



CITY OF LONG BEACH

H-3

DEPARTMENT OF FINANCIAL MANAGEMENT

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

February 20, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION

Receive supporting documentation into the record, hold a public hearing to receive public comment, adopt a resolution to form Improvement Areas A and B of CFD No. 2007-1 (Douglas Park-Commercial Area), authorize the levy of Special Tax within the improvement areas, preliminarily establish appropriation limits, submit the special tax levy and establish the appropriations limits of improvement areas to qualified electors of improvement areas.

Adopt a resolution to determine the necessity to incur bonded indebtedness in CFD No. 2007-1 (Douglas Park-Commercial Area); adopt a resolution calling a special election within the Improvement Areas A & B of CFD No. 2007-1 (Douglas Park-Commercial Area).

Adopt a resolution declaring the results of the special election and directing the recording of Notices of Special Tax Lien for Improvement Areas A and B of CFD No. 2007-1 (Douglas Park-Commercial Area); declare an Ordinance levying Special Taxes within Improvement Areas A and B of CFD No. 2007-1 (Douglas Park-Commercial Area) read the first time and laid over to the next regular meeting of the City Council for the second reading and adoption. (District 5)

DISCUSSION

On January 23, 2007, the City Council adopted two resolutions of intention. RES-07-0012 is the resolution of intention to establish CFD No. 2007-1 (Douglas Park-Commercial Area); approve boundaries for the proposed CFD, set the rates and methods of apportionment, and initiate proceedings to levy the special tax in the proposed CFD. RES-07-0013, is the resolution of intention to establish the maximum debt of Improvement Area A at \$16 million and Area B at \$13.5 million, and call for a public hearing on the necessity to incur bond indebtedness.

The Community Facilities District Report (**Attachment A**) describes the facilities and services proposed to be funded by the CFD, proposed CFD boundaries and cost estimates. The use of tax-exempt financing will benefit the City, developer and landowners in the CFD by financing public improvements, such as streets, sewer facilities, dry utilities, onsite trench facilities, streetlights and reclaimed and domestic water improvements. The CFD will not be authorized to finance the costs of any land required to be dedicated to any public facilities, school district facilities, storm drain facilities, required impact fees or required public improvements located in the City of Lakewood.

By adopting the Resolution Determining the Necessity to Incur Indebtedness, the City Council deems it necessary to incur bonded indebtedness in the maximum aggregate principal amount of \$16,000,000 within CFD Improvement Area A, and in the maximum aggregate principal amount of \$13,500,000 within CFD Improvement Area B. There is no taxable debt proposed as part of the bond structure for this CFD.

As specified in the proposed resolution, the bonds for each improvement area shall bear interest at rates not to exceed the maximum interest rate permitted by applicable law at the time of sale of the bonds in such manner as the City Council or its designee shall determine at the time of sale of the bonds. Each improvement area will pay for the debt issued for the respective improvement area. Further details on the proposed debt such as its form, execution and issuance, will be brought back to the City Council for approval at a later date as required by Long Beach Municipal Code 3.52.569.

If approved, special taxes for the improvement areas of the proposed CFD would be levied in accordance with the proposed Rates and Methods of Apportionment of Special Tax, as approved by the resolution of intention to form the CFD (RES-07-0012). These special taxes shall pay the debt service on bonds to be issued by the City. The special tax would be levied each fiscal year in an amount sufficient to pay all annual costs of the CFD, including debt service. The special tax may be levied each fiscal year in a maximum amount of \$15,047.00 per acre for fiscal year 2007-2008, subject to annual inflationary increases as provided in the Rates and Methods of Apportionment of Special Taxes for the Improvement Areas.

This CFD will also be authorized to assess a special tax to pay for a variety of public services including maintenance of street improvements and other City costs associated with the new development. This special tax is not subject to bond financing; is perpetual, and includes a Consumer Price Index annual adjustment.

The recorded boundary map for the CFD shows two commercial areas totaling approximately 115.4 net acres to be developed for private use. Improvement Area A comprises 67.7 net acres, and Improvement Area B comprises 47.7 net acres. It is expected that the Corporation will request that the City undertake another CFD

formation process north of Cover Street for residential development, to cover costs of the public improvements benefitting only the residential area, and a portion of costs benefitting both residential and commercial properties, but not funded with the commercial CFD.

By the City Council adopting the resolution calling for the Special Election, the election for the establishment of the CFD improvement areas, the levy of the special tax in the two improvement areas will be held, and the results of this election will be announced. If the election is favorable, the City Council may approve the Notice of Special Tax Lien to be recorded against the respective CFD Improvement Areas (including the rate and method of apportionment), and adopt the Resolution Declaring Results of Special Elections, and Directing Recording of Notices of Special Tax Lien for the 2007-1 Douglas Park-Commercial Area. City Council may also declare the Ordinance to levy the Special Taxes within Improvement Areas A and B of this CFD read for the first time and laid over to next regular meeting of the City Council for the second reading and adoption.

This matter was reviewed by Assistant City Attorney Heather A. Mahood and Budget and Performance Management Bureau Manager David Wodynski on February 13, 2007.

TIMING CONSIDERATIONS

City Council action on this item is requested on February 20, 2007, to support activities and proceedings for 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. The establishment of this CFD will not result in any direct fiscal impact to the City as expenses related to the establishment of this CFD will be reimbursed by the previously approved deposit/reimbursement agreement.

The CFD No. 2007-1 (Douglas Park-Commercial Area) proposes to levy a special tax for services that eventually provides \$175,000 in annual funds, with annual CPI adjustments, for the specified municipal services. All proceeds from the assessment will be deposited in the CFD trust account, then transferred as payment for services to the appropriate City fund. The CFD will also provide for reimbursement of up to \$30,000 for annual CFD administrative services provided by the City, with annual CPI adjustments.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT



PATRICK H. WEST
DIRECTOR OF COMMUNITY DEVELOPMENT

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T:COUNCIL LETTER\CL2007-1 DOUGLAS PARK-COMMERCIAL_PUBLIC HEARING.DOC

ATTACHMENTS

APPROVED:



GERALD R. MILLER
CITY MANAGER

**CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(DOUGLAS PARK – COMMERCIAL AREA)
COMMUNITY FACILITIES DISTRICT REPORT**

CONTENTS

Introduction

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

Exhibit A – Description of the Facilities and Services

Exhibit B – Cost Estimate

**CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(DOUGLAS PARK – COMMERCIAL AREA)**

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 23, 2007, adopt a resolution entitled "A Resolution of the City Council of the City of Long Beach Declaring Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein – Douglas Park Commercial Area" (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. 2007-1 (Douglas Park – Commercial Area) (the "District").

