

PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT, RESOLUTION and ORDINANCES FIRST CONSIDERATION relative to the authorization to issue Municipal Improvement Corporation of Los Angeles 2020 Streetlights lease revenue obligations for the acquisition and installation of various streetlight improvements.

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

1. ADOPT the accompanying authorizing RESOLUTION provided as Attachment B, in the September 10, 2020 City Administrative Officer (CAO) report, attached to the Council file, including various documents required for the execution of the financing, which authorizes the execution and delivery of the lease agreement, sublease agreement, and purchase and assignment agreement.
2. PRESENT and ADOPT the accompanying ORDINANCE, dated September 3, 2020, amending Article 2.5 of Chapter 9 of Division 5 of the Los Angeles Administrative Code to create a special fund for the lease financing referred to herein as the Municipal Improvement Corporation of Los Angeles (MICLA) 2020 Streetlights Financing (MICLA 2020 Streetlights Financing).
3. PRESENT and ADOPT the accompanying ORDINANCE, dated September 3, 2020, providing for the lease/leaseback financing referred to as the MICLA 2020 Streetlights Financing, to finance the City's acquisition and installation of approximately 2,500 streetlights with light-emitting diode (LED) and/or high voltage conversion and other related improvements, by approving the lease and sublease of certain property consisting of approximately 1,183 streetlight poles and lamps installed therein and the other related items therein or attached thereto by the City of Los Angeles (City), as lessor and sublessee, to and from MICLA, as lessee and sublessor.
4. AUTHORIZE the CAO to make adjustments as necessary to those transactions included in this report to implement Mayor and Council intentions.

Fiscal Impact Statement: The CAO reports that there is no fiscal impact to the General Fund as a result of this Financing as the lease payments will be repaid by the Street Lighting Maintenance Assessment Fund, via the Capital Finance Administrative Fund (Fund No. 100, Department No. 53). Debt service payments on this loan commence on September 1, 2021.

Financial Policies Statement: The CAO reports that the recommendations in this report are in compliance with the City's Financial Policies. In accordance with the City's Financial Policies, Debt Management Section, the maximum debt service payable in any given year may not exceed six percent of the General Fund revenues for non-voter approved debt. The proposed loan will not cause debt service to exceed this limit, as shown in the debt chart outlining the City's projected debt ratio, attachment A of the CAO report dated September 10, 2020, attached to the Council file.

Debt Impact Statement: The CAO reports that there is no debt impact to the General Fund as a result of this Financing as the lease payments will be repaid by the Street Lighting Maintenance Assessment Fund, via the Capital Finance Administrative Fund (Fund No. 100, Department No.

53). The Financing will not cause the City's debt service payments to exceed six percent of General Fund revenues for non-voter approved debt as established in the City's Financial Policies, Debt Management Section.

The average annual debt service will be approximately \$935,000 over ten years. These monies will be borrowed on a tax-exempt basis at a fixed interest rate of 1.47 percent. The total debt service, including total principal and interest, over the life of the loan is approximately \$9.9 million.

Community Impact Statement: None submitted.

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

SUMMARY:

At a regular meeting held on September 16, 2020 the Public Works and Gang Reduction Committee telephonically considered CAO and City Attorney reports relative to the authorization to issue Municipal Improvement Corporation of Los Angeles 2020 Streetlights lease revenue obligations for the acquisition and installation of various streetlight improvements. After providing an opportunity for public comment, the Committee approved the CAO report and accompanying Resolution dated September 10, 2020, and two Ordinances dated September 3, 2020. This matter is now transmitted to Council for its consideration.

Respectfully Submitted,

PUBLIC WORKS AND GANG REDUCTION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
RYU:	YES
BUSCAINO:	ABSENT
O'FARRELL:	YES
LEE:	YES

KK 9/16/20

-NOT OFFICIAL UNTIL COUNCIL ACTS-