

1 RESOLUTION NO. C-28503

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH MAKING FINDINGS WITH
5 RESPECT TO AND APPROVING THE ISSUANCE OF
6 BONDS BY THE LONG BEACH BOND FINANCE
7 AUTHORITY, APPROVING THE ISSUANCE AND SALE OF
8 GAS UTILITY REFUNDING REVENUE BONDS, AND OF
9 BONDS BY THE REDEVELOPMENT AGENCY OF THE
10 CITY OF LONG BEACH, TO THE AUTHORITY
11

12 WHEREAS, the City of Long Beach (the "City") and the Redevelopment
13 Agency of the City of Long Beach, California, (the "Agency") have heretofore entered
14 into a Joint Exercise of Powers Agreement (the "JPA Agreement") establishing the Long
15 Beach Bond Finance Authority (the "Authority") for the purpose, among others, of
16 issuing its bonds to be used to provide financial assistance to the City, and the City and
17 the Agency have approved an Amendment No. 1 to the JPA Agreement to authorize
18 the Authority to issue its bonds to provide financial assistance to the Agency; and

19 WHEREAS, the City has issued its City of Long Beach Gas Utility
20 Revenue Bonds, 1993 Series A (the "Prior Utility Bonds"), and the City has determined
21 that due to prevailing financial market conditions it is in the best interests of the City to
22 realize interest rate savings by refinancing the Prior Utility Bonds at this time; and

23 WHEREAS, the City has requested that the Authority purchase a gas
24 utility refunding revenue of the City the proceeds of which will be used to refund the
25 Prior Utility Bonds; and

26 WHEREAS, the Agency is undertaking to assist the redevelopment of its
27 North Long Beach, Poly High, West Beach, Los Altos and Central Long Beach
28 Redevelopment Projects, and the Agency also desires to undertake various low and

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1 moderate income housing programs within or of benefit to one or more of its
2 redevelopment project areas; and

3 WHEREAS, the Agency has requested that the Authority purchase
4 several bond issues of the Agency the proceeds of which will provide financing and/or
5 refinancing for the North Long Beach, Poly High, West Beach, Los Altos and Central
6 Long Beach Redevelopment Projects, and for low and moderate income housing
7 programs of the Agency; and

8 WHEREAS, for the purpose of raising funds necessary to provide such
9 financial assistance to the Agency and the City, the Authority proposes to authorize the
10 issuance of its revenue bonds (the "Bonds") under the provisions of Article 4
11 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government
12 Code of the State of California (the "Act"), in three series to be designated as the Long
13 Beach Bond Finance Authority Revenue Bonds (Redevelopment, Housing and Gas
14 Utility Financings), 2005 Series A-1 and 2005 Series A-2 and Long Beach Bond
15 Financing Authority Taxable Revenue Bonds (Redevelopment Housing and Gas Utility
16 Financings), 2005 Series B; and

17 WHEREAS, it is expected that the proceeds of the Bonds will be used to
18 purchase six series of tax allocation revenue bonds (collectively, the "Agency Bonds")
19 issued by the Agency pursuant to five new Indentures of Trust, one each for the Poly
20 High, West Beach, Los Altos and Central Long Beach Redevelopment Projects and for
21 the housing programs, and a first supplemental indenture of trust for the North Long
22 Beach Redevelopment Project, each between the Agency and The Bank of New York
23 Trust Company, N.A., as trustee (the "Local Agency Trustee"), and a portion of the
24 proceeds of the Agency Bonds will be used to finance various public improvements (the
25 "Improvements") to be constructed in the City and within or of benefit to one or more of
26 the North Long Beach, Poly High, West Beach, Los Altos and Central Long Beach
27 Redevelopment Projects and various housing activities of the Agency; and

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1 WHEREAS, the proceeds of the Bonds also will be used to purchase a
2 series of gas utility refunding revenue bonds (the "City Bonds" and, together with the
3 Agency Bonds, the "Local Agency Bonds") issued by the City pursuant to a new
4 Indenture of Trust (the "City Indenture"), between the City and the Local Agency
5 Trustee, and the net proceeds of the City Bonds will be used to refund the outstanding
6 Prior Utility Bonds; and

7 WHEREAS, the Local Agency Bonds are proposed to be purchased by
8 the Authority pursuant to the terms of Local Agency Bond Purchase Contract, to be
9 entered into by the Agency, the City and the Authority (the "Local Agency Bond
10 Purchase Agreement"); and

