



# CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

# R-30

333 West Ocean Boulevard 6<sup>th</sup> Floor • Long Beach, CA 90802

November 3, 2009

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to execute all documents necessary for the First Amendment to Design-Build Contract No. 28388 between the City of Long Beach and ARB, Inc., in an estimated amount of \$42,470,106, plus a 5 percent contingency amount of \$2,123,505, if necessary, and increase the appropriation to \$44,593,611 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP) for the completion of design and construction of Phase I of a parking structure at the Long Beach Airport; and

Adopt the resolution authorizing the City Manager to execute amendments to the Airport Commercial Paper Program allowing the City to take advantage of certain provisions of the American Recovery and Reinvestment Act of 2009, approving a third Supplemental Subordinate Trust Indenture, a second Amendment to the Issuing and Paying Agent Agreement, a second Amendment to Commercial Paper Dealer Agreement, and certain other documents relating to the Subordinate Airport Revenue Commercial Paper Program, approving the distribution of a Commercial Paper Offering Memorandum; and

Adopt the resolution approving a Master Senior Trust Indenture and related bond documents, and authorize the City Manager to execute documents for the issuance of Senior Airport Revenue Bonds in an amount not to exceed \$65,000,000 for the financing of the parking structure project, refinance of the design costs financed with commercial paper, refund the Airport Certificates of Participation Series 1993, and finance the costs of bond issuance; and

Increase appropriation by \$950,000 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP) to pay the first debt service payment in FY10. (District 5)

## DISCUSSION

### **Parking Structure Construction Contracts**

On February 18, 2003, the City Council authorized the execution of Design-Build Contract No. 28388 with ARB, Inc., for the design and construction of a parking structure (Structure) in the

amount of \$32.2 million. The City Council limited authority for only the initial phase of the Structure, requiring further City Council approval for any additional phases. The initial phase of the Structure consists of design, engineering and preparation of construction documents.

Concurrently, the City Council authorized a contract with BonTerra for the completion of an Environmental Impact Report (EIR) for the Airport Terminal Improvement Project, which includes the Structure. From February 2003 through June 2006, the City conducted the EIR process culminating in City Council certification of the EIR on June 20, 2006. Although a preliminary site plan of the Structure was created for use in the EIR, a concerted effort commenced on the final Structure site plan following City Council certification of the EIR. On January 3, 2008, the Planning Commission approved the site plan for a 3,200-space Structure at the Long Beach Airport (see Exhibit "A") and work continued on engineering and preparation of the construction documents. On May 20, 2008, the City Council authorized the use of Airport Commercial Paper in the amount of \$5 million for completion of the design of the Structure.

In February 2009, due to economic factors affecting the nation's economy and, in particular, the aviation industry, Airport staff began to identify a "phased" approach to construction and financing of the Structure. This approach takes into consideration the Airport's current need for additional parking, economic factors and the necessity for financial sustainability. The Airport intends to construct the Structure in two phases based on current and future parking demand. Phase I of the Structure will provide for 1,989 parking spaces with an additional 239 surface parking spaces on the future site of Phase II (see Exhibit "B"). When built, Phase II of the Structure will provide for the remaining 1,211 parking spaces.

In order to move forward with construction of Phase I, an amendment to Design-Build Contract No. 28388 is required. The First Amendment contains the following major terms and provisions:

- Owner: City of Long Beach.
- Design-Builder: ARB, Inc.
- Contract Price: Owner shall pay Design-Builder the sum of \$42,470,106 for construction of Phase I of the Structure. Phase I of the Structure shall consist of the following Stages:
  - Stage I: \$ 4,500,443 - Design, Engineering & Construction Document Preparation;
  - Stage IIA: \$ 3,244,339 - Terminal Access Roadway;
  - Stage IIB: \$ 4,421,010 - Parking Structure Site Work;
  - Stage III: \$30,304,314 - Construction of Phase I Structure.  
\$42,470,106

Exclusive of the design build contract, a 5 percent contingency amount of \$2,123,505 is being requested to cover unknown underground site conditions. The \$42,470,106 will be financed through a combination of tax-exempt bond proceeds (\$40,200,000) and Airport Enterprise Funds (EF 320).

- Substantial Completion: Substantial Completion of the project shall be achieved no later than 481 calendar days after the Design-Builder's receipt from the Owner of a formal Notice to Proceed (NTP) for construction of the building pad and Stage III of the project. The NTP shall not be issued prior to issuance of the building permit.

In addition, various provisions and attachments shall be edited and updated to reflect the revised scope of the project as well as updates to personnel, regulations and requirements since the initial execution of the contract. The amended contract shall only constitute work for Phase I of the Structure. Future City Council approval will be necessary for the design and construction of Phase II.

Stage IIA of the construction project will extend the southern portion of Donald Douglas Drive to Lakewood Boulevard. This will provide a new exit for terminal traffic to turn south on Lakewood Boulevard and improve the traffic circulation around the terminal and parking facilities. Studies and analyses conducted during the EIR process recommended the construction of the Terminal Access Roadway to improve vehicle circulation at the Airport.

#### **Amendments to Passenger Facility Charge (PFC) Program**

To fund the Terminal Access Roadway construction project, the Airport plans to amend the current PFC program to extend the collection period and submit a new application. Under Federal law, PFCs can only be used for certain non-revenue producing airport capital projects. The Airport has begun the process to amend the PFC program and anticipates its full completion within the next six months. The process will require future City Council approval. In the interim, existing Airport Enterprise Funds will be utilized for the costs associated with the Terminal Access Roadway project in an effort to maintain a targeted construction commencement date of December 1, 2009. The Airport Enterprise Fund will be reimbursed for the Terminal Access Roadway construction project from the amended PFC program, if approved. If not approved, the costs will be absorbed by the Airport Fund.

#### **Amendments to Commercial Paper Program**

As authorized in 2004 and amended in 2008 by the City Council, the Airport Commercial Paper Program was implemented to issue an aggregate, not to exceed \$25 million to finance ongoing capital maintenance and rehabilitation to the Airport (\$15 million) and design costs related to the parking structure and terminal improvements (\$10 million). In 2009, the American Recovery and Reinvestment Act of 2009 (ARRA) was enacted. In order to take advantage of certain tax provisions of ARRA, it is necessary to amend certain provisions of the Commercial Paper Program issuing documents.

ARRA has temporarily repealed the Alternative Minimum Tax (AMT) on new money private activity bonds, and allows the refunding of specific AMT bonds into non-AMT status. This will allow the Airport to fund private activities with its Commercial Paper Program through 2010. The resolution would approve the third supplemental subordinate trust indenture which amends the previous definition and title of the Series A Notes and Series B Notes to conform with ARRA's treatment for federal income tax purposes; a second amendment to the issuing and paying agent agreement which amends references to Series A Notes and Series B Notes

to conform to the amended supplemental trust indenture; and a second amendment to the commercial paper dealer agreement which amends references to Series A Notes and Series B Notes to conform to the amended supplemental trust indenture.

**Authorization to Issue Airport Revenue Bonds**

The Resolution would authorize the execution of bond documents for the issuance and sale of senior airport revenue bonds in an amount not to exceed \$65,000,000, and amends the Airport Commercial Paper program documents to conform with the new master trust indenture and take advantage of the repeal of Alternative Minimum Tax for certain uses under the ARRA.

The bond proceeds shall be used to finance Phase I of the parking structure project, reimburse the City for expenditures previously incurred related to the parking structure project, fund capitalized interest during the construction period, refund a portion (\$4 million) of the \$10 million Airport Commercial Paper program used to finance the design of the parking structure, refund in full the 1993 Airport Certificates of Participation that refunded the 1991 Certificates of Participation, pay the cost of issuance, and if advantageous, purchase bond insurance. The refunding of the 1993 Airport Certificates of Participation is anticipated to generate approximately \$140,000 in present value savings for the Airport without a term extension or debt service increase. The chart below illustrates the amounts related to each of the debt issuance components:

| <b>Description</b>                           | <b>Projected Amount</b> |
|--|-------------------------|
| Parking Structure Project                    | \$40,200,000            |
| Commercial Paper Refunding                   | 4,000,000               |
| 1993 Certificates of Participation Refunding | 7,480,000               |
| Debt Service Reserve                         | 4,868,576               |
| Capitalized Interest                         | 4,349,930               |
| Cost of Issuance                             | 451,906                 |
| Underwriter's Discount                       | 496,399                 |
| <b>Total</b>                                 | <b>\$61,846,811</b>     |

This letter was reviewed by Assistant City Attorney Heather A. Mahood on September 15, 2009 and Budget and Performance Management Bureau Manager David Wodynski on October 12, 2009.

**TIMING CONSIDERATIONS**

City Council action is requested on November 3, 2009, to finalize the terms of the Second Amendment and proceed to secure funding for the construction of Phase I of the parking structure. The anticipated date of sale of the Bonds is mid-November 2009. The anticipated date for commencement of construction for the parking structure is December 1, 2009.

