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Executive Director

July 31, 2019

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. John White, City Clerk's Office

SUBJECT: RESOLUTION NOS. 19-9497 & 19-9498 – PROPOSED AUTHORIZATION TO THE BOARD OF HARBOR COMMISSIONERS FOR THE APPROVAL OF THE ISSUANCE OF THE CITY OF LOS ANGELES HARBOR DEPARTMENT 2019 REFUNDING REVENUE BONDS

Pursuant to Section 609 of the City Charter and the Bond Procedural Ordinance of the Los Angeles Administrative Code Sections 11.28.1 through 11.28.9, enclosed for your approval is Resolution No. 19-9497 and Resolution No. 19-9498 authorizing proposed issuance of the 2019 Refunding Revenue Bonds; which was approved at the June 20, 2019 meeting of the Board of Harbor Commissioners. The proposed 2019 Refunding Revenue Bonds will refund all or a portion of the City of Los Angeles Harbor Department's 2009 Series A and C Bonds, which are currently outstanding in the principal amount of \$235,200,000. Following August 1, 2019 debt service payment, \$220,595,000 in principal will be outstanding. A total of \$215,595,000 of the bonds will be refunded, as \$5,000,000 of the 2009 Series C Bonds are non-callable. The refunding of the 2009 AC Bonds for a total of \$215,595,000 is expected to result in combined present value savings of approximately \$35,467,327 or 16.5% of the bonds to be refunded with an average annual debt service savings of \$4,190,500 through August 2031. It is estimated that the all-in true interest cost for the combined transaction will be approximately 1.87%. The 2019 Refunding transaction will not change the maturity date of these bonds or result in additional debt, but will replace higher interest rate debt with lower interest rate debt thereby resulting in lower debt service payments for the Harbor Department. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners (Board) that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines;
2. APPROVE Harbor Department Resolution No. 19-9497 and Resolution No. 19-9498 authorizing issuance of the 2019 Refunding Revenue Bonds; and
3. Return to the Board of Harbor Commissioners for further processing.

Respectfully Submitted,


AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilman Buscaino
Councilman Bonin
Councilman Krekorian
Heleen Ramirez, Mayor's Office

Erick Martell, Harbor Representative
Jessica Quach, CAO
Dennis Gleason, CD15
Matthew Shade, CLA