



CITY OF INGLEWOOD

OFFICE OF THE CITY MANAGER



DATE: February 14, 2023

TO: Mayor and Council Members

FROM: Finance Department

SUBJECT: Resolution Authorizing the Reimbursement of Capital Expenditures for the Inglewood Main Library

RECOMMENDATION:

It is recommended that the Mayor and City Council members adopt a resolution expressing official intent regarding certain capital expenditures for the Inglewood Main Library to be reimbursed with proceeds of Tax Exempt Bond obligations.

BACKGROUND:

During the earthquakes at Northridge, Mexico City, and most recently, Christchurch New Zealand, many concrete buildings constructed prior to the 1976 Los Angeles City Building Code provisions, or similar era codes in other countries, performed poorly and collapsed, causing loss of human life, personal injury, and property damage. The poor performance of these older concrete buildings is due to deficiencies in the lateral force-resisting system that render the building incapable of sustaining gravity loads when the building is subject to an earthquake.

Many other cities are taking steps to retrofit pre-1978 wood-frame, soft-story buildings and non-ductile concrete buildings. The goal of the retrofit programs is to reduce structural deficiencies and improve the performance of these buildings during earthquakes. Without proper strengthening, these vulnerable buildings may be subjected to structural failure during and/or after an earthquake.

The City of Inglewood Main Library will be fifty (50) years old on August 18, 2023, and is a non-ductile concrete building exhibiting non-seismic structural detailing.

The City has applied for and received approval for a State Library grant to assist with renovating the Inglewood Main Library. Additionally, the NBA Clippers Basketball organization has committed \$5 million to help enhance the main library. The City Council has determined it would be beneficial to issue bonds to renovate and seismically retrofit the Inglewood Main Library (the seismic work is necessary to ensure the safety for library patrons and staff), as these two funding sources are being utilized.

The renovations preserve and enhance the library as an important educational and cultural City resource and asset; conducting the work concurrently with the seismic retrofitting is both economically and operationally practical.

DR-2

**Mayor and Council Members
Resolution Authorizing the Reimbursement of Capital Expenditures
For the Inglewood Main Library
February 14, 2023**

DISCUSSION:

In order for the City to be able, at some time in the future, to reimburse itself for costs of the renovation and seismic retrofit of the Inglewood Main Library, the City Council needs to adopt a resolution indicating that it intends to finance the costs. The resolution does not commit the City to completing the financing, but will allow for later tax-exempt borrowing if that is what the City determines is appropriate in the future. The maximum principal amount of the obligations expected to be issued for the Project is not to exceed \$70,000,000.

FINANCIAL/FUNDING ISSUES AND SOURCES:

This resolution provides the City with financial flexibility by allowing certain costs expended by the City to be reimbursed from the proceeds of tax-exempt debt that may be issued in the future. Adoption of the Resolution authorizes the City to proceed with investigating the feasibility and desirability of financing library proceeds and has no fiscal impact. Should the City Council subsequently consider approving bonding to finance these improvements, comprehensive fiscal impacts will be outlined.

PREPARED BY:

Sharon Koike, Assistant Finance Director

COUNCIL PRESENTER:


Sharon Koike, Assistant Finance Director

DESCRIPTION OF ANY ATTACHMENTS:

Attachment No. 1 - Resolution

APPROVAL VERIFICATION SHEET

DEPARTMENT HEAD APPROVAL:



Mark Weinberg, Assistant City Manager

CITY MANAGER APPROVAL:



Artie Fields, City Manager

ATTACHMENT NO. 1

CITY OF INGLEWOOD

RESOLUTION NO. ____

**RESOLUTION EXPRESSING OFFICIAL INTENT REGARDING
CERTAIN CAPITAL EXPENDITURES TO BE REIMBURSED WITH
PROCEEDS OF OBLIGATIONS**

WHEREAS, the City of Inglewood (the "City") proposes to cause the issuance of obligations (the "Obligations") to finance the renovation and seismic retrofit of the Inglewood Main Library (the "Project");

WHEREAS, capital expenditures relating to the Project (the "Expenditures") have been paid not more than 60 days prior to the adoption of this Resolution or will be paid on or after the adoption of this Resolution; and

WHEREAS, the City reasonably expects to reimburse itself for the Expenditures with the proceeds of the Obligations;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City reasonably expects to reimburse all or a portion of the Expenditures with the proceeds of the Obligations.

Section 2. The maximum principal amount of the Obligations is \$70,000,000.

Section 3. This Resolution is a declaration of official intent to reimburse expenditures pursuant to Treasury Regulations Section 1.150-2.

Section 4. Appropriate officers and officials of the City are hereby authorized and directed to take such action and to execute such documents as may be necessary or desirable to effectuate the intent of this resolution.

Section 5. This Resolution shall take effect from and after its adoption.

Passed, approved and adopted this ____ day of _____, 2023.

James T. Butts Jr., Mayor

Aisha L. Thompson, City Clerk