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Executive Director

August 2, 2024

Honorable Members of the
City Council of the
City of Los Angeles

CD No. 15

Attention: Mr. Michael Espinosa, City Clerk's Office

Subject: RESOLUTION NOs. 24-10395 and 24-10396: AUTHORIZING THE LOS ANGELES BOARD OF HARBOR COMMISSIONERS TO APPROVE THE ISSUANCE OF THE CITY OF LOS ANGELES HARBOR DEPARTMENT 2024 REFUNDING REVENUE BONDS

Pursuant to Section 609 of the City Charter and the Bond Procedural Ordinance (LAAC Sections 11.28.1 through 11.28.9), enclosed for your approval is Resolution Nos. 24-10395 and 24-10396 for the proposed resolution authorizing the issuance of City of Los Angeles Harbor Department (Harbor Department) 2024 Refunding Revenue Bonds (2024 Refunding Bonds) as part of a bond transaction (Transaction).

Under the proposed Transaction, the 2024 Refunding Bonds will refund (i.e. refinance) all of the Harbor Department's 2014 Series A, B and C Bonds (the 2014 Bonds), which are currently outstanding in a principal amount of \$270,950,000. Following an August 1, 2024 debt service payment, \$264,695,000 in principal will be outstanding. The proposed Transaction will not change the final maturity of the refunded bonds or result in additional debt, but it will replace higher interest rate debt with lower interest rate debt thereby resulting in lower debt service payments for the Harbor Department.

The Transaction is expected to result in combined present value savings of approximately \$27,824,000 or 10.51% of the bonds to be refunded with an average annual debt service savings of \$1,987,000 through August 2044. It is estimated that the all-in, true interest cost of the Transaction will be approximately 4.03%. The Harbor Department will be financially responsible for the payment of debt service associated with the 2024 Refunding Bonds. There is no impact to the General Fund.

RECOMMENDATION FOR CITY COUNCIL:

1. ADOPT the determination by the Board of Harbor Commissioners that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines; and
2. APPROVE POLA Resolution Nos. 24-10395 and 24-10396 authorizing the issuance of the City of Los Angeles Harbor Department 2024 Refunding Revenue Bonds.

Respectfully Submitted,

Christopher Bubica

For AMBER M. KLESGES
Commission Secretary

cc: Trade, Travel & Tourism Committee
Councilwoman Park, Chair
Councilman McOsker
Councilman Soto-Martinez
Heleen Ramirez, Mayor's Office
Jacqueline Wagner, CAO
Sergio Carrillo, CD15

Erick Martell, Mayor's Office
Stephanie Magnien Rockwell, Harbor Representative
Anissa Raja, CD15
Jennifer Sapone, CAO
Kevin Brunke, CD11
Tristan Noack, CLA