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

1. A brief description of the facilities and services proposed to be eligible to be financed by each improvement area of the District; and
2. An estimate of the cost of providing the facilities and services for each improvement area of the District, including the costs of the proposed bond financing and 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 Director of Financial Management of the City of Long Beach, do hereby submit the following data:

A. DESCRIPTION OF FACILITIES AND SERVICES. A general description of the facilities and services that the City Council has determined to be eligible to be funded by each improvement area of 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 costs and expenses of the facilities and the services. The proposed boundaries of the District and the improvement areas therein are described on the map of the District recorded on February 2, 2007, in Book 192 at Page 39 of Maps of Assessment and Community Facilities Districts in the office of the County Recorder for the County of Los Angeles (instrument no. 2007 0234895), a copy of which map is on file with the City Clerk. The boundaries of the District include all of the land within the map for Tract No. 61252-1, recorded as document no. 06-2815732 in the Los Angeles County Recorder's Office.

C. COST ESTIMATE. The cost estimate for each improvement area of the District for the financing of the facilities and services is set forth in Exhibit "B" attached hereto and by this reference made a part hereof.

Dated: February 20, 2007

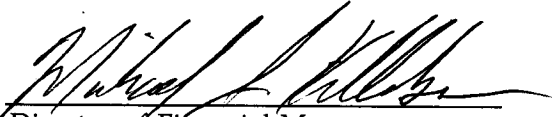
By: 
Director of Financial Management
of the City of Long Beach

EXHIBIT A

CITY OF LONG BEACH COMMUNITY FACILITIES DISTRICT NO. 2007-1 (DOUGLAS PARK – COMMERCIAL AREA)

DESCRIPTION OF FACILITIES AND SERVICES ELIGIBLE TO BE FUNDED BY EACH IMPROVEMENT AREA OF THE DISTRICT

FACILITIES

Each Improvement Area of the District shall be eligible to finance all or a portion of the costs of the following:

- Sanitary sewer system improvements – the construction of sewer facilities and related appurtenances, including but not limited to gravity pipelines and manholes, to serve the area within and in the vicinity of the District or as otherwise required in connection with the City's conditions of approval for development occurring within or in the vicinity of the District.
- Water system and reclaimed water system improvements – the construction of water facilities and related improvements, including but not limited to pipelines, connections to existing mains in Carson Street and Lakewood Boulevard, valves, blow-offs and fire hydrants, to serve the area within and in the vicinity of the District or as otherwise required in connection with the City's conditions of approval for development occurring within or in the vicinity of the District.
- Roadway improvements – the construction of streets, including related or adjacent medians, curbs, gutters, sidewalks and alleyways, street and traffic signs and signals, bike trails and wheel chair ramps, to serve the area within and in the vicinity of the District or as otherwise required in connection with the City's conditions of approval for development occurring within or in the vicinity of the District.
- Traffic signalization improvements – including the installation of traffic signals and related improvements at intersections within and in the vicinity of the District or as otherwise required in connection with the City's conditions of approval for development occurring within or in the vicinity of the District.
- Dry utilities – the construction of various dry utility facilities (electric, gas, telephone, cable, etc.) and joint trenches for such facilities, within and in the vicinity of the District.
- Street lights – the installation of street lights and appurtenances within and in the vicinity of the District, or as otherwise required in connection with the City's conditions of approval for development occurring within or in the vicinity of the District.
- Landscaping and irrigation improvements – landscaping improvements for parkways, street medians and adjacent areas, and for parks and bicycle paths within and in the vicinity of the District, or as otherwise required in connection with the City's conditions of approval for development occurring within or in the vicinity of the District.

- Certain transportation system improvements described in Exhibit F to the Douglas Park Development between the City and Mc Donnell Douglas Corporation, recorded on June 2, 2005 as document number 05-1290603 in the Los Angeles County Recorder's Office.

The Facilities shall include the costs of design, engineering and planning, the costs of any environmental or other studies, surveys or reports, the cost of any required environmental mitigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

SERVICES

Each Improvement Area of 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). Any services to be funded by an Improvement Area will be in addition to those provided in the territory of the Improvement Area before the date of creation of the Improvement Area, and will not supplant services already available within that territory when the Improvement Area was created.

OTHER

Each Improvement Area of the District may also finance any of the following:

1. Bond related expenses, including underwriters discount, appraisal and absorption study costs, reserve fund, capitalized interest, financial advisor, special tax consultant, bond counsel and underwriters' counsel fees and expenses, landowner counsel fees and expenses, official statement printing, and all other incidental expenses.

2. Administrative fees of the City and the Bond trustee or fiscal agent related to the respective improvement area of the District and the Bonds.

3. Reimbursement of costs related to the formation of the District advanced by the City, any landowner in the District, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, any landowner in the District or any party related to any of the foregoing, for facilities, services, fees or other purposes or costs of the District.

EXHIBIT B

**CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(DOUGLAS PARK - COMMERCIAL AREA)**

COST ESTIMATE FOR IMPROVEMENT AREA A

| | | |
|---|----------------|---------------------|
| 1. ACQUISITION & CONSTRUCTION OF FACILITIES | | \$ 11,000,000 |
| 2. INCIDENTALS | | |
| (a) Bond Reserve Fund | \$ 1,350,000 | |
| (b) Bond Discount/Underwriter Compensation | 300,000 | |
| (c) Capitalized Interest | 1,300,000 | |
| (d) Other Costs of Issuance | <u>400,000</u> | |
| Subtotal | | \$ <u>3,350,000</u> |
| Contingency | | \$ <u>1,650,000</u> |
| TOTAL BOND AMOUNT NEEDED | | \$ 16,000,000 |
| 3. ANNUAL COSTS OF PROVIDING SERVICES (to increase each fiscal year, after fiscal year 2006-07, 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): | | \$103,000 |

COST ESTIMATE FOR IMPROVEMENT AREA B

| | | |
|---|----------------|---------------------|
| 1. ACQUISITION & CONSTRUCTION OF FACILITIES | | \$ 10,000,000 |
| 2. INCIDENTALS | | |
| (a) Bond Reserve Fund | \$ 850,000 | |
| (b) Bond Discount/Underwriter Compensation | 200,000 | |
| (c) Capitalized Interest | 900,000 | |
| (d) Other Costs of Issuance | <u>300,000</u> | |
| Subtotal | | \$ <u>2,250,000</u> |
| Contingency | | \$ <u>1,250,000</u> |
| TOTAL BOND AMOUNT NEEDED | | \$ 13,500,000 |
| 3. ANNUAL COSTS OF PROVIDING SERVICES (to increase each fiscal year, after fiscal year 2006-07, 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): | | \$72,000 |

