

MIKE FEUER
CITY ATTORNEY

REPORT NO. R 1 3 - 0 2 5 2
AUG 2 9 2013

REPORT RE:

**TWO DRAFT ORDINANCES FOR A MICLA LEASE TRANSACTION
FOR THE LEASE/LEASEBACK OF
APPROXIMATELY 6,557 CITY-OWNED STREETLIGHT POLES AND
APPROVING THE LEASE/LEASEBACK OF SUCH REAL PROPERTY, AND
CREATING A RELATED SPECIAL FUND**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

This Office has prepared and now transmits for your consideration two enclosed draft ordinances, approved as to form and legality, in connection with the leasing and subleasing of approximately 6,557 City-owned streetlight poles to refinance City borrowings to acquire and install approximately 140,000 light-emitting diode (LED) streetlights and related improvements.

The first draft ordinance would create a lease/leaseback of real property consisting of 6,557 City-owned streetlight poles.

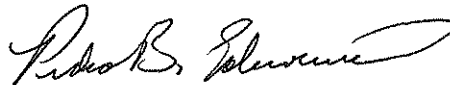
The second draft ordinance would create a special fund to record the accounting transactions related to the lease/sublease.

The Honorable City Council
of the City of Los Angeles
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If you have any questions regarding this matter, please contact Assistant City Attorney Marilyn L. Garcia at (213) 978-7782. She or another member of this Office will be present when you consider this matter to answer any questions you may have.

Very truly yours,

MICHAEL N. FEUER, City Attorney

By 

PEDRO B. ECHEVERRIA
Chief Assistant City Attorney

PBE:MLG:sl
Transmittals

ORDINANCE NO. _____

An ordinance 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.

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

Section 1. The Council finds and determines that the public interest and convenience require the lease of certain real property (Property) consisting of approximately 6,557 streetlights poles installed between September 1, 2007, and August 21, 2013, and more particularly described in the Sublease (defined below), to MICLA pursuant to a lease (Lease), and the subleasing by the City of the Property from MICLA pursuant to a sublease (Sublease), for payments in amounts sufficient to establish the purchase price paid to MICLA for the purchase of substantially all of MICLA's right, title and interest in the Lease and Sublease, and to pay certain other related expenses.

Sec. 2. The Council approves the leasing of the Property to MICLA. The Lease shall be in consideration of MICLA agreeing to sublease the Property to the City pursuant to the Sublease.

Sec. 3. The City Attorney is authorized and directed to cause the appropriate Lease and Sublease to be prepared so the Property is leased to MICLA and subleased from MICLA. The City Administrative Officer and any Assistant City Administrative Officer is each authorized and directed to execute the lease and sublease.

Sec. 4. Pursuant to California Government Code Section 54241, the City is authorized to enter into a formal agreement with MICLA with respect to the lease of the Property by the City to MICLA and the leaseback by MICLA to the City of the Property.

Sec. 5. Pursuant to the provisions of Charter Section 252 Subsection (j), this ordinance shall go into effect upon publication.

Sec. 6. 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 Los Angeles City Hall East; 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, Interim City Clerk


By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By: 

MARILYN L. GARCIA
Assistant City Attorney

Date August 29, 2013

File No. _____

ORDINANCE NO. _____

An ordinance amending the Los Angeles Administrative Code to add a new special fund to record accounting transactions for a Municipal Improvement Corporation of Los Angeles (MICLA) financing.

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

Section 1. Section 5.162.32 is added to the Los Angeles Administrative Code to read:

Sec. 5.162.32. MICLA Lease/Leaseback Series 2013-D (Streetlight Refunding)

(a) There is created in the Treasury of the City of Los Angeles a special fund, named the "MICLA Lease/ Leaseback, Series 2013-D Accounting Fund" (Accounting Fund), for the purpose of recording accounting transactions for the MICLA Lease/ Leaseback, Series 2013-D Accounting Fund (Accounting Fund), to refinance costs associated with the acquisition and installation of approximately 140,000 light-emitting (LED) streetlights and related improvements. The City Controller shall administer the Accounting Fund. All earnings of the Accounting Fund shall be retained in the Accounting Fund to be used for the purposes permitted by the Lease/Leaseback transaction, and the monies in the Fund shall not revert to the Reserve Fund at the close of each fiscal year.

Sec. 2. 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, Interim City Clerk

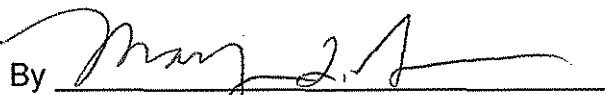
By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
MARILYN L. GARCIA
Assistant City Attorney

Date August 27, 2013

File No. _____