

Debt Management

DEBT MANAGEMENT

The Financial Management Department, Treasury Bureau, is responsible for issuing debt on behalf of City departments, City agencies, assessment districts, community facilities districts and other qualified entities. Typical debt structures include revenue bonds, lease revenue bonds, land based financings and notes. Debt may be issued with fixed or variable rate interest structures. Approximately \$2.3 billion in debt was outstanding as of September 30, 2009. However, \$656.3 million of this debt is related to the Gas Prepay, which is guaranteed by Merrill Lynch, Inc., even though it is issued out of the Long Beach Bond Finance Authority (LBBFA).

Central to debt management is ensuring the City's compliance with federal, State and local regulations. Other duties of this function include trustee services, preparation of Securities and Exchange Commission and Internal Revenue Service reports, determining annual assessment levies and approving the distribution of bond proceeds.

SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

The tables below summarize the City's outstanding debt, including final maturities, original par amounts and amounts outstanding. All information is presented as of September 30, 2009.

Revenue Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Belmont Shore Parking Meter Revenue Bonds	2012	\$1,680,000	\$530,000
Series 1997A Water Revenue Bonds	2024	46,945,000	30,870,000
Series 1998A Harbor Revenue Bonds	2019	206,330,000	129,485,000
Series 2000A Harbor Revenue Bonds	2025	275,000,000	223,780,000
Series 2002B Harbor Revenue Bonds	2027	150,000,000	125,220,000
Series 2004 Lease Revenue Bond (Towne Center Site Refinancing)	2030	11,595,000	10,760,000
Series 2004 A & B Harbor Revenue Refunding Bonds ⁽¹⁾	2018	113,410,000	80,985,000
Series 2005 A & B Harbor Revenue Refunding Bonds	2025	257,975,000	225,735,000
Series 2005A&B Long Beach Bond Finance Authority (LBBFA) Revenue Bonds (Redevelopment, Housing and Gas Utility Financings)	2040	192,432,306	177,523,000
(Los Altos/North LB and Gas Utility Bonds)	<i>2040</i>	<i>76,440,000</i>	<i>67,075,000</i>
(Poly High/West LB Supplemental Bonds) ⁽²⁾	<i>2024</i>	<i>3,397,306</i>	<i>3,398,000</i>
(Central LB/Other Housing Projects)	<i>2040</i>	<i>112,595,000</i>	<i>107,050,000</i>
Series 2007A&B Long Beach Bond Finance Authority (LBBFA) Natural Gas Purchase Revenue Bonds	2033	887,360,000	656,305,000
⁽¹⁾ Defeased the Series 1993 Harbor Revenue Bonds aggregate principal of \$127,470,000.			
⁽²⁾ Original Issue Discount ("OID") Bonds have a final maturity value of \$6,340,000.			

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Lease Revenue Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1997A Lease Revenue Refunding Bonds (Civic Center Project)	2027	\$43,655,000	\$33,200,000
Series 1998A&B Long Beach Bond Finance Authority (LBBFA) Lease Revenue and Refunding Bonds (Temple & Willow Facility)	2027	29,565,000	23,170,000
Series 2001 Lease Revenue Bonds (Plaza Parking Facilities) ⁽¹⁾	2027	11,500,000	9,865,000
Series 2001 Lease Revenue Refunding Bonds (Aquarium)	2030	129,520,000	120,900,000
Series 2002 Long Beach Bond Finance Authority (LBBFA) Lease Revenue Bonds (Public Safety Facilities)	2031	40,915,000	37,525,000
Series 2003 Long Beach Bond Finance Authority (LBBFA) (Skylinks)	2029	6,890,000	5,895,000
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds	2018	\$120,235,000	\$87,605,000
Series 2005A Lease Revenue and Refunding Bond (Temple & Willow Facility) ⁽²⁾	2028	8,145,000	7,165,000
Series 2006 Long Beach Bond Finance Authority (LBBFA) Lease Revenue and Refunding Bonds (Rainbow Harbor Refinancing Project) ⁽³⁾	2024	50,785,000	44,155,000
Series 2006 Long Beach Bond Finance Authority (LBBFA) Lease Revenue and Bond, Series B (Parks/Open Space Financing Project)	2031	24,320,000	24,320,000
⁽¹⁾ Series 2001 LBBFA Lease Revenue Bonds (Plaza Parking Facilities) defeased a portion (\$8,755,000 original par) of the Series 1992 Tax Allocation Revenue Bonds (West Long Beach Industrial and Downtown Project)			
⁽²⁾