



CITY OF LONG BEACH

C-11

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 • (562) 570-6169 • Fax (562) 570-5836

November 13, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt attached Resolution of Intention to incur bonded indebtedness of the proposed City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) in an amount not to exceed \$5.8 million, and set date of public hearing for December 11, 2007. (District 3)

DISCUSSION

In 1988, the City Council formed the City of Long Beach Community Facilities District No. 1 (Belmont Shore) (CFD 1) to provide a means to finance parking improvements in the Belmont Shore area of the City. CFD 1 was authorized to levy a special tax on commercial property located within CFD 1, and the revenues from that special tax, along with revenues derived from parking meters in the Belmont Shore area, have been used to finance various parking and related improvements, as well as to pay debt service on parking meter revenue bonds issued by the City in 1993. The Parking Commission has now identified an additional parking lot located at 189 Park Avenue that it would like the City to acquire and improve in the Belmont Shore area, and alley way improvements that need to be made to enhance parking in the area, and would like to raise funds to finance those improvements. The current CFD 1 does not have the clear authority to fund these new improvements. City Staff, working with various financial and legal consultants, have determined that the most efficient and economical way to provide funds for the new improvements is for the City to form a new community facilities district (CFD) under the authority of the City's Special Tax Financing Improvement Law, with boundaries and maximum tax rates the same as for CFD 1, for the purpose of financing the identified improvements, refinancing the 1993 bonds and allowing for possible future financing of additional parking improvements.

Under a separate City Council letter, a resolution of intention to form the CFD is being submitted. The resolution of intention to form the CFD precedes this action. Adoption of the attached Resolution (Attachment A) declares the intention of the City Council to incur bonded debt for the proposed CFD.

The Long Beach Municipal Code (LBMC), Division V, in Chapter 3.52, Long Beach Special Tax Financing Improvement Law, provides a mechanism to finance public and capital facilities and services. It authorizes the formation of community facilities districts. Once formed, a community facilities district can finance facilities and, if authorized, provide services through payment of a special tax levied against the landowners in the community facilities district. These special taxes also may be used to pay debt service on bonds issued to finance eligible facilities. The new CFD will not be authorized to fund any services.

Section 3.52.561 of the LBMC requires that City Council, by resolution, deem it necessary for a proposed community facilities district to incur bonded indebtedness, and state the amount of the proposed debt, the purpose for which the proposed debt is to be incurred, and the time and place for a hearing by the City Council on the proposed debt issue.

The Resolution provides that the maximum bonded indebtedness for the new CFD is \$5,800,000 using the current maximum special tax rate for CFD 1 of 66¢ per square foot of commercial land in CFD 1. If approved, special taxes for the CFD would be levied on commercial land in the CFD in accordance with the proposed Rate and Method of Apportionment of Special Tax for the proposed CFD. It is expected that the special taxes to be levied annually in the new CFD will be at the same rate as those currently levied in CFD 1 (12¢ per commercial square foot of land), and that parking meter revenues from the Belmont Shore area in the amount of \$200,000 per fiscal year also will be used to assist in the payment of bonds to be issued for the new CFD.

On December 21, 1999, the City Council adopted Local Goals and Policies for Community Facilities Districts Related to Commercial Development (Attachment B). These require certain lien-to-value ratios and provide for other financing restrictions applicable to bonds issued for community facilities districts.

The Resolution provides for a public hearing on the proposed debt issuance, which is scheduled on December 11, 2007 at 5:00 p.m. Following the public hearing, a special election will be held at which landowners in the proposed CFD will vote on forming the CFD, assessing the special tax and approving the proposed bonded indebtedness for the CFD.

As described in the City Council letter for the other Resolution of Intention to form the CFD, the boundaries for the CFD are proposed to be the same as the boundaries for the current CFD 1, which is to be replaced with the new CFD.

This item was reviewed by Assistant City Attorney Heather A. Mahood on October 31, 2007 and Budget Management Officer Victoria Bell on November 1, 2007.

