

BUDGET AND FINANCE COMMITTEE REPORT and RESOLUTIONS relative to the extension of expiration dates for the existing Letter of Credit (LOC) facilities supporting the payment of Commercial Paper (CP) notes under the Municipal Improvement Corporation of Los Angeles (MICLA) lease revenue CP note program, and related matters.

Recommendations for Council action:

1. ADOPT the Authorizing RESOLUTION, Attachment A of the City Administrative Officer (CAO) report dated March 24, 2025, attached to the Council file, which authorizes and approves the negotiation and execution of certain agreements and amendments in connection with the extension of the expiration dates of the existing LOC facilities supporting the payment of commercial paper notes in the aggregate principal amount of \$425 million under the MICLA Lease Revenue CP Note Program, and other documents and actions in connection with such extensions and such CP Note Program
2. ADOPT the Authorizing RESOLUTION, Attachment B of said CAO report, which authorizes and approves the negotiation and execution of certain agreements and amendments in connection with the extension of the expiration date of the existing letter of credit facility supporting the payment of commercial paper notes in the aggregate principal amount of \$100 million under the MICLA Lease Revenue CP Note Program (Los Angeles Convention Center), and other documents and actions in connection with such extension and such CP Note Program.
3. AUTHORIZE the CAO to make technical corrections and adjustments as necessary to those transactions included in this report to implement the City Council and Mayor intentions.

Fiscal Impact Statement: The CAO reports that there is no additional impact to the General Fund from the approval of the proposed recommendations as the 2024-25 Adopted Budget includes sufficient appropriations within the Capital Finance Administration Fund for costs associated with supporting the CP Programs, including, but not limited to, letter of credit fees, interest costs, CP dealer fees, and rating agency fees. Annual budget appropriations for the CP Programs will continue to be subject to City Council and Mayor 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 nonvoter approved debt. The proposed CP Programs will not cause debt service to exceed this limit as commercial paper is short-term debt and interest costs and LOC costs associated with supporting the CP Programs are included in the 2024-25 Adopted Budget, Capital Finance Administration Fund. Sufficient appropriations within the Capital Finance

Administration Fund for costs associated with supporting the CP Programs over the term of the LOC facilities will be requested to be budgeted as part of the annual budget adoption process.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on April 1, 2025, your Budget and Finance Committee considered a CAO report dated March 24, 2025 relative to the extension of expiration dates for the existing LOC facilities supporting the payment of CP notes in the aggregate principal amount of \$425 million under the MICLA lease revenue CP note program, and the existing LOC facility supporting the payment of CP notes in the aggregate principal amount of \$100 million under the MICLA lease revenue CP Note Program (Los Angeles Convention Center), and the execution of related documents and amendments and related actions in connection with such extensions and such CP Note Programs.

After an opportunity for public comment was held, the Committee recommended approval of the recommendations in the CAO report, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,
BUDGET AND FINANCE COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
YAROSLAVSKY:	YES
BLUMENFIELD:	YES
HUTT:	YES
McOSKER:	YES
HERNANDEZ:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-