



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: AUGUST 15, 2013

FROM: DEBT AND TREASURY

SUBJECT: RESOLUTION NO. _____ DECLARING THE CITY OF LOS ANGELES HARBOR DEPARTMENT'S INTENT TO REIMBURSE ITSELF FROM THE PROCEEDS OF THE ISSUANCE OF TAX-EXEMPT BONDS FOR EXPENDITURES MADE AND/OR TO BE MADE IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF CERTAIN PORT-RELATED CAPITAL IMPROVEMENTS

SUMMARY:

This Resolution authorizes the City of Los Angeles Harbor Department (Harbor Department) to reimburse itself from the proceeds of a bond issuance to its Operating Account, Harbor Revenue Fund (Fund 702). This reimbursement would apply to certain monies previously spent to pay for Capital Improvement Projects.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Authorize reimbursement to the Harbor Revenue Fund (Fund 702) from the proceeds of the issuance of bonds for expenditures made no more than 60 days prior to the execution date of this Resolution and/or to be made in connection with the acquisition and construction of capital improvements; and
2. Adopt Resolution No. _____.

SUBJECT: REIMBURSEMENT FROM THE PROCEEDS OF ISSUANCE OF TAX-EXEMPT BONDS

DISCUSSION:

Background/Context – The Harbor Department is currently incurring costs at an approximate rate of \$30 to \$40 million per month, related to the execution of its capital improvement projects. In order for the Harbor Department to be able to recover these costs, this Resolution needs to be in place so that the operating account, Harbor Revenue Fund (Fund 702), may be replenished from the proceeds of a bond issuance. Because a bond issuance amount must be matched to expenditures, without this Resolution, the monies received from such issuance can only be used for expenditures that occur subsequent to the issue. Therefore, this reimbursement Resolution allows the Harbor Department to recapture to the fullest extent possible the cash it used for its capital expenditures.

Section 609 of the Charter and the Charter implementation ordinance gives the Harbor Department the power to borrow money for any purpose in a form and manner approved by the Board.

The Harbor Department has paid, beginning no more than 60 days prior to the date of adoption of this Resolution (Transmittal 1), and will pay, on and after today's date, certain expenditures in connection with the acquisition and construction of certain port-related capital improvements, which are described in Exhibit A (the Project list) of the Resolution.

This Resolution shall take effect immediately upon its adoption.

ENVIRONMENTAL ASSESSMENT:

The proposed action is a Resolution that would allow the Harbor Department to reimburse itself for funds previously advanced to the Capital Improvements Projects from the proceeds of a new bond issue. As an administrative action, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

This Board action will have no employment effect.

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SUBJECT: REIMBURSEMENT FROM THE PROCEEDS OF TAX-EXEMPT
CAPITAL IMPROVEMENT FINANCINGS

FINANCIAL IMPACT:

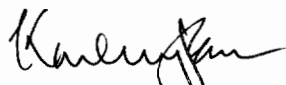
Adoption of this Resolution will not have an impact on the Harbor Department's Budget. However, adoption of the Resolution will have a positive effect on the unrestricted cash balance of the Harbor Department as portions of the monies received from a bond issue will be deposited into the Harbor Department's Operating Account, Harbor Revenue Fund, to replace money previously used for capital expenditures.

CITY ATTORNEY:


The Office of the City Attorney has prepared and approved the Resolution as to form and legality.

TRANSMITTAL:

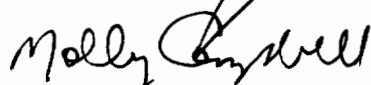
1. Resolution No. _____.



KARL K. Y. PAN
Chief Financial Officer

FIS Approval:  (initials)

CA Approval:  (initials)



MOLLY CAMPBELL
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.
Executive Director

DT14002 Reimbursement Resolution

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