FISCAL IMPACT

The amended contract with ARB, Inc., is for an estimated amount of \$42,470,106. A five percent contingency of \$2,123,505 is recommended for unforeseen circumstances. An increase in appropriation of \$38,093,611 is requested to bring the total appropriations for this project to \$44,593,611 in the Airport Enterprise Fund (EF 320) in the Airport Department (AP). The increase in appropriation will be funded by the proceeds from the sale of Bonds, existing Airport Enterprise Funds, and the amended PFC Program, if approved. These actions have no impact on the General Fund. In addition, the Airport Enterprise Fund (EF 320) in the Airport Department (AP) will need appropriation in the amount of \$950,000 to pay its first net debt service payment in FY10 and is included in the Recommendation.

All future debt service payments of approximately \$4.6 million annually will be included in future Airport Department budgets. Please note the bonds are secured by a senior lien on the net revenues of the Airport; hence, revenues net of operating costs, will be used to pay for annual debt service obligations. During the construction period, parking revenues are projected to be approximately \$6.3 million annually, rising to approximately \$10.5 million annually upon completion of construction. The increased parking revenue will be available to support debt service. Please also note that the current Use Agreement for Lot D between the City of Long Beach and the Boeing Company, divides approximately \$600,000 in annual Lot D parking revenues between those two parties equally. When completed, the parking structure replaces Lot D use, retires the Use Agreement and redirects parking utilization and the corresponding revenue to the new garage at the Airport. The project also eliminates the monthly lease expense of \$1.8 million annually for the use of Lot D and the \$1 million in annual shuttle costs, thus also making those funds available for debt support.

Traditionally, General Aviation Revenue Bonds (GARBs) have been used to fund Airport-related construction projects. Similar to other municipally issued revenue bonds, GARBs are tax-exempt financing for governmental (non-private) purposes. The use of GARB proceeds is restricted to airport property for aviation related purposes. In addition to GARBs, the City is examining alternative debt structures available through ARRA and has determined that the parking structure is eligible for the Build America Bonds (BABs) program. Under the BAB structure the Airport would issue taxable financing bonds; however, the U.S. Treasury Department will subsidize 35 percent of the interest expense of the issuer through the life of the debt. ARRA has made BABs available during calendar years 2009 and 2010 only. To date, over \$32 billion in BABs have been issued. Given the current interest rate environment, a hybrid financing structure offers an annual estimated debt service savings of approximately \$150,000 that combine both GARBs and BABs. The final decision as to what combination of GARBs and BABs will be used will be made based on prevailing market conditions, interest rates and advice from the City's external Financial Advisor as well as Bond Counsel.

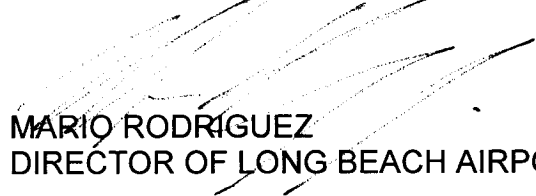
SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL  
DIRECTOR OF FINANCIAL MANAGEMENT/CFO




MARIO RODRIGUEZ  
DIRECTOR OF LONG BEACH AIRPORT

MR:LAF:jmlr:mm  
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ATTACHMENTS

APPROVED:

