Date: September 20, 2012

To: Councilmember Paul Krekorian, Chair
   Budget and Finance Committee

From: Miguel A. Santana, City Administrative Officer

Subject: Technical Correction to the 2012-13 – First Construction Projects Report (C.F. 12-1409)

SUMMARY

On September 4, 2012, our Office released the First Construction Projects Report for Fiscal Year 2012-13. This memorandum is provided to include a technical correction instruction as requested by the Controller’s Office relative to the Sixth Street Viaduct Improvement Project. The use of up to $98.4 million in MICLA Commercial Paper as cash flow for the project was originally authorized by the Council in November 2011 (C.F.10-1409). The Controller has determined that project costs would be tracked more effectively if the MICLA funds were provided as an advance to a new fund “Sixth Street Viaduct Improvement Fund” rather than being spent directly from a MICLA fund as originally envisioned. This additional instruction is therefore being transmitted since Council authority is required to advance MICLA funding.

RECOMMENDATION

That the Council, subject to approval of the Mayor, authorize the Controller upon CAO approval, to advance up to $98.4 million from Commercial Paper Fund No. 298 to the Sixth Street Viaduct Improvement Fund No. TBD through the project duration to be repaid from State and Federal funds received as reimbursement for the Sixth Street Viaduct Improvement Project.

FISCAL IMPACT STATEMENT

There is no fiscal impact to the General Fund. All of the City’s costs related to MICLA debt issued for the Sixth Street Viaduct Improvement Project will be reimbursed by the federal and state grants financing the project.