



# CITY OF LONG BEACH

DEPARTMENT OF COMMUNITY DEVELOPMENT

ECONOMIC DEVELOPMENT BUREAU, 110 PINE AVENUE, SUITE 1100, LONG BEACH, CA 90802

PH: 562 570-3800 FX: 562 570-3897

## **BELMONT SHORE PARKING AND BUSINESS IMPROVEMENT AREA COMMISSION MEMBERS**

City of Long Beach  
California

**February 19, 2008**

**REFERENCE: Item #5**

**SUBJECT: Receive and File Report on Belmont Shore Community Facilities District Bond Issue.**

---

### DISCUSSION

On October 21, 2008, City council approved a resolution authorizing the issue of up to \$4M in bonds at an interest rate not to exceed 7%. When initially proposed, the coupon rate was expected to be approximately 5.5%. Current market rate for this bond is 8.8% to 9% for 30 years.

Options at this time are as follows:

- 1.) Continue to wait for a better credit market.
- 2.) Issue the bond at higher interest rate. This would require lowering the amount of the bond to maintain the same payment (approx \$260K). Council approval would be required to authorize a higher interest rate.
- 3.) Issue the bond at higher interest rate and instead of decreasing the bond amount to maintain the \$260k payment, increase the CFD assessment to cover a higher payment. As indicated above, Council approval would be required.

### RECOMMENDATION

Receive and file the report on Belmont Shore Community Facilities District Bond Issue.

Attachment: None