  
\_\_\_\_\_  
PATRICK H. WEST  
CITY MANAGER

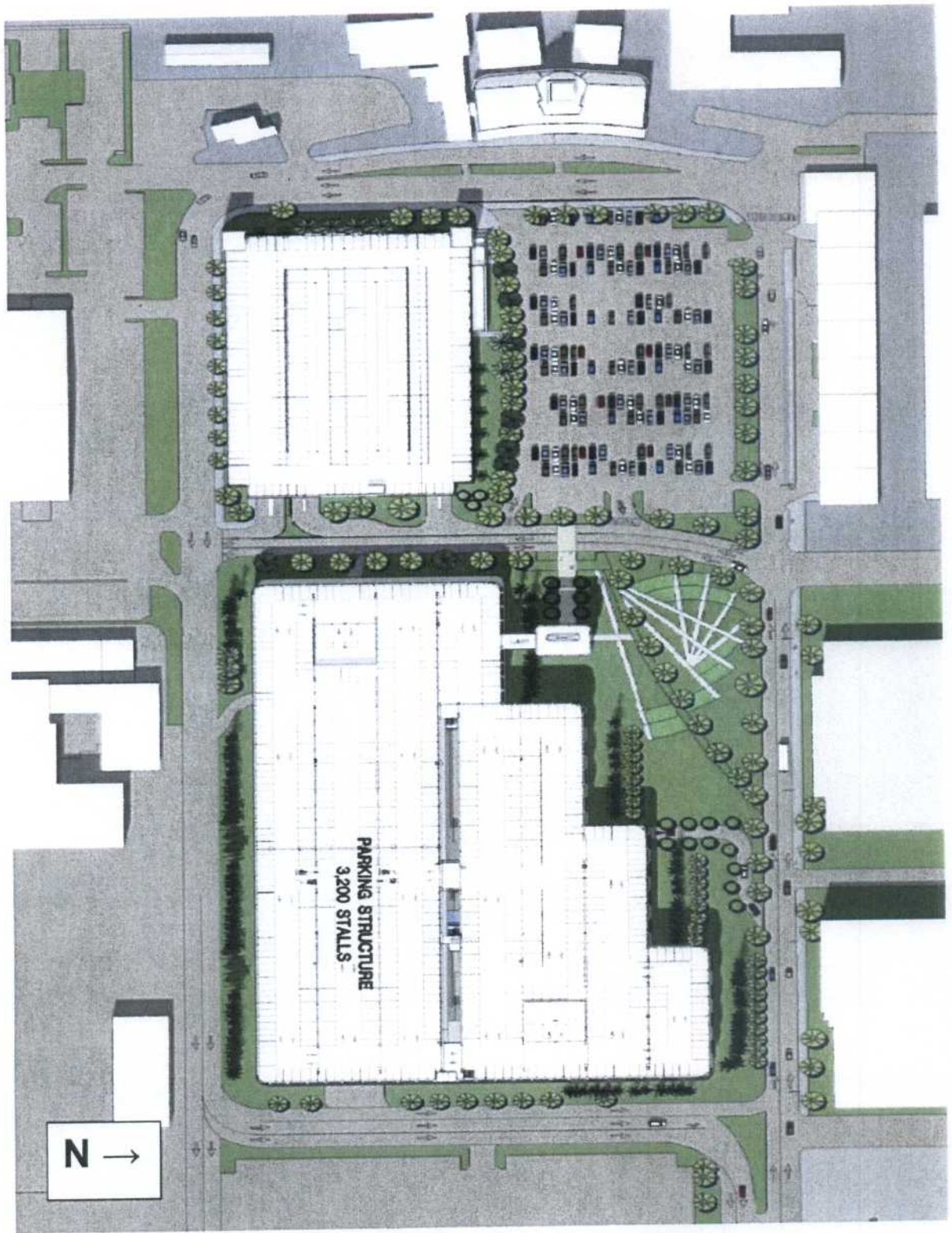


Exhibit "A"