TIMING CONSIDERATIONS

City Council action on this item is requested on November 13, 2007, to support activities and proceedings to incur debt after the formation of the CFD.

FISCAL IMPACT

There is no fiscal impact to the City associated with the requested action. All bond proceeds and CFD revenue will be collected in, and expended from CFD trust accounts. All expenses related to the formation of the CFD will either be paid from the proceeds of bonds issued for the CFD or from amounts currently available in the Belmont Shore Parking Revenue Fund.

SUGGESTED ACTION :

Approve recommendation.

Respectfully submitted,



LORI ANN FARRELL
ACTING DIRECTOR OF FINANCIAL MANAGEMENT

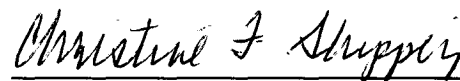


for MICHAEL CONWAY
ACTING DIRECTOR OF COMMUNITY DEVELOPMENT

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ATTACHMENT

APPROVED:



for PATRICK H. WEST
CITY MANAGER

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

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH DECLARING ITS INTENTION TO
INCUR BONDED INDEBTEDNESS OF THE PROPOSED
CITY OF LONG BEACH COMMUNITY FACILITIES
DISTRICT NO. 2007-2 (BELMONT SHORE)

WHEREAS, this City Council has this date adopted a Resolution 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 – Belmont Shore Area," stating its intention to form a community facilities district
pursuant to the Long Beach Special Tax Financing Improvement Law (the "Law"), for the
purpose of financing the costs of certain parking and related facilities and improvements
(the "Facilities") and of the repayment and defeasance of certain 1993 parking meter
revenue bonds (the "1993 Bonds"), as further provided in said Resolution; and

WHEREAS, in order to finance costs of the Facilities and to repay and
defease the 1993 Bonds, it is necessary to incur bonded indebtedness for the District in
the maximum amount listed below;

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

Section 1. It is necessary to incur bonded indebtedness within the
boundaries of the proposed City of Long Beach Community Facilities District No. 2007-2
(Belmont Shore) (the "District") in the amount of not to exceed \$5,800,000 to finance
costs of the Facilities and of the repayment and defeasance of the 1993 Bonds.

Section 2. The bonded indebtedness is proposed to be incurred for the
purpose of financing costs of the Facilities and of the repayment and defeasance of the
1993 Bonds, including costs incidental to or connected with the accomplishment of said

1 purposes and of the financing thereof.

2 Section 3. This City Council, acting as legislative body for the District,
3 intends to authorize the issuance and sale of bonds in one or more series in the
4 maximum aggregate principal amount of \$5,800,000, bearing interest payable semi-
5 annually or in such other manner as this City Council shall determine, at a rate not to
6 exceed the maximum rate of interest as may be authorized by applicable law at the time
7 of sale of such bonds, and maturing not to exceed forty (40) years from the date of the
8 issuance of said bonds. The bonds shall be in compliance with the City's Local Goals
9 and Policies for Community Facilities Districts Related to Commercial Development, as
10 approved pursuant to Resolution No. C-27626 adopted by the City Council on December
11 21, 1999, unless specifically waived by this City Council.

12 Section 4. Tuesday, December 11, 2007, at 5:00 p.m. or as soon
13 thereafter as the matter may be heard, in the regular meeting place of this City Council,
14 City Council Chambers, City Hall, 333 West Ocean Boulevard, Long Beach, California,
15 be, and the same are hereby appointed and fixed as the time and place when and where
16 this City Council, as legislative body for the District, will conduct a public hearing on the
17 proposed debt issue for the District and consider and finally determine whether the public
18 interest, convenience and necessity require the issuance of bonds of the City for the
19 District.

20 Section 5. The City Clerk is hereby directed to cause notice of said
21 public hearing to be given by publication one time in a newspaper of general circulation
22 circulated within the District. The publication of said notice shall be completed at least
23 seven (7) days before the date herein set for said public hearing. The notice shall
24 substantially in the form of Exhibit A hereto.

