

**GOVERNMENT OPERATIONS and BUDGET AND FINANCE COMMITTEES REPORT
relative to the Fourth Construction Projects Report (CPR) for Fiscal Year (FY) 2024-25**

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

1. AMEND the March 4, 2024 City Administrative Officer (CAO) report, attached to the Council File, to remove Item FF- CD 14, Central Police Station Pressure Washing.
2. AUTHORIZE the Controller to:
 - a. Transfer \$20,822,037 between Departments and funds as specified in Attachment 1 of the March 4, 2025 City Administrative Officer (CAO) report, attached to the Council File.
 - b. Transfer \$120,719 between accounts within Departments and funds as specified in Attachment 2 of the March 4, 2025 City Administrative Officer (CAO) report, attached to the Council File.
 - c. Transfer \$800,000 between accounts within departments and funds as specified in Attachment 3 of the March 4, 2025 City Administrative Officer (CAO) report, attached to the Council File.
 - d. Reimburse, in accordance with Recommendation No. 1, the General Fund within the Municipal Improvement Corporation of Los Angeles (MICLA), upon CAO approval and receipt of requesting departments' labor services, construction materials, and supply invoices for completed work to include reimbursement for labor services documentation that must contain an hourly breakdown with task descriptions and codes detailing the completed MICLA-eligible work, in connection with the Departmental accounts designated for the following projects:
 - i. North Central Animal Shelter Kennel Improvements (Item A)
 - ii. Sixth Street Viaduct – Park, Arts, River Connectivity Improvement (Item E)
 - iii. Barnsdall Arts Center Roof Replacement (Item N)
 - iv. Hollyhock House Roof Repairs (Item O)
 - v. El Pueblo Surveillance System (Item X)
 - vi. 24th Street and 7th Street Yard Mitigation Projects (Item AA)
 - vii. Electric Vehicle (EV) Infrastructure Project (Item BB)

- viii. Los Angeles Fire Department EV Charger Infrastructure (Item II)
 - ix. Los Angeles Fire Department Public Safety Improvements (Item JJ)
 - x. Vehicle Communication Equipment Installation (Item KK)
 - xi. Los Angeles Police Department Public Safety Improvements (Item MM)
 - xii. Capital Projects Support (Item QQ)
3. RESCIND Recommendation No. 4, Item F, in the 2024-25 Second CPR dated October 25, 2024 (Council File No. 24-0918-S1), as the recommended MICLA reauthorization for the Vision Theatre was addressed in Council File No. 24-1346.
 4. REAUTHORIZE \$6.9 million in MICLA authority included in the 2024-25 Adopted Budget to fund the Washington Yard Electrification and Microgrid project. (Item U).
 5. AUTHORIZE the CAO, with the assistance of the City Attorney, to negotiate and execute a contract amendment to Contract No. C-133453 with Ernst and Young Infrastructure Advisors for financial advisory services related to the Los Angeles Convention Center (LACC) Expansion Project, to extend the contract term by one year from March 17, 2025 to March 17, 2026 and to increase the contract ceiling by \$1,000,000 from \$11,836,699 to \$12,836,699, funded by the MICLA Commercial Paper Program.
 6. AUTHORIZE the CAO to make technical corrections, as necessary, to the transactions authorized through this report, as required to implement the intent of those transactions.

Fiscal Impact Statement: The CAO reports that the recommendations contained in the March 4, 2025 CAO report, attached to the Council File, include transfers, appropriations, and authority for expenditures totaling \$21.74 million. This consists of \$8.89 million from various special funds, \$7.98 million in MICLA funds, \$4.64 million in CTIEP funds, and \$0.23 million from the General Fund. All transfers and appropriations are based on existing funds, reimbursements, or revenues. There is no additional General Fund impact for operations and maintenance costs as a result of these recommendations.

Financial Policies Statement: The CAO reports that the recommendations contained in the March 4, 2025 CAO report, attached to the Council File, comply with the City's Financial Policies in that appropriations for funds are limited to available cash balances needed to fund ongoing maintenance, programming, project shortfalls, and critical operational needs in the current budget year.

Debit Impact Statement: The CAO reports that that the issuance of MICLA debt is a General Fund obligation. The proposed MICLA funds for the capital projects indicated in the March 4, 2025 CAO report, attached to the Council File, (Items A, E, L, N, O, U, X,

AA, CC, II, JJ, MM, and QQ) would cause the City to borrow \$14,712,568 at an approximate 5.5 percent interest rate over a period of 20 years. The total estimated debt service for the MICLA-financed projects is \$24,622,763, including interest of approximately \$9,910,195. The estimated average annual debt service is \$1,231,143 over a period of 20 years. The proposed MICLA funds for the installation of fire equipment onto fire vehicles (Item KK) would cause the City to borrow \$200,000 at an approximate five-and-a-half percent interest rate over a period of 10 years. The total estimated debt service for the MICLA-financed equipment project is \$265,336, including interest of approximately \$65,336. The estimated average annual debt service is \$26,534 over a period of 10 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. The CAO 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 the evaluation of the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is six percent. The 2024-25 non-voter-approved debt service ratio is 2.63 percent. The issuance of MICLA debt for these projects will not cause the City to exceed the six percent non-voter-approved debt limit.

Community Impact Statement: None submitted.

Summary:

On March 18, 2025, the Government Operations (GO) Committee considered a March 4, 2025 CAO report relative to the Fourth CPR for FY 2024-25. According to the CAO, its report provides updates on the current activities and financial status of the capital repair and infrastructure programs managed or implemented by City Departments that typically includes the Public Works Bureaus and the Department of General Services, along with recommended funding authorities needed to proceed with scheduled projects, address funding shortfalls, or other implementing authorities required to accomplish the defined scope of work for the respective projects addressed within this report. A detailed overview of each relevant project is included in the CAO report. After consideration and having provided an opportunity for public comment, the GO Committee moved to recommend approval of the recommendation as detailed in the March 4, 2025 CAO report, as amended to remove Item FF from consideration.

Subsequently, on April 1, 2025, the Budget and Finance Committee also considered this matter and after consideration and having also provided an opportunity for public comment, moved to concur with the GO Committee. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES
LEE: YES
JURADO: YES

Budget and Finance Committee

COUNCILMEMBER VOTE

YAROSLAVSKY: YES
BLUMENFIELD: YES
HUTT: YES
McOSKER: YES
HERNANDEZ: YES

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4/1/25

-NOT OFFICIAL UNTIL COUNCIL ACTS-