

## REPORT FROM

# OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 20, 2021

CAO File No. 0640-01399-0111

Council File No. 20-1021-S4

Council District: All

To: Mayor  
Council

From:  Richard H. Llewellyn, Jr., City Administrative Officer

Reference: 2020-21 Fifth Construction Projects Report

Subject: **2020-21 Fifth Construction Projects Report - Addendum**

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## SUMMARY

On May 7, 2021, this Office released the 2020-21 Fifth Construction Projects Report (CPR) that provides updates for major capital projects and associated financial transactions (C.F. 20-1021-S4). This addendum is needed to address time-sensitive items that were identified subsequent to the release of the Fifth CPR.

## RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Reauthorize the use of up to \$40,415,875 in Municipal Improvement Corporation of Los Angeles (MICLA) financing for projects listed in the Attachment A until June 30, 2024, to allow for continued use of these funds beyond the City's MICLA Three-Year Policy;
2. Reauthorize the use of up to \$2,158,288 in MICLA financing appropriated within Fund No. 298, Department No. 50, Account No. 50RTSV - Bureau of Sanitation Clean Street Vehicles, until June 30, 2022 to allow for continued use of these funds beyond the City's MICLA Three-Year Policy;
3. Authorize the Controller to transfer \$ 1,635,723 between departments and funds as specified in Attachment B;
4. Authorize the City Administrative Officer (CAO) to make technical corrections, as necessary, to those transactions included in this Addendum to the 2021-22 Fifth Construction Projects Report to implement the intent of those transactions.

## Proposition K Labor Reimbursements (Item B)

5. Authorize the Controller to effectuate total reimbursement of up to \$3,353,069 in eligible City labor expenses incurred for project delivery costs by the Bureaus of Engineering and Construction Administration subject to the provision of proper documentation, utilizing Proposition K funding available within multiple project accounts, along with funding available within the "unspent capital funds" accounts established for multiple fiscal years;

**Stormwater Capture Parks Program (Item D)**

6. Authorize the Board of Public Works, on behalf of the Bureau of Engineering, to transfer and appropriate the reimbursements within the Engineering Special Services Fund, Fund No. 682, Department No. 50, Account No. 50SVEI, Stormwater Capture Park Program, to the Bureau of Engineering, Fund No. 100, Department No. 78, Account No. 001010, Salaries General for 2020-21 staffing costs and to Revenue Source Code 5361 Related Costs Reimbursements – Others for related costs reimbursements, subject to receipt of appropriate documentation from the Bureau of Engineering;
7. Authorize the Board of Public Works, on behalf of the Bureau of Engineering, to transfer and appropriate the reimbursements within the Engineering Special Services Fund, Fund No. 682, Department No. 50, Account No. 50SVEI, Stormwater Capture Park Program to the Bureau of Engineering, Fund No. 100, Department No. 78, Revenue Source Code 5168 Reimbursement of Prior Year Salary for prior years' staffing costs and Revenue Source Code 5331 Reimbursement of Related Costs – Prior Year for prior years' related cost reimbursements, subject to receipt of appropriate document from the Bureau of Engineering;
8. Authorize the Board of Public Works, on behalf of the Bureau of Engineering, to transfer and appropriate the reimbursements within the Engineering Special Services Fund, Fund No. 682, Department 50, Account No. 50SVEI, Stormwater Capture Park Program to the Bureau of Sanitation, Fund No. 100, Department No. 82, Account No. 001010 Salaries General for 2020-21 staffing costs and to Revenue Source Code 5361 Related Costs Reimbursements – Others for related costs reimbursements, subject to receipt of appropriate documentation from the Bureau;
9. Authorize the Board of Public Works, on behalf of the Bureau of Engineering, to transfer and appropriate the reimbursements within the Engineering Special Services Fund, Fund No. 682, Department 50, Account No. 50SVEI, Stormwater Capture Park Program to the Bureau of Sanitation, Fund No. 100, Department No. 82, Revenue Source Code 5168 Reimbursement of Prior Year Salary for prior years' staffing costs and Revenue Source Code 5331 Reimbursement of Related Costs – Prior Year for prior years' related cost reimbursements, subject to receipt of appropriate document from the Bureau.

**LAPD Central Police Station – Exchange of Funding Source**

10. Authorize the Controller to rescind the prior Controller's Instructions authorized for the LAPD Central Policy Station project as part of the 2020-21 Third Construction Projects Report (Item GGG, C.F. 20-1021-S2), to allocate \$10,653 from MICLA Fund No. 298, Department No. 40, Account No. 40S20L, Space Optimization, as needed to correct an inadvertent error and avoid a year-end shortfall within this account, with an equal amount of CIEP replacement funds recommended as part of the transactions reflected in Attachment B of this Addendum;

### **Five-Year Capital and Technology Improvement Plan (Item G)**

11. Instruct the City Clerk to place the following item on the agenda on or shortly following July 1, 2021:

Approve and authorize the Controller to reappropriate up to \$167,998 within Fund No. 100/54, Account No. TBD, Five Year CTIEP System Development in CIEP Fund monies (Item No GG; 2020-21 Fifth Construction Projects Report, C.F. 20-1021-S4), which is recommended to support development of a new system to manage the City's capital work programs, including the annual production of the five-year Capital and Technology Improvement Plan (CTIP); and,

### **Los Angeles Convention Center (LACC) Expansion Project (Item H)**

12. Authorize the City Attorney to negotiate and execute an amendment to Contract C-132995 with Nossaman LLP to increase the contracted amount by \$50,000 for legal services related to the Los Angeles Convention Center Expansion Project, and to pay this amount from the MICLA Commercial Paper Program (Los Angeles Convention Center).

### **FISCAL IMPACT**

Transfers, appropriations, and expenditure authority totaling \$1.85 million are recommended in this report. Of this amount, \$1.2 million is for transfers, appropriations, and expenditure authority for the City Administrative Officer (CAO), \$0.6 million for the General Services Department, and \$50,000 is for the City Attorney. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is no immediate General Fund impact for operations and maintenance costs as a result of these recommendations.

### **DEBT IMPACT**

The issuance of Municipal Improvement Corporation of Los Angeles (MICLA) debt is a General Fund obligation. The issuance of MICLA for the reauthorization of Municipal Facilities projects (Attachment A) and the Los Angeles Convention Center Expansion Project's increased legal services costs would cause the City to borrow approximately \$40,465,875 at an approximate 5.5 percent interest rate over 20 years. The issuance of MICLA for the reauthorization of Bureau of Sanitation Clean Street Vehicles would cause the City to borrow approximately \$2,360,835 at an approximate 5.5 percent interest rate over 10 years. The total estimated debt service for the Municipal Facilities projects and Clean Street Vehicles is \$70,855,000, including interest of approximately \$28,028,000. During the life of the bonds, the estimated average annual debt service is \$3,699,000 over the first 10 years and \$3,386,000 over the following 10 years.

Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. We cannot fully predict what interest rates will be in the future.

In accordance with the City's Debt Management Policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The revised 2020-21 non voter-approved debt

ratio is 2.78 percent. The issuance of debt for these projects will not cause the City to exceed the six percent non voter-approved debt limit.

### **FINANCIAL POLICIES STATEMENT**

The actions recommended in this report comply with the City's Financial Policies.

## DISCUSSION

### **A. City Administrative Officer (CAO) – Reauthorization of MICLA CIEP Attachment No. A Recommendation Nos. 1 and 2**

Authority is recommended to reauthorize \$40.42 million in expiring MICLA authority through June 30, 2024 for projects currently in active development that require additional time to spend funding previously authorized for the respective projects, as listed in Attachment A to this Addendum. The reauthorization list also includes projects authorized in the 2017-18, and 2018-19 Adopted Budget, which are currently compliant with the Three-Year Spending Policy, but are not anticipated to be completed before the end of 2020-21 and require time extensions to expend the remaining funding authorized for the respective projects. The majority of the impacted projects have been adversely impacted by delays attributable to the COVID-19 pandemic, along with impacts due to constraints on City staffing support. Separate authority is also recommended for \$2.3 million in expiring MICLA authority for a one-year period through June 30, 2022 to purchase fleet equipment for the Clean Streets Program. In accordance with Council policies, all projects allocated MICLA financing as part of the Adopted Budget must be reauthorized by Council prior to expending MICLA Commercial Paper and/or bond proceeds. Council approval is required to reauthorize continued spending for the equipment through 2021-22 and for the project through 2023-24. *Operations and Maintenance (O&M) Fiscal impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

### **B. CAO – Proposition K Labor Reimbursements Proposition K Project Funds Attachment No. B Recommendation Nos. 3 and 4**

