**

[10-1626](#)

BUDGET AND FINANCE COMMITTEE REPORT, ORDINANCES FIRST CONSIDERATION and RESOLUTION relative to authorization to issue up to \$128 million in Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Bonds, Series 2010.

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

1. PRESENT and ADOPT the accompanying ORDINANCES relative to issuance of MICLA Lease Revenue Bonds, Series 2010-A, 2010-B, 2010-C, and 2010-D, terminating and approving the lease/leaseback of properties and creating related Special Funds.
2. ADOPT the accompanying RESOLUTION, including various documents required for the execution of the bonds, which authorizes the issuance of up to \$128 million in MICLA Lease Revenue bonds.
3. AUTHORIZE the City Administrative Officer (CAO) to pay Fiscal Year (FY) 2010-11 debt service on the \$128 million bond issuance from monies in the Capital Finance Administration Fund No. 100, Department 53.
4. REQUEST the Controller to create four new accounts in the Capital Finance Administration Fund that will be used to pay for future debt service: "MICLA 2010-A (Commercial Paper Capital

Equipment Refunding)", "MICLA 2010-B (Commercial Paper Capital Equipment Refunding RZEDB-taxable)", "MICLA 2010-C (Commercial Paper Real Property Refunding RZEDB-taxable)", and MICLA 2010-0 (Refunding of MICLA AC, AE and AL)".

Fiscal Impact Statement: The CAO reports that the issuance of up to \$128 million in MICLA Lease Revenue Bonds will be an obligation of the General Fund and the resulting debt service will be paid from the Capital Finance Administration Fund. The debt service for FY 2010-11 is projected to be approximately \$2.5 million to be offset by a federal subsidy of approximately \$735,211. During the life of the bonds, the average annual debt service will be approximately \$5.6 million to be offset by a federal subsidy of approximately \$596,920 annually for a period of 30 years.

Debt Impact Statement: The CAO reports that the issuance of up to \$128 million in MICLA Lease Revenue Bonds will not cause the City's debt service payments to exceed six percent of General Fund revenues for non-voter approved debt as established in the City's Financial Policies, Debt Management Section. During the life of the bonds, the average annual debt service will be approximately \$5.6 million to be offset by a federal subsidy of approximately \$596,920 annually for a period of 30 years. Based on current market rates, the net present value savings for the potential refunding of outstanding MICLA Series 1997-AC, 1998-AE, and 1999-AL bonds is approximately \$942,776 or 5.34 percent.

Community Impact Statement: None submitted.

## **Whereupon the Special Council meeting did adjourn.**

ATTEST: June Lagmay, CITY CLERK

By

Council Clerk

PRESIDENT OF THE CITY COUNCIL