



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

**H-2**

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • 562.570.6726

January 18, 2011

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Receive supporting documentation into the record and open the public hearing to receive public comment;

Adopt Resolution to form the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area – Services Levy) (CFD), authorize the levy of a Special Tax within the CFD, preliminarily establish an annual appropriations limit for the CFD, and submit the special tax levy and establishment of the appropriations limit to qualified electors of the CFD;

Adopt Resolution calling a special election within the CFD;

Adopt Resolution to declare the results of the special election within the CFD, and direct the recording of a Notice of Special Tax Lien; and

Declare the Ordinance levying special taxes in the CFD read the first time and laid over to the next regular meeting of the City Council for final reading. (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 RDA 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. The Special Tax Financing Improvement Law provides a mechanism to form Community Facilities Districts 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.

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On January 4, 2011, the City Council adopted a Resolution of Intention to form the CFD. The resolution approved the boundaries for the proposed CFD, described the services to be funded by the CFD, determined the rate and method of apportionment of special taxes to be levied in the new CFD, and initiated proceedings to levy the special tax in the proposed CFD, including calling for a public hearing on January 18, 2011 regarding the formation of the CFD.

The Community Facilities District Report (Attachment A) describes the services proposed to be funded by the CFD, as well as the proposed boundaries of the CFD and includes an initial cost estimate. The cost estimate reflects the expected maximum special tax (\$97,500.00) that could be levied in the CFD, subject to annual increases based on increases in the CPI.

If the Resolution of Formation of the CFD is adopted, the CFD will be formed and the City Council will be authorized to levy special taxes for the CFD in accordance with the Rate and Method of Apportionment of Special Tax, as preliminarily approved by the Resolution of Intention to form the CFD, subject to the approval of the owner of the land in the CFD (being The Boeing Company) at an election described below. The initial special tax rate will be \$1,026.30 per acre, subject to annual CPI increases. Pursuant to the Amended DA and the Resolution of Intention to form the CFD, the first special tax levy in the CFD will not occur until the fiscal year following the completion of any of the public improvements (a) required by the Amended DA to be constructed within or adjacent to the territory included in the CFD, and (b) that commence construction on or after the Effective Date for the Property (as those capitalized terms are defined in the Amended DA) located North of Cover Street. The services to be funded with the special tax include the repair, maintenance and replacement of streets, sidewalk, landscaping along streets, in medians and in other public parks and areas, traffic signs and signals, street lights and street signage in the area within and adjacent to Douglas Park, as identified in the Amended DA, or in respect of any public improvements or facilities constructed pursuant to the Amended DA.

By the City Council adopting the Resolution Calling for the Special Election, the election for the establishment of the CFD, the levy of the special tax in the CFD and the establishment of an appropriations limit for the CFD will be held immediately following the adoption of the Resolution. The Boeing Company, the sole owner of land in the CFD, thus the only voter in the election, already has delivered its ballot for the election to the City Clerk.

After a pause for the City Clerk to open the ballot, the City Council is requested to adopt a Resolution declaring the results of the election and directing recording with the Los Angeles County Recorder of a notice of special tax lien on the parcels in the CFD to put all persons on notice of the special tax authorized to be levied in the CFD.

The City Council will also have the first reading of an Ordinance levying special taxes in the new CFD. The second reading and adoption of the Ordinance will occur at the next City Council meeting. As described above, the first levy of special taxes in the CFD will not occur until certain public improvements have been completed.

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This matter was reviewed by Assistant City Attorney Michael J. Mais on December 30, 2010 and Budget Management Officer Victoria Bell on December 29, 2010.

TIMING CONSIDERATIONS

City Council action on this item is requested on January 18, 2011, to support the formation of the CFD, which will fund certain public improvements and services in and adjacent to 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 impact of this action on local jobs will be developed within the project scope of work.

SUGGESTED ACTION:

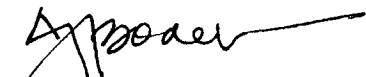
Approve recommendation.

Respectfully submitted,

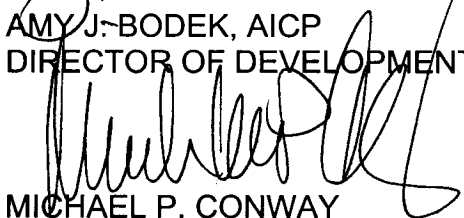


ERIK SUND

ACTING DIRECTOR OF FINANCIAL MANAGEMENT



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES



MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

DN:AJB:MPC:MRN  
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- ATTACHMENTS - COMMUNITY FACILITIES DISTRICT REPORT  
- RESOLUTIONS (3)  
- ORDINANCE

APPROVED:

  
PATRICK H. WEST  
CITY MANAGER

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

**CONTENTS**

Introduction

- A. Description of Services
- B. Proposed Boundaries of the Community Facilities District
- C. Cost Estimate

Exhibit A – Description of the Services

Exhibit B – Cost Estimate

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

**INTRODUCTION.** The City Council (the "City Council") of the City of Long Beach (the "City") did, pursuant to the provisions of the Long Beach Special Tax Financing Improvement Law (the "Law"), on January 4, 2011, adopt Resolution No. Res-11-\_\_\_\_ 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" (the "Resolution of Intention"). In the Resolution of Intention, the City Council expressly ordered the preparation of a written Community Facilities District Report (the "Report"), for the proposed City of Long Beach Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area – Services Levy) (the "District").

