

BUDGET AND FINANCE COMMITTEE REPORT relative to re-approval of Municipal Improvement Corporation of Los Angeles (MICLA) approved short term improvements for the Los Angeles Convention and Tourism Development Department (LACTD).

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

1. RE-APPROVE the use of \$4 million in MICLA financing provided in the 2013-14 Budget as detailed in the Attachment of the City Administrative Officer (CAO) report dated July 31, 2014, attached to the Council file.
2. RE-APPROVE the use of \$5.42 million in MICLA financing provided in the 2014-15 Budget as detailed in the Attachment of the CAO report dated July 31, 2014, attached to the Council file.
3. AUTHORIZE the Controller to establish one new account with an appropriation of \$9.42 million within the MICLA CP Fund No. 298/48, Convention Center Capital Improvements Account, in reference to the Attachment and to expend funds directly from this newly created account.
4. AUTHORIZE the Controller to expend these funds upon proper demand of the LACTD.
5. AUTHORIZE the CAO to make technical corrections, as necessary, to those transactions.

Fiscal Impact Statement: The CAO reports that the recommendations included herein have no additional impact on the General Fund and are in compliance with the City's Financial Policies. Funds have been budgeted in the Capital Finance Administration Fund to support these costs.

Debt Impact Statement: The CAO reports that the cost associated with debt financing \$9.42 million would equate to approximately \$696,000 in annual debt service payments. This assumes a five percent interest rate and a 30 year maturity. The recommendations included herein are in compliance with the City's debt policies.

Community Impact Statement: None submitted.

SUMMARY

At its meeting of August 4, 2014, the Budget and Finance Committee considered a CAO report relative to requesting re-approval of MICLA approved short term improvements for the LACTD. The CAO reports that the 2013-14 and the 2014-15 Adopted Budgets authorize the issuance of short term debt through the MICLA Commercial Paper Program to finance a list of items that have been authorized as necessary capital improvements to the Los Angeles Convention Center facility. In practice, the City re-approves MICLA authorized items at the point in time at which the operating department, in this case the LACTD, is prepared to make the expenditure.

The CAO further reports that the total amount in project costs approved as part of the 2013-14 and the 2014-15 Adopted Budgets is \$9.42 million, which includes \$4 million and \$5.42 million respectively. The LACTD will begin work on the list of improvements within the next six months.

The Attachment to the CAO report is a list which itemizes each approved project. Funding in the amount of \$2 million is included in the 2014-15 Capital Finance Administration Fund to pay for debt service.

After consideration and having provided an opportunity for public comment, the Budget and Finance Committee recommended approval of the recommendations contained in the CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	ABSENT
BLUMENFIELD:	YES
BONIN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-