

**MINUTES OF THE
MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES (MICLA)
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

Monday, April 25, 2022
4:00 PM (PT)

Pursuant to Assembly Bill 361, and due to concerns over COVID-19, the meeting was conducted by telephone/videoconference.

Agenda Item I - Call to order and

Agenda Item II - Roll Call and Determine Existence of Quorum.

Director Faye Washington, President, called the Special Meeting of the MICLA Board of Directors to order at 4:05 pm and carried out roll call. A quorum was present with all four directors in attendance, consisting of directors Faye Washington, President, Andrea Ambriz, Vice President, Lily Lee, Secretary, and Paul Smith, Treasurer. City of Los Angeles staff present were Augusto Gutierrez from the Office of the City Administrative Officer (CAO) and Gerald Kim from the Office of the City Attorney.

Agenda Item III – Approval of Minutes.

Director Washington introduced the item. Director Ambriz moved to approve the item, Director Smith seconded the motion, and following a roll call vote, the item was approved unanimously with four ayes.

Agenda Item IV – Public Comment.

Mr. Gutierrez stated that there were no members of the public present at the meeting and that there were no written public comments received, therefore there were no public comments.

Agenda Item V – Consideration of the adoption of (1) a resolution approving and authorizing the execution of certain legal documents in connection with the extension of the sublease and the extension of the stated expiration dates of the credit facilities for the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Note Program, and authorizing and directing certain actions with respect thereto; and (2) a resolution approving and authorizing the execution of certain legal documents in connection with the replacement of the credit facility for the Municipal Improvement Corporation of Los Angeles Lease Revenue Commercial Paper Note Program (Los Angeles Convention Center), and authorizing and directing certain actions with respect thereto.

Director Washington introduced the item and asked CAO staff to provide a verbal report. Mr. Gutierrez reported that a CAO Report was transmitted to the Board on April 20, 2022, that recommended approval of a resolution to execute the renewal

of letter of credit facilities (LOCs) for the \$425 Million General MICLA CP Program. He stated that the three LOC banks were Bank of America, BMO Harris Bank, and US Bank. He continued saying that the term of the LOCs was for an additional three years, through June 30, 2025, at 0.29 percent, which overall represented a discount from the current rates. He said that the General MICLA CP program is used to finance capital equipment for various City departments and improvements to various city facilities. Director Smith asked if an overview could be provided on Los Angeles Convention Center (LACC) capital expenditures financed with the CP Program. Mr. Gutierrez responded by saying that the LACC MICLA CP Program is a separate CP Program established in 2015 with a capacity of about \$100 million. He said it was established in anticipation of high capital expenditure in relation to the anticipated LACC expansion project, which has experienced various delays and remains ongoing. He continued saying that since then, the City Council has annually approved capital projects to the LACC through various budgets ranging from chiller replacements to elevator replacements – in general, capital improvements that keep the facility operating at optimal levels.

Director Smith then asked if the LACC expenditures were required to be capital in nature. Mr. Gutierrez responded that, as a MICLA policy matter, the City attempts to limit expenditures to capital improvements. He said that since the LACC MICLA CP program is a taxable program, there is more flexibility to finance non-capital expenditures. He followed by saying that the General MICLA CP program, in contrast, has more stringent expenditure parameters since it is primarily a tax-exempt program.

Mr. Gutierrez continued with his verbal report, stating that the CAO Report also recommended approval of a resolution to replace the MICLA LACC CP Program LOC, currently with State Street Bank, with US Bank for three years, also through June 30, 2025, at 0.28 percent. He said that the all of the current LOCs expire on June 30, 2022. Mr. Gutierrez said that the CAO's Office recommended sole sourcing the LOCs, as there were various financial benefits to the City from doing so. He said that the CAO, through the City's municipal advisors, engaged the current banks and asked if they were interested in renewals. He reported that all three of the General MICLA CP Program LOC banks were interested in renewing, while State Street Bank did not express a desire to extend. Mr. Smith asked why State Street Bank did not want to renew. Mr. Gutierrez responded that State Street Bank cited business reasons and an overall shift away from commercial LOC banking.

