



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

R-22

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6169 • Fax (562) 570-5836

January 4, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt the attached Resolution declaring the intention to establish Community Facilities District No. 2011-1 (Douglas Park–North of Cover Street Area–Services Levy); initiate proceedings to levy special taxes; approve boundaries and rate and method of apportionment of special taxes; establish voting procedure and set date of public hearing for January 18, 2011. (District 5)

DISCUSSION

The City and The Boeing Company are parties to a Douglas Park Amended and Restated Development Agreement (Amended DA). Section 8.23.2.3 of the Amended DA provides for the formation of a Community Facilities District (CFD) by the City to include land north of Cover Street in the Douglas Park area of the city, which will finance certain municipal services described in the Amended DA. All of the property proposed to be included in the new CFD is currently owned by The Boeing Company.

The Long Beach Special Tax Financing Improvement Law, as contained in the Long Beach Municipal Code, governs the formation of the CFD by the City Council. On December 21, 1999, the City Council adopted Local Goals and Policies for CFDs related to commercial development. The Special Tax Financing Improvement Law provides a mechanism to form a CFD to finance municipal services. Once formed, a CFD may finance specified services through payment of a special tax levied against the owners of land within the CFD. These special taxes are then used to pay for any authorized municipal service and any expenses associated with the administration of the CFD.

The proposed boundary map, on file with the City Clerk as outlined in Exhibit C of the Resolution, for the proposed CFD shows the parcels to be included in the CFD, all of which are owned by The Boeing Company.

Adoption of the attached Resolution declares the City Council's intention to initiate the CFD formation proceedings and sets the date of public hearing on the CFD for January 18, 2011 at 5:00 p.m. The Resolution describes the proposed boundaries of the CFD, the proposed special taxes to be levied on property within those boundaries, designates the law firm of Quint & Thimmig, LLP, as counsel to assist with the formation of the CFD, authorizes the City Attorney to enter into an agreement with said firm for its services related to the CFD, and directs the City Clerk to publish a Notice of the Public

HONORABLE MAYOR AND CITY COUNCIL

January 4, 2011

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Hearing. The Resolution Exhibits describe the services that would be eligible to be funded by the CFD, and sets forth the rate and method of apportionment of special taxes to be levied on property in the CFD.

Immediately following the January 18, 2011 public hearing, it is expected that an election will be called at which time the sole landowner in the proposed CFD will vote on the establishment of the CFD and the levy of the special tax.

This item was reviewed by Assistant City Attorney Heather A. Mahood on December 16, 2010 and Budget Management Officer Victoria Bell on December 17, 2010.

TIMING CONSIDERATIONS

City Council action on this item is requested on January 4, 2011, to support the formation of the CFD, so that the CFD can be in place before The Boeing Company sells any of the land it owns within the CFD.

FISCAL IMPACT

There is no fiscal impact to the General Fund associated with the requested action. All revenue from the CFD will be collected in, and expended from, a CFD trust account. All expenses related to the formation of the CFD will be paid for by The Boeing Company, as provided in Section 8.23.2.3 of the Amended DA. The local job impact that may result from the formation of the CFD is unknown at this time.

SUGGESTED ACTION

Approve recommendations.

Respectfully submitted,


ERIK SUND
ACTING DIRECTOR OF FINANCIAL MANAGEMENT


AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES


MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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ATTACHMENT - RESOLUTION

APPROVED:


PATRICK H. WEST
CITY MANAGER

RESOLUTION NO. RES-11-_____

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH DECLARING ITS INTENTION TO
ESTABLISH A COMMUNITY FACILITIES DISTRICT AND
TO AUTHORIZE THE LEVY OF SPECIAL TAXES THEREIN
– DOUGLAS PARK NORTH OF COVER STREET AREA –
SERVICES LEVY

