

COMMUNICATION

TO: LOS ANGELES CITY COUNCIL

File No. 12-0226

**FROM: COUNCILMEMBER JAN PERRY, CHAIR
INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE**

COMMUNICATION FROM CHAIR, INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE relative to a new 10-year lease amendment with Lewis Brisbois Bisgaard & Smith LLP (LBBS) for continued tenancy and expansion at Figueroa Plaza, 201 and 221 North Figueroa Street, Los Angeles, California.

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

1. AUTHORIZE the Department of General Services (GSD) to negotiate and execute a new 10-year lease amendment with LBBS regarding its continued tenancy and expansion in Figueroa Plaza, a City-owned property, at 221 North Figueroa Street, Los Angeles, California, in accordance with the terms of the LBBS Letter of Intent dated December 9, 2011 and as generally reflected in Scenarios B-12a and B-12b in Attachment 1, attached to the Council file, subject to the approval of the City Attorney as to form and legality.
2. AUTHORIZE the City Administrative Officer to defease \$6.4 million in Municipal Improvement Corporation of Los Angeles (MICLA) tax exempt debt or the amount ultimately determined by Tax Counsel within 90 days of the execution of the lease and issue taxable debt financing to replace this defeased debt.

Fiscal Impact Statement: The GSD reports that execution of the proposed lease would provide the City \$22.9 million in net cash flow and a budget impact of \$1.2 million over the next 12 years.

Debt Impact Statement: The GSD reports that execution of the proposed lease would require the City to defease approximately \$6.4 million in MICLA tax exempt debt within 90 days of lease execution and require the City to issue approximately \$6.4 million in taxable debt to satisfy federal regulations regarding private use in public buildings.

Community Impact Statement: None submitted.

Summary:

On February 23, 2012, your Committee Chair considered a report from GSD relative to a new 10-year lease amendment with LBBS for continued tenancy and expansion at Figueroa Plaza. The February 7, 2012 GSD report, attached to the Council file, reflects that the Municipal Facilities Committee (MFC) approved the lease on January 19, 2012. It also provides background information and details on the proposed lease. During the discussion of this item, the GSD representative provided an overview of the Department's request, responded to related questions from the Committee Chair, and made two minor technical amendments. The first amendment corrects the date, on the cover page, that the MFC approved the item. It should read 1-19-12 instead of 1-19-26. The second amendment corrects Recommendation No. 2, page five of the GSD report, to include that MICLA will be the source of the \$6.4 million tax exempt debt, as indicated above.

After providing an opportunity for public comment, the Committee Chair recommended that Council approve the recommendations contained in the GSD report, as amended in Committee. This matter is now submitted to Council for its consideration.

Respectfully submitted,

COUNCILMEMBER JAN PERRY, CHAIR
INFORMATION TECHNOLOGY AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PERRY	YES
BUSCAINO	ABSENT
CARDENAS	ABSENT

MLE
[12-0226](#)_rpt_itgs_2-23-12

- Not Official Until Council Acts -