Mr. Gutierrez concluded his report by stating that the City Council approved of the proposed LOCs on April 12, 2022. Director Smith asked why the City Council approved of the LOCs prior to the MICLA Board. Mr. Gutierrez responded that MICLA and the City are two separate entities and that the order of approvals did not matter. He continued saying that the MICLA Board had previously expressed a desire for the City to act on MICLA transactions prior to the MICLA Board, in

case there there were any City policy implications associated with transactions that the MICLA Board was not aware of. Director Washington then added that the upcoming budget hearings would interfere with City approvals in the weeks to come. Mr. Gutierrez concurred and followed by saying that, with budget hearing being scheduled over the next few weeks, there were no Budget and Finance Committee meetings scheduled, so the CAO wanted to get ahead of the blackout period. He continued saying that failing to approve of the financing prior to today's meeting may have brought the City very close to the expiration date.

Director Ambriz asked if this meeting would be the last time the MICLA Board considers this item and if the new LOCs would be executed prior to the expiration of the current LOCs on June 30, 2022. Mr. Gutierrez responded that the Board action at today's meeting would provide the authority for the City to execute the LOC renewals and replacement. He followed by saying that the financial schedule had a closing date of June 14, 2022, so the new LOCs would be executed prior to their current expiration date. There being no more discussion, Director Smith moved to approve of the resolutions, Director Lee seconded the motion, and following a roll call vote, the item was approved unanimously with four ayes.

Agenda Item VI – Consideration of the adoption of a resolution making findings and determinations in accordance with AB 361 Section 3(e) that the Board has reconsidered the circumstances of the state of emergency related to COVID-19 and that such state of emergency continues to directly impact the ability of the members to meet safely in person and/or that state or local officials continue to impose or recommend measures to promote social distancing.

Director Washington introduced the item. Director Smith moved to approve the item, Director Lee seconded the motion, and following a roll call vote, the item was approved unanimously with four ayes.

Agenda Item VII - Adjournment.

There being no more business to consider, the meeting adjourned at 4:23 pm.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL IMPROVEMENT CORPORATION OF LOS
ANGELES TO CONTINUE HOLDING MEETINGS OF THE
BOARD VIA TELECONFERENCE IN ACCORDANCE
WITH ASSEMBLY BILL NO. 361**

WHEREAS, the Board of Directors (the “Board”) of the Municipal Improvement Corporation of Los Angeles (the “Corporation”), a California nonprofit public benefit corporation, is committed to preserving public access and participation in meetings of the Board;

WHEREAS, all Board meetings are open and public, as required by the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code) (the “Brown Act”);

WHEREAS, pursuant to the Brown Act and the Corporation’s Amended and Restated Bylaws, the Board is permitted to conduct meetings via teleconference (as defined in the Brown Act);

WHEREAS, Section 54953(e)(3) of the Brown Act, as amended and supplemented by Assembly Bill No. 361, provides that a legislative body may continue to teleconference without compliance with Section 54953(b)(3) of the Brown Act if (a) a state of emergency (as defined in the Brown Act) remains active, or state or local officials have imposed or recommended measures to promote social distancing, and (b) certain findings are made by the legislative body not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of Section 54953(e)(1) of the Brown Act, and every 30 days thereafter;

WHEREAS, the state of emergency proclaimed by the Governor on March 4, 2020, as a result of the threat of COVID-19 (the “COVID-19 State of Emergency”), remains active;

WHEREAS, COVID-19 remains a public health concern in the City of Los Angeles;

WHEREAS, this Board has reconsidered the circumstances of the COVID-19 State of Emergency and desires to make the requisite findings pursuant to Section 54953(e)(3) of the Brown Act; and

WHEREAS, all acts, conditions and things required by the laws of the State of California and the Articles of Incorporation and Amended and Restated Bylaws of the Corporation to exist, to have happened and to have been performed precedent to the adoption of this Resolution do exist, have happened and have been performed in regular and due time, form and manner as may be required;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES, as follows:

Section 1. The Board hereby finds that the recitals herein are true and correct.