WHEREAS, under the Long Beach Special Tax Financing Improvement Law, constituting Section 3.52.511 et seq. of the Long Beach Municipal Code (the "Law"), this City Council may commence proceedings for the establishment of a community facilities district; and

WHEREAS, on December 21, 1999, this City Council adopted Resolution No. C-27626 adopting local goals and policies for community facilities districts related to commercial development (the "Goals and Policies"); and

WHEREAS, the City of Long Beach (the "City") and The Boeing Company ("Boeing") are parties to a Douglas Park Amended and Restated Development Agreement (the "Development Agreement"), Section 8.23.2.3 of which contemplates the formation of a community facilities district to include land north of Cover Street in the Douglas Park area of the City to finance certain municipal services; and

WHEREAS, Boeing has submitted to this City Council a Petition (Including Waivers) (the "Petition") requesting the formation by this City Council of the community facilities district contemplated by Section 8.23.2.3 of the Development Agreement, to be known as the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area – Services Levy) (the "District"); and

WHEREAS, under the Law, this City Council is the legislative body for the proposed District and is empowered with the authority to establish the District and levy

1 special taxes within the District; and

2 WHEREAS, this City Council now desires to proceed with the actions
3 necessary to consider the establishment of the District;

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

6 Section 1. This City Council proposes to begin the proceedings
7 necessary to establish the District pursuant to the Law. Receipt of the Petition to form
8 the District is hereby acknowledged. Formation of the District shall be subject to the
9 Goals and Policies, unless specifically waived by this City Council in the proceedings to
10 form the District, and shall be in accordance with the provisions of Section 8.23.2.3 of the
11 Development Agreement.

12 Section 2. The name proposed for the District is City of Long Beach
13 Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area –
14 Services Levy).

15 Section 3. The proposed boundaries of the District are as shown on the
16 map of the District on file with the City Clerk, which boundaries are hereby preliminarily
17 approved. The City Clerk is hereby directed to record, or cause to be recorded, the map
18 of the boundaries of the District in the office of the Los Angeles County Recorder as soon
19 as practicable after the adoption of this Resolution.

20 Section 4. The types of services proposed to be eligible for funding by
21 the District and pursuant to the Law shall consist of those items listed on Exhibit A hereto
22 (the "Services"), which Exhibit is by this reference incorporated herein.

23 Section 5. Except to the extent that funds are otherwise available to the
24 District to pay for the Services, a special tax sufficient to pay the costs thereof, secured
25 by recordation of a continuing lien against all non-exempt real property in the District, will
26 be levied annually within the District, with the first such levy to occur only when specified
27 in Section 8.23.2.3 of the Development Agreement. The special tax will be collected in
28 the same manner as ordinary ad valorem property taxes or in such other manner as this

1 City Council or its designee shall determine, including direct billing of the affected
2 property owners. The proposed rate and method of apportionment of the special tax
3 among the parcels of real property within the District in sufficient detail to allow each
4 landowner within the proposed District to estimate the maximum amount such owner will
5 have to pay and which otherwise complies with applicable provisions of the Law is set
6 forth in Exhibit B attached hereto which Exhibit is by this reference incorporated herein.

7 Section 6. The levy of said proposed special tax in the District shall be
8 subject to the approval of the qualified electors of the District at a special election. The
9 proposed voting procedure shall be by mailed or hand-delivered ballot among the
10 landowners in the proposed District, with each owner having one vote for each acre or
11 portion of an acre of land such owner owns in the District.

12 Section 7. Except as may otherwise be provided by law or the rate and
13 method of apportionment of the special tax for the District, all lands owned by any public
14 entity, including the United States, the State of California and/or the City, or any
15 departments or political subdivisions of any thereof, shall be omitted from the levy of the
16 special tax to pay the costs of the Services and any administrative costs of the City
17 related to the District.

18 Section 8. The City Treasurer is hereby directed to study the proposed
19 Services to be funded by the District and to make, or cause to be made, and file with the
20 City Clerk a report in writing, presenting the following:

21 (a) A brief description of the Services proposed to be eligible to be
22 financed by the District.

