

ITEM NO. 5

File No. 22-0393

BUDGET AND FINANCE COMMITTEE REPORT, RESOLUTIONS and ORDINANCE FIRST CONSIDERATION relative to the extension of the letter of credit facilities supporting the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Note Program (MICLA CP Notes Program) and a replacement of letter of credit (Los Angeles Convention Center).

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

1. ADOPT the accompanying Authorizing Resolution, Attachment A of the City Administrative Officer (CAO) report dated April 5, 2022, attached to the Council file, which authorizes and approves the negotiation and execution of certain legal documents in connection with the extension of the letter of credit facilities supporting the MICLA CP Notes Program and other documents and actions in connection therewith.
2. ADOPT the accompanying Authorizing Resolution, Attachment B of the CAO report, which authorizes and approves the negotiation and execution of certain legal documents in connection with the replacement of the letter of credit facility supporting the MICLA CP Notes Program (Los Angeles Convention Center) and other documents and actions in connection therewith.
3. PRESENT and ADOPT the accompanying ORDINANCE, dated April 7, 2022, attached to the Council file, to approve the lease and sublease between the City and MICLA of certain real property in connection with the MICLA CP Notes Program.
4. AUTHORIZE the CAO to make technical corrections and adjustments as necessary to those transactions included in this report to implement the Mayor and City Council intentions.

Fiscal Impact Statement: The CAO reports that there is no additional impact to the General Fund from the approval of the proposed recommendations. The 2021-22 Adopted Budget includes sufficient appropriations within the Capital Finance Administration Fund for costs associated with supporting the current CP Programs, including, but not limited to, letter of credit fees, interest costs, remarketing agent fees, and rating agency fees. Annual budget appropriations for the CP Programs are subject to Mayor and City Council approval.

Financial Policies Statement: The CAO reports that the recommendations in this report comply with the City's Financial Policies in that all ongoing fees related to the CP Programs are paid with ongoing revenues.

Debt Impact Statement: The CAO reports that 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 General Fund Revenues for non-voter approved debt. The proposed changes in the CP Programs will not cause debt service to exceed this limit as commercial paper is short-term debt and interest costs are included in the 2021-22 Adopted Budget, Capital Finance Administration Fund.

Community Impact Statement: None submitted

SUMMARY

At its regular meeting held on April 11, 2022, the Budget and Finance Committee considered CAO and City Attorney reports, attached Resolutions, and Ordinance relative to the extension of the letter of credit facilities supporting the MICLA CP Notes Program and a replacement of letter of credit (Los Angeles Convention Center).

After an opportunity for public comment was held, the Committee moved to approve the CAO recommendations, including attached Resolutions, and adopt the Ordinance as stated above. This

matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
KREKORIAN	YES
BLUMENFIELD	YES
DE LEON	YES
RODRIGUEZ	YES
PRICE	YES



AS 4/11/22
COUNCIL FILE NO. 22-0393

-NOT OFFICIAL UNTIL COUNCIL ACTS-