25 Section 6. This resolution shall take effect immediately upon its adoption
26 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

27 I hereby certify that the foregoing resolution was adopted by the City
28 Council of the City of Long Beach at its meeting of _____, 2007, by the

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

1 following vote:

2 Ayes: Councilmembers:

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6 Noes: Councilmembers:

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10 Absent: Councilmembers:

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City Clerk

HAM:fl
10/26/07
#07-05237

EXHIBIT A

CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2007-2
(BELMONT SHORE)

NOTICE OF PUBLIC HEARING

Notice is hereby given that on November 13, 2007, the City Council of the City of Long Beach adopted a Resolution entitled "A Resolution of the City Council of the City of Long Beach Declaring Its Intention To Incur Bonded Indebtedness of the Proposed City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore)." Pursuant to the Long Beach Special Tax Financing Improvement Law, the City Council of the City of Long Beach hereby gives notice as follows:

A. The text of said Resolution is as follows:

WHEREAS, this City Council has this date adopted a Resolution 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 - Belmont Shore Area," stating its intention to form a community facilities district pursuant to the Long Beach Special Tax Financing Improvement Law (the "Law"), for the purpose of financing the costs of certain parking and related facilities and improvements (the "Facilities") and of the repayment and defeasance of certain 1993 parking meter revenue bonds (the "1993 Bonds"), as further provided in said Resolution; and

WHEREAS, in order to finance costs of the Facilities and to repay and defease the 1993 Bonds, it is necessary to incur bonded indebtedness for the District in the maximum amount listed below.

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

Section 1. It is necessary to incur bonded indebtedness within the boundaries of the proposed City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) (the "District") in the amount of not to exceed \$5,800,000 to finance costs of the Facilities and of the repayment and defeasance of the 1993 Bonds.

Sec. 2. The bonded indebtedness is proposed to be incurred for the purpose of financing costs of the Facilities and of the repayment and defeasance of the 1993 Bonds, including costs incidental to or connected with the accomplishment of said purposes and of the financing thereof.

Sec. 3. This City Council, acting as legislative body for the District, intends to authorize the issuance and sale of bonds in one or more series in the maximum aggregate principal amount of \$5,800,000, bearing interest payable semi-annually or in such other manner as this City Council shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of such bonds, and maturing not to exceed forty (40) years from the date of the issuance of said bonds. The bonds shall be in compliance with the City's Local Goals and Policies for Community Facilities Districts Related to Commercial Development, as approved pursuant to Resolution No. C-27626 adopted by the City Council on December 21, 1999, unless specifically waived by this City Council.

Sec. 4. Tuesday, December 11, 2007, at 5:00 p.m. or as soon thereafter as the matter may be heard, in the regular meeting place of this City Council, City Council Chambers, City Hall, 333 West Ocean Boulevard, Long Beach, California, be, and the same are hereby appointed and fixed as the time and place when and where this City Council, as legislative body for the District, will conduct a public hearing on the proposed debt issue for the District and consider and finally determine whether the public interest, convenience and necessity require the issuance of bonds of the City for the District.

Sec. 5. The City Clerk is hereby directed to cause notice of said public hearing to be given by publication one time in a newspaper of general circulation circulated within the District. The publication of said notice shall be completed at least seven (7) days before the date herein set for said public hearing. The notice shall substantially in the form of Exhibit A hereto.

Sec. 6. This Resolution shall take effect immediately upon its adoption by the City Council, and the City Clerk shall certify the vote adopting this resolution.

B. The hearing referred to in the aforesaid resolution shall be at the time and place specified in the resolution.

C. At that time and place any person interested, including persons owning property in the area of the proposed community facilities district, will be heard upon the proposed debt issue.

/s/ Larry G. Herrera
City Clerk,
City of Long Beach