

CITY OF LOS ANGELES

CALIFORNIA

HOLLY L. WOLCOTT

Interim City Clerk



ERIC GARCETTI
MAYOR

Office of the
CITY CLERK

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When making inquiries relative to
this matter, please refer to the
Council File No.

September 5, 2013

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File

No. 12-0495-S1, at its meeting held September 3, 2013.

A handwritten signature in black ink, appearing to read 'Holly L. Wolcott', is written over the printed name and title.

City Clerk
kw

Mayor's Time Stamp
 2013 SEP -3 PM 1:18
 CITY OF LOS ANGELES

TIME LIMIT FILES
 ORDINANCES

FORTHWITH

City Clerk's Time Stamp
 CITY CLERK'S OFFICE
 2013 SEP -3 PM 1:17
 CITY CLERK
 BY _____
 DEPUTY

COUNCIL FILE NUMBER 12-0495-S1 COUNCIL DISTRICT _____

COUNCIL APPROVAL DATE SEPTEMBER 3, 2013 LAST DAY FOR MAYOR TO ACT SEP 13 2013

ORDINANCE TYPE: Ord of Intent Zoning Personnel General

Improvement LAMC LAAC CU or Var Appeals - CPC No. _____

SUBJECT MATTER: AUTHORIZING THE REFINANCING, CREATING A SPECIAL FUND, AND APPROVING THE LEASE AND SUBLEASE OF CERTAIN REAL PROPERTY, FOR UP TO \$40 MILLION IN ENERGY EFFICIENT RELATED LOANS THROUGH THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES

182701 : Published : 9/6/13 ; Eff : 9/6/13

182702 : Published : 9/6/13 ; Eff : 10/1/13

	APPROVED	DISAPPROVED
PLANNING COMMISSION	_____	_____
DIRECTOR OF PLANNING	_____	_____
CITY ATTORNEY	_____ X _____	_____
CITY ADMINISTRATIVE OFFICER	_____	_____
OTHER	_____	_____

RECEIVED
 CITY CLERK'S OFFICE
 2013 SEP -4 PM 12:32
 BY _____
 CITY CLERK
 DEPUTY

SEP 04 2013

DATE OF MAYOR APPROVAL, DEEMED APPROVED OR *VETO SEP 04 2013
 (*VETOED ORDINANCES MUST BE ACCOMPANIED WITH OBJECTIONS IN WRITING PURSUANT TO CHARTER SEC. 250(b) (c))

(CITY CLERK USE ONLY PLEASE DO NOT WRITE BELOW THIS LINE)

DATE RECEIVED FROM MAYOR SEP - 4 2013 ORDINANCE NO. See above

DATE PUBLISHED See above DATE POSTED _____ EFFECTIVE DATE See above

ORD OF INTENT: HEARING DATE _____ ASSESSMENT CONFIRMATION _____

ORDINANCE FOR DISTRIBUTION: YES NO

COUNCIL ACTION

The City Council ADOPTED the following recommendation(s) contained in the COMMUNICATION FROM THE CITY ADMINISTRATIVE OFFICER which were WAIVED, pursuant to Council Rule 17, by the Chair of the Public Works and Gang Reduction Committee, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. ADOPT the accompanying RESOLUTION, approving certain documents, and authorizing the refinancing of up to \$40 million in energy efficient related loans.
2. PRESENT and ADOPT the accompanying ORDINANCES amending the Los Angeles Administrative Code to add a new special fund to record accounting transactions for MICLA financing; and providing for and approving the lease and sublease of certain real property consisting of approximately 6,557 streetlight poles, by the City of Los Angeles, to and from MICLA, as lessee and sublessor.

12-0495-S1

ADOPTED

SEP 03 2013

LOS ANGELES CITY COUNCIL

FORTHWITH

RESOLUTION OF THE COUNCIL OF THE CITY OF LOS ANGELES, CALIFORNIA APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT, A SUBLEASE AGREEMENT AND A PURCHASE AND ASSIGNMENT AGREEMENT AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS WITH RESPECT THERETO

WHEREAS, the City of Los Angeles (the "City") is authorized pursuant to the laws of the State of California and its charter to lease and acquire real and personal property for municipal purposes;

WHEREAS, the Municipal Improvement Corporation of Los Angeles ("MICLA") is authorized under its Articles of Incorporation and its Bylaws to provide assistance to the City for any municipal purpose thereof, including rendering financial and other assistance to the City by leasing improvements, equipment and any other real or personal property for the benefit of the residents of the City;

