

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 29, 2025

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Council File No. 24-0918-S5

Council District: All

To: Mayor
Council

From: *Yolanda Chavez*
for Matthew W. Szabo, City Administrative Officer

Reference: City Capital Improvement and Infrastructure Projects

Subject: **Fiscal Year 2024-25 – Sixth Construction Projects Report**

SUMMARY

Our Office is transmitting for your consideration the Sixth Construction Projects Report (CPR) for Fiscal Year (FY) 2024-25. This report reauthorizes Municipal Improvement Corporation of Los Angeles (MICLA) funding approved in the FY 2025-26 Budget (C.F. 25-0600) to ensure funding is available for City departments to initiate projects and prevent delays in operations at the start of the new fiscal year. This report also includes reauthorizations of prior year MICLA authority that expired (or is soon-to be expired) and has not been spent within the City's MICLA Three-Year Spending Policy. The total MICLA funding amount for reauthorization is \$278,550,818.

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

Council Reauthorization: Expired or Soon-to-be-Expired MICLA Funds - Various Projects (Item A)

1. Reauthorize the use of up to \$5,762,773.09 in MICLA funding from multiple fiscal years for various projects that have expired or will expire and reauthorize continued use of these funds beyond the City's MICLA Three-Year Spending Policy;

Council Reauthorization: 2025-26 MICLA Funding of Municipal Facilities Projects (Item B)

2. Reauthorize a total of \$93,735,334 in MICLA funding included in the 2025-26 Adopted Budget for Municipal Facilities projects, as specified in Attachment 1;

Council Reauthorization: 2025-26 MICLA Capital Improvement Projects – Los Angeles Convention Center (LACC) (Item C)

3. Authorize the Department of Convention and Tourism Development (CTD) and/or the Office of the City Administrative Officer (CAO) to reimburse funds up to \$13,800,000 from the MICLA Commercial Paper Program to vendors such as AEG Management LACC, LLC, as appropriate, to pay for capital improvement projects at the LACC, as specified in Attachment 1;

Council Reauthorization: 2025-26 MICLA Fleet and Capital Equipment (Item D)

4. Reauthorize a total of \$165,252,711 in MICLA funding included in the FY 2025-26 Budget, and authorize the General Services Department (GSD) to establish appropriations to purchase fleet and equipment, as specified in Attachment 1; and,
5. Authorize the CAO to make technical corrections, as necessary, to the transactions authorized in this report, as required to implement the intent of those transactions.

FISCAL IMPACT STATEMENT

The recommendations stated in this report include reauthorizations totaling \$272,788,045 in MICLA funding. There is no additional General Fund impact for operations and maintenance costs as these are administrative actions.

DEBT IMPACT STATEMENT

The issuance of MICLA debt is a General Fund obligation. The reauthorization of various projects (Items A, B, and C) would cause the City to borrow \$113.3 million at an approximate 5.5 percent interest rate over a period of 20 years. The total estimated debt service for these projects is \$189.4 million, including interest of approximately \$76.1 million. During the life of the bonds, the estimated average annual debt service is \$9.5 million over a period of 20 years.

The reauthorization of MICLA Fleet and Capital Equipment (Item D) approved in the FY 2025-26 Adopted Budget would cause the City to borrow \$165.3 million at an approximate 5.5 percent interest rate over a period of 10 years. The total estimated debt service for the capital equipment acquisitions is \$219.2 million, including interest of approximately \$54.0 million. During the life of the bonds, the estimated average annual debt service is \$22.0 million over a period of 10 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 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 2025-26 Budget non-voter-approved debt ratio is 2.46 percent. The issuance of debt for these projects will not cause the City to exceed the six percent non-voter-approved debt limit

FINANCIAL POLICIES STATEMENT

The recommendations stated in this report 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 2025-26 fiscal year.

DISCUSSION

This report recommends the reauthorization of new and prior-year MICLA funds to ensure funding is available for expenditure at the beginning of 2025-26 to avoid delays in project implementation. Included in the report are project status updates for on-going active projects and the list of newly approved 2025-26 MICLA projects.

