

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: May 15, 2026

CAO File No. 0640-01399-0160

Council File No. 25-0874-S4

Council District: All

To: The Mayor
The City Council

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

Reference: City Capital Improvement and Infrastructure Projects

Subject: **Fiscal Year 2025-26 – Fifth Construction Projects Report Second Addendum**

RECOMMENDATION

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

1. Authorize the Office of the Controller to transfer \$1,641,398 between departments and funds, as follows;

Transfer from: Fund 298/87 Municipal Improvement Corporation of Los Angeles (MICLA)

87V200, Capital Program – Zoo	\$ 256.19
87W200, Capital Program – Zoo	9,987.22
87Y200, Capital Program – Zoo	128,964.29
87A200, Capital Program – Zoo	1,502,190.30
Total:	\$ 1,641,398.00

Transfer to: Fund 100/40, General Services Department (GSD)

001101, Hiring Hall Construction	\$ 56,449.00
001121, Benefits Hiring Hall Construction	37,632.00
003180, Construction Materials	1,547,317.00
Total:	\$ 1,641,398.00

2. In accordance with Recommendation No. 1 authorize the Controller to reimburse the General Fund within MICLA, upon City Administrative Officer (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;

3. Reauthorize the use of up to \$10,246 in Fiscal Year (FY) 2021-22 and FY 2022-23 MICLA funding authority (Fund No. 298, Department No. 87, Account No. 87V200, “Capital Program – Zoo” and Fund No. 298, Department No. 87, Account No. 87W200, “Capital Program – Zoo”) that has expired and allow the continued use of funds beyond the City’s Three-Year Spending Policy for capital improvements at the Los Angeles Zoo; and,
4. 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.

SUMMARY

On April 20, 2026, this Office transmitted the Fifth Construction Projects Report (CPR) for FY 2025-26, which includes recommendations for sufficient cash flow for scheduled acquisition or construction activities, offset funding shortfalls, and authorities needed to complete authorized projects utilizing various capital funds that include: Capital and Technology Improvement Expenditure Program (CTIEP) funds, MICLA funding, and various special fund monies. On May 6, 2026, this Office transmitted the FY 2025-26 Fifth CPR Addendum to address time-sensitive alterations and improvements projects for the Los Angeles Public Library. This second addendum is needed to address emergency glass replacement at the Los Angeles Zoo’s Gorilla Exhibit identified subsequent to the release of the Fifth CPR Addendum.

A transfer in appropriations of \$1,241,398 in MICLA funds to the GSD’s budgetary accounts is recommended to replace the structural framing that supports the glass at the Zoo’s Gorilla Exhibit due to its deteriorating integrity. The existing condition of the exhibit glass is compromised to the extent that it creates a safety and welfare issue for the animals, staff and guests, and therefore, has become uninhabitable until the replacement can be completed. The estimated completion of this project is December 2026. Previously reauthorized MICLA funds were not expended in accordance with the Three-Year Spending Policy since the process to develop the scope, assessment, design, and estimation of the project required timely consultations and analysis given the nature of the project and necessary animal welfare considerations. Council approval is required to appropriate the funds to GSD’s budgetary accounts. *O&M Fiscal Impact: There is no General Fund impact for operations and maintenance as this is an existing facility.*

FISCAL IMPACT STATEMENT

There is no additional impact to the General Fund for operations and maintenance costs as a result of the recommendations in this report.

DEBT IMPACT STATEMENT

The issuance of MICLA debt is a General Fund obligation. The proposed reauthorization of \$10,246 in MICLA funds in this report would cause the City to borrow \$10,246 at an approximate 5.5 percent interest rate over a period of 20 years. The total estimated debt service for the MICLA-funded project is \$17,000, including interest of approximately \$7,000. The estimated average annual debt service is \$860 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 revised 2025-26 non-voter-approved debt service ratio is 2.39 percent. The issuance of MICLA debt for this project 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 the 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.

By: Christie Hwang
Senior Administrative Analyst

APPROVED:


for City Administrative Officer

MWS:CMH:05260154