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH OF FORMATION OF IMPROVEMENT AREAS A AND B OF THE CITY OF LONG BEACH COMMUNITY FACILITIES DISTRICT NO. 2007-1 (DOUGLAS PARK – COMMERCIAL AREA), AUTHORIZING THE LEVY OF A SPECIAL TAX WITHIN THE IMPROVEMENT AREAS, PRELIMINARILY ESTABLISHING APPROPRIATIONS LIMITS FOR THE IMPROVEMENT AREAS, AND SUBMITTING LEVY OF THE SPECIAL TAX AND THE ESTABLISHMENT OF THE APPROPRIATIONS LIMITS TO THE QUALIFIED ELECTORS OF THE IMPROVEMENT AREAS

WHEREAS, on January 23, 2007, this City Council adopted a resolution entitled "A Resolution of the City Council of the City of Long Beach Declaring Intention to Establish a Community Facilities District and to Authorize the Levy of Special Taxes Therein – Douglas Park Commercial Area" (the "Resolution of Intention") stating its intention to form the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) (the "District") pursuant to the Long Beach Special Tax Financing Improvement Law, Long Beach Municipal Code Section 3.52.511 et seq. (the "Law"); and

WHEREAS, the Resolution of Intention designated a portion of the District as "Improvement Area A of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area)" ("Area A"), and a portion of the District as "Improvement Area B of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area)" ("Area B"), as authorized by Section 3.52.565 of

1 the Law (Area A and Area B are sometimes referred to below individually as an
2 "improvement area" and collectively as the "improvement areas"); and

3 WHEREAS, the Resolution of Intention, incorporating by reference a map
4 of the proposed boundaries of Area A and Area B and describing the public
5 improvements (the "Facilities") and municipal services (the "Services") eligible to be
6 financed by Area A and Area B, the cost of financing the Facilities and the rate and
7 method of apportionment of the special tax to be levied within Area A and Area B to pay
8 costs of the Services, the Facilities and the principal and interest on bonds proposed to
9 be issued with respect to Area A and Area B to finance costs of the Facilities, is on file
10 with the City Clerk and the provisions thereof are incorporated herein by this reference
11 as if fully set forth herein; and

12 WHEREAS, the Resolution of Intention called for a public hearing on the
13 improvement areas of the District to be held on February 20, 2007, and notice of the
14 public hearing was published as required by the Law; and

15 WHEREAS, on this date this City Council held the public hearing as
16 required by the Law and the Resolution of Intention relative to the proposed formation
17 of Area A and of Area B; and

18 WHEREAS, at the hearing all interested persons desiring to be heard on
19 all matters pertaining to the formation of Area A and of Area B, the Services and the
20 Facilities eligible to be funded by each improvement area and the levy of the special tax
21 in each improvement area were heard and a full and fair hearing was held; and

22 WHEREAS, at the hearing evidence was presented to this City Council on
23 the matters before it, including a report by the Director of Financial Management of the
24 City (the "Report") as to the Services and the Facilities eligible to be funded by each
25 improvement area of the District and the costs thereof, a copy of which is on file with
26 the City Clerk, and this City Council at the conclusion of the hearing was fully advised
27 regarding each improvement area of the District; and

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1 WHEREAS, written protests with respect to the formation of Area A and/or
2 the furnishing of specified types of Services or Facilities by Area A as described in the
3 Report have not been filed with the City Clerk by fifty percent (50%) or more of the
4 registered voters residing within the territory of Area A or property owners of one-half
5 (1/2) or more of the area of land within Area A and not exempt from the special tax; and

6 WHEREAS, written protests with respect to the formation of Area B and/or
7 the furnishing of specified types of Services or Facilities by Area B as described in the
8 Report have not been filed with the City Clerk by fifty percent (50%) or more of the
9 registered voters residing within the territory of Area B or property owners of one-half
10 (1/2) or more of the area of land within Area B and not exempt from the special tax; and

11 WHEREAS, the special tax proposed to be levied in Area A to pay for a
12 portion of the costs of the Facilities and Services as set forth in Exhibit C to the
13 Resolution of Intention has not been eliminated by protest by fifty percent (50%) or
14 more of the registered voters residing within the territory of Area A or the owners of
15 one-half (1/2) or more of the area of land within Area A and not exempt from the special
16 tax; and

17 WHEREAS, the special tax proposed to be levied in Area B to pay for a
18 portion of the costs of the Facilities and Services as set forth in Exhibit D to the
19 Resolution of Intention has not been eliminated by protest by fifty percent (50%) or
20 more of the registered voters residing within the territory of Area B or the owners of
21 one-half (1/2) or more of the area of land within Area B and not exempt from the special
22 tax;

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

25 Section 1. The foregoing recitals are true and correct.

26 Sec. 2. The proposed special tax to be levied within Area A has not
27 been precluded by majority protest pursuant to Section 3.52.5210 of the Law. The
28 proposed special tax to be levied within Area B has not been precluded by majority

1 protest pursuant to Section 3.52.5210 of the Law.

2 Sec. 3. All prior proceedings taken by this City Council in connection
3 with the establishment of each of the improvement areas of the District and the levy of
4 the special tax in each improvement area have been duly considered and are hereby
5 found and determined to be valid and in substantial conformity with the Law. On
6 December 21, 1999, this City Council adopted Resolution No. C-27626 approving Local
7 Goals and Policies for Community Facilities Districts Related to Commercial
8 Development, and this City Council hereby finds and determines that each of the
9 improvement areas of the District is in conformity with said goals and policies.

10 Sec. 4. The community facilities district improvement areas
11 designated "Improvement Area A of the City of Long Beach Community Facilities
12 District No. 2007-1 (Douglas Park – Commercial Area)" and "Improvement Area B of
13 the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park –
14 Commercial Area)" are each hereby established pursuant to the Law.

15 Sec. 5. The boundaries of Area A and of Area B of the District, as
16 described in the Resolution of Intention and set forth in the boundary map of the District
17 recorded on February 2, 2007 in the Los Angeles County Recorder's Office at Book 192
18 of Maps of Assessment and Community Facilities Districts at Page 39 (instrument no.
19 2007 0234895), are hereby approved, are incorporated herein by this reference and
20 shall be the boundaries of Area A and of Area B of the District.

21 Sec. 6. The types of facilities and services eligible to be funded by
22 Area A and by Area B of the District pursuant to the Law are as described in Exhibits A
23 and B, respectively, to the Resolution of Intention which Exhibits are by this reference
24 incorporated herein.

25 Sec. 7. Except to the extent that funds are otherwise available to
26 Area A of the District to pay for the Services, the Facilities and/or to pay the principal
27 and interest as it becomes due on bonds of Area A of the District issued to finance the
28 Facilities, a special tax sufficient to pay the costs thereof, secured by recordation of a

1 continuing lien against all non-exempt real property in Area A of the District, will be
2 levied within Area A of the District and collected in the same manner as ordinary ad
3 valorem property taxes or in such other manner as this City Council shall determine,
4 including direct billing of the affected property owners. The proposed rate and method
5 of apportionment of the special tax among the parcels of real property within Area A of
6 the District, in sufficient detail to allow each landowner within Area A of the District to
7 estimate the maximum amount such owner will have to pay, are described in Exhibit C
8 to the Resolution of Intention, which Exhibit is by this reference incorporated herein,
9 and shall be the rate and method of apportionment of special taxes for Area A of the
10 District. This City Council hereby finds that the basis for the levy and apportionment of
11 the special tax, as set forth in said rate and method of apportionment of special taxes,
12 is reasonable.

13 Except to the extent that funds are otherwise available to Area B of the
14 District to pay for the Services, the Facilities and/or to pay the principal and interest as it
15 becomes due on bonds of Area B of the District issued to finance the Facilities, a
16 special tax sufficient to pay the costs thereof, secured by recordation of a continuing
17 lien against all non-exempt real property in Area B of the District, will be levied within
18 Area B of the District and collected in the same manner as ordinary ad valorem property
19 taxes or in such other manner as this City Council shall determine, including direct
20 billing of the affected property owners. The proposed rate and method of
21 apportionment of the special tax among the parcels of real property within Area B of the
22 District, in sufficient detail to allow each landowner within Area B of the District to
23 estimate the maximum amount such owner will have to pay, are described in Exhibit D
24 to the Resolution of Intention, which Exhibit is by this reference incorporated herein,
25 and shall be the rate and method of apportionment of special taxes for Area B of the
26 District. This City Council hereby finds that the basis for the levy and apportionment of
27 the special tax, as set forth in said rate and method of apportionment of special taxes,
28 is reasonable.

1 Sec. 8. The office of the Treasurer of the City of Long Beach, 333
2 West Ocean Boulevard, Long Beach, CA 92590, telephone number (562) 570-6845, is
3 the office of the City that will be responsible for preparing annually and whenever
4 otherwise necessary a current roll of special tax levy obligations by assessor's parcel
5 number and who will be responsible for estimating future special tax levies for each
6 improvement area of the District pursuant to Section 3.52.552 of the Law.

7 Sec. 9. Upon recordation of a notice of special tax lien pursuant to
8 Section 3114.5 of the California Streets and Highways Code for an improvement area,
9 a continuing lien to secure each levy of the special tax shall attach to all nonexempt real
10 property in the corresponding improvement area of the District and this lien shall
11 continue in force and effect until collection of the tax in the respective improvement
12 area by the City ceases.

13 Sec. 10. In accordance with Section 3.52.5216 of the Long Beach
14 Municipal Code, the appropriations limit, as defined by subdivision (h) of Section 8 of
15 Article XIII B of the California Constitution, of Area A of the District is hereby preliminarily
16 established at \$16,000,000 and said appropriations limit shall be submitted to the
17 voters of Area A of the District as provided below. The proposition establishing the
18 appropriations limit for Area A shall become effective if approved by the qualified
19 electors of Area A voting thereon and shall be adjusted in accordance with the
20 applicable provisions of Section 3.52.5216 of the Law.

21 In accordance with Section 3.52.5216 of the Long Beach Municipal Code,
22 the appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the
23 California Constitution, of Area B of the District is hereby preliminarily established at
24 \$13,500,000 and said appropriations limit shall be submitted to the voters of Area B of
25 the District as provided below. The proposition establishing the appropriations limit for
26 Area B shall become effective if approved by the qualified electors of Area B voting
27 thereon and shall be adjusted in accordance with the applicable provisions of Section
28 3.52.5216 of the Law.

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH DETERMINING THE NECESSITY
5 TO INCUR BONDED INDEBTEDNESS WITHIN
6 IMPROVEMENT AREAS A AND B OF THE CITY OF LONG
7 BEACH COMMUNITY FACILITIES DISTRICT NO. 2007-1
8 (DOUGLAS PARK – COMMERCIAL AREA) AND
9 SUBMITTING PROPOSITIONS TO THE QUALIFIED
10 ELECTORS OF THE IMPROVEMENT AREAS
11

12 WHEREAS, on January 23, 2007, this City Council adopted a resolution
13 entitled "A Resolution of the City Council of the City of Long Beach Declaring Intention
14 to Establish a Community Facilities District and to Authorize the Levy of Special Taxes
15 Therein – Douglas Park Commercial Area" (the "Resolution of Intention") stating its
16 intention to form the City of Long Beach Community Facilities District No. 2007-1
17 (Douglas Park – Commercial Area) (the "District"), pursuant to the Long Beach Special
18 Tax Financing Improvement Law, Long Beach Municipal Code Section 3.52.511 et seq.
19 (the "Law"), to fund a portion of the costs of certain public improvements (the
20 "Facilities") and certain municipal services (the "Services"), as described therein; and

21 WHEREAS, the Resolution of Intention designated a portion of the District
22 as "Improvement Area A of the City of Long Beach Community Facilities District No.
23 2007-1 (Douglas Park – Commercial Area)" ("Area A"), and a portion of the District as
24 "Improvement Area B of the City of Long Beach Community Facilities District No. 2007-
25 1 (Douglas Park – Commercial Area)" ("Area B"), as authorized by Section 3.52.565 of
26 the Law (Area A and Area B are sometimes referred to below individually as an
27 "improvement area" and collectively as the "improvement areas"); and

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1 WHEREAS, on January 23, 2007, this City Council also adopted a
2 resolution entitled "A Resolution of the City Council of the City of Long Beach Declaring
3 Intention to Incur Bonded Indebtedness of the Proposed Improvement Areas A and B of
4 the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park –
5 Commercial Area)" (the "Resolution of Intention to Incur Indebtedness") stating its
6 intention to incur bonded indebtedness within the boundaries of each of Areas A and B
7 of the District for the purpose of financing costs of the Facilities; and

8 WHEREAS, the Resolution of Intention and the Resolution of Intention to
9 Incur Indebtedness called for public hearings on the improvement areas of the District
10 to be held on February 20, 2007, and notices of the public hearings were published as
11 required by the Law; and

12 WHEREAS, on this date, this City Council held the public hearing as
13 required by the Law and the Resolution of Intention relative to the determination to
14 proceed with the formation of the improvement areas of the District, the provision of
15 funds by the improvement areas of the District to pay a portion of the costs of the
16 Facilities and of the Services, and the rates and methods of apportionment of the
17 special tax to be levied within each of the improvement areas of the District to pay costs
18 of the Facilities and the Services, the principal and interest on the proposed
19 indebtedness and the administrative costs of the City relative to the respective
20 improvement areas of the District; and