Section 2. The Board has reconsidered the circumstances of the COVID-19 State of Emergency and hereby finds that such COVID-19 State of Emergency continues to directly

impact the ability of the members to meet safely in person and/or that state or local officials continue to impose or recommend measures to promote social distancing.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Board of Directors of the Municipal Improvement Corporation of Los Angeles this 17th day of May, 2022, by the following majority vote:

AYES:

NOES:

ABSENT:

I certify that the foregoing Resolution was adopted by the Board of Directors of the Municipal Improvement Corporation of Los Angeles at a meeting thereof duly noticed and held on May 17, 2022.

Dated: May _____, 2022

Assistant Secretary and Assistant Treasurer
of the Municipal Improvement Corporation
of Los Angeles

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL IMPROVEMENT CORPORATION OF LOS
ANGELES RATIFYING AND CONFIRMING ACTIONS
AND AGREEMENTS TAKEN OR ENTERED INTO IN
CONNECTION WITH ANY MICLA BONDS SINCE THE
DATE OF THE LAST ANNUAL MEETING**

WHEREAS, the Municipal Improvement Corporation of Los Angeles (the “Corporation”), a California nonprofit public benefit corporation, is authorized pursuant to its articles of incorporation and bylaws to, among other things (a) render financial or other assistance to the City of Los Angeles (the “City”) for any municipal purpose by financing, acquiring, constructing, improving, leasing and selling any real or personal property or equipment for the benefit of residents of the City, (b) acquire by lease, purchase, installment purchase or otherwise real or personal property, or any interest therein, enter into contracts for services or for other purposes, and construct, reconstruct, modify, add to, improve or otherwise acquire or equip buildings, structures or improvements and make any part or all of any such real or personal property, or improvements, available to or for the benefit of the public, the City, or any one or more departments, commissions or agencies of the City, and (c) borrow the necessary funds to pay the cost of financing, refinancing, acquiring, constructing, replacing, establishing, improving, maintaining, equipping and operating such properties, facilities and improvements for the purposes described in its articles of incorporation; and

WHEREAS, the Corporation is authorized under its articles of incorporation and bylaws and under the laws of the State of California to issue its bonds, notes or other evidence of indebtedness (“MICLA Bonds”); and

WHEREAS, the Board of Directors of the Corporation (the “Board”) desires to ratify and confirm all actions and agreements taken or entered into by this Board or any officer or putative officer of this Corporation in connection with any MICLA Bonds since the date of the last annual meeting of this Board; and

WHEREAS, the date of the last annual meeting of this Board was May 18, 2021; and

WHEREAS, all acts, conditions and things required by the laws of the State of California and the Articles of Incorporation and Amended and Restated Bylaws of the Corporation to exist, to have happened and to have been performed precedent to the adoption of this Resolution do exist, have happened and have been performed in regular and due time, form and manner as may be required;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUNICIPAL IMPROVEMENT CORPORATION OF LOS ANGELES, as follows:

Section 1. The Board hereby finds that the recitals herein are true and correct.

Section 2. The Board hereby ratifies and confirms (a) all actions taken by this Board, or purported to be taken by this Board, or taken by any officer or putative officer of the Corporation with respect to the issuance, offer, sale, execution, delivery, exchange or performance of any MICLA Bonds since the date of the last annual meeting of this Board, and (b) all agreements and

commitments entered into by this Board or any officer or putative officer of the Corporation in connection with any MICLA Bonds since the date of the last annual meeting of this Board.

Section 3. This Resolution shall take effect immediately upon its adoption.

PASSED and ADOPTED by the Board of Directors of the Municipal Improvement Corporation of Los Angeles this 17th day of May, 2022, by the following majority vote:

AYES:

NOES:

ABSENT:

I certify that the foregoing Resolution was adopted by the Board of Directors of the Municipal Improvement Corporation of Los Angeles at the annual meeting thereof duly noticed and held on May 17, 2022.

Dated: May _____, 2022

Assistant Secretary and Assistant Treasurer
of the Municipal Improvement Corporation
of Los Angeles