PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 2022

NEW ISSUE - BOOK-ENTRY ONLY **Ratings: (See "RATINGS" herein)**

In the opinion of Kutak Rock LLP, Bond Counsel to the City, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series 2022B Bond or Series 2022C Bond for any period during which such Series 2022B Bond or Series 2022C Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2022B Bonds or the Series 2022C Bonds, as applicable, or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that (a) interest on the Series 2022A Bonds and the Series 2022B Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (b) interest on the Series 2022C Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is further of the opinion that interest on the Series 2022 Bonds is exempt from present State of California personal income taxes. See "TAX MATTERS" herein.

$____________*

CITY OF LONG BEACH, CALIFORNIA

$___________*	**$_______________***	**$_______________***
Senior Airport Revenue Refunding Bonds Series 2022A (Governmental/Non-AMT)	**Senior Airport Revenue Refunding Bonds Series 2022B (Private Activity/Non-AMT)**	**Senior Airport Revenue Bonds Series 2022C (Private Activity/AMT)**

Dated: Date of Delivery **Due: June 1, as shown on the inside cover**

The City of Long Beach (the "City") is issuing its City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022A (Governmental/Non-AMT) (the "Series 2022A Bonds"), City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022B (Private Activity/Non-AMT) (the "Series 2022B Bonds"), and City of Long Beach, California Senior Airport Revenue Bonds, Series 2022C (Private Activity/AMT) (the "Series 2022C Bonds" and, together with the Series 2022A Bonds and the Series 2022B Bonds, the "Series 2022 Bonds") (a) to pay the cost of certain capital improvements at Long Beach Airport; (b) together with certain available moneys of the City, to current refund and defease all of the City's outstanding Senior Airport Revenue Bonds, Series 2009C (the "Series 2009C Bonds"), Senior Airport Revenue Bonds, Series 2010A (the "Series 2010A Bonds") and Senior Airport Revenue Bonds, Series 2010B (the "Series 2010B Bonds" and, together with the Series 2010A Bonds and the Series 2009C Bonds, the "Refunded Bonds"); (c) to fund a reserve fund for the Series 2022 Bonds; and (d) to pay the costs of issuance of the Series 2022 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Series 2022 Bonds are being issued by the City pursuant to the Master Senior Trust Indenture, dated as of December 1, 2009 (the "Master Senior Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee"), and the Third Supplemental Senior Trust Indenture, to be dated as of June 1, 2022 (the "Third Supplemental Senior Indenture," and together with the Master Senior Indenture, and all supplements thereto, the "Senior Indenture"), by and between the City and the Senior Trustee. The Series 2022 Bonds are special limited obligations of the City, payable solely from and secured by (a) a pledge of Net Revenues, which include certain income and revenue received by the City from the operations of the Enterprise (defined herein), including certain PFC Revenues (defined herein), less all amounts that are required to pay Maintenance and Operation Costs of the Enterprise, and (b) such other amounts, funds and accounts pledged under the Senior Indenture. The Senior Indenture permits the issuance from time to time of additional Senior Bonds with a pledge of and lien on Net Revenues (not including any PFC Revenues) on a parity with the Series 2022 Bonds. Upon issuance of the Series 2022 Bonds and the refunding of the Refunded Bonds, the Series 2022 Bonds will be the only Senior Bonds outstanding.

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* *Preliminary, subject to change.*

THE SERIES 2022 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY, PAYABLE FROM A LIEN ON NET REVENUES (INCLUDING CERTAIN PFC REVENUES), AS DESCRIBED HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2022 BONDS. NONE OF THE PROPERTIES OF THE CITY, THE ENTERPRISE ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN (EXCEPT FOR THE LIEN CREATED BY THE SENIOR INDENTURE ON THE NET REVENUES) FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2022 BONDS.

Interest on the Series 2022 Bonds will be payable on June 1 and December 1 of each year, commencing December 1, 2022. The Series 2022 Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Series 2022 Bonds may be made in book-entry form only in denominations of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Series 2022 Bonds. So long as the Series 2022 Bonds are held by DTC, the principal of and interest on the Series 2022 Bonds will be payable by wire transfer to DTC, which in turn is required to remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Series 2022 Bonds, as more fully described herein. See "APPENDIX E—BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2022 Bonds are subject to optional redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SERIES 2022 BONDS—Redemption Provisions" herein.

The purchase and ownership of the Series 2022 Bonds involve investment risk and may not be suitable for all investors. This cover page is not intended to be a summary of the terms of, or the security for, the Series 2022 Bonds. Investors are advised to read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS" herein. Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Series 2022 Bonds are offered, when, as and if issued by the City, subject to the approval of validity by Kutak Rock LLP, Bond Counsel to the City, and to certain other conditions. Certain matters will be passed upon for the City by the City Attorney, and certain legal matters will be passed upon for the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP. It is expected that the Series 2022 Bonds in book-entry form will be available for delivery through the facilities of DTC on or about June 22, 2022.

Morgan Stanley

Cabrera Capital Markets LLC **RBC Capital Markets**

Date of Official Statement: May __, 2022

MATURITY SCHEDULE

$__________*
City of Long Beach, California
Senior Airport Revenue Refunding Bonds
Series 2022A
(Governmental/Non-AMT)

Maturity Date (June 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP† No.*

* *Preliminary, subject to change.*

† *Copyright 2022, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services ("CGS"), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the City and are provided solely for convenience and reference. The CUSIP numbers for a specific maturity are subject to change after the issuance of the Series 2022 Bonds. None of the City or the Underwriters take any responsibility for the accuracy of such numbers.*

$___________*
City of Long Beach, California
Senior Airport Revenue Refunding Bonds
Series 2022B
(Private Activity/Non-AMT)

Maturity Date (June 1)	***Principal Amount***	***Interest Rate***	***Yield***	***Price***	***CUSIP† No.***

** Preliminary; subject to change.*

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MATURITY SCHEDULE

$__________*
City of Long Beach, California
Senior Airport Revenue Bonds
Series 2022C
(Private Activity/AMT)

Maturity Date (June 1)	***Principal Amount***	***Interest Rate***	***Yield***	***Price***	***CUSIP† No.***

$_____ _____% Term Series 2022C Bond due June 1, 20__, Yield: _____%, Price: _____, CUSIP† No. ___

** Preliminary, subject to change.*

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CITY OF LONG BEACH, CALIFORNIA

CITY COUNCIL

Dr. Robert Garcia
Mayor

Rex Richardson,
Vice Mayor, Ninth District

Mary Zendejas, *First District*
Cindy Allen, *Second District*
Suzie Price, *Third District*
Daryl Supernaw, *Fourth District*
Stacy Mungo, *Fifth District*
Suely Saro, *Sixth District*
Roberto Uranga, *Seventh District*
Al Austin, *Eighth District*

CITY OFFICIALS AND STAFF

Thomas B. Modica
City Manager

Linda F. Tatum
Assistant City Manager

Kevin Riper
Director of Financial Management

David S. Nakamoto
Interim City Treasurer

Charles Parkin
City Attorney

Doug Haubert
City Prosecutor

Laura L. Doud
City Auditor

Monique De La Garza
City Clerk

Richard F. Anthony
Principal Deputy City Attorney

LONG BEACH AIRPORT
SENIOR STAFF MEMBERS

Cynthia Guidry	Airport Director
Claudia Lewis	Finance and Administration Bureau Manager
Dale Worsham	Administrative Officer
Mony Chhey	Financial Services Officer

PROFESSIONAL SERVICES

BOND COUNSEL
Kutak Rock LLP

DISCLOSURE COUNSEL
Stradling Yocca Carlson & Rauth,
A Professional Corporation

MUNICIPAL ADVISOR
Frasca & Associates, LLC

TRUSTEE
The Bank of New York Mellon Trust
Company, N.A.

VERIFICATION AGENT
Robert Thomas CPA, LLC

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2022 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the City or any other person. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the City or the Airport or the other matters described herein since the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement, including the appendices hereto, contains statements relating to future results that are "forward-looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

In making an investment decision, investors must rely on their own examination of the terms of the offering, including the merits and risks involved. This Official Statement is submitted in connection with the sale of the Series 2022 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Series 2022 Bonds.

THE SERIES 2022 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE SENIOR INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. THE SERIES 2022 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY COMMISSION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2022 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2022 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

The City and the Airport maintain websites and certain social media accounts. The information therein is not incorporated by reference and should not be relied upon in making an investment decision. Furthermore, no website mentioned in this Official Statement is part of this Official Statement or incorporated by reference into this Official Statement, whether or not the address for such website appears as an active hyperlink. Readers should not rely upon information other than provided in this Official Statement, including information presented on any such website, in determining whether to purchase the Series 2022 Bonds.

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OFFICIAL STATEMENT
relating to

CITY OF LONG BEACH, CALIFORNIA

$__________*	**$__________***	**$_____________***
Senior Airport Revenue Refunding Bonds	**Senior Airport Revenue Refunding Bonds**	**Senior Airport Revenue Bonds**
Series 2022A	**Series 2022B**	**Series 2022C**
(Governmental/Non-AMT)	**(Private Activity/Non-AMT)**	**(Private Activity/AMT)**

INTRODUCTION

General

This Official Statement, which includes the cover page and the Appendices hereto, provides information with respect to the $___________* City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022A (Governmental/Non-AMT) (the "Series 2022A Bonds"), the $__________* City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022B (Private Activity/Non-AMT) (the "Series 2022B Bonds"), and the $________* Senior Airport Revenue Bonds, Series 2022C (Private Activity/AMT) (the "Series 2022C Bonds" and, together with the Series 2022A Bonds and the Series 2022B Bonds, the "Series 2022 Bonds"). All capitalized terms used in this Official Statement unless otherwise defined herein will have the meanings set forth in "APPENDIX B—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE—CERTAIN DEFINITIONS."

The City and the Airport

The City of Long Beach (the "City") is a charter city and municipal corporation organized and existing under the Constitution of the State of California (the "State"). The City is responsible for Long Beach Airport (the "Airport"), all operations of the Airport and all revenue-producing functions, facilities and properties associated with the Airport (collectively, the "Enterprise"). The Airport, classified by the Federal Aviation Administration (the "FAA") as a "small hub" airport, enplaned approximately 767,000 passengers for the fiscal year ended September 30 ("Fiscal Year"), 2021. In Fiscal Year 2020-21, approximately 88.6% of enplanements at the Airport represented origination and destination ("O&D") passengers (passengers beginning or ending their trips at the Airport, as opposed to passengers connecting through the Airport to other cities). According to data reported by Airports Council International ("ACI"), the Airport was ranked as the 89th busiest airport in the United States (the "U.S.") for calendar year 2020 (the most recent year available), based on total passengers. The Airport is one of seven airports in the Los Angeles region, the second largest metropolitan statistical area in the country. See "THE AIRPORT" for information concerning aviation activity at the Airport.

Authorization

The Series 2022 Bonds are being issued by the City pursuant to the Charter of the City of Long Beach (the "Charter"), Sections 3.52.110 *et seq*. of the Long Beach Municipal Code, the Master Senior Trust Indenture, dated as of December 1, 2009 (the "Master Senior Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee"), the Third Supplemental Senior Trust Indenture, to be dated as of June 1, 2022 (the "Third Supplemental Senior Indenture," and together with the

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* *Preliminary, subject to change.*

Master Senior Indenture, and all supplements thereto, the “Senior Indenture”) by and between the City and the Senior Trustee, and a resolution adopted by the City Council of the City (“City Council”) on [May 17, 2022].

Plan of Finance

The Series 2022 Bonds are being issued (a) to pay the cost of certain capital improvements at the Airport; (b) together with other available funds, to current refund and defease all of the City’s outstanding Senior Airport Revenue Bonds, Series 2009C (the “Series 2009C Bonds”), Senior Airport Revenue Bonds, Series 2010A (the “Series 2010A Bonds”) and Senior Airport Revenue Bonds, Series 2010B (the “Series 2010B Bonds” and, together with the Series 2009C Bonds and the Series 2010A Bonds, the “Refunded Bonds”); (c) to fund a reserve fund for the Series 2022 Bonds; and (d) to pay the costs of issuance of the Series 2022 Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Security for the Series 2022 Bonds

The Series 2022 Bonds are payable solely from and secured solely by a pledge of and lien upon the Net Revenues (including PFC Revenues) and such other amounts, funds and accounts established or continued by the Senior Indenture. The Master Senior Indenture defines “*Net Revenues*” to mean, for any given period, the Revenues (as defined below) for such period, less the Maintenance and Operation Costs (as defined below) for such period. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Pledge of Net Revenues.”

Pursuant to the provisions of the Master Senior Indenture, Revenues do not include Passenger Facility Charges (also referred to in this Official Statement as “PFCs”) unless otherwise designated as Revenues and pledged pursuant to a Supplemental Senior Indenture. Pursuant to the Third Supplemental Senior Indenture, the City will irrevocably designate Passenger Facility Charges as Revenues in an amount equal to the lesser of (a) 125% of the Aggregate Annual Debt Service on the PFC Eligible Portion (defined herein) of all Senior Bonds (including the Series 2022 Bonds), and (b) the total amount of Passenger Facility Charges received by the City in a Fiscal Year. The Passenger Facility Charges irrevocably designated as Revenues and pledged are referred to in this Official Statement as “PFC Revenues.” Generally, the “PFC Eligible Portion” of each Senior Bond is equal to the portion of such Senior Bond the proceeds of which are used to finance or refinance projects for which the City has received approval from the FAA to fund with Passenger Facility Charges.

Approximately 100% and 85% of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds, respectively, constitute PFC Eligible Portions of such bonds and will be used to refinance the Refunded Bonds, the proceeds of which were originally applied to fund projects for which the City has received FAA approval to pay allocable debt service with PFCs. See “PLAN OF FINANCE—Plan of Refunding.”

The City has received approval to apply PFC revenues on a pay-as-you-go basis for the projects to be funded from proceeds of the Series 2022C Bonds. The City is in the process of submitting an amendment to the FAA’s approval in order to authorize the City to pay associated eligible debt service on the Series 2022C Bonds from PFC revenues and anticipates the receipt of such approval by September 2022. Based on its current projections, the City estimates that approximately 50% of debt service on the Series 2022C Bonds will be PFC-eligible once the amendment is approved. In the event that the amendment relating to the Series 2022C Bonds is not approved as expected, PFCs will not be available to pay the PFC Eligible Portions of the Series 2022C Bonds. See “CERTAIN INVESTMENT CONSIDERATIONS—Availability of PFCs.”

PFCs equal to the lesser of (a) 125% of the Aggregate Annual Debt Service on the PFC Eligible Portion of each of the Series 2022A Bonds, Series 2022B Bonds and Series 2022C Bonds, and (b) the total amount of PFCs received by the City in a Fiscal Year will be included in Revenues and pledged to the payment of the Series 2022A Bonds, the Series 2022B Bonds and Series 2022C Bonds, as applicable. PFC Revenues are only available to pay debt service on the PFC Eligible Portions of the Series 2022 Bonds. The non-PFC Eligible Portions of the Series 2022 Bonds will be only payable from and secured by Net Revenues, not including any PFC Revenues.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Pledge of Net Revenues.”

Upon issuance of the Series 2022 Bonds and the refunding of the Refunded Bonds, the Series 2022 Bonds will be the only Senior Bonds outstanding. The City has covenanted in the Master Senior Indenture that no additional bonds or other securities will be issued with a lien on or security interest granted in Net Revenues (including any PFC Revenues) senior to the lien of the Series 2022 Bonds. The Senior Indenture permits the issuance from time to time of additional Senior Bonds with a pledge of and lien on Net Revenues on a parity with the Series 2022 Bonds. For purposes of this Official Statement, “Senior Bonds” means the Series 2022 Bonds and any Additional Senior Bonds. Net Revenues are available for the equal and proportionate benefit of all of the Senior Bonds, except that PFC Revenues will only be available for the benefit of the Senior Bonds to the extent such Senior Bonds include a PFC Eligible Portion. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS,” “DEBT SERVICE SCHEDULE” and “FINANCIAL MATTERS—PFC Program.”

COVID-19 Outbreak

The worldwide outbreak of COVID-19 has caused significant disruption to domestic and international air travel, including passenger operations, and has had significant negative and adverse effects on the Enterprise, although the Airport has seen steady improvements in enplanements and revenues beginning in Fiscal Year 2020-21, and the City expects such improvements to continue.

As a result of the pandemic, passenger traffic at the Airport decreased substantially beginning in March 2020. At the lowest point, enplanements decreased 98% in April 2020 relative to April 2019. Since then, traffic has recovered as passenger fears about travel have subsided, slots have been reallocated and minimum slot utilization requirements were reinstated. The decrease in enplanements for Fiscal Year 2019-20 was fully experienced in the last seven months of the Fiscal Year, from March to September 2020. Enplanements for this 7-month period decreased 85% relative to the same period in Fiscal Year 2018-19. Enplanements for the full Fiscal Year 2019-20 decreased 48% from Fiscal Year 2018-19, while enplanements for the full Fiscal Year 2020-21 were 56% lower than in Fiscal Year 2018-19.

From March 2020 to July 2021, the recovery in enplanements at the Airport generally lagged the national trend, as airlines consolidated their service to the region at Los Angeles International Airport and the Airport implemented a moratorium on minimum slot utilization requirements in concert with FAA policy at federally slot-controlled airports. February 2021 was the first post-pandemic month in which enplanements were at least 20% of the same month in 2019. Similar to the national trend, enplanements at the Airport rapidly increased in 2021 as COVID-19 vaccination rates increased, passenger concerns regarding airplane travel subsided, pent-up demand was satisfied and seasonal demand related to spring break and summer travel rebounded. For the first seven months of Fiscal Year 2021-22 (i.e., the period ending April 2022), enplanements were 85% of the same period in Fiscal Year 2018-19. See “THE AIRPORT—COVID-19 Outbreak—Passenger Traffic.”

Airline revenues have also decreased due to the impacts of the pandemic. In Fiscal Year 2018-19, airline revenues totaled $15.6 million. Airline revenues decreased to $10.1 million in Fiscal Year 2019-20 and then increased slightly to $10.8 million in Fiscal Year 2020-21. In addition, parking revenues decreased from $9.2 million in Fiscal Year 2018-19 to approximately $5.0 million in Fiscal Year 2019-20 and approximately $4.2 million in Fiscal Year 2020-21, and other Airport concessions revenues decreased from approximately $8.0 million in Fiscal Year 2018-19 to approximately $4.5 million in Fiscal Year 2019-20 and approximately $4.5 million in Fiscal Year 2020-21. In Fiscal Years 2019-20 and 2020-21, total passenger facility charge revenues were $3.2 million and $3.5 million, respectively, which is 55% and 51% less, respectively, than in Fiscal Year 2018-19. See “THE AIRPORT—COVID-19 Outbreak—Impacts to Certain Revenues.”

In an effort to safeguard public health, reduce expenses and preserve cash during the COVID-19 outbreak, the City made a number of operational changes at the Airport, including increasing sanitation procedures and modifying terminal seating arrangements to facilitate social distancing, deferring elements of its capital plan and implementing partial staff furloughs. See "THE AIRPORT—COVID-19 Outbreak—Operational Changes due to COVID-19."

The Airport also received $18.4 million in Coronavirus Aid, Relief, and Economic Security Act moneys, $5.8 million in Coronavirus Response and Relief Supplemental Appropriation Act moneys and an allocation of $15.1 million in American Rescue Plan Act of 2021 moneys (half of which has been received). The Airport used these federal grants to reimburse operating expenses and make debt service payments, provide rent credits to Airport concessionaires, offer rent deferrals to airlines operating at the Airport and waived concessionaire minimum annual guarantees in 2020 and revise concessionaire minimum annual guarantees in 2021 to adjust for reduced levels of passenger activity. See "THE AIRPORT—COVID-19 Outbreak—Federal Relief Moneys."

As of September 30, 2021, the Enterprise had $32.4 million in unrestricted and discretionary reserves, including the Operation and Maintenance Reserve account. Based upon $32.4 million in operating expenses (excluding depreciation) in Fiscal Year 2020-21, such moneys were equivalent to 365 days cash on hand. By comparison, the Enterprise had $38.4 million in unrestricted and discretionary reserves as of September 30, 2019, before the onset of the pandemic. The Enterprise also maintains significant restricted reserves, including PFC fund balances and Customer Facility Charge reserves. See "THE AIRPORT—COVID-19 Outbreak—Liquidity and Financial Position."

Airlines Operating at the Airport

Southwest Airlines ("Southwest") is the leading air carrier at the Airport, holding 37 of the 53 flight slots. Southwest initiated service from the Airport in 2016 with six flight slots and has increased its flight activity as slot openings became available. In January 2020, JetBlue Airways ("JetBlue") announced reductions in service at several airports throughout the country (including the Airport), freeing up slots and allowing Southwest to increase its market share at the Airport. In October 2020, JetBlue relinquished its remaining flights slots and conducted its last flight from the Airport. In 2021, the first full year without JetBlue activity, Southwest accounted for 78% of the Airport's enplaned passengers. Currently, all available slots are utilized; any unused slots in the future would be reallocated per the provisions of the Noise Ordinance (defined herein). See "AIRPORT OPERATING INFORMATION—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots" and CERTAIN INVESTMENT CONSIDERATIONS—Concentration of Certain Airlines at the Airport."

Continuing Disclosure

The City will covenant for the benefit of the owners of the Series 2022 Bonds to provide annually certain financial information and operating data concerning the Enterprise and notice of certain enumerated events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System (the "EMMA System") or any successor method designated by the MSRB, pursuant to the requirements of Rule 15c2-12 of the Securities Exchange Commission (the "SEC"). See "CONTINUING DISCLOSURE" and "APPENDIX C—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Investment Considerations

The purchase and ownership of the Series 2022 Bonds involve investment risks. Prospective purchasers of the Series 2022 Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Series 2022 Bonds, see "CERTAIN INVESTMENT CONSIDERATIONS."

Forward-Looking Statements

The statements contained in this Official Statement and in the Appendices hereto that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions or strategies regarding the future. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast," "will likely result," "are expected to," "will continue," "is anticipated," "intend" or other similar words. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. It is important to note that the Enterprise's actual financial and operating results likely will differ, and could differ materially, from those in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including airlines, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Additional Information

Brief descriptions of the Series 2022 Bonds, the Master Senior Indenture, the Third Supplemental Senior Indenture and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, laws, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, law, report or other instrument. Information contained herein has been obtained from officers, employees and records of the City and from other sources believed to be reliable. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Enterprise or the Airport since the date hereof. The City and the Airport maintain certain websites and social media accounts, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Series 2022 Bonds.

PLAN OF FINANCE

The proceeds of the Series 2022 Bonds will be used, together with other available moneys, to (a) pay the cost of certain capital improvements at the Airport (the "2022 Projects"), as described below; (b) current refund and defease the Refunded Bonds, (c) fund a reserve fund for the Series 2022 Bonds, and (d) pay the costs of issuance of the Series 2022 Bonds.

The 2022 Projects

The 2022 Projects consist of (i) baggage claim improvements; (ii) a new ticketing lobby; and (iii) certain enhancements to the pre-security public areas. The total cost of the 2022 Projects is expected to be approximately $30 million and the 2022 Projects are expected to be substantially completed in 2023.

Plan of Refunding

A portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds, together with other available moneys, will be used to current refund and defease the Refunded Bonds. The Refunded Bonds are described below.

Series	*Maturity Date (June 1)*	*Principal Amount*	*CUSIP† Number*	*Payment/ Redemption Date*	*Redemption Price*
2009C	2024	$ 3,590,000	542403AA8	6/23/2022	100%
2009C	2029	10,575,000	542403AB6	6/23/2022	100
2009C	2039	30,725,000	542403AC4	6/23/2022	100
2010A	2023	1,365,000	542403BL3	6/23/2022	100
2010A	2025	2,905,000	542403BJ8	6/23/2022	100
2010A	2030	8,585,000	542403BK5	6/23/2022	100
2010A	2040	24,930,000	542403BG4	6/23/2022	100
2010B	2023	355,000	542403BZ2	6/23/2022	100
2010B	2025	755,000	542403CA6	6/23/2022	100
2010B	2030	2,235,000	542403CB4	6/23/2022	100
2010B	2040	6,480,000	542403BX7	6/23/2022	100

A portion of the proceeds of Series 2022A Bonds and Series 2022B Bonds, together with certain available moneys of the City, will be deposited into redemption accounts with respect to the Series 2009C Bonds (the "Series 2009C Redemption Account"), the Series 2010A Bonds (the "Series 2010A Redemption Account") and the Series 2010B Bonds (the "Series 2010B Redemption Account"). Amounts deposited into the Series 2009C Redemption Account, the Series 2010A Redemption Account and the Series 2010B Redemption Account will be held uninvested in cash and will be used on June 23, 2022 to pay the redemption price of and interest on the Refunded Bonds.

Robert Thomas CPA, LLC, a firm of independent certified public accountants, will verify that the deposits to the Series 2009C Redemption Account, the Series 2010A Redemption Account and the Series 2010B Redemption Account will be sufficient to pay on June 23, 2022 the redemption price of and interest on the Refunded Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

ESTIMATED SOURCES AND USES OF FUNDS

The following table shows the estimated sources and uses of funds realized upon the sale of the Series 2022 Bonds and the implementation of the Plan of Finance described above:

	Series 2022A Bonds	*Series 2022B Bonds*	*Series 2022C Bonds*	*Total*
Sources of Funds				
Principal Amount	$	$		$
Net Original Issue Premium/(Discount)				
Release from Series 2009C Debt Service Fund				
Release from Series 2010 Debt Service Funds				
Release from Series 2009 Reserve Account				
Release from Series 2010 Reserve Accounts				
Total Sources	$	$		$
Uses of Funds				
Deposit to Construction Fund	$	$ –		$
Deposit to Series 2009C Redemption Account				
Deposit to Series 2010A Redemption Account				
Deposit to Series 2010B Redemption Account				
Deposit to Senior Reserve Fund				
Costs of Issuance[1]				
Total Uses	$	$		$

(1) Includes Underwriters' discount, fees of the Senior Trustee, the Municipal Advisor, Bond Counsel, Disclosure Counsel, rating agencies and Robert Thomas CPA, LLC, as verification agent, printing expenses and miscellaneous fees and expenses.

DESCRIPTION OF THE SERIES 2022 BONDS

General

The Series 2022 Bonds will bear interest at the rates and mature on the dates set forth on the inside cover page of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Series 2022 Bonds will be dated their date of delivery, and will bear interest from that date payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2022 (each an "Interest Payment Date"). Interest due and payable on the Series 2022 Bonds on any Interest Payment Date will be paid to the person who is the registered owner (Cede & Co., so long as the book-entry system with The Depository Trust Company ("DTC") is in effect) as of the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (a "Record Date"). Each Series 2022 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2022 Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2022 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is prior to November 15, 2022, in which event such Series 2022 Bond will bear interest from its date of initial delivery. If interest on the Series 2022 Bonds is in default, Series 2022 Bonds issued in exchange for Series 2022 Bonds surrendered for transfer or exchange will bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2022 Bonds surrendered.

The Series 2022 Bonds will be issued in denominations of $5,000 or integral multiples thereof. The Series 2022 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Series 2022 Bonds. Individual purchases may be made in book-entry form only. Purchasers will not receive certificates representing their interest in the Series 2022 Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2022 Bonds, references herein to the holders or registered owners means Cede & Co. and does not mean the Beneficial Owners of the Series 2022 Bonds.

So long as Cede & Co. is the registered owner of the Series 2022 Bonds, principal of and interest on the Series 2022 Bonds are payable by wire transfer by the Senior Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants for subsequent disbursement to the Beneficial Owners. See "APPENDIX E—BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions

Optional Redemption. The Series 2022A Bonds maturing on or before June 1, 20__ are not subject to optional redemption prior to maturity. The Series 2022A Bonds maturing on or after June 1, 20__ are subject to redemption prior to maturity, at the option of the City, on or after _____ 1, 20__, in whole or in part, at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the Series 2022A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

The Series 2022B Bonds maturing on or before June 1, 20__ are not subject to optional redemption prior to maturity. The Series 2022B Bonds maturing on or after June 1, 20__ are subject to redemption prior to maturity, at the option of the City, on or after _____ 1, 20__, in whole or in part, at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

The Series 2022C Bonds maturing on or before June 1, 20__ are not subject to optional redemption prior to maturity. The Series 2022C Bonds maturing on or after June 1, 20__ are subject to redemption prior to maturity, at the option of the City, on or after _____ 1, 20__, in whole or in part, at any time, from any moneys that may be provided for such purpose and at a redemption price equal to 100% of the principal amount of the Series 2022C Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of Series 2022C Bonds. The Series 2022C Bonds maturing on June 1, 20__ (the "Series 2022C Term Bonds") are subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on June 1 of the following years and in the following principal amounts:

Redemption Date (June 1)	***Principal Amount***

* Final Maturity.

Except as otherwise provided under DTC's book-entry only system, on or before the 45th day prior to any mandatory sinking fund redemption date, the Trustee will proceed to select for redemption (by lot in such manner as the Trustee may determine), from the Series 2022C Term Bonds, an aggregate principal amount of such Series 2022C Term Bonds equal to the amount for such year as set forth in the table above and will call such Series 2022C Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

At the option of the City, to be exercised by delivery of a written certificate to the Trustee on or before the 60th day next preceding any mandatory sinking fund redemption date, it may (a) deliver to the Trustee for cancellation Series 2022C Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the City; or (b) specify a principal amount of such Series 2022C Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the City and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2022C Term Bond or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation will be credited by the Trustee at 100% of the principal amount thereof against the obligation of the City to pay the principal of such Series 2022C Term Bond on such mandatory sinking fund redemption date. In the event that the City redeems any of the Series 2022C Term Bonds as described under the subcaption "—Optional Redemption" above, the City will provide the Trustee a revised mandatory sinking fund schedule, if applicable.