Authority is recommended to effectuate \$1.03 million in accounting adjustments that are needed in order to utilize unspent Proposition K capital funds for reimbursement of eligible City labor costs, and to then reimburse the General Fund up to \$3.35 million for Proposition K project delivery costs. The \$1.03 million in account transfers will consolidate unspent capital funds for completed projects that would then be used to reimburse project delivery costs incurred by the Bureaus of Engineering and Construction Administration, subject to the provision of proper documentation. In total, an estimated \$3.35 million in reimbursements will be provided for City project delivery costs. Council approval is required to transfer the funds and reimburse BOE for staff costs. *O&M Fiscal Impact: There is no anticipated General Fund impact for operations and maintenance as this is an administrative action.*

**C. BOE – City Hall East ITA Server Room Upgrades  
CIEP  
Attachment No. B  
Recommendation No. 3**

Appropriations totaling \$188,367 in Capital Improvement Expenditure Program (CIEP) monies to GSD's budgetary accounts are recommended to complete Phase I of the City Hall East P-4 Server room upgrade. Funding in the amount of \$218,367 was identified in the 2020-21 Fourth CPR (Item L, C.F. 20-1021-S3) to complete electrical and construction improvements accordance with Building and Safety project close-out procedures. The \$30,000 remaining funding authority will be used to fund design of the remaining electrical and construction work. Phase I completion is anticipated by October 2021. Council approval is required to appropriate the funds to GSD's budgetary accounts. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an existing facility.*

**D. Bureau of Engineering (BOE) – Los Angeles Department of Water and Power's  
Stormwater Capture Parks Program  
LADWP Funds  
Recommendation Nos. 6, 7, 8 and 9**

Authority is recommended for the Bureau of Engineering (BOE) and/or the Board of Public Works to transfer and appropriate the reimbursements from the Los Angeles Department of Water and Power (LADWP), which are deposited in the Engineering Special Services Fund, to the Bureau to reimburse for its salary expenditures and related costs for the Stormwater Capture Parks Program, subject to receipt of appropriate documentation. On April 22, 2019, the Board of Public Works approved the Memorandum of Agreement between BOE and the LADWP for LADWP to fund up to \$19.0 million for design services on nine stormwater capture projects, located in the San Fernando Valley in Council Districts 2, 6, and 7, that are included in the Stormwater Capture Parks Program. The goal of the program is to alleviate local flooding, increase water supplies through stormwater capture, improve water quality downstream, and provide recreational, social, and economic benefits. The scope of work includes, but is not limited to preparing the pre-design report, 30 percent, 60 percent, 90 percent, and 100 percent design plans, and technical specifications. BOE has and will continue to front-fund staffing cost through their existing departmental budget appropriation and will be reimbursed for project related work. The estimate completion date is December 2021. Council approval is required to appropriate the funds to the Bureau's budgetary account. *O&M Fiscal Impact: The operation and maintenance costs will be addressed in a future agreement between the appropriate City departments.*

**E. HCID - Vera Davis Phase I Structural Repairs (former Venice Library)  
Community Development Trust Fund  
Attachment No. B  
Recommendation No. 3**

An appropriation of \$304,000 from the Community Development Trust Fund to GSD's budgetary accounts is recommended to fund Phase I structural rehabilitation of the Vera Davis facility. The project scope includes structural repairs and various renovations, including the installation of a

new HVAC system, perimeter fencing, electrical corrections, and painting. GSD received transfers totaling \$1.1 million for this purpose through prior CPRs (C.F. 17-0924-S3, 18-0829-S2, and 20-1021-S3). The estimated Phase I completion date is June 2021. A second phase of construction associated with the Proposition K specified scope is currently under initial planning phases. Council approval is required to appropriate the funds to GSD's budgetary accounts. *O&M Fiscal impact: There is no General Fund impact as these costs will be funded by Special Fund monies.*

**F. CAO – Exchange of Funding Source for the LAPD Central Police Station Improvements  
MICLA/CIEP  
Attachment No. B  
Recommendation Nos. 3 and 10**

Authority is needed to effectuate a change in funding source for the Los Angeles Police Department (LAPD) Central Police Station improvements in order to resolve a funding shortfall within the original funding source previously designated. As part of the 2020-21 Third Construction Projects Report, Council authorized \$10,653 in MICLA funds programmed within the Space Optimization program to fund completed work that addressed health and safety concerns for vermin abatement (Item GGG, C.F. 20-1021-S2). Due to inadvertent error, the wrong funding source was designated and the recommended funding exchange is needed to avoid a negative year-end balance within the Space Optimization program. The Central Police Station project was completed in June 2020. Funding is available with the CIEP to replace the original funding source. Council approval is required to authorize the exchange of funding source. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