11 WHEREAS, the firms of UBS Financial Services Inc. and E.J. De La Rosa
12 & Co., Inc. (collectively, the "Underwriters") have proposed to purchase and underwrite
13 the Bonds and there has been presented to the Authority a form of Purchase
14 Agreement for the Bonds, to be entered into among the Authority, the Agency, the City
15 and the Underwriters (the "Purchase Agreement") and there has been presented to the
16 Authority a proposed form of preliminary official statement (the "Preliminary Official
17 Statement") describing the Bonds, to be used in connection with the marketing thereof
18 by the Underwriters; and

19 WHEREAS, the City Council now desires to authorize the issuance of the
20 City Bonds and to approve and authorize the execution and delivery of documents
21 related thereto; and

22 WHEREAS, the City Council has on this date held a duly noticed public
23 hearing on the financing of the Improvements with the proceeds of the Bonds and the
24 Agency Bonds, as required by Section 6586.5(a) of the Act; and

25 WHEREAS, the City Council now desires to make a finding of significant
26 public benefit, pursuant to Section 6586.5(a)(2) of the Act, and to approve of the
27 financing of the Improvements and the transactions contemplated by the Bonds and the
28 Agency Bonds; and

1 WHEREAS, in accordance with the requirements of Section 33640 of the
2 California Health and Safety Code, the City Council wishes at this time to approve the
3 issuance and sale of the Agency Bonds by the Agency;

4 NOW, THEREFORE, the City Council of the City of Long Beach resolves
5 as follows:

6 Sec. 1. Findings and Determinations. The City Council hereby finds
7 that significant public benefits will arise from the financing of the Improvements with the
8 proceeds of the Bonds and the Agency Bonds, in accordance with Section 6586 of the
9 Act, in that the financing will result in demonstrable savings in effective interest rates,
10 bond preparation, bond underwriting and bond issuance costs as only three series of
11 the Bonds will be issued to the public (as opposed to six series of bonds that would
12 otherwise need to be issued by the Agency) to finance Improvements benefiting one or
13 more of the Agency's North Long Beach, Poly High, West Beach, Los Altos and Central
14 Long Beach Redevelopment Projects, and the structure of the financing as a pooled
15 transaction will also result in a higher credit quality for the Bonds.

16 Sec. 2. Issuance of City Bonds. The City Council hereby authorizes
17 the issuance of the City Bonds. The City Bonds shall be issued pursuant to the City
18 Indenture and shall be in a maximum principal amount of \$7,695,000. The proceeds of
19 the City Bonds shall be applied as set forth in the City Indenture, to refund the Prior
20 Utility Bonds.

21 Sec. 3. Approval of City Indenture. The City Council hereby
22 approves the City Indenture in the form on file with the City Clerk. The Mayor, City
23 Manager, Director of Financial Management, and Treasurer, and any Acting Director of
24 Financial Management or Acting Treasurer (the "Designated Officers"), each acting
25 alone, are hereby authorized and directed to execute the City Indenture for and in the
26 name and on behalf of the City, in such form, together with such additions thereto and
27 changes therein as the Director of Financial Management or Acting Director of Financial
28 Management shall deem necessary, desirable or appropriate, the execution of which by

1 a Designated Officer shall be conclusive evidence of the approval of any such additions
2 and changes. The City Council hereby authorizes the delivery and performance of the
3 City Indenture.

4 Sec. 4. Sale of City Bonds. The City Council hereby approves the
5 sale of the City Bonds to the Authority pursuant to the Local Agency Bond Purchase
6 Agreement in the form on file with the City Clerk. The Designated Officers, each acting
7 alone, are hereby authorized and directed to execute the Local Agency Bond Purchase
8 Agreement for and in the name and on behalf of the City in such form, together with
9 such additions thereto and changes therein as the Director of Financial Management or
10 Acting Director of Financial Management shall deem necessary, desirable or
11 appropriate, and the execution of which by a Designated Officer shall be conclusive
12 evidence of the approval of any such additions or changes. The City Council hereby
13 authorizes the delivery and performance of the Local Agency Bond Purchase
14 Agreement.

15 Sec. 5. Sale of Bonds. The City Council hereby approves the sale
16 of the Bonds by the Authority by negotiation with the Underwriters, pursuant to the
17 Purchase Agreement in the form on file with the City Clerk. The Designated Officers,
18 each acting alone, are hereby authorized and directed to execute the Purchase
19 Agreement for and in the name and on behalf of the City in such form, together with
20 such additions thereto and changes therein as the Director of Financial Management or
21 Acting Director of Financial Management shall deem necessary, desirable or
22 appropriate, the execution of which by the City shall be conclusive evidence of the
23 approval of such additions and changes, upon the submission of an offer by the
24 Underwriters to purchase the Bonds, which offer is acceptable to the City Treasurer or
25 Acting City Treasurer and consistent with the requirements of this Resolution. The
26 amount of Underwriters' discount for the Bonds shall be not more than .75 percent
27 (.75%) of the par amount thereof (not taking into account any original issue discount on
28 the sale thereof) and the net interest cost of the Bonds shall not exceed 6.5 percent

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1 (6.5%) per annum.

