

/ AS AMENDED\*\*  
 ADOPTED BY THE BOARD  
 PUBLIC WORKS OF THE CITY  
 of Los Angeles California  
**AND REFERRED TO THE CITY COUNCIL**  
 JUL 26 2017

Department of Public Works

Bureau of Engineering  
 Report No. 1

July 26, 2017  
 CD No. 1

  
 Executive Officer  
 Board of Public Works

**ACKNOWLEDGING THE CITY COUNCIL AND MAYORAL ACTION ON NEGOTIATING AND EXECUTING AN AGREEMENT AND AUTHORITY TO REQUEST A LOAN FROM THE PUBLIC WORKS TRUST FUND FOR THE TAYLOR YARD RIVER PARK**

**RECOMMENDATIONS** \*\*subject to City Council approval for Recommendations Nos. 2-7

1. Acknowledge the City Council and Mayoral action (C.F. 14-1158-S3) authorizing the City Engineer or designee to accept, negotiate, execute, and submit all grant documents, including but not limited to, agreements and amendments, subject to the approval of the City Attorney as to form, which may be necessary to receive funding from the California State Coastal Conservancy (SCC) for the Implementation Plan for Taylor Yard River Park on the Los Angeles River (Plan) not exceeding the amount of \$2,000,000 (Transmittal No. 1).
- \*\* 2. Authorize a loan from the Public Works Trust Fund (PWTF), Fund No. 834, Department No. 50 in the amount of \$700,000, to front fund the Plan until sufficient grant funds are received to repay the loan.
- \*\* 3. Authorize the Director of the Office of Accounting (OOA) to release the Public Works Trust Fund Loan as soon as copy of the grant award is received from the Bureau of Engineering (BOE).
- \*\* 4. Authorize the Director of the OOA to assess and collect monthly interest on the loans at the rate that the Office of Finance is using to allocate interest to various investment pools. Any unpaid interest at the end of the year will be added to the principal amount of the loan.
- \*\* 5. Authorize the Director of the OOA to transfer \$700,000 from the PWTF Fund No. 834, Department No. 50 to the Engineering Special Services Fund, Fund No. 682, Department No. 50 and to appropriate said amount in the Engineering Special Services Fund, Fund No. 682, Department No. 50, to a new Appropriation Unit entitled "Taylor Yard G2," and to make payments for completion of the Plan.
- \*\* 6. Authorize reimbursements in the amount of \$700,000 from the SCC to be deposited into the Engineering Special Services Fund and subsequently, to be transferred back to the PWTF as directed by the City Engineer.
- \*\* 7. Request the Controller to make technical corrections as necessary.

**TRANSMITTALS**

1. Council Motion authorizing the City Engineer to negotiate and execute an agreement with the SCC, C.F. 14-1158-S3.
2. The SCC Board Approval of Proposition (Prop) 1 Grant for the Implementation Plan for Taylor Yard River Park on April 27, 2017, noted in a letter dated May 9, 2017.

## **DISCUSSION**

The SCC awarded grant funding in the amount of \$2,000,000 from the Prop 1 Storm Water Grant Program to the City of Los Angeles (City) for improving and protecting coastal and marine water quality and habitats and public access at their Board meeting on April 27, 2017 (Transmittal No. 2).

Taylor Yard River Park is a 42-acre parcel adjacent to the Los Angeles River, between Glassell Park and Elysian Valley. The City recently acquired Taylor Yard Parcel G2 (G2) for the purpose of restoring the floodplain function and riparian habitat, and providing public access to and along the Los Angeles River. The site is known to be contaminated, so the City is working under the guidance of the Department of Toxic Substances Control to investigate and remediate the park to ecological or recreational standards.

The Taylor Yard River Park is a project in the City Council-adopted Los Angeles River Revitalization Master Plan and the US Army Corps of Engineers' Ecosystem Restoration Feasibility Study, also known as "Area with Restoration Benefits and Opportunities for Revitalization (ARBOR)". The Plan will serve as a concept report including site assessments, recommended interim and long-term uses that may be consistent with ARBOR, and recommended remediation of the site. A separate Board report will be submitted to request authorization to award the consultant contract for this scope of work with appropriate funding source.

The SCC grant will be paid to the City on a reimbursement basis. A loan from the PWTF in the amount of \$700,000 will provide necessary cash flow to begin and sustain work on the Plan until sufficient grant reimbursements have been received.

## **FISCAL IMPACT STATEMENT**

There is no impact to the City General Fund. The Trust Fund will front fund the Plan for \$700,000 and the Trust Fund will be reimbursed by the Engineering Special Services Fund after the completion of the Plan, as grant proceeds are received on a cost reimbursement basis. Completion of the Plan is expected to end approximately on April 30, 2019.

## **STATUS OF FINANCING**

The total funding for the Plan is not-to-exceed \$2,000,000. Upon finalization of the grant agreement with the California SCC and requests for reimbursement, the funding will be deposited in the Engineering Special Services Fund, Fund No. 682, Department No. 50, Appropriation Unit No. "To Be Determined," Entitled-Taylor Yard G2, and subsequently transferred back the \$700,000 to the PWTF, as directed by the City Engineer.

The PWTF's current practice for outstanding loan to total fund balance is benchmarked at 25 percent of total deposits. Approval of this board report for a loan in the amount of \$700,000 will increase the total outstanding loan balance to approximately \$35.6 million or an increase to nearly 29 percent of PWTF's total deposits. Most important, if approved, the anticipated total outstanding loan balance represents more than 55 percent of net available cash after consideration of restricted/reserved funds. Therefore, the Board should consider this request with caution, fiscal prudence, and close

Department of Public Works  
Bureau of Engineering  
Report No. 1

July 26, 2017  
Page 3

Should the Board desire to minimize risk and not-to-exceed the current loan benchmark practice of 25 percent, the Board could explore available options to either (1) request that any outstanding loans be repaid upon demand if reimbursements were received from the original repayment source as identified at the time the loan request was approved and said funds have not yet repaid back to the PWTF, such as the Seismic Bridge Improvement Program, Project Restore, Props 12 and 40 projects, and Storm Drain Damage project; or (2) defer loan request approved by the Board for pending projects that have not yet submitted proof of repayment source of funds and thus no loan has been disbursed; (3) suspend future loan approvals, including pre-approvals now in consideration, until sufficient funds are available to reduce the loan benchmark to 25 percent or less, which would impact funding for potential projects; (4) defer Nexus Study potential disbursements, if any; or (5) a mixture of one or more of the options stated above. Absent of such consideration, the outstanding loan to total fund balance will increase to nearly 29 percent of PWTF's total deposits which is 4 percent over the 25 percent benchmark.

( CFJ RMK DW )

Report reviewed by:

Respectfully submitted,

BOE (ADM)

Report prepared by:

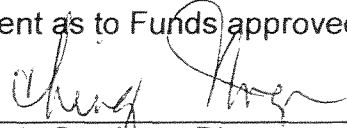


Prop O Clean Water Division

Gary Lee Moore, PE, ENV SP  
City Engineer

Christopher F. Johnson, PE, GE  
Division Engineer  
Phone No. (213) 485-1165

Statement as to Funds approved by:

  
Victoria A. Santiago, Director  
Office of Accounting

Date: \_\_\_\_\_

7/6/17

CFJ/KD/05-2017-0125.POB.gva

Questions regarding this  
report may be referred to:  
Katherine Doherty, PE, Project Manager  
Phone No. (213) 847-0395  
E-mail: Katherine.Doherty@lacity.org