Notice of Redemption. The Senior Trustee will give notice of redemption, in the name of the City, to Bondholders affected by such redemption at least 30 days but not more than 60 days before each redemption date, send such notice of redemption by first class mail (or with respect to Series 2022 Bonds held by DTC by an express delivery service for delivery on the next following Business Day) to each Bondholder of a Series 2022 Bond to be redeemed. Each such notice will be sent to the Bondholder's registered address.

Each notice of redemption will specify the Series, maturity date, interest rate and CUSIP number of each Series 2022 Bond to be redeemed, the date of issue, if less than all Series 2022 Bonds of a Series, maturity date and interest rate are called for redemption the numbers of the Series 2022 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Senior Trustee's name, that payment will be made upon presentation and surrender of the Series 2022 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The City may provide that, if at the time of mailing of notice of an optional redemption there will not have been deposited with the Senior Trustee moneys sufficient to redeem all the Series 2022 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Senior Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be cancelled and on such cancellation date notice will be mailed to the Bondholders of such Series 2022 Bonds to be redeemed.

Failure to give any required notice of redemption as to any particular Series 2022 Bonds will not affect the validity of the call for redemption of any Series 2022 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2022 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Senior Trustee sufficient for redemption, interest on the Series 2022 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

Effect of Redemption. On the date so designated for redemption, notice having been given as aforesaid and sufficient moneys for payment of the redemption price being held in trust by the Senior Trustee to pay the redemption price, interest on such Series 2022 Bonds will cease to accrue from and after such redemption date, such Series 2022 Bonds will cease to be entitled to any lien, benefit or security under the Senior Indenture and the Bondholders of such Series 2022 Bonds will have no rights in respect thereof except to receive payment of the redemption price.

Series 2022 Bonds called for redemption and for the payment of the redemption price of which moneys will be held in trust for the Bondholders of the Series 2022 Bonds to be redeemed, all as provided in the Third Supplemental Senior Indenture, will not be deemed to be Outstanding under the provisions of the Senior Indenture.

Selection of Series 2022 Bonds for Redemption; Partial Redemption. The Series 2022 Bonds are subject to redemption in such order of maturity and interest rate as the City may direct and by lot, selected in such manner as the Senior Trustee (or DTC, as long as DTC is the securities depository for the Series 2022 Bonds) deems appropriate, within a Series, maturity date and interest rate.

Upon surrender of a Series 2022 Bond to be redeemed, in part only, the Senior Trustee will authenticate for the Bondholder a new Series 2022 Bond or Series 2022 Bonds of the same Series, maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2022 Bond surrendered.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS

Following is a summary of certain provisions of the Senior Indenture, including, among other things, sections of the Senior Indenture detailing the pledge of Net Revenues (including PFC Revenues), the rate covenant, the funding and utilization of the Senior Reserve Fund, and the issuance of Additional Senior Bonds. These summaries are not comprehensive or definitive. See "APPENDIX B—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE—SUMMARY OF THE MASTER SENIOR INDENTURE" for a more complete description of these provisions of the Senior Indenture.

Pledge of Net Revenues

The Series 2022 Bonds are special limited obligations of the City, payable solely from and secured by a pledge of Net Revenues (including PFC Revenues with respect to the PFC Eligible Portion of the Series 2022A Bonds and the Series 2022B Bonds) derived by the City from the operations of the Enterprise, and such other amounts, funds and accounts pledged therefor under the Master Senior Indenture, as further described herein.

The Master Senior Indenture defines "*Net Revenues*" to mean, for any given period, the Revenues (as defined below) for such period, less the Maintenance and Operation Costs (as defined below) for such period.

The Master Senior Indenture defines "*Revenues*" to mean, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the City from the operation and ownership of the Enterprise, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to, (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the City for the use or availability of the Enterprise, and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the City, including rental or business interruption insurance proceeds, received by, held by, accrued to or entitled to be received by the City or any successor thereto from the possession, management, charge, superintendence and control of the Enterprise and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the City receives payments which are attributable to the Enterprise or activities or undertakings related thereto. Additionally, "Revenues" include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earnings allowed to be pledged by the terms of a Supplemental Senior Indenture to fund the Construction Fund) from the investment of amounts held in the Enterprise Fund, any Construction Fund, any Senior Debt Service Fund (except Capitalized Interest on deposit therein), the Senior Reserve Fund, any Senior Debt Service Reserve Fund and such additional revenues, if any, as are designated as "Revenues" under the terms of any Supplemental Senior Indenture. The following, including any investment earnings thereon, are specifically excluded from Revenues: (i) any amounts received by the City from the imposition of ad valorem taxes, (ii) gifts, grants and other income (including any investment earnings thereon) otherwise included in this definition of "Revenues" which are restricted by their terms to purposes inconsistent with the payment of debt service on the Senior Bonds, (iii) Net Proceeds and other insurance proceeds, to the extent the use of such Net Proceeds or other proceeds is restricted by the terms of the policy under which they are paid to a use inconsistent with the payment of debt service on the Senior Bonds (except to the extent Net Proceeds are utilized to pay Maintenance and Operation Costs), and (iv) Special Facilities Revenue (to the extent there is no excess Special Facilities Revenue as described in the Master Senior Indenture). In addition, the following, including any investment earnings thereon, are specifically excluded from "Revenues," unless designated as "Revenues" under the terms of a Supplemental Senior Indenture: (A) any Swap Termination Payments paid to the City pursuant to a Qualified Swap, (B) Facilities Construction Credits, (C) Passenger Facility Charges unless otherwise so pledged under the terms of any Supplemental Senior Indenture, (D) Customer Facility Charges unless otherwise so pledged under the terms of any Supplemental Senior Indenture, (E) Federal Direct Payments unless otherwise so pledged under the terms of any Supplemental Senior Indenture, (F) Released Revenues, (G) subject to (ii) in the previous sentence, grants and other charges authorized on or after the date of the Master Senior Indenture by federal and/or State laws or regulations to be assessed to fund specific programs at the Enterprise, (H) investment income derived from any moneys or securities which may be placed in escrow or trust to defease Senior Bonds, (I) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and (J) Capitalized Interest. Further, interest earnings or other investment earnings on any Construction Fund established by any Supplemental Senior Indenture are specifically excluded from "Revenues," unless otherwise provided for in such Supplemental Senior Indenture.

As described in the previous paragraph, Revenues do not include Passenger Facility Charges unless otherwise designated as Revenues and pledged pursuant to a Supplemental Senior Indenture. Pursuant to the Third Supplemental Senior Indenture, the City will irrevocably designate Passenger Facility Charges as Revenues in an amount equal to the lesser of (a) 125% of the Aggregate Annual Debt Service on the PFC Eligible Portion of all Senior Bonds (including the Series 2022 Bonds), and (b) the total amount of Passenger Facility Charges received by the City in a Fiscal Year.

Approximately 100% and 85% of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds, respectively, constitute PFC Eligible Portions of such bonds and will be used to refinance the Refunded Bonds, the proceeds of which were originally applied to fund projects for which the City has received FAA approval to pay allocable debt service with Passenger Facility Charges. See "PLAN OF FINANCE—Plan of Refunding."

The City has received approval to apply Passenger Facility Charge revenues on a pay-as-you-go basis for the projects to be funded from proceeds of the Series 2022C Bonds. The City is in the process of submitting an amendment to the FAA's approval in order to authorize the City to pay associated eligible debt service on the Series 2022C Bonds from Passenger Facility Charges revenues and anticipates the receipt of such approval by September 2022. Based on its current projections, the City estimates that 50% of debt service on the Series 2022C Bonds will be PFC-eligible once the amendment is approved.

Only the PFC Eligible Portions of the Series 2022 Bonds will be secured by PFC Revenues. Pursuant to the PFC Act (as defined herein), the PFC Regulations (as defined herein) and the Third Supplemental Senior Indenture, PFC Revenues are only available to pay debt service on the PFC Eligible Portions of the Series 2022 Bonds. The non-PFC Eligible Portions of the Series 2022 Bonds will be only secured by and payable from Net Revenues, not including any PFC Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Flow of Funds," "FINANCIAL MATTERS—PFC Program" and "CERTAIN INVESTMENT CONSIDERATIONS.

The Master Senior Indenture defines "*Maintenance and Operation Costs*" to mean, reasonable and necessary costs paid or incurred by the City for maintaining and operating the Enterprise, determined in accordance with generally accepted accounting principles, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the Enterprise in good repair and working order, and including all administrative costs of the City that are charged directly or apportioned to the operation of the Enterprise, such as salaries and wages of employees, overhead, taxes (if any) and insurance premiums, assessments for public improvements and including all other reasonable and necessary costs of the City or charges required to be paid by the City in order to comply with the terms hereof; but excluding in all cases payments in lieu of taxes to be paid by the Enterprise to the City, depreciation, replacement and obsolescence charges or reserves therefor, any principal payment in respect of capital leases or indebtedness including the Senior Bonds, amortization or intangibles and any Maintenance and Operation Costs payable from moneys other than Revenues.

THE SERIES 2022 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE CITY, PAYABLE FROM A LIEN ON NET REVENUES (INCLUDING CERTAIN PFC REVENUES), AS DESCRIBED HEREIN. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2022 BONDS. NONE OF THE PROPERTIES OF THE CITY, THE ENTERPRISE ARE

SUBJECT TO ANY MORTGAGE OR OTHER LIEN (EXCEPT FOR THE LIEN CREATED BY THE SENIOR INDENTURE ON THE NET REVENUES) FOR THE BENEFIT OF THE OWNERS OF THE SERIES 2022 BONDS.

Flow of Funds

Pursuant to the Master Senior Indenture, the City covenants that all Revenues will be received by the City in trust thereunder and will be deposited when and as received in the Enterprise Fund maintained by the City Treasurer, and all moneys in the Enterprise Fund will be applied and used as provided in the Master Senior Indenture. Pursuant to the Third Supplemental Senior Indenture, the City covenants that so long as PFC Revenues are pledged under the Senior Indenture, all Passenger Facility Charges will be received by the City in trust and will be deposited when and as received in the PFC Account in the Enterprise Fund maintained by the City Treasurer. All amounts in the PFC Account will be applied and used as provided in the Third Supplemental Senior Indenture.

Disposition of Revenues. As long as there are any Outstanding Senior Bonds, all Revenues (not including PFC Revenues) will be deposited in the Enterprise Fund and will be set aside for the payment of the following amounts or deposited or transferred to the following funds and accounts in the order listed (see "Disposition of Passenger Facility Charges" below for a description of the deposit of and timing of deposits of the Passenger Facility Charges):

FIRST, the City will pay all Maintenance and Operations Costs (including amounts reasonably required to be set aside in contingency reserves for Maintenance and Operation Costs, the payment of which is not then immediately required) from the Enterprise Fund as they become due and payable;

SECOND, a sufficient amount of Revenues will be transferred or caused to be transferred by the City, without priority and on an equal basis, except as to timing of payment, (A) to the Senior Trustee for deposit in the respective Senior Debt Service Funds in the amounts, at the times and in the manner provided in the Master Senior Indenture, to provide for the payment of the principal of and interest to become due on the Outstanding Senior Bonds and (B) such other parties for the payment of amounts, other than principal and interest, due on the Outstanding Senior Bonds;

THIRD, a sufficient amount of Revenues will be transferred or caused to be transferred by the City, without priority and on an equal basis, except as to timing of payment to the Senior Reserve Fund and the Senior Debt Service Reserve Funds, if any, at the times and in such amounts as specified in the Master Senior Indenture and any Supplemental Senior Indenture to be used in the manner provided therein;

FOURTH, a sufficient amount of Revenues will be transferred or caused to be transferred by the City to the Subordinate Trustee or such other parties such amounts and, at such times, as are sufficient to pay the debt service on any indebtedness, including Subordinate Obligations, issued pursuant to the terms of the Subordinate Indenture or other agreement, but only to the extent (except as otherwise provided in the Master Senior Indenture) a specific pledge of Net Revenues has been made in writing to the payment of debt service on such indebtedness;

FIFTH, a sufficient amount of Revenues will be transferred or caused to be transferred by the City to the Subordinate Trustee or such other parties such amounts and, at such times, as are sufficient to pay any debt service reserve fund requirement for any indebtedness, including Subordinate Obligations, issued pursuant to the terms of the Subordinate Indenture, but only to the extent a specific pledge of Net Revenues has been made in writing to the payment of any such debt service reserve fund requirement on such indebtedness; and

SIXTH, to the payment of the amounts required to be deposited in the Maintenance and Operating Reserve Fund as determined by the City pursuant to the Master Senior Indenture.

All moneys and investments on deposit in the Enterprise Fund and not on deposit in any of the funds or accounts or used for any of the purposes provided for above, will remain on deposit in the Enterprise Fund and used by the City for any lawful purpose.

Disposition of Passenger Facility Charges. So long as PFC Revenues are designated as Revenues under the Senior Indenture, all Passenger Facility Charges received by the City will be deposited in the PFC Account in the Enterprise Fund.

On the first Business Day of each month, amounts on deposit in the PFC Account will be transferred by the City to the PFC Debt Service Subaccount in the PFC Account until the amount on deposit in the PFC Debt Service Subaccount is equal to the PFC Interest Requirement and the PFC Principal Requirement. A sufficient amount of PFC Revenues credited to the PFC Debt Service Subaccount will be transferred to the Senior Trustee in a timely manner in accordance with the terms of the Master Senior Indenture for deposit to the Senior Debt Service Funds (including the Series 2022 Senior Debt Service Funds), to provide for the payment of the principal of and interest to become due on the PFC Eligible Portion of the Bonds (including a portion of the Series 2022 Bonds).

The Third Supplemental Senior Indenture defines "*PFC Interest Requirement*" to mean the amount of interest coming due on the next Payment Date with respect to the PFC Eligible Portion of the Senior Bonds, net of any amounts deposited in the PFC Debt Service Subaccount or any Senior Debt Service Fund which are available to pay interest on the PFC Eligible Portion of the Senior Bonds.

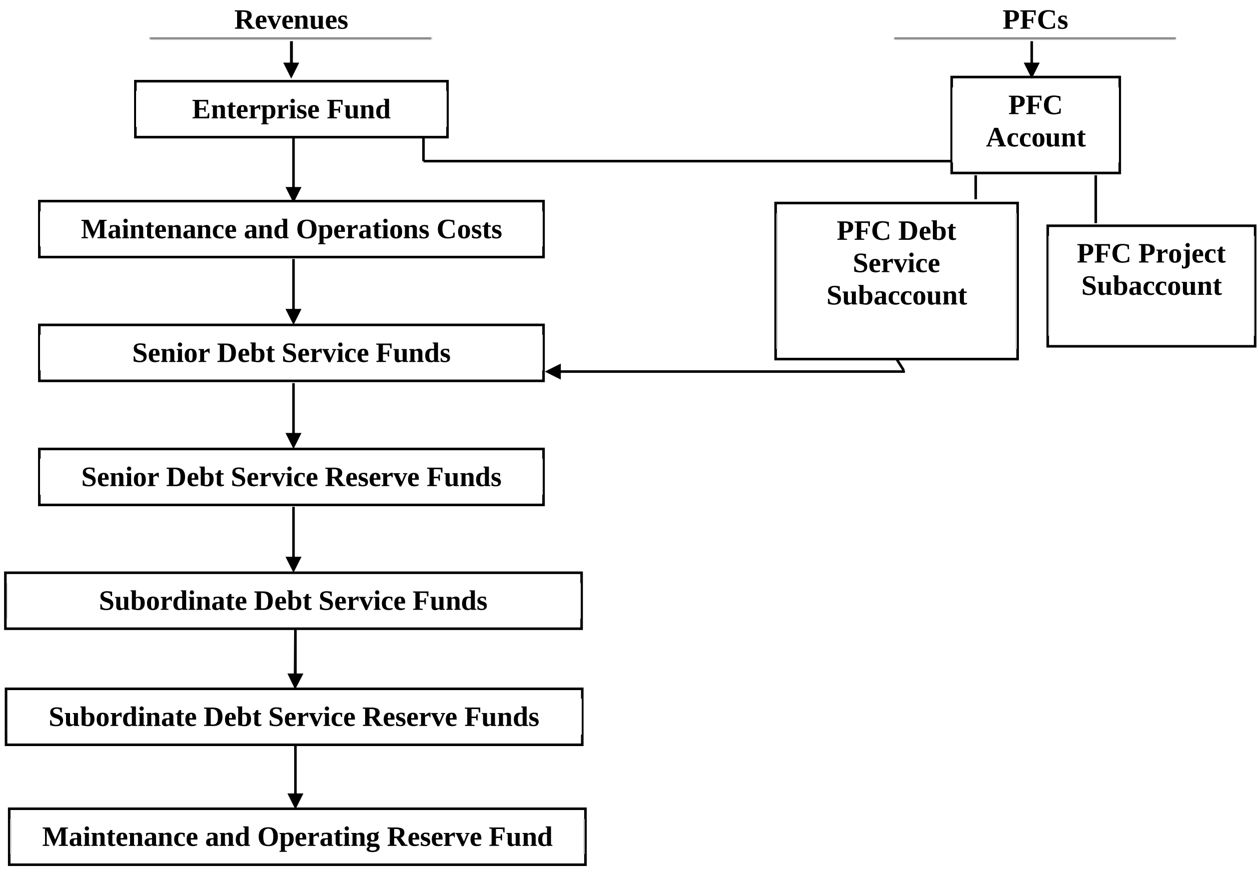
The Third Supplemental Senior Indenture defines "*PFC Principal Requirement*" to mean the amount of principal coming due on the next Payment Date with respect to the PFC Eligible Portion of the Senior Bonds, net of any amounts deposited in the PFC Debt Service Subaccount or any Senior Debt Service Fund which are available to pay the principal of the PFC Eligible Portion of the Senior Bonds.

Any amounts remaining on deposit in the PFC Account after all required deposits have been made to the PFC Debt Service Subaccount will be transferred to the PFC Project Subaccount. The City will not transfer any amounts on deposit in the PFC Account to the PFC Project Subaccount until the City has made all required deposits to the PFC Debt Service Subaccount as described in the previous paragraph. Amounts credited to the PFC Project Subaccount will be applied to any lawful purpose relating to the Enterprise as permitted by the PFC Act and as the City may from time to time determine, including, but not limited to, the payment of principal and/or interest due on the Series 2022 Bonds.

All moneys and investments on deposit in the PFC Account and not on deposit in any of the funds or accounts or used for any of the purposes provided for above, will remain on deposit in the PFC Account and used by the City for any lawful purpose.

The following chart provides a graphic presentation of the flow of funds described above, including the flow of Passenger Facility Charges.

Long Beach Airport
Flow of Funds



Rate Covenant

(a) Under the Master Senior Indenture, the City has covenanted that while any of the Series 2022 Bonds remain Outstanding (but subject to all existing contracts and legal obligations of the City as of the date of execution of the Master Senior Indenture setting forth restrictions relating thereto), it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Enterprise and for services rendered in connection therewith, so that Net Revenues in each Fiscal Year will be at least equal to the following amounts:

(i) the Annual Debt Service on any Outstanding Senior Bonds required to be funded by the City in such Fiscal Year as required by the Master Senior Indenture or any Supplemental Senior Indenture with respect to the Outstanding Senior Bonds;

(ii) the required deposits to the Senior Reserve Fund or any Senior Debt Service Reserve Fund which may be established by a Supplemental Senior Indenture;

(iii) the reimbursement or repayment of other amounts owed to any Credit Provider or Liquidity Provider as required by a Supplemental Senior Indenture;

(iv) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than for Outstanding Senior Bonds, including Subordinate Obligations; and

(v) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Senior Bonds, including Subordinate Obligations.

(b) The City has further covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Enterprise and for services rendered in connection therewith, so that during each Fiscal Year the Net Revenues, together with any Transfer (as defined below), will be equal to at least 125% of Annual Debt Service on the Outstanding Senior Bonds in such Fiscal Year. For purposes of this paragraph, the amount of any Transfer taken into account will not exceed 25% of the Annual Debt Service on the Outstanding Senior Bonds in such Fiscal Year.

"*Transfer*" is defined in the Master Senior Indenture to mean for any Fiscal Year the amount on deposit in the Coverage Deposit Account on the first day of such Fiscal Year and the amount of unencumbered funds on deposit or anticipated to be on deposit, as the case may be, in the Enterprise Fund (other than the amounts on deposit in the Coverage Deposit Account) on the first day of such Fiscal Year (after all required deposits and payments have been made as described under "—Flow of Funds—Disposition of Revenues" above).

In determining compliance with paragraph (b) above, PFC Revenues may not be applied to or assumed to pay Annual Debt Service on any non-PFC Eligible Portion of the Senior Bonds. Additionally, no PFC Revenues or Passenger Facility Charges may be included in Transfer.

If Net Revenues, together with any Transfer (as applied in accordance with paragraph (b) above), in any Fiscal Year are less than the amount specified in paragraphs (a) and (b) above, the City will retain and direct a Consultant to make recommendations as to the revision of the operations of the Enterprise and its schedule of rentals, rates, tolls, fees and charges for the use of the Enterprise and for services rendered by the City in connection with the Enterprise, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the City will take all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as may be necessary to produce Net Revenues in the amounts specified in paragraphs (a) and (b) above in the next succeeding Fiscal Year.

In the event that Net Revenues (including PFC Revenues, as applicable) for any Fiscal Year are less than the amount specified in paragraphs (a) and (b) above, but the City promptly has taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, tolls, fees and charges as described in the preceding paragraph, such deficiency in Net Revenues will not constitute an Event of Default under the Master Senior Indenture. Nevertheless, if after taking the measures required by the preceding paragraph to revise the schedule of rentals, rates, tolls, fees and charges, Net Revenues (including PFC Revenues, as applicable) in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the City for such Fiscal Year) are less than the amount specified in paragraphs (a) and (b) above, such deficiency in Net Revenues (including PFC Revenues, as applicable) will constitute an Event of Default under the Master Senior Indenture. See "APPENDIX B—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE—SUMMARY OF THE MASTER SENIOR INDENTURE—Defaults and Remedies." See also "CERTAIN INVESTMENT CONSIDERATIONS—Rate Covenant Not a Guarantee; Failure To Meet Projections."

Senior Debt Service Deposits

The Master Senior Indenture provides that the City will not later than the fifteenth day of each calendar month, transfer from the Enterprise Fund (including the PFC Account) to the Senior Trustee for deposit in the Senior Debt Service Fund established in respect of each Series of Outstanding Senior Bonds: (i) sums in equal fractional parts for each one half year so that at least the full amount required to pay the interest on the Senior Bonds, as it becomes due, will be set aside in the Senior Debt Service Funds by not later than the fifteenth day of the month prior to the date each installment of interest becomes due, (ii) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due at maturity, the Principal Amount of the Senior Bonds, will be set aside in the Senior Debt Service Funds by not later than the fifteenth day of the month prior to the date such principal amount becomes due, and (iii) sums in equal fractional parts for each year so that at least the full amount required to pay, as it becomes due, the sinking installment payment, if any, due with respect to the Senior Term Bonds will be set aside in the Senior Debt Service Funds by not later than the fifteenth day of the month prior to the date such sinking installment payment becomes due.

Senior Reserve Fund

Pursuant to the Master Senior Indenture, the City established the Senior Reserve Fund (the "Senior Reserve Fund") with the Senior Trustee to secure any Senior Bonds the City elects to participate in the Senior Reserve Fund. At the time of issuance of the Series 2022 Bonds, the City will elect to have the Series 2022 Bonds participate in the Senior Reserve Fund. At the time of issuance of any Additional Senior Bonds, the City also may elect to have such Additional Senior Bonds participate in the Senior Reserve Fund.

The Senior Reserve Fund is required to be funded at all times in an amount equal to the Reserve Requirement. The Reserve Requirement is equal to the lesser of (a) Maximum Aggregate Annual Debt Service For Reserve Requirement for all Series of Senior Bonds participating in the Senior Reserve Fund, (b) 10% of the principal amount of the Senior Bonds participating in the Senior Reserve Fund, less the amount of original issue discount with respect to any Senior Bond participating in the Senior Reserve Fund if such original issue discount exceeded 2% on such Senior Bond at the time of its original sale, and (c) 125% of the average Aggregate Annual Debt Service For Reserve Requirement for all Series of Senior Bonds participating in the Senior Reserve Fund. The Reserve Requirement upon the issuance of the Series 2022 Bonds will be equal to $_________ and will be fully funded with cash and securities.

Moneys or investments held in the Senior Reserve Fund will be used for the purpose of paying principal of and interest on the Series 2022 Bonds and any other Senior Bonds participating in the Senior Reserve Fund on a basis pari passu with all Senior Bonds then participating in the Senior Reserve Fund. If, on any Payment Date, the amounts in the Senior Debt Service Funds for the Series 2022 Bonds and any other Senior Bonds participating in the Senior Reserve Fund are insufficient to pay in full the amount then due on such Senior Bonds, moneys held in the Senior Reserve Fund will be used for the payment of principal of and interest thereon.

The City may fund all or a portion of the Reserve Requirement with a Reserve Fund Surety Policy. A Reserve Fund Surety Policy may be an insurance policy, a surety bond or a letter of credit, deposited with the Senior Trustee for the credit of the Senior Reserve Fund, which is provided by an institution rated in one of the two highest long term rating categories at the time the Reserve Fund Surety Policy is deposited with the Senior Trustee. Any such Reserve Fund Surety Policy must either extend to the maturity of the Series of Senior Bonds of the longest maturity then Outstanding and participating in the Senior Reserve Fund, or the City must agree, by Supplemental Senior Indenture, that it will replace such Reserve Fund Surety Policy prior to its expiration with another Reserve Fund Surety Policy which will have no adverse effect on the ratings, if any, then in effect on the Senior Bonds participating in the Senior Reserve Fund, or with cash.

At the time of issuance of the Series 2022 Bonds, the Senior Reserve Fund will be funded with cash and securities and no portion of the Senior Reserve Fund will be funded with a Reserve Fund Surety Policy.

Additional Senior Bonds

Additional Senior Bonds may be issued under the Master Senior Indenture on a parity with the Series 2022 Bonds, provided, among other things, that there is first delivered to the Senior Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Senior Bonds being issued and the date of delivery of such Senior Bonds (both dates inclusive), prepared by an Authorized City Representative showing the Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Senior Bonds or preceding the first issuance of the proposed Senior Program Bonds were at least equal to 125% of Maximum Aggregate Annual Debt Service with respect to all Outstanding Senior Bonds, Unissued Senior Program Bonds and the proposed Series of Senior Bonds, calculated as if the proposed Series of Senior Bonds and the full Authorized Amount of such proposed Senior Program Bonds (as applicable) were then Outstanding; or

(b) a certificate, dated as of a date between the date of pricing of the Senior Bonds being issued and the date of delivery of such Senior Bonds (both dates inclusive), prepared by a Consultant showing that:

(i) the Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Senior Bonds or the establishment of a Program, were at least equal to 125% of the sum of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Senior Bonds (not including the proposed Series of Senior Bonds or the proposed Senior Program Bonds) for such Fiscal Year or other applicable period; and

(ii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Senior Bonds during which no interest on such Series of Senior Bonds is expected to be paid from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Senior Bonds, or (B) the third full Fiscal Year during which no interest on such Series of Senior Bonds is expected to be paid from the proceeds thereof, the estimated Net Revenues for each such Fiscal Year, will be at least equal to 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Senior Bonds, Unissued Senior Program Bonds and the proposed Series of Senior Bonds (calculated as if the proposed Series of Senior Bonds and the full Authorized Amount of such proposed Senior Program Bonds (as applicable) were then Outstanding).

For purposes of paragraph (b)(ii) above, in estimating Net Revenues, the Consultant may take into account (1) Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided, (2) any increase in fees, rates, charges, rentals or other sources of Revenues which have been approved by the City and will be in effect during the period for which the estimates are provided, (3) any other increases in Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Maintenance and Operation Costs, the Consultant will use such assumptions as the Consultant believes to be reasonable, taking into account: (i) historical Maintenance and Operation Costs, (ii) Maintenance and Operation Costs associated with the Projects and any other new Airport Facilities, and (iii) such other factors, including inflation and changing operations or policies of the City, as the Consultant believes to be appropriate. The Consultant will include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and will also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

For purposes of preparing the certificate or certificates described above, PFC Revenues may not be applied to or assumed to pay Maximum Aggregate Annual Debt Service or Aggregate Annual Debt Service on non-PFC Eligible Portions of the Senior Bonds. Additionally, when preparing the certificate described in paragraph (b)(ii) above, (a) the Consultant may assume (i) that the rate of the levy of Passenger Facility Charges in effect on the date of the certificate will be in effect for the entire forecast period, or (ii) a higher rate of levy to the extent legislation has been enacted to permit an increase in the rate of the levy of Passenger Facility Charges if the City has taken all action required to impose and use such increased charges at the Airport pursuant to such legislation prior to the date of the Consultant's certificate; and (b) the Consultant, in estimating Net Revenues, will assume that the percentage of enplaned passengers subject to Passenger Facility Charges during the forecast period will not exceed the average percentage during the three Fiscal Years immediately preceding the Fiscal Year in which the proposed Series of Bonds are being issued.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants or the Authorized City Representative may rely upon financial statements prepared by the City which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized City Representative will certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

Neither of the certificates described under paragraph (a) or (b) above will be required:

(A) if the Senior Bonds being issued are for the purpose of refunding then Outstanding Senior Bonds and there is delivered to the Senior Trustee, instead, a certificate of an Authorized City Representative showing that Aggregate Annual Debt Service for each Fiscal Year after the issuance of such Refunding Senior Bonds will not exceed the Aggregate Annual Debt Service for each Fiscal Year prior to the issuance of such Refunding Senior Bonds;

(B) if the Senior Bonds being issued constitute Senior Notes and there is delivered to the Senior Trustee, instead, a certificate prepared by an Authorized City Representative showing that the principal amount of the proposed Senior Notes being issued, together with the principal amount of any Senior Notes then Outstanding, does not exceed 10% of the Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Senior Notes and there is delivered to the Senior Trustee a certificate of an Authorized City Representative setting forth calculations showing that for each of the Fiscal Years during which the Senior Notes will be Outstanding, and taking into account the debt service becoming due on such Senior Notes, the City will be in compliance with the rate covenant under the Senior Indenture; or

(C) if the Senior Bonds being issued are to pay costs of completing a Project for which Senior Bonds have previously been issued and the principal amount of such Senior Bonds being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Senior Bonds originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized City Representative and there is delivered to the Senior Trustee (1) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (2) a certificate of an Authorized City Representative to the effect that (x) all of the proceeds (including investment earnings on amounts in the Construction Fund allocable to such Project) of the original Senior Bonds issued to finance such Project have been or will be used to pay Costs of the Project and (y) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Construction Fund established for the Project (including unspent proceeds of Senior Bonds previously issued for such purpose) and (z) the proceeds to be received from the issuance of such Senior Bonds plus moneys available in the Construction Fund established for the Project (including unspent proceeds of the Senior Bonds previously issued for such purpose) will be sufficient to pay the remaining estimated Costs of the Project.

PFC Covenants

The City will covenant that so long as Passenger Facility Charges are designated as Revenues by the City, it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the City and all provisions of the PFC Approvals, and will not take any action or omit to take any action with respect to the Passenger Facility Charges, any PFC Projects (including the PFC Projects being refinanced with a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds), the Enterprise, or otherwise if such action or omission would, pursuant to the PFC Act and the PFC Regulations, cause the termination of the City's ability to impose Passenger Facility Charges or prevent the use of the Passenger Facility Charges as contemplated by the Senior Indenture. The City will covenant that all moneys in the PFC Account, the PFC Debt Service Subaccount and the PFC Project Subaccount will be used in compliance with all provisions of the PFC Act, the PFC Regulations and the PFC Approvals applicable to the City. Without limiting the generality of the foregoing, so long as Passenger Facility Charges are designated as Revenues by the City, the City will covenant, that, to the extent necessary to comply with the foregoing covenants:

(a) it will diligently seek approval to impose and use Passenger Facility Charges for the PFC Projects (including the PFC Projects being refinanced with a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds) within the time periods set forth in the PFC Regulations and will begin implementation of such PFC Projects (including the PFC Projects being refinanced with a portion of the proceeds of the Series 2022A Bonds and the Series 2022B Bonds) within the time periods set forth in the PFC Regulations;

(b) it (i) will impose a Passenger Facility Charge to the full extent approval by the FAA for the Airport and (ii) will not unilaterally decrease the level of the Passenger Facility Charges to be collected from any passenger;

(c) it will not impose any noise or access restrictions at the Airport not in compliance with the Airport Noise and Capacity Act of 1990 (the "Noise Act"), if the imposition of such restriction may result in the termination or suspension of the City's ability to impose or use Passenger Facility Charges at the Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge has been collected;

(d) it will take all action necessary to cause all collecting air carriers to collect and remit to the City all Passenger Facility Charges at the Airport required by the PFC Regulations to be so collected and remitted; and

(e) it will contest any attempt by the FAA to terminate or suspend the City's ability to impose, receive or use Passenger Facility Charges at the Airport prior to the charge expiration date or the date the total approved Passenger Facility Charge has been collected.

See "FINANCIAL MATTERS—PFC Program."

Permitted Investments

Moneys held by the City and/or Senior Trustee under the Senior Indenture may be invested as directed by the City in Permitted Investments, subject to the restrictions set forth in the Senior Indenture and subject to restrictions imposed on the City. See "APPENDIX B—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE."

Events of Default and Remedies; No Acceleration

Events of Default under the Senior Indenture and related remedies are described in "APPENDIX B—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Events of Default and Remedies." The occurrence of an Event of Default does not grant any right to accelerate payment of the Senior Bonds (including the Series 2022 Bonds) to the Senior Trustee or the Bondholders of the Senior Bonds (including the Series 2022 Bonds). The Senior Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the obligations of the City under the Senior Indenture.

Senior Repayment Obligations

Under certain circumstances the obligation of the City, pursuant to a written agreement, to reimburse the provider of a Credit Facility or a Liquidity Facility (a "Senior Repayment Obligation") may be secured by a pledge of and lien on Net Revenues on a parity with the Senior Bonds (including the Series 2022 Bonds). If a Credit Provider or Liquidity Provider advances funds to pay principal of or to purchase Senior Bonds, all or a portion of the City's Senior Repayment Obligation may be afforded the status of a Senior Bond under the Master Senior Indenture. The City currently does not have any Senior Repayment Obligations outstanding. See "APPENDIX B—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SENIOR INDENTURE AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE—THE MASTER SENIOR INDENTURE—Repayment Obligations Afforded Status of Senior Bonds."

Subordinate Obligations

The City may, from time to time, incur indebtedness which is subordinate with respect to the lien and pledge on Net Revenues to the Senior Bonds (including the Series 2022 Bonds). Such indebtedness is referred to herein as "Subordinate Obligations." Such indebtedness may be incurred at such times and upon such terms as the City determines, provided that:

(a) any indenture authorizing the issuance of any Subordinate Obligations specifically states that such lien on or security interest granted in the Net Revenues and the other security set forth in the Granting Clause of the Master Senior Indenture is junior and subordinate to the lien on and security interest in such Net Revenues and the other security set forth in the Granting Clause of the Master Senior Indenture and other assets granted to secure the Senior Bonds (including the Series 2022 Bonds); and

(b) payment of the principal of and interest and other amounts due on such Subordinate Obligations will be permitted, provided that all deposits and payments with respect to Maintenance and Operation Costs, debt service on the Senior Bonds (including the Series 2022 Bonds), the Senior Reserve Fund and any other Senior Debt Service Reserve Fund required to be made pursuant to the Master Senior Indenture have been made or satisfied.

There are no Subordinate Obligations currently outstanding.

Future Financings

After the issuance of the Series 2022 Bonds, the City has no current plans to issue Additional Senior Bonds or additional Subordinate Obligations, although it may elect to do so at any time in the future. All Additional Senior Bond issuances must meet the additional debt tests of the Master Senior Indenture. See "—Additional Senior Bonds."

Special Facility Obligations

The City may designate an existing facility or a planned facility as a "Special Facility" and may incur indebtedness to acquire, construct, renovate or improve such facility or to finance the acquisition, construction, renovation or improvement thereof by a third party. Additionally, the City may provide that certain contractual payments derived from or related to such Special Facility, together with other income and revenues available therefrom, will constitute "Special Facilities Revenue" and will not be included as Revenues. Such indebtedness will constitute a "Special Facility Obligation" and will be payable solely from the Special Facilities Revenue. When Special Facility Obligations issued for a Special Facility (including Special Facility Obligations issued to refinance Special Facility Obligations) are fully paid or otherwise discharged, all revenues received by the City from such facility will be included as Revenues. The Master Senior Indenture provides that to the extent Special Facility Revenues exceed the amounts required to pay the principal of and interest on Special Facility Obligations when due, and to the extent not otherwise encumbered, the excess may constitute Revenues as determined by the City.

The City does not currently have any outstanding Special Facility Obligations.

DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements on the Series 2022 Bonds.

TABLE 1
DEBT SERVICE REQUIREMENTS OF SERIES 2022 BONDS

Bond Year Ending June 1	*Refunded Bonds*[(1)(2)]	*Principal of the Series 2022A Bonds*	*Interest on the Series 2022A Bonds*	*Principal of the Series 2022B Bonds*	*Interest on the Series 2022B Bonds*	*Principal of the Series 2022C Bonds*	*Interest on the Series 2022C Bonds*	*Total*
2023	$9,262,271							
2024	9,216,041							
2025	9,171,733							
2026	9,126,755							
2027	9,070,694							
2028	9,012,267							
2029	8,960,845							
2030	8,890,296							
2031	8,822,219							
2032	8,753,685							
2033	8,683,806							
2034	8,606,695							
2035	8,526,574							
2036	8,442,556							
2037	8,348,753							
2038	8,259,387							
2039	8,157,932							
2040	4,068,750							
2041	-							
2042	-							
2043	-							
2044	-							
2045	-							
2046	-							
2047	-							

(1) Does not take into account the receipt by the City of any Federal Direct Payments with respect to the Series 2009C Bonds, which will cease upon redemption of the Series 2009C Bonds as described under the caption “PLAN OF FINANCE—Plan of Refunding.”

(2) To be refunded with a portion of the proceeds of the Series 2022A Bonds and Series 2022B Bonds.

THE AIRPORT

General

The Airport, originally called Earl S. Daugherty Field, is located in Los Angeles County, in the geographic center of the City of Long Beach. The Airport is advantageously located halfway between the Los Angeles County and Orange County business centers, a location which provides access to the region's major freeways.

The Airport had its origins in 1923 when the City Council set aside 150 acres of property for that purpose. During the late 1940's and 1950's, major land acquisitions occurred and the Airport grew to its present size of 1,166 acres.

Governance of the Airport

The Airport is operated as a department of the City and is under the direction of the City Manager. The Mayor and City Council set policy for and serve as the Board of Directors for the Airport. The City Manager implements policy and supervises the planning, development, management and operations of the Airport, and with the approval of the City Council, has the power to enter into contracts, leases and agreements for the use of the Airport and of Enterprise property and facilities. The City Council has the power to establish schedules fixing all fees and charges. Following are brief biographies of certain City and Airport officials.

Thomas B. Modica, City Manager. Mr. Modica was appointed City Manager in April 2020. As City Manager, Mr. Modica is focused on using innovation and data to aid the City's efforts to end homelessness; strategic planning; recruiting and maintaining highly qualified employees by streamlining the City's hiring process and enhancing employee communication and engagement; and planning for the City's future, including a commitment to strong fiscal management. Mr. Modica has worked for the City of Long Beach since 2002, when he was hired as a Management Assistant. In his subsequent 18 years, Mr. Modica served in a number of roles, including Assistant to the City Manager, Government Affairs Manager, Director of Government Affairs and Strategic Initiatives, Deputy City Manager and Acting Director of Development Services. He was appointed Assistant City Manager in 2014, responsible for assisting the City Manager in operating the municipal enterprise, including oversight of City departments and leading special projects required to facilitate citywide priorities, programs and initiatives. During his tenure with the City, Mr. Modica has led the organization on issues such as water quality improvements, financial planning and budgeting, the City's Land Use Element, planning and implementation of the Long Beach Civic Center project, coastal area project development, City innovation efforts, the City's $150 million infrastructure investment plan, oversight of the $120 million American Recovery and Reinvestment Act investment plan and coordination of housing policies including affordable housing, tenant assistance, short term rental, and addressing homelessness. Mr. Modica has a master's degree in Public Administration from University of Arizona and lives in Long Beach with his family.

Cynthia Guidry, Airport Director. Ms. Guidry was appointed Director of the Airport on June 11, 2019. She has worked for the Department of Airports of the City of Los Angeles ("LAWA") for several years as the Deputy Executive Director of the Planning and Development Group. Ms. Guidry was responsible for managing LAWA's multibillion-dollar capital program, including airfield, terminal and landside improvements. Ms. Guidry is a Professional Engineer licensed from the State of California and has 27 years of planning, engineering, and professional experience working for the City of Los Angeles, 18 years with LAWA. She also serves on the Board of Directors for the Los Angeles Chapter of Women's Transportation Seminar. Ms. Guidry holds a master's degree in Business Administration from Pepperdine University and a Bachelor of Science degree in Civil Engineering from the University of California at Irvine.

Juan López-Rios, Deputy Director. Mr. López-Rios was appointed Deputy Director of the Airport in September 2016 following his term as Interim Director from April 2016 to August 2016. Joining the City in April 2001, Mr. López-Rios has worked in various roles overseeing project development, economic development, and real estate leasing & acquisition activities for numerous departments including the departments of the Airport, Community Development, Public Works, Economic Development, and Parks, Recreation and Marine. From April 2008 to December 2011, Mr. López-Rios served as the Leasing and Development Officer for the newly formed Airport Department. Mr. López-Rios oversees the areas of Public and Government Affairs, Noise and Environmental Affairs, and Strategic Plans and Programs. Mr. Lopez-Rios received his Bachelor of Science degree in business and public administration with an emphasis in organizational management from the University of the Pacific and his Master of Science degree in education and administration from Colorado State University. Mr. López-Rios is a Certified Member of the American Association of Airport Executives (AAAE) and active with the Airports Council International – North America (ACI-NA) and the Airport Minority Advisory Council (AMAC).

Claudia Lewis, Manager of Finance and Administration. Ms. Lewis was appointed Manager of Finance and Administration at the Airport in 2013. From February through July 2019 she served as the Airport's Interim Director. Her duties include oversight of Accounting, Audit, Commercial Management, Finance, Personnel/Human Resources, Revenue Development, and Risk Management functions at the Airport. Ms. Lewis has more than 25 years of experience in the public sector and has worked in a variety of departments for the City of Long Beach. Prior to joining the Airport in 2008, she provided administrative and financial support to the Departments of Public Works, Water, Civil Service, the Port of Long Beach and the Long Beach Police Department, routinely serving as the department representative to key stakeholders on critical issues. Ms. Lewis holds a Bachelor's degree in political science from the University of California at Irvine and a master's degree in business administration from California State University at Dominguez Hills. She is a Certified Member of the American Association of Airport Executives (AAAE) and active with the Airports Council International – North America (ACI-NA).

Dale Worsham, Commercial Development Manager. Mr. Worsham manages the concession programs at the Airport including parking operations, ground transportation, rental car, food and beverage, and advertising, Mr. Worsham also oversees the personnel functions for the Airport. Mr. Worsham has over 20 years of experience working in municipal government in various administrative roles.

Mony Chhey, Financial Services Officer. Mr. Chhey was appointed Financial Services Officer in October 2018. He has worked for the City for almost 10 years in a financial role, with over 7 of those years at the Airport. He has a wide range of experience dealing with grants, accounting, enterprise systems, budget, procurements and airport finances. Mr. Chhey holds a Bachelor's degree in business administration with a concentration in accountancy from California State University, Long Beach, and is a Certified Member of the American Association of Airport Executives.

Kate Kuykendall, Public Affairs Officer. Ms. Kuykendall was appointed Public Affairs Officer for the Airport in 2019. In this role, she oversees branding, community relations, customer experience programming, and public information. Ms. Kuykendall has more than a decade of experience handling public affairs duties for government agencies, including seven years with the National Park Service and five with the U.S. Peace Corps. She holds a Bachelor's degree in English from Hamilton College and a master's degree in public administration from the University of Southern California.

Ron Reeves, Operations and Facilities Manager. Mr. Reeves currently serves as the Operations and Facilities Manager at the Airport, overseeing the Operations, Engineering, Facilities and Security Divisions. He has approximately 29 years of aviation and airport management experience in both the public and private sectors. His experience includes high profile airport environmental planning projects and technical evaluations such as aircraft departure profile selection and other noise reduction measures at airports in North America, New Zealand and the Republic of China. He has served as a panelist with the National Academies' Airport Cooperative Research Program regarding airport environmental issues and was a member of the FAA Design Review Team for the Aviation Environmental Design Tool. Mr. Reeves is a former naval aviator and LAX-based commercial pilot.

Karl Zittel, Airport Operations Officer. Mr. Zittel has worked for the Airport for 18 years. Prior to this, he worked for Boeing, formerly McDonnell Douglas, for 10 years in the development of commercial and military aircraft. Mr. Zittel holds a Bachelor of Science degree from Embry-Riddle Aeronautical University, and a Juris Doctorate from Pacific Coast University. Mr. Zittel also holds a FAA certificate in private plot rotorcraft helicopter and UAS.

Ambi Thurai, Airport Engineering Officer. Mr. Thurai has over 26 years of progressively responsible experience managing high performing professional staff and complex engineering construction projects, including 16 years in aviation management and leadership capacity. Mr. Thurai joined the Airport in 2016 as an Airport Engineering Officer. Prior to joining the Airport, he worked for John Wayne Airport for ten years from 2006 to 2016. During that period, he served as a Senior Engineer from 2006 to 2011 and as Engineering Manager from 2011 to 2016. Before joining John Wayne Airport, he worked for the California Department of Transportation for five years. He holds a Bachelor of Science degree in Civil Engineering from the University of Peradeniya, Sri Lanka and a Master of Science degree in Civil Engineering from the University of Nevada, Reno. Mr. Thurai is a registered Professional Engineer (P.E.) and a registered Geotechnical Engineer (G.E.). In addition, he holds a certificate for Project Management Professional (PMP).

Ryan McMullan, Noise and Environmental Affairs Officer. From 2015 to 2018, Mr. McMullan worked at the Airport as an Airport Operations Specialist II – Noise Analyst and Administrative Analyst II prior to being appointed Noise and Environmental Affairs Officer in September 2018. His current responsibilities include the enforcement of the provisions outlined in one of the most restrictive Noise Ordinances in the nation, overseeing the Airport's Storm Water Pollution Prevention Plan (SWPPP) in addition to other environmental and sustainability programs, managing flight slot allocations and analysis of flight data and noise levels. Prior to serving the Airport, Mr. McMullan worked as an environmental noise consultant for a large engineering firm. He holds a Bachelor's degree in Political Science from the University of Illinois Urbana-Champaign and a Bachelor's degree in Acoustics from Columbia College Chicago. Mr. McMullan is a Certified Member of the American Association of Airport Executives (AAAE).

Scott Garrett, Facilities Management Officer. Mr. Garrett has over 33 years in the construction and maintenance fields, and nearly 21 years with the City in the Department of Public Works and the Airport. For the last 17 years, Mr. Garrett has managed several critical facilities maintenance and construction projects at the Airport. He has over 17 years of experience in airfield maintenance and meeting the FAA 139 inspections. Mr. Garrett holds several certifications including Airfield Lighting Computer System (ALCS) and Advance Control Equipment (ACE) training, National Incident Management System IS-00700, Incident Command System, and Airfield Marking.

Scott Korobkin, Superintendent of Airport Security. Mr. Korobkin was appointed Superintendent of Airport Security in January 2019. He has over 10 years' experience in aviation security specializing in contract management, critical infrastructure hardening, regulatory compliance, and oversight of Airport Security Plans (ASP), Exclusive Area Agreements (EAA) and Airport Terminal Security Plans (ATSP). Mr. Korobkin is responsible for all administrative and operational functions relative to CFR Part 1542 Airport Security at the Airport. Prior to serving the Airport, Mr. Korobkin worked for the Port Authority of New York and New Jersey at LaGuardia Airport and the City of Portland at the Portland International Jetport. Mr. Korobkin is an American Association of Airport Executives (AAAE) Certified Member (C.M) and AAAE ACE trusted agent.

Matthew Brookes, Airport Properties Officer. Mr. Brookes was appointed Airport Properties Officer in March 2018. Since joining the City in July 2007, Mr. Brookes has worked in the management of the City's real estate and property assets by overseeing enterprise fund properties in the Tidelands and handling lease negotiations for several departments including Community Development, Public Works, and Economic Development. Prior to joining the City, Mr. Brookes worked for five years for the City of Torrance overseeing employment and training programs for the Carson, Lomita, Torrance Workforce Investment Board. In his current role, Mr. Brookes is responsible for the overall management and administration of the Airport's Leasing and Development Division. Mr. Brookes holds a Bachelor's degree in Political Science from the University of California at Los Angeles.

Employer/Employee Relations

The Airport is budgeted for 125 regular (full-time) employees. All full-time, regular Airport employees are included in the City's retirement program.

Certain Airport employees are represented by various employee organizations, including the International Association of Machinists, Long Beach Association of Engineering Employees, Long Beach Management Association, International Brotherhood of Electrical Workers, Local 47, and Association of Long Beach Employees. The City's collective bargaining arrangements with the employee organizations expire on September 30, 2023. The City has never experienced a major work stoppage by Airport employees.

Existing Airport Facilities

The Airport operates with three asphalt runways having the following dimensions:

Runway	***Length***	***Width***
Runway 12-30	10,000 ft.	200 ft.
Runway 8L-26R	6,192 ft.	150 ft.
Runway 8R-26L	3,918 ft.	100 ft.

The primary runway, Runway 12-30, may be used by aircraft up to wide-body jets, with some weight restrictions imposed because of the presence of tunnels under the runway at Lakewood Boulevard and Spring Street. Runway 8L-26R, the alternate air carrier runway, may be used by Airbus A320, Boeing B737 and other similar aircraft. Runway 8R-26L is used primarily by general aviation aircraft, including business jets. These runways are connected by a fully integrated system of taxiways serving the commercial, military, and general aviation communities.

Capital project improvements in the airfield are largely driven by the Airfield Geometry Study ("AGS") that the Airport performed between 2011 and 2014. The AGS was initiated after the FAA identified the Airport in 2002 as one of the sixteen assessed airports that would benefit from safety enhancements to prevent runway incursions. The FAA also identified multiple "Hot Spots" or locations with high risk of aircraft incursion on to active runways. The AGS was intended to reduce the complexities of the Airport's airfield geometry and redesign it to current FAA standard. In December 2014, City Council approved the Alternative 3A recommendation from the AGS as the preferred solution. The solutions comprise numerous airfield geometry reconfigurations to be implemented incrementally over the next 20 or more years. The Airport has incorporated these recommendations into the Airport Layout Plan ("ALP") and the Airport Capital Improvement Plan ("ACIP"). The Airport's existing ALP was approved by the FAA on May 28, 2020. The improvements to Taxiway D were completed in 2020, and two Taxiways, including Taxiway C and Taxiway E, were completed over the decommissioned Runways 16L-34R and 16R-34L, respectively. See "AIRPORT CAPITAL IMPROVEMENT PLAN—Airfield Projects."

On the landside, the airlines operate the main ticketing function out of the existing Airport terminal building ("Terminal"), which was constructed in 1941 and was declared a local historic landmark in 1990. The Terminal is a three-story terminal facility, topped by the two-story former air traffic control tower, that also provides facilities for concessions, restrooms and offices for Airport and airline staff. The Terminal is eligible for listing as a State of California Historical Landmark. The existing 11-gate passenger concourse ("Concourse") and passenger security-screening checkpoint were completed in 2012 as part of the first phase ("Phase I") of the Terminal Area Improvements Program ("TAIP"). Aside from these facilities, the Airport also operates two parking structures with over 3,000 space capacity. Parking Structure A was constructed in 1980s and underwent a renovation which was completed in 2017. Parking Structure B, also part of the Phase I TAIP work, was completed in 2011. Both parking structures offer short and long-term parking for Airport passengers.

The Airport is currently proceeding with the second phase of the TAIP ("Phase II"), which is estimated to be completed by the first quarter of 2024. Phase II generally focuses on pre-security facilities and is intended to increase operational efficiency and improve passenger experience at the Airport. A portion of the proceeds of the Series 2022C Bonds will be used to pay a portion of the cost of these projects. See "AIRPORT CAPITAL IMPROVEMENT PROGRAM—Landside Projects."

Other Facilities

The City maintains approximately 60 long-term ground leases and commercial use permits for use of Enterprise property for air cargo, airline, general aviation, and non-aviation purposes. Major tenants and businesses on Enterprise property include, among others, the Long Beach Marriott Hotel, SCAN Healthcare, Ross Aviation, Aeroplex Aviation, Flight Safety International, Catalina Flying Boats, Island Express Helicopters, Los Angeles County Sheriff's Aero Bureau, UPS, Skylinks Golf Course, Automobile Club of Southern California, Healthcare Partners, Embry-Riddle Aeronautical University, DeVry Institute of Technology and various other specialty aviation companies, aircraft hangar and tie-down facilities and aircraft rental and flight training operations.

In March 2022, Hawaiian Airlines announced that it was opening a new maintenance facility at the Airport, which will be the airline's fourth such facility in North America. The 3,000 square foot facility, which was formerly partially leased by JetBlue, includes one of the airline's largest supply stocking warehouses. The new facility created 17 new direct jobs, with mechanics working on both scheduled and non-scheduled maintenance on the airline's Airbus A321 fleet.

General aviation flight activity accounted for approximately 91% of the Airport's total annual flight operations in Fiscal Year 2020-21. See Table 7 under "AIRCRAFT OPERATING INFORMATION—Aircraft Operations."

The Air Trade Area

The geographical area served by the Airport primarily encompasses Los Angeles County, Orange County, Ventura County, Riverside County and San Bernardino County, which constitute the Los Angeles-Long Beach-Riverside Combined Statistical Area (the "Los Angeles CSA"). The map on the following page presents the geographical location of the Airport's total air trade area in relation to the State, including the individual California counties.

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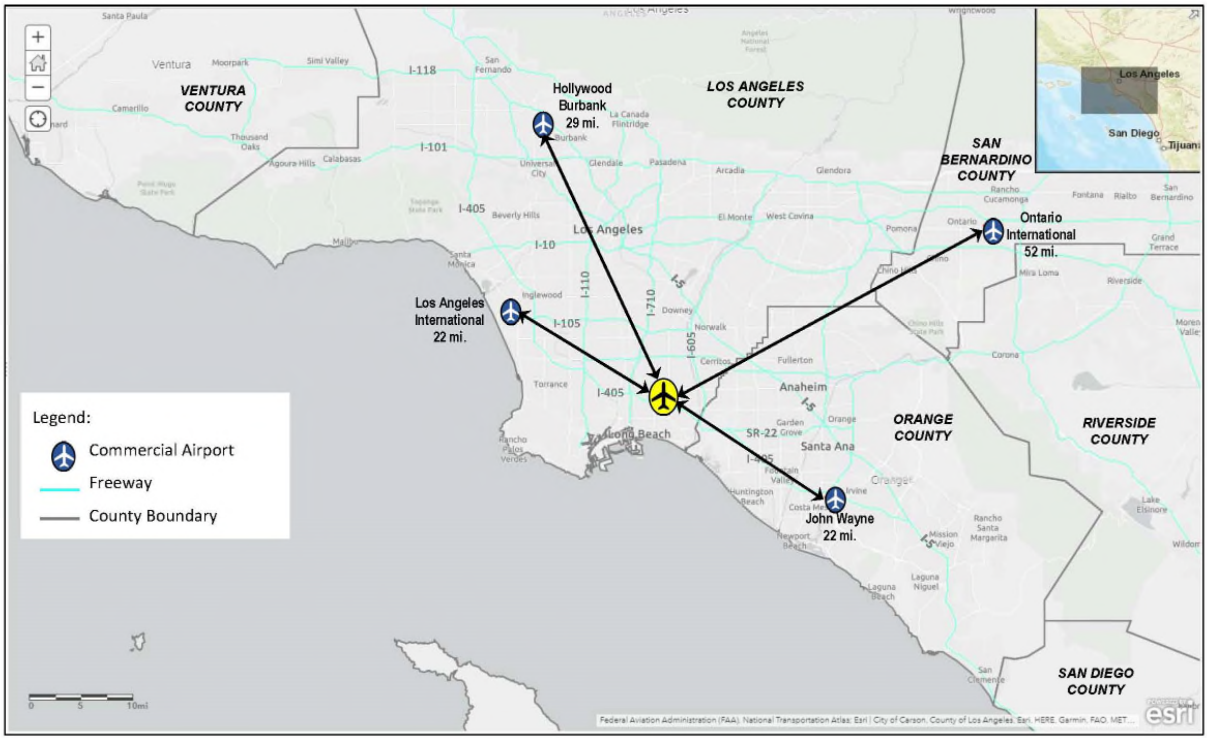

Air Trade Area Map

long beach airport

The Los Angeles CSA is served by seven commercial service airports, including the Airport, Los Angeles International Airport (22 road miles from the Airport), Hollywood Burbank Airport in Burbank (40 road miles from the Airport), Ontario International Airport (52 road miles from the Airport), John Wayne Airport in Santa Ana (22 road miles from the Airport), San Bernardino International Airport (66 road miles from the Airport, and not depicted on the map on the previous page) and Palm Springs International Airport in Palm Springs (112 road miles from the Airport, and not depicted on the map on the previous page). Due to their long driving distances from the Airport, neither San Bernardino International Airport nor Palm Springs International Airport are considered direct competitors to the Airport. Each of the airports in the Los Angeles CSA caters to particular types of passenger demand, owing to each facility's geographic proximity to businesses and population concentrations in the region, as well as to the availability and frequency of nonstop air service and the level of airfares. The Airport draws passengers from the region for short-, medium- and long-haul domestic service. See "AIRPORT OPERATING INFORMATION—Regional Airport Perspective."

As measured by population, the Los Angeles CSA, with nearly 18.7 million people in 2020, is the second-largest of the 126 Combined Statistical Areas in the U.S. Only the New York-New Jersey-Bridgeport Combined Statistical Area (the "New York CSA"), with approximately 23.5 million people, is a larger market for air transportation. The Los Angeles CSA has approximately 9 million more people than the third-largest consolidated market in the U.S., which is the Chicago-Naperville Combined Statistical Area. The Los Angeles CSA is also among the most affluent regions in the U.S. As measured by the number of households with annual income of $75,000 or more, the Los Angeles CSA is exceeded only by the New York CSA.

