



Legislation Text

File #: 15-1299, **Version:** 1

Recommendation to receive and file annual reports on Community Facilities District No. 2007-1 - Douglas Park Commercial Area (CFD No. 2007-1); Community Facilities District No. 2007-2 - Belmont Shore (CFD No. 2007-2); Community Facilities District No. 5 - Long Beach Towne Center (CFD No. 5); Community Facilities District No. 6 - Pike Public Improvements (CFD No. 6); and, Community Facilities District No. 2011-1 Douglas Park - North of Cover Street Area (CFD No. 2011-1), to comply with the Local Agency Special Tax Bond and Accountability Act. (Districts 2,3,5)

The Local Agency Special Tax Bond and Accountability Act (Act), requires the City to submit an annual report on CFD project funds to its City Council for Community Facilities District Special Tax bonds issued after January 1, 2001. The Act requires that the annual report contain a statement indicating the specific purposes of the Special Tax, that the proceeds of the Special Tax be used for those purposes, and that the funds be separately held. This annual report requirement applies to CFD No. 2007-1 (Exhibit A), CFD 2007-2 (Exhibit B), CFD No. 5 (Exhibit C), CFD No. 6 (Exhibit D), and CFD No. 2011-1 (Exhibit E). The issued bond amounts include funds for construction and/or improvements due to costs related to issuing the bonds and amounts required to be held in reserve accounts. Interest earned on funds is generally included in balances, see exhibits for details.

The CFD No. 2007-1 - Douglas Park Commercial Area A bonds, totaling \$15.1 million were issued, of which \$12.9 million funded the acquisition, construction of various public improvements including sewer, water, roadway, and traffic signalization systems, installation of street lights and construction of dry utilities and landscaping and irrigation improvements. CFD 2007-1 assesses Special Tax A for construction of infrastructure, debt service payments and District administration costs. The District also assesses Special Tax B for infrastructure maintenance within the District. As of September 30, 2015, the Special Tax A fund balance is \$51,283. Use of remaining funds is under review with District consultants and bond counsel to identify allowable purposes that advance improvements and/or pay down debt. The Special Tax B fund balance is \$669,919.

The CFD No. 2007-2 - Belmont Shore 2009 bonds, totaling \$3.7 million were issued, of which \$3.2 million funded the acquisition of property for parking lot use, alleyway improvements and related costs, relocation of utilities, landscaping, signage and other projects to provide public parking. As of September 30, 2015, the fund balance of \$685,684 remains for ongoing improvements in this area.

The CFD No. 5 - Long Beach Towne Center 2008 refunding bonds, totaling \$14.6 million were issued, of which \$826,219 funded certain sidewalk and/or drainage improvements. The

City used \$13.8 million of 2008 bond funds to defease outstanding 2000 bonds previously issued for the District by the City, among other related bond costs and reserves. The project was completed and no fund balance remains.

The CFD No. 6 - Pike Public Improvement bonds, totaling \$43 million were issued, of which \$32.1 million funded the acquisition, construction and installation of the Pike parking structure and the Catalina Landing parking lot, and ancillary improvements, which included storm drains, metered on-street parking stalls, installation of underground utilities and related improvements. The project was completed and no fund balance remains.

The CFD No. 2011-1 - Douglas Park - North of Cover Street Area has not issued any bonds. Although no bonds have been issued for this District, the City will start including it in this report to show the assessed funds collected to date, and related expenses as provided for in the first year of the levy. After the first year, the levy shall be used for infrastructure maintenance and repairs in this area. As of September 30, 2015, the fund balance is \$124,486.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on November 24, 2015 and by Budget Operations Administrator Grace Yoon on November 30, 2015.

City Council action is requested on December 15, 2015, as State law requires this report to be filed by the end of the calendar year.

There is no fiscal or local job impact associated with this recommendation.

Approve recommendation.

JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER