

# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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January 16, 2007

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Adopt the attached Resolution approving a deposit/reimbursement agreement relating to the formation of a Community Facilities District for the Douglas Park Project, and authorize the City Manager to execute the related documents.  
(Citywide)

## DISCUSSION

The City of Long Beach (City) and the McDonnell Douglas Corporation (Company) have partnered in forming a Community Facilities District (CFD) No. 2007-1, adjacent to the Long Beach Airport. The purpose of the CFD 2007-1 is to put in place the infrastructure to support commercial and residential development of the area. It is common that expenses for formation proceedings are incurred in advance of the actual formation of a CFD, for feasibility studies and other professional services.

Consistent with the Developer's Agreement dated June 2, 2005, the Company is agreeable to depositing with the City the amount of \$150,000, provided that funds are reimbursed to the Company from the proceeds of any CFD bonds issued by the City for the CFD's infrastructure work, as legally permitted.

The deposit is to be used by the City to pay initial costs in conducting proceedings for the formation of the CFD and the issuance of bonds for the CFD. The City will maintain records as to the expenditure of the deposit.

This item was reviewed by Assistant City Attorney Heather A. Mahood on December 12, 2006 and Budget Management Officer David Wodynski on December 19, 2006.

TIMING CONSIDERATIONS

City Council action on this item is requested on January 16, 2007, to support activities and proceedings for the formation of the CFD.

FISCAL IMPACT

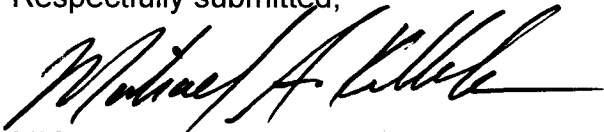
Funds received from the Company will be deposited in the General Fund (GP) in the Department of Financial Management (FM).

The attached Resolution permits the reimbursement of pre-formation expenses from the proceeds of the Company's deposit. The deposit will be reimbursed to the Company upon the successful formation of the Community Facilities District and after issuance of any required debt. There is no direct fiscal impact to the City involved with the passage of this Resolution.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW  
DIRECTOR OF FINANCIAL MANAGEMENT

MAK:DN:  
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ATTACHMENT

APPROVED:



GERALD R. MILLER  
CITY MANAGER

1 RESOLUTION NO.

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH APPROVING A DEPOSIT/  
5 REIMBURSEMENT AGREEMENT RELATING TO THE  
6 FORMATION OF A COMMUNITY FACILITIES DISTRICT  
7 FOR THE DOUGLAS PARK PROJECT, AND  
8 AUTHORIZING AND DIRECTING ACTIONS WITH  
9 RESPECT THERETO  
10

11 WHEREAS, the City of Long Beach (the "City") and McDonnell Douglas  
12 Corporation (the "Company") are parties to a Development Agreement recorded on  
13 June 2, 2005, as document number 05-1290603 in the Los Angeles County Recorder's  
14 office (the "Development Agreement") relating to the development of an area of the City  
15 known as Douglas Park; and

16 WHEREAS, Section 8.23 of the Development Agreement provides that  
17 the Company may propose that the City initiate proceedings to form one or more Public  
18 Financing Districts (as such term is defined in the Development Agreement) to finance  
19 costs of eligible Public Improvement Facilities (as defined in the Development  
20 Agreement) in connection with the development of Douglas Park, and to that end, the  
21 Company has now indicated its desire for the City to consider the formation of an  
22 community facilities district (the "CFD") to provide for such financing; and

23 WHEREAS, the Development Agreement provides that the Company is to  
24 advance such amounts as the City reasonably requires to provide for staff and outside  
25 consultants to undertake the processing of the CFD, and in furtherance thereof the  
26 City's Bond Counsel has prepared a Deposit/Reimbursement Agreement (the  
27 "Agreement"), to be executed by the Company and the City, and this City Council now  
28 desires to authorize the execution, delivery and implementation by the City of the

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1 Agreement, and to authorize and direct City staff to take actions necessary to present  
2 to this City Council for approval the documents necessary to form the CFD and issue  
3 bonds of the City for the CFD;

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

6 Section 1. The Agreement, in the form on file with the City Clerk, is  
7 hereby approved. The Director of Financial Management is hereby authorized and  
8 directed to accept the Deposit from the Company to pay Initial Costs, as such terms are  
9 defined in the Agreement, and to use any amounts so advanced in the manner  
10 contemplated by the Agreement. The City Manager is hereby authorized and directed to  
11 execute and deliver the Agreement for and on behalf of the City, and the City Manager,  
12 the Director of Financial Management and the City Treasurer are hereby authorized and  
13 directed to take all actions necessary to implement the Agreement.

14 Sec. 2. City staff are hereby authorized and directed to take all  
15 actions necessary or advisable to present to this City Council for its review and approval  
16 all proceedings necessary to create the CFD and issue bonds of the City for the CFD.  
17 The passage of this Resolution shall in no way obligate the City to form the CFD or  
18 issue bonds of the City for the CFD, except as provided in the Development Agreement.  
19 Any bonds issued for the CFD shall be payable solely from special taxes levied on  
20 property in the CFD or from amounts (including proceeds of the bonds deposited to a  
21 capitalized interest account or a reserve fund) specifically pledged to such payment in  
22 the documents providing for the terms of the bonds, and the bonds shall not, in any  
23 event, by general obligations of the City or be payable from the City's general fund.

24 Sec. 3. This resolution shall take effect immediately upon its  
25 adoption by the City Council, and the City Clerk shall certify the vote adopting this  
26 resolution.

27 I hereby certify that the foregoing resolution was adopted by the City  
28 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2007, by

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the following vote:

Ayes: Councilmembers: \_\_\_\_\_

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Noes: Councilmembers: \_\_\_\_\_

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Absent: Councilmembers: \_\_\_\_\_

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\_\_\_\_\_  
City Clerk

HAM:fl  
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