

PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT, RESOLUTION and ORDINANCES FIRST CONSIDERATION relative to the financing, acquisition and installation of streetlights with light-emitting diode (LED), high voltage conversions, and other related improvements.

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

1. ADOPT the accompanying authorizing RESOLUTION, including various documents required for the execution of the financing, which authorizes the execution and delivery of the lease, sublease, and purchase and assignment agreements relative to the financing in the approximate amount of \$40 million, acquisition and installation of approximately 17,500 LED streetlights, high voltage conversions, and other related improvements.
2. PRESENT and ADOPT the accompanying ORDINANCE dated February 23, 2017 adding Section 5.162.44 to the Los Angeles Administrative Code (LAAC) to create a special fund for Municipal Improvement Corporation of Los Angeles (MICLA) 2017 Streetlights Financing, and to make technical corrections to LAAC Sections 5.162.38 through 5.162.40.
3. PRESENT and ADOPT the accompanying ORDINANCE dated February 23, 2017 providing for the lease / leaseback financing referred to as the MICLA 2017 Streetlights Financing by approving the lease and sublease of certain property consisting of approximately 6,000 streetlight poles and the lamps installed therein and the other related items therein or attached thereto, by the City of Los Angeles, as lessor and sublessee, to and from the MICLA, as lessee and sublessor.
4. REQUEST the Controller to create Account No. 000355 entitled MICLA 2017 Street Lighting in the Capital Finance Administration Fund, Fund No. 100/53, to pay future lease payments.
5. AUTHORIZE the City Administrative Officer (CAO) to make any necessary technical adjustments consistent with this action.

Fiscal Impact Statement: The CAO reports that this action will not impact the General Fund. Lease payments will be repaid by the Street Lighting Maintenance Assessment Fund, via the Capital Finance Administration Fund.

Community Impact Statement: None submitted.

**(Budget and Finance Committee waived consideration of the above matter)**

## SUMMARY

In a report to the Mayor and Council dated February 23, 2017, the CAO requests authority to finance the acquisition and installation of approximately 17,500 LED streetlights, high voltage conversions, and other related improvements. The CAO requests authority to borrow approximately \$40 million through MICLA via a private placement with Bank of America Public

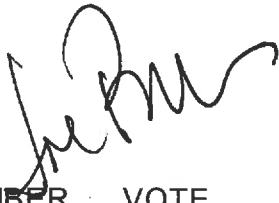
Capital at a tax-exempt interest rate of 2.46 percent over a ten-year term. Lease payments (debt service) will be paid from the General Fund via the Capital Finance Administration Fund and repaid by the Street Lights Maintenance Assessment Fund.

Accompanying transmittals to Council dated February 23, 2017, the City Attorney presents two Ordinances required for the finance program recommended by the CAO.

At its meeting held February 27, 2017, the Public Works and Gang Reduction Committee recommended that Council approve the CAO's request, the accompanying Ordinances, and the related actions above.

Respectfully Submitted,

PUBLIC WORKS AND GANG REDUCTION COMMITTEE

A handwritten signature in black ink, appearing to be 'John', is written over the printed name 'John' in the table below.

<u>MEMBER</u>	<u>VOTE</u>
BUSCAINO:	YES
MARTINEZ:	YES
PRICE:	ABSENT
O'FARRELL:	ABSENT
RYU:	YES

jaw

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**