23 (b) An estimate of the cost of providing the Services, including any City
24 administrative costs.

25 Said report shall be made a part of the record of the public hearing provided
26 for below.

27 Section 9. Tuesday, January 18, 2011, at 5:00 p.m. or as soon thereafter
28 as the matter may be heard, in the regular meeting place of this City Council, City Council

1 Chambers, City Hall, 333 West Ocean Boulevard, Long Beach, California, be, and the
2 same are hereby appointed and fixed as the time and place when and where this City
3 Council, as legislative body for the District, will conduct a public hearing on the
4 establishment of the District and consider and finally determine whether the public
5 interest, convenience and necessity require the formation of the District and the levy of
6 said special tax within the District.

7 Section 10. The law firm of Quint & Thimmig LLP is hereby designated as
8 Formation Counsel to the City for the District. The City Attorney is hereby authorized to
9 execute an agreement with said firm for its services related to the District, in a form
10 acceptable to the City Attorney.

11 Section 11. The City Clerk is hereby directed to cause notice of the public
12 hearing described in Section 9 above to be given by publication one time in a newspaper
13 published in the area of the District. The publication of said notice shall be completed at
14 least seven days before the date herein set for said hearing. Said notice shall be
15 substantially in the form of Exhibit C hereto.

16 Section 12. This resolution shall take effect immediately upon its adoption
17 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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I hereby certify that the foregoing resolution was adopted by the City
Council of the City of Long Beach at its meeting of January 4, 2011, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

EXHIBIT A

CITY OF LONG BEACH COMMUNITY FACILITIES DISTRICT NO. 2011-1 (DOUGLAS PARK - NORTH OF COVER STREET AREA - SERVICES LEVY)

DESCRIPTION OF SERVICES ELIGIBLE TO BE FUNDED BY THE DISTRICT

The District shall be eligible to finance all or a portion of the costs of the following: repair, maintenance and replacement, as applicable, of streets, sidewalks, landscaping along streets, in medians and in other public parks and areas, traffic signs and signals, street lights and street signage. The District may fund any of the following related to the services described in the preceding sentence: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities, providing for revenues for capital replacement costs, paying the salaries and benefits of personnel (including but not limited to maintenance workers, patrol guards and other personnel), and for payment of other related expenses (including but not limited to employee benefit expenses and an allocation of general overhead expenses). The services may be provided in the area within and adjacent to Douglas Park, as identified in the Douglas Park Amended and Restated Development Agreement (the "Development Agreement") by and between the City of Long Beach (the "City") and The Boeing Company (recorded in the Los Angeles County Recorder's Office on May 26, 2010 as document number 20100720952), or in respect of any public improvements or facilities to be constructed pursuant to the Development Agreement; provided that, as a first priority, the City shall apply proceeds of the special tax to be levied in the District (pursuant to the rate and method of apportionment of special taxes for the District) to maintain in good condition within Douglas Park the public infrastructure on which proceeds of the special tax may be expended.

The District may also finance administrative costs of the City related to the District, and provide for the reimbursement of costs related to the formation of the District advanced by the City, any landowner in the District, or any party related to either of the foregoing.

EXHIBIT B

CITY OF LONG BEACH COMMUNITY FACILITIES DISTRICT NO. 2011-1 (DOUGLAS PARK - NORTH OF COVER STREET AREA - SERVICES LEVY)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

An Annual Special Tax shall be levied on all Taxable Property within the boundaries of the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy) ("CFD 2011-1") and collected each Fiscal Year commencing in the First Levy Year (as defined below). The Special Tax shall be levied according to the tax liability determined through the application of this Rate and Method of Apportionment of Special Taxes to the extent and in the manner herein provided.

