

PUBLIC WORKS AND GANG REDUCTION COMMITTEE REPORT relative to a Bridge Improvement Program - Seismic Bond Total Budget (BIP Seismic Budget).

Recommendations for Council action:

1. APPROVE a BIP Seismic Budget of \$451 million, as the new baseline program budget.
2. INSTRUCT Bureau of Engineering to report back annually with a revised BIP Seismic Budget.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no additional General Fund impact. The program contains \$9.23 million in Municipal Improvement Corporation of Los Angeles (MICLA) funding which has not yet been bonded. Program completion is estimated to cost \$451 million.

Debt Impact Statement: The issuance of MICLA bonds is a General Fund obligation. The issuance of \$9.23 million in MICLA bonds for the BIP, which was previously approved by the Council and Mayor in the Fiscal Year 2012-13, 2013-14, 2014-15, and 2015-16 Adopted Budgets, and subsequently reauthorized in the 2016-17 Fourth Construction Projects Report (Council file No. 16-1114-S3), will cause the City to borrow a total of approximately \$15.45 million, including \$6.22 million in interest, over 20-years at an estimated 5.5 percent interest rate. During the life of the bonds the estimated average annual debt service is \$772,000 over the 20 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 in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of General Fund revenues is 6.0 percent. The City is currently at 4.29 percent. The issuance of the debt from this reauthorization will not impact the City's debt capacity for non-voted approved debt as the issuance of debt for annual ongoing capital equipment acquisitions is already included in the debt ratio.

Community Impact Statement: None submitted.

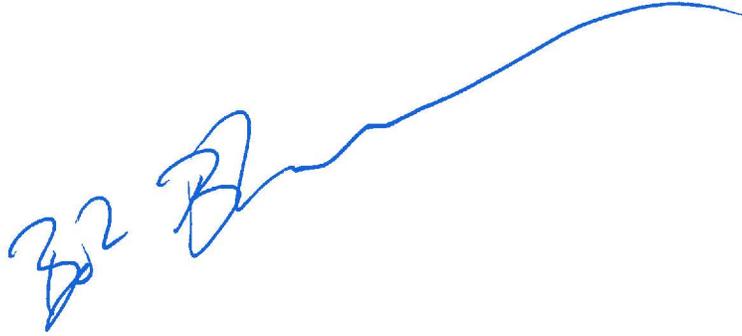
SUMMARY

At the meeting held on April 18, 2018, your Public Works and Gang Reduction Committee considered a CAO report relative to a BIP Seismic Budget. The CAO reports that since their last report in 2015, the budget for the Sixth Street Replacement Viaduct over the Los Angeles River (Sixth St Viaduct) was removed and approved as a separate project in October 2015 under Council file No. 14-1510-S5. With the removal of the Sixth St Viaduct, the previous budget was at \$436.2 million, and this budget represents an increase of \$15 million of Highway Bridge Program (HBP) funds to the BIP Seismic Budget. The increase in HBP funds is largely a result of additional funding in grant authorizations by Federal Highway Administration and Caltrans. After an opportunity for public comment was held, the Committee moved to approve the CAO's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

PUBLIC WORKS AND GANG REDUCTION COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BUSCAINO:	YES
MARTINEZ:	YES
RYU:	YES
RODRIGUEZ:	YES



ME
4/18/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-