21 WHEREAS, at the hearing all persons desiring to be heard on all matters
22 pertaining to the formation of each of the improvement areas of the District, the
23 provision of funds to pay costs of the Services and the Facilities and the levy of the
24 special tax on property within each of the improvement areas of the District were heard
25 and a full and fair hearing was held; and

26 WHEREAS, subsequent to the hearing, this City Council adopted a
27 resolution entitled "A Resolution of the City Council of the City of Long Beach of
28 Formation of Improvement Areas A and B of the City of Long Beach Community

1 Facilities District No. 2007-1 (Douglas Park – Commercial Area), Authorizing the Levy
2 of a Special Tax Within the Improvement Areas, Preliminarily Establishing
3 Appropriations Limits for the Improvement Areas, and Submitting Levy of the Special
4 Tax and the Establishment of the Appropriations Limits to the Qualified Electors of the
5 Improvement Areas” (the “Resolution of Formation”); and

6 WHEREAS, on this date, this City Council held the public hearing as
7 required by the Law relative to the matters material to the questions set forth in this
8 Resolution of Intention to Incur Indebtedness; and

9 WHEREAS, no written protests with respect to the matters material to the
10 questions set forth in the Resolution of Intention to Incur Indebtedness have been filed
11 with the City Clerk;

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

14 Section 1. The foregoing recitals are true and correct.

15 Sec. 2. This City Council deems it necessary to incur bonded
16 indebtedness in the maximum aggregate principal amount of \$16,000,000 within the
17 boundaries of Area A of the District. This Council deems it necessary to incur bonded
18 indebtedness in the maximum aggregate principal amount of \$13,500,000 within the
19 boundaries of Area B of the District.

20 Sec. 3. The indebtedness incurred in each improvement area of the
21 District is for the purpose of financing costs of the Facilities, as provided in the
22 Resolution of Formation including, but not limited to, the costs of issuing and selling
23 bonds to finance a portion of costs of the Facilities, and the initial costs of the City in
24 administering the respective improvement area of the District.

25 Sec. 4. The whole of Area A of the District shall pay for the bonded
26 indebtedness with respect to Area A through the levy of the special tax. The special tax
27 for Area A is to be apportioned in accordance with the rate and method of
28 apportionment of special tax set forth in Exhibit C to the Resolution of Intention. The

1 whole of Area B of the District shall pay for the bonded indebtedness with respect to
2 Area B through the levy of the special tax. The special tax for Area B is to be
3 apportioned in accordance with the rate and method of apportionment of special tax set
4 forth in Exhibit D to the Resolution of Intention.

5 Sec. 5. The maximum amount of bonded indebtedness to be
6 incurred for Area A is \$16,000,000 and the maximum term of the bonds to be issued
7 shall in no event exceed fifty (50) years. The maximum amount of bonded indebtedness
8 to be incurred for Area B is \$13,500,000 and the maximum term of the bonds to be
9 issued shall in no event exceed fifty (50) years.

10 Sec. 6. The bonds for each improvement area shall bear interest at
11 a rate or rates not to exceed the maximum interest rate permitted by applicable law at
12 the time of sale of the bonds, payable weekly, semiannually or in such other manner as
13 this City Council or its designee shall determine, the actual rate or rates and times of
14 payment of such interest to be determined by this City Council or its designee at the
15 time or times of sale of the bonds.

16 Sec. 7. The proposition of incurring the bonded indebtedness herein
17 authorized for each improvement area shall be submitted to the qualified electors of the
18 respective improvement area and shall be consolidated with elections on the
19 proposition of levying special taxes within the respective improvement area and the
20 establishment of an appropriations limit for the respective improvement area pursuant
21 to Section 3.52.568 of the Law. The time, place and conditions of said election shall be
22 as specified by separate resolution of this Council.

23 Sec. 8. This resolution shall take effect immediately upon its adoption by
24 the City Council, and the City Clerk shall certify the vote adopting this resolution.

25
26 I hereby certify that the foregoing resolution was adopted by the City
27 Council of the City of Long Beach at its meeting of _____, 2007, by
28 ////

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

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the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

HAM:fl
2/8/07
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#07-00203

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH CALLING SPECIAL ELECTIONS
WITHIN IMPROVEMENT AREAS A AND B OF THE CITY
OF LONG BEACH COMMUNITY FACILITIES DISTRICT
NO. 2007-1 (DOUGLAS PARK – COMMERCIAL AREA)

WHEREAS, on this date, this City Council adopted a resolution entitled “A
Resolution of the City Council of the City of Long Beach of Formation of Improvement
Areas A and B of the City of Long Beach Community Facilities District No. 2007-1
(Douglas Park – Commercial Area), Authorizing the Levy of a Special Tax Within the
Improvement Areas, Preliminarily Establishing Appropriations Limits for the
Improvement Areas, and Submitting Levy of the Special Tax and the Establishment of
the Appropriations Limits to the Qualified Electors of the Improvement Areas” (the
“Resolution of Formation”), ordering the formation of Improvement Area A of the City of
Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial
Area) (“Area A”), and Improvement Area B of the City of Long Beach Community
Facilities District No. 2007-1 (Douglas Park – Commercial Area) (“Area B”) (Area A and
Area B are sometimes referred to below individually as an “improvement area” and
collectively as the “improvement areas”), authorizing the levy of a special tax on
property within each improvement area and preliminarily establishing an appropriations
limit for each improvement area; and

WHEREAS, on this date, this City Council also adopted a resolution
entitled “A Resolution of the City Council of the City of Long Beach Determining the
Necessity to Incur Bonded Indebtedness Within Improvement Areas A and B of the City
of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial
Area) and Submitting Proposition to the Qualified Electors of the Improvement Areas”

1 (the "Resolution to Incur Indebtedness"), determining the necessity to incur bonded
2 indebtedness in the maximum aggregate principal amount of \$16,000,000 for Area A
3 and \$13,500,000 for Area B, in each case upon the security of the special tax to be
4 levied within the respective improvement area; and

5 WHEREAS, pursuant to the provisions of said resolutions, the
6 propositions of the levy of said special tax, the establishment of the appropriations limit
7 and the incurring of the bonded indebtedness for each improvement area of the City of
8 Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial
9 Area) (the "District"), is to be submitted to the qualified electors of the respective
10 improvement area as required by the Long Beach Special Tax Financing Improvement
11 Law, Long Beach Municipal Code Section 3.52.511 et seq. (the "Law");

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

14 Section 1. Pursuant to Sections 3.52.5217, 3.52.566, 3.52.568 and
15 3.52.5216 of the Law, the issues of the levy of said special tax, the incurring of bonded
16 indebtedness and the establishment of an appropriations limit for Area A shall be
17 submitted to the qualified electors of Area A at an election called therefor as provided
18 below. Pursuant to Sections 3.52.5217, 3.52.566, 3.52.568 and 3.52.5216 of the Law,
19 the issues of the levy of said special tax, the incurring of bonded indebtedness and the
20 establishment of an appropriations limit for Area B shall be submitted to the qualified
21 electors of Area B at an election called therefor as provided below.

22 Sec. 2. As authorized by Section 3.52.568 of the Law, the three
23 propositions described in paragraph 1 above for each improvement area shall be
24 combined into a single ballot measure for each improvement area, the forms of which
25 measures are attached hereto as Exhibit A which Exhibit is, by this reference,
26 incorporated herein. The form of ballot is hereby approved.

27 Sec. 3. This City Council hereby finds that fewer than 12 persons
28 have been registered to vote within the territory of Area A for each of the ninety (90)

1 days preceding the close of the public hearings heretofore conducted and concluded by
2 this City Council for the purposes of these proceedings. Accordingly, and pursuant to
3 Section 3.52.5217 B. of the Law, this City Council finds that for purposes of these
4 proceedings the qualified electors for Area A are the landowners within Area A and that
5 the vote shall be by said landowners or their authorized representatives, each having
6 one vote for each acre or portion thereof such landowner owns in Area A as of the
7 close of the public hearings.

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

17 Sec. 4. This City Council hereby calls a special election to consider
18 the measures 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 each of the improvement areas of the District, and a sufficient
23 description to allow the City Clerk to determine the boundaries of each of the
24 improvement areas of the District.

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

28 ////

1 Sec. 5. Pursuant to Section 3.52.5217 of the Law, the election shall
2 be conducted by mail or hand delivered ballot pursuant to the California Elections
3 Code. This City Council hereby finds that paragraphs (a), (b), (c) (1) and (c)(3) of
4 Section 4000 of the California Elections Code are applicable to this special election.

5 Sec. 6. This City Council acknowledges that the City Clerk has
6 caused to be delivered to the qualified electors of each improvement area of the District
7 ballots in the form set forth in Exhibit A hereto. Each ballot indicated the number of
8 votes to be voted by the respective landowner with respect to the measure for each
9 improvement area of the District.

10 Each ballot was accompanied by all supplies and written instructions
11 necessary for the use and return of the ballot. The envelope to be used to return
12 ballots was enclosed with the ballot, had the return postage prepaid, and contained the
13 following: (a) the name and address of the landowner, (b) a declaration, under penalty
14 of perjury, stating that the voter is the owner of record or authorized representative of
15 the landowner entitled to vote and is the person whose name appears on the envelope,
16 (c) the printed name, signature and address of the voter, (d) the date of signing and
17 place of execution of the declaration pursuant to clause (b) above, and (e) a notice that
18 the envelope contains an official ballot and is to be opened only by the City Clerk.
19 Analysis and arguments with respect to the ballot measures were waived by the
20 landowners in their petitions to form the District as well as in their voted ballots, as
21 permitted by Section 3.52.5218 of the Law.

22 Sec. 7. The City Clerk shall accept the ballots of the qualified
23 electors upon and prior to the adoption of this Resolution, whether the ballots be
24 personally delivered or received by mail. The City Clerk shall have available ballots
25 which may be marked in the City Council meeting room on the election day by the
26 qualified electors.

27 Sec. 8. This City Council hereby further finds that the provision of
28 the Law requiring a minimum of 5 days following the adoption of the Resolution of

1 Formation to elapse before said special election is for the protection of the qualified
2 electors of the improvement areas of the District. The petitions previously submitted by
3 the landowners in the District and the voted ballots of the qualified electors of the
4 District contain acknowledgments of a waiver of any time limit pertaining to the conduct
5 of the election and of a waiver of any requirement for analysis and arguments in
6 connection with the election. Accordingly, this City Council finds and determines that
7 the qualified electors have been fully apprised of and have agreed to the shortened
8 time for the election and waiver of analysis and arguments, and have thereby been fully
9 protected in these proceedings. This City Council also finds and determines that the
10 City Clerk has concurred in the shortened time for the election.

11 Sec. 9. Pursuant to the Local Agency Special Tax and Bond
12 Accountability Act, Sections 50075.1 et. seq. and Sections 53410 et. seq. of the
13 California Government Code, (a) the ballot measures referred to in Sections 2 and 4
14 above contain a statement indicating the specific purposes of the special tax, the
15 proceeds of the special tax will be applied only to the purposes specified in the ballot
16 measure, there shall be created by the City Treasurer accounts into which proceeds of
17 the special tax levies for each improvement area will be deposited (which need not be
18 separate bank accounts, but which may be separate general ledger accounts so long
19 as such proceeds can be separately accounted for, or may be accounts held by a fiscal
20 agent on behalf of the City), and the City Treasurer is hereby directed to provide an
21 annual report to this City Council as required by Section 50075.3 of the California
22 Government Code; and (b) the ballot measures contain a statement indicating the
23 specific purposes of the bonds referenced in the respective ballot measure, the
24 proceeds of the bonds will be applied only to the purposes specified in the applicable
25 ballot measure, there shall be created by the City Treasurer accounts into which the
26 proceeds of the bonds will be deposited (which need not be separate bank accounts,
27 but which may be separate general ledger accounts so long as such proceeds can be
28 separately accounted for, or may be accounts held by a fiscal agent on behalf of the

EXHIBIT "A"

CITY OF LONG BEACH
COMMUNITY FACILITIES DISTRICT NO. 2007-1
(DOUGLAS PARK – COMMERCIAL AREA)

OFFICIAL BALLOT

Special Tax and Bond Election
(February 20, 2007)

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 A: Shall the City of Long Beach (the "City") incur an indebtedness and issue bonds in one or more series in the maximum aggregate principal amount of \$16,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of Improvement Area A ("Area A") of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) (the "District"), the proceeds of which will be used only to finance the costs of certain public improvements (the "Facilities"), as specified in the Resolution of Formation of the improvement areas of the District, and the costs of issuing the bonds, initially administering the bonds and Area A as well as the establishment of appropriate bond reserves; shall a special tax payable solely from lands within Area A be levied annually upon lands within Area A to be applied to pay the costs of the Facilities directly, to pay costs of services eligible to be funded by Area A, to pay the principal and interest on any bonds issued for Area A, to replenish the reserves for the bonds, and to pay the costs of the City in administering Area A; and shall the annual appropriations limit of Area A be established in the amount of \$16,000,000?

Yes:

No:

BALLOT MEASURE B: Shall the City of Long Beach (the "City") incur an indebtedness and issue bonds in one or more series in the maximum aggregate principal amount of \$13,500,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of Improvement Area B ("Area B") of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) (the "District"), the proceeds of which will be used only to finance the costs of certain public improvements (the "Facilities"), as specified in the Resolution of Formation of the improvement areas of the District, and the costs of issuing the bonds, initially administering the bonds and Area B as well as the establishment of appropriate bond reserves; shall a special tax payable solely from lands within Area B be levied annually upon lands within Area B to be applied

to pay the costs of the Facilities directly, to pay costs of services eligible to be funded by Area B, to pay the principal and interest on any bonds issued for Area B, to replenish the reserves for the bonds, and to pay the costs of the City in administering Area B; and shall the annual appropriations limit of Area B be established in the amount of \$13,500,000?

