

ADMINISTRATIVE EXEMPTION and INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE REPORT relative to authorizing and approving the issuance and sale of the Department of Airports Los Angeles International Airport (LAX) Revenue Bonds.

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

1. ADOPT the determination by the Board of Airport Commissioners (Board) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. APPROVE Board Resolution No. 24919 authorizing and approving the issuance and sale of the Department of Airports LAX Revenue Bonds, in one or more series, in the maximum aggregate principal amount not to exceed \$1 billion.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no General Fund impact. The revenue bonds will be Airport Revenue Fund obligations and will not constitute an obligation of the City or the General Fund. The issuance of these bonds will enable the Department of Airports to refinance prior private activity bonds and finance major capital improvements. This request complies with the City's Financial Policies, Debt Management Section.

Community Impact Statement: None submitted.

### SUMMARY

At the meeting held on March 1, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a LAWA transmittal relative to authorizing and approving the issuance and sale of the Department of Airports LAX Revenue Bonds. The CAO reports that the Executive Director of the Department of Airports requests authority to: 1) issue up to \$1 billion in airport revenue bonds for various airfield and terminal capital projects at LAX, refinance outstanding commercial paper and to refund outstanding debt to achieve savings; 2) issue bonds using a private/negotiated sale, including private placement instead of competitive bidding; and 3) select Cabrera Capital Markets, LLC, Citigroup Global Markets Inc., E.J. De La Rosa and Co., Inc., J.P. Morgan Securities LLC, Loop Capital Markets, LLC, Merrill Lynch, Pierce, Fenner and Smith Inc., (dba Bank of America Merrill Lynch), Morgan Stanley and Co., Inc., M.R. Beal and Co., Samuel A. Ramirez and Co., Siebert Branford Shank and Co. L.L.C., Stifel, Nicolaus and Co., Inc. (dba Stone & Youngberg (a division of Stifel Nicolaus)), Wells Fargo Securities (Wells Fargo) as the underwriting firms for the sale of the bonds. The remaining firms in the Department of Airports investment banking pool that were not selected to serve as underwriters on a particular transaction will serve as members of the selling group on that transaction. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal.

This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BONIN:	YES
KREKORIAN:	YES
BUSCAINO:	YES
MARTINEZ:	YES

ME

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**