



CITY OF LONG BEACH

R-21

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 •

October 21, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution to declare results of a special election within the City of Long Beach Community Facilities District (CFD) No. 2007-2 (Belmont Shore).

Conduct the first reading of an Ordinance levying special taxes in City of Long Beach CFD No. 2007-2 (Belmont Shore).

Adopt a Resolution authorizing the issuance of special tax bonds for the City of Long Beach CFD No. 2007-2 (Belmont Shore). (District 3)

DISCUSSION

On August 5, 2008, the City Council held a public hearing regarding the formation of the CFD and the incurrence of bonded indebtedness of the City for the CFD. Following the public hearing, the City Council adopted RES-08-0081 affirming the formation of the CFD, RES-08-0082 affirming the determination of the necessity to incur bonded indebtedness for the CFD, and RES-08-0083 calling for a new election of the owners of property in the CFD for October 6, 2008. The election was concluded on October 6, 2008. The City Clerk tabulated the ballots and determined that over 83 percent of the votes cast in the election were in favor of the ballot propositions.

The City Council is requested to adopt a Resolution declaring the results of the election and directing recording of (i) a notice of special tax lien on the parcels in the CFD, and (ii) a notice of cancellation of the special tax lien imposed for the prior CFD No. 1 of the City, which is being supplanted by the new CFD. The maximum special tax rate for the new CFD is the same as CFD 1 at 66¢ per square foot of commercial land; however, it is contemplated that the initial bonded debt of the new CFD will only require the same 12¢ per commercial square foot (in addition to \$200,000 of annual parking meter revenues) to service the bonds for the new parking lot and related improvements and to refinance the bonds issued in 1993.

It is also recommended the City Council conduct the first reading of an Ordinance levying special taxes in the new CFD and adopt a Resolution authorizing the issuance of bonds for the CFD. The bonds will be issued pursuant to a Fiscal Agent Agreement entered into by the City and U.S. Bank National Association.

The bonds are expected to be offered for sale in late October pursuant to a Preliminary Official Statement which describes the CFD and the terms of the bonds, and a Bond Purchase Agreement entered into by the City, for the CFD, and E.J. De La Rosa & Co., Inc.

(the bond "Underwriter") who will market the bonds to prospective investors. There is also a Continuing Disclosure Certificate which requires the City to provide certain annual and material event disclosures regarding the CFD and the bonds to investors.

The Resolution authorizes the issuance of up to \$4,000,000 in bonds for the CFD, and approves the Fiscal Agent Agreement, Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Certificate. The Resolution also makes various findings related to the bond issue, including that the value of the property in the CFD is at least three times the principal of the bonds, and that the District is in accordance with the City's Local Goals and Policies for Community Facilities Districts Related to Commercial Development, previously adopted by the City Council.

This item was reviewed by Assistant City Attorney Heather A. Mahood on September 25, 2008 and Budget Management Officer Victoria Bell on September 30, 2008.

TIMING CONSIDERATIONS

City Council action on this item is requested on October 21, 2008, to support the activities and formation of the CFD, so that the financing of the proposed parking improvements can occur before the end of 2008.

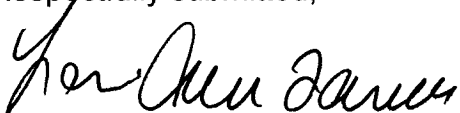
FISCAL IMPACT

There is no fiscal impact to the City associated with the requested action. All expenses related to the formation of the CFD will either be paid from the proceeds of bonds issued for the CFD or from amounts currently available in the Belmont Shore Parking Revenue Fund.

SUGGESTED ACTION:

Approve recommendations.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:



PATRICK H. WEST
CITY MANAGER

ATTACHMENTS

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH DECLARING RESULTS OF
5 SPECIAL ELECTION, AND DIRECTING RECORDING OF
6 NOTICE OF SPECIAL TAX LIEN AND NOTICE OF
7 CANCELLATION OF SPECIAL TAX LIEN FOR PRIOR
8 CFD-COMMUNITY FACILITIES DISTRICT NO. 2007-2
9 (BELMONT SHORE)

