

CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

H-2

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • 562.570.6726

January 18, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

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;

Adopt Resolution calling a special election within the CFD;

Adopt Resolution to declare the results of the special election within the CFD, and direct the recording of a Notice of Special Tax Lien; and

Declare the Ordinance levying special taxes in the CFD read the first time and laid over to the next regular meeting of the City Council for final reading. (District 5)

DISCUSSION

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.

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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.

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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.

TIMING CONSIDERATIONS

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.

FISCAL IMPACT

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.

SUGGESTED ACTION:

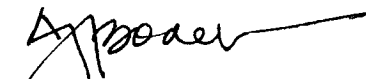
Approve recommendation.

Respectfully submitted,

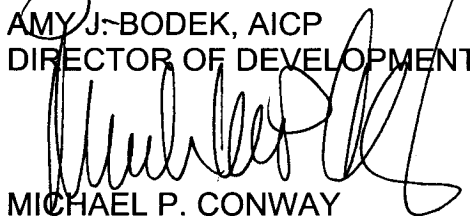


ERIK SUND

ACTING DIRECTOR OF FINANCIAL MANAGEMENT



AMY J. BODEK, AICP
DIRECTOR OF DEVELOPMENT SERVICES



MICHAEL P. CONWAY
DIRECTOR OF PUBLIC WORKS

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ATTACHMENTS - COMMUNITY FACILITIES DISTRICT REPORT
- RESOLUTIONS (3)
- ORDINANCE

APPROVED:


PATRICK H. WEST
CITY MANAGER

**CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2011-1
(DOUGLAS PARK – NORTH OF COVER STREET AREA – SERVICES LEVY)
COMMUNITY FACILITIES DISTRICT REPORT**

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Introduction

- A. Description of Services
- B. Proposed Boundaries of the Community Facilities District
- C. Cost Estimate

Exhibit A – Description of the Services

Exhibit B – Cost Estimate

**CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2011-1
(DOUGLAS PARK – NORTH OF COVER STREET AREA – SERVICES LEVY)**

INTRODUCTION. The City Council (the "City Council") of the City of Long Beach (the "City") did, pursuant to the provisions of the Long Beach Special Tax Financing Improvement Law (the "Law"), on January 4, 2011, adopt Resolution No. Res-11-____ entitled "A Resolution of the City Council of the City of Long Beach Declaring Its Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein – Douglas Park North of Cover Street Area – Services Levy" (the "Resolution of Intention"). In the Resolution of Intention, the City Council expressly ordered the preparation of a written Community Facilities District Report (the "Report"), for the proposed City of Long Beach Community Facilities District No. 2011-1 (Douglas Park – North of Cover Street Area – Services Levy) (the "District").

The Resolution of Intention ordering the Report did direct that the Report generally contain the following:

1. A brief description of the services proposed to be eligible to be financed by the District; and
2. An estimate of the cost of providing the services, including any City administrative costs.

For particulars, reference is made to the Resolution of Intention for the District, as previously adopted by the City Council.

NOW, THEREFORE, I, the City Treasurer of the City of Long Beach, do hereby submit the following data:

A. DESCRIPTION OF SERVICES. A general description of the services that the City Council has determined to be eligible to be funded by the District is as shown in Exhibit "A" attached hereto and by this reference made a part hereof.

B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT. The proposed boundaries of the District are those properties and parcels on which special taxes may be levied to pay for the services and the expenses of administering the District. The proposed boundaries of the District are described on the map of the District recorded on January __, 2011, in Book ____ at Page ____ of Maps of Assessment and Community Facilities Districts in the office of the County Recorder for the County of Los Angeles (instrument no. _____), a copy of which map is on file with the City Clerk.

C. COST ESTIMATE. The cost estimate for the services eligible to be funded by the District is set forth in Exhibit "B" attached hereto and by this reference made a part hereof.

Dated: January 18, 2011

By: _____
Treasurer of the City of Long Beach

EXHIBIT A
CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2011-1
(DOUGLAS PARK – NORTH OF COVER STREET AREA – SERVICES LEVY)

**DESCRIPTION OF SERVICES ELIGIBLE
TO BE FUNDED BY THE DISTRICT**

The District shall be eligible to finance all or a portion of the costs of the following: repair, maintenance and replacement, as applicable, of streets, sidewalks, landscaping along streets, in medians and in other public parks and areas, traffic signs and signals, street lights and street signage. The District may fund any of the following related to the services described in the preceding sentence: obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities, providing for revenues for capital replacement costs, paying the salaries and benefits of personnel (including but not limited to maintenance workers, patrol guards and other personnel), and for payment of other related expenses (including but not limited to employee benefit expenses and an allocation of general overhead expenses). The services may be provided in the area within and adjacent to Douglas Park, as identified in the Douglas Park Amended and Restated Development Agreement (the "Development Agreement") by and between the City of Long Beach (the "City") and The Boeing Company (recorded in the Los Angeles County Recorder's Office on May 26, 2010 as document number 20100720952), or in respect of any public improvements or facilities to be constructed pursuant to the Development Agreement; provided that, as a first priority, the City shall apply proceeds of the special tax to be levied in the District (pursuant to the rate and method of apportionment of special taxes for the District) to maintain in good condition within Douglas Park the public infrastructure on which proceeds of the special tax may be expended.

The District may also finance administrative costs of the City related to the District, and provide for the reimbursement of costs related to the formation of the District advanced by the City, any landowner in the District, or any party related to either of the foregoing.

EXHIBIT B

**CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2011-1
(DOUGLAS PARK - NORTH OF COVER STREET AREA - SERVICES LEVY)**

COST ESTIMATE

Annual costs of providing the Services and of administration of the District (to increase each fiscal year, after fiscal year 2010-11, by the greater of the percentage change in the Consumer Price Index or two percent of the amount in effect in the prior fiscal year):

\$ _____

RESOLUTION NO. RES-11-_____

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH CALLING SPECIAL ELECTION
WITHIN THE CITY OF LONG BEACH COMMUNITY
FACILITIES DISTRICT NO. 2011-1 (DOUGLAS PARK –
NORTH OF COVER STREET AREA – SERVICES LEVY)

WHEREAS, on this date, this City Council adopted Resolution No. RES-11-
_____ entitled “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” (the “Resolution of Formation”), ordering the
formation of the City of Long Beach Community Facilities District No. 2011-1 (Douglas
Park – North of Cover Street Area – Services Levy) (the “District”), authorizing the levy of
a special tax on property within the District and preliminarily establishing an
appropriations limit for the District; and

WHEREAS, pursuant to the provisions of said resolution, the propositions
of the levy of said special tax and the establishment of the appropriations limit for the
District is to be submitted to the qualified electors of the District as required by the Long
Beach Special Tax Financing Improvement Law, Long Beach Municipal Code Section
3.52.511 et seq. (the “Law”);

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

Section 1. Pursuant to Sections 3.52.5217, 3.52.568 and 3.52.5216 of
the Law, the issues of the levy of said special tax and the establishment of an

1 appropriations limit for the District shall be submitted to the qualified electors of the
2 District at an election called therefor as provided below.

3 Section 2. As authorized by Section 3.52.568 of the Law, the two
4 propositions described in paragraph 1 above shall be combined into a single ballot
5 measure, the form of which measure is attached hereto as Exhibit A which Exhibit is, by
6 this reference, incorporated herein. The form of ballot is hereby approved.

7 Section 3. This City Council hereby finds that fewer than 12 persons
8 have been registered to vote within the territory of the District for each of the ninety (90)
9 days preceding the close of the public hearings heretofore conducted and concluded by
10 this City Council for the purposes of these proceedings. Accordingly, and pursuant to
11 Section 3.52.5217 B. of the Law, this City Council finds that for purposes of these
12 proceedings the qualified electors for the District are the landowners within the District
13 and that the vote shall be by said landowners or their authorized representatives, each
14 having one vote for each acre or portion thereof such landowner owns in the District as of
15 the close of the public hearing heretofore held by this City Council with respect to the
16 District.

17 Section 4. This City Council hereby calls a special election to consider
18 the measure described in Section 2 above, which election shall be held immediately
19 following adoption of this Resolution in the regular meeting place of this City Council.
20 The City Clerk is hereby designated as the official to conduct said election. It is hereby
21 acknowledged that the City Clerk has on file the Resolution of Formation, a map of the
22 proposed boundaries of the District, and a sufficient description to allow the City Clerk to
23 determine the boundaries of the District.

24 The voted ballots shall be returned to the City Clerk no later than
25 immediately following the adoption by the City Council of this Resolution; and when all of
26 the qualified electors have voted, the election shall be closed.