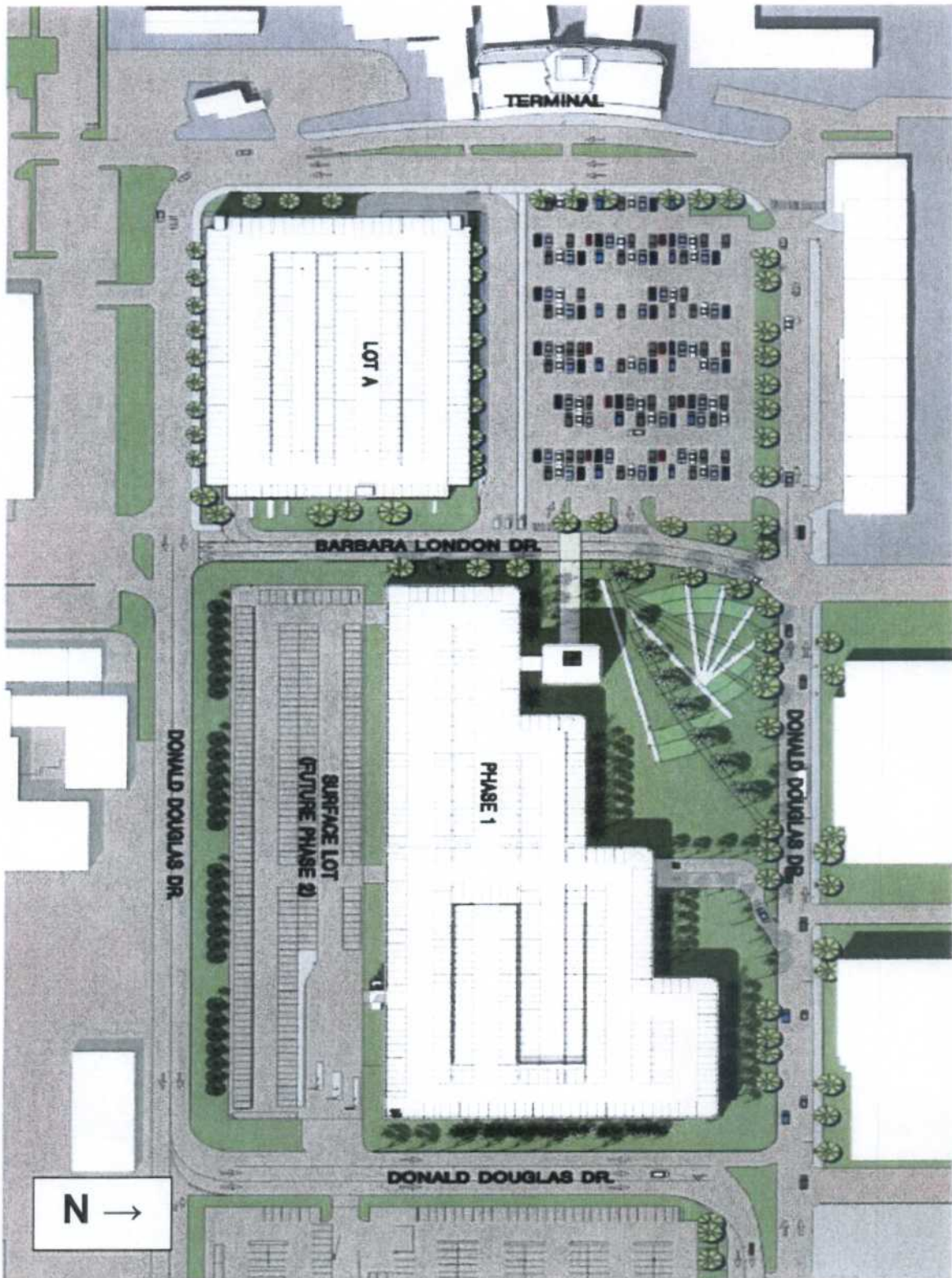


Exhibit "B"



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

1 RESOLUTION NO.  
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE  
4 CITY OF LONG BEACH AUTHORIZING AND APPROVING  
5 A THIRD SUPPLEMENTAL SUBORDINATE TRUST  
6 INDENTURE, A SECOND AMENDMENT TO ISSUING AND  
7 PAYING AGENT AGREEMENT, A SECOND AMENDMENT  
8 TO COMMERCIAL PAPER DEALER AGREEMENT, AND  
9 CERTAIN OTHER DOCUMENTS RELATING TO THE CITY  
10 OF LONG BEACH, CALIFORNIA SUBORDINATE  
11 AIRPORT REVENUE COMMERCIAL PAPER PROGRAM,  
12 APPROVING THE DISTRIBUTION OF A COMMERCIAL  
13 PAPER OFFERING MEMORANDUM AND AUTHORIZING  
14 AND DIRECTING EXECUTION THEREOF AND CERTAIN  
15 ACTIONS RELATED THERETO  
16

17 WHEREAS, the City of Long Beach (the "City") is a city organized and  
18 existing under a charter duly and regularly adopted pursuant to the provisions of the  
19 Constitution of the State of California; and

20 WHEREAS, the City owns and operates the Long Beach Airport (the  
21 "Airport"); and

22 WHEREAS, pursuant to Section 1725(a) of Article XVII of said charter, the  
23 City is authorized to issue short-term revenue certificates for purposes of the City; and

24 WHEREAS, pursuant to Section 1725(b) of Article XVII of said charter, the  
25 City is authorized to arrange for bank credit as additional security for short-term revenue  
26 certificates issued pursuant to said Section and in connection therewith execute and  
27 deliver promissory notes to evidence advances made under such bank credit facilities;

28 and

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1                   WHEREAS, the City Council previously determined that it was in the best  
2 interests of the City to issue short-term revenue certificates through the implementation of  
3 a commercial paper program through the issuance of Subordinate Airport Revenue  
4 Commercial Paper Notes, Series A (Non-AMT), Series B (AMT) and Series C (Taxable)  
5 (the "Commercial Paper Notes") in an aggregate principal amount of not to exceed  
6 \$25,000,000 (the "Commercial Paper Program") at any one time outstanding to finance  
7 and refinance ongoing capital maintenance and rehabilitation to the Airport and design  
8 costs associated with a parking structure and various terminal improvements at the  
9 Airport; and

