

RESOLUTION NO. RES-06-0032

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LONG BEACH APPROVING PROCEEDINGS BY THE LONG BEACH BOND FINANCE AUTHORITY FOR THE ISSUANCE AND SALE OF LEASE REVENUE BONDS TO REFUND THE AUTHORITY'S OUTSTANDING LONG BEACH BOND FINANCE AUTHORITY LEASE REVENUE BONDS, 1999 SERIES A (RAINBOW HARBOR REFINANCING PROJECT), AND TO REFUND THE OUTSTANDING 1997 CERTIFICATES OF PARTICIPATION (QUEENSWAY BAY PARKING FACILITY), AND APPROVING RELATED DOCUMENTS AND OFFICIAL ACTIONS

WHEREAS, the Long Beach Bond Finance Authority (the "Authority") has heretofore issued its \$47,970,000 Long Beach Bond Finance Authority Lease Revenue Bonds, 1999 Series A (Rainbow Harbor Refinancing Project), of which \$46,280,000 remains outstanding (the "1999 Bonds"); and

WHEREAS, the proceeds of the 1999 Bonds were used to refinance the costs of the acquisition, construction, installation and equipping of certain improvements to the Rainbow Harbor area of the City (the "Rainbow Harbor Project"); and

WHEREAS, the City, together with the Parking Authority of the City of Long Beach, has heretofore caused the execution and delivery of the \$5,855,000 1997 Certificates of Participation (Queensway Bay Parking Facility), of which \$4,315,000 remains outstanding (the "1997 Certificates"); and

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1           WHEREAS, the proceeds of the 1997 Certificates were used to finance  
2 the costs of a 1,471 space parking facility in the Rainbow Harbor area of the City (the  
3 “Parking Project”); and

4           WHEREAS, the City, working together with the Authority, proposes to  
5 undertake the refinancing of the Rainbow Harbor Project and the Parking Project,  
6 including the refunding of the 1999 Bonds and the 1997 Certificates; and

7           WHEREAS, for such purposes, the Authority has determined to issue its  
8 Long Beach Bond Finance Authority Lease Revenue Refunding Bonds (Rainbow  
9 Harbor Refinancing Project), 2006 Series A, in the aggregate principal amount of not-to-  
10 exceed \$55,000,000 (the “Bonds”); and

11           WHEREAS, the Bonds will be issued under the provisions of Article 4  
12 (commencing with section 6584) of the Act (the “Bond Law”) and an indenture of trust  
13 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as  
14 trustee; and

15           WHEREAS, in order to provide for the repayment of the Bonds, the  
16 Authority will lease certain real property and improvements (the “Property”) to the City  
17 pursuant to a lease agreement (the “Lease Agreement”) under which the City will agree  
18 to make lease payments to the Authority from moneys in its General Fund and the City  
19 will budget and appropriate sufficient amounts in each year to pay the full amount of  
20 principal of and interest on the Bonds; and

21           WHEREAS, as required by section 6586.5(a) of the California  
22 Government Code, a public hearing has been held by this Council in connection with  
23 the financing; and

24           WHEREAS, the Council desires to make a finding of significant public  
25 benefit pursuant to section 6586.5(a)(2) of the California Government Code, and to  
26 approve of the financing and the transactions contemplated by the Bonds; and

27           WHEREAS, the firm of E. J. De La Rosa & Co., Inc. and Merrill Lynch &  
28 Co. (collectively, the “Underwriters”) have proposed to purchase and underwrite the

1 Bonds and have presented to the City a form of Bond Purchase Agreement for the  
2 Bonds, to be entered into among the Authority, the City and the Underwriters (the "Bond  
3 Purchase Agreement"); and

4 WHEREAS, a proposed form of official statement (the "Official  
5 Statement") describing the Bonds, to be used in connection with the marketing of the  
6 Bonds by the Underwriters, has been prepared and has been presented to the City; and

7 WHEREAS, the Council has duly considered such transactions and  
8 wishes at this time to approve said transactions in the public interests of the City;

9  
10 NOW, THEREFORE, the City Council of the City of Long Beach resolves  
11 as follows:

12 Section 1. Findings and Consent. The Council hereby finds that  
13 significant public benefits will arise from the financing, in accordance with section 6586  
14 of the California Government Code.

15 Sec. 2. Approval of Bonds. The Council hereby approves the  
16 issuance of the Bonds by the Authority for the purpose of providing funds to refinance  
17 the Project and to refund the 1999 Bonds.

18 Sec. 3. Approval of Site and Facility Lease. The Council hereby  
19 approves a site and facility lease, by and between the City and the Authority (the "Site  
20 and Facility Lease"), pursuant to which the City will lease the Property to the Authority,  
21 to be leased back to the City pursuant to the Lease Agreement, in substantially the form  
22 on file with the City Clerk, together with any changes therein or additions thereto  
23 deemed advisable by the City Manager, the Director of Financial Management or the  
24 City Treasurer (the "Designated Officers"), whose execution thereof shall be conclusive  
25 evidence of such approval. The Designated Officers, each acting alone, are hereby  
26 authorized and directed for and in the name and on behalf of the City to execute, and  
27 the City Clerk is hereby authorized and directed to attest, the final form of the Site and  
28 Facility Lease for and in the name of the City. The Council hereby authorizes the

1 delivery and performance of the Site and Facility Lease.

2           Sec. 4.       Approval of Lease Agreement. The Council hereby approves  
3 the Lease Agreement, in substantially the form on file with the City Clerk, together with  
4 any changes therein or additions thereto deemed advisable by any Designated Officer,  
5 whose execution thereof shall be conclusive evidence of the approval of any such  
6 changes or additions, so long as the term of the Lease Agreement (not including  
7 extensions, as permitted therein) does not extend beyond May 1, 2024, and so long as  
8 the issuance of the Bonds provides net present value savings to the City. The  
9 Designated Officers, each acting alone, are hereby authorized and directed for and in  
10 the name and on behalf of the City to execute, and the City Clerk is hereby authorized  
11 and directed to attest, the final form of the Lease Agreement for and in the name of the  
12 City. The Council hereby authorizes the delivery and performance of the Lease  
13 Agreement.

14           Sec. 5.       Approval of Escrow Agreements.

15           (a)       The Council hereby approves an escrow deposit and trust  
16 agreement, by and among the Authority, the City and U.S. Bank National Association,  
17 as escrow bank (the "Escrow Bank"), relating to the refunding of the outstanding 1999  
18 Bonds (the "1999 Bonds Escrow Agreement"), in substantially the form on file with the  
19 City Clerk, together with any changes therein or additions thereto deemed advisable by  
20 any Designated Officer, whose execution thereof shall be conclusive evidence of the  
21 approval of any such changes or additions. The Designated Officers, each acting alone,  
22 are hereby authorized and directed for and in the name and on behalf of the City to  
23 execute, and the City Clerk is hereby authorized and directed to attest, the final form of  
24 the 1999 Bonds Escrow Agreement for and in the name of the City. The Council hereby  
25 authorizes the delivery and performance of the 1999 Bonds Escrow Agreement.

26           (b)       The Council hereby approves an escrow deposit and trust  
27 agreement, by and between the City and U.S. Bank National Association, as escrow  
28 bank (the "Escrow Bank"), relating to the refunding of the outstanding 1997 Certificates

1 (the "1997 Certificates Escrow Agreement"), in substantially the form on file with the  
2 City Clerk, together with any changes therein or additions thereto deemed advisable by  
3 any Designated Officer, whose execution thereof shall be conclusive evidence of the  
4 approval of any such changes or additions. The Designated Officers, each acting alone,  
5 are hereby authorized and directed for and in the name and on behalf of the City to  
6 execute, and the City Clerk is hereby authorized and directed to attest, the final form of  
7 the 1997 Certificates Escrow Agreement for and in the name of the City. The Council  
8 hereby authorizes the delivery and performance of the 1997 Certificates Escrow  
9 Agreement.

10                   Sec. 6.       Sale of the Bonds. The Council hereby approves the sale of  
11 the Bonds by the Authority to the Underwriters pursuant to the Bond Purchase  
12 Agreement in substantially the form on file with the Secretary, together with such  
13 additions thereto and changes therein as a Designated Officer shall deem necessary,  
14 desirable or appropriate, the execution of which by the Authority shall be conclusive  
15 evidence of the approval of any such additions and changes. The Designated Officers,  
16 each acting alone, are hereby authorized and directed to execute the final form of the  
17 Bond Purchase Agreement for and in the name and on behalf of the Authority upon the  
18 submission of an offer by the Underwriters to purchase the Bonds, which offer is  
19 acceptable to a Designated Officer and consistent with the requirements of this  
20 Resolution. The Underwriters' compensation for the Bonds shall not exceed \$3.30 per  
21 \$1,000 of principal amount of the Bonds.

22                   Sec. 7.       Official Statement. The Council hereby approves, and  
23 hereby deems nearly final within the meaning of Rule 15c2-12 of the Securities  
24 Exchange Act of 1934 (the "Rule"), the preliminary official statement describing the  
25 Bonds (the "Preliminary Official Statement") in substantially the form on file with the City  
26 Clerk. The Designated Officers, each acting alone, are hereby authorized and directed  
27 to execute an appropriate certificate stating the City's determination that the Preliminary  
28 Official Statement is nearly final within the meaning of the Rule. Distribution of the

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1 Preliminary Official Statement in connection with the sale of the Bonds is hereby  
2 approved. The Designated Officers, each acting alone, are hereby authorized and  
3 directed to approve any changes in or additions to a final form of official statement (the  
4 "Final Official Statement"), and the execution thereof by any Designated Officer shall be  
5 conclusive evidence of approval of any such changes and additions. The Council  
6 hereby authorizes the distribution of the Final Official Statement by the Underwriters.  
7 The Final Official Statement shall be executed in the name and on behalf of the City by  
8 any Designated Officer.

9                   Sec. 8.           Official Actions. The City Manager, the Director of Financial  
10 Management, the City Treasurer, the City Clerk and all other officers of the City are  
11 each authorized and directed in the name and on behalf of the City to make any and all  
12 assignments, certificates, requisitions, agreements, notices, consents, instruments of  
13 conveyance, warrants and other documents, which they or any of them might deem  
14 necessary or appropriate in order to consummate any of the transactions contemplated  
15 by the documents approved pursuant to this Resolution. Whenever in this Resolution  
16 any officer of the City is authorized to execute or countersign any document or take any  
17 action, such execution, countersigning or action may be taken on behalf of such officer  
18 by any person designated by such officer to act on his or her behalf in the case such  
19 officer shall be absent or unavailable.

20                   Sec. 9.           This resolution shall take effect immediately upon its  
21 adoption by the City Council, and the City Clerk shall certify the vote adopting this  
22 resolution.

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24                   I hereby certify that the foregoing resolution was adopted by the City  
25 Council of the City of Long Beach at its meeting of           March 21          , 2006, by

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1 the following vote:

2 Ayes: Councilmembers: Lowenthal, Colonna, O'Donnell,

3 Richardson, Reyes Uranga,

4 Gabelich, Lerch, Kell.

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6 Noes: Councilmembers: None.

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8 Absent: Councilmembers: None.

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City Clerk

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