

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

1 RESOLUTION NO. RES-10-0039

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH TRANSFERRING ALLOCATION
5 OF RECOVERY ZONE ECONOMIC DEVELOPMENT
6 BONDS TO, AND APPROVING THE ISSUANCE OF
7 BONDS BY, THE REDEVELOPMENT AGENCY OF THE
8 CITY OF LONG BEACH, AND APPROVING RELATED
9 ACTIONS
10

11 WHEREAS, the American Recovery and Reinvestment Act of 2009 (the
12 "Federal Stimulus Act"), added sections 1400U-1 and 1400U-2 to the Internal Revenue
13 Code of 1986 (the "Code"), authorizing state and local governments to issue recovery
14 zone economic development bonds ("Recovery Zone Economic Development Bonds")
15 upon compliance with various requirements of the Code; and

16 WHEREAS, among other requirements, the Code requires that the net
17 proceeds of any Recovery Zone Economic Development Bonds be used for a "qualified
18 economic development purpose," including to fund capital expenditures paid or incurred
19 with respect to property located in a "recovery zone"; and

20 WHEREAS, under the Federal Stimulus Act, the City of Long Beach (the
21 "City") has been allocated the authority to issue up to \$22,235,000 principal amount of
22 Recovery Zone Economic Development Bonds; and

23 WHEREAS, the Redevelopment Agency of the City of Long Beach (the
24 "Agency") has determined that, in order to provide funds to finance certain redevelopment
25 activities of the Agency within or of benefit to the Agency's North Long Beach
26 Redevelopment Project (the "Redevelopment Project"), the Agency needs to issue bonds
27 (the "Agency Bonds") to be repaid from tax increment revenues arising from the
28 Redevelopment Project; and

1 WHEREAS, in accordance with the requirements of Section 33640 of the
2 California Health and Safety Code, the City Council also desires at this time to approve
3 the issuance and sale of the Agency Bonds by the Agency; and

4 WHEREAS, on December 9, 2009, the Agency adopted Resolution No. R.A.
5 41-2009, designating the territory in the City as a "recovery zone" (the "Long Beach
6 Recovery Zone") for purposes of section 1400U-1(b) of the Code; and

7 WHEREAS, the redevelopment activities that the Agency desires to finance
8 with proceeds of the Agency Bonds will promote development or other economic activity
9 in the Long Beach Recovery Zone as contemplated by section 1400U-2(c) of the Code;
10 and

11 WHEREAS, the Federal Stimulus Act also added section 54AA to the Code,
12 authorizing state and local governmental agencies to issue build America bonds ("Build
13 America Bonds") upon compliance with various requirements of the Code; and

14 WHEREAS, in order to enhance the marketability of the Agency Bonds and
15 to achieve the lowest cost of funds for the Agency, the City now desires to assign its
16 allocation of Recovery Zone Economic Development Bonds to the Agency, so that all or a
17 portion of the Agency Bonds can be issued as Recovery Zone Economic Development
18 Bonds;

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

21 Section 1. Assignment of Recovery Zone Economic Development Bond
22 Allocation. The City Council, on behalf of the City, hereby assigns the City's entire
23 allocation of Recovery Zone Economic Development Bonds to the Agency, so that all or a
24 portion of the Agency Bonds can be issued as Recovery Zone Economic Development
25 Bonds.

26 Section 2. Approval of Agency Bonds; Continuing Disclosure Agreement.
27 The City Council hereby approves the issuance and sale of the Agency Bonds by the
28 Agency in the aggregate principal amount of not to exceed \$35,000,000, and the use of

1 the proceeds of the Agency Bonds to finance redevelopment activities of the Agency
2 within or of benefit to the Agency's North Long Beach Redevelopment Project, which
3 redevelopment activities also promote development or other economic activity in the Long
4 Beach Recovery Zone. The Agency Bonds may be issued as Recovery Zone Economic
5 Development Bonds, as Build America Bonds, as bonds the interest on which is excluded
6 from gross income of the owners of the Agency Bonds for purposes of federal income
7 taxation, or as a combination of any of the foregoing, as determined by the Treasurer of
8 the Agency as in the best economic interests of the Agency, so long as the aggregate
9 initial principal amount of the Agency Bonds does not exceed \$35,000,000, and the initial
10 principal amount of any Agency Bonds issued as Recovery Zone Economic Development
11 Bonds does not exceed \$22,235,000.

12 Section 3. Continuing Disclosure Agreement. The Continuing Disclosure
13 Agreement between the Agency and the City (the "Disclosure Agreement"), in the form on
14 file with the City Attorney, is hereby approved. The City Treasurer is hereby authorized
15 and directed, on behalf of the City, to execute and deliver the Disclosure Agreement in
16 said form, with such additions thereto or changes therein as the City Treasurer shall
17 deem necessary, desirable or appropriate, the approval of such changes to the
18 Disclosure Agreement to be conclusively evidenced by the execution and delivery by the
19 City Treasurer of the Disclosure Agreement.

20 Section 4. This resolution shall take effect immediately upon its adoption
21 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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

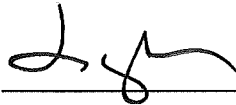
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I hereby certify that the foregoing resolution was adopted by the City Council of the City of Long Beach at its meeting of April 20, 2010 by the following vote:

Ayes: Councilmembers: Garcia, Lowenthal, DeLong,
O'Donnell, Schipske, Andrews,
Reyes Uranga, Gabelich, Lerch.

Noes: Councilmembers: None.

Absent: Councilmembers: None.



City Clerk

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