10                   WHEREAS, in connection with the issuance of the Commercial Paper  
11 Notes, from time to time, the City previously entered into, among other agreements: (i)  
12 the Master Subordinate Trust Indenture, dated as of November 1, 2004 (the "Master  
13 Subordinate Indenture"), by and between the City and The Bank of New York Mellon  
14 Trust Company, National Association, formerly known as The Bank of New York Trust  
15 Company, National Association, as trustee (the "Trustee"), as supplemented pursuant to  
16 the First Supplemental Subordinate Trust Indenture, dated as of November 1, 2004, as  
17 amended (the "First Supplemental Subordinate Indenture"), by and between the City and  
18 the Trustee, and as amended and supplemented by the Second Supplemental  
19 Subordinate Trust Indenture, dated as of June 1, 2008 (the "Second Supplemental  
20 Subordinate Indenture," and together with the Master Subordinate Indenture and the First  
21 Supplemental Subordinate Indenture, the "Subordinate Indenture"), by and between the  
22 City and the Trustee; (ii) the Issuing and Paying Agent Agreement, dated as of November  
23 1, 2004, by and between the City and The Bank of New York Mellon Trust Company,  
24 National Association, formerly known as The Bank of New York Trust Company, National  
25 Association, as issuing and paying agent (the "Issuing and Paying Agent"), as amended  
26 by the First Amendment to Issuing and Paying Agent Agreement, dated as of June 1,  
27 2008 (collectively, the "Issuing and Paying Agent Agreement"), by and between the City  
28 and the Issuing and Paying Agent; (iii) the Commercial Paper Dealer Agreement, dated

1 as of November 1, 2004, by and between the City and Barclays Capital Inc., as  
2 successor to Lehman Brothers Inc., as dealer (the "Dealer"), as amended by the First  
3 Amendment to Commercial Paper Dealer Agreement, dated as of June 1, 2008  
4 (collectively, the "Dealer Agreement"), by and between the City and the Dealer; and (iv)  
5 the Reimbursement Agreement, dated as of November 1, 2004, as amended (the  
6 "Reimbursement Agreement"), between the City and JPMorgan Chase Bank, National  
7 Association, successor by merger to Bank One, NA (the "Bank"), pursuant to which the  
8 Bank issued an irrevocable Letter of Credit (the "Letter of Credit"); and

9 WHEREAS, on February 17, 2009, President Obama signed the American  
10 Recovery and Reinvestment Act of 2009 (the "Recovery Act") into law; and

11 WHEREAS, the City has determined that in order to take advantage of  
12 certain provisions of the Recovery Act it is necessary to amend certain provisions of the  
13 Subordinate Indenture, the Issuing and Paying Agent Agreement and the Dealer  
14 Agreement; and

15 WHEREAS, in connection with the amendments to the Subordinate  
16 Indenture, the Issuing and Paying Agent Agreement and the Dealer Agreement, it is also  
17 necessary to distribute a new commercial paper offering memorandum for the  
18 Commercial Paper Notes; and

19 WHEREAS, there have been presented to the City Council the following  
20 documents:

21 (a) a form of the Third Supplemental Subordinate Trust Indenture  
22 (the "Third Supplemental Subordinate Indenture") by and between the City and the  
23 Trustee;

24 (b) a form of the Second Amendment to Issuing and Paying  
25 Agent Agreement (the "Second Amendment to Issuing and Paying Agent  
26 Agreement"), by and between the City and the Issuing and Paying Agent;

27 (c) a form of the Second Amendment to Commercial Paper  
28 Dealer Agreement (the "Second Amendment to Dealer Agreement") between the

1 City and the Dealer; and

2 (d) a form of the Commercial Paper Offering Memorandum (the  
3 "Offering Memorandum") relating to the offering and issuance of the Commercial  
4 Paper Notes; and

