



CITY OF LONG BEACH

R-21

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Boulevard 6th Floor • Long Beach, CA 90802 •

October 21, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution to declare results of a special election within the City of Long Beach Community Facilities District (CFD) No. 2007-2 (Belmont Shore).

Conduct the first reading of an Ordinance levying special taxes in City of Long Beach CFD No. 2007-2 (Belmont Shore).

Adopt a Resolution authorizing the issuance of special tax bonds for the City of Long Beach CFD No. 2007-2 (Belmont Shore). (District 3)

DISCUSSION

On August 5, 2008, the City Council held a public hearing regarding the formation of the CFD and the incurrence of bonded indebtedness of the City for the CFD. Following the public hearing, the City Council adopted RES-08-0081 affirming the formation of the CFD, RES-08-0082 affirming the determination of the necessity to incur bonded indebtedness for the CFD, and RES-08-0083 calling for a new election of the owners of property in the CFD for October 6, 2008. The election was concluded on October 6, 2008. The City Clerk tabulated the ballots and determined that over 83 percent of the votes cast in the election were in favor of the ballot propositions.

The City Council is requested to adopt a Resolution declaring the results of the election and directing recording of (i) a notice of special tax lien on the parcels in the CFD, and (ii) a notice of cancellation of the special tax lien imposed for the prior CFD No. 1 of the City, which is being supplanted by the new CFD. The maximum special tax rate for the new CFD is the same as CFD 1 at 66¢ per square foot of commercial land; however, it is contemplated that the initial bonded debt of the new CFD will only require the same 12¢ per commercial square foot (in addition to \$200,000 of annual parking meter revenues) to service the bonds for the new parking lot and related improvements and to refinance the bonds issued in 1993.

It is also recommended the City Council conduct the first reading of an Ordinance levying special taxes in the new CFD and adopt a Resolution authorizing the issuance of bonds for the CFD. The bonds will be issued pursuant to a Fiscal Agent Agreement entered into by the City and U.S. Bank National Association.

The bonds are expected to be offered for sale in late October pursuant to a Preliminary Official Statement which describes the CFD and the terms of the bonds, and a Bond Purchase Agreement entered into by the City, for the CFD, and E.J. De La Rosa & Co., Inc.

(the bond "Underwriter") who will market the bonds to prospective investors. There is also a Continuing Disclosure Certificate which requires the City to provide certain annual and material event disclosures regarding the CFD and the bonds to investors.

The Resolution authorizes the issuance of up to \$4,000,000 in bonds for the CFD, and approves the Fiscal Agent Agreement, Preliminary Official Statement, Bond Purchase Agreement and Continuing Disclosure Certificate. The Resolution also makes various findings related to the bond issue, including that the value of the property in the CFD is at least three times the principal of the bonds, and that the District is in accordance with the City's Local Goals and Policies for Community Facilities Districts Related to Commercial Development, previously adopted by the City Council.

This item was reviewed by Assistant City Attorney Heather A. Mahood on September 25, 2008 and Budget Management Officer Victoria Bell on September 30, 2008.

TIMING CONSIDERATIONS

City Council action on this item is requested on October 21, 2008, to support the activities and formation of the CFD, so that the financing of the proposed parking improvements can occur before the end of 2008.

FISCAL IMPACT

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

SUGGESTED ACTION:

Approve recommendations.

Respectfully submitted,



LORI ANN FARRELL
DIRECTOR OF FINANCIAL MANAGEMENT/CFO

APPROVED:



PATRICK H. WEST
CITY MANAGER

ATTACHMENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE
CITY OF LONG BEACH LEVYING SPECIAL TAXES
WITHIN THE CITY OF LONG BEACH COMMUNITY
FACILITIES DISTRICT NO. 2007-2 (BELMONT SHORE)

WHEREAS, on July 22, 2008, this City Council of the City of Long Beach (the "City") adopted Resolution No. RES-08-0080 entitled "A Resolution of the City Council of the City of Long Beach Affirming Resolutions of Intention Relating to the Proposed City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore)" (the "Resolution Affirming Resolutions of Intention"), stating its intention to establish the City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) (the "District") pursuant to the Long Beach Special Tax Financing Improvement Law, Section 3.52.511 et seq. of the Long Beach Municipal Code (the "Law"), to finance costs of certain public parking facilities and improvements (the "Facilities") and costs to refinance certain bonds (the "Prior Bonds");

WHEREAS, notice was published as required by the Law of the public hearing to occur on August 5, 2008, as called pursuant to the Resolution Affirming Resolutions of Intention relative to the intention of this City Council to form the District to provide for costs of the Facilities and of the repayment of the Prior Bonds;

