

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES and BUDGET AND FINANCE COMMITTEES' REPORT relative to the development and operation of the Los Angeles Street Civic Building (LASCBS) located at 150 North Los Angeles Street.

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

1. APPROVE the Revised Fiscal Year (FY) 2017-18 and 2018-19 Budget for the Demolition and Pre-Design Component of the LASCBS Project and increase \$2,554,567 from \$21,000,000 to \$23,554,567 in order to accommodate the pace of demolition activities and actual costs incurred.
2. REAUTHORIZE the use and issuance of \$2,554,567 in Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper and INCREASE appropriations in MICLA Fund No. 298, Account No. 50NTCD, titled *Los Angeles Street Civic Center Building/Parker Center Demo Project*.
3. RECOGNIZE that the overall conceptual budget of up to \$32,300,000 for the project and anticipated December 2019 completion for demolition date remains unchanged.
4. DIRECT the City Administrative Officer (CAO) to make any technical corrections as needed in order to carry out the intent of the Council.

Fiscal Impact Statement: The Municipal Facilities Committee (MFC) reports that approval of the recommendation for additional MICLA funds will have an impact on the General Fund, however, this impact will not result in an increase of the already approved conceptual total budget, as funding anticipated for FY 2019-20 to complete the project will be commensurately reduced to \$8,745,433.

Debt Impact Statement: The MFC reports that based on the CAO's analysis, the issuance of MICLA Bonds is a General Fund obligation. This reauthorization of MICLA for an additional \$2,554,567 from \$21,000,000 to \$23,554,567 for the demolition and pre-design component of the LASCBS Project would cause the City to borrow a total of \$23,554,567 at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service is \$39,420,000, including interest of \$15,860,000. During the life of the bonds, the estimated average annual debt service is \$1,970,000 over 20 years.

Community Impact Statement: None submitted.

(Public Works and Gang Reduction Committee waived consideration of the above matter)

SUMMARY

At its regular meeting held on April 10, 2019, the Information, Technology, and General Services Committee considered a City Attorney report and Ordinance relative to authorizing the Bureau of Engineering to use a Design, Build, Finance, Operate and Maintain project delivery method and the competitive sealed proposal selection process for capital improvement projects related to the

development and operation of the LASCB, located at 150 North Los Angeles; and, a MFC report relative to FY 2018-19 budget revisions, use and issuance of MICLA funds, and increase appropriations in MICLA fund for the demolition and pre-design component of the LASCB project.

During the discussion of the item, the CAO staff presented the MFC report requesting the revision of the FY 18-19 budget for the LASCB project in order to close out demolition and pre-design activity, and to keep pace with incoming invoices. Staff reported that the total project request is not affected by this budget revision and added that the project is ahead of schedule on demolition and thus invoices are coming in sooner than anticipated. Also pending before committee was a City Attorney report and Ordinance authorizing the Bureau of Engineering to use a Design, Build, Finance, Operate and Maintain project delivery method and the competitive sealed proposal selection process for capital improvement projects related to the development and operation of the LASCB, which the Committee moved to continue.

After providing an opportunity for public comment, the Committee moved to approve the recommendations contained in the subject MFC report, and moved to continue the City Attorney report and Ordinance as detailed above. At its regular meeting on April 15, 2019, the Budget and Finance Committee concurred with this action. This matter is now transmitted to the Council for its consideration.

Respectfully Submitted,

INFORMATION, TECHNOLOGY, AND GENERAL SERVICES COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
SMITH:	YES
BLUMENFIELD:	YES
RODRIGUEZ:	YES

LC 04/10/19

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
PRICE:	YES
KORETZ:	YES
BONIN:	Absent
BLUMENFIELD:	YES

AC 04/15/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-