

# 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.

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.

HONORABLE MAYOR AND CITY COUNCIL

January 18, 2011

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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:

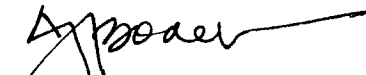
Approve recommendation.

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**

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- 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.

**EXHIBIT B**

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

**COST ESTIMATE**

Annual costs of providing the Services and of administration of the District (to increase each fiscal year, after fiscal year 2010-11, by the greater of the percentage change in the Consumer Price Index or two percent of the amount in effect in the prior fiscal year):

\$\_\_\_\_\_



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

2  
3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH DECLARING RESULTS OF  
5 SPECIAL ELECTION AND DIRECTING RECORDING OF  
6 NOTICE OF SPECIAL TAX LIEN FOR THE CITY OF LONG  
7 BEACH COMMUNITY FACILITIES DISTRICT NO. 2011-1  
8 (DOUGLAS PARK – NORTH OF COVER STREET AREA –  
9 SERVICES LEVY)

10  
11 WHEREAS, in proceedings heretofore conducted by this City Council  
12 pursuant to the Long Beach Special Tax Financing Improvement Law, Section 3.52.511  
13 et seq. of the Long Beach Municipal Code (the "Law"), this City Council on this date  
14 adopted Resolution No. RES-11-\_\_\_\_\_ entitled "A Resolution of the City Council of  
15 the City of Long Beach Calling Special Election Within the City of Long Beach  
16 Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area –  
17 Services Levy)", calling for a special election of the qualified electors within the City of  
18 Long Beach Community Facilities District No. 2011-1 (Douglas Park – North of Cover  
19 Street Area – Services Levy) (the "District"); and

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

24 WHEREAS, this Council has reviewed the canvass and hereby approves it;  
25 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
26 follows:

27 Section 1. The issues presented at the special election were the levy of a  
28 special tax within the District to be levied in accordance with the rate and method of

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

1 apportionment of special taxes for the District heretofore approved by this City Council by  
2 its resolution adopted this date entitled "A Resolution of the City Council of the City of  
3 Long Beach of Formation of the City of Long Beach Community Facilities District No.  
4 2011-1 (Douglas Park – North of Cover Street Area – Services Levy), Authorizing Levy of  
5 a Special Tax Within the District, Preliminarily Establishing an Appropriations Limit for the  
6 District and Submitting Levy of the Special Tax and the Establishment of the  
7 Appropriations Limit to the Qualified Electors of the District," and the approval of an  
8 appropriations limit for the District in the amount specified in said Resolution.

9           Section 2. Pursuant to the canvass of the special election on file with the  
10 City Clerk, the issues presented at the special election were approved by the sole  
11 qualified elector of the District by its ballot cast at the special election.

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

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

17           Section 5. The City Clerk is hereby directed to execute and cause to be  
18 recorded in the office of the County Recorder of the County of Los Angeles a notice of  
19 special tax lien for the District in a form provided by Bond Counsel, said recording to  
20 occur no later than fifteen days following adoption by the City Council of this Resolution.

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

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

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

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

\_\_\_\_\_

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

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

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

I hereby certify that on January 18, 2011, I canvassed the returns of the special election held on January 18, 2011, in the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy) and the total number of ballots cast in said election and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner Votes	Votes Cast	YES	NO
Improvement Area A of the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy) Special Tax and Bond Election January 18, 2011.	<u>95</u>	<u>95</u>	<u>      </u>	<u>      </u>

BALLOT MEASURE A: BALLOT MEASURE: Shall a special tax payable solely from lands within the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy) (the "District") be levied upon lands within the District in accordance with the rate and method of apportionment of special taxes for the District, and to be applied to pay the costs of services eligible to be funded by the District and to pay the costs of the City in administering the District; and shall the annual appropriations limit of the District be established in the amount of \$1,000,000?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 18<sup>th</sup> day of January, 2011.

By: \_\_\_\_\_  
City Clerk,  
City of Long Beach