

ORDINANCE NO. 183211

An ordinance providing for the issuance of lease revenue bonds by the Municipal Improvements Corporation of Los Angeles (MICLA) by amending two ordinances to continue the leasing and subleasing of real property pursuant to leases and subleases between the City of Los Angeles (City) and MICLA, and approving the lease and sublease of certain real properties by the City, to and from MICLA, as lessee and sublessor.

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

Section 1. The Council of the City of Los Angeles (City) finds and determines that the public interest and convenience require the lease of certain real properties described below (Properties) to the Municipal Improvement Corporation of Los Angeles (MICLA) and the subleasing by the City of the Properties from MICLA for sublease payments in amounts sufficient to pay principal and interest on two MICLA financings, preliminarily named "Municipal Improvement Corporation of Los Angeles Lease Revenue Bonds, Series 2014-A (Real Property)" and "Municipal Improvement Corporation of Los Angeles Lease Revenue Bonds, Refunding Series 2014-B (Real Property)" (together, Bonds), and to pay certain other related expenses.

Sec. 2. Ordinance No. 175189 is hereby amended to provide that the real property described therein shall continue to be leased by the City to MICLA and subleased by MICLA to the City for sublease payments in amounts sufficient for all or a portion of the payments on the Series 2014-A Bonds, and to pay certain other related expenses. The continuation of the lease described in Ordinance No. 175189 shall be in consideration of MICLA agreeing to sublease the real property described therein to the City in connection with the issuance by MICLA of the Series 2014-A Bonds and to pay certain other related expenses.

Sec. 3. Ordinance No. 165521 is hereby amended to provide that the real property described therein shall continue to be leased by the City to MICLA and subleased by MICLA to the City in amounts sufficient for a portion of the payments on the Series 2014-B Bonds and to pay certain other related expenses. The continuation of the lease described in Ordinance No. 165521 shall be in consideration of MICLA agreeing to sublease the property described therein to the City in connection with the issuance by MICLA of the Series 2014-B Bonds.

Sec. 4. The Council approves the leasing of the Properties described in Exhibit A to MICLA. The lease shall be in consideration of MICLA agreeing to sublease such Properties to the City in connection with the issuance by MICLA of the Series 2014-B Bonds.

Sec. 5. The Council further approves the subleasing of the Properties by the City from MICLA in exchange for rentals in amounts sufficient for the payments on the Bonds and certain other related expenses, and approves the sublease, which contains

a provision eliminating set-off rights of the City against MICLA for payments due under the sublease. The City's payments under the sublease constitute the revenue stream for the payments on the Bonds. City Charter Section 264 provides that no demand upon the Treasury shall be allowed in favor of any person or entity indebted to the City without first deducting the amount of the indebtedness. The requirement would apply to payments under the sublease. However, City Charter Section 265 provides that nothing in that Charter article interferes with or prevents the payment by the Treasurer of principal and interest on bonds payable by the City. The Bonds based on the sublease constitute an obligation to pay with characteristics similar to bonds from the financial markets perspective and, therefore, the Council wishes to affirm that payments required to be made under the sublease not be subject to the set-off provisions of City Charter Section 264.

Sec. 6. The City Attorney is authorized and directed to cause the appropriate leases and subleases to be prepared so the Properties are leased to MICLA and subleased from MICLA, and to further cause memoranda of leases and subleases to be prepared and, upon execution, filed with the Los Angeles County Recorder. The City Administrative Officer and any Assistant City Administrative Officer is each authorized and directed to execute the leases and subleases and memoranda.

Sec. 7. Pursuant to California Government Code Section 54241, the City is authorized to enter into formal agreements with MICLA with respect to the lease by the City to MICLA of the Properties and the leaseback by MICLA to the City of the Properties.

Sec. 8. Pursuant to the provisions of Charter Section 252, Subsection (j), this ordinance shall go into effect upon publication.


Sec. 9. 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 AUG 29 2014.

HOLLY L. WOLCOTT, City Clerk

By 
Deputy

Approved 9/8/14


Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
MARILYN L. GARCIA
Assistant City Attorney

Date August 29, 2014

File No. 14-1092

EXHIBIT A

DESCRIPTION OF THE NEWLY LEASED PROPERTIES

San Pedro Municipal Building
638 South Beacon Street
Los Angeles, CA 90731

Fire Station No. 67
5451 South Playa Vista Drive
Los Angeles, CA 90094