COVID-19 Outbreak

General. The worldwide outbreak of novel coronavirus SARS-CoV-2 (together with variants thereof, "COVID-19") has caused significant disruption to domestic and international air travel, including passenger operations, and has had significant negative and adverse effects on the economies of the nation and the world. The effects of COVID-19 and actions taken at the state and national levels to halt its spread have had, and may continue to have, a significant adverse effect on the revenues, financial condition and operations of the Enterprise. COVID-19 developments, and associated governmental and regulatory responses, are rapidly changing and cannot be predicted with any assurance.

The United States, state and local governments (including the City) and governments of other countries have taken actions to prevent the spread of COVID-19, including variants that have emerged since the initial outbreak, such as closing borders to non-essential travel, requiring vaccination or negative COVID-19 test results, and issuing other travel restrictions and warnings, and issuing other travel restrictions and warnings. Some of these types of requirements remain in effect and requirements change from time to time.

The captions below describe some of the impacts the COVID-19 pandemic has had on the Airport's passenger traffic, finances and operations, and some of the actions that the City has taken or is taking in response.

Passenger Traffic. Passenger traffic at the Airport decreased substantially beginning in March 2020. At the lowest point, enplanements decreased 98% in April 2020 relative to April 2019. Since then, traffic has recovered as passenger fears about travel have subsided, slots have been reallocated and minimum slot utilization requirements were reinstated. The decrease in enplanements for Fiscal Year 2019-20 was fully experienced in the last seven months of the Fiscal Year, from March to September 2020. Enplanements for this 7-month period decreased 85% relative to the same period in Fiscal Year 2018-19. Enplanements for the full Fiscal Year 2019-20 decreased 48% from Fiscal Year 2018-19, while enplanements for the full Fiscal Year 2020-21 were 56% lower than in Fiscal Year 2018-19.

From March 2020 to July 2021, the recovery in enplanements at the Airport generally lagged the national trend, as airlines consolidated their service to the region at Los Angeles International Airport and the Airport implemented a moratorium on minimum slot utilization requirements in concert with FAA policy at federally slot-controlled airports. See "AIRPORT OPERATING INFORMATION—Recent Changes in the

Assignment and Utilization of Air Carrier Flight Slots." February 2021 was the first post-pandemic month in which enplanements were at least 20% of the same month in 2019. Similar to the national trend, enplanements at the Airport rapidly increased in 2021 as COVID-19 vaccination rates increased, passenger concerns regarding airplane travel subsided, pent-up demand was satisfied and seasonal demand related to spring break and summer travel rebounded.

In June 2021, the City ended the slot utilization moratorium but allowed airlines to request waivers on a case-by-case basis. Enplanements for the summer (June-August) 2021 period were approximately 66% of the same period in 2019, compared with 85% for the nation as a whole according to United States Department of Transportation ("U.S. DOT") passenger data. Enplanements began to increase again in October 2021, as all airlines except Delta Air Lines generally met the minimum slot utilization requirements. For the October 2021-December 2021 period, enplanements were 79% of the same period in 2019, compared with 88% for the nation. Enplanements decreased month-over-month in January 2022, reflecting high case counts of the Omicron variant of COVID-19 and the seasonal post-holiday demand slowdown, consistent with the national trend, but began to recover in February 2022 as COVID-19 case counts subsided. For the first seven months of Fiscal Year 2021-22 (i.e., the period ending April 2022), enplanements were 85% of the same period in Fiscal Year 2018-19.

The following table provides monthly enplaned passenger traffic for Fiscal Years 2018-19, 2019-20 and 2020-21 and the first seven months of Fiscal Year 2021-22, according to data submitted to the City by the airlines.

LONG BEACH AIRPORT
MONTHLY ENPLANEMENTS
FISCAL YEARS 2018-19 THROUGH 2020-21
AND FIRST SEVEN MONTHS OF FISCAL YEAR 2021-22

	2018-19	***2019-20***	***2019-20 as % of 2018-19***	***2020-21***	***2020-21 as % of 2018-19***	***2021-22***	***2021-22 as % of 2018-19***
October	134,859	151,329	112%	29,086	22%	109,809	81%
November	146,995	153,951	105	27,082	18	125,673	85
December	148,598	159,174	107	23,603	16	130,247	88
January	132,942	144,226	108	20,060	15	91,830	69
February	125,185	138,127	110	25,404	20	102,124	82
March	145,356	66,887	46	58,962	41	136,567	94
April	148,927	3,231	2	80,384	54	136,399	92
May	151,959	5,688	4	95,477	63	N/A	N/A
June	154,226	12,674	8	100,384	65	N/A	N/A
July	159,775	20,455	13	114,589	72	N/A	N/A
August	163,085	21,424	13	101,255	62	N/A	N/A
September	145,542	27,814	19	90,921	62	N/A	N/A
Total	1,757,449	904,980	29	767,207	59	N/A	N/A
Total October – April	982,862	816,925	83%	264,581	27%	832,649	85%

Source: Long Beach Airport.

Operational Changes due to COVID-19. The City has taken the following actions in response to the impacts of COVID-19:

- Implemented a number of temporary measures intended to mitigate operational impacts to the Airport, including increasing sanitation procedures, creating COVID-19 public service announcements, adjusting customer and facility services to reflect lower passenger counts and modifying terminal seating arrangements where possible to better facilitate the physical distancing recommended by health authorities.

- Deferred elements of its TAIP in order to reduce near-term cash flow requirements and preserve liquidity.

- Implemented partial furloughs for staff for a 6-month period beginning October 2020 and ending March 2021 to provide cost savings.

- Authorized telecommuting options for office staff that are still in effect.

- Used Federal Relief Grants (as defined herein) to reimburse operating expenses and make debt service payments and to extend rent credits to Airport concessionaires.

- Offered rent deferrals to airlines operating at the Airport from April to November 2020 and held airline rates constant through Fiscal Year 2019-20.

- Implemented 10% increases in airline rates in October 2020 and March 2021.

- Temporarily suspended slot utilization requirements from March 2020 to June 2021, in parallel with similar actions taken by the FAA at federally slot-controlled airports.

- Waived concessionaire minimum annual guarantees for contract year 2020 and revised concessionaire minimum annual guarantees in contract year 2021 to adjust for reduced levels of passenger activity.

Impacts to Certain Revenues. Much of the Enterprise's revenue depends on the level of aviation activity and passenger traffic at the Airport. Revenues from airlines, concessionaires, ground transportation and rental car activity and parking, and receipts from PFCs are all reduced compared to pre-pandemic levels. The decrease in revenues has been partially offset by federal relief funding. See "—Federal Relief Efforts" below.

Direct airline revenues (which are comprised of landing fees, terminal rents and other use fees paid by airlines) have decreased due to the impacts of the pandemic. In Fiscal Year 2018-19, airline revenues totaled $15.6 million. Airline revenues decreased to $10.1 million in Fiscal Year 2019-20 and then increased slightly to $10.8 million in Fiscal Year 2020-21.

With the decrease in enplaned passengers, there have been corresponding decreases in demand for parking, rental cars, transportation network companies ("TNCs") such as Uber and Lyft and passenger terminal concessions. Due to the impacts from COVID-19, parking revenues decreased from $9.2 million in Fiscal Year 2018-19 to approximately $5.0 million in Fiscal Year 2019-20 and to approximately $4.2 million in Fiscal Year 2020-21. Similarly, other Airport concessions revenues decreased from approximately $8.0 million in Fiscal Year 2018-19 to approximately $4.5 million in Fiscal Year 2019-20 and approximately $4.5 million in Fiscal Year 2020-21. Fiscal Year 2020-21 parking and other Airport concessions revenue were approximately 53% of Fiscal Year 2018-19 revenues.

PFC revenues consist of all revenue received by the Airport from the passenger facility charges imposed by the City at the Airport pursuant to applicable law. In Fiscal Years 2019-20 and 2020-21, total PFC revenues were $3.2 million and $3.5 million, respectively, which is 55% less and 51% less than in Fiscal Year 2018-19.

Federal Relief Efforts. The United States government took legislative and regulatory actions and implementing measures to mitigate the disruptive effects of the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Security Act ("CARES"), approved by the United States Congress and signed by the President on March 27, 2020, was the initial legislative action to address the crisis created by the COVID-19 pandemic that included among its relief measures direct aid in the form of grants for airports and direct aid, loans and loan guarantees for passenger and cargo airlines. On April 14, 2020, the FAA announced that it had allocated approximately $18.4 million of grant assistance under CARES to the Airport. The City has applied CARES funds to pay eligible operating expenses and debt service in order to compensate in part for decreases in revenues during Fiscal Years 2019-20 and 2020-21 due to the effects of the COVID-19 pandemic.

On December 27, 2020, the President signed the Consolidated Appropriations Act. Division M of that Act is the Coronavirus Response and Relief Supplemental Appropriation Act, 2021 ("CRRSA"). Title IV of CRRSA provides approximately $2 billion in economic relief to airports to mitigate, prepare for, and respond to the COVID-19 pandemic, including relief from rent and minimum annual guarantees ("MAG"). The City received an additional allocation of $5.8 million through the CRRSA, of which the City is required to allocate approximately $0.4 million to concessionaire relief.

The American Rescue Plan Act of 2021 ("ARPA"), signed into law by the President on March 11, 2021, includes $7.4 billion in funds to be awarded as economic assistance to eligible U.S. airports to prevent, prepare for, and respond to the COVID-19 pandemic. The Airport received an allocation of $15.1 million through the ARPA, of which the Airport is required to allocate approximately $1.5 million to concessionaire relief.

See "AIRPORT CAPITAL IMPROVEMENT PROGRAM" for a discussion of federal moneys received under the Infrastructure Investment and Jobs Act of 2021.

The following table provides a summary of the CARES, CRRSA and ARPA grants (collectively, "Federal Relief Grants") provided to the Airport and the uses of such Federal Relief Grants.

LONG BEACH AIRPORT
FEDERAL RELIEF GRANTS AND USES[1]

Use	*CARES (Actual)*	*CRRSA (Actual)*	*ARPA (Projected)*	*Total*
Fiscal Year 2019-20				
Operating Expenses	$ 8,997,040	$ -	$ -	$ 8,997,040
Debt Service and Redemption	5,774,201	-	-	5,774,201
Fiscal Year 2020-21				
Operating Expenses	2,593,248	5,437,072	-	8,030,320
Debt Service and Redemption	1,039,141	-	-	1,039,141
Fiscal Year 2021-22				
Operating Expenses	-	-	9,085,574	9,085,574
Debt Service and Redemption	-	-	4,544,513	4,544,513
TOTAL	$ 18,403,630	$ 5,437,072	$ 13,630,087	$ 37,470,789

(1) Excludes $1,876,467 ($375,293 from CRRSA and $1,501,174 from ARPA) in grants awarded for concessionaire relief. The City intends to distribute these funds between Fiscal Years 2021-22 and 2023-24.
Source: Long Beach Airport.

Liquidity and Financial Position. As of September 30, 2021, the Enterprise had $32.4 million in unrestricted and discretionary reserves, including the Operation and Maintenance Reserve account. Based upon $32.4 million in operating expenses (excluding depreciation), the Enterprise's days of cash on hand ("DCOH") was 365 at the end of Fiscal Year 2020-21 (September 30, 2021), which is in excess of the Enterprise's non-binding internal target amount of 300 DCOH. By comparison, the Enterprise had $38.4 million in unrestricted and discretionary reserves at the end of Fiscal Year 2018-19 and, based on $35.0 million in operating expenses that Fiscal Year, the Enterprise had DCOH of 401 at the end of Fiscal Year 2018-19. As of March 31, 2022, the Airport's DCOH is approximately 228 based upon an estimated $23.5 million in unrestricted and discretionary reserves and budgeted Fiscal Year 2021-22 operating expenses (excluding depreciation) of $37.6 million. The Enterprise anticipates over $7.0 million in reimbursements of prior operating expenses from Federal Relief Grants in May 2022 which, when received, will be added to unrestricted and discretionary reserves.

In addition, the Enterprise maintains significant restricted reserves, including $9.0 million in the Operation and Maintenance Reserve account as well as $4.7 million in PFC fund balance and $13.2 million in Customer Facility Charge funds as of March 31, 2022.

Future Impacts of the COVID-19 Pandemic Cannot Be Predicted. The COVID-19 outbreak is ongoing, and the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its effects are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Enterprise is unknown at this time. The City cannot predict: (1) what additional short or long-term effects the restrictions or warnings imposed as a result of the COVID-19 pandemic may have on air travel, including to and from the Airport, and the retail services provided by Airport concessionaires, Airport costs or revenues; (2) to what extent the COVID-19 pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's capital plan, maintenance and other landside operations or airside operations; (3) the extent to which the COVID-19 pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or may have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (4) whether or to what extent the Airport may provide additional deferrals, forbearances, adjustments or other changes to the Airport's arrangements with airlines and concessionaires; (5) whether airlines or concessionaires will be compelled to seek bankruptcy protection or seek to merge should the economic contraction associated with the pandemic continue, or the ultimate effect of such occurrences on Enterprise revenues or airline service to and from the Airport; or (6) the duration and extent of the material adverse effect on the finances and operations of the Enterprise that can be expected to result from the foregoing.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term. Recovery from the effects of the COVID-19 outbreak may be prolonged and, therefore, have an adverse impact on Enterprise revenues for an indefinite period. Future outbreaks, pandemics or events outside of the City's control (including re-imposition of more stringent limitations on economic activity) may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and further declines in Enterprise revenues.

As of the date hereof, despite the ongoing impacts of COVID-19, the City expects that the Enterprise will generate sufficient revenues and maintain sufficient liquid reserves to pay debt service on the Series 2022 Bonds on a timely basis.

AIRPORT OPERATING INFORMATION

Regional Airport Perspective

The Airport is equidistant from Los Angeles International Airport and John Wayne Airport and competes to a lesser degree with Hollywood Burbank Airport and Ontario International Airport. Of these five competing airports (including the Airport), the Airport has the fewest enplaned passengers and scheduled flights, principally attributable to the slot and other restrictions of the Noise Ordinance. While all other airports have capacity restrictions, the activity levels associated with such restrictions are higher than those which apply to the Airport.

The table below following provides a summary of domestic air service from the five competing airports for June 2022. While Hollywood Burbank Airport, Ontario International Airport and John Wayne Airport offer limited international service, international service for the region is largely concentrated at Los Angeles International Airport. Because the Airport lacks facilities to accommodate international service, comparisons of domestic service levels are considered more meaningful.

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TABLE 2
LONG BEACH AIRPORT
SUMMARY OF DOMESTIC AIR SERVICE FROM COMPETING AIRPORTS

	Los Angeles International (LAX)	***John Wayne (SNA)***	***Hollywood Burbank (BUR)***	***Ontario International (ONT)***	***Long Beach (LGB)***
Domestic Enplaned Passengers[(1)]					
Fiscal Year 2018-19	30,384,133	5,046,871	2,928,747	2,524,244	1,757,122
Fiscal Year 2019-20	15,891,896	2,648,252	1,661,387	1,612,505	904,980
Fiscal Year 2020-21	16,425,711	2,949,372	1,376,823	1,793,993	767,207
Number of airlines providing scheduled service to the Airport[(2)]	12	9	9	9	4
Average daily scheduled domestic departing flights[(2)]	589	134	100	72	43
Average daily scheduled domestic departing seats	89,660	19,795	14,254	10,757	6,185
Nonstop domestic destinations[(2)]	105	35	30	21	15
Capacity restrictions[(3)]	Cap on number of gates	Cap on number of passengers	Cap on number of gates	Cap on number of passengers[(4)]	Cap on number of departing flights (i.e., slot-restricted) and size of terminal facilities

(1) For 12-month period ending September 30. Source: LGB – Airport records. All other airports – U.S. DOT T100 database, accessed via Diio Mi, April 5, 2022. U.S. DOT data include revenue passengers only.
(2) Diio Mi Schedules database, accessed April 5, 2022.
(3) Individual airport records.
(4) The cap was established by the State of California Air Resources Board to maintain air quality. It is unclear whether such a cap imposed by a state agency would override FAA authority over ONT.
Source: Long Beach Airport

The Airport's role in the region has changed with the replacement of JetBlue by Southwest as the airline with the dominant market share at the Airport. Whereas JetBlue's service was concentrated on origin-and-destination service at coastal airports, Southwest has added service to its busy interior U.S. airports, creating more direct and connecting itinerary options for the Airport's passengers and therefore broadening the Airport's network reach. These interior routes also provide additional connecting traffic at the Airport, in particular to Hawaiian destinations.

The table below shows the change in air service patterns from the Airport in 2015 (prior to Southwest's entry in 2016) to 2018 (when JetBlue and Southwest competed at the Airport) to 2022 (following JetBlue's departure from the Airport and the effects of the pandemic). Departing seats are shown separately by destination airport and separately by JetBlue, Southwest, and all other airlines together. As shown in the table, in June 2015, prior to Southwest's entry, 55.9% of the Airport's departing seat capacity was to destinations on the west and east coasts of the United States, with 44.1% of capacity to states in the interior continental United States, Alaska and Hawaii. With Southwest's entry to the Airport in 2016 focused on intrastate California destinations, the share of departing seat capacity to coastal states increased to 63.0%, while the share to other states decreased to 37.0%. After JetBlue exited the market in 2020, Southwest used JetBlue's reallocated slots mainly to add service to interior U.S. and Hawaii airports.

As of May 2022, only 29.7% of the Airport's departing seat capacity is to coastal states, with the remaining states having a 70.3% seat share. Southwest had approximately the same share of departing seat capacity in May 2022 (85.8%) as JetBlue in June 2015 (85.3%). While the Airport lost all nonstop service to the east coast, Southwest's service to its busy midcontinent destinations provides frequent and convenient direct and connecting service to more destinations than JetBlue offered from the Airport. The Airport's passengers have access to essentially all of Southwest's domestic network of 107 destinations (as of May 2022)—all except those served by the airline in Southern California, for which traveling by air is not time- or cost-effective. By comparison, JetBlue serves only 70 domestic destinations (as of May 2022).

TABLE 3
LONG BEACH AIRPORT
SUMMARY OF AVERAGE DAILY DEPARTING SEAT CAPACITY FROM THE AIRPORT

	June 2015 (Pre-Southwest)				*June 2018 (JetBlue-Southwest Competition)*					*June 2022 (Post-JetBlue)*			
	JetBlue	***Other airlines***	***Total LGB***	***Share of total***	***JetBlue***	***Southwest***	***Other airlines***	***Total LGB***	***Share of total***	***Southwest***	***Other airlines***	***Total LGB***	***Share of total***
West Coast													
Oakland	450	-	450	10.2%	600	529	-	1,129	16.7%	777	-	777	12.6%
Palm Springs	-	-	-	0.0%	-	-	-	-	0.0%	-	-	-	0.0%
Portland, OR	365	-	365	8.3%	300	-	-	300	4.4%	-	-	-	0.0%
Sacramento	300	-	300	6.8%	365	286	-	651	9.6%	600	-	600	9.7%
San Francisco	450	-	450	10.2%	685	-	-	685	10.1%	-	-	-	0.0%
San Jose	-	-	-	0.0%	595	-	-	595	8.8%	460	-	460	7.4%
Seattle	450	-	450	10.2%	300	-	-	300	4.4%	-	-	-	0.0%
Subtotal	**2,015**	**-**	**2,015**	**45.7%**	**2,845**	**815**	**-**	**3,660**	**54.1%**	**1,837**	**-**	**1,837**	**29.7%**
East Coast													
Boston	150	-	150	3.4%	150	-	-	150	2.2%	-	-	-	0.0%
New York JFK	300	-	300	6.8%	300	-	-	300	4.4%	-	-	-	0.0%
Fort Lauderdale	-	-	-	0.0%	150	-	-	150	2.2%	-	-	-	0.0%
Subtotal	**450**	**-**	**450**	**10.2%**	**600**	**-**	**-**	**600**	**8.9%**	**-**	**-**	**-**	**0.0%**
Subtotal Coastal States	**2,465**	**-**	**2,465**	**55.9%**	**3,445**	**815**	**-**	**4,260**	**63.0%**	**1,837**	**-**	**1,837**	**29.7%**
Interior Continental United States													
Austin	255	-	255	5.8%	240	-	-	240	3.5%	290	-	290	4.7%
Chicago Midway	-	-	-	0.0%	-	-	-	-	0.0%	143	-	143	2.3%
Dallas Love	-	-	-	0.0%	-	-	-	-	0.0%	141	-	141	2.3%
Denver	-	-	-	0.0%	-	43	-	43	0.6%	484	-	484	7.8%
Houston Hobby	-	-	-	0.0%	-	-	-	-	0.0%	265	-	265	4.3%
Las Vegas	590	-	590	13.4%	750	86	-	836	12.4%	770	-	770	12.4%
Phoenix	-	381	381	8.6%	-	-	229	229	3.4%	611	198	809	13.1%
Reno	-	-	-	0.0%	150	-	-	150	2.2%	271	-	271	4.4%
St. Louis	-	-	-	0.0%	-	-	-	-	0.0%	141	-	141	2.3%
Salt Lake City	300	266	566	12.8%	510	-	304	814	12.0%	-	304	304	4.9%
Subtotal	**1,145**	**647**	**1,792**	**40.7%**	**1,650**	**129**	**533**	**2,312**	**34.2%**	**3,117**	**502**	**3,620**	**58.5%**
Alaska and Hawaii													
Anchorage	150	-	150	3.4%	-	-	-	-	0.0%	-	-	-	0.0%
Honolulu	-	-	-	0.0%	-	-	189	189	2.8%	175	189	364	5.9%
Kahului	-	-	-	0.0%	-	-	-	-	0.0%	175	189	364	5.9%
Subtotal	**150**	**-**	**150**	**3.4%**	**-**	**-**	**189**	**189**	**2.8%**	**350**	**378**	**728**	**11.8%**
Subtotal Other States	**1,295**	**647**	**1,942**	**44.1%**	**1,650**	**129**	**722**	**2,501**	**37.0%**	**3,467**	**880**	**4,348**	**70.3%**
Total	**3,760**	**647**	**4,407**	**100.0%**	**5,095**	**944**	**722**	**6,761**	**100.0%**	**5,304**	**880**	**6,185**	**100.0%**
Airline share of seat total	*85.3%*	*14.7%*	*100.0%*		*75.4%*	*14.0%*	*10.7%*	*100.0%*		*85.8%*	*14.2%*	*100.0%*	

Source: Diio Mi Schedules database, accessed April 5, 2022.

Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots

Airline operations, including the ability to add flight slots, at the Airport are restricted by the terms of the Airport Noise Compatibility Ordinance ("Noise Ordinance"). Under the Noise Ordinance, the Airport maintains two classes of flight slots—Permanent and Supplemental—for two classes of airlines—Air Carrier and Commuter. An Air Carrier is defined as a scheduled airline transporting passengers or cargo and operating aircraft having a maximum certificated take-off weight ("MTOW") of 75,000 pounds or more, while Commuter is defined as one operating aircraft with less than 75,000 pounds MTOW.

Because the number of flight slots is limited by the Noise Ordinance, flight slots that become available are generally in high demand and are taken by other airlines in short order.

Flight slots entitle the assigned airline to one scheduled arrival and associated departure per day, but do not have any time-of-day utilization or specific schedule requirements, other than a curfew restricting operations between 10:00pm and 7:00am. The Airport assigns and reassigns flight slots according to the terms of a Flight Slot Allocation Resolution. Passenger activity levels are highly dependent upon the number of allocated flight slots and the degree to which these flight slots are utilized. General aviation operations are not governed by the Flight Slot Allocation Resolution, but are separately allocated allowable noise levels under the Noise Ordinance.

In 1981, the City adopted its first noise ordinance to help regulate aircraft noise. The first noise ordinance established a curfew; required Air Carriers to phase in quieter aircraft and limited the Airport to fifteen (15) Air Carrier flight slots per day. In early-to-mid 1983, the City reallocated flights, and Alaska Airlines, PSA Airlines (since acquired by US Airways and effectively merged into American Airlines), and Jet America (since acquired by Alaska Airlines) sued the City to stop reducing flights. In late 1983, additional court rulings resulted in the City being directed to raise the limit on Permanent Air Carrier Flight Slots to 41 per day. In an effort to resolve protracted litigation, the City and the airlines entered into a stipulated settlement agreement in 1995. Under the settlement, the City Council adopted the current Noise Ordinance. One component of the Noise Ordinance permits Air Carriers (both passenger and all-cargo) to operate not less than 41 Permanent Air Carrier flight slots per day and permits Commuter operators to operate not less than 25 Permanent Commuter flight slots per day.

The Noise Ordinance allows the minimum permitted number of Air Carrier flight slots to be increased when observed noise levels are below the annual noise budget and below the annual total noise budgets at both respective Noise Monitor Terminal locations. These flight slots are referred to as Supplemental Flight Slots and can be eliminated (in whole or in part) if the noise budget is exceeded in any given year. Noise is monitored annually by Noise Year, which is the same as the Airport's fiscal year. In January 2016, due to the Air Carrier and total Airport operator categories being operated at levels below their respective annual noise budgets, the Airport approved the addition of nine Supplemental Air Carrier Flight Slots. In December 2019, following additional reductions in observed noise, the Airport added three Supplemental Air Carrier Flight Slots. As of March 1, 2022, there are no Supplemental Commuter Flight Slots. Airport management expects the observed trend in a younger aircraft fleet mix with more advanced and quieter engine technology to continue such that the noise budget is not exceeded in the future with the Supplemental Air Carrier Flight Slots.

In addition to the Noise Ordinance, the City adopted the Flight Slot Allocation Resolution in 2004 that supplements the Noise Ordinance by addressing flight slot allocation preference; the flight slot allocation process; steps needed to secure a flight slot after allocation; minimum utilization requirements for flight slots; and the reservation of unused flight slots. The minimum flight slot utilization requirements (i.e., the minimum level at which assigned slots had to be actually utilized before being subject to recapture by the Airport) originally established in 2004 were:

- Four flights per week within each 180-day period (57% of slot capacity; and
- Thirty flights within each 60-day period (50% of slot capacity)

To increase minimum flight slot utilization requirements, the City adopted an amended Flight Slot Allocation Resolution in December 2018. The amended resolution resulted in increased minimum Flight Slot utilization requirements, calculated on a rolling basis:

- During any calendar month: 60% of slot capacity (approximately 4 days per week average)
- During any calendar quarter: 70% of slot capacity (approximately 5 days per week average)
- During any calendar year: 85% of slot capacity (approximately 6 days per week average)

Notwithstanding the above minimum utilization requirements, the Flight Slot Allocation Resolution allows the Airport to assign certain slots on a day-of-week basis for air cargo operations, which typically operate only 5 days per week and therefore effectively below the annual requirements. Failure to comply with minimum utilization provisions may subject airlines to penalties including suspension in the number of flight slots consistent with actual utilization and disqualification from receiving additional flight slots for up to two years, subject to the discretion of the Airport Director. The Airport has historically not exercised these remedies under the Flight Slot Allocation Resolution, as airlines reducing service have voluntarily relinquished the flight slots at service termination.

The Flight Slot Allocation Resolution requires airlines to submit to the Airport 180-day advance schedules on a rolling monthly basis and gives the Airport the ability to reassign immediately any unutilized Flight Slots on a temporary basis ("Temporary Flight Slots"), either until the flight slots are scheduled to be used again by the Air Carrier allocated the flight slot on a permanent basis on a later schedule submission or the flight slot reverts to the Airport according to the minimum utilization requirements. Temporary Flight Slots are effectively allocated on an individual operating day basis (e.g., if an airline does not schedule a Permanent or Supplemental Flight Slot for a given Saturday, that individual slot can be reallocated on a temporary basis). As a practical matter, however, these temporary slots are not as commercially attractive to other airlines to operate on a scheduled basis for a variety of reasons and are therefore never fully reallocated, although they are utilized from time to time by charter airlines. Scheduled service airlines typically require at least a 90-day advance notice of such available slots to be able to use them on a commercially viable basis due to the complexity of scheduling large aircraft fleets and the necessity to sell seat capacity with an appropriate lead time. Additionally, airlines typically prefer to offer regularly scheduled service throughout the week, year-round to be attractive to passengers and therefore maximize revenues. In practice, those unutilized flight slots that are expected ultimately to become available for reassignment are of most interest to airlines and are utilized on a temporary basis.

The Flight Slot Allocation Resolution requires the Airport to maintain waiting lists for airlines interested in flight slots as they become available, either because they are unutilized and reallocated from other airlines or as new Supplemental Flight Slots become available. The Airport maintains two continually rolling waiting lists, one each for Permanent Flight Slots and for Supplemental Flight Slots. Each available Flight Slot is allocated to airlines according to their position on the waiting lists. Each waiting list is rolling, with the airline last allocated a flight slots moving to the bottom of the list, and the list rolling over from one series of allocations to the next as they become available. Flight slots are allocated one-by-one sequentially according to the waiting lists order, although a new entrant airline can be allocated two flight slots if they are available. If the second flight slot is not available, the new entrant airline retains the highest priority in the waiting list until the new entrant airline is either awarded or declines the second flight slot. An airline can decline a flight slots without losing its order in the waiting list, and the flight slot is then sequentially offered to the next airline in order (and so on, if applicable) until the flight slot is allocated. As of April 2022, the order of the Permanent Flight Slot Waiting List is: (1) American Airlines; (2) Hawaiian Airlines; (3) Southwest; (4) Swoop; and (5) Breeze Airways; and the order of the Supplemental Flight Slot Waiting List is: (1) Swoop; (2) American Airlines; (3) Hawaiian Airlines; (4) Southwest; and (5) Breeze Airways.