5 NOW, THEREFORE, the City Council of the City of Long Beach resolves as  
6 follows:

7 Section 1. That the above recitals are true and correct and are  
8 incorporated herein by reference

9 Section 2. Approval of Third Supplemental Subordinate Indenture. The  
10 Third Supplemental Subordinate Indenture, in the form on file with the City Clerk, is  
11 hereby approved. The City Manager, the CFO/Director of Financial Management, the  
12 City Treasurer or any other officer or employee of the City designated by the City  
13 Manager (each a "Designated Officer"), each acting alone, are hereby authorized,  
14 empowered and directed to execute, acknowledge and deliver the Third Supplemental  
15 Subordinate Indenture, including counterparts thereof, in the name and on behalf of the  
16 City. The Third Supplemental Subordinate Indenture, as executed and delivered, shall  
17 be in substantially the form now before this meeting and hereby approved, or with such  
18 changes therein as shall be approved by the officer or officers executing such Third  
19 Supplemental Subordinate Indenture, such execution to be conclusive evidence of the  
20 City Council's approval of any and all changes or revisions therein from the form of the  
21 Third Supplemental Subordinate Indenture now before this meeting; and the City Clerk is  
22 hereby authorized and directed to attest and to affix the seal of the City thereto. The City  
23 Council hereby authorizes the delivery and performance of the Third Supplemental  
24 Subordinate Indenture and from and after the execution and delivery of the Third  
25 Supplemental Subordinate Indenture, the officers, agents and employees of the City are  
26 hereby authorized, empowered and directed to do all such acts and things and to execute  
27 all such documents as may be necessary to carry out and comply with the provisions of  
28 the Third Supplemental Subordinate Indenture.

1           Section 3. Approval of Second Amendment to Issuing and Paying Agent  
2 Agreement. The Second Amendment to Issuing and Paying Agent Agreement, in the  
3 form on file with the City Clerk, is hereby approved. The Designated Officers, each  
4 acting alone, are hereby authorized, empowered and directed to execute, acknowledge  
5 and deliver the Second Amendment to Issuing and Paying Agent Agreement, including  
6 counterparts thereof, in the name and on behalf of the City. The Second Amendment to  
7 Issuing and Paying Agent Agreement, as executed and delivered, shall be in substantially  
8 the form now before this meeting and hereby approved, or with such changes therein as  
9 shall be approved by the officer or officers executing such Second Amendment to Issuing  
10 and Paying Agent Agreement, such execution to be conclusive evidence of the City  
11 Council's approval of any and all changes or revisions therein from the form of the  
12 Second Amendment to Issuing and Paying Agent Agreement now before this meeting;  
13 and the City Clerk is hereby authorized and directed to attest and to affix the seal of the  
14 City thereto. The City Council hereby authorizes the delivery and performance of the  
15 Second Amendment to Issuing and Paying Agent Agreement and from and after the  
16 execution and delivery of the Second Amendment to Issuing and Paying Agent  
17 Agreement, the officers, agents and employees of the City are hereby authorized,  
18 empowered and directed to do all such acts and things and to execute all such  
19 documents as may be necessary to carry out and comply with the provisions of the  
20 Second Amendment to Issuing and Paying Agent Agreement.

21           Section 4. Approval of Second Amendment to Dealer Agreement. The  
22 Second Amendment to Dealer Agreement, in the form on file with the City Clerk, is  
23 hereby approved. The Designated Officers, each acting alone, are hereby authorized,  
24 empowered and directed to execute, acknowledge and deliver the Second Amendment to  
25 Dealer Agreement, including counterparts thereof, in the name and on behalf of the City.  
26 The Second Amendment to Dealer Agreement, as executed and delivered, shall be in  
27 substantially the form now before this meeting and hereby approved, or with such  
28 changes therein as shall be approved by the officer or officers executing such Second

1 Amendment to Dealer Agreement, such execution to be conclusive evidence of the City  
2 Council's approval of any and all changes or revisions therein from the form of the  
3 Second Amendment to Dealer Agreement now before this meeting; and the City Clerk is  
4 hereby authorized and directed to attest and to affix the seal of the City thereto. The City  
5 Council hereby authorizes the delivery and performance of the Second Amendment to  
6 Dealer Agreement and from and after the execution and delivery of the Second  
7 Amendment to Dealer Agreement, the officers, agents and employees of the City are  
8 hereby authorized, empowered and directed to do all such acts and things and to execute  
9 all such documents as may be necessary to carry out and comply with the provisions of  
10 the Second Amendment to Dealer Agreement.

