



# LONG BEACH REDEVELOPMENT AGENCY

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August 21, 2006

## REDEVELOPMENT AGENCY BOARD MEMBERS

City of Long Beach  
California

## RECOMMENDATION:

Recommendation to approve and transmit to the Long Beach City Council Budget Oversight Committee a schedule to repay outstanding debt between the Redevelopment Agency and the City of Long Beach from the Central Long Beach, Downtown, and Poly High Redevelopment Project Areas. (Citywide)

## DISCUSSION

During the development of the Fiscal Year (FY) 2006 budget, the City Council adopted a number of recommendations made by the Budget Oversight Committee (BOC), including the following two recommendations related to the Redevelopment Agency:

*Recommendation 1: As mentioned in the Clarion Study and proposed by Councilmember Lerch and Redevelopment Agency Boardmember Bill Baker, the BOC concurs in requesting the Redevelopment Agency consider taking the Port Area Property Tax Increment assigned to the North Long Beach Redevelopment Project Area and transfer it to the City for general City purposes; and*

*Recommendation 2: Recommend the City Council requests the Redevelopment Agency to develop a repayment schedule for outstanding loans.*

Subsequent to these recommendations, the Redevelopment Agency on October 24, 2005, adjusted its FY 2006 budget to transfer \$1.3 million from the North Long Beach Redevelopment Project Area to the Central Long Beach Redevelopment Project Area via the Central Project Area's Housing Set-Aside for repayment of Redevelopment Agency debt to the City. The Redevelopment Agency's FY 2007 budget also includes the \$1.3-million transfer.

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On April 18, 2006, Agency staff made a presentation to the BOC regarding the Agency's debt to the City. Three of the Redevelopment Agency's seven project areas have debt with the City of Long Beach (Central, Downtown and Poly High). The amount and type of this debt is shown on Exhibit A. Agency staff also proposed a number of payments to the City's General Fund subject to Agency Board approval.

The BOC emphasized that it wanted to see a schedule for the repayment of debt approved by the Redevelopment Agency Board. Exhibit B presents a proposed debt repayment schedule. The schedule shows the following repayments:

- Continue to transfer \$1.3 million of tax increment, or a portion thereof, in last year of repayment from the North Long Beach Project Area to the Central Long Beach Project Area until that debt has been completely repaid.
- In FY 2008, commence repayment of the Downtown Project Area's debt to the City with an amount of tax increment revenue equivalent to that generated by the assessed value of the Pike development.
- In FY 2018, start making \$2.2 million payment on the Open Space bonds secured by Community Development Block Grant funds.
- In FY 2019, following expiration of the effectiveness of Downtown Redevelopment Plan, transfer all net tax increment that is not necessary for debt service payments on outstanding tax allocation bonds to the City.
- In FY 2016, following expiration of the effectiveness of the Poly High Redevelopment Plan, transfer all net tax increment revenue that is not necessary for debt service payments on outstanding tax allocation bonds to the City.

As shown on Exhibit B, starting in FY 2008 debt repayment to the City from the Central and Downtown Project Areas will be an estimated \$2.0 million per year until FY 2015 when the Central Project Area's existing debt to the City is completely repaid. From FY 2016 through FY 2019, debt repayment from the expiration of the Poly High Redevelopment Plan, the Open Space bonds and the expiration of the Downtown Redevelopment Plan will start and debt repayment will escalate from an estimated \$816,000 per year in FY 2016 to a peak of an estimated \$17.4 million in FY 2030. Debt repayment for the Downtown Project Area is estimated to be complete in FY 2030 and in FY 2035 for the Poly High Project Area.

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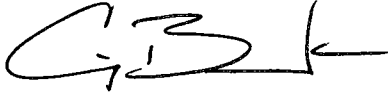
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SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



~~PH~~ PATRICK H. WEST  
EXECUTIVE DIRECTOR

PHW:CB:laf

APPROVED:



GERALD R. MILLER  
CITY MANAGER

Attachment: Exhibit A – Redevelopment Agency Debt to the City  
Exhibit B – Proposed Debt Repayment Schedule

Exhibit A

**Redevelopment Agency Debt to the City**

<b>Fund</b>	<b>Downtown</b>	<b>Central</b>	<b>Poly High</b>
UDAG	\$11,510,919	\$0	\$0
Title IX	9,539,676	0	0
CDBG	50,881,622	0	0
General Fund	13,317,257	12,215,279	3,140,260
<b>Total</b>	<b>\$85,249,475</b>	<b>\$12,251,279</b>	<b>\$3,140,260</b>

**Exhibit B**

**The proposed debt repayment schedule  
will be distributed at the Board meeting.**