

ORDINANCE NO. _____

An ordinance providing for the issuance by the Municipal Improvement Corporation of Los Angeles (MICLA) of lease revenue commercial paper notes, tax-exempt series A-1 and taxable series B-1 by approving the lease and sublease of certain real properties by the City of Los Angeles (City) to and from MICLA, as lessee and sublessor.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The Council of the City of Los Angeles (City) finds and determines that the public interest and convenience require the lease of certain real property described in Exhibit A (Properties) to the Municipal Improvement Corporation of Los Angeles (MICLA) and the subleasing by the City of the Properties from MICLA for sublease payments in amounts sufficient to pay principal and interest on a MICLA financing, preliminarily named "Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes, (Los Angeles Convention Center) Tax-Exempt Series A-1 and Taxable Series B-1" (the "Commercial Paper Notes") and to pay certain other related expenses.

Sec. 2. The Council now approves the leasing of the Properties described in Exhibit A to MICLA. The lease shall be in consideration of MICLA agreeing to sublease such Properties to the City in connection with the issuance by MICLA of the Commercial Paper Notes.

Sec. 3. The Council further approves the subleasing of the Properties by the City from MICLA, in exchange for rentals in amounts sufficient to pay interest and principal on the Commercial Paper Notes and to pay certain other related expenses, and approves the sublease which contains a provision eliminating set-off rights of the City against MICLA for payments due under the sublease. The City's payments under the sublease constitute the revenue stream for the payments on the Commercial Paper Notes. City Charter Section 264 provides that from any demand upon the Treasury in favor of any person or entity indebted to the City must first be deducted the amount of the indebtedness. The requirement would apply to payments under the sublease. However, City Charter Section 265 provides that nothing therein shall interfere with or prevent the payment by the Treasurer of principal and interest on bonds payable by the City. The Commercial Paper Notes based on the sublease constitute an obligation to pay with characteristics similar to bonds from the financial markets perspective and, therefore, the Council wishes to affirm that payments required to be made under the sublease not be subject to the set-off provisions of City Charter Section 264.

Sec. 4. The City Attorney is authorized and directed to cause the appropriate lease and sublease by which the Properties are leased to MICLA and subleased from MICLA, and to further cause memoranda of the lease and sublease to be prepared for the purpose or recordation and, upon execution, filed with the Los Angeles County Recorder, or to file for recordation of the lease and sublease if a memorandum thereof

is not prepared. The City Administrative Officer and any Assistant City Administrative Officer is each authorized and directed to execute the lease and sublease and any memoranda thereof.

Sec. 5. Pursuant to California Government Code Section 54241, the City is now authorized to enter into formal agreements with MICLA with respect to the lease by the City to MICLA of the Properties and the lease back by MICLA to the City of the Properties.

Sec. 6. Pursuant to Section 7.27 of the Los Angeles Administrative Code, the Council hereby determines that the public interest and necessity require the lease of the Properties to MICLA without notice of lease or advertisement for bids.

Sec. 7. This ordinance is subject to the provisions for referenda applicable to the City pursuant to Section 460 of the City Charter. This ordinance shall be published in the manner required by Section 251 of the City Charter for ordinances of the City and shall be effective on publication.

Sec. 8. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located in the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

I certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting on _____.

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 

Timothy J. Fitzpatrick
Deputy City Attorney

Date OCT 09 2015

File No. _____

EXHIBIT A

LEASE/LEASEBACK PROPERTIES

MICLA LEASE REVENUE COMMERCIAL PAPER NOTES (LOS ANGELES CONVENTION CENTER) TAX-EXEMPT SERIES A-1 AND TAXABLE SERIES B-1

The lease/leaseback Properties are generally described as, and are more particularly described in the lease and sublease.

Description/Location	Approximate Value
1. Gilbert Lindsay Plaza (North Corner of Pico Blvd and Figueroa Street, LA, CA 90015)	\$35,630,000
2. Cherry Street Parking Structure (Southwest Corner of L.A.Live Way and 11 th Street, Northwest and Southwest corners of L.A. Live Way and 12 th Stret, and Northwest corner of L.A. Live Way and Pico Blvd. LA, CA 90015)	\$38,480,000
3. Venice Parking (1501 South Figueroa Street Los Angeles, CA 90015)	\$41,440,000