WHEREAS, in order to refinance the City's acquisition and installation of approximately 140,000 light-emitting diode (LED) street lights, remote monitoring units and related improvements, the City and MICLA desire that the City lease certain streetlight poles, and the lamps installed therein and the other related items therein or attached thereto (the "Property") to MICLA pursuant to a Lease Agreement (such Lease Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Lease Agreement");

WHEREAS, in order to accomplish such refinancing, the City and MICLA desire that MICLA lease the Property back to the City pursuant to a Sublease Agreement (such Sublease Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Sublease Agreement");

WHEREAS, Banc of America Leasing & Capital LLC (the "Purchaser") has offered to purchase substantially all of the right, title and interest of MICLA in and to the Lease Agreement and the Sublease Agreement;

WHEREAS, in order to provide the funds necessary to accomplish such refinancing, the City and MICLA desire to enter into a Purchase and Assignment Agreement with the Purchaser, pursuant to which the Purchaser will purchase from MICLA and MICLA will sell, assign and transfer to the Purchaser, substantially all of MICLA's right, title and interest in and to the Lease Agreement and the Sublease Agreement, and in which the terms and conditions of such purchase, sale, assignment and transfer will be set forth (such Purchase and Assignment Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Assignment Agreement");

WHEREAS, the Council finds, pursuant to Charter section 371(e)(10), that due to current market conditions the use of competitive bidding to sell the Sublease Agreement would

be undesirable and impractical and that it is in the best financial interest of the City to sell the Sublease Agreement through a negotiated sale pursuant to the Assignment Agreement; and

WHEREAS, all acts, conditions and things required by the Constitution, laws of the State of California and the Charter of the City to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the City is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Los Angeles, as follows:

Section 1. The form of the Lease Agreement, copies of which are before this Council and on file in the Office of the City Administrative Officer, is hereby approved, and each of the City Administrative Officer, any Assistant City Administrative Officer or any of their designees (each, an "Authorized Representative") is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Lease Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, and as are approved as to form by the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes, insertions and omissions shall not result in the amount of the rental payable thereunder being less than the purchase price payable by the Purchaser under the Assignment Agreement or the term of the Lease Agreement ending later than June 1, 2021 (provided that such term may be extended as provided in the Lease Agreement). The City Clerk is hereby authorized to attest to the Lease Agreement.

Section 2. The form of the Sublease Agreement, copies of which are before this Council and on file in the Office of the City Administrative Officer, is hereby approved, and each of the Authorized Representatives is hereby authorized, and any one of the Authorized Representatives is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Sublease Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, and as are approved as to form by the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes, insertions and omissions shall not result in the aggregate amount of the principal component of the Base Rental Payments payable under the Sublease Agreement being greater than \$40,000,000, the true interest cost applicable to the interest components of the Base Rental Payments being greater than 3.25% per annum or the term of the Sublease Agreement ending later than June 1, 2021 (provided that such term may be extended as provided in the Sublease Agreement). The City Clerk is hereby authorized to attest to the Sublease Agreement.

Section 3. The form of the Assignment Agreement, copies of which are before this Council and on file in the Office of the City Administrative Officer, is hereby approved, and each of the Authorized Representatives is hereby authorized, and any one of the Authorized

Representatives is hereby directed, for and in the name and on behalf of the City, to execute and deliver the Assignment Agreement in substantially said form, with such changes, insertions and omissions as the Authorized Representative executing the same may require or approve, and as are approved as to form by the City Attorney, such requirement or approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes, insertions and omissions shall not result in the purchase price to be payable by the Purchaser thereunder being less than the aggregate principal amount of the principal components of the Base Rental Payments.

Section 4. Each Authorized Representative, acting alone, is hereby authorized and directed for and on behalf of the City to execute and deliver any and all documents necessary or appropriate to carry out the transactions contemplated by this Resolution, all upon such terms as shall be satisfactory to such Authorized Representative.

PASSED and ADOPTED by the Council of the City of Los Angeles this 3rd day of September, 2013, by the following vote:


AYES: 15

NOES: 0

ABSENT: 0

APPROVED AS TO FORM

MICHAEL N. FEUER, City Attorney

By: 
Marilyn L. Garcia,
Assistant City Attorney

I certify that the foregoing Resolution was adopted by the Council of the City of Los Angeles at its meeting on September 3, 2013.



HOLLY L. WOLCOTT, Interim City Clerk

By: 
Deputy City Clerk