1. Definitions

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, record of survey or other recorded document creating and describing such area of land. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560 square feet. Notwithstanding the foregoing, "Acre" or "Acreage" shall not include the area of any land subject to an easement in favor of the City for roadways, as determined by the CFD Administrator.

"Act" means the Long Beach Special Tax Financing Improvement Law, as amended, being Sections 3.52.511 et seq. of the Long Beach Municipal Code.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD 2011-1: computing the Annual Special Tax; preparing the Annual Special Tax collection schedules (whether by the City or designee thereof or both); collecting the Special Taxes (whether by the City, the County or otherwise); the costs to the City, CFD 2011-1, or any designee thereof complying with disclosure or reporting requirements associated with applicable State laws or the Act; preparing the Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; costs related to any appeal of the Special Tax; the City's annual administration fees and any expenses related to CFD 2011-1, and any other cost or expense of the City related to any of the foregoing. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD 2011-1 for any other administrative purposes of CFD 2011-1, including attorney's fees and other costs related to commencing and pursuing any foreclosure of delinquent Special Taxes.

"Annual Special Tax" means any Special Tax levied within CFD 2011-1 pursuant to the Act and this Rate and Method of Apportionment of Special Taxes for any Fiscal Year.

"Annual Special Tax Requirement for Services" means that amount required in any Fiscal Year to: (i) pay the costs of Services incurred or otherwise payable in the Calendar Year commencing in such Fiscal Year; and (ii) fund an operating reserve for the costs of Services as determined by the CFD Administrator; less a credit for funds available to reduce the annual Special Tax B levy as determined by the CFD Administrator.

"Assessor" means the Assessor of the County.

"Assessor's Parcel" means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" means the number assigned to an Assessor's Parcel by the Assessor for purposes of identification.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Annual Special Tax Requirement for Services, and for preparing the Annual Special Tax roll.

"CFD No. 2011-1" means the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy).

"City" means the City of Long Beach, California.

"Consumer Price Index" means, for each Fiscal Year, the Consumer Price Index published by the U.S. Bureau of Labor Statistics for "All Urban Consumers" in the Los Angeles-Anaheim-Riverside Area, measured as of the month of April in the previous Fiscal Year. In the event this index ceases to be published, the Consumer Price Index shall be another index that is reasonably comparable to the Consumer Price Index for the City of Los Angeles, as determined by the CFD Administrator.

"Council" means the City Council of the City acting as the legislative body of CFD 2011-1 under the Act.

"County" means the County of Los Angeles, California.

"Developed Property" means for any respective Fiscal Year, all Taxable Property, exclusive of Property Owner Association Property or Public Property, for which a building permit for new construction was issued after January 1, 2011 and prior to March 1 of the previous Fiscal Year.

"Development Agreement" means the Douglas Park Amended and Restated Development Agreement executed by the City and The Boeing Company (recorded on May 26, 2010 as Document No. 20100720952 in the Los Angeles County Recorder's Office).

"Exempt Property" means Assessor's Parcels designated as being exempt from the Special Tax pursuant to Section 7.

"First Levy Year" means the Fiscal Year following the completion of any of the public improvements (a) required by the Development Agreement to be constructed within or adjacent to the territory included in CFD 2011-1 and (b) that commence construction on or after the Effective Date (as defined in the Development Agreement) for the Property (as defined in the Development Agreement) located North of Cover Street.

"Fiscal Year" means the period starting on July 1 of any year and ending on June 30 of the following Calendar Year.

"Maximum Special Tax B" means the Maximum Special Tax B determined in accordance with Section 3 below, which may be levied in any Fiscal Year on any Assessor's Parcel of Taxable Property.

"Property Owner Association Property" means any Assessor's Parcel owned in fee by a property owner association, including any master or sub-association.