The table below shows the allocation of the Permanent and Supplemental Air Carrier Flight Slots as of April 1, 2022. As of April 2022, none of the 25 available Commuter Flight Slots are allocated.

TABLE 4
ALLOCATION OF AIR CARRIER FLIGHT SLOTS[(1)]

	Permanent Air Carrier	*Supplemental Air Carrier*	*Total Slots*
Southwest	26	11	37
Delta	9	--	9
American	3	1	4
Hawaiian	2	--	2
UPS	1	--	1
TOTAL	41	12	53

(1) As of April 1, 2022.
Source: Long Beach Airport.

Recent Changes in the Assignment and Utilization of Air Carrier Flight Slots

Since the addition of the nine Supplemental Air Carrier Flight Slots in January 2016 and three additional Supplemental Flight Slots in December 2019, and the December 2018 amendment of the Flight Slot Allocation Resolution (all as discussed above under the caption "—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots"), the assignment and utilization of Air Carrier Flight Slots has changed significantly. Southwest was added to the Flight Slot Waiting List in January 2016 when the nine Supplemental Air Carrier Flight Slots became available. In March 2016, the Airport announced the allocation of the Supplemental Air Carrier Flight Slots per the provisions of the Flight Slot Allocation Resolution, with four slots awarded to Southwest, three slots awarded to JetBlue and two slots awarded to Delta. The additional flight slots awarded to JetBlue increased its total to 35.

Prior to the addition of the January 2016 Supplemental Air Carrier Flight Slots, JetBlue was utilizing the equivalent of only approximately 80% of its allocated Permanent Air Carrier Flight Slots. In March 2016, as a competitive response to Southwest's market entry, JetBlue announced an increase in its service to the Airport (an effective increase from 24 to 34 average daily flights), and its slot utilization increased over time as the new schedule was implemented. The competition continued in Fiscal Year 2016-17 and Fiscal Year 2017-18, and slot utilization at the Airport increased above 90%. Two of American's unutilized Permanent Air Carrier Flight Slots were reallocated to Southwest in February 2016 and began to be utilized in August 2017. In December 2017, Hawaiian Airlines requested to be added to the waiting lists. In January 2018, JetBlue relinquished one Permanent Air Carrier Flight Slot, which was reallocated to Hawaiian. In September 2018, JetBlue then reduced its schedule from 34 to 23 daily flights.

During Fiscal Year 2018-19, slot utilization decreased to approximately 85% as JetBlue's schedule was reduced and its unutilized slots were reallocated, first on a temporary basis, and ultimately on a permanent basis. In October 2019, the Airport reallocated seven of JetBlue's Permanent Air Carrier Flight Slots—four to Delta Air Lines and three to Southwest—and reallocated three of JetBlue's Supplemental Air Carrier Flight Slots to Southwest. In the fourth quarter of calendar year 2019, utilization increased to approximately 90% as the slots were reallocated.

Following the conclusion of the 2018-2019 Noise Year (October 1, 2018 – September 30, 2019), per the Noise Ordinance, it was determined that the Airport was able to add three Supplemental Air Carrier Flight Slots. Per the Flight Slot Allocation Resolution, the Airport allocated two of the three Supplemental Air Carrier Flight Slots to Southwest and one of the three Supplemental Air Carrier Flight Slots to Delta Air Lines. In January 2020, JetBlue relinquished seven Permanent Air Carrier Flight Slots beginning April 29, 2020, reducing its total allocation to 17. Per the Flight Slot Allocation Resolution, the Airport allocated three of the seven relinquished Permanent Air Carrier Flight Slots to Southwest, three of the seven relinquished Permanent Air

Carrier Flight Slots to Delta Air Lines and one of the seven relinquished Permanent Air Carrier Flight Slots to Hawaiian Airlines.

In March 2020, the Airport instituted a temporary moratorium on minimum slot utilization requirements, consistent with similar actions taken by the FAA for federally slot-controlled airports. In July 2020, JetBlue informed the Airport that it would relinquish its remaining 17 Permanent Air Carrier Flight Slots and discontinue service at the Airport. Per the Flight Slot Allocation Resolution, the Airport allocated all of the 17 relinquished slots to Southwest, as it was the only requesting airline. Following the reallocation of the 17 Permanent Air Carrier Flight Slots to Southwest, Southwest has a total of 34 slots at the Airport.

In July 2021, the Airport ended the slot utilization moratorium, but continued the practice of allowing airlines to request waivers on a case-by-case basis. In August 2021, FedEx Express informed the Airport that it would be relinquishing its Permanent Air Carrier Flight Slot. Per the Flight Slot Allocation Resolution, the Airport allocated the Permanent Air Carrier Flight Slot to Southwest. In December 2021, due to its inability to meet the minimum flight slot utilization requirements, Delta Air Lines relinquished its three Supplemental Air Carrier Flight Slots. Subsequently, the Airport allocated two of the three relinquished slots to Southwest and one of the three relinquished slots to American Airlines. Following this reallocation, Southwest had the highest slot allocation with a total of 37.

In May 2022, Delta Air Lines relinquished two Permanent Air Carrier Flight Slots. The City expects to reallocate the slots in June 2022. Advance schedules submitted by Delta Air Lines to the City show the airline meeting the minimum utilization requirements for its remaining seven Permanent Air Carrier Flight Slots beginning in September 2022.

Throughout the COVID-19 pandemic, and as the Permanent and Supplemental Air Carrier Flight Slots were relinquished and reallocated as described above, the Airport has been actively soliciting new entrant airlines to be added to the waiting lists prior to the reallocation of the flight slots. Currently, all available slots are allocated. In early 2022, Swoop and Breeze Airways requested new entrant status on the waiting list.

Passenger Enplanements

The Airport is classified by the FAA as a "small hub" based on its percentage of nationwide enplanements. As discussed above under the caption "—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots," passenger activity levels at the Airport are highly dependent upon the number of allocated flight slots and the degree to which these flight slots are utilized.

The following table sets forth historical enplanements for the Airport for the last ten Fiscal Years. From Fiscal Year 2009-10 to Fiscal Year 2015-16, the number of Air Carrier Flight Slots remained unchanged at 41 and enplanement levels ranged between 1.3 million and 1.5 million according to the degree of utilization. In Fiscal Year 2016-17, following the addition of nine Supplemental Air Carrier Flight Slots and increased competition related to the entry of Southwest, enplanements increased to 1.8 million. In Fiscal Year 2017-18, as competition and slot utilization remained strong, the Airport experienced an all-time high in enplanements of 2.0 million. In Fiscal Year 2018-19, the Airport served 1.8 million enplaned passengers (a decrease of 12.5% from Fiscal Year 2017-18) as JetBlue reduced service and its slots were reallocated. Notwithstanding the reduction in service by JetBlue, this total was still the third highest year on record for passenger activity. In Fiscal Year 2019-20, the latter half of which was affected by the COVID-19 outbreak, enplanements were down approximately 48.5%, to 904,980 enplaned passengers, with further reductions in Fiscal Year 2020-21 to 767,207 passengers.

For the first quarter of Fiscal Year 2021-22 (i.e., October 1, 2021 through December 31, 2021), the Airport recorded a total of 365,729 enplanements, an increase of 459% in activity over the same period in Fiscal Year 2020-21, and 85% of enplanements recorded in the same period in Fiscal Year 2018-19, prior to the onset of the COVID-19 pandemic. Southwest's passenger activity at the Airport increased by approximately 476% in the first quarter of Fiscal Year 2021-22 compared to the same period in Fiscal Year 2020-21. Southwest accounted for approximately 82% of the Airport's total passenger activity for the first quarter of Fiscal Year 2021-22, followed by Hawaiian Airlines with approximately 7%, Delta Air Lines with approximately 6% and American Airlines with approximately 5%.

While the Airport remains a primarily origin-and-destination airport, connecting traffic has increased as Southwest has increased service at the Airport. The Airport's estimated originating percentage increased slightly from 94.8% in Fiscal Year 2014-15, prior to Southwest's entry, to 95.6% in Fiscal Year 2017-18, the Airport's all-time traffic peak when JetBlue and Southwest competed heavily at the Airport, before decreasing to 88.6% in Fiscal Year 2020-21, following the reallocation of JetBlue's slots to Southwest, according to U.S. DOT Origin-and-Destination Survey data. In addition to connecting service, Southwest does schedule some direct or "through" (passengers flying between two destinations via the Airport on the same plane with the same flight number) service through the Airport. These passengers are not considered enplaned passengers according to the FAA definition. While these passengers are not included in the Airport's enplaned passenger totals, nor are they subject to PFCs by FAA regulation, they do provide Southwest with the flexibility to fill otherwise unsold seats and therefore indirectly support increased capacity to the Airport.

TABLE 5
LONG BEACH AIRPORT
HISTORICAL ENPLANEMENTS
FISCAL YEARS 2011-12 THROUGH 2020-21

Fiscal Year	*Airport Enplanements*	*Enplanement Growth*
2011-12	1,643,383	7.2%
2012-13	1,497,503	-8.9
2013-14	1,433,273	-4.3
2014-15	1,276,679	-10.9
2015-16	1,327,001	3.9
2016-17	1,793,753	35.2
2017-18	2,006,292	11.8
2018-19	1,757,449	-12.4
2019-20	904,980	-48.5
2020-21	767,207	-15.2
Compounded Annual Growth Rate		
2012-2021	-8.1%	

Source: Long Beach Airport.

Air Carriers Serving the Airport

As of April 1, 2022, the Airport has scheduled service by four passenger air carriers and one all-cargo carrier. The passenger air carriers are Delta Air Lines, Hawaiian Airlines, American Airlines, and Southwest. SkyWest (as Delta Connection) and Envoy Air (as American) operate as regional affiliates of mainline airlines, which control their flight schedules and seat capacity. The Airport is also served by all-cargo airline UPS Airlines.

TABLE 6
LONG BEACH AIRPORT
AIRLINES SERVING THE AIRPORT[1]

Passenger Airlines

Delta Air Lines[2]
Hawaiian Airlines
American Airlines[3]
Southwest Airlines

Cargo Carriers

UPS Airlines

(1) As of April 1, 2022.
(2) Service operated by regional affiliate SkyWest, doing business as Delta Connection.
(3) Service operated by regional affiliate Envoy Air, doing business as American.
Source: Long Beach Airport.

Market Share of the Airlines

In Fiscal Year 2020-21, Southwest had the majority of passenger activity at the Airport, with over 76% of annual enplanements. By comparison, JetBlue accounted for over 83% of passenger activity in Fiscal Year 2014-15, the year prior to Southwest beginning service at the Airport. Passenger activity was down approximately 15% in Fiscal Year 2020-21 compared to Fiscal Year 2019-20, as the COVID-19 pandemic affected air travel for the entirety of Fiscal Year 2020-21 but only a part of Fiscal Year 2019-20. Fiscal Year 2020-21 passenger activity was also down approximately 15% compared to Fiscal Year 2018-19, the last full Fiscal Year that was not affected by the pandemic. The following table sets forth the shares of enplanements by airlines at the Airport for Fiscal Years 2016-17 through 2020-21.

In addition to those airlines possessing Air Carrier flight slots, the Airport is periodically served by charter airlines. This service accounts for less than 1% of total passenger activity at the Airport.

TABLE 7
LONG BEACH AIRPORT
HISTORICAL ENPLANEMENTS BY AIRLINE
FISCAL YEARS 2016-17 THROUGH 2020-21

	Fiscal Year 2020-21		*Fiscal Year 2019-20*		*Fiscal Year 2018-19*		*Fiscal Year 2017-18*		*Fiscal Year 2016-17*	
Airline	***Enplanements***	***Share***	***Enplanements***	***Share***	***Enplanements***	***Share***	***Enplanements***	***Share***	***Enplanements***	***Share***
Southwest	586,515	76%	297,788	33%	534,566	30%	273,737	14%	211,242	12%
Hawaiian Airlines[(1)]	63,565	8%	29,552	3%	61,247	3%	20,368	1%	-	0%
Delta Air Lines[(2)]	58,721	8%	86,407	10%	104,293	6%	100,032	5%	94,400	5%
American Airlines[(3)]	56,339	7%	40,639	4%	71,067	4%	76,721	4%	75,238	4%
JetBlue[(4)]	1,160	<1%	449,818	50%	984,329	56%	1,534,080	76%	1,411,568	79%
Unscheduled Carriers[(5)]	907	<1%	776	<1%	1,620	<1%	1,354	<1%	1,305	<1%
Totals	**767,207**		**904,980**		**1,757,122**		**2,006,292**		**1,793,753**	

(1) Hawaiian began operations at the Airport on June 1, 2018.
(2) Service operated by regional affiliate SkyWest, doing business as Delta Connection.
(3) JetBlue discontinued service at the Airport on October 6, 2020.
(4) Service operated by regional affiliate Envoy Air, doing business as American.
(5) Swift Air, Sierra Pacific, Elite and Miami operated passenger charter and other unscheduled flights at the Airport.
Source: Long Beach Airport.

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Aircraft Operations

The Airport is home to commercial, all-cargo, general aviation and corporate aircraft, as well as helicopters, flight schools, aircraft rental and leasing facilities, and aircraft manufacturers. In Fiscal Year 2020-21, there were 320,601 total aircraft operations at the Airport. Aircraft operations increased by 14% in Fiscal Year 2020-21 compared to Fiscal Year 2019-20, and were also up approximately 9% compared to Fiscal Year 2018-19, prior to the onset of the COVID-19 pandemic. In recent years, airline activity, which accounts for an average of approximately 10% of total aircraft operations, increased by 5% between 2017 and 2018, but decreased by almost 11% in Fiscal Year 2018-19, 31% in Fiscal Year 2019-20 and 5% in Fiscal Year 2020-21, which was affected by the pandemic for the entirety of the Fiscal Year. General aviation activity has, however, increased substantially during this period, accounting for an average of approximately 86% of aircraft operations in Fiscal Year 2016-17, decreasing slightly to approximately 83% of aircraft operations in Fiscal Year 2017-18 before rebounding in Fiscal Year 2018-19 to approximately 86% of aircraft operations. General aviation activity accounted for approximately 90% of aircraft operations in Fiscal Years 2019-20 and Fiscal Year 2020-21. Over the past five Fiscal Years, total aircraft operations averaged almost 291,000 each year.

The following table sets forth aircraft operations at the Airport for Fiscal Years 2016-17 through 2020-21.

TABLE 8
LONG BEACH AIRPORT
HISTORICAL AIRCRAFT OPERATIONS
FISCAL YEARS 2016-17 THROUGH 2020-21

Fiscal Year	*Airline*	*General Aviation*	*Other Air Taxi*	*Military*	*Total*
2016-17	34,401	252,346	6,701	855	294,303
2017-18	36,252	221,793	7,956	891	266,892
2018-19	32,314	252,361	8,249	663	293,587
2019-20	22,128	251,195	6,264	716	280,303
2020-21	21,080	291,410	7,476	635	320,601

Source: Long Beach Airport.

AIRPORT CAPITAL IMPROVEMENT PROGRAM

The Airport's current ACIP includes projects to be constructed at the Airport in Fiscal Years 2021-22 through 2025-26. Certain projects to be completed during this period began construction before Fiscal Year 2021-22, and the Airport carries the full project costs in the ACIP for completeness. The ACIP has an estimated cost of $202.3 million, including $65.8 million of project costs incurred in Fiscal Year 2020-21 and earlier years. Included in this total is the design and construction of TAIP Phase II (as described under "—Landside Projects" below), estimated at $119.9 million, the design and construction of certain airfield rehabilitation and reconfiguration projects, estimated at approximately $69.7 million, the design and construction of certain landside rehabilitation and reconfiguration projects, estimated at approximately $10.7 million, and the design and construction of certain sustainability projects, estimated at approximately $2 million.

The Infrastructure Investment and Jobs Act of 2021 ("IIJA"), signed into law by the President on November 15, 2021, includes approximately $25 billion in funds over a five-year period (federal fiscal years 2022 through 2026) for airport and air traffic control capital improvement projects. The Airport received an allocation of $6.3 million under the IIJA in federal fiscal year 2022 and expects to receive a similar amount each year through federal fiscal year 2026, with the exact amount varying based on the Airport's share of enplanements nationally. See "FINANCIAL MATTERS—Federal Grants."

The table on the following page shows the Airport's current capital improvement program, including the expected sources of funding. The Airport is still determining how to apply IIJA funds that it expects to receive, and such funding is not reflected in the table below.

TABLE 9
LONG BEACH AIRPORT
CAPITAL IMPROVEMENT PROGRAM
THROUGH FISCAL YEAR 2025-26

	Total costs			*Permanent funding plan*														
				Federal grants				*PFC paygo*		*CFC paygo*		*LGB cash*		*2022 Bonds*		
	Pre-2022	*Post-2021*	*Total costs*	*AIP*	*TSA*	*Infra - Ent*	*Infra - Dis*	*Pre-22*	*Post-21*	*Pre-22*	*Post-21*	*Pre-22*	*Post-21*	*Reimb*	*Non-PFC*	*PFC*
TERMINAL AREA IMPROVEMENT PROGRAM																
New Ticketing Lobby (2)	$12,158	$10,669	$22,827	$ 0	$ 0	$ 0	$ 0	$ 4,984	$ 0	$ 0	$ 0	$ 0	$ 1,019	$ 7,174	$ 0	$ 9,650
In-Line Bag Screening Fac (CBIS) (1A)	19,317	1,971	21,288	-	10,783	-	-	9,755	-	-	-	750	-	-	-	-
Bag Claim Area Improvements (1B)	4,282	14,942	19,224	-	-	-	-	4,195	9,387	-	-	86	302	-	-	5,253
Rdwy and Signage Improvements (5)	617	3	620	-	-	-	-	-	-	-	-	617	3	-	-	-
Ground Transportation Center (6B)	439	12	451	-	-	-	-	-	-	-	-	439	12	-	-	-
RAC - Rental Car Counters (3B)	708	2,975	3,683	-	-	-	-	-	-	708	2,975	-	-	-	-	-
RAC - Quick Turnaround (6A)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RAC - Vehicle Storage (6A)	644	29	673	-	-	-	-	-	-	644	29	-	-	-	-	-
Terminal Renovation (3A)	2,071	10,014	12,085	-	-	-	-	-	-	-	2,503	2,071	7,510	-	-	-
Meet and Greet Plaza (4)	2,033	16,891	18,924	-	-	-	-	819	8,968	-	-	1,215	-	-	7,922	-
Video Wall	-	2,500	2,500	-	-	-	-	-	-	-	-	-	2,500	-	-	-
Additional GCs/GRs & PMO	11,231	6,346	17,577	-	-	876	-	-	1,165	-	2,072	11,231	2,232	-	-	-
Total TAIP	**$53,501**	**$66,351**	**$119,852**	**$ 0**	**$10,783**	**$ 876**	**$ 0**	**$19,753**	**$19,521**	**$ 1,353**	**$ 7,579**	**$16,409**	**$13,578**	**$ 7,174**	**$ 7,922**	**$14,903**
CAPITAL IMPROVEMENT PROGRAM																
Airfield Improvements and Repairs projects																
Exhibit A Map	$ 0	$ 250	$ 250	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 250	$ 0	$ 0	$ 0
Perimeter Road - Island Express	-	200	200	-	-	-	-	-	-	-	-	-	200	-	-	-
Runway 26R Drainage	-	250	250	-	-	-	-	-	-	-	-	-	250	-	-	-
Taxiway D Pavement Repairs	-	284	284	-	-	-	-	-	-	-	-	-	284	-	-	-
Other Airfield Impr and Repairs	-	5,016	5,016	4,548	-	-	-	-	-	-	-	-	468	-	-	-
GSE Chargers (Skylink)	1,328	123	1,451	-	-	-	-	1,318	74	-	-	9	50	-	-	-
Rwy 16R-34L Conversion to Twy B	9,040	1,134	10,174	9,054	-	-	-	499	68	-	-	496	57	-	-	-
Taxiway L Improvements	1,900	23,408	25,308	24,970	-	-	-	156	40	-	-	141	(0)	-	-	-
ARFF Vehicle Replacement	-	1,121	1,121	-	-	-	-	-	1,028	-	-	-	93	-	-	-
Runway 12-30 Electrical Impr	28	9,329	9,356	8,457	-	-	-	-	871	-	-	28	0	-	-	-
Taxilane K Reconstruction	-	4,694	4,694	4,256	-	-	-	-	438	-	-	-	-	-	-	-
Construct Taxiway U	-	1,632	1,632	1,479	-	-	-	-	152	-	-	-	-	-	-	-
Remain Overnight Parking (RON)	-	5,036	5,036	-	-	4,784	-	-	-	-	-	-	252	-	-	-
Pad 11 Reconstruction	-	1,038	1,038	-	-	986	-	-	-	-	-	-	52	-	-	-
Taxiway F Realign & Reconstruct	-	3,874	3,874	3,512	-	-	-	-	362	-	-	-	0	-	-	-
Subtotal	$12,295	$57,389	$69,684	$56,277	$ 0	$ 5,770	$ 0	$ 1,974	$ 3,033	$ 0	$ 0	$ 674	$ 1,956	$ 0	$ 0	$ 0
Sustainability projects																
EV Chargers in Parking Structure		$ 500	$ 500	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 500	$ 0	$ 0	$ 0
Tunnel Lights & Ventilation Impr		500	500	-	-	-	-	-	-	-	-	-	500	-	-	-
Lot B Lighting Fixtures		300	300	-	-	-	-	-	-	-	-	-	300	-	-	-
Other Sustainability Projects		700	700	-	-	-	-	-	-	-	-	-	700	-	-	-
Subtotal		**$ 2,000**	**$ 2,000**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 2,000**	**$ 0**	**$ 0**	**$ 0**
Landside Improvements and Repairs projects																
Dispatch Relocation		$ 646	$ 646	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 646	$ 0	$ 0	$ 0
Concourse Carpet Replacement		600	600	-	-	-	-	-	-	-	-	-	600	-	-	-
Lakewood Gate Access Impr		973	973	-	-	-	-	-	-	-	-	-	973	-	-	-
Other Landside Impr and Repairs		5,670	5,670	-	-	-	-	-	-	-	-	-	5,670	-	-	-
Gateway Sign - Lakewood Blvd		1,000	1,000	-	-	-	-	-	-	-	-	-	1,000	-	-	-
Server/Storage Project		650	650	-	-	-	-	-	-	-	-	-	650	-	-	-
Arts Program		400	400	-	-	-	-	-	-	-	-	-	400	-	-	-
Parking Revenue Control System		800	800	-	-	-	-	-	-	-	-	-	800	-	-	-
Subtotal		**$10,739**	**$10,739**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$10,739**	**$ 0**	**$ 0**	**$ 0**
Total CIP	**$12,295**	**$70,128**	**$82,423**	**$56,277**	**$ 0**	**$ 5,770**	**$ 0**	**$ 1,974**	**$ 3,033**	**$ 0**	**$ 0**	**$ 674**	**$14,695**	**$ 0**	**$ 0**	**$ 0**
Total all projects	**$65,796**	**$136,479**	**$202,275**	**$56,277**	**$10,783**	**$ 6,647**	**$ 0**	**$21,726**	**$22,554**	**$ 1,353**	**$ 7,579**	**$17,083**	**$28,273**	**$ 7,174**	**$ 7,922**	**$14,903**

Source: Long Beach Airport.

Airfield Projects

As recommended by the AGS (which is described under the caption "THE AIRPORT—Existing Airport Facilities"), there are numerous airfield geometry reconfigurations anticipated to be implemented incrementally at the Airport over the next 20 years. Since the AGS was completed, the Airport has completed several major airfield projects. The first was the decommissioning of Runways 16R-34L and 16L-34R in 2017. In 2017, the Airport completed the $9.8 million construction of the Taxiway J Improvements, which is part of the main taxi route for aircraft manufacturers, cargo, and general aviation aircraft to access Runway 8R-26L. Subsequently, the Airport completed the $8.3 million Perimeter Security Improvements project, which included the removal of several thousand feet of deteriorating and inadequate perimeter fence, the installation of new standard airport perimeter fence, and improvements to the access control systems and security network infrastructure.

In Fiscal Year 2017-18, the Airport completed the construction of the Improvements to Runway 8R-26L at a cost of $14.5 million. The project was one of the recommendations contained in the AGS and included reconstruction of the runway, construction of two run-up areas and four blastpads and the redesignation of Runway 7R-25L and 7L-25R to 8R-26L and 8L-26R, respectively (reflecting shifts in the Earth's magnetic field). In 2018, the Airport also completed a $2.2 million pavement rehabilitation of a 60-foot-wide by 5,000-foot-long keel section of Runway 12-30.

In Fiscal Year 2018-19, the City completed the construction on Taxiway C Improvements and Ground Support Equipment ("GSE") Charging Stations with total project costs of $25.1 million and $1.4 million, respectively. The Taxiway C Improvements project is a major component of the AGS recommendations and includes the reconstruction of former general aviation Runway 16L-34R into Taxiway C using Portland Cement Concrete ("PCC"). The project also included new taxiway connectors to Runway 12-30 (Taxiways D4 and L4). The Taxiway C location has been re-designated as a terminal ramp taxi lane. The GSE project consists of installation of 10 new and replacement of 5 GSE charging stations, for a total of 15 stations inside the Airport Operation Area ("AOA"). These new and more efficient charging stations will provide electrical power to equipment such as baggage tugs, bag ramps, and pushback vehicles. The GSE was completed in February 2020, and the Taxiway C Improvements project was completed in September 2020.

In Fiscal Year 2019-20, the Airport completed the construction of the Taxiway D Rehabilitation (between Runway 8L-26R and Taxiway J) at a total project cost of $6.3 million. The project rehabilitated approximately 4,900 feet of Taxiway D pavement into new asphalt pavement consistent with recommendations in the AGS to preserve safety and capacity. The Taxiway D Rehabilitation project was completed in January 2021.

In Fiscal Year 2020-21, the Airport completed the conversion of the former Runway 16R-34L to Taxiway E at a total project cost of $10.2 million. The project is the fifth implementation phase of the AGS to help mitigate issues that lead to the identification of a hot-spot and to preserve safety. The project included the demolition of the decommissioned runway pavements, construction of a new taxiway and taxiway connector, grading and minor drainage improvements, new LED airfield lighting and signage and relocation of the vehicle service road. The Taxiway E conversion project was completed in August 2021.

In Fiscal Year 2021-22, the Airport began the reconstruction of Taxiway L at a total estimated project cost of $25.5 million. Improvements to Taxiway L will include existing asphalt pavement reconstruction using P-501 PCC for the taxiway alignment, including the Lakewood Boulevard and Spring Street underpasses. Taxiway L serves as the primary taxiway for all departing commercial aircraft and is also used by air cargo carriers. Additionally, the project will include pavement rehabilitation via cold milling, relocation of Taxiway L3 off of the Spring Street underpass and drainage system improvements for under-drain facilities associated with the Lakewood Boulevard and Spring Street underpasses. The Taxiway L reconstruction project is anticipated to be completed in August 2022.

In Fiscal Year 2021-22, the Airport began the Rehabilitate Runway 12-30 Lighting project at a total estimated project cost of $9.4 million. The project includes the replacement of the runway lighting circuits, including associated constant current regulators and all cable, light fixtures, precision approach path indicators and other electrical components for Runway 12-30. The electrical improvements will span the full length of the runway, which is approximately 10,000' long by 250' wide (including shoulders). Project construction is anticipated to start in July 2022 and to be completed in June 2023.

There is no material impact to commercial flight operations for these on-going airfield projects. Scheduled commercial flight activity is restricted to between 7:00 a.m. and 10:00 p.m. Construction work on the main runway is scheduled during hours when flight operations are not conducted in order to prevent impacts to flight activity. Runway 8L-26R serves as an alternative runway to the main runway in the event that closure of the main runway is needed. Alternative paths for aircrafts are provided in the event that construction work is performed on taxiway, taxilanes, and connectors to prevent impacts to flight operations.

Other airfield ACIP projects that are expected to be undertaken by Fiscal Year 2025-26 include:

(i) *Taxilane K Reconstruction* – The project includes the reconstruction of approximately 71,500 square feet of pavement (650' by 110', including shoulders) and the rehabilitation of approximately 67,650 square feet of pavement (615' by 110', including shoulders). The project includes improvements to pavement, marking, lighting, signage, and drainage systems. The existing drainage system will be rehabilitated. The project cost is estimated to be $4.7 million.

(ii) *Taxilane U Construction* – As part of the AGS' recommendations related to safety and standardization, this project includes conversion of decommissioned Runway 16R-34L south of Taxiway F to a Taxilane to provide tenant access. Approximately 42,900 square feet of taxilane pavement (660' by 65', including shoulders) will be constructed. The project includes improvements to pavement, marking, lighting, signage and drainage systems. The existing drainage system will be rehabilitated. The project cost is estimated to be $1.6 million.

(iii) *Taxiway F Realignment & Reconstruction* – As part of the AGS' recommendations related to safety and standardization, this project includes reducing the width of Taxiway F from 100' to 75' to maintain visual conspicuity and differentiation from Runway 26L as seen from the air. The centerline alignment will be relocated approximately 60 feet north to maximize separation and enable construction of islands between Taxiway F and the adjacent leasehold aprons. Approximately 550,000 square feet of taxiway pavement (4,150' x 125', including shoulders) will be reconstructed. Approximately 70,000 square feet of taxiway pavement (including shoulders) will be removed. The project includes improvements to pavement marking, lighting, signage, and drainage systems. The existing drainage system will be rehabilitated. The project cost is estimated to be $20.9 million.

