



Building A Better Long Beach

January 20, 2011

REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach
California

RECOMMENDATION:

Approve and authorize the Executive Director to amend certain existing loan agreements between the City of Long Beach and the Redevelopment Agency of the City of Long Beach for the Downtown, Central Long Beach and Poly High Redevelopment Project Areas to update their repayment provisions. (Downtown, Central and Poly High – Districts 1, 2, 4, 6, 7)

DISCUSSION

At various times during the implementation of the Redevelopment Plans for the Poly High, Central Long Beach and Downtown Redevelopment Projects, the City of Long Beach (City) has loaned the Long Beach Redevelopment Agency (Agency) funds to assist with projects for the eradication of blight. As of October 1, 2010, the total outstanding balance of the loans is \$102.3 million. These agreements have various provisions for their repayment. It is recommended that the repayment provisions of these agreements be standardized to include specified amortization schedules. The proposed schedules are attached as Exhibits A through C.

The proposed changes will provide the City's General Fund nearly \$10.3 million during the period from the current FY11 through FY17. Starting in FY17, debt repayment from the Downtown and Poly High Redevelopment Project Areas will accelerate significantly since those Project Areas will be expired. The annual payment for all three loans will be approximately \$9.2 million in FY18 through FY31, of which approximately \$2.3 million has been identified to pay for debt service on the 2006 Open Space Bonds. The total debt repayment is approximately \$154 million by FY33.

This action will allow the Agency to repay the City for loan funds received for the eradication of blight in the Poly High, Central Long Beach, and Downtown Redevelopment Project areas. The City Council is expected to review and approve this recommendation on January 18, 2011.

REDEVELOPMENT AGENCY BOARD MEMBERS

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ROBERT ZUR SCHMIEDE, AICP
ASSISTANT EXECUTIVE DIRECTOR



AMY J. BODEK, AICP
EXECUTIVE DIRECTOR

AJB:LAF:DLH

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Attachments: Exhibit A: Amortization Schedule – Central Long Beach
Exhibit B: Amortization Schedule – Poly High
Exhibit C: Amortization Schedule – Downtown

Exhibit A
Amortization Schedule for Repayment of Outstanding Debt to City
Central Long Beach Redevelopment Project Area
(Agreement CT#5, 12/14/1993)

Due Date	Interest	Principal	Annual Payment	Remaining Balance
				4,313,280.67
5/1/2011	0	2,300,000.00	2,300,000.00	2,013,280.67
5/1/2012	0	2,013,280.67	2,013,280.67	-
			<u>4,313,280.67</u>	

Exhibit B
Amortization Schedule for Repayment of Outstanding Debt to City
Poly High Redevelopment Project Area
(Agreements NDP #1 and #2, 07/19/1972)

Due Date	Interest	Principal	Annual Payment	Remaining Balance
				3,140,260.43
10/1/2011	\$0	\$25,000	25,000.00	3,115,260.43
10/1/2012	\$0	\$50,000	50,000.00	3,065,260.43
10/1/2013	\$0	\$50,000	50,000.00	3,015,260.43
10/1/2014	\$0	\$50,000	50,000.00	2,965,260.43
10/1/2015	\$0	\$50,000	50,000.00	2,915,260.43
10/1/2016	\$0	\$50,000	50,000.00	2,865,260.43
10/1/2017	\$0	\$200,000	200,000.00	2,665,260.43
10/1/2018	\$0	\$200,000	200,000.00	2,465,260.43
10/1/2019	\$0	\$200,000	200,000.00	2,265,260.43
10/1/2020	\$0	\$200,000	200,000.00	2,065,260.43
10/1/2021	\$0	\$200,000	200,000.00	1,865,260.43
10/1/2022	\$0	\$200,000	200,000.00	1,665,260.43
10/1/2023	\$0	\$200,000	200,000.00	1,465,260.43
10/1/2024	\$0	\$200,000	200,000.00	1,265,260.43
10/1/2025	\$0	\$200,000	200,000.00	1,065,260.43
10/1/2026	\$0	\$200,000	200,000.00	865,260.43
10/1/2027	\$0	\$200,000	200,000.00	665,260.43
10/1/2028	\$0	\$200,000	200,000.00	465,260.43
10/1/2029	\$0	\$200,000	200,000.00	265,260.43
10/1/2030	\$0	\$200,000	200,000.00	65,260.43
10/1/2031	\$0	\$65,260	65,260.43	0.00
		<u>\$3,140,260</u>		

Exhibit C
Amortization Schedule for Repayment of Outstanding Debt to City
Downtown Redevelopment Project Area
(Agreements 12255 [09/11/1974], 23670 [10/20/1992], and 27982 [10/2/2002])

Due Date	Annual Payment	Remaining Balance	Compounded Interest 3% of Remaining Balance*
		94,838,615.49	
10/1/2011	1,000,000.00	96,683,773.95	2,845,158.46
10/1/2012	750,000.00	98,834,287.17	2,900,513.22
10/1/2013	750,000.00	101,049,315.79	2,965,028.62
10/1/2014	750,000.00	103,330,795.26	3,031,479.47
10/1/2015	750,000.00	105,680,719.12	3,099,923.86
10/1/2016	750,000.00	108,101,140.69	3,170,421.57
10/1/2017	750,000.00	110,594,174.91	3,243,034.22
10/1/2018	9,000,000.00	104,912,000.16	3,317,825.25
10/1/2019	9,000,000.00	99,059,360.17	3,147,360.00
10/1/2020	9,000,000.00	93,031,140.97	2,971,780.81
10/1/2021	9,000,000.00	86,822,075.20	2,790,934.23
10/1/2022	9,000,000.00	80,426,737.46	2,604,662.26
10/1/2023	9,000,000.00	73,839,539.58	2,412,802.12
10/1/2024	9,000,000.00	67,054,725.77	2,215,186.19
10/1/2025	9,000,000.00	60,066,367.54	2,011,641.77
10/1/2026	9,000,000.00	52,868,358.57	1,801,991.03
10/1/2027	9,000,000.00	45,454,409.32	1,586,050.76
10/1/2028	9,000,000.00	37,818,041.60	1,363,632.28
10/1/2029	9,000,000.00	29,952,582.85	1,134,541.25
10/1/2030	9,000,000.00	21,851,160.34	898,577.49
10/1/2031	9,000,000.00	13,506,695.15	655,534.81
10/1/2032	9,000,000.00	4,911,896.00	405,200.85
10/1/2033	6,520,763.63	-1,461,510.75	147,356.88
Total Payments	<u>147,020,763.63</u>		

*Interest is capitalized on an annual basis based upon average annualized investment pool rate for the most recent fiscal year.