A. Council Reauthorization: Expired or Soon to be Expired MICLA Funds - Various Projects MICLA Attachment No. N/A

Reauthorization of \$5,762,773 in MICLA funding that has or will expire under the City's MICLA Three-Year Spending Policy is recommended to allow for the continued use of these funds for various projects included in the table below:

BFY	Project Name	Scope of Work	Project Delay	Amount
2021	Bureau of Engineering Fire Station No. 39, Phase III, 50TOVB	Procurement of HVAC mechanical equipment and other long lead equipment for Phase III. Estimated date of completion is December 2025.	Acquisition of long lead items for the decarbonization work and pending additional funding provided (June Council motion). Active and ongoing.	\$ 25,265.03
2022	Information Technology Agency, 32V132	Los Angeles Police Department (LAPD) and Los Angeles Fire Department (LAFD) radio infrastructure upgrades at various remote mountaintop microwave, radio, and network sites that support public safety radio communications, including 9-1-1 dispatch. Estimated date of completion is June 2026.	Extended timeframe to execute contract and complete design and proof of concept for all 45 sites.	\$ 534,158
2023	Zoo Vision Plan Phase I, 87WVPI	Design and construction focuses on the California exhibit and main entrance. Estimated date of completion is June 2026.	Pending litigation which will be resolved in the next few months.	\$ 2,000,000

2023	LAFD Fleet Replacement, 38W300	Purchase one additional Apparatus, Triple Combination Pumper. The estimated delivery time is 27 months from purchase order issuance.	Cost increases and production limitations.	\$ 1,722,216.19
2023	Sun Valley Youth Arts Center, 40W32K	Enclose and convert the existing patio into gallery space.	Delay due to shade vendor pricing. Contract finalized. Active and ongoing.	\$ 206,473.65
2023	Reseda Theatre/Roof, 40W31K	Shoring, abatement of hazardous materials, design engineering, and truss and roof repair.	Engineering design firm contract was delayed. Active and ongoing.	\$ 159,196.83
2023	Zoo/Gorilla Tunnel Repair, 50WFSR*	Evaluate for safety and additional structural capital and structural repairs.	No delays identified. Active and ongoing.	\$ 143,874.66
2023	BOE Engine Co. 23/Seismic Retrofit, 50WPBA	Seismic repair, ADA compliance, restoration, and remediation and abatement of hazardous materials at Engine Co. 23 Youth Arts Center.	No delays identified. Active and ongoing.	\$ 919,657.38
2023	LAPD/Various Locations/ Outlets, 40WFCP	Installation of new conduit and wiring, and a new circuit to feed dedicated outlets at five LAPD facilities (Hollenbeck, Olympic, 77 th Street, West LA, and Southwest) to accommodate specialized mobile response vehicles.	No delays identified. Active and ongoing	\$ 51,931.35
Total:				\$ 5,762,773.09

**Funds repurposed in 2022-23 Fourth CPR (C.F. 22-0847-S3, Item GGG, REC 13)*

The City's MICLA Three-Year Spending Policy states that MICLA funds that remain unspent for a period longer than three years from the date of availability shall be subject to reversion to pay debt service and/or offset new MICLA projects. Council approval is required to reauthorize MICLA funding for the listed projects. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

B. Council Reauthorization: FY 2025-26 MICLA Municipal Facilities Projects and Annual Programs
MICLA
Attachment No. 1

In accordance with Council policies, all projects allocated MICLA funding as part of the Adopted Budget must be reauthorized by Council prior to expending MICLA proceeds. Approval to reauthorize a total of \$93,735,334 in MICLA funding is recommended for Municipal Facilities projects funded in the FY 2025-26 Budget to address projected cash flow needs. Council approval is required to reauthorize MICLA funding for the Municipal Facilities projects listed in Attachment 1. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

C. Council Reauthorization: FY 2025-26 MICLA Capital Improvement Projects - LACC Projects
MICLA
Attachment No. 1

In accordance with Council policies, all projects allocated MICLA funding as part of the Adopted Budget must be reauthorized by Council prior to expending MICLA commercial paper and/or bond proceeds. Approval to reauthorize a total of \$13.8 million in MICLA funding is recommended for LACC projects funded in the 2025-26 Adopted Budget to address projected cash flow needs. Council approval is required to authorize MICLA funding for Municipal Facilities projects listed in Attachment 1. *O&M Fiscal Impact: There is no General Fund impact for the operations and maintenance as this is an administrative action*

D. Council Reauthorization: FY 2025-26 MICLA Fleet and Capital Equipment
MICLA
Attachment No. 1

In accordance with Council policies, all projects allocated MICLA funding as part of the Adopted Budget must be reauthorized by Council prior to expending MICLA proceeds. Approval to reauthorize a total of \$165,252,711 in MICLA funding in the FY 2025-26 Budget is recommended along with authority for GSD to establish an appropriation to purchase the requested vehicles and equipment. Council approval is required to authorize MICLA funding for this purpose. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an administrative action.*

By: *LaTanya Roux*
Administrative Analyst

APPROVED:

City Administrative Officer

MWS:LRR:05250162

Attachment

ATTACHMENT 1

SIXTH CONSTRUCTION PROJECTS REPORT

**MICLA REAUTHORIZATION: 2025-26 MUNICIPAL FACILITIES PROJECTS,
CAPITAL IMPROVEMENT PROGRAMS, AND FLEET/CAPITAL EQUIPMENT**