Airfield improvement projects are generally undertaken between the hours of 10:00pm and 7:00am, when flight operations are already restricted pursuant to the Noise Ordinance, as discussed under "AIRPORT OPERATING INFORMATION—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots." As a result, most airfield improvement projects do not require significant curtailments of airline operations.

Landside Projects

In the past ten years, the Airport has completed several major projects to upgrade and renew the aging landside and terminal facilities. Phase I of the TAIP, which included construction of the new 11-gate passenger concourse, a passenger security-screening checkpoint and Parking Structure B, was completed in 2012. The total project cost for Phase I was $98 million. Subsequent to Phase I, the Airport completed a $6 million renovation project to Parking Structure A in 2017. The new improvements included new dual-cab elevator and an open-air stairway replacing an old tower, housing both the elevator and stairway, as well as LED light upgrades and aesthetics improvements throughout the structure.

In Fiscal Year 2018-19, the Airport completed the Monument Sign and Historic Terminal HVAC Improvements projects, with project costs of $0.6 million and $0.8 million, respectively. The new Monument Sign at the northwest corner of the Lakewood Boulevard and Donald Douglas Drive intersection is the first introduction of the Airport to the incoming passengers and reflects the current Airport brand. The sign takes inspiration from a DC-3 aircraft wing, is internally illuminated, and is surrounded by new landscaping. The HVAC project included a replacement of an air handling unit, condensing unit, and associated ductwork and piping that supply the first and second floors of the terminal building and are equipped with state-of-the-art electronic controls for optimized energy savings.

In Fiscal Year 2017-18, the City awarded a contract for the design, preconstruction (site investigations, procurements, etc.) and construction of Phase II ("Phase II") of the TAIP for a total contract amount not to exceed $65.3 million. Focusing primarily on enhancing the pre-security customer experience and improvements not developed during Phase I, Phase II consists of several project components which collectively comprise approximately 25,000 square feet of new enclosed space that will remain within the April 24, 2007, City Council-approved, overall limit for terminal area facilities of 89,995 square feet.

On February 12, 2020, the City authorized an amendment to the design-build contract for Phase II, increasing the total contract not to exceed $92.1 million based on the Guaranteed Maximum Price provided by the design-builder for each of the following project components, which are at the 90% to 100% design level.

(i) *Checked Baggage Inspection System ("CBIS") Facility* – The project includes a new and expanded 7,000 square foot facility housing a fully in-line checked baggage screening facility for the Transportation Security Administration to screen departing passengers' checked baggage. The CBIS will have a capacity of 674 bags per hour, compared with 226 bags per hour for the existing system, which is not in-line and requires bags to be manually transferred when a bag is flagged for additional inspection. The new facility will replace an existing interim facility built in 2007 and is located to the west of the historic terminal building. This project enhances security by eliminating visibility and accessibility of departing passenger bags after check-in from the ticketing lobby to the outbound baggage make-up carousel.

(ii) *Ticketing Lobby* – The project includes a new 16,500 square foot building accommodating all ticketing and baggage check-in functions, which will relocate from the historic terminal building ticketing area. The building also includes baggage check-in and airline ticket office functions to replace those in the existing historic terminal building. The building will also house public restrooms and custodial and supporting space for electrical and information technology systems and equipment. All ticketing and baggage check-in equipment in the facility will be common use. The airline ticket offices will be exclusive use. The building will be located to the southwest of the existing terminal building and to the east of the new CBIS. Passengers will enter the building from the curbside and the southern portion of the Meet/Greet Plaza. The area in front of check-in queuing will have capacity for up to 50 common use check-in kiosks. A total of 18 ticket counter and four bag drop-off positions will be provided. The building will provide direct access to the outdoor queuing area for the security checkpoint through an entryway in the northwest corner of the building.

(iii) *Baggage Claim Improvements* – The project includes a new 11,000 square foot open-air, consolidated baggage claim facility with two carousels that are double the capacity of existing units. The three existing flatbed baggage claim units will be replaced by two carousels with a sloped-plate design. The new devices will increase carousel frontage from 230 linear feet to 380 linear feet on the passenger side of the facility, decreasing existing congestion. The baggage claim devices will be used by airlines on a common-use basis. The devices will be housed in an unenclosed, unconditioned area of approximately 11,345 square feet and covered by a roof and surrounded by walls on approximately two-and-one-half sides. All square footage will be publicly accessible and used by passengers retrieving their bags. The area will provide access to baggage service offices being constructed as part of the Meet/Greet Plaza improvements.

(iv) *Meet/Greet Plaza Improvements* – The project includes a new 4,000-square-foot building to house concessions and restrooms and other landscape and hardscape enhancements to the approximately 75,000 square foot exterior plaza connecting the curbside, historic terminal building, future ticketing lobby, security screening checkpoint and the new baggage claim area. In addition, a new 3,422 square foot service building will be built to the northwest of the historic terminal building to house public restrooms, airport operations offices, airline baggage service offices, concession and concession storage space. The west entrance of the historic terminal building, which has been closed to the public since the construction of the existing CBIS, will be reopened to provide for direct access to passengers accessing car rental and ground transportation services.

(v) *Historical Terminal Building Renovation* – The project includes rehabilitation of and seismic upgrades to the historical terminal building, including repurposing the ground floor as a rental car customer service center.

(vi) *Rental Car Counters* **–** The project includes new rental car counters and related improvements in the historic terminal building

The total program cost is estimated at $119.9 million and is anticipated to be completed in by the first quarter of 2024. Upon completion, the improvements will enhance traveling passenger convenience.

Certain components of Phase II of the TAIP, including the roadway and signage, rental car vehicle storage, and ground transportation center projects have been deferred pending additional planning and financial feasibility analysis.

In March 2020, as the financial impacts of the COVID-19 pandemic (as discussed in detail under the caption "THE AIRPORT") were being fully realized with concomitant significant negative effects on the aviation, travel and construction industries, the Airport reviewed its implementation and funding plan for Phase II, with a focus on preserving liquidity. In March 2020, the Airport paused all capital projects while it developed and analyzed construction schedule resequencing scenarios to keep certain project components progressing while managing cash reserves, with the exception of: (i) the CBIS project, which had secured grant funding from the Transportation Security Administration; and (ii) the ticketing lobby, which was necessary to obtain the beneficial use of the fully in-line CBIS. The City and Airport continuously monitored passenger traffic and financial trends to ensure that financial targets were met.

Since March 2020, the CBIS and ticketing lobby projects have both been substantially completed, although both projects experienced cost increases due to the lengthening of the construction schedule, supply chain impacts and labor shortages and general price inflation. The two facilities opened in May 2022 and are currently in full operation.

Sustainability Projects

The City has undertaken to reduce emissions Citywide, including at the Airport. In December 2019, the Airport entered into a voluntary Memorandum of Understanding with the South Coast Air Quality Management District ("SCAQMD") and has developed an Air Quality Improvement Plan that includes specific measures and initiatives to reduce nitrogen oxide emissions from non-aircraft mobile sources at the Airport. See "AIRPORT ENVIRONMENTAL MATTERS—Emission Standards" and "CERTAIN INVESTMENT CONSIDERATIONS—Climate Change Issues."

In recent years, the City has installed 15 electric chargers for ground support equipment and vehicles in Fiscal Year 2019-20, resulting in 100% electrification of all 11 gates. These assets are used for repositioning and servicing aircraft, loading and unloading cargo and transporting checked bags. The Airport expects to reduce nitrogen oxide emissions by nearly 900kg (2,000 lb) per year by 2023 as a result of the completion of this project.

The City is also undertaking certain other sustainability projects as part of the ACIP, as shown in Table 9 above.

FINANCIAL MATTERS

Summary of Financial Operating Information

The City accounts for the activities of the Enterprise as an enterprise fund on the accrual basis of accounting according to generally accepted accounting principles. The general purpose financial statements of the City for the Fiscal Years ended September 30, 2021 and 2020, included in Appendix B to this Official Statement, have been audited by KPMG LLP, independent auditors. See "INDEPENDENT AUDITORS."

The following table sets forth the historical operating results of the Enterprise for Fiscal Years 2016-17 through 2020-21.

TABLE 10
LONG BEACH AIRPORT
HISTORICAL OPERATING RESULTS
FISCAL YEARS 2016-17 THROUGH 2020-21

	2020-21	*2019-20*	*2018-19*	*2017-18*	*2016-17*
OPERATING REVENUES					
Land and Building Rentals	$ 9,275,613	$ 9,312,964	$ 9,825,747	$ 9,691,645	$ 10,022,456
Parking Fees	4,189,027	5,003,515	9,230,268	10,050,093	9,159,915
Airport Concessions	4,015,014	4,464,874	8,262,275	8,314,212	6,797,987
Landing, Gate, and Ramp Fees	8,257,751	7,512,947	10,867,978	13,125,237	14,132,351
Other Fees and Charges	3,153,887	3,674,969	5,843,929	5,916,065	6,171,757
Total Operating Revenues	**$ 28,891,292**	**$ 29,969,269**	**$ 44,030,197**	**$ 47,097,253**	**$ 46,284,466**
OPERATING EXPENSES[1]					
Personnel Services[2]	$ 7,738,612	$ 13,316,776	$ 12,667,407	$ 13,272,974	$ 12,138,519
Operations and Maintenance	6,686,051	9,722,492	9,394,772	10,089,188	9,431,404
City Services	14,199,649	13,717,558	11,741,044	9,341,441	9,066,739
General and Administration	1,713,993	3,358,705	2,994,252	3,003,231	2,611,902
Amortization Expense	-	-	-	-	-
Depreciation	14,826,726	12,690,770	11,869,680	11,174,493	11,055,188
Total Operating Expenses	**$ 45,165,031**	**$ 52,806,301**	**$ 48,667,155**	**$ 46,881,328**	**$ 44,303,753**
Operating Income (Loss)	$ (16,273,739)	$ (22,837,032)	$ (4,636,958)	$ 215,925	$ 1,980,713
NON-OPERATING REVENUES (EXPENSES)					
Interest Income (Expense)	$ (6,303,639)	$ (4,143,242)	$ (3,624,292)	$ (6,355,710)	$ (6,365,754)
Passenger Facility Charges	3,468,688	3,183,079	7,048,784	8,102,923	7,329,417
Operating Grants					
Customer Facility Charges	820,160	(82,572)	1,766,923	1,840,035	1,805,766
Operating Security Agreement	153,189	352,691	39,147	324,068	325,038
Federal Relief Funds	9,069,461	14,771,241	-	-	-
Federal Subsidy on Build America Bonds	1,129,219	1,114,930	1,131,764	1,127,344	1,123,327
Other Income, Net	26,917	(316,369)	(339,491)	75,554	(256,191)
Total Non-Operating Revenues (Expenses)	**$ 8,363,996**	**$ 14,879,758**	**$ 6,022,835**	**$ 5,114,213**	**$ 3,961,603**
Income (Loss) before Capital Grants	$ (7,909,744)	$ (7,957,274)	$ 1,385,877	$ 5,330,138	$ 5,942,316
Capital Grants-Federal Aviation Administration	17,850,662	15,395,755	19,296,155	15,897,601	2,541,326
Capital Grants - Other Sources	-	-	-	-	-
Operating Transfers - In	-	-	40,509	-	113,063
Operating Transfers - Out	-	(121,096)	(211,411)	(171,150)	(30,941)
Increase in Net Assets	**$ 9,940,918**	**$ 7,317,385**	**$ 20,511,130**	**$ 21,056,589**	**$ 8,565,765**
Total Net Assets Beginning of Year	$ 244,413,804	$ 237,098,132	$ 216,585,978	$ 195,533,513	$ 186,973,872
Adjustment to Net Asset Beginning of Year		$ (1,713)	$ 1,024	$ (4,124)	$ (6,124)
Total Net Assets End of Year	**$ 254,354,722**	**$ 244,413,804**	**$ 237,098,132**	**$ 216,585,978**	**$ 195,533,513**

(1) Includes operating expenses for all Airport funds, not just the Operating Fund.
(2) Includes credit adjustment for Governmental Accounting Standards Board Statement No. 68 pension expense. See "—Retirement Programs."
Source: Long Beach Airport, unaudited financial statements.

Management's Discussion of Recent Financial Results

General. Total operating revenues were approximately $28.9 million for Fiscal Year 2020-21, a decrease of approximately $14.2 million (33%) compared to Fiscal Year 2018-19, prior to the onset of the COVID-19 pandemic, and a slight increase over Fiscal Year 2019-20 operating revenues. The decrease in operating revenues is largely due to the decline in passenger activity as a result of the COVID-19 pandemic.

Total operating expenses were approximately $45.2 million for Fiscal Year 2020-21, a decrease of approximately $3.4 million (7.0%) compared to Fiscal Year 2018-19, prior to the onset of the COVID-19 pandemic, and a decrease of approximately $8.3 million (15.5%) compared to Fiscal Year 2019-20 operating expenses of $53.5 million. The decrease from Fiscal Year 2019-20 operating expenses reflects a significant decrease in pension liability costs as well as certain adjustments to the Airport's operating procedures (as described under the caption "THE AIRPORT—COVID-19 Outbreak—Operational Changes due to COVID-19") in response to the outbreak of COVID-19 and governmental actions in connection therewith. Such measures were gradually relaxed or discontinued throughout Fiscal Year 2020-21.

Airline Revenues. Airline revenues are derived based on a "modified Airport residual" basis, which means that all revenues generated from Enterprise activities, other than airline revenues, are credited against total Enterprise costs and reserve requirements, and airline rates and charges are subsequently established so as to recover the difference. Between Fiscal Years 2014-15 and 2018-19, passenger airline charges at the Airport increased from $11.4 million in Fiscal Year 2014-15 to $15.6 million in Fiscal Year 2018-19. The increase is attributable to an increase in airline activity and increases to airline rates and charges. Airline revenues decreased to approximately $10.1 million in Fiscal Year 2019-20, reflecting a significant decrease in Airport operations in the wake of the COVID-19 outbreak, and increased to approximately $11.4 million in Fiscal Year 2020-21 as passenger traffic increased.

For the first six months of Fiscal Year 2021-22, airline revenues were $7.4 million, compared to $2.8 million during the same period in Fiscal Year 2020-21.

Airline revenues are comprised of terminal rents, landing fees, common use fees, gate use fees and ramp fees. For more information on such rents and fees, see "—Rate Ordinance and Common Use Permits" below.

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The following table sets forth the estimated payments made by passenger airlines at the Airport per enplaned passenger:

TABLE 11
LONG BEACH AIRPORT
HISTORICAL AIRLINE PAYMENTS PER ENPLANED PASSENGER
FISCAL YEARS 2016-17 THROUGH 2020-21

	2020-21	***2019-20***	***2018-19***	***2017-18***	***2016-17***
Landing Fees	$ 6,088,115	$ 5,587,805	$ 8,179,835	$ 9,985,411	$ 10,811,730
Common Use Fees	2,478,692	2,399,582	4,549,131	5,617,709	5,747,931
Gate Use Fees	1,717,885	1,510,414	2,211,768	2,728,979	2,916,295
Ramp (RON) Fees	451,751	414,728	476,375	410,847	404,326
Terminal Rentals	119,604	157,283	169,674	152,312	182,112
Total Airline Fees	$ 10,856,046	$ 10,069,812	$ 15,586,783	$ 18,895,258	$ 20,062,394
Less Fees from Cargo Airlines	399,049	508,100	621,372	642,708	761,781
Passenger Airline Charges	$ 10,456,997	$ 9,561,712	$ 14,965,411	$ 18,252,550	$ 19,300,613
Enplanements	767,207	904,980	1,757,122	2,006,292	1,793,753
Airline Payments per Enplaned Passenger	$ 13.63	$ 10.57	$ 8.52	$ 9.10	$ 10.76

Source: City of Long Beach, California, based upon the Enterprise Fund financial reports.

Non-Airline Revenues. The City also receives revenues from a variety of sources other than the airlines serving the Airport. The most significant sources of non-airline revenue are derived from parking, concession sales, aviation-related land rentals, car rentals, TNCs and non-aviation leases. Non-airline revenues generated at the Airport increased from $26.7 million in Fiscal Year 2016-17 to $28.5 million in Fiscal Year 2018-19, representing a compounded annual growth rate of 3.3%. In Fiscal Year 2019-20, non-airline revenues decreased to $19.4 million largely due to the decrease in passenger activity. In Fiscal Year 2020-21, non-airline revenues decreased to $18.4 million largely due to further declines in passenger activity. The revenue decreases were largely from revenue sources related to passenger activity, such as parking, concession sales, car rentals and TNC fees, rather than from other sources which are not directly related to passenger activity, such as leases. See "THE AIRPORT—Impacts to Certain Revenues."

In Fiscal Year 2017-18, the Airport revamped its Ground Transportation Program to update fees, rules and regulations, and diversify revenue, in line with other airports. The Airport instituted a new permitting process and begin requiring trip fees from all ground transportation providers. The new program generated almost $1.8 million in revenues in Fiscal Year 2017-18, with the bulk of the revenue, approximately $1.7 million, coming from TNCs such as Uber and Lyft.

With the decrease in enplaned passengers, there have been corresponding decreases in demand for parking, rental cars, TNCs such as Uber and Lyft and passenger terminal concessions. Due to the impacts from COVID-19, parking revenues decreased from approximately $9.2 million in Fiscal Year 2018-19 to approximately $5.0 million in Fiscal Year 2019-20 and approximately $4.2 million in Fiscal Year 2020-21. Similarly, other Airport concession revenues decreased from approximately $8.0 million in Fiscal Year 2018-19 to approximately $4.5 million in Fiscal Year 2020 and approximately $4.5 million in Fiscal Year 2020-21. Fiscal Year 2020-21 parking and other Airport concessions revenue in Fiscal Year have decreased approximately 50% percent from Fiscal Year 2018-19 revenues. The City used Federal Relief Grants to, among other things, provide rent credits to concessionaires, and the City waived minimum annual guarantees and modified minimum annual guarantees in 2020 and 2021, respectively, all in order to ensure continued concession operations despite the decrease in passenger activity during the pandemic. See "THE AIRPORT—COVID-19 Outbreak—Operational Changes due to COVID-19."

For the first six months of Fiscal Year 2021-22, non-airline revenues were $11.8 million, compared to $6.8 million during the same period in Fiscal Year 2020-21.

Maintenance and Operation Costs. The Airport's maintenance and operation costs increased from $44.3 million in Fiscal Year 2016-17 to $53.5 million in Fiscal Year 2019-20, representing a compounded annual growth rate of approximately 6.9%. Major maintenance and operation cost categories include personnel support, materials, supplies and services, and city services. Maintenance and operation costs decreased to approximately $45.2 million in Fiscal Year 2020-21, reflecting significant decreases in pension liability cost as well as the application of $8.0 million of CARES and CRRSA grants to reimburse operating expenses. Excluding these grant reimbursements, the Airport's maintenance and operation costs would have been $53.2 million.

The factors impacting costs vary by type of expenses. For personnel cost, union-negotiated salary increases and increases in overall staffing level largely contribute to the rising costs in this category. For materials and supplies, the increase in passenger activity also increased the supplies used, which drive up cost in this category along with inflationary increases in prices. For City Services, the primary driver for cost increases is the rise in public safety, which accounts for the majority of the cost in this category.

Historical Debt Service Coverage

The following table sets forth historical debt service coverage. The following table also sets forth Net Revenues (not including Passenger Facility Charges) collected at the Airport and pledged PFC revenues by the Airport for Fiscal Years 2016-17 through 2020-21. The numbers in the following table were calculated in accordance with the terms of the Master Senior Indenture.

TABLE 12
LONG BEACH AIRPORT
HISTORICAL DEBT SERVICE COVERAGE
FISCAL YEARS 2016-17 THROUGH 2020-21

	2020-21	*2019-20*	*2018-19*	*2017-18*	*2016-17*
OPERATING REVENUES & INTEREST INCOME					
Landing and Ramp Fees	$ 6,539,866	$ 6,002,533	$ 8,656,210	$ 10,396,258	$ 11,216,056
Terminal Gate Fees and Rents	4,316,180	4,067,279	6,930,573	8,499,001	8,846,338
Automobile Parking Fees	4,189,027	5,003,515	9,230,268	10,050,093	9,159,915
Other Airport Concessions	4,448,876	4,455,214	8,048,203	8,107,964	6,587,159
FBO Rents and Fuel Fees	5,191,141	4,757,964	5,086,413	4,873,105	4,550,861
Other Land and Building Rentals and Fees	4,357,787	4,696,943	5,268,788	5,215,582	6,090,285
Interest Income	245,922	538,002	778,485	645,845	380,473
Total Revenues	**$ 29,288,799**	**$ 29,521,450**	**$ 43,998,940**	**$ 47,787,848**	**$ 46,831,087**
OPERATING EXPENSES[1]					
Personnel	$ 10,653,317	$ 11,250,495	$ 11,614,084	$ 11,741,056	$ 11,157,298
Materials, Supplies & Services	7,092,975	7,604,071	8,352,882	7,591,336	6,858,395
City Services	14,673,035	16,644,863	14,801,527	12,151,616	11,487,059
Federal Relief Grants[2]	(8,030,320)	(8,997,040)	-	-	-
Total Operating Expenses	$ 24,389,007	$ 26,502,389	$ 34,768,493	$ 31,484,008	$ 29,502,752
NET OPERATING REVENUES	**$ 4,899,792**	**$ 3,019,061**	**$ 9,230,447**	**$ 16,303,840**	**$ 17,328,335**
Other Pledged Revenues – PFCs[3]	3,468,688	3,183,079	4,481,487	4,480,955	4,483,518
Transfer[4]	2,007,470	2,033,294	2,033,014	2,033,994	2,035,776
NET REVENUES[5]	**$ 10,375,950**	**$ 8,235,434**	**$ 15,744,948**	**$ 22,818,789**	**$ 23,847,629**
GROSS DEBT SERVICE	$ 8,029,882	$ 8,126,224	-	-	-
Less Federal Relief Grants[6]	$ (3,671,449)	$ (3,121,893)	-	-	-
Less PFC Reserves	$ (76,743)	$ (403,344)	-	-	-
DEBT SERVICE[7]	$ 4,281,690	$ 4,600,987	$ 8,132,054	$ 8,135,975	$ 8,143,103
Debt Service Coverage:	**2.42**	**1.79**	**1.94**	**2.80**	**2.93**

(1) Includes operating expenses for all Airport funds, not just the Operating Fund
(2) Federal Relief Grants from CARES and CRRSA were used to reimburse Operating Expenses.
(3) The lesser of (i) 125% of PFC revenues used to pay debt service on the Series 2010A Bonds and Series 2010B Bonds pursuant to the Second Supplemental Senior Indenture; or (ii) 100% of actual PFC collections.
(4) Transfer is equal to 25% of Debt Service.
(5) Net Revenues is equal to Total Revenues less Total Operating Expenses.
(6) Federal Relief Grants were used to fund debt service payments, resulting in a lower debt service requirement for debt service coverage calculation purposes.
(7) Net of federal subsidy on the Series 2009 Bonds.
Source: City of Long Beach – Airport Enterprise Fund Financial Reports.

Management's Discussion of Projected Financial Results

The Enterprise periodically prepares projections of enplaned passenger traffic and financial estimates for planning purposes. The Enterprise currently expects that enplanements will recover to 1.4 million for Fiscal Year 2021-22 and that enplanements will reach 1.8 million for Fiscal Year 2022-23 as slots are projected to be utilized consistent with the minimum utilization requirements of the Noise Ordinance (i.e., approximately 85% of the 52 slots assigned to the passenger airlines, or approximately 44 average daily departing flights, are projected to be utilized). See "AIRPORT OPERATING INFORMATION—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots." After Fiscal Year 2022-23, and through Fiscal Year 2025-26, the Enterprise currently expects modest growth in enplanements (approximately 2.8% annually) to reflect increases in average aircraft size and higher load factors. Revenues are expected to increase commensurate with increases in enplanements. Expenses are expected to increase at historical inflation levels (approximately 2.7% annually). Based on the foregoing assumptions, the Enterprise projects debt service coverage of approximately 2.5x for Fiscal Year 2021-22 (reflecting the use of ARPA grants to pay some operating expenses and debt service) and 2.0x from Fiscal Years 2022-23 through 2025-26. Airline payments per enplaned passenger are projected to be approximately $12.75 for Fiscal Year 2021-22 and approximately $12 for Fiscal Years 2022-23 through 2025-26. Liquidity, as measured by DCOH, is projected to range from approximately 290 DCOH in Fiscal Year 2021-22 to approximately 400 DCOH in Fiscal Year 2025-26. The Enterprise does not currently anticipate the issuance of additional Senior Bonds or Subordinate Obligations through Fiscal Year 2025-26.

The Enterprise's planning projections described above include an assumption that there will not be any resurgences of COVID-19 that result in significant and extended declines in passenger activity. There can be no assurances that actual results (including increases in enplanements and revenues, and debt service coverage) will be consistent with the Enterprise's current expectations. Any differences could be material and adverse. See "THE AIRPORT—COVID-19 Outbreak" and "CERTAN INVESTMENT CONSIDERATIONS."

PFC Program

The Aviation Safety and Capacity Expansion Act of 1990 and the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century (collectively the "PFC Act") permit public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge each enplaning passenger a PFC of $1.00, $2.00, $3.00, $4.00 or $4.50. Public agencies wishing to impose and use PFCs must apply to the FAA for the authority to do so. The purpose of the PFC is to develop additional capital funding sources to provide for the expansion of the national airport system. The proceeds from PFCs must be used to finance eligible airport-related projects that preserve or enhance the safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers.

PFCs are collected by air carriers as part of the price of a ticket and then remitted to the Airport. The air carriers are permitted by the PFC Act to retain a portion of each PFC collected (currently $0.11 of each PFC collected) as compensation for collecting and handling PFCs. PFCs received by the Airport are net of this collection fee. With respect to an airline operating at the Airport which is involved in bankruptcy proceedings, it is unclear whether the Airport would be afforded the status of a secured creditor with regard to PFCs collected or accrued with respect to that airline. See "CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Bankruptcies."

The Airport has received approval from the FAA to collect and use $238,353,747 of PFCs, which approval is estimated to expire on April 1, 2034, and currently levies PFCs in the amount of $4.50 per enplaned passenger. As of September 30, 2021, the Airport had collected, including interest earnings thereon, approximately $102 million of PFCs. The Airport's PFC authority includes $86,532,700 in collection and use authority related to projects refinanced from proceeds of the Series 2022 Bonds. This authority includes the approval to pay bond capital, financing, and interest costs of up to 85% on the Series 2010A Bonds and up to 100% on the Series 2010B Bonds. Such use authority will extend to the Series 2022A Bonds and the Series

2022B Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS" for a discussion of the designation of certain PFCs as Revenues and the pledge of PFC Revenues to the payment of debt service on the PFC Eligible Portions of the Series 2022 Bonds. PFC Revenues can only be used to pay debt service on the PFC Eligible Portions of the Series 2022A Bonds and the Series 2022B Bonds.

In addition, the Airport has approval from the FAA to use PFC revenues to pay certain costs related to TAIP Phase II projects. These approvals were obtained in connection with the Airport's original pre-pandemic, pay-as-you-go funding plan and cost estimates for these projects and are summarized in the table below. The City is in the process of submitting an amendment application to the FAA to extend these approvals to associated financing and interest costs for project costs being funded from proceeds of the Series 2022C Bonds and anticipates the receipt of such approval by September 2022. The City anticipates that approximately 50% of the debt service on the Series 2022C Bonds will be PFC-eligible following the approval of the amendment. In the event that the amendment relating to the Series 2022C Bonds is not approved as expected, PFCs will not be available to pay the PFC Eligible Portions of the Series 2022C Bonds. See "CERTAIN INVESTMENT CONSIDERATIONS—Availability of PFCs."

TAIP Phase II Component	***PFC Use Approval***	***Approved Eligibility Percentage***
CBIS Facility	$ 10,672,651	50.5%
Ticketing Lobby	15,031,319	59.3
Baggage Claim Improvements	17,382,618	98.0
Meet/Greet Plaza	7,373,255	51.7
Total	$ 31,638,886	

The actual amount of PFC revenues received in each Fiscal Year will vary depending on the number of qualifying passenger enplanements at the Airport. See "CERTAIN INVESTMENT CONSIDERATIONS" for discussion of a number of factors that may impact the number of passenger enplanements.

The Airport's ability to impose and use PFCs is subject to certain terms and conditions provided in the PFC Act, the PFC Regulations and the specific FAA approvals applicable to the Airport's PFC program. The Airport's authority to impose the PFC is also subject to certain provisions of the Noise Act and its implementing regulations relating to the implementation of noise and access restrictions for certain types of aircraft. A failure by the Airport to comply with any of these requirements, or a violation by the Airport of the Noise Act, could result in a reduction or termination of the Airport's authority to impose PFCs and to use PFCs to pay debt service on the Series 2022 Bonds and to finance a portion of its ACIP. Additionally, no assurance can be given that the Airport's authority to impose the PFC will not be terminated by Congress, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Airport or that the Airport will not seek to decrease the amount of the PFC to be collected. See "CERTAIN INVESTMENT CONSIDERATIONS—Availability of PFCs."

The City cannot predict when or whether Congress will adopt new legislation regarding the PFC program or the scope of such legislation. If authorized by Congress, future increases in PFCs may be applied for by the Airport and approved by the FAA. In such event, PFCs may be collected faster than anticipated. See "CERTAIN INVESTMENT CONSIDERATIONS—Availability of PFCs."

Federal Grants

Under the FAA's Airport Improvement Program ("AIP"), the FAA awards grant moneys to airports around the country for capital improvement projects. AIP grants include entitlement funds, which are apportioned annually based upon enplaned passengers and cargo traffic, as well as discretionary funds, which are available at the discretion of the FAA based on a national priority system.

