



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard • Long Beach, CA 90802

December 11, 2012

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

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); and Community Facilities District No. 6 - Pike Public Improvements (CFD No. 6); to comply with the Local Agency Special Tax Bond and Accountability Act. (Districts 2, 3 and 5)

DISCUSSION

The Local Agency Special Tax Bond and Accountability Act, requires the City to submit an annual report to its City Council on Community Facility Districts Special Tax bonds issued after January 1, 2001. This Act requires that any local special tax bond, issued after 2001 requiring voter approval, contain a statement indicating the specific purposes of the special tax, requires that the proceeds of the Special Tax be used for these 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), and CFD No. 6 (Exhibit D). Total issued bond amounts will vary from funds used for construction and/or improvements due to costs related to issuing the bonds and amounts required be held in reserve accounts. Interest earned on balances 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. As of September 30, 2012, the fund balance of \$51,283 remains for administrative service from Department of Public Works for CFD 2007-1 activity oversight.

The CFD No. 2007-2 – Belmont Shore 2009 bonds, totaling \$3.7 million were issued, of which \$3.2 million fund 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 October 2, 2012, the fund balance of \$687,446 remains for ongoing improvements in this area.

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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 has been 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 has been completed and no fund balance remains.

This matter was reviewed by Assistant City Attorney Charles Parkin on November 15, 2012 and Budget Management Officer Victoria Bell on November 20, 2012.

TIMING CONSIDERATIONS

City Council action is requested on December 11, 2012, as State law requires this report to be filed by the end of the calendar year.

FISCAL IMPACT

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

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

JG:DN:EC
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- ATTACHMENTS: - A: ANNUAL REPORT – CFD No. 2007-1
- B: ANNUAL REPORT – CFD No. 2007-2
- C: ANNUAL REPORT – CFD No. 5
- D: ANNUAL REPORT – CFD No. 6

APPROVED:



PATRICK H. WEST
CITY MANAGER

**Community Facilities District
No. 2007-1 Douglas Park – Commercial Area**

**2 0 1 2 A N N U A L
R E P O R T**

Senate Bill 165 enacted the Local Agency Special Tax and Bond Accountability Act codified in Government Code Sections 53410 through 53412. This Act requires that any local special tax/local bond measure subject to voter approval contain a statement indicating the specific purposes of the special tax, requires that the proceeds of the special tax be applied to those purposes, requires the creation of an account into which the proceeds shall be deposited, and requires an annual report containing specified information concerning the use of the proceeds. The Act only applies to bonds issued on or after January 1, 2001 in accordance with Section 53410 of the California Government Code.

Some of the requirements of the Act are handled at the formation (bond issuance) of the Special Tax District and others are handled through annual reports. This report intends to comply with Section 53411 of the California Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

The requirements of the Act apply to the Improvement/Construction/Facilities Fund of the following District:

District	Date Bonds Issued	Initial Amount Deposited To Improvement/Construction Fund	9/30/2012 Balance ⁽¹⁾	Expended Amount to Date	Project Status
CFD No. 2007-1	July 2007	\$12,934,414	\$51,283	\$12,883,131	On-Going

(1) Improvement fund balance comprised of Public Works administration account.
All acquisition/construction costs expended.

**Community Facilities District
No. 2007-2 Belmont Shore – 2009 Bonds**

**2 0 1 2 A N N U A L
R E P O R T**

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The requirements of the Act apply to the Improvement/Construction/Facilities Fund of the following District:

District	Date Bonds Issued	Initial Amount Deposited To Improvement/Construction Fund	10/02/2012 Balance ⁽¹⁾	Expended Amount to Date	Project Status
CFD No. 2007-2	11/19/2009	\$3,163,935	\$687,446	\$2,355,101	In Progress

(1) Includes accrued interest earnings.

**Community Facilities District No. 5
Long Beach Towne Center Refunding**

**2 0 1 2 A N N U A L
R E P O R T**

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The requirements of the Act apply to the Improvement/Construction Fund of the following District:

District	Date Refunded Bonds Issued	Initial Amount Deposited To Improvement/Construction Fund	9/30/2010 Balance	Expended Amount to Date ⁽¹⁾	Project Status
CFD No. 5 (Refunded)	5/22/2008	\$826,219	\$0	\$833,817.47	Complete

(1) Includes \$7,598.47 interest earnings.

**Community Facilities District No. 6
Pike Public Improvements**

**2 0 1 2 A N N U A L
R E P O R T**

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- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

The requirements of the Act apply to the Improvement/Construction Fund of the following District:

District	Date Bonds Issued	Initial Amount Deposited to Improvement/Construction Fund	9/30/2011 Balance	Expended Amount to Date	Project Status
CFD No. 6	7/11/2002	\$32,142,411	\$0	\$32,142,411	Complete

Interest Earnings on Bond Proceeds:

District	Interest Earned on Bond Proceeds to Date	9/30/2011 Earned Interest Balance ⁽¹⁾	Earned Interest Expended Amount To Date
CFD No. 6	\$363,433	\$0	\$363,433

(1) Balance transferred to retire outstanding bonds.