

DATE March 6, 2002

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: MICLA AS ISSUANCE TO REFUND BONDS ISSUED TO FINANCE IMPROVEMENTS AT PERSHING SQUARE

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*Erin Oppenheim*  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS

The City Administrative Officer requests and staff recommends that the Board:

1. Adopt the attached Resolution (Exhibit A), approving the First Amendment to the Site Lease, the First Amendment to the Lease and Option to Purchase, and the Second Amendment to the Lease and Option to Purchase, to enable the issuance of \$8 million in Certificates of Participation for the Pershing Square Refunding MICLA Series AS; and
2. Authorize the General Manager, Department of Recreation and Parks to sign the necessary documents on behalf of the President of the Board of Recreation and Park Commissioners of the City of Los Angeles.

SUMMARY

The City Administrative Officer (CAO) in a memorandum submitted to the Board President, requested that the Board of Commissioners approve the amendment of several documents related to the financing of improvements at Pershing Square. In 1992 the Board approved the documents creating a financial relationship between the City and the Community Facilities District No. 1, pursuant to the Mello-Roos Community Facilities Act of 1982. Under the terms of the agreement, the property owners surrounding Pershing Square agreed to pay for improvement of the park pursuant to the provisions of the Mello-Roos Act. As a result the park was redeveloped and the property owners had an additional assessment included in their property taxes.

The CAO has determined that the time is appropriate to refinance the 20 year loan on the property and has included Pershing Square in the proposed MICLA AS certificate offering. The net effect of the refinancing will be to save all property owners a combined average annual amount of \$30,000. Over the next 20 years it is anticipated that the refinancing will save \$600,000.

The amendment of the attached documents enables the City to include Pershing Square in the next MICLA offering.