In Fiscal Year 2019-20, the City authorized the acceptance of approximately $45.7 million in federal AIP grants for the improvements to Taxiway B, D and L. In Fiscal Year 2020-21, $18.4 million was received under CARES and $5.8 million under CRRSA, of which the City is required to allocate approximately $0.4 million to concessionaire relief. See "THE AIRPORT—COVID-19 Outbreak—Federal Relief Efforts." For Fiscal Year 2021-22, the Airport has submitted a grant application for approximately $6.2 million in federal AIP funding for the Runway 12-30 Electrical Improvements project, which is currently pending review and award by the FAA.

The following table sets forth federal grant funds received by the Airport for federal fiscal Years 2016-17 through 2020-21.

TABLE 13
LONG BEACH AIRPORT
FEDERAL GRANT FUNDS RECEIVED
FEDERAL FISCAL YEARS 2016-17 THROUGH 2020-21

Federal Fiscal Year[1]	***Federal Grant Non-Relief Funds Received***	***Federal Grant Relief Funds Received***
2016-17	$15,629,511	$ -
2017-18	11,262,322	-
2018-19	24,392,710	-
2019-20	46,780,083	18,403,630
2020-21	363,719	5,812,365
Total	$98,428,344	$24,215,995

(1) October 1 through September 30.
Source: Long Beach Airport.

Pursuant to Section 119 of the Aviation and Transportation Security Act, the City is eligible to receive moneys from the federal government as reimbursement for costs associated with additional law enforcement personnel, airport surveillance and the revalidation of all airport issued and approved identification. During Fiscal Year 2020-21, the City received approximately $271,827 for security-related reimbursements at the Airport.

In 2018, the Airport received two TSA grants for the design and the construction of the CBIS project of Phase II for the Terminal Area Improvement Program at the Airport. The total award for the two grants is $10.9 million. See "AIRPORT CAPITAL IMPROVEMENT PROGRAM—Landside Projects."

In 2022, the Airport was allocated $6.3 million of infrastructure funding under the IIJA for each of federal fiscal years 2021-22, 2022-23 and 2023-24. The Airport expects to receive similar amounts for federal fiscal years 2024-25 and 2025-26, with the exact amount varying based on the Airport's share of enplanements nationally. See "AIRPORT CAPITAL IMPROVEMENT PROGRAM." The Airport also intends to submit applications for competitive grants under the IIJA for funding of terminal capital improvement projects through Fiscal Year 2025-26.

Rate Ordinance and Commercial Use Permits

The financial operations of the Enterprise are established by the annual adoption of a Rate Ordinance (the "Rate Ordinance") by the City Council and the granting of Commercial Use Permits ("Commercial Use Permits") to the airlines. The City does *not* have airline use and lease agreements with the airlines that operate at the Airport. The Commercial Use Permit allows the use of the Airport on a month-to-month basis, and is cancellable on 30 days' notice. Other than ticket counters and office space, which are granted on an exclusive use basis, all other facilities at the Airport, including the boarding lounge, concourse, and baggage claim, are common use areas.

Rates and charges are established annually through the Rate Ordinance, subject to a mid-year adjustment. Rates are determined through the budget process, based upon projected Maintenance and Operation Costs, debt service, and capital outlay, less nonairline revenues such as PFC receipts. The City establishes landing fee rates for the use of the airfield, a gate fee, a remain overnight fee, a common use fee, and a terminal rental rate. The City charges landing fee rates according to the time of operation, with those occurring after the Airport's curfew of 10:00 p.m. being charged approximately 210% of the rate during operating hours. The common use fee is determined by the Airport Director based on the actual expenses for the common use areas, the number of airlines, and flight activity at the Airport. The fee is levied on a per enplaned passenger basis. Terminal rents for exclusive use space are levied on a per square foot basis, while the landing fee, gate fee, and remain overnight fee are based on landed weight. It has been the City's practice to increase these fees by an equal percentage to achieve a balanced budget. Such fees and rents, and the basis for such fees and rents, are set forth below.

Fee/Rent	***Rate (Effective October 1, 2021)***	***Basis***
Landing Fee		
7:00 a.m. – 10:00 p.m.	$4.70	Per 1,000 pounds of landed weight
10:00 p.m. – 7:00 a.m.	$9.89	Per 1,000 pounds of landed weight
Common Use Fee	$3.85	Per enplaned passenger
Gate Use Fee	$1.41	Per 1,000 pounds of landed weight
Ramp Fee	$1.17	Per 1,000 pounds of landed weight
Terminal Rents	$0.07 - $2.84	Per square foot of leased space

The City is not aware of any formal dispute involving the Airport over any existing rates and charges. The City believes the rates and charges it imposes upon air carriers and other aeronautical users, and the rates and charges methodology utilized for the Rate Ordinance, are reasonable and consistent with federal law and applicable FAA regulations. See "CERTAIN INVESTMENT CONSIDERATIONS—Federal Law Affecting Airport Rates and Charges."

Retirement Programs

Salary and benefit costs of the Enterprise include funding of retirement benefits for employees assigned to the Enterprise who, as City employees, participate in both the California Public Employees Retirement System ("CalPERS") and Social Security. Total payments made by the City to the Miscellaneous Plan (the plan in which City employees assigned to the Airport participate), were approximately $62.4 million in Fiscal Year 2018-19, approximately $71.6 million in Fiscal Year 2019-20 and approximately $78.1 million in Fiscal Year 2020-21. City employees assigned to the Enterprise constitute 2% of all City employees. Payments to CalPERS with respect to City employees assigned to the Enterprise constitute Maintenance and Operation Costs of the Enterprise.

For a variety of reasons, the City has experienced significant unfunded accrued liabilities, and retirement costs payable with respect to all City employees, including those assigned to the Enterprise, have increased considerably in recent years. As of June 30, 2020, the City's Miscellaneous Plan with CalPERS (in which the City employees assigned to the Enterprise participate) had an unfunded liability (with respect to all participating City employees, including employees assigned to the General Fund, the Enterprise and other enterprise funds) of approximately $702.7 million and a funded ratio of 75.3%.

CalPERS has taken a number of actions the last several years which are expected to impact the amount the City is required to contribute. On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investment for the fiscal year ended June 30, 2021. Because the return exceeded the CalPERS' actuarially assumed 7.0% rate of return for the fiscal year, the CalPERS Funding Risk Mitigation Policy was triggered. Under this policy, approximately half of the excess return will be used for rate relief and half of the excess return was used to lower to 6.8% (from the previous level of 7.0%) the investment return assumption for all future years. The resulting impact to the required employer contribution rate changes will be effective for the City in fiscal year ending June 30, 2024. As a result of the very strong investment return during the fiscal year ended June 30, 2021, and despite the reduction in the investment return assumption and other factors, the City's required annual contributions to CalPERS are projected to increase modestly in Fiscal Year 2022-23, and (assuming actuarial assumptions are achieved) to begin declining for each of the five years from Fiscal Year 2023-24 through Fiscal Year 2027-28. City employees are required to pay the full portion of their required employee pension contributions, on top of their employee Federal Insurance Contributions Act contribution toward Social Security. Actual required payments to CalPERS will depend on a variety of factors, including investment returns and changes in actuarial assumptions.

See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE CITY OF LONG BEACH FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020 — Note 13 – Retirement Program" for a discussion of retirement liabilities of the City.

In addition to required contributions for retirement benefits for employees, the City pays certain post-employment health-care and other post-employment benefits ("OPEB") for such employees. The City's OPEB related payments were approximately $1.5 million in Fiscal Year 2020-21. See "APPENDIX A—AUDITED FINANCIAL STATEMENTS OF THE CITY OF LONG BEACH FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020 — Note 14 – Post-Employment Health Care Benefits" for additional information for a discussion of OPEB liabilities payable by the City, as well as the City's current unfunded OPEB liability, which is less than $10 million.

Insurance

Pursuant to the Master Senior Indenture, the City, subject to the condition that insurance is obtainable at reasonable rates and upon reasonable terms and conditions, is required to insure and at all times keep the Enterprise insured to the extent insurable and keep public liability insurance in a reasonable manner, in such amounts and against such risks as are, in the judgment of the City, prudent and reasonable, taking into account the amount and types of insurance or self-insurance provided by similar airports. The Master Senior Indenture does not specify any minimum amount of insurance coverage that the City must carry with respect to the Enterprise.

The Enterprise carries liability insurance separate from the City in the amount of $100 million per occurrence covering general products, aircraft liability, and passengers. The Enterprise is included in the City's self-insurance program for workers' compensation claims.

The Enterprise does not currently maintain earthquake or terrorism insurance due to the high cost of such coverage.

AIRLINE INDUSTRY INFORMATION

Many of the major scheduled domestic airlines serving the Airport, or their respective parent corporations, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file reports and other information with the Securities and Exchange Commission (the "SEC"). Certain information, including financial information, concerning such domestic airlines, or their respective parent corporations, and such foreign airlines is disclosed in certain reports and statements filed with the SEC. Such reports and statements can be inspected and copied at the public reference facilities maintained by the SEC, which can be located by calling the SEC at 1-800-SEC-0330. The SEC maintains a website containing reports, proxy statements and other information regarding registrants that file electronically with the SEC. In addition, each airline is required to file periodic reports of financial aid and operating statistics with the U.S. DOT. Such reports can be inspected at the U.S. DOT's Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590, and copies of such reports can be obtained from U.S. DOT at prescribed rates.

See “CERTAIN INVESTMENT CONSIDERATIONS.”

The City undertakes no responsibility for and makes no representation as to the accuracy or completeness of (i) any reports and statements filed with the SEC or U.S. DOT as described in this section or (ii) any material contained on the SEC’s website as described in this section, including, but not limited to, updated information on the SEC website or links to other Internet sites accessed through the SEC’s website. Any such information is not part of this Official Statement nor has such information been incorporated by reference herein, and such information should not be relied upon in deciding whether to invest in the Series 2022 Bonds.

AIRPORT ENVIRONMENTAL MATTERS

General

There are several significant environmental matters that have direct and indirect impacts on the Airport and the Enterprise, some of which are described below. These include mitigation of aircraft noise impacts, hazardous substance cleanup and clean air requirements. Each of these areas is discussed in more detail below.

Generally, the City includes a set of standard terms and conditions in its tenant leases which provides that tenants are responsible for the costs of remediation of hazardous or other regulated material from City-owned property, which includes the Enterprise, and obligates tenants to comply with all applicable federal, State and municipal laws. However, if a tenant does not comply with these lease requirements or with the requirements of applicable environmental laws, the City would need to seek legal recourse against such tenant and in the interim may become responsible for any required environmental cleanup. The ultimate impact of these environmental factors on the City, the Airport and the Enterprise cannot be determined at this time.

The Airport’s most recent environmental impact report was prepared in November 2005 and certified in June 2006 (the “EIR”). An Addendum to the EIR was approved by the Planning Commission in April 2018 which addressed minor changes to the project descriptions and square footage allocation while still maintaining under the 89,995 square foot limitation and focused on, among other things, the environmental impact the Terminal improvements and the Parking Structure would have on the Airport. The findings in the EIR and subsequent Addendum showed that the impact of the Terminal improvements and the Parking Structure, among other projects, on the Airport would not be significant.

The Airport recently completed an Environmental Assessment (“EA”) for Phase II of the TAIP and received a Finding of No Significant Impact from the FAA in December 2019. It is anticipated that the Airport will need to perform a subsequent EIR Addendum and EA to address deferred projects of the Phase II Program.

Aircraft Noise Impacts

In the State, commercial airports operate under operating permits issued by the California Department of Transportation (“Caltrans”). Airports within the State are regulated under the State of California Aeronautics Act. The State does not regulate noise generation from aircraft. However, State regulations, California Code of Regulations Title 21, beginning at Section 5000 (“Title 21”), define noise standards governing the operation of aircraft and aircraft engines based upon the level of noise acceptable to a reasonable person residing in the vicinity of an airport. Pursuant to Title 21 and the State Aeronautics Act, Caltrans has adopted regulations requiring an airport proprietor that operates an airport with a noise impact area that exceeds specified airport noise standards to apply for and receive a variance, according to specified criteria and procedures. In order to obtain a variance, among other requirements, the airport proprietor must submit a plan showing how the airport will comply with the noise standards.

Airport proprietors can comply with noise standards through implementation of various measures including sound insulation of incompatible structures to reduce the interior noise levels to acceptable levels, acquisition of incompatible properties located within the noise impact areas, and the purchase of noise easements from affected property owners.

The Airport operates under the Noise Ordinance adopted by City Council in 1995. The Noise Ordinance permits Air Carriers (passenger and all cargo) to operate not less than 41 flights per day and Commuter operators carriers to operate not less than 25 flight slots per day at the Airport. The Noise Ordinance allows the minimum permitted number of flight slots per day to be increased at the Airport in each operator flight restriction category so long as flight slots operate at or below annual noise budgets for each class of operator defined in the Noise Ordinance. In 2016, the Airport added nine Supplemental Air Carrier Flight Slots, and in 2019, added three additional Supplemental Air Carrier Flight Slots. For more information on the Noise Ordinance, see "AIRPORT OPERATING INFORMATION—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots" herein.

Hazardous Substances

Airport operations involve the storage and use of a number of materials that are defined as hazardous under various federal, state, and local regulations. Petroleum products, predominantly jet fuel, comprise the majority of hazardous materials used at Airport facilities. The majority of these materials are used by the Airport's tenants in the normal course of their operations. However, the City's own operations also include the storage and use of certain hazardous substances. The storage and use of these materials are regulated on the local level by the Long Beach Fire Department – Fire Prevention Bureau.

In addition to regulations related to the safe storage and use of hazardous materials, various federal, state and local agencies exercise responsibility related to the accidental discharge of harmful quantities of these materials to the environment. These agencies include: the Long Beach Fire Department, The Long Beach Health and Human Services Department – Hazardous Materials Division, The Los Angeles Regional Water Quality Control Board and The State Department of Toxic Substances Control.

The City routinely conducts comprehensive environmental compliance audits of all City and Airport tenant operated facilities to ensure compliance with all applicable regulations. Through these activities, the City has established a database of all known areas where hazardous materials have been accidentally discharged. The City works cooperatively with the relevant regulatory agency to insure the responsible tenants are remediating the contamination.

Emission Standards

Air emissions associated with airport activities are governed by a number of federal, state and local regulations. Most notable of these are the Federal Clean Air Act of 1990 (the "CAA"), the California Clean Air Act (the "CCAA"), the California Global Warming Solutions Act ("AB32"), and various SCAQMD rules and regulations. See "CERTAIN INVESTMENT CONSIDERATIONS—Climate Change Issues."

In December 2019, the Airport entered into a voluntary Memorandum of Understanding ("MOU") with SCAQMD. See "AIRPORT CAPITAL IMPROVEMENT PROGRAM—Sustainability Projects." Under the terms of the MOU, the Airport has developed an Air Quality Improvement Plan that includes specific measures and initiatives that represent the Airport's comprehensive plan to reduce nitrogen oxide emissions from non-aircraft mobile sources. Measures are programs where there are specific courses of action to reduce emissions and initiatives are projects, or goals, that the Airport will pursue, but the emissions reductions are not easily quantifiable. The Airport will implement the measures that are eligible for California State Implementation Plan credits in hopes to achieve the emission reduction performance targets outlined in the MOU for the attainment milestone years of 2023 and 2031. SCAQMD will report the emissions reductions to the United States Environmental Protection Agency.

See also “AIRPORT CAPITAL IMPROVEMENT PROGRAM—Sustainability Projects” and “CERTAIN INVESTMENT CONSIDERATIONS—Climate Change Issues.”

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Series 2022 Bonds are urged to read this Official Statement, including all Appendices, in its entirety. The following information should be considered by prospective investors, in addition to the other matters set forth in this Official Statement in evaluating the Series 2022 Bonds. However, it does not purport to be a comprehensive or exhaustive discussion of risks or other considerations which may be relevant to an investment in the Series 2022 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Series 2022 Bonds are Special Obligations

The Series 2022 Bonds are special limited obligations of the City, payable solely from and secured by a pledge of Net Revenues (including, as to the PFC Eligible Portions of the Series 2022 Bonds, PFC Revenues), and such other amounts, funds and accounts pledged under the Senior Indenture. None of the properties of the City or the Enterprise are subject to any mortgage or other lien (except for the lien created by the Senior Indenture on the Net Revenues) for the benefit of the owners of the Series 2022 Bonds and neither the full faith and credit nor the taxing power of the City, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Series 2022 Bonds.

COVID-19 Pandemic

Airports in the United States, including the Airport, have been materially adversely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines are reporting unprecedented downturns in passenger volumes, which in turn, has resulted in a considerable reduction in scheduled service. For a discussion of impacts of the operations and financial condition of the City, see “THE AIRPORT—COVID-19 Outbreak.”

The City cannot predict (1) the duration or extent of the COVID-19 pandemic and its continuing impacts on the City and the Airport; (2) the scope or duration of the current COVID-19 pandemic and any additional restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down in response to such restrictions or warnings; (3) what additional short or long-term effects the pandemic and restrictions or warnings imposed as a result of the COVID-19 pandemic may have on air travel, including to and from the Airport, the retail and services provided by Airport concessionaires, or Airport costs or revenues; (4) to what extent the COVID-19 pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the ACIP, or other Airport operations; (5) the extent to which the COVID-19 pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or may have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (6) whether or to what extent the City may provide additional deferrals, forbearances, adjustments or other changes to the City’s arrangements with Airport tenants and concessionaires; or (7) the duration and extent of the material adverse effect on the finances and operations of the City expected to result from the foregoing.

Prospective investors should assume that the restrictions and limitations related to the COVID-19 pandemic, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term, recovery may be prolonged and, therefore, have an adverse impact on Enterprise revenues.

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at the Airport and the financial condition of the airlines, and, therefore, the amount of Net Revenues (including PFC Revenues) available for payment of the Series 2022 Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns, including the recent outbreak of the coronavirus; aviation security concerns; longer passenger processing and wait times and other inconveniences; federal government mandated security measures that may result in additional taxes and fees; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel (including the ability of airlines to hedge fuel costs); existing and potential new regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of the Airport, and business travel substitutes, including teleconferencing, videoconferencing and web-casting. An outbreak of a disease or similar public health threat that affects travel demand or travel behavior, or travel restrictions or reduction in the demand for air travel caused by an outbreak of a disease or similar public health threat in the future, could have a material adverse impact on the airline industry and result in substantial reductions in and/or cancellations of, bookings and flights. Revenues from TNCs are an increasing portion of Revenues and may be contributing to a change in revenue sources, away from parking, rental cars, taxis and limousines. Emerging technologies, including autonomous vehicles and new transportation business strategies, may contribute to additional changes in the Department's revenue sources. There can be no assurances that these changes will not adversely affect the Department's revenues. If aviation and enplaned passenger traffic at the Airport do not meet forecast levels, a corresponding reduction could occur in forecasted Revenues and expenses.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the events of September 11, 2001.

Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, costs of aviation fuel, international conflicts and threats of terrorism and structural changes in the travel market.

Regional and National Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. In addition, traffic at the Airport will depend in part on the economic conditions in the State and local service area. The recession that began in late 2007, combined with reduced discretionary income, contributed to reduced airline travel demand in 2008 and 2009. The continuing weakness in the national, state and/or local economy may have an adverse effect on the air transportation industry, and on the Airport.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to the Air Transport Association, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs, and can also result in higher airfares as fuel price increases are passed along to passengers, with the effect of reducing demand for discretionary air travel. Fuel prices continue to be susceptible to, among other factors, political unrest and war in various parts of the world, including the current Russia-Ukraine war, Organization of Petroleum Exporting Countries policy, the rapid growth of economies such as China and India, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines. The City notes that certain airlines such as Southwest actively employ fuel hedging as a practice to provide some protection against fuel price increases.

International Conflict and the Threat of Terrorism. The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The City cannot predict the likelihood of future incidents similar to the events of September 11, 2011, the likelihood of future air transportation disruptions or the impact on the Airport or the airlines operating at the Airport from such incidents or disruptions.

Concentration of Certain Airlines at the Airport

In 2021, Southwest accounted for 78% of the Airport's enplaned passengers. Any significant financial or operational difficulties incurred by Southwest and/or other leading airlines at the Airport may have a material adverse effect on the Airport and the Enterprise. No assurance can be given that Southwest's level of activity at the Airport will continue, regardless of Southwest's financial condition. In the event that Southwest discontinues or reduces its operations at the Airport, the City would attempt to reallocate unutilized slots per the provisions of the Noise Ordinance, but there can be no assurance that Southwest's current level of activity would be replaced by other carriers, which could result in reduced revenue collections by the Airport and the Enterprise. See "AIRPORT OPERATING INFORMATION—Airport Noise Compatibility Ordinance; Allocation of Air Carrier Flight Slots."

Effect of Airline Bankruptcies

A number of airlines and concessionaires (i.e., rental car companies) that served or are currently serving the Airport have filed for bankruptcy protection in the past and may do so in the future. Historically, bankruptcies of airlines operating at the Airport have resulted in transitory reductions of service levels, even in cases where such airlines continued to operate in bankruptcy. Future bankruptcies, liquidations or major restructurings of other airlines and/or concessionaires or other contractual counterparties may occur. While it is not possible to predict the impact on the Airport of future bankruptcies, liquidations or major restructurings of contractual counterparties, if a contractual counterparty has significant operations or obligations at the Airport, its bankruptcy, liquidation or a major restructuring, could have a material adverse effect on revenues of the Enterprise, operations at the Airport, the costs to other contractual counterparties to operate at the Airport (as, for instance, certain costs allocated to any such airline or concessionaire may be passed on to the remaining airlines or concessionaires under their respective agreements; there can be no assurance that such other contractual counterparties would be financially able to absorb the additional costs) and may result in delays or reductions in payments on the Series 2022 Bonds.

In the event of a bankruptcy by a contractual counterparty operating at the Airport, the automatic stay provisions of the United States Bankruptcy Code (the "Bankruptcy Code") could prevent (unless approval of the bankruptcy court was obtained) an action to collect amounts owing by the contractual counterparty to the Enterprise or other actions to enforce the obligations of the contractual counterparty to the City. With the authorization of the Bankruptcy Court, the contractual counterparty may be able to repudiate some or all of its agreements with the City and stop performing its obligations (including payment obligations) under such agreements. The contractual counterparty may be able, without the consent and over the objection of the City, the Senior Trustee and the holders of the Series 2022 Bonds, to alter the terms, including the payment terms, of its agreements with the City as long as the Bankruptcy Court determines that the alterations are fair and equitable. In addition, with the authorization of the Bankruptcy Court, the contractual counterparty may be able to assign its rights and obligations under any of its agreements with City to another entity despite any contractual provisions prohibiting such an assignment. The Senior Trustee and the holders of the Series 2022 Bonds may be required under the Bankruptcy Code to return to the contractual counterparty as preferential transfers any money that was used to make payments on the Series 2022 Bonds and that was received by the City from the contractual counterparty during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the City under any agreement with such contractual counterparty may be subject to further limitations under the Bankruptcy Code.

Pursuant to the PFC Act, the FAA has approved the City's applications to require the airlines to collect and remit to the Enterprise a passenger facility charge on each enplaning revenue passenger at the Airport. The PFC Act provides that PFC revenues collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the City) imposing the PFC revenues, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for passenger facility charge collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. The airlines, however, are permitted to commingle passenger facility charge collections with other revenues and are also entitled to retain interest earned on passenger facility charge collections until such passenger facility charge collections are remitted. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the City cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at the Airport. Regardless, the City could be held to be an unsecured creditor with respect to unremitted PFC revenues held by an airline that has filed for bankruptcy protection. Additionally, the City cannot predict whether an airline operating at the Airport that files for bankruptcy protection would have properly accounted for the PFC revenues owed to the City or whether the bankruptcy estate would have sufficient moneys to pay the City in full for the PFC revenues owed by such airline.

With respect to a contractual counterparty in bankruptcy proceedings in a foreign country, the City is unable to predict what types of orders and/or relief could be issued by foreign bankruptcy tribunals nor the extent to which any such orders would be enforceable in the United States.

Other possible effects of a bankruptcy of a contractual counterparty include, but may not be limited to, delays or reductions in revenues received by the City and potentially in delays or reductions in payments on the Series 2022 Bonds. Regardless of any specific adverse determinations in a contractual counterparty bankruptcy proceeding, the fact of a contractual counterparty bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2022 Bonds. The City has historically not incurred any material losses from contractual counterparty bankruptcies.

The City makes no representation with respect to the continued viability of any of the carriers or contractual counterparties serving the Airport, airline service patterns, or the impact of any contractual counterparty failures on the Revenues and passenger facility charge collections.

Effect of Concessionaire Bankruptcies

A bankruptcy of any significant concessionaire at the Airport could also result in delays or reductions in payments of principal of and interest on the Series 2022 Bonds, for reasons similar to those discussed above with respect to airline bankruptcies. Regardless of any specific adverse determinations in a concessionaire bankruptcy proceeding, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2022 Bonds.

Effect of City Bankruptcy

The City is able to file for bankruptcy under Chapter 9 of the Bankruptcy Code. Should the City become the debtor in a bankruptcy case, the holders of the Series 2022 Bonds will not have a lien on Revenues received by the City after the commencement of the bankruptcy case unless the bankruptcy court determines that Revenues constitute "special revenues" within the meaning of the Bankruptcy Code. "Special revenues" are defined to include receipts from the ownership, operation, or disposition of projects or systems that are primarily used or intended to be used primarily to provide transportation, utility or other services, as well as other revenues or receipts derived from particular functions of the debtor. While the City believes that Revenues should be treated as "special revenues," such treatment is subject to significant discretion by the bankruptcy court and no assurance can be given that a bankruptcy court would not find otherwise. If Revenues are not "special revenues," there could be delays or reductions in payments on the Series 2022 Bonds. Even if a court determines that Revenues are not "special revenues," the Airport will be able to use Revenues to pay operation and maintenance costs of the Enterprise, notwithstanding any provision of the Senior Indenture or any other agreement to the contrary.

There may be other possible effects of a bankruptcy of the City that could result in delays or reductions in payments on the Series 2022 Bonds. The City cannot predict what types of orders and/or relief may be granted by a bankruptcy court that could have a material adverse effect on the City's receipt or application of Revenues. Regardless of any specific adverse determinations in a City bankruptcy proceeding, the fact of a City bankruptcy proceeding could have an adverse effect on the liquidity and market value of the Series 2022 Bonds.

Regulations and Restrictions Affecting the Airport

The operations of the Airport and the Enterprise are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the U.S.

It is not possible to predict whether future restrictions or limitations on Airport or Enterprise operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for the Airport, whether additional requirements will be funded by the federal government or require funding by the City, or whether such restrictions or legislation or regulations would adversely affect Revenues.

The Airport operates under the Noise Ordinance, which imposes certain limitations on operations at the Airport. The Noise Ordinance allows the minimum permitted number of flights per day to be increased at the Airport in each operator flight restriction category so long as flights operate at or below annual noise budgets for each class of operator defined in the Noise Ordinance. For more information on the Noise Ordinance, see "AIRPORT OPERATING INFORMATION—Airport Noise Compatibility Ordinance" herein.

Federal Law Affecting Airport Rates and Charges

In general, federal aviation law requires that airport fees charged to airlines and other aeronautical users be reasonable and that in order to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. Pursuant to the requirements of the 1994 Aviation Act, U.S. DOT and the FAA have promulgated regulations setting forth an expedited hearing process to be followed in determining the reasonableness of the fees charged to airlines and other aeronautical users.

The City is not aware of any formal dispute involving the Airport over any existing rates and charges. The City believes that the rates and charges it imposes upon air carriers and other aeronautical users, and the rates and charges methodology utilized for the Rate Ordinance, are reasonable and consistent with federal law and applicable FAA regulations. However, there can be no assurances that one or more airlines will not challenge the rates established by the City with respect to the Rate Ordinance or, if such a challenge were to be brought, that it would not be successful. A successful challenge to the rates set forth in the Rate Ordinance could limit the ability of the City to charge the airlines and other aeronautical rates required by the provisions of the Senior Indenture and would require the City to increase rates and fees charged to non-aeronautical users, which could have a material adverse impact on the financial condition of the Enterprise.

The City can provide no assurances that the operation of the rate covenant set forth in the Master Senior Indenture will not be limited by the requirement of federal law that all aeronautical rates and charges be reasonable. If the rate covenant set forth in the Master Senior Indenture would require the City to increase aeronautical rates and charges in order to provide sufficient funds to make payments on the Series 2022 Bonds, but the increased rates or charges would not be reasonable, then the City will not be able to increase such rates or charges and would require the City to increase rates and charges to non-aeronautical users (such as automobile parking, rental cars, terminal concessions, and other nonairline tenants). Under such circumstances there could be delays or reductions in payments on the Series 2022 Bonds.

Additionally, the policies of the FAA prohibit an airport from making direct or indirect payments that exceed the fair and reasonable value of the respective services and facilities provided to the airport. The City provides certain services to the Airport. If the FAA were to rule that the Airport's payments to the City for the services provided by the City violate the policies of the FAA, the Airport would be solely responsible for correcting any such violations. If the Airport violates the policies of the FAA, the FAA may withhold payment of AIP grants or rescind the Airport's ability to collect PFCs until the Airport corrects such violation. The City is not aware of any challenges by the FAA to the payments being made by the Airport to the City.