WHEREAS, the public hearing was held on August 5, 2008, and at the public hearing all persons desiring to be heard on all matters pertaining to the formation of the District and the levy of special taxes in the District were heard, substantial evidence was presented and considered by this City Council and a full and fair hearing was held;

WHEREAS, subsequent to the close of the public hearing, this City Council adopted Resolution No. RES-08-0081 entitled "A Resolution of the City Council of the

1 City of Long Beach Affirming Formation of the City of Long Beach Community Facilities
2 District No. 2007-2 (Belmont Shore), Authorizing the Levy of a Special Tax Within the
3 District, Preliminarily Establishing An Appropriations Limit for the District, and
4 Resubmitting Levy of the Special Tax and the Establishment of the Appropriations Limit
5 to the Qualified Electors of the District” (the “Resolution of Formation”), Resolution No.
6 RES-08-0082 entitled “A Resolution of the City Council of the City of Long Beach
7 Affirming the Determination of the Necessity to Incur Bonded Indebtedness Within the
8 City of Long Beach Community Facilities District No. 2007-2 (Belmont Shore) and
9 Submitting Proposition to the Qualified Electors of the District” (the “Resolution of
10 Necessity”) and Resolution No. RES-08-0083 entitled “A Resolution of the City Council of
11 the City of Long Beach Calling New Elections Within the City of Long Beach Community
12 Facilities District No. 2007-2 (Belmont Shore),” which resolutions established the District,
13 authorized the levy of a special tax within the District, and called an election within the
14 District on the proposition of incurring indebtedness, levying a special tax and
15 establishing an appropriations limit for the District; and

16 WHEREAS, on October 6, 2008 an election was held within the District in
17 which the then eligible landowner electors approved said propositions for the District by
18 more than a two-thirds vote.

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

21 Section 1. By the passage of this Ordinance this City Council hereby
22 authorizes and levies special taxes within the District, pursuant to the Law, at the rate
23 and in accordance with the rate and method of apportionment of special taxes for the
24 District approved by the Resolution of Formation, which Resolution is by this reference
25 incorporated herein. The special taxes are hereby levied commencing in the current
26 fiscal year and in each fiscal year thereafter as provided in the rate and method of
27 apportionment of special taxes for the District.

28 Section 2. The City Treasurer is hereby authorized and directed each

1 fiscal year to determine the specific special tax rate and amount to be levied for each
2 parcel of real property within the District, in the manner and as provided in the Resolution
3 of Formation.

4 Section 3. Properties or entities of the State, federal or local
5 governments shall be exempt from any levy of the special taxes in the District, to the
6 extent set forth in the rate and method of apportionment of special taxes for the District in
7 the form attached to the Resolution of Intention. In no event shall the special taxes be
8 levied on any parcel within the District in excess of the maximum tax specified in the rate
9 and method of apportionment of special taxes for the District.

10 Section 4. All of the collections of the special tax for the District shall be
11 used as provided for in the Law and in the Resolution of Formation including the payment
12 directly of the costs of Facilities authorized to be funded by the District, the payment of
13 principal and interest on the bonds issued for the District, the replenishment of the
14 reserves for any such bonds, the payment of the costs of the City in administering the
15 District, and the payment of the costs of collecting and administering the special tax.

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

27 Notwithstanding the foregoing, the City Treasurer may collect one or more
28 installments of the special taxes on any one or more parcels in the District by means of

1 direct billing by the City of the property owners within the District, if, in the judgment of the
2 City Treasurer, such means of collection will reduce the administrative burden on the City
3 in administering the District or is otherwise appropriate in the circumstances. In such
4 event, the special taxes shall become delinquent if not paid when due as set forth in any
5 such respective billing of the applicable property owners.

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

13 Section 7. If for any reason any portion of this Ordinance is found to be
14 invalid, or if the special tax is found inapplicable to any particular parcel within the District,
15 by a Court of competent jurisdiction, the balance of this Ordinance, and the application of
16 the special tax to the remaining parcels within the District shall not be affected.

17 Section 8. The Mayor shall sign this Ordinance and the City Clerk shall
18 cause the same to be published within fifteen (15) days after its passage at least once in
19 a newspaper of general circulation published and circulated in the City.

20 ///
21 ///
22 ///
23 ///
24 ///
25 ///
26 ///
27 ///
28 ///

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I hereby certify that the foregoing ordinance was adopted by the City Council of the City of Long Beach at its meeting of _____, 20__, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

City Clerk

Approved: _____
(Date)

Mayor