The Resolution of Intention ordering the Report did direct that the Report generally contain the following:

1. A brief description of the services proposed to be eligible to be financed by the District; and
2. An estimate of the cost of providing the services, including any City administrative costs.

For particulars, reference is made to the Resolution of Intention for the District, as previously adopted by the City Council.

**NOW, THEREFORE,** I, the City Treasurer of the City of Long Beach, do hereby submit the following data:

**A. DESCRIPTION OF SERVICES.** A general description of the services that the City Council has determined to be eligible to be funded by the District is as shown in Exhibit "A" attached hereto and by this reference made a part hereof.

**B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.** The proposed boundaries of the District are those properties and parcels on which special taxes may be levied to pay for the services and the expenses of administering the District. The proposed boundaries of the District are described on the map of the District recorded on January \_\_, 2011, in Book \_\_\_\_ at Page \_\_\_\_ of Maps of Assessment and Community Facilities Districts in the office of the County Recorder for the County of Los Angeles (instrument no. \_\_\_\_\_), a copy of which map is on file with the City Clerk.

**C. COST ESTIMATE.** The cost estimate for the services eligible to be funded by the District is set forth in Exhibit "B" attached hereto and by this reference made a part hereof.

Dated: January 18, 2011

By: \_\_\_\_\_  
Treasurer of the City of Long Beach

**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.

RESOLUTION NO. RES-11-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH OF FORMATION OF THE CITY OF  
LONG BEACH COMMUNITY FACILITIES DISTRICT NO.  
2011-1 (DOUGLAS PARK – NORTH OF COVER STREET  
AREA – SERVICES LEVY), AUTHORIZING THE LEVY OF  
A SPECIAL TAX WITHIN THE DISTRICT, PRELIMINARILY  
ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE  
DISTRICT, AND SUBMITTING LEVY OF THE SPECIAL  
TAX AND THE ESTABLISHMENT OF THE  
APPROPRIATIONS LIMIT TO THE QUALIFIED ELECTORS  
OF THE DISTRICT

WHEREAS, on January 4, 2011, this City Council adopted Resolution No.  
RES-11-\_\_\_\_\_ 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” (the “Resolution of Intention”) stating its intention to form the City of Long Beach  
Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area –  
Services Levy) (the “District”) pursuant to the Long Beach Special Tax Financing  
Improvement Law, Long Beach Municipal Code Section 3.52.511 et seq. (the “Law”); and

WHEREAS, the Resolution of Intention, incorporating by reference a map of  
the proposed boundaries of the District and describing the municipal services (the  
“Services”) eligible to be financed by the District, and the rate and method of  
apportionment of the special tax to be levied within District to pay costs of the Services  
and of the administration of the District is on file with the City Clerk and the provisions  
thereof are incorporated herein by this reference as if fully set forth herein; and



1 WHEREAS, the Resolution of Intention called for a public hearing on the  
2 District to be held on January 18, 2011, and notice of the public hearing was published as  
3 required by the Law; and

4 WHEREAS, on this date this City Council held the public hearing as  
5 required by the Law and the Resolution of Intention relative to the proposed formation of  
6 the District; and

7 WHEREAS, at the hearing all interested persons desiring to be heard on all  
8 matters pertaining to the formation of the District, the Services eligible to be funded by  
9 the District and the levy of the special tax in the District were heard and a full and fair  
10 hearing was held; and

11 WHEREAS, at the hearing evidence was presented to this City Council on  
12 the matters before it, including a report by the City Treasurer (the "Report") as to the  
13 Services eligible to be funded by the District and the costs thereof, a copy of which is on  
14 file with the City Clerk, and this City Council at the conclusion of the hearing was fully  
15 advised regarding the District; and

16 WHEREAS, written protests with respect to the formation of the District, or  
17 the furnishing of specified types of Services by the District as described in the Report  
18 have not been filed with the City Clerk by fifty percent (50%) or more of the registered  
19 voters residing within the territory of the District or property owners of one-half (1/2) or  
20 more of the area of land within the District and not exempt from the special tax; and

21 WHEREAS, the special tax proposed to be levied in the District to pay for  
22 the Services as set forth in Exhibit B to the Resolution of Intention has not been  
23 eliminated by protest by fifty percent (50%) or more of the registered voters residing  
24 within the territory of the District or the owners of one-half (1/2) or more of the area of  
25 land within the District and not exempt from the special tax;

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

28 Section 1. The foregoing recitals are true and correct.

1           Section 2.    The proposed special tax to be levied within the District has  
2 not been precluded by majority protest pursuant to Section 3.52.5210 of the Law.

3           Section 3.   All prior proceedings taken by this City Council in connection  
4 with the establishment of each of the District and the levy of the special tax in the District  
5 have been duly considered and are hereby found and determined to be valid and in  
6 substantial conformity with the Law. On December 21, 1999, this City Council adopted  
7 Resolution No. C-27626 approving Local Goals and Policies for Community Facilities  
8 Districts Related to Commercial Development, and this City Council hereby finds and  
9 determines that the District is in conformity with said goals and policies.

10          Section 4.   The community facilities district designated "City of Long  
11 Beach Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street  
12 Area – Services Levy)" is hereby established pursuant to the Law.

13          Section 5.   The boundaries of the District, as described in the Resolution  
14 of Intention and set forth in the boundary map of the District recorded on \_\_\_\_\_,  
15 2011 in the Los Angeles County Recorder's Office at Book \_\_\_\_ of Maps of Assessment  
16 and Community Facilities Districts at Page \_\_\_\_ (instrument no. \_\_\_\_\_), are  
17 hereby approved, are incorporated herein by this reference and shall be the boundaries  
18 of the District.

19          Section 6.   The types of services eligible to be funded by the District  
20 pursuant to the Law are as described in Exhibit A to the Resolution of Intention which  
21 Exhibit is by this reference incorporated herein.

22          Section 7.   Except to the extent that funds are otherwise available to the  
23 District to pay for the Services, a special tax sufficient to pay the costs thereof, secured  
24 by recordation of a continuing lien against all non-exempt real property in the District, will  
25 be levied within the District and collected in the same manner as ordinary ad valorem  
26 property taxes or in such other manner as this City Council shall determine, including  
27 direct billing of the affected property owners. The proposed rate and method of  
28 apportionment of the special tax among the parcels of real property within the District, in

1 sufficient detail to allow each landowner within the District to estimate the maximum  
2 amount such owner will have to pay, are described in Exhibit B to the Resolution of  
3 Intention, which Exhibit is by this reference incorporated herein, and shall be the rate and  
4 method of apportionment of special taxes for the District. This City Council hereby finds  
5 that the basis for the levy and apportionment of the special tax, as set forth in said rate  
6 and method of apportionment of special taxes, is reasonable.

7           Section 8.     The office of the Treasurer of the City of Long Beach, 333  
8 West Ocean Boulevard, 6th Floor, Long Beach, CA 92590, telephone number (562) 570-  
9 6845, is the office of the City that will be responsible for preparing annually and whenever  
10 otherwise necessary a current roll of special tax levy obligations by assessor's parcel  
11 number and who will be responsible for estimating future special tax levies for the District  
12 pursuant to Section 3.52.552 of the Law.

13           Section 9.     Upon recordation of a notice of special tax lien pursuant to  
14 Section 3114.5 of the California Streets and Highways Code for the District, a continuing  
15 lien to secure each levy of the special tax shall attach to all nonexempt real property in  
16 the District and this lien shall continue in force and effect until collection of the special tax  
17 by the City ceases.

18           Section 10.    In accordance with Section 3.52.5216 of the Long Beach  
19 Municipal Code, the appropriations limit, as defined by subdivision (h) of Section 8 of  
20 Article XIIIB of the California Constitution, of the District is hereby preliminarily  
21 established at \$1,000,000 and said appropriations limit shall be submitted to the voters of  
22 the District as provided below. The proposition establishing the appropriations limit for  
23 the District shall become effective if approved by the qualified electors of the District  
24 voting thereon and shall be adjusted in accordance with the applicable provisions of  
25 Section 3.52.5216 of the Law.

26           Section 11.    Pursuant to the provisions of the Law, the proposition of the  
27 levy of the special tax and the proposition of the establishment of the appropriations limit  
28 specified above shall be submitted to the qualified electors of the District at an election

1 the time, place and conditions of which election shall be as specified by a separate  
2 resolution of this City Council.

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

5 I hereby certify that the foregoing resolution was adopted by the City  
6 Council of the City of Long Beach at its meeting of January 18, 2011, by the following  
7 vote:

8  
9 Ayes: Councilmembers: \_\_\_\_\_

10 \_\_\_\_\_

11 \_\_\_\_\_

12 \_\_\_\_\_

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

14 \_\_\_\_\_

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

16 \_\_\_\_\_

17  
18  
19 \_\_\_\_\_  
20 City Clerk