Availability of PFCs

At the time of issuance of the Series 2022 Bonds, the City will designate certain PFCs as Revenues and will pledge PFC Revenues to the payment of debt service on the PFC Eligible Portions of the Series 2022 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS." The City also expects to use approximately $31.6 million of PFCs on a pay-as-you-go basis to finance a portion of the costs of the ACIP. See "AIRPORT CAPITAL IMPROVEMENT PROGRAM."

The amount of PFCs received by the City in future years will vary based upon the actual number of PFC-eligible passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. See "—Factors Affecting the Airline Industry" above. Additionally, the FAA may terminate the City's ability to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFCs are not being used for approved projects in accordance with the FAA's approval, the PFC Act, the PFC Regulations or the PFC Approvals; or (b) the City otherwise violates the PFC Act or the PFC Regulations. The City's authority to impose the PFC may also be terminated if the City violates certain provisions of the Noise Act and its implementing regulations. The regulations under the Noise Act also contain procedural safeguards to ensure that the City's authority to impose a PFC would not be summarily terminated. No assurance can be given that the City's authority to impose the PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the City or that the City will not seek to decrease the amount of the PFC to be collected, provided such decrease does not violate the City's covenant in the Senior Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—PFC Covenants."

A shortfall in PFC revenues, as a result of the FAA or Congress reducing or terminating the City's ability to collect PFCs or as a result of any other actions, may cause the City to increase rates and charges at the Airport to meet the debt service requirements on the Series 2022 Bonds and/or require the City to identify other sources of funding to pay for the costs of the ACIP projects currently expected to be paid with PFC revenues, including issuing Additional Senior Bonds and/or additional Subordinate Obligations.

PFC Revenues are equal to the lesser of (a) 125% of the Aggregate Annual Debt Service on the PFC Eligible Portion of all Senior Bonds (including the Series 2022 Bonds), and (b) the total amount of Passenger Facility Charges received by the City in a Fiscal Year. If no PFCs are received by the City in a Fiscal Year, no PFCs will be included in Revenues and therefore no PFC Revenues will be pledged to the Series 2022 Bonds in that Fiscal Year.

Federal Funding

The City receives certain Federal funds, including from the AIP and the Bipartisan Infrastructure Bill ("BIL"). The AIP provides Federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). The BIL provides Federal capital grants for airport-related projects as defined under the existing Airport Improvement Grant and PFC criteria. BIL grants include entitlement funds (determined by formulas based on passenger activity) and competitive funds through the FAA's Airport Terminals Program. These funds can be invested in runways, taxiways, safety and sustainability projects, as well as terminal, airport-transit connections and roadway projects. Additionally, certain operations at the Airport are supported by Federal agencies including, flight traffic controllers, FAA, Transportation Security Administration, FBI, Customs and Border Security, among others. Federal agencies also have regulatory and review authority over, among other things, certain Airport operations, construction at the Airport and the airlines operating at the Airport.

Limitations on the capacity of the air traffic control system to handle increased airline traffic because of federal budgetary constraints, labor actions or regulatory requirements could hinder increases in the number of flights to and from the Airport and thereby restrain revenue growth. Demands on the air traffic control system at the national level have, in the past, caused delays to and operational restrictions on airline schedules and passenger traffic. There can be no assurance that the Airport will not be affected by such matters in the future.

From time to time, the Federal government has, and may in the future, come to an impasse regarding, among other things, reauthorization of the FAA (which has historically included funding for AIP) and other Federal appropriations and spending.

Failure to adopt such legislation may have a material, adverse impact on, among other things: (i) Federal funding received by the Department, including under the AIP; (ii) Federal agency budgets, hiring, furloughs, operations and availability of Federal employees to support certain operations at the Airport, provide regulatory and other oversight, review and provide required approvals, in each case at the Airport and over the airlines serving the Airport; and (iii) flight schedules, consumer confidence, operational efficiency at the Airport and in the air transportation system generally. In addition, the anticipated Federal spending could be affected by, among other things, the automatic across-the-board spending cuts, known as sequestration.

There can be no assurance that the Congress will enact and the President will sign Federal appropriation legislation or future FAA reauthorization which may require the City to fund capital expenditures forecast to come from such Federal funds and from other sources (including operating revenues, Additional Senior Bonds or Additional Subordinate Obligations), result in decreases to the Airport Capital Program or extend the timing for completion of certain projects and the City is also unable to predict future impact of any Federal spending cuts or appropriation impasses or the impact of such actions on airline traffic at the Airport or the Revenues.

Rate Covenant Not a Guarantee; Failure To Meet Projections

The ability of the City to pay the principal of and interest on the Series 2022 Bonds depends on the ability of the City to generate Revenues in the levels required by the Senior Indenture. Although, as more particularly described herein, the City expects that sufficient revenues will be generated through the imposition and collection of the fees, rents charges and other Revenues described herein, there is no assurance that such imposition of fees, rents charges or other Revenues will result in the generation of Net Revenues in the amounts required by the Senior Indenture. As a result, the rate covenant set forth in the Master Senior Indenture does not constitute a guarantee that sufficient Net Revenues will be available to make debt service payments on the Series 2022 Bonds.

The City can provide no assurances that operation of the Rate Covenant set forth in the Master Senior Indenture will not be limited by the requirement of federal law that all aeronautical rates and charges be reasonable. If the Rate Covenant set forth in the Master Senior Indenture would require the City to increase airline rates and charges in order to provide sufficient funds to make payments on the Series 2022 Bonds, but the increased airline rates or charges would not be reasonable, then the City will not be able to increase such rates or charges and would be required to increase non-airline rates and charges or take other actions to meet the Rate Covenant. Under such circumstances there could be delays or reductions in payments on the Series 2022 Bonds. See "—Federal Law Affecting Airport Rates and Charges" above.

Increasing the schedule of rentals, rates, fees and charges contained in long-term contracts for the use of the Airport and the Enterprise and for services rendered by the City and Airport officials in connection with the Airport and the Enterprise is subject to contractual, statutory and regulatory restrictions. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Rate Covenant" and "—Federal Law Affecting Airport Rates and Charges" above.

In addition, the financial forecasts developed by the Airport are based on a number of assumptions. While the City believes that such assumptions are reasonable, there be no assurances that actual conditions will not be different from those assumed by the City, and such circumstances could have a material adverse impact on the ability of the City to pay the principal of and interest on the Series 2022 Bonds.

Additional Obligations Can Be Issued Without Bondholder Consent

Under the Master Senior Indenture the City is permitted to issue additional obligations without obtaining any consent from any holder of existing Series 2022 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Additional Senior Bonds" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Subordinate Obligations." Such newly issued obligations may be junior to, or on a parity with the Series 2022 Bonds, as long as the requirements of the Senior Indenture are satisfied. Any such additional obligations may be secured by the trust estate and thus an increased amount of debt will be outstanding, but the amount of collateral for those obligations will not be increased. Certain of the conditions for the issuance of additional obligations relate to financial projections regarding the future operations of the Airport and the Enterprise. The City can provide no assurance that such projections will be achieved. If such projections are not achieved, there may be insufficient Revenues to make the required payments on all of the Series 2022 Bonds, unless airport rates and charges are increased. The City, however, may be unable to increase airport rates and charges as a result of federal law that requires all airport rates and charges to be reasonable. See "—Federal Law Affecting Airport Rates and Charges" above. Under such circumstances, there could be delays or reductions in payments on the Series 2022 Bonds.

Factors Affecting Capital Improvement Program

As described herein, the City is undertaking the ACIP with respect to the Airport. The City has entered into and will enter into agreements for the construction of such capital improvements. See "AIRPORT CAPITAL IMPROVEMENT PROGRAM." The City anticipates that such contracts will be subject to adjustment for a variety of circumstances, including higher than anticipated costs of labor and materials or subcontractor bids, changes in scope, unforeseen site conditions and force majeure events. The estimated costs of, and the projected schedule for, the capital improvement plan are subject to a number of uncertainties. The ability of the City to complete the ACIP may be adversely affected by various factors including: (a) estimating errors; (b) design and engineering errors; (c) changes to the scope of the projects, including changes to federal security regulations; (d) delays in contract awards; (e) material and/or labor shortages; (f) unforeseen site conditions; (g) adverse weather conditions and other force majeure events; (h) contractor defaults; (i) labor disputes; (j) unanticipated levels of inflation; (k) environmental issues; and (l) provisions of the IIJA which require projects that receive federal financial assistance to procure nearly all "construction materials" from U.S. sources, absent a waiver from the granting or lending federal agency. No assurance can be made that the existing projects in the ACIP will not cost more than the current budget for these projects. Although the City has no current plans to issue additional Airport debt to fund the ACIP, any schedule delays or cost increases could result in the need to issue additional indebtedness and may result in increased costs per enplaned passenger to the airlines, thereby making the Airport less economically competitive. There can be no assurances that significant increases in costs over the amounts projected by the City will not materially adversely affect the financial condition or operations of the Airport or the Enterprise.

Impact of Potential Earthquakes

Generally, seismic activity occurs on a regular basis within the State, and significant faults exist in and around the City, including the Whittier Fault and the Newport-Inglewood Fault. Periodically, the magnitude of a single seismic event can cause significant ground shaking and potential damage to property located at or near the center of such seismic activity. A serious earthquake could result in damage within the City and to roads, bridges, and other property, including the Airport. Damage to the Airport could include pavement displacement (which could, in the worst case, necessitate the closing of one or more runways for extended periods of time), distortions of pavement grades, breaks in utility, loss of water supply, drainage and sewage lines, displacement or collapse of buildings and the rupture of gas and fuel lines. The facilities of the Airport were each designed to the seismic standards existing at the time of original construction or renovation. There can be no assurances that damage resulting from an earthquake will not materially adversely affect the financial condition or operations of the Airport or the ability of the City to generate Net Revenues in the amounts required by the Senior Indenture.

Climate Change Issues

In November 2015, the City Mayor signed an official commitment to the Compact of Mayors (now called the Global Covenant of Mayors), a global coalition working to collectively reduce greenhouse gas emissions and enhance resilience to climate change. As part of this commitment, the City is currently developing a Climate Action and Adaptation Plan ("CAAP"). The CAAP will also be used to ensure City compliance with various state and regional mandates. As part of the larger CAAP report process, the City filed a report with the State Lands Commission in June 2019 that included a number of scenarios relating to sea level rise and coastal flooding due to increased intensity storms. The report included projections of the cost of damage to public infrastructure in the City from coastal storms and sea level rise could be significant, ranging from preliminary projections of up to $5 million as early as 2030, to as much as $123.7 million by 2100. The report also identified other significant costs to the City's economy.

The CAAP is intended to provide a framework for creating or updating policies, programs, practices, and incentives for City residents and businesses to reduce the City's greenhouse gas footprint and better protect the City community and its physical assets from the impacts of climate change. The CAAP process to date has included the preparation of technical analyses and vulnerability assessments of critical City assets. On January 5, 2021, the City Council confirmed the CAAP, directing staff to move forward and prepare an Environmental Impact Report. The CAAP is anticipated to be adopted in 2022. The CAAP provides for the implementation of a range of actions to reduce greenhouse gas ("GHG") emissions and adapt to climate change impacts. CAAP development efforts indicate that, in the future, climate-related hazards may adversely impact the City, including sea level rise, flooding and extreme heat. Related impacts could include damage to critical City infrastructure, such as the City's buildings, and wastewater and transportation systems. The CAAP development process has included the development of mitigation and adaptation strategies for the City to consider, including reductions of greenhouse gas emissions, strengthening emergency response and disaster recovery planning, and the relocation or elevation of infrastructure, business' and homes in areas particularly subject to climate impact.

In addition, climate change concerns are leading to new laws and regulations at the federal and state levels that could have a material adverse effect on airlines operating at the Airport and could also affect ground operations at airports. The U.S. Environmental Protection Agency (the "EPA") has taken steps towards the regulation of GHG emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. The Clean Air Act regulates aircraft emissions under provisions that are parallel to the requirements for motor vehicle emissions. Accordingly, the EPA may elect or be forced by the courts to regulate aircraft emissions. While the EPA has not yet taken any action to regulate GHG emissions from aircraft, regulation may still be forthcoming. The City cannot predict what the effect any such regulations will have on the City or the air traffic at the Airport.

In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including California, and have been proposed on the federal level. California passed Assembly Bill 32, the California Global Warming Solutions Act of 2006 ("AB 32"), which required the statewide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, the California Air Resources Board ("CARB") made the final adjustments to its implementation of AB 32: the California cap-and-trade program (the "California Cap-and-Trade Program"). In August 2016, Senate Bill 32 was enacted and extends the California Cap-and-Trade Program to ensure that California-wide GHG emissions are reduced by at least 40% below the California-wide emissions limit not later than December 31, 2030. The Airport's annual metric tons of carbon dioxide equivalent emissions exceed 25,000 metric tons and therefore the Airport is required to participate in the California Cap-and-Trade Program. California Cap-and-Trade Program credits are market-based; thus, the annual costs for participation in the program may vary. The California Cap-and-Trade Program may result in rising electricity and fuel costs, which may adversely affect the airlines serving the Airport and the Airport's operations.

SCAQMD also imposes rules and regulations specifically targeted to various air pollutants and types of operations such as hydrant fueling, private vehicle fueling, power generators, boilers and the use of various volatile organic chemical containing materials.

See "AIRPORT SYSTEM ENVIRONMENTAL MATTERS."

The City cannot predict the timing, extent, or severity of climate change and its impact on the City or regional economy or the Enterprise's operations and finances, but there can be no assurances that such impacts will not be material and adverse. Furthermore, the City is unable to predict whether any federal and/or state laws and regulations with respect to GHG emissions will be adopted, or what effects any such laws and regulations will have on airlines serving the Airport or on Airport or Enterprise operations. The effects, however, could be material.

Cybersecurity

The City and the Airport rely on computers and technology to conduct its operations. The City and its departments, including the Enterprise, face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. To date, there have been no significant, cyber-attacks on the City's or the Airport's computers and technologies.

While the City is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City's and the Airport's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's or the Airport's computer and technology could negatively impact the City's and/or the Airport's operations, and the costs related to such attacks could be substantial.

Enforceability of Remedies; Limitation on Remedies

As discussed above under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS—Events of Default and Remedies; No Acceleration," there is no right to acceleration of payments to bondholders under the Senior Indenture and bondholders may be required to make a separate claim for each semiannual payment not paid. Further, the remedies available to the owners of the Series 2022 Bonds upon an Event of Default under the Senior Indenture are in many respects dependent upon regulatory and judicial actions that are in many instances subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for in the Senior Indenture may not be readily available or may be limited. Legal opinions to be delivered concurrently with the delivery of the Series 2022 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2022 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

Loss of Federal Tax Exemption

Interest on the Series 2022 Bonds may become subject to federal income taxation if certain events occur subsequent to the date of issuance of the Series 2022 Bonds that violate the requirements and limitations prescribed by the Code. Although the City has agreed not to violate the requirements and limitations of the Code, there can be no assurance that these events will not occur. If certain requirements are violated, the interest on the Series 2022 Bonds may be deemed to be taxable retroactive to the date of issuance. The Series 2022 Bonds are not subject to mandatory redemption or to mandatory acceleration in the event of such an occurrence. No premium or additional interest will be paid to the bondholders or former bondholders to compensate the bondholders for any losses they may incur as a result of the interest on the Series 2022 Bonds becoming subject to federal income taxation. See "TAX MATTERS" below.

Secondary Market

There can be no guarantee that there will be a secondary market for the Series 2022 Bonds, or, if a secondary market exists, that the Series 2022 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances. Such prices could be substantially different from the original purchase price.

In addition, the City has entered into a continuing disclosure undertaking in connection with the Series 2022 Bonds. Any material failure to comply with such undertaking in the future may adversely affect the liquidity of the affected 2022 Bonds and their market price in the secondary market. See "CONTINUING DISCLOSURE."

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements. See "INTRODUCTION—Forward-Looking Statements."

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel to the City, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2022 Bonds is excluded from gross income for federal income tax purposes, except for interest on any Series 2022B Bond or Series 2022C Bond for any period during which such Series 2022B Bond or Series 2022C Bond is held by a "substantial user" of the facilities financed or refinanced by the Series 2022B Bonds or the Series 2022C Bonds, as applicable, or a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that (a) interest on the Series 2022A Bonds and the Series 2022B Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (b) interest on the Series 2022C Bonds is a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinions described above assume the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Series 2022 Bonds. Failure to comply with such requirements could cause interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2022 Bonds. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2022 Bonds.

The accrual or receipt of interest on the Series 2022 Bonds may otherwise affect the federal income tax liability of the owners of the Series 2022 Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2022 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2022 Bonds.

Bond Counsel if further of the opinion that interest on the Series 2022 Bonds is exempt from present State of California personal income taxes.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

Tax Treatment of Original Issue Premium

The Series 2022 Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Premium Series 2022 Bonds"), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Series 2022 Bond over its stated redemption price at maturity constitutes premium on such Premium Series 2022 Bond. A purchaser of a Premium Series 2022 Bond must amortize any premium over such Premium Series 2022 Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Series 2022 Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser's basis in such Premium Series 2022 Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Series 2022 Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Series 2022 Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Series 2022 Bond.

Tax Treatment of Original Issue Discount

General. The Series 2022 Bonds that have an original yield above the respective interest rate as shown on the inside cover of this Official Statement (collectively, the "Discount Series 2022 Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Series 2022 Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to such Discount Series 2022 Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Series 2022 Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Series 2022 Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Series 2022 Bond, on days which are determined by reference to the maturity date of such Discount Series 2022 Bond. The amount treated as original issue discount on such

Discount Series 2022 Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Series 2022 Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Series 2022 Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Series 2022 Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Series 2022 Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Series 2022 Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Series 2022 Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Series 2022 Bond. Subsequent purchasers of Discount Series 2022 Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

Recognition of Income Generally. Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the Discount Series 2022 Bonds under the Code.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Series 2022 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Series 2022 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2022 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2022 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2022 Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2022 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2022 Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

LITIGATION

There is no action, suit or proceeding known to be pending or threatened, restraining or enjoining the issuance, sale, execution, or delivery of the Series 2022 Bonds or in any way contesting or affecting the validity of the Series 2022 Bonds or any proceedings of the City taken with respect to the issuance or sale thereof, or the power of the City to collect the Net Revenues or the PFCs pledged to the payment of the PFC Eligible Portions of the Series 2022A Bonds and the Series 2022B Bonds.

The operation of the Airport and the Enterprise gives rise to litigation from time to time, and the City is involved in various pending litigation matters. Although contemporaneous adverse awards in a number of pending matters which are not covered by insurance or payable from federal grants may result in increased rents, rates and charges for the use of the Airport, including amounts payable by the airlines operating at the Airport, the possibility is remote. Even in such event, the City believes that such awards would not have a material adverse effect on the ability of the City to meet its obligations under the Series 2022 Bonds.

RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service Inc. ("Moody's") have assigned ratings of "[__]" and "[__]," respectively, to the Series 2022 Bonds. Such ratings reflect only the views of Fitch and Moody's (which views and criteria could change at any time) and any desired explanation of the significance of such ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. Future events, including the impacts of the COVID 19 pandemic that is described under the caption "THE AIRPORT—COVID-19 Outbreak," could have an adverse impact on the ratings of the Series 2022 Bonds, and there is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2022 Bonds. Generally, a rating agency bases its ratings on the information and materials furnished to it (which may include information and material from the City that is not included in this Official Statement) and on investigations, studies and assumptions of its own.

Except as will be set forth in the Continuing Disclosure Certificate (see "APPENDIX C—FORM OF CONTINUING DISCLOSURE CERTIFICATE" for a form of the Continuing Disclosure Certificate), neither the City nor the Underwriters will undertake any responsibility either to bring to the attention of the registered owners of the Series 2022 Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

In providing a rating on the Series 2022 Bonds, the rating agencies may have performed independent calculations of coverage ratios using its own internal formulas and methodology, which may not reflect the provisions of the Senior Indenture. The City makes no representations as to any such calculations, and such calculations should not be construed as a representation by the City as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

UNDERWRITING

The Series 2022 Bonds will be purchased by Morgan Stanley & Co. LLC and the other underwriters listed on the cover of this Official Statement (collectively, the "Underwriters"), from the City at a price of $___________ (which is equal to the par amount of the Series 2022 Bonds, plus a net original issue premium of $_________, less an underwriters' discount of $___________), subject to the terms of a bond purchase agreement (the "Bond Purchase Agreement") between Morgan Stanley & Co. LLC, as representative of the Underwriters, and the City. The Bond Purchase Agreement provides that the Underwriters will purchase all of the Series 2022 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Series 2022 Bonds set forth on the inside of the front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Series 2022 Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the cover hereof.

Morgan Stanley & Co. LLC, an underwriter of the Series 2022 Bonds, has provided the following paragraph for inclusion in this Official Statement.

"Morgan Stanley & Co. LLC, an underwriter of the Series 2022 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Series 2022 Bonds."

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which for certain of the Underwriters may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities instruments. Such investment and securities activities may involve securities and instruments of the City. The market activities of the Underwriters and other market participants may impact the value of the Series 2022 Bonds. The Underwriters have indicated that their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

The City will covenant to provide annual financial statements and other information in the manner required by Rule 15c2-12 of the SEC (17 C.F.R. § 240.15c2-12) ("Rule 15c2-12"). The City will enter into an undertaking (the "Undertaking") for the benefit of the holders of the Series 2022 Bonds to provide certain financial information and operating data concerning the Enterprise and the Airport, and notices of certain events to the MSRB, pursuant to the requirements of section (b)(5)(i) of Rule 15c2-12. See "APPENDIX C—FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein for a description of the Undertaking. A failure by the City to provide any information required thereunder will not constitute an Event of Default under the Senior Indenture.

In 2020, the City filed notice of a material "financial obligation" 18 business days after the incurrence of the obligation. Except as disclosed in the previous sentence, during the past five years, the City has not failed to comply in all material respects with previous continuing disclosure undertakings pursuant to Rule 15c2-12. In order to assure compliance with its continuing disclosure obligations in the future, the City has retained Digital Assurance Certification, L.L.C., to assist in the preparation and filing of the Undertaking and other continuing disclosure undertakings of the City.

MUNICIPAL ADVISOR

The City has engaged Frasca & Associates, LLC., as municipal advisor (the "Municipal Advisor"), in connection with the issuance of the Series 2022 Bonds. Under the terms of their engagements, the Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent financial advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

INDEPENDENT AUDITORS

The general purpose financial statements of the City (which include audited financial information relating to the Enterprise Fund) as of September 30, 2021 and 2020 and for the years then ended, included in this Official Statement as Appendix A, have been audited by KPMG LLP, independent auditors, as stated in their report appearing in Appendix A. KPMG LLP was not requested to consent to the inclusion of its report in Appendix B and it has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by KPMG LLP with respect to any event subsequent to the date of its report.

APPROVAL OF LEGAL PROCEEDINGS

The validity of the Series 2022 Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to the City. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix D hereto. Certain matters will be passed upon for the City by the City Attorney. Certain matters will be passed upon for the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel to the City. Certain matters will be passed upon for the Underwriters by their counsel Nixon Peabody LLP.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC, a firm of independent certified public accountants, will verify from the information provided to them the mathematical accuracy of the computations contained in the provided schedules to determine that (a) the deposit to the Series 2009C Redemption Account will be sufficient to pay on June 23, 2022 the redemption price of and accrued interest on the Series 2009C Bonds, (b) the deposit to the Series 2010A Redemption Account will be sufficient to pay on June 23, 2022 the redemption price of and accrued interest on the Series 2010A Bonds, and (c) the deposit to the Series 2010B Redemption Account will be sufficient to pay on June 23, 2022 the redemption price of and accrued interest on the Series 2010B Bonds.

MISCELLANEOUS

This Official Statement has been duly approved, executed and delivered by the City. So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

CITY OF LONG BEACH

By ____

City Manager

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE CITY OF LONG BEACH FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

The finances of the Airport and the Enterprise are reported as an "enterprise fund" in the City of Long Beach Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report also contains information with respect to the City's General Fund, other enterprise funds, and other funds. The principal, or redemption price, of and interest on the Series 2022 Bonds are payable solely from the Net Revenues pledged for the payment thereof, and the inclusion of information relating to the General Fund, other enterprise funds, and other funds in the City of Long Beach Annual Comprehensive Financial Report does not create an implication that any of such other funds are available for payment of the Series 2022 Bonds.

APPENDIX B

CERTAIN DEFINITIONS
AND SUMMARIES OF THE MASTER SENIOR INDENTURE
AND THE THIRD SUPPLEMENTAL SENIOR INDENTURE

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon issuance of the 2022 Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the CITY OF LONG BEACH, CALIFORNIA (the "City") in connection with the issuance of the City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022A (Governmental/Non-AMT) (the "Series 2022A Bonds"), City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022B (Private Activity/Non-AMT) (the "Series 2022B Bonds"), and City of Long Beach, California Senior Airport Revenue Bonds, Series 2022C (Private Activity/AMT) (the "Series 2022C Bonds" and, together with the Series 2022A Bonds and the Series 2022B Bonds, the "Series 2022 Bonds"). The Series 2022 Bonds are being issued by the City pursuant to the Master Senior Trust Indenture, dated as of December 1, 2009 (the "Master Senior Indenture"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee"), the Third Supplemental Senior Trust Indenture, to be dated as of June 1, 2022 (the "Third Supplemental Senior Indenture," and together with the Master Senior Indenture, and all supplements thereto, the "Senior Indenture").

In consideration of the Participating Underwriters' purchase of the Series 2022 Bonds, the City agrees as follows:

Section 1. <u>Definitions</u>. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"*Annual Report*" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean the City or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation. In the absence of such a designation, the City shall act as the Dissemination Agent.

"*EMMA*" or "*Electronic Municipal Market Access*" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"*Financial Obligation*" means a: (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Listed Events*" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" shall mean any original underwriter of the Series 2022 Bonds required to comply with the Rule in connection with offering of the Series 2022 Bonds.

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the owners and Beneficial Owners of the Series 2022 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report*. The City shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the City's fiscal year (which currently ends on September 30), commencing with the report for the 2020-21 Fiscal Year, which is due not later than June 30, 2022, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year*. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent*. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the City.

(d) *Report of Non-Compliance*. If the City is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the City shall send a notice to EMMA in a timely fashion substantially in the form attached hereto as Exhibit A. If the City is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice in a timely fashion to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification*. The Dissemination Agent shall, if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports.

(a) The Annual Report for each fiscal year shall contain or incorporate by reference the following information, for the most recently completed fiscal year:

(1) *Financial Statements.* Audited financial statements of the City for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the City's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement for the Series 2022 Bonds (the "OS), and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(2) OS Table 4 — Allocation of Air Carrier Flight Slots;

(3) OS Table 7 — Historical Enplanements by Airline;

(4) OS Table 8 — Historical Aircraft Operations;

(5) OS Table 10 — Historical Operating Results;

(6) OS Table 11 — Historical Airline Payments Per Enplaned Passenger; and

(7) OS Table 12 — Historical Debt Service Coverage.

(b) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on EMMA. The City shall clearly identify each such other document so included by reference. If the document included by reference is a final official statement, it must be available from EMMA.

(c) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. <u>Reporting of Listed Events</u>.

(a) *Reportable Events.* The City shall, or shall cause the Dissemination Agent (if not the City) to, give notice of the occurrence of any of the following events with respect to the Series 2022 Bonds:

(1) Principal and interest payment delinquencies.

(2) Unscheduled draws on debt service reserves reflecting financial difficulties.

(3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Defeasances.

(6) Rating changes.

(7) Tender offers.

(8) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(9) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2022 Bonds, if material:

(1) Non-payment related defaults.

(2) Modifications to rights of security holders.

(3) Bond calls.

(4) The release, substitution, or sale of property securing repayment of the securities.

(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(7) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect holders of the Series 2022 Bonds.

(c) *Time to Disclose.* The City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Series 2022 Bonds.

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent*. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the City, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the City. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the City shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the City.

(b) *Compensation of Dissemination Agent*. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the City from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the City, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the City or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the City. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent*. In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the City to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the City under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the City that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances*. If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Series 2022 Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date*. The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Bondowners; Non-impairment Opinion*. The amendment or waiver either: (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners; or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the City shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c); and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Indenture. The obligations of the City under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Series 2022 Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2022 Bonds, and shall create no rights in any other person or entity.

Date: June __, 2022

CITY OF LONG BEACH, CALIFORNIA

By:____________________________________
David S. Nakamoto,
City Treasurer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	City of Long Beach, California
Name of Issue:	California Senior Airport Revenue Refunding Bonds, Series 2022A (Governmental/Non-AMT)
	City of Long Beach, California Senior Airport Revenue Refunding Bonds, Series 2022B (Private Activity/Non-AMT)
	City of Long Beach, California Senior Airport Revenue Bonds, Series 2022C (Private Activity/AMT)
Date of Issuance:	June __, 2022

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated June __, 2022, furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by _________________.

Date: ________________

CITY OF LONG BEACH, CALIFORNIA,
Dissemination Agent

By:_______________________________________
Authorized Officer

APPENDIX D

FORM OF APPROVING OPINION OF BOND COUNSEL

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption "—General" below has been provided by DTC. The City does not make any representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Series 2022 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER OF THE CITY NOR THE SENIOR TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SERIES 2022 BONDS UNDER THE SENIOR INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2022 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE WITH RESPECT TO THE OWNER OF THE SERIES 2022 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SERIES 2022 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2022 Bond certificate will be issued for each maturity the Series 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Series 2022 Bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Series 2022 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Series 2022 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Senior Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Senior Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Senior Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the City or the Senior Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Series 2022 Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Series 2022 Bonds will be printed and delivered to DTC.

The information in this Appendix E concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but neither the City nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SERIES 2022 BONDS AND WILL NOT BE RECOGNIZED BY THE SENIOR TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.