"Proportionately" means, for Developed Property, that the ratio of the actual Special Tax B levy to the Maximum Special Tax B is equal for all Assessor's Parcels of Developed Property for the applicable Fiscal Year. "Proportionately" means that the ratio of the actual Special Tax A levy per Acre to the Maximum Special Tax B per Acre is equal for all Assessor's Parcels of Undeveloped Property for the applicable Fiscal Year. The term "Proportionately" may similarly be applied to other categories of Taxable Property as listed in Section 4 below.

"Public Property" means any property within the boundaries of CFD 2011-1 which is owned by, or irrevocably offered for dedication to, the federal government, the State, the County, the City or any other public agency.

"Services" means the services eligible to be funded by CFD 2011-1.

"Special Tax" or "Special Tax B" means the special tax to be levied in each Fiscal Year pursuant to the Act and this Rate and Method of Apportionment of Special Taxes on each Assessor's Parcel of Taxable Property within CFD 2011-1 to fund the Annual Special Tax Requirement for Services.

"State" means the State of California.

"Taxable Property" means all of the Assessor's Parcels within the boundaries of CFD 2011-1, which are not exempt from the levy of the Special Tax pursuant to law or Section 7 below.

"Undeveloped Property" means, for each Fiscal Year, all Taxable Property within the boundaries of CFD 2011-1 not classified as Developed Property.

2. Classification of Property within CFD No. 2011-1

Each Fiscal Year, beginning with the First Levy Year, the CFD Administrator shall classify each Assessor's Parcel within the boundaries of CFD 2011-1 as Taxable Property or Exempt Property. Taxable Property within the boundaries of CFD 2011-1 shall be further classified as Developed Property or Undeveloped Property, and all such Taxable Property shall be subject to the levy of Special Taxes in accordance with this Rate and Method of Apportionment of Special Taxes determined by the CFD Administrator pursuant to Sections 3 and 4 below.

3. Maximum Special Tax Rates

A. Special Tax B

(i). Developed Property

The Maximum Special Tax B for each Assessor's Parcel classified as Developed Property shall be \$1,026.30 per Acre for Fiscal Year 2010-2011.

(ii). Undeveloped Property

The Maximum Special Tax B for each Assessor's Parcel classified as Undeveloped Property shall be \$1,026.30 per Acre for Fiscal Year 2010-2011.

(iii). Property Owner Association Property and Public Property

No Special Tax B shall be levied on Public Property or Property Owner Association Property.

B. Escalation of Special Tax

On July 1st of each Fiscal Year, commencing July 1, 2011, the Maximum Special Tax B shall be increased by the greater of (i) the most recent annual percentage change in the Consumer Price Index or (ii) two-percent (2%) of the amount in effect in the prior Fiscal Year.

4. Method of Apportionment

For each Fiscal Year commencing with the First Levy Year, the CFD Administrator shall determine the Annual Special Tax Requirement for Services and levy Special Tax B, until the amount of Special Tax B equals the Special Tax Requirement for Services. The Special Tax B shall be levied each Fiscal Year commencing with the First Levy Year, as follows:

First: The Special Tax B shall be levied Proportionately on each Assessor's Parcel of Developed Property in CFD 2011-1 in an amount up to 100% of the Maximum Special Tax B for Developed Property; and

Second: If additional monies are needed to satisfy the Annual Special Tax Requirement for Services after the first step has been completed, the Special Tax B shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in CFD 2011-1 in an amount up to 100% of the Maximum Special Tax B for Undeveloped Property.

5. Collection of Special Taxes

Collection of the Annual Special Tax shall be undertaken by the County in the same manner as ordinary ad valorem property taxes are collected and the Annual Special Tax so levied shall be subject to the same penalties and the same lien priority in the case of delinquency as ad valorem taxes; provided, however, that the CFD Administrator may provide for (i) other means of collecting the Annual Special Tax, including direct billings thereof to the property owners in which event Special Taxes so levied shall be due and delinquent as provided in any such billing; and (ii) judicial foreclosure of any delinquent Special Taxes.

6. Term of Annual Special Tax

Special Tax B shall be levied as long as necessary to meet the Annual Special Tax Requirement for Services.

7. Exemptions

No Special Tax B shall be levied on Public Property and Property Owner Association Property.

8. Appeals

Any landowner who pays the Annual Special Tax and believes that the amount of the Annual Special Tax levied on his or her Assessor's Parcel is in error shall first consult with the CFD Administrator regarding such error not later than twelve (12) months after first having paid the first installment of the Annual Special Tax that is disputed. If following such consultation, the CFD Administrator determines that an error has occurred, the CFD Administrator may amend the amount of the Annual Special Tax to be levied on such Assessor's Parcel in the next Fiscal Year. If following such consultation and action, if any by the CFD Administrator, the landowner believes such error still exists, such person may file a written notice with the City Treasurer appealing the amount of the Annual Special Tax levied on such Assessor's Parcel. Upon the receipt of any such notice, the City Treasurer may establish such procedures as he or she deems necessary to undertake the review of any such appeal. The City Treasurer or designee thereof shall interpret this Rate and Method of Apportionment of Special Taxes and make determinations relative to the administration of the Annual Special Tax and any landowner appeals as herein specified. The decision of the City Treasurer or designee shall be final and binding as to all persons.

EXHIBIT C

CITY OF LONG BEACH COMMUNITY FACILITIES DISTRICT NO. 2011-1 (DOUGLAS PARK - NORTH OF COVER STREET AREA - SERVICES AREA)

NOTICE OF PUBLIC HEARING

Notice is hereby given that on January 4, 2011, the City Council of the City of Long Beach adopted a Resolution entitled "A Resolution of the City Council of the City of Long Beach Declaring Its Intention To Establish A Community Facilities District And To Authorize The Levy Of Special Taxes Therein - Douglas Park North of Cover Street Area - Services Levy." Pursuant to the Long Beach Special Tax Financing Improvement Law, the City Council of the City of Long Beach hereby gives notice as follows:

A. The text of said Resolution of Intention is as follows:

WHEREAS, under the Long Beach Special Tax Financing Improvement Law, constituting Section 3.52.511 et seq. of the Long Beach Municipal Code (the "Law"), this City Council may commence proceedings for the establishment of a community facilities district; and

WHEREAS, on December 21, 1999, this City Council adopted Resolution No. C-27626 adopting local goals and policies for community facilities districts related to commercial development (the "Goals and Policies"); and

WHEREAS, the City of Long Beach (the "City") and The Boeing Company ("Boeing") are parties to a Douglas Park Amended and Restated Development Agreement (the "Development Agreement"), Section 8.23.2.3 of which contemplates the formation of a community facilities district to include land north of Cover Street in the Douglas Park area of the City to finance certain municipal services; and

WHEREAS, Boeing has submitted to this City Council a Petition (Including Waivers) (the "Petition") requesting the formation by this City Council of the community facilities district contemplated by Section 8.23.2.3 of the Development Agreement, to be known as the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy) (the "District"); and

WHEREAS, under the Law, this City Council is the legislative body for the proposed District and is empowered with the authority to establish the District and levy special taxes within the District; and

WHEREAS, this City Council now desires to proceed with the actions necessary to consider the establishment of the District.

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

Section 1. This City Council proposes to begin the proceedings necessary to establish the District pursuant to the Law. Receipt of the Petition to form the District is hereby acknowledged. Formation of the District shall be subject to the Goals and Policies, unless specifically waived by this City Council in the proceedings to form the District, and shall be in accordance with the provisions of Section 8.23.2.3 of the Development Agreement.

Section 2. The name proposed for the District is City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy).

Section 3. The proposed boundaries of the District are as shown on the map of the District on file with the City Clerk, which boundaries are hereby preliminarily approved. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the District in the office of the Los Angeles County Recorder as soon as practicable after the adoption of this Resolution.