11 Section 5. Approval of Commercial Paper Offering Memorandum. The  
12 Offering Memorandum, prepared by the City, is hereby approved in substantially the form  
13 presented to and considered at this meeting (a form of which is on file with the City  
14 Clerk), with such changes, additions or deletions which are approved by the Designated  
15 Officers. Each Offering Memorandum so distributed shall first be approved by a  
16 Designated Officer pursuant to the terms of the Dealer Agreement. The Dealer is hereby  
17 authorized to distribute the Offering Memorandum in final form to market the Commercial  
18 Paper Notes from time to time, and is hereby authorized to distribute copies of the Airport  
19 Enterprise Fund's most recent annual audited financial statements and such other  
20 financial statements of the Airport Enterprise Fund as the City Manager, the CFO/Director  
21 of Financial Management or the City Treasurer shall approve. The City Council further  
22 hereby authorizes, from time to time, the preparation, execution and delivery of one or  
23 more additional or supplemental offering memorandum in accordance with the terms of  
24 the Dealer Agreement, the delivery of any such document by the City Manager, the  
25 CFO/Director of Financial Management or the City Treasurer to be conclusive evidence  
26 of the City Council's approval of such supplements, additions, deletions and changes.

27 Section 6. Additional Authorization. The Designated Officers and all  
28 officers, agents and employees of the City, for and on behalf of the City, are hereby

1 authorized and directed to do any and all things necessary to effect the execution and  
2 delivery of the Third Supplemental Subordinate Indenture, the Second Amendment to  
3 Issuing and Paying Agent Agreement and the Second Amendment to Dealer Agreement  
4 (collectively, the "Documents") and the Commercial Paper Offering Memorandum and to  
5 carry out the terms thereof. The Designated Officers and all other officers, agents and  
6 employees of the City are further authorized and directed, for an on behalf of the City, to  
7 execute and deliver or cause to be delivered all papers, documents, certificates, notices  
8 and other instruments that may be required in order to carry out the authority conferred  
9 by this Resolution and by the Documents or to evidence said authority and its exercise.  
10 The foregoing authorization includes, but is in no way limited to, the execution by a  
11 Designated Officer and the delivery of any amendments to the tax compliance certificate  
12 as required by bond counsel for the purpose of complying with the rebate requirements of  
13 the Code, the execution and delivery by a Designated Officer of documents required by  
14 The Depository Trust Company in connection with its book-entry system, the execution  
15 and delivery by a Designated Officer of new Commercial Paper Notes, and the  
16 preparation and delivery by a Designated Officer of appropriate notices and certificates to  
17 the Bank.

18           Section 7. Costs of Issuance. The City Council hereby specifically  
19 authorizes funds of the City together with a portion of the proceeds of the Commercial  
20 Paper Notes, if any, to be used to pay costs incurred in connection with the preparation,  
21 execution and delivery of the Documents and the Commercial Paper Offering  
22 Memorandum, including, but not limited to costs of attorneys, accountants, financial  
23 advisors, the costs associated with rating agencies, costs and expenses of the Trustee,  
24 the Issuing and Paying Agent and the Dealer under the Documents, costs and expenses  
25 of the Bank, printing, publication, mailing and other communication expenses and any  
26 related filing fees.

27           Section 8. Severability. The provisions of this Resolution are hereby  
28 declared to be severable, and, if any section, phrase or provision shall for any reason be

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Long Beach, CA 90802-4664

1 declared to be invalid, such declaration shall not affect the validity of the remainder of the  
2 sections, phrases and provisions hereof.

3 Section 9. Headings and References; Interpretation. The headings or titles  
4 of the several Sections hereof, and any table of contents appended to copies hereof,  
5 shall be solely for convenience of reference and shall not affect the meaning,  
6 construction or effect of this Resolution.

7 All references herein to "Sections" and other subdivisions are to the  
8 corresponding Sections or subdivisions of this Resolution; the words "herein," "hereof,"  
9 "hereby," "hereunder" and other words of similar import refer to this Resolution as a  
10 whole and not to any particular Section or subdivision hereof; and words of the masculine  
11 gender shall mean and include words of the feminine and neuter genders.

12 Section 10. Governing Law. This Resolution shall be construed and  
13 governed in accordance with the laws of the State of California.

14 Section 11. This resolution shall take effect immediately upon its adoption  
15 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

16 I hereby certify that the foregoing resolution was adopted by the City  
17 Council of the City of Long Beach at its meeting of November 3, 2009, by the following  
18 vote:

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

20 \_\_\_\_\_

21 \_\_\_\_\_

22 \_\_\_\_\_

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

24 \_\_\_\_\_

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

26 \_\_\_\_\_

27 \_\_\_\_\_

28 \_\_\_\_\_

City Clerk