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RESOLUTION NO. RES-05-0053

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH MAKING FINDINGS WITH
RESPECT TO AND APPROVING THE ISSUANCE OF
BONDS BY THE LONG BEACH BOND FINANCE
AUTHORITY

WHEREAS, the City of Long Beach (the "City") and the Redevelopment Agency of the City of Long Beach (the "Agency") have heretofore entered into a Joint Exercise of Powers Agreement (the "JPA Agreement") establishing the Long Beach Bond Finance Authority (the "Authority") for the purpose, among others, of issuing its bonds to be used to provide financial assistance to the City, and the City and the Agency have approved an Amendment No. 1 to the JPA Agreement to authorize the Authority to issue its bonds to provide financial assistance to the Agency; and

WHEREAS, the Agency has issued its \$26,820,000 2002 Subordinate Tax Allocation Bonds (Downtown Redevelopment Project) (the "2002 Downtown Bonds") and its \$40,290,000 2002 Tax Allocation Bonds (North Long Beach Redevelopment Project) (the "2002 North Bonds" and, together with the 2002 Downtown Bonds, the "Prior Agency Bonds"), in order to assist the redevelopment of its Downtown and North Long Beach Redevelopment Projects; and

WHEREAS, the Prior Agency Bonds were sold to the Authority, and are currently pledged, pursuant to an Indenture of Trust, dated as of May 1, 2002 (the "2002 Authority Indenture") between the Authority and The Bank of New York Trust Company, N.A., as successor trustee (the "2002 Authority Trustee"), as security for the repayment of the Authority's Tax Allocation Revenue Bonds (Downtown, North Long Beach, Poly High and West Beach Redevelopment Project Areas), 2002 Series A (the "2002 Authority Bonds"); and

1 WHEREAS, the Agency has determined that due to prevailing financial
2 market conditions it is in the best interests of the Agency to realize interest rate savings
3 by allowing the Authority to sell a portion of the Prior Agency Bonds, and in connection
4 with such sale amending the terms of the Indentures of Trust (collectively, the "2002
5 Agency Indentures") for the Prior Agency Bonds to allow the Authority to provide
6 additional financing for the Downtown Redevelopment Project and to allow the interest
7 rates on the 2002 North Bonds to be reduced; and

8 WHEREAS, for the purpose of raising funds necessary to provide for the
9 purchase of a portion of the Prior Agency Bonds, the Authority proposes to authorize
10 the issuance of its revenue bonds (the "Bonds") under the provisions of Article 4
11 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government
12 Code of the State of California (the "Act"), to be designated as the Long Beach Bond
13 Finance Authority Tax Allocation Revenue Bonds (Downtown and North Long Beach
14 Redevelopment Project Areas), 2005 Series C; and

15 WHEREAS, a portion of the proceeds of the Bonds will be used to finance
16 various public improvements for the Agency's Downtown Redevelopment Project (the
17 "Improvements"); and

18 WHEREAS, the Prior Agency Bonds are proposed to be sold to and
19 purchased by the Authority pursuant to the terms of an Agency Bonds Assignment and
20 Purchase Agreement, to be entered into by the Agency, the Authority, the 2002
21 Authority Trustee, the trustee for the Bonds and the trustee for the Prior Agency Bonds
22 (the "Agency Bonds Purchase Agreement"); and

23 WHEREAS, the City Council has on this date held a duly noticed public
24 hearing on the financing of the Improvements with the proceeds of the Bonds, as
25 required by Section 6586.5(a) of the Act; and

26 WHEREAS, the City Council now desires to make a finding of significant
27 public benefit, pursuant to Section 6586.5(a)(2) of the Act, and to approve of the
28 financing of the Improvements and the transactions contemplated by the Bonds and the

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1 Agency Bonds Agreement;

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

4 Section 1. Findings and Determinations. The City Council hereby finds
5 that significant public benefits will arise from the financing of the Improvements with the
6 proceeds of the Bonds, in accordance with Section 6586 of the Act, in that the financing
7 will result in demonstrable savings in effective interest rates, bond preparation, bond
8 underwriting and bond issuance costs.

9 Sec. 2. Approval of Financing. The City Council hereby approves
10 the financing of the Improvements with the proceeds of the Bonds, the issuance of the
11 Bonds by the Authority, the sale and purchase of the Prior Agency Bonds under the
12 Agency Bonds Agreement and the application of proceeds of the Bonds to refund a
13 portion of the 2002 Authority Bonds.

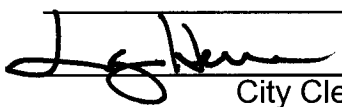
14 Sec. 3. This resolution shall take effect immediately upon its
15 adoption by the City Council, and the City Clerk shall certify the vote adopting this
16 resolution.

17 I hereby certify that the foregoing resolution was adopted by the City
18 Council of the City of Long Beach at its meeting of July 19, 2005, by
19 the following vote:

20 Ayes: Councilmembers: Baker, Colonna, O'Donnell,
21 Richardson, Reyes Uranga,
22 Lerch, Kell.

23
24 Noes: Councilmembers: None.

25
26 Absent: Councilmembers: Lowenthal, Gabelich.

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28 
City Clerk