**G. CAO – Five-Year Capital and Technology Improvement Plan  
CIEP  
Recommendation No. 11**

Authority is recommended to effectuate an early reappropriation of \$167,998 in CIEP funding (Item GG, C.F. 20-1021-S4), in order to avoid delays in implementing development of a new system to manage the City's capital work programs. The recommended funding would be used to fund consultant services and associated system support to develop a new platform to produce the five-year Capital and Technology Improvement Plan (CTIP) and other program management functions. At this time, the production of the five-year publication is a manual and time-intensive process. The production of the five-year CTIP is intended to provide City's officials with the necessary information to make sound and informed decisions in prioritizing the investment of capital funding investments that span multiple program years. Council approval is required to authorize an early reappropriation of funding at the beginning of the upcoming fiscal year, due to year end reversions. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

**H. City Attorney - Los Angeles Convention Center (LACC) Expansion Project  
MICLA  
Recommendation No. 12**

Authority is recommended to authorize the City Attorney to negotiate and execute an amendment to Contract No. C-132995 with Nossaman LLP to increase the contractual ceiling by \$50,000 for legal services related to supporting an updated financial analysis of the LACC Expansion Project (the Project), and to pay this amount from the MICLA LACC CP Program. The 2020-21 Fifth Construction Projects Report recommends authorizing additional consulting resources for Ernst & Young Infrastructure Advisors to prepare an updated financial analysis of the Project, which may require reassessing draft legal documents related to the project (Item GGG, C.F. 20-1021-S4). This Office recommends the authorization of \$50,000 in additional funds for as-needed legal services related to supporting the updated financial analysis of the Project. Council approval is required to authorize additional consulting resources paid from the MICLA LACC CP Program to support the analysis of financial assumptions related to the LACC Expansion Project. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

**I. Recreation and Parks (RAP) – Elysian Park Radio Hill Tower and Gardens Improvements  
CIEP  
Attachment No. B  
Recommendation No. 3**

Appropriations totaling \$103,468 in CIEP funds to GSD's budgetary accounts is recommended to fund necessary health and safety measures within the vicinity of the Elysian Park Radio Hill Tower located in Elysian Park. The authorized scope is intended to resolve fire hazards resulting from individuals residing in neighboring homeless encampments rendering the fire hydrants surrounding the Tower unusable. The authorized scope would address repairs and preventative measure to prevent future damage to the hydrants, while installing a new hydration center to provide access to potable water for individuals residing in the homeless encampments. The estimated completion date for the new fire hydrant locks and hydration station installation is September 2021. Council approval is required to appropriate the funds to GSD's budgetary accounts. *O&M Fiscal impact: There is no additional impact on the General Funds as this is an existing facility.*

Attachments

RHL:DFB:05210135



**ATTACHMENT A**  
**2020-21 FIFTH CONSTRUCTION PROJECTS REPORT ADDENDUM**  
**REAUTHORIZATION MICLA APPROPRIATIONS**

No.	Project	FY Authorization	Account	Amount	Anticipated Completion
1	Building Equipment Life Cycle Repl Program	2017-18	40P21M	136,905.09	September 2021
2	Building Equipment Life Cycle Repl Program	2018-19	40R21M	515,035.70	September 2021
3	CD8 Constituent Service Ctr Interior	2018-19	40R22K	485,260.00	December 2021
4	Electric Vehicle Infrastructure -Citywide	2018-19	40R25F	2,145,398.38	September 2021
5	Capital Repair - Figueroa Plaza	2018-19	40R26M	211,730.49	July 2021
6	Capital Repair - Marvin Braude Bldg	2018-19	40R28M	3,756.22	September 2021
7	Yards and Shops Acquisition	2018-19	40R31L	10,928,250.00	June 2022
8	Piper Yards and Shops Mods	2018-19	40RPTC	562,000.00	September 2021
9	Sixth Street Viaduct Package 5 Contingency	2018-19	50R703	3,500,000.00	June 2024
10	Sixth Street Consultant Costs	2018-19	50R704	38,940.05	July 2022
11	PARC Contaminated Soil Remediation	2018-19	50RCSR	150,000.00	July 2022
12	Northeast Police Parking Structure	2018-19	50RNPP	457,480.59	June 2022
13	Sixth Street Viaduct Construction	2018-19	50RRV3	3,547,702.59	July 2022
14	Six Viaduct Elements	2018-19	50RSIX	2,139,295.95	July 2022
15	Solar Energy Installation Municipal Facilities*	2018-19	50RTSF	2,005,024.75	June 2024
16	Venice Pier Improvements	2018-19	50RTVP	3,326,472.40	September 2021
17	Manchester Jr Arts Center/Vision Theatre Improvements	2018-19	50RTVT	5,914,364.22	January 2022
18	Warner Grand Theatre Improvements	2018-19	50RTWG	2,000,000.00	June 2024
19	Yards and Shops Acquisition	2018-19	50RTYS	358,798.21	June 2022
20	Electric Vehicle Chargers-LAPD	2018-19	70R738	1,989,460.21	July 2022
<b>Total: \$</b>				<b>40,415,874.85</b>	

