

Update on Selected Debt Transactions

Los Angeles Unified School District
Accounting & Disbursements Division

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Prairie Substitution

- In April 2002, the District entered into an agreement with California State University Northridge (CSUN) to swap Prairie Street Elementary property for the Zelzah site on its campus
- Prairie Street was encumbered as security for the 1993 COPs that were refunded in 1998
- The Zelzah property needed to be substituted as security for the COPs
- The substitution will close on Tuesday, November 18

Land Bank Overview

- Under the Land Bank structure, the District can establish a third party non profit corporation to acquire property prior to completion of the necessary California Department of Toxic Substances Control (DTSC) and California Department of Education (CDE) regulatory approvals
- The District created the LAUSD Financing Corporation (the Corporation) for this purpose
- Upon completion of all necessary DTSC and CDE regulatory approvals, the District can take title to the property by purchasing it from LAUSD Financing Corporation

Land Bank I

- In March 2001, the Board approved the issuance of up to \$35 million in COPs to acquire 4 specific properties under the Land Bank structure: Carnation, Chamber of Commerce, Seventh & Union and 200 E. Slauson
- The Carnation property was acquired from this original list
- Subsequently, the Corporation approved the use of Land Bank funds to acquire the Garvanza property and the San Fernando Swap Meet property in lieu of the 3 properties on the original list
- To date, \$8 million of the \$35 million is available in Land Bank I

Carnation

- In 2001, the Carnation property was acquired through the Land Bank structure
- The District intends to purchase the Carnation property from the Corporation using Proposition BB Bond funds at the current appraised value of \$13 million
- Funds received from Proposition BB will be used to defease the portion of the COPs related to Carnation

Land Bank II

- In July 2001, the Board approved the issuance of up to \$75 million of Certificates of Participation (COPs) in one or more series to acquire more properties under the Land Bank Structure
- The Board also approved the issuance of \$32 million of the \$75 million authorized for the acquisition and environmental remediation of the Ambassador property

Substitution of Pico Rivera Warehouse

- In July 2003, the District issued the 2003B COPs for the acquisition of the Pico Rivera Warehouse
- The Chatsworth HS property was used as security for these COPs
- The District closed escrow on the Pico Rivera warehouse on November 6, 2003
- District staff will work on substituting the Pico Rivera warehouse as security on the 2003B COPs as provided in the District's resolution.

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QUESTIONS?