Section 4. The types of services proposed to be eligible for funding by the District and pursuant to the Law shall consist of those items listed on Exhibit A hereto (the "Services"), which Exhibit is by this reference incorporated herein.

Section 5. Except to the extent that funds are otherwise available to the District to pay for the Services, a special tax sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the District, will be levied annually within the District, with the first such levy to occur only when specified in Section 8.23.2.3 of the Development Agreement. The special tax will be collected in the same manner as ordinary ad valorem property taxes or in such other manner as this City Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the special tax among the parcels of real property within the District in sufficient detail to allow each landowner within the proposed District to estimate the maximum amount such owner will have to pay and which otherwise complies with applicable provisions of the Law is set forth in Exhibit B attached hereto which Exhibit is by this reference incorporated herein.

Section 6. The levy of said proposed special tax in the District shall be subject to the approval of the qualified electors of the District at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed District, with each owner having one vote for each acre or portion of an acre of land such owner owns in the District.

Section 7. Except as may otherwise be provided by law or the rate and method of apportionment of the special tax for the District, all lands owned by any public entity, including the United States, the State of California and/or the City, or any departments or political subdivisions of any thereof, shall be omitted from the levy of

the special tax to pay the costs of the Services and any administrative costs of the City related to the District.

Section 8. The City Treasurer is hereby directed to study the proposed Services to be funded by the District and to make, or cause to be made, and file with the City Clerk a report in writing, presenting the following:

(a) A brief description of the Services proposed to be eligible to be financed by the District.

(b) An estimate of the cost of providing the Services, including any City administrative costs.

Said report shall be made a part of the record of the public hearing provided for below.

Section 9. Tuesday, January 18, 2011, at 5:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this City Council, City Council Chambers, City Hall, 333 West Ocean Boulevard, Long Beach, California, be, and the same are hereby appointed and fixed as the time and place when and where this City Council, as legislative body for the District, will conduct a public hearing on the establishment of the District and consider and finally determine whether the public interest, convenience and necessity require the formation of the District and the levy of said special tax within the District.

Section 10. The law firm of Quint & Thimmig LLP is hereby designated as Formation Counsel to the City for the District. The City Attorney is hereby authorized to execute an agreement with said firm for its services related to the District, in a form acceptable to the City Attorney.

Section 11. The City Clerk is hereby directed to cause notice of the public hearing described in Section 9 above to be given by publication one time in a newspaper published in the area of the District. The publication of said notice shall be completed at least seven days before the date herein set for said hearing. Said notice shall be substantially in the form of Exhibit C hereto.

Section 12. This Resolution shall take effect immediately upon its adoption.

B. The exhibits to the Resolution which describe the services eligible to be funded and the rate and method of apportionment of the special taxes for the district are on file in the office of the City Clerk.

C. The time and place established under said Resolution for the public hearing required under the Law are Tuesday, January 18, 2011, at the hour of 5:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of the City Council, City Council Chambers, City Hall, 333 West Ocean Boulevard, Long Beach, California.

D. At said hearing, the testimony of all interested persons or taxpayers for or against the establishment of the district, or the furnishing of the specified types of services will be heard. Any person interested may file a protest in writing with the City Clerk. If fifty percent or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in the district, or the owners of one-half or more of the area of land in the territory proposed to be included in the district and not exempt from the special tax file written protests against the establishment of the district and the protests are not withdrawn to reduce the value of the protests to less than a majority, the City Council shall take no further action to establish the district or levy the special taxes for a period of six months from the date of the decision of the City Council, and if the majority protests of the registered voters or the landowners are only against the furnishing of a type or types of services within the district, or against levying a specified special tax in the district, those types of services, or the specified special tax, will be eliminated from the proceedings to form the district.

E. The proposed voting procedure shall be by special mail or hand-delivered ballot to the property owners within the territory proposed to be included in the district.

/s/ Larry Herrera
City Clerk,
City of Long Beach