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 measures, 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 cast for or against Ballot Measure A, as indicated above:

Number of Votes cast for or against Ballot Measure B, as indicated above: _____

Property Owner:

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH DECLARING RESULTS OF
5 SPECIAL ELECTIONS, AND DIRECTING RECORDING OF
6 NOTICES OF SPECIAL TAX LIEN – DOUGLAS PARK
7 COMMERCIAL AREA
8

9 WHEREAS, in proceedings heretofore conducted by this City Council
10 pursuant to the Long Beach Special Tax Financing Improvement Law, Section 3.52.511
11 et seq. of the Long Beach Municipal Code (the "Law"), this City Council on this date
12 adopted a resolution entitled "A Resolution of the City Council of the City of Long Beach
13 Calling Special Election Within Improvement Areas A and B of the City of Long Beach
14 Community Facilities District No. 2007-1 (Douglas Park – Commercial Area)", calling for
15 special elections of the qualified electors within the two improvement areas of the City
16 of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial
17 Area) (the "District") known as Area A and Area B; and

18 WHEREAS, pursuant to the terms of said resolution, which are by this
19 reference incorporated herein, the special elections were held on this date, and the City
20 Clerk has on file a Canvass and Statement of Results of Election, a copy of which is
21 attached hereto as Exhibit A; and

22 WHEREAS, this Council has reviewed the canvass and hereby approves
23 it;

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

26 Section 1. The issues presented at the special elections were the
27 incurring of a bonded indebtedness in the maximum aggregate principal amount for
28 each improvement area of the District, the levy of a special tax within each

1 improvement area of the District to be levied in accordance with the rate and method of
2 apportionment of special taxes for the respective improvement area heretofore
3 approved by this City Council by its resolution adopted this date entitled "A Resolution
4 of the City Council of the City of Long Beach of Formation of Improvement Areas A and
5 B of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park –
6 Commercial Area), Authorizing Levy of a Special Tax Within the Improvement Areas,
7 Preliminarily Establishing Appropriations Limits for the Improvement Areas and
8 Submitting Levy of the Special Tax and the Establishment of the Appropriations Limit to
9 the Qualified Electors of the Improvement Areas," and the approval of a separate
10 appropriations limit for each improvement area of the District in the respective amounts
11 specified in said Resolution.

12 Sec. 2. Pursuant to the canvass of the special elections on file with
13 the City Clerk, the issues presented at the special election with respect to Area A of the
14 District were approved by the qualified electors of Area A of the District by their votes
15 cast at the special election regarding Area A, and the issues presented at the special
16 election with respect to Area B of the District were approved by the qualified elector of
17 Area B by its votes cast at the special election regarding Area B.

18 Sec. 3. Pursuant to the voter approval, Area A of the District is
19 hereby declared to be fully formed with the authority to incur bonded indebtedness and
20 to levy special taxes as heretofore provided in the proceedings to form Area A and in
21 the Law, and Area B of the District is hereby declared to be fully formed with the
22 authority to incur bonded indebtedness and to levy special taxes as heretofore provided
23 in the proceedings to form Area B and in the Law.

24 Sec. 4. It is hereby found that all prior proceedings and actions
25 taken by this City Council with respect to each of Area A and Area B of the District were
26 valid and in conformity with the Law.

27 Sec. 5. The City Clerk is hereby directed to execute and cause to be
28 recorded in the office of the County Recorder of the County of Los Angeles a notice of

EXHIBIT "A"

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY OF LONG BEACH COMMUNITY FACILITIES DISTRICT NO. 2007-1 (DOUGLAS PARK – COMMERCIAL AREA)

I hereby certify that on February 20, 2007, I canvassed the returns of the special elections held on February 20, 2007, in Improvement Areas A and B of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) and the total number of ballots cast in said elections and the total number of votes cast for and against the measures are as follows and the totals as shown for and against the respective measures are full, true and correct:

| | Qualified Landowner Votes | Votes Cast | YES | NO |
|---|---------------------------------|---------------|-----|----|
| Improvement Area A of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) Special Tax and Bond Election February 20, 2007. | <u>81</u> | | | |

BALLOT MEASURE A: Shall the City of Long Beach (the "City") incur an indebtedness and issue bonds in one or more series in the maximum aggregate principal amount of \$16,000,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of Improvement Area A ("Area A") of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) (the "District"), the proceeds of which will be used only to finance the costs of certain public improvements (the "Facilities"), as specified in the Resolution of Formation of the improvement areas of the District, and the costs of issuing the bonds, initially administering the bonds and Area A as well as the establishment of appropriate bond reserves; shall a special tax payable solely from lands within Area A be levied annually upon lands within Area A to be applied to pay the costs of the Facilities directly, to pay costs of services eligible to be funded by Area A, to pay the principal and interest on any bonds issued for Area A, to replenish the reserves for the bonds, and to pay the costs of the City in administering Area A; and shall the annual appropriations limit of Area A be established in the amount of \$16,000,000?

| | Qualified Landowner Votes | Votes Cast | YES | NO |
|---|---------------------------------|---------------|-----|----|
| Improvement Area B of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) Special Tax and Bond Election February 20, 2007. | | <u>51</u> | | |

BALLOT MEASURE B: Shall the City of Long Beach (the “City”) incur an indebtedness and issue bonds in one or more series in the maximum aggregate principal amount of \$13,500,000, with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of Improvement Area B (“Area B”) of the City of Long Beach Community Facilities District No. 2007-1 (Douglas Park – Commercial Area) (the “District”), the proceeds of which will be used only to finance the costs of certain public improvements (the “Facilities”), as specified in the Resolution of Formation of the improvement areas of the District, and the costs of issuing the bonds, initially administering the bonds and Area B as well as the establishment of appropriate bond reserves; shall a special tax payable solely from lands within Area B be levied annually upon lands within Area B to be applied to pay the costs of the Facilities directly, to pay costs of services eligible to be funded by Area B, to pay the principal and interest on any bonds issued for Area B, to replenish the reserves for the bonds, and to pay the costs of the City in administering Area B; and shall the annual appropriations limit of Area B be established in the amount of \$13,500,000?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this 20th day of February, 2007.