CATEGORY	DEPT.	PROJECT	AMOUNT
Municipal Facilities Projects	40	Access Control Units Replacement	\$ 1,514,000
	10	Alterations and Improvements Program	1,050,154
	40	Animal Services - Harbor Animal Shelter Parking Lot	980,805
	50	Asphalt Plant No. 1 - Phase II	7,785,539
	50	Asphalt Plant No. 1 - Phase III	340,000
	50	Balboa Aquatic Center Phase I	5,000,000
	50	Barnsdall Park Residence A	1,300,000
	40	Bradley Tower Elevator Upgrades	2,000,000
	40	Building Equipment Lifecycle Repl Program	1,675,000
	40	Capital Program - Cultural Affairs	500,000
	40	Capital Program - El Pueblo	821,475
	40	Capital Program - Figueroa Plaza Buildings	550,000
	40	Capital Program - Public Works Building	1,000,000
	40	Capital Program - Van Nuys Civic Center	500,000
	87	Capital Program - Zoo	2,500,000
	40	City Hall East Structural Assessment	1,400,000
	40	Citywide Infrastructure Improvements	1,000,000
	40	Citywide Roof Capital Upgrades	1,800,000
	40	Citywide Security Improvement Program	1,887,660
	40	Deferred Maintenance Program	6,743,045
	40	Electric Vehicle Charger Infrastructure	4,500,000
	40	El Pueblo Parking Lot Improvements	400,000
	40	El Pueblo Security Camera Project Phase II	400,000
	38	Fire Installation of New Elevator at Supply and Maintenance	407,897
	50	Lankershim Arts Center Phase III ¹	1,000,000
	40	Municipal Buildings Energy and Water Management and Conservation	2,666,000
	40	North Marianna Avenue Parking Improvements	1,500,000
	40	Overhead Doors, Automatic Gates, and Awnings	1,000,000
	70	Police Build Out of Electric Bike (E-Bike) Infrastructure	750,000
	40	Police Data Center	1,323,733
	70	Police Davis Firing Range Air Circulation	500,000
	70	Police Electric Vehicle Charger Installation and Power Upgrades	1,000,000
	70	Police Replacement of Jail Control System	1,278,275
	40	Public Safety Facilities - Animal Services	704,608
	40	Public Safety Facilities - Fire	1,149,742
	40	Public Safety Facilities - Police	1,809,129
	40	Public Safety Facilities - Police Administration Building	280,000
	50	Reseda Skate Facility ²	3,000,000
	50	Sixth Street Park, Arts, and River Connectivity (PARC) Improvement Project	17,668,272

ATTACHMENT 1

SIXTH CONSTRUCTION PROJECTS REPORT

**MICLA REAUTHORIZATION: 2025-26 MUNICIPAL FACILITIES PROJECTS,
CAPITAL IMPROVEMENT PROGRAMS, AND FLEET/CAPITAL EQUIPMENT**

CATEGORY	DEPT.	PROJECT	AMOUNT
Municipal Facilities Projects	50	Slauson Connect Recreation Center	2,000,000
	50	Southeast Yard Reconstruction	1,600,000
	50	Warner Grand Theatre Phase II ³	250,000
	87	Zoo Capital Infrastructure	8,200,000
Subtotal Municipal Facilities Projects			\$ 93,735,334
Los Angeles Convention Center (LACC) Capital Improvement Projects	48	Electric Boiler Conversion	1,500,000
	48	Fire Pump Replacement	700,000
	48	Fleet Replacement	500,000
	48	Supply and Return Motor Replacement	1,100,000
	48	Waterproofing Upgrades	10,000,000
Subtotal LACC Projects			\$ 13,800,000
Fleet/ Capital Equipment	94	Department of Transportation Vehicles	160,000
	40	General Services Department Vehicle Replacement	37,000,000
	50	Yards and Shops - Capital Equipment	1,015,491
	38	Fire Department Helicopter Replacement	21,779,143
	38	Fire Department Vehicle Replacement	46,075,343
	38	Fire Vehicles	13,863,000
	70	Police Helicopter Replacement	18,064,612
	70	Police Vehicle Replacement	27,235,122
	87	Zoo Equipment (Mini-excavator)	60,000
Subtotal Vehicles/Equipment			\$ 165,252,711
2025-26 MICLA Projects Total			\$ 272,788,045

¹ This facility will be utilized occasionally by local community-based organizations on a temporary basis.

² This facility will be operated and managed by JV Ice Reseda, LLC.

³ This facility will be operated and managed by Grand Vision Foundation.