\*The 2020-21 Fourth CPR decreases this program by \$1 million and appropriates the funding to the Reseda Skate Park (Item DD; C.F. 20-1021-S3).

**ATTACHMENT B**  
**FIFTH CONSTRUCTION PROJECTS REPORT ADDENDUM**  
**FY 2020-21 BUDGET ADJUSTMENTS**  
**TRANSFERS AND APPROPRIATIONS BETWEEN DEPARTMENTS AND FUNDS**

ITEM	DEPARTMENT/PROJECT	TRANSFER FROM		TRANSFER TO	
		FUND/ACCOUNT	AMOUNT	FUND/ACCOUNT	AMOUNT
<b>B</b>	City Administrative Officer Proposition K Labor Reimbursements	Fund 43K/10, Proposition K Projects Fund		Fund 43K/10, Proposition K Projects Fund	
		10J467, PRJ - Ken Malloy Harbor Regional Park-Lake	\$ 461,309.25	10J990, "Unspent Capital Funds"	\$ 461,309.25
		10L889, PRJ - Stonehurst Recreation Center	268,458.63	10L990, "Unspent Capital Funds"	268,458.63
		10MPCC, PRJ-RAP: Vermont and Gate Pocket Park (8th Cycle) (C223-8)	299,467.28	10M990, "Unspent Capital Funds"	299,467.28
		\$ 1,029,235.16		\$ 1,029,235.16	
<b>C</b>	PW: Bureau of Engineering City Hall East ITA Server Room Upgrades	Fund 100/54, CIEP		Fund 100/40, General Services Department	
		TBD, City Hall East ITA Server Room Upgrades	\$ 188,367.00	001101, Hiring Hall Construction	\$ 53,120.00
				001121, Benefits Hiring Hall Construction	35,412.00
				003180, Construction Materials and Supplies	99,835.00
			\$ 188,367.00		
<b>E</b>	Housing and Community Investment Dept Vera Davis McClendon Youth and Family Center	Fund 424/43, Community Development Trust Fund		Fund 100/40, General Services Department	
		43T720, Vera Davis McClendon Center Rehab	\$ 304,000.00	001014, Salaries, Construction Projects	\$ 45,600.00
				001101, Hiring Hall Construction	100,320.00
				001121, Benefits Hiring Hall Construction	36,480.00
			121,600.00		
			\$ 304,000.00		
<b>F</b>	City Administrative Officer Exchange of Funding Source for the LAPD Central Police Station Improvements	Fund 100/54, CIEP		Fund 100/40, General Services Department	
		00T046, Citywide Maintenance and Improvements	\$ 10,652.74	003180, Construction Materials	\$ 10,652.74
<b>I</b>	General Services Department Elysian Park Radio Hill Tower and Gardens Improvements	Fund 100/54, CIEP		Fund 100/40, General Services Department	
		TBD, Elysian Park Radio Hill Tower	\$ 100,000.00	001014, Salaries, Construction Projects	\$ 18,755.00
		00T046, Citywide Maintenance and Improvements	3,468.00	001101, Hiring Hall Construction	42,296.00
				001121, Benefits Hiring Hall Construction	12,244.00
			30,173.00		
			\$ 103,468.00		
<b>TOTAL ALL DEPARTMENTS AND FUNDS</b>			\$ 1,635,722.90		\$ 1,635,722.90