By: _____

City Clerk,
City of Long Beach

1 to provide for costs of the Facilities and of the Services; and

2 WHEREAS, the public hearing was held on February 20, 2007, and at the
3 public hearing all persons desiring to be heard on all matters pertaining to the formation
4 of each of the two improvement areas of the District and the levy of special taxes in
5 each improvement area were heard, substantial evidence was presented and
6 considered by this City Council and a full and fair hearing was held; and

7 WHEREAS, subsequent to the close of the public hearing, this City
8 Council adopted resolutions entitled "A Resolution of the City Council of the City of
9 Long Beach of Formation of Improvement Areas A and B of the City of Long Beach
10 Community Facilities District No. 2007-1 (Douglas Park – Commercial Area),
11 Authorizing the Levy of a Special Tax Within the Improvement Areas, Preliminarily
12 Establishing Appropriations Limits for the Improvement Areas, and Submitting Levy of
13 the Special Tax and the Establishment of the Appropriations Limits to the Qualified
14 Electors of the Improvement Areas" (the "Resolution of Formation"), "A Resolution of
15 the City Council of the City of Long Beach Determining the Necessity to Incur Bonded
16 Indebtedness Within Improvement Areas A and B of the City of Long Beach Community
17 Facilities District No. 2007-1 (Douglas Park – Commercial Area) and Submitting
18 Proposition to the Qualified Electors of the Improvement Areas" (the "Resolution of
19 Necessity") and "A Resolution of the City Council of the City of Long Beach Calling
20 Special Elections Within Improvement Areas A and B of the City of Long Beach
21 Community Facilities District No. 2007-1 (Douglas Park – Commercial Area)," which
22 resolutions established Area A and Area B, authorized the levy of a special tax within
23 each of the two improvement areas, and called an election within each of the two
24 improvement areas on the proposition of incurring indebtedness, levying a special tax
25 and establishing an appropriations limit for each of the respective improvement areas of
26 the District; and

27 WHEREAS, on February 20, 2007 an election was held within each of
28 Area A and Area B of the District in which the then eligible landowner electors approved

1 said propositions for each of the respective improvement areas by more than a two-
2 thirds vote in each improvement area;

3
4 NOW, THEREFORE, the City Council of the City of Long Beach ordains
5 as follows:

6 Section 1. By the passage of this Ordinance this City Council hereby
7 authorizes and levies special taxes within Area A of the District, pursuant to the Law, at
8 the rate and in accordance with the rate and method of apportionment of special taxes
9 for Area A approved by the Resolution of Formation which Resolution is by this
10 reference incorporated herein. The special taxes are hereby levied commencing in the
11 current fiscal year and in each fiscal year thereafter as provided in the rate and method
12 of apportionment of special taxes for such improvement area.

13 By the passage of this Ordinance this City Council hereby authorizes and
14 levies special taxes within Area B of the District, pursuant to the Law, at the rate and in
15 accordance with the rate and method of apportionment of special taxes for Area B
16 approved by the Resolution of Formation. The special taxes shall be levied
17 commencing in the current fiscal year and in each fiscal year thereafter as provided in
18 the rate and method of apportionment of special taxes for such improvement area.

19 Sec. 2. The City Treasurer is hereby authorized and directed each
20 fiscal year to determine the specific special tax rate and amount to be levied for each
21 parcel of real property within each improvement area of the District, in the manner and
22 as provided in the Resolution of Formation.

23 Sec. 3. Properties or entities of the State, federal or local
24 governments shall be exempt from any levy of the special taxes in an improvement
25 area, to the extent set forth in the rate and method of apportionment of special taxes for
26 the respective improvement area in the forms attached to the Resolution of Intention.
27 In no event shall the special taxes be levied on any parcel within an improvement area
28 of the District in excess of the maximum tax specified in the rate and method of

1 apportionment of special taxes for the respective improvement area.

2 Sec. 4. All of the collections of the special tax for an improvement
3 area shall be used as provided for in the Law and in the Resolution of Formation
4 including the payment directly of the costs of Facilities and Services authorized to be
5 funded by the improvement area, the payment of principal and interest on the bonds
6 issued for the improvement area, the replenishment of the reserves for any such bonds,
7 the payment of the costs of the City in administering the improvement area, and the
8 payment of the costs of collecting and administering the special tax.

9 Sec. 5. The special taxes shall be collected from time to time for an
10 improvement area as necessary to meet the financial obligations of the respective
11 improvement area on the secured real property tax roll in the same manner as ordinary
12 ad valorem taxes are collected. The special taxes shall have the same lien priority, and
13 be subject to the same penalties and the same procedure and sale in cases of
14 delinquency as provided for ad valorem taxes. In addition, the provisions of Section
15 3.52.5610 of the Law shall apply to delinquent special tax payments. The City
16 Treasurer is hereby authorized and directed to provide all necessary information to the
17 auditor/tax collector of the County of Los Angeles and to otherwise take all actions
18 necessary in order to effect proper billing and collection of the special tax, so that the
19 special tax shall be levied and collected in sufficient amounts and at the times
20 necessary to satisfy the financial obligations of each improvement area of the District in
21 each fiscal year.

22 Notwithstanding the foregoing, the City Treasurer may collect one or more
23 installments of the special taxes on any one or more parcels in any improvement area
24 of the District by means of direct billing by the City of the property owners within the
25 applicable improvement area, if, in the judgment of the City Treasurer, such means of
26 collection will reduce the administrative burden on the City in administering the
27 improvement area or is otherwise appropriate in the circumstances. In such event, the
28 special taxes shall become delinquent if not paid when due as set forth in any such

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1 respective billing of the applicable property owners.

2 Sec. 6. The City Treasurer is hereby directed to establish an
3 account for each improvement area (which need not be a separate deposit account, but
4 may be a separate general ledger account so long as fund for such improvement area
5 can be separately accounted for, or may be an account held by a fiscal agent on behalf
6 of the City) into which proceeds of the special tax levied for such improvement area will
7 be deposited, and the City Treasurer is hereby directed to file an annual report with this
8 City Council for each improvement area as required by Section 50075.3 of the
9 California Government Code.

10 Sec. 7. If for any reason any portion of this Ordinance is found to be
11 invalid, or if the special tax is found inapplicable to any particular parcel within an
12 improvement area of the District, by a Court of competent jurisdiction, the balance of
13 this Ordinance, and the application of the special tax to the remaining parcels within the
14 improvement areas of District shall not be affected.

15 Sec. 8. The City Clerk shall certify to the passage of this ordinance
16 by the City Council and cause it to be posted in three conspicuous places in the City of
17 Long Beach, published within fifteen (15) days after its passage at least once in a
18 newspaper of general circulation published and circulated in the City, and it shall take
19 effect on the thirty-first day after it is approved by the Mayor.

20

21 I hereby certify that the foregoing ordinance was adopted by the City
22 Council of the City of Long Beach at its meeting of _____, 2007, by the

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following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

(Mayor)

HAM:fl
2/8/07
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