2 Sec. 6. Official Statement. The City Council hereby authorizes the
3 Designated Officers, each acting alone, to cause the Preliminary Official Statement to
4 be finalized, and to deem final within the meaning of Rule 15c2-12 of the Securities
5 Exchange Act of 1934, except for permitted omissions, the Preliminary Official
6 Statement. Distribution of the Preliminary Official Statement by the Underwriters is
7 hereby approved. The Designated Officers, each acting alone, are hereby authorized
8 to execute a final Official Statement describing the Bonds, the Agency Bonds and the
9 City Bonds, including as the Preliminary Official Statement may be modified by such
10 additions thereto and changes therein as the Executive Director shall deem necessary,
11 desirable or appropriate, and the execution of the final Official Statement by the City
12 shall be conclusive evidence of the approval of any such additions and changes. The
13 City Council hereby authorizes the distribution of the final Official Statement by the
14 Underwriters.

15 Sec. 7. City Continuing Disclosure Agreement and Escrow
16 Agreement. The City Continuing Disclosure Agreement relating to the Bonds and the
17 City Bonds, and the Escrow Deposit and Trust Agreement (the "Escrow Agreement")
18 relating to the refunding of the Prior Utility Bonds, each in the respective form on file
19 with the City Clerk, is hereby approved. The Designated Officers, each acting alone,
20 are hereby authorized and directed, for and in the name of and on behalf of the City, to
21 execute and deliver the City Continuing Disclosure Agreement and the Escrow
22 Agreement in said forms, with such additions thereto or changes therein as are deemed
23 necessary, desirable or appropriate by the Director of Financial Management or Acting
24 Director of Financial Management, the approval of such changes to be conclusively
25 evidenced by the execution and delivery by a Designated Officer of the City Continuing
26 Disclosure Agreement and the Escrow Agreement.

27 Sec. 8. Approval of Agency Financing. The City Council hereby
28 approves the financing of the Improvements with the proceeds of the Bonds and the

1 Agency Bonds, the issuance of the Bonds by the Authority, the issuance of the Agency
2 Bonds by the Agency, the sale of the Agency Bonds to the Authority, the execution and
3 delivery of the Agency Indentures by the Agency, and the application of the proceeds of
4 the Agency Bonds to fund redevelopment and housing activities of the Agency.

5 Notwithstanding the foregoing, in the event that the conditions to the
6 purchase of the Agency Bonds for the Poly High Redevelopment Project (the "Poly High
7 Bonds") described in the Local Agency Bonds Purchase Agreement do not occur by
8 June 30, 2005, the City Council hereby approves the issuance of a like amount of
9 additional bonds issued by the Agency for its North Long Beach Redevelopment Project
10 (the "North Long Beach Bonds") on terms substantially similar to those applicable to the
11 purchase of the Poly High Bonds, such North Long Beach Bonds to be on a parity with
12 the bonds of such project area to be issued on the date of issuance of the Bonds.

13 Sec. 9. Los Altos Note. The Amended and Restated Promissory
14 Note and Loan Agreement between the City Treasurer and the Agency relating to a
15 loan from the West Long Beach Industrial Redevelopment Project to the Los Altos
16 Redevelopment Project to be repaid, in part, with proceeds of the Agency Bonds (the
17 "Los Altos Note"), in the form on file with the City Clerk, is hereby approved. The City
18 Treasurer or Acting City Treasurer is hereby authorized and directed to execute and
19 deliver the Los Altos Note in said form with such additions thereto or changes therein as
20 are deemed necessary, desirable or appropriate by the City Treasurer or Acting City
21 Treasurer, the approval of such changes to be conclusively evidenced by the execution
22 and delivery by the City Treasurer or Acting City Treasurer of the Los Altos Note.

23 Sec. 10. Official Actions. The Designated Officers, the City Clerk and
24 any and all other officers of the City are hereby authorized and directed, for and in the
25 name and on behalf of the City, to do any and all things and take any and all actions,
26 including execution and delivery of any and all assignments, certificates, requisitions,
27 agreements, notices, consents, instruments of conveyance, warrants, agreements and
28 other documents which they, or any of them, may deem necessary or advisable in order