27 Section 5. Pursuant to Section 3.52.5217 of the Law, the election shall
28 be conducted by mail or hand delivered ballot pursuant to the California Elections Code.

1 Section 6. This City Council acknowledges that the City Clerk has
2 caused to be delivered to the sole qualified elector of the District a ballot in the form set
3 forth in Exhibit A hereto. The ballot indicated the number of votes to be voted by the
4 landowner.

5 The ballot was accompanied by all supplies and written instructions
6 necessary for the use and return of the ballot. The envelope to be used to return the
7 ballot was enclosed with the ballot, had the return postage prepaid, and contained the
8 following: (a) the name and address of the landowner, (b) a declaration, under penalty of
9 perjury, stating that the voter is the owner of record or authorized representative of the
10 landowner entitled to vote and is the person whose name appears on the envelope, (c)
11 the printed name, signature and address of the voter, (d) the date of signing and place of
12 execution of the declaration pursuant to clause (b) above, and (e) a notice that the
13 envelope contains an official ballot and is to be opened only by the City Clerk.

14 Analysis and arguments with respect to the ballot measure were waived by
15 the landowner in its petition to form the District as well as in its voted ballot, as permitted
16 by Section 3.52.5218 of the Law.

17 Section 7. The City Clerk shall accept the ballot of the qualified elector
18 upon or prior to the adoption of this Resolution, whether the ballot be personally delivered
19 or received by mail. The City Clerk shall have available a ballot which may be marked in
20 the City Council meeting room on the election day by the qualified elector.

21 Section 8. This City Council hereby further finds that the provision of the
22 Law requiring a minimum of 5 days following the adoption of the Resolution of Formation
23 to elapse before said special election is for the protection of the qualified electors of the
24 District. The petition previously submitted by the landowner in the District and the voted
25 ballot of the sole qualified elector of the District contain acknowledgments of a waiver of
26 any time limit pertaining to the conduct of the election and of a waiver of any requirement
27 for analysis and arguments in connection with the election. Accordingly, this City Council
28 finds and determines that the qualified elector has been fully apprised of and has agreed

1 to the shortened time for the election and waiver of analysis and arguments, and has
2 thereby been fully protected in these proceedings. This City Council also finds and
3 determines that the City Clerk has concurred in the shortened time for the election.

4 Section 9. Pursuant to the Local Agency Special Tax and Bond
5 Accountability Act, Sections 50075.1 et. seq. of the California Government Code, the
6 ballot measure referred to in Sections 2 and 4 above contains a statement indicating the
7 specific purposes of the special tax, the proceeds of the special tax will be applied only to
8 the purposes specified in the ballot measure, there shall be created by the City Treasurer
9 an account into which proceeds of the special tax levies for the District will be deposited
10 (which need not be a separate bank account, but which may be a separate general
11 ledger account so long as such proceeds can be separately accounted for), and the City
12 Treasurer is hereby directed to provide an annual report to this City Council as required
13 by Section 50075.3 of the California Government Code.

14 Section 10. 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 January 18, 2011, by the following
18 vote:

19 Ayes: Councilmembers: _____

20 _____

21 _____

22 _____

23 Noes: Councilmembers: _____

24 _____

25 Absent: Councilmembers: _____

26 _____

27
28 _____ City Clerk

EXHIBIT A

CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2011-1
(DOUGLAS PARK - NORTH OF COVER STREET AREA - SERVICES LEVY)

OFFICIAL BALLOT

Special Tax Election
(January 18, 2011)

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the City Clerk of the City of Long Beach no later than immediately after adoption of the resolution of the City Council calling said election, either by mail or in person.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the City Clerk of the City of Long Beach and obtain another.

BALLOT MEASURE: Shall a special tax payable solely from lands within the City of Long Beach Community Facilities District No. 2011-1 (Douglas Park - North of Cover Street Area - Services Levy) (the "District") be levied upon lands within the District in accordance with the rate and method of apportionment of special taxes for the District, and to be applied to pay the costs of services eligible to be funded by the District and to pay the costs of the City in administering the District; and shall the annual appropriations limit of the District be established in the amount of \$1,000,000?

Yes: _____

No: _____

By execution in the space provided below, you also indicate your waiver of the time limit pertaining to the conduct of the election and any requirement for analysis and arguments with respect to the ballot measure, as such waivers are described and permitted by Section 3.52.5217 A. and 3.52.5218 B. of the Long Beach Municipal Code.

Number of Votes: 95

Property Owner: The Boeing Company