10
11 WHEREAS, in proceedings heretofore conducted by this City Council
12 pursuant to the Long Beach Special Tax Financing Improvement Law, Section 3.52.511
13 et seq. of the Long Beach Municipal Code (the "Law"), on August 5, 2008, this City
14 Council adopted Resolution No. RES-08-0083 entitled "A Resolution of the City Council
15 of the City of Long Beach Calling For New Election Within the City of Long Beach
16 Community Facilities District No. 2007-2 (Belmont Shore)", calling for a special election of
17 the qualified electors within the City of Long Beach Community Facilities District No.
18 2007-2 (Belmont Shore) (the "District"); and

19 WHEREAS, pursuant to the terms of said resolution, which are by this
20 reference incorporated herein, the special election was held on October 6, 2008, and the
21 City Clerk has on file a Canvass and Statement of Results of Election, a copy of which is
22 attached hereto as Exhibit A; and

23 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
24 follows:

25 Section 1. The issues presented at the special election were the
26 incurring of bonded indebtedness for the District, the levy of a special tax within the
27 District to be levied in accordance with the rate and method of apportionment of special
28 taxes for the District heretofore approved by this City Council by its Resolution No. RES-

1 08-0081 adopted on August 5, 2008, entitled "A Resolution of the City Council of the City
2 of Long Beach Affirming Formation of the City of Long Beach Community Facilities
3 District No. 2007-2 (Belmont Shore), Authorizing the Levy of a Special Tax Within the
4 District, Preliminarily Establishing An Appropriations Limit for the District and
5 Resubmitting Levy of the Special Tax and the Establishment of the Appropriations Limit
6 to the Qualified Electors of the District," and the approval of a separate appropriations
7 limit for the District in the amount specified in said Resolution.

8 Section 2. Pursuant to the canvass of the special election on file with the
9 City Clerk, the issues presented at the special election were approved by the qualified
10 electors of the District by more than two-thirds of the votes cast at the special election.

11 Section 3. Pursuant to the voter approval, the District is hereby declared
12 to be fully formed with the authority to incur bonded indebtedness and to levy special
13 taxes as heretofore provided in the proceedings to from the District and in the Law.

14 Section 4. It is hereby found that all prior proceedings and actions taken
15 by this City Council with respect to the District were valid and in conformity with the Law.

16 Section 5. The City Clerk is hereby directed to execute and cause to be
17 recorded in the office of the County Recorder of the County of Los Angeles (a) a notice of
18 special tax lien for the District, and (b) a notice of cancellation of special tax lien for the
19 City of Long Beach Community Facilities District No. 1 (Belmont Shore) (the "Prior CFD"),
20 each such notice to be in the forms provided by Bond Counsel. The recording of the
21 notice of special tax lien shall occur no later than fifteen days following adoption by the
22 City Council of this Resolution. The recording of the notice of cancellation of special tax
23 lien for the Prior CFD shall occur only if and when the 1993 Bonds authorized to be
24 refinanced by the District have been legally defeased or paid in full, with such recording
25 to occur within fifteen days of the date of such legal defeasance or payment in full, as
26 identified by the City Treasurer to the City Clerk.

27 Section 6. This resolution shall take effect immediately upon its adoption
28 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of October 21, 2008 by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

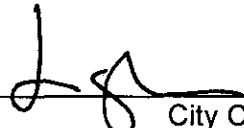
CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2007-2
(BELMONT SHORE)

I hereby certify that, I canvassed the returns of the special election held on October 6, 2008, in the City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) and the total number of ballots cast in said election and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) Special Tax and Bond Election October 6, 2008.	59,022	43,245	35,988	7,257

BALLOT MEASURE A: Shall the City of Long Beach (the "City") incur an indebtedness and issue bonds in one or more series in the maximum aggregate principal amount of \$5,800,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) (the "District"), the proceeds of which will be used only to finance the costs of certain parking facilities and improvements (the "Facilities") and of the refinancing of certain bonds (the "1993 Bonds"), each as authorized to be funded by the District, and to pay the costs of issuing the bonds, initially administering the bonds and the District as well as the establishment of appropriate bond reserves; shall a special tax payable solely from lands within the District be levied annually upon lands within the District to be applied to pay the costs of the Facilities directly, to pay the principal and interest on any bonds issued for the District, to replenish the reserves for the bonds, and to pay the costs of the City in administering the District; and shall the annual appropriations limit of the District be established in the initial amount of \$5,800,000?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 7th day of October, 2008.

By:  _____
City Clerk,
City of Long Beach