



## Legislation Text

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**File #:** 13-018SA, **Version:** 1

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Recommendation to authorize City Manager to execute a contract with LPA, Inc., in an amount not to exceed \$697,162 for architectural services related to the design of a new North Library to be paid for by excess bond proceeds of the former Redevelopment Agency.  
(District 9)

Chapter 9 of AB 1484 ("Post Compliance Provisions") provides that following issuance of a Finding of Completion to a successor agency, that successor agency may expend "excess bond proceeds." Pursuant to Section 34191.4(c), these are bond proceeds in excess of those needed to satisfy approved enforceable obligations, which are spent consistent with the original bond covenants. When an expenditure is made pursuant to Section 34191.4(c)(2), it constitutes the creation of excess bond proceeds obligations, rather than an enforceable obligation, to be paid from the excess proceeds. On April 23, 2013, the Successor Agency received its Finding of Completion, and is now eligible to spend its excess bond proceeds.

In May 2010, the Redevelopment Agency of the City of Long Beach (former Agency) issued Recovery Zone Economic Development Bonds and Build American Bonds (2010 bonds). The proceeds from the 2010 bonds must be spent on public improvements benefiting the former North Long Beach Redevelopment Project. Within the seven months prior to December 31, 2010, the former Agency entered into contracts to expend a portion but not all of the bond proceeds on qualifying projects. The contracts approved and executed prior to December 31, 2010, qualified as enforceable obligations and were approved on the Successor Agency's Enforceable Obligation Payment Schedule (EOPS) and subsequent Recognized Obligation Payment Schedules (ROPS).

As noted above, the expenditure of excess bond proceeds is considered an excess bond proceeds obligation. Given the special status of these funds, as sanctioned obligations not subject to the EOPS, and the Successor Agency's responsibilities to discharge the obligations of the former Agency, the authority to approve contracts for the expenditure of excess bond proceeds rests with the Successor Agency. Oversight Board review and approval of this action is not required. The Oversight Board, however, will be apprised of the expenditure of excess bond proceeds during the Board's review of the ROPS, on which their use is to be identified separately.

One of the projects proposed for funding with 2010 bond proceeds was the design and construction of a new North Library. In fact, on January 3, 2011, the former Agency Board authorized a contract with LPA, Inc., for architectural services related to a new North Library. Because legislation invalidated this contract, LPA, Inc., commenced work on the North Library under an existing on-call services contract with the former Agency. The amount of the on-call services contract was insufficient to cover all of the services contemplated under the North Library contract. To complete work on the North Library, a contract between the Successor Agency and LPA, Inc., totaling \$697,162, which includes a 7 percent contingency of \$45,609, is requested.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 12, 2013, and

Budget Management Officer Victoria Bell on November 14, 2013.

Successor Agency action is requested on December 3, 2013, in order to allow for the timely completion of the construction drawings for the North Library and maintain the current schedule to solicit bids in February 2014.

The contract, in the amount of \$697,162, will be funded with excess bond proceeds in the Successor Agency Fund (SA) in the Department of Development Services (DV). The proposed activity will not have an impact on job creation.

Approve recommendation.

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APPROVED:

PATRICK H. WEST  
CITY MANAGER