



Legislation Text

File #: 11-0035, **Version:** 1

Recommendation to 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;

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.

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.

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.

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.

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

ERIK SUND
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER