

mayor@longbeach.gov, Bonnie_Lowenthal@longbeach.gov, Suja_Lowen, 06:04 PM 6/2/2007 -0700

To: mayor@longbeach.gov, Bonnie_Lowenthal@longbeach.gov,
Suja_Lowenthal@longbeach.gov, Gary_DeLong@longbeach.gov,
Patrick_O'Donnell@longbeach.gov, Gerrie_Shipske@longbeach.gov,
Dee_Andrew@longbeach.gov, Tonia_Uranga@longbeach.gov, Rae_Gabelich@longbeach.gov,
Val_Learch@longbeach.gov
From: Jim McCabe <jim_mcc@earthlink.net>
Subject: July 5 Calendar item #11
Cc:
Bcc: mail@LBReort.com, Jason.gerwitz@presstelegram.com,
rich.archbold@presstelegram.com, les_p1@earthlink.net
Attached:

Dear Mayor and City Council Members:

Re: Consent Calendar item #11.

As several of you know, I was a Deputy City Attorney for Long Beach for nineteen years. In my last years at the City, I dealt with loans to new retail business mostly on Pine Avenue.

The City will be considering, on this Tuesday, a \$500,000 low interest rate loan to Sports Legends, Inc., aka Gene Rotondo (President of the BSBA). This is a large low interest loan to a politically connected business owner who has as his landlord, Bud Lorbeer, who owns multiple properties in Belmont Shore and is also a political insider. **The City's proposed loan is nothing more than small town bureaucratic sleaze.**

Since shortly after the start of development along Pine Ave, it has long been the City's policy not to provide loans to restaurants or bars. There is obviously an abundance of restaurants and bars in both downtown and Belmont Shore. New ones are going in the Shore and downtown all the time and hardly need subsidies. There is nothing to indicate that this loan could not be obtained by Mr. Rotondo from the usual banking sources at a commercial rate.

The City's Commercial and Industrial Revolving Loan Fund Program has a fixed amount of money to loan. This loan will mean that such a loan will not go to some other more worthy (even if less well "connected") prospective business.

If the City should decide to go ahead with this ill advised loan, please note that the City's and my long standing policy would be to get a personal guarantee from the owner of a business. There is no reason that the City should not collect on a loan to a privately held corporation in the case of bankruptcy when the owner remains able to pay.

Thank you for your time and attention.

Respectfully,
Jim McCabe