

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

0590-00123-0035

Date: June 11, 2020

To: Budget and Finance Committee

From:  Richard H. Llewellyn, Jr., City Administrative Officer

Subject: **TRANSPORTATION/MICLA – SIDEWALKS AND FLASHING BEACON AT COBALT STREET (BUDGET MOTION 35 – C.F. 20-0600-S35)**

### **RECOMMENDATION**

Note and file this Motion.

### **DISCUSSION**

Budget Motion Number 35 proposes to amend the 2020-21 Budget to provide \$800,000 in Municipal Improvement Corporation of Los Angeles (MICLA) funding to install sidewalks along Glenoaks Boulevard between Cobalt Street and Bledsoe Street and install a flashing beacon at Cobalt Street to allow students and the surrounding community to cross the street safely.

New sidewalk construction is not an eligible expenditure for MICLA funding as sidewalks cannot be used as a secured asset in a lease/lease back financing. The City Council would have to consider additional funding sources, including the General Fund, for new sidewalk construction at the requested location in coordination with the Public Works Bureaus of Engineering and Street Services.

A fixed pedestrian flashing beacon, such as a rectangular rapid flashing beacon, and the associated curb ramps, if needed, are eligible for MICLA funding. According to staff from the Department of Transportation (LADOT), the estimated cost of a pedestrian flashing beacon is \$75,000, including the cost of curb ramps.

Based on updated information, LADOT staff is recommending a traffic signal instead of a flashing beacon at the identified location, with an estimated cost of \$350,000 including curb ramps. LADOT should coordinate with the Council Office to determine if any of the \$15 million MICLA authority for the Transportation Traffic Signal Safety Project included in each of the previous two Adopted Budgets can be used for the traffic signal. This effort should be coordinated with the construction of new sidewalks at this location if possible in order to maximize the safety benefit of the traffic signal.

In light of the City's current economic condition and the current unavailability of funds for new sidewalk construction, this Office does not recommend the actions in this Motion.

## **FISCAL IMPACT STATEMENT**

The recommendation to note and file this Budget Motion will have no fiscal impact. If the Motion is approved using funds other than MICLA, the 2020-21 Budget would fall out of balance.

## **DEBT IMPACT STATEMENT**

The issuance of bonds through the Municipal Improvement Corporation of Los Angeles (MICLA) is a General Fund obligation. The use of additional MICLA financing on eligible expenditures associated with this project would cause the City to borrow an additional \$350,000 at approximately 5.5 percent interest rate over 20 years. The total estimated debt service would be \$585,000, which includes the borrowing amount and interest of \$235,000. During the life of the bonds, the estimated average annual debt service is \$29,000 over 20 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance.

## **FINANCIAL POLICY COMPLIANCE**

The recommendation in this report complies with the City's Financial Policies.