



# CITY OF LONG BEACH **ORD-24**

DEPARTMENT OF DEVELOPMENT SERVICES

333 West Ocean Blvd., 4<sup>th</sup> Floor Long Beach, CA 90802 Phone: 570.5237 Fax: 570.6205

August 9, 2011

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Declare the Ordinance eliminating the existing time limit on incurring bonded indebtedness for the Redevelopment Plan for the West Long Beach Industrial (WLBI) Redevelopment Project read for the first time and laid over to the next regular meeting of the City Council for final reading. (District 1)

## DISCUSSION

On November 11, 2003, the City Council adopted Ordinance No. C-7887 related to the WLBI project area, thereby eliminating the time limit on the establishment of loans, advances, and indebtedness, with the exception of the establishment of bonded indebtedness.

The Redevelopment Agency (Agency) and the WLBI Project Area Committee (PAC) now desire to amend the WLBI Redevelopment Plan in order to pursue the incurrence of additional bonded indebtedness to fund improvements. However, prior to taking these actions, Ordinance No. C-7887 requires that the Agency provide the WLBI PAC with a 90-day written notice, and hold a public hearing regarding such amendment. The notice was submitted to the WLBI PAC and a public hearing held at their March 9, 2011 meeting. The PAC supports this action and has approved the Agency's request to proceed with a potential bond sale after the 90-day waiting period. While a bond issue is being considered, it cannot proceed absent resolution of litigation regarding statewide redevelopment issues. Staff wishes to be prepared as soon as possible thereafter, and believes the recommended action is prudent at this time.

The WLBI Redevelopment Plan was adopted on July 1, 1975, Ordinance No. C-5188. On November 11, 1986, City Council adopted Ordinance No. C-6312 capping the cumulative total of tax increment the project area could receive over the life of the project at \$1,174,000,000. City Council amended the project area termination date to July 1, 2015 with the adoption of Ordinance No. C-7297 on December 13, 1994. The time limit for repayment of indebtedness is July 1, 2025.

The WLBI project area nets approximately \$4.2 million annually to fund infrastructure and public improvements, neighborhood and corridor revitalization, open space/public art, and project area operations, after the transfer of the 20 percent tax increment to the Low-Mod Housing Fund, payment of AB1290/SB11 tax sharing agreements, existing debt obligations, and County administrative charges.

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Upon the termination of the WLBI project area on July 1, 2015, the Agency can only collect tax increment in an amount sufficient to pay outstanding project area debt. Eliminating the time limit to allow for bonded indebtedness will provide the Agency with the authorization to pursue additional infrastructure funding through the sale of tax allocation bonds, the proceeds of which will be used to fund much needed improvements in the project area.

This letter was reviewed by Chief Assistant City Attorney Heather A. Mahood and by Budget Management Officer Victoria Bell on July 25, 2011.

TIMING CONSIDERATIONS

City Council action is requested on August 9, 2011, in order to allow the Agency to proceed with a tax allocation bond sale at the appropriate time, pending resolution of litigation to statewide redevelopment issues.

FISCAL IMPACT

There is no fiscal impact and no local job impact as a result of the recommended action.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



AMY J. BODEK, AICP  
DIRECTOR OF DEVELOPMENT SERVICES

AJB:RMZ:DLH

R:\City Council Letters\2011 City Council Letters\h August\WLBI Ordinance Amendment.V3.doc

Attachment: City Council Ordinance

APPROVED:

  
\_\_\_\_\_  
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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ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE  
CITY OF LONG BEACH ELIMINATING THE EXISTING  
TIME LIMIT ON INCURRING BONDED INDEBTEDNESS  
FOR THE REDEVELOPMENT PLAN FOR THE WEST  
LONG BEACH INDUSTRIAL REDEVELOPMENT PROJECT

WHEREAS, the City Council of the City of Long Beach, California (the "City Council"), adopted Ordinance No. C-5188 on July 1, 1975, approving and adopting the Redevelopment Plan (the "Redevelopment Plan") for the West Long Beach Industrial Redevelopment Project (the "Project"); and

WHEREAS, on November 11, 2003, the City Council adopted Ordinance No. C-7887, establishing certain limitations with respect to the establishment of loans, advances and indebtedness under the Redevelopment Plan; and

WHEREAS, Ordinance No. C-7887 provided that the time limit on the issuance of bonded indebtedness was not eliminated, and could only be eliminated upon 90 days written notice to, and approval of, the West Long Beach Industrial Project Area Committee ("PAC"), and after a public hearing of the City Council; and

WHEREAS, the Agency desires to now issue additional bonded indebtedness for the Project and requested that the PAC remove the time limit on the issuance of bonded indebtedness; and

WHEREAS, the PAC received 90 days written notice of such request, and approved it on March 9, 2011;

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

Section 1. The Redevelopment Plan for the West Long Beach Industrial

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

1 Redevelopment Project is hereby amended to eliminate the time limit on the  
2 establishment of bonded indebtedness established in Ordinance No. C-7887 for the West  
3 Long Beach Industrial Redevelopment Plan.

4  
5 Section 2. Ordinance Nos. C-5188, C-6312, C-7297 and C-7887 are  
6 continued in full force and effect as amended by this ordinance.

7  
8 Section 3. The City Clerk shall certify to the passage of this ordinance by  
9 the City Council and cause it to be posted in three (3) conspicuous places in the City of  
10 Long Beach, and it shall take effect on the thirty-first (31st) day after it is approved by the  
11 Mayor.

12 I hereby certify that the foregoing ordinance was adopted by the City  
13 Council of the City of Long Beach at its meeting of \_\_\_\_\_, 2011, by the  
14 following vote:

15 Ayes: Councilmembers: \_\_\_\_\_

16 \_\_\_\_\_

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18 \_\_\_\_\_

19 Noes: Councilmembers: \_\_\_\_\_

20 \_\_\_\_\_

21 Absent: Councilmembers: \_\_\_\_\_

22 \_\_\_\_\_

23 \_\_\_\_\_

24 \_\_\_\_\_

25 \_\_\_\_\_  
City Clerk

26 \_\_\_\_\_

27 Approved: \_\_\_\_\_

28 (Date) \_\_\_\_\_ Mayor