

ORDINANCE NO. _____

An ordinance providing for the lease and sublease of certain real properties by the City of Los Angeles, as lessor and sublessee, to and from the Municipal Improvement Corporation of Los Angeles (MICLA), as lessee and sublessor, in connection with a previously established MICLA commercial paper program (Program) for the financing and refinancing of equipment and real property acquisitions and improvements. The Program was previously authorized pursuant to Ordinance No.175941, as amended by Ordinance Nos. 181030 and 181546 (collectively, the "Commercial Paper Program Ordinances"), which authorized the lease and sublease of certain real properties as described in the Commercial Paper Program Ordinances. The real properties authorized to be leased and subleased hereby, and as further described in Exhibit A attached hereto, do not include any real properties that were not previously authorized to be leased and subleased pursuant to the Commercial Paper Program Ordinances. Four real properties, as further described herein, that were authorized to be leased and subleased pursuant to the Commercial Paper Program Ordinances are hereby removed.

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

Section 1. The Council of the City finds and determines that the public interest and convenience require the lease of certain real properties (Properties) described in Exhibit A attached hereto and incorporated herein by this reference to MICLA, and the subleasing of the Properties by the City from MICLA for sublease rental payments in amounts sufficient to pay principal and interest on the MICLA commercial paper program, named "Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Notes" with additional designations for series and subseries as necessary and appropriate (Commercial Paper Notes), and to pay certain other related expenses.

Sec. 2. The four real properties previously authorized to be leased and subleased under the Commercial Paper Program Ordinances that are hereby removed from the MICLA Program and not included in Exhibit A attached hereto are: (i) Avenue 19 Yard located at 401 N. Avenue 19, Los Angeles, California 90031; (ii) Thatcher Yard located at 3311 Thatcher Avenue, Venice, California 90292; (iii) vacant land located at 525 N. Los Angeles Street, Los Angeles, California 90012; and (iv) vacant land located at Hill Street, between Ord Street and Cesar E. Chavez, in Los Angeles, California 90012.

Sec. 3. The Council approves the leasing of the Properties to MICLA. The lease shall be in consideration of MICLA agreeing to sublease the Properties to the City in connection with the issuance and delivery by MICLA of the Commercial Paper Notes.

Sec. 4. The Council approves the subleasing of the Properties by the City from MICLA in exchange for sublease rental payments in amounts sufficient to pay principal and interest on the Commercial Paper Notes, and to pay certain other related expenses, and the Council 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 Commercial Paper Notes. Section 264 of Article II of the City Charter provides that from any demand upon the Treasury in favor of any person or entity indebted to the City must first be deducted the amount of the indebtedness. The requirement would apply to payments under the sublease. However, Section 265 of the City Charter provides that nothing in Article II of the City Charter shall interfere with or prevent the payment by the Treasurer of principal and interest on bonds payable by the City. The Commercial Paper Notes, 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 are not subject to the set-off provisions of Section 264 of the City Charter.

Sec. 5. The City Attorney is authorized and directed to cause the appropriate lease and sublease by which the Properties are leased to MICLA and subleased from MICLA, and to further cause memoranda of the lease and sublease to be prepared for the purpose of recordation and, upon execution, filed with the Los Angeles County Recorder, or to file the lease or sublease for recordation if a memorandum thereof is not prepared. The City Administrative Officer, any Assistant City Administrative Officer and any of their designees are each authorized and directed, for and in the name of and on behalf of the City, to execute the lease and sublease and any memoranda thereof.

Sec. 6. In accordance with Section 54241 of the California Government Code, 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. 7. Pursuant to Section 7.27 of the Los Angeles Administrative Code, the Council hereby determines that the public interest and necessity require the lease of the Property to MICLA without notice of lease or advertisement for bids.

Sec. 8. This ordinance is subject to the provisions for referendum applicable to the City under Section 460 of the City Charter. This ordinance shall be published in the manner required by Section 251 of the City Charter for ordinances of the City.

Sec. 9. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy in a daily newspaper circulated in the City of Los Angeles.

I certify that the foregoing ordinance was passed by the Council of the City of Los Angeles, at its meeting on _____.

HOLLY L. WOLCOTT, City Clerk

By _____ Deputy

Approved _____

Mayor

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By  _____
TIMOTHY J. FITZPATRICK
Deputy City Attorney

Date April 28, 2016

File No. _____

EXHIBIT A

DESCRIPTION OF THE PROPERTIES

The Properties are generally described as follows, and are more particularly described in the lease and sublease:

| Description/Location | Approximate Value |
|--|-------------------|
| 1. Central Facilities Building 251 E. 6 th St. LA. 90013 | \$26,610,000 |
| 2. Fire Station No. 9 430 E. 7 th St. LA. 90023 | \$5,660,000 |
| 3. Fire Station No. 27 1327 N. Cole Ave. LA. 90028 | \$53,000,000 |
| 4. Fire Station NO. 52 4957 Melrose Ave. LA. 90028 | \$5,185,000 |
| 5. Fire Station No. 59 11505 Olympic Blvd. LA. 90064 | \$16,400,000 |
| 6. Fire Station No. 61 5821 W. 3 rd St. LA. 90036 | \$6,200,000 |
| 7. Fire Station No. 63 1930 Shell Ave. Venice 90291 | \$9,700,200 |
| 8. Fire Station No. 68 5021 W. Washington Blvd. LA. 90019 | \$4,590,000 |
| 9. Fire Station No. 83 4960 Balboa Blvd. Encino 91331 | \$16,877,000 |
| 10. Foothill Police Station 12732 Osborne St. Pacoima 91331 | \$7,009,400 |
| 11. Hollywood Police Station 1358 N. Wilcox Ave. Hollywood 90028 | \$5,891,200 |
| 12. LAPD Training Center 5651 Manchester Ave. Westchester 90045 | \$76,615,395 |
| 13. Metrolink Parking Lot 8350 San Fernando Rd. Sun Valley 91352 | \$6,700,000 |

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| 14. Newton Police Station 3400 S. Central Ave. LA. 90011 | \$13,004,725 |
| 15. North Hollywood Police Station 11640 W. Burbank Blvd. N. Hollywood 91601 | \$21,951,550 |
| 16. Old Venice City Hall 681 Venice Blvd. Venice 90291 | \$4,561,000 |
| 17. Pacific Police Station 12312 Culver Blvd. Venice 90066 | \$18,476,410 |
| 18. Parking Lot 1300 block of Electric Ave. Venice | \$11,879,350 |
| 19. Southwest Police Station 1546 W. MLKing Blvd. LA. 90062 | \$18,700,000 |
| 20. West LA Police Station 1663 Butler Ave. West LA 90025 | \$13,141,530 |
| 21. Wilshire Police Station 4861 Venice Blvd. LA. 90019 | \$17,031,850 |
| 22. Van Nuys Headquarters Parking Structure 14320 W. Sylvan St. Van Nuys 91401 | \$21,068,915 |
| 23. 77 th Street Police Station 7600 S. Broadway Ave. LA 90037 | \$36,399,180 |