

GOVERNMENT OPERATIONS COMMITTEES REPORT relative to the Fifth Construction Projects Report (CPR) for Fiscal Year (FY) 2024-25

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

1. Authorize the Controller to:

- a. Transfer \$29,386,067 between departments and funds as specified in Attachment 1 of the April 28, 2025 City Administrative Officer (CAO) report, attached to the Council File.
- b. Transfer \$2,768,881 between accounts within Departments and funds as specified in Attachment 2 of the April 28, 2025 CAO report, attached to the Council File.
- c. Transfer \$237,438 between accounts within Departments and funds as specified in Attachment 3 of the April 28, 2025 CAO report, attached to the Council File.
- d. Reimburse the General Fund within Municipal Improvement Corporation of Los Angeles (MICLA) in accordance with Recommendation No. 1 of the April 28, 2025 CAO report, attached to the Council File, 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, relative to the Departmental accounts designated for the following projects:
 - i. Harbor Yard Brick Building/Terminal Island Project (Item H)
 - ii. Electric Vehicle (EV) Infrastructure Project (Item K)
 - iii. Sixth Street Viaduct Project (Item M) Concrete Wall Replacement, Fire Station No. 107 (Item V)
 - iv. Replacement of Swiftwater Vehicle (Item FF)
 - v. EV Charger Maintenance and Awning Project at Fire Station No. 11 (Item GG)
 - vi. EV Charger Installation and Power Upgrades (Item HH)
 - vii. Los Angeles Convention and Event Center Environmental Impact Report (Item JJ) Reauthorization of 2016-17 Expired MICLA Funds

for Taylor Yard G2 (Item C)

2. REAUTHORIZE the use of up to \$355,446 in 2016-17 MICLA authority (Fund No. 298/40, Account No. 40N29L, "Taylor Yard G2") and the continued use of funds beyond the City's MICLA Three-Year Spending Policy for the design phase and environmental approvals (Item C).
3. RESCIND the recommendation to transfer appropriation of \$700,000 in MICLA funds to the Bureau of Engineering's (BOE) Engineering Special Services Fund as previously authorized in Recommendation No. 4 of the Lankershim Arts Center Rehabilitation Municipal Facilities Committee (MFC) Report dated January 30, 2025 (Council File No. 25-0128); and, AUTHORIZE a new transfer of \$700,000 within MICLA funds to a dedicated MICLA project account Item E).
4. REAUTHORIZE and APPROPRIATE \$1,818,750 in approved MICLA funding authority that has recently expired and authorize use of these funds beyond the City's MICLA Three-Year Spending Policy to fund pre-development and design activities related to the new Fire Station (Item F).
5. REAUTHORIZE and APPROPRIATE \$77,226 in MICLA funding authority that will expire on June 30, 2025 and authorize the continued use of these funds beyond the City's MICLA Three-Year Spending Policy to fund the expanded scope of work on the Harbor Yard Brick Building/Terminal Island Project (Item H).
6. AUTHORIZE the Controller to reduce appropriations totaling \$283,015.91 to close out the following accounts and release the balance to the Cash Balance within the SPA Fund for the completed projects, as listed below (Items I and J):
 - a. Fund No. 511/50, Account 50NSAH Burwood S/O Figueroa Street Storm Drain \$260,500.00
 - b. Fund No. 511/50, Account 50NSAP, Bradley Plaza Green Alley Project \$22,515.91
7. REAUTHORIZE the use of up to \$16,200,989 in MICLA funding authority for various projects that have or will expire and authorize continued use of these funds beyond the City's MICLA Three-Year Spending Policy.
8. REAUTHORIZE the use of a total of \$7,400,000 million in MICLA financing included in the 2024-25 Adopted Budget for the Manchester Jr. Arts Center (\$2,400,000) and Balboa Aquatic Center (\$5,000,000).
9. RESCIND Item DD, in the 2024-25 First Construction Projects Report (Council File No. 24-0918, Item DD) totaling \$959,371; funding for these projects was transferred in the prior year to the appropriate Department of General Services budgetary accounts as part of the 2023-24 Fourth Construction Projects Report (Council File No. 23-0842-S3, Item IIII) causing a duplicate effort.

10. AMEND Item JJ (Page 19 of the April 28, 2025 CAO report, attached to the Council File) to note that the Los Angeles Convention Center is located in Council District Nine and not Council District 14.
11. 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 stated in the April 28, 2025 CAO report, attached to the Council File, including transfers, appropriations, and authority for expenditures totaling \$32.39 million. This consists of \$2.89 million from various special funds, \$27.70 million in MICLA funds, \$0.84 million in CTIEP funds, and \$0.96 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 The CAO reports that the recommendations contained in the April 28, 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 the issuance of MICLA debt is a General Fund obligation. The proposed MICLA funds for the capital projects indicated in the April 28, 2025 CAO report, attached to the Council File (Items C, E, F, H, K, Q, R, V, GG, HH, and JJ) would cause the City to borrow \$28.63 at an approximate 5.5 percent interest rate over a period of 20 years. The total estimated debt service for the MICLA-funded projects is \$47.91 million, including interest of approximately \$19.3 million. The estimated average annual debt service is \$2.4 million over a period of 20 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 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 2.53 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.

(Budget and Finance Committee waived consideration of this matter.)

Summary:

On May 20, 2025, your Committee considered an April 28, 2025 CAO report relative to the Fifth 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 April 28, 2025 CAO report, as amended. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Government Operations Committee

COUNCILMEMBER VOTE

PADILLA: YES

LEE: YES

JURADO: YES

ARL

5/20/25

-NOT OFFICIAL UNTIL COUNCIL ACTS-