Legislation Details (With Text)

File #:	17-0860	**Version:** 1	**Name:**	FM - Tidelands Revenue Bonds
Type:	Resolution		**Status:**	Adopted
File created:	9/25/2017		**In control:**	City Council
On agenda:	10/3/2017		**Final action:**	10/3/2017

Title: Recommendation to receive supporting documentation into the record regarding the debt issuance by the City of Long Beach; adopt resolution authorizing the issuance of the Tidelands Revenue Bonds Series 2017A (Aquarium of the Pacific Project) and Series 2017B (Queen Mary Improvements), in an aggregate principal amount not to exceed $30,250,000; and, authorize the execution of all necessary related documents and actions. (District 2)

Sponsors: Financial Management

Indexes:

Code sections:

Attachments: 1. 100317-R-32sr&att.pdf, 2. 100317-R-32att Trust Indenture.pdf, 3. 100317-R-32att POS.pdf, 4. 100317-R-32att Bond Purchase Agreement.pdf, 5. RES-17-0114.pdf

Date	Ver.	Action By	Action	Result
10/3/2017	1	City Council	approve recommendation and adopt	Pass

Recommendation to receive supporting documentation into the record regarding the debt issuance by the City of Long Beach; adopt resolution authorizing the issuance of the Tidelands Revenue Bonds Series 2017A (Aquarium of the Pacific Project) and Series 2017B (Queen Mary Improvements), in an aggregate principal amount not to exceed $30,250,000; and, authorize the execution of all necessary related documents and actions. (District 2)

On November 1, 2016, the City Council approved up to $23 million in infrastructure repairs for the Queen Mary (Attachment A). The Queen Mary infrastructure improvements were expected to be funded by approximately $5.8 million from Tidelands Fund reserves that were designated for the Queen Mary. The remaining $17.2 million in repairs were expected to be funded by a Tidelands bond issue and intended to be repaid entirely by passenger fee revenues and base rent received by the Urban Commons, the lessee of the Queen Mary.

On May 9, 2017, the City Council approved a loan to the Aquarium of the Pacific Corporation (Corporation) of up to $10.5 million from the Tidelands Fund to provide funding for the construction of the Corporation's Pacific Visions Project (Attachment B). The loan was expected to be funded by a Tidelands bond issue, intended to be repaid from "restricted" Corporation assets such as donations and grants.

The City proposes to issue the Tidelands Revenue Bonds, Series 2017 A (Aquarium of the Pacific Project) and 20178 (Queen Mary Improvements), which, collectively, would be the Series 2017 Bonds. The aggregate principal amount of the Series 2017 Bonds is not to exceed $30,250,000. Proceeds from the Series 2017 Bonds will be used to: 1) fund the loan to the Corporation of $10.5 million for the Pacific Visions Project; 2) pay for

Queen Mary Improvements, or reimburse the Tidelands Fund for expenses already incurred associated with the Queen Mary improvements under the Urban Commons Lease; and, 3) fund the cost of the bond issuance.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on September 13, 2017 and by Assistant Finance Director Lea Eriksen on September 12, 2017.

City Council action is requested on October 3, 2017, to ensure adequate funding for both the Pacific Visions Project and the Queen Mary Improvements.

The Series 2017 Bonds will be secured by all of Tidelands revenues, including oil revenues and the transfer from the Harbor Revenue Fund. The average annual debt service payment will be approximately $3.2 million. The City anticipates the Corporation will pay approximately $1.2 million of this amount from donations and grants. The
remaining $2.0 million will be paid from passenger fee revenues and base rent received by Urban Commons in accordance with prior City Council-approved actions. The City's General Fund will not be liable for the debt service payments of the Series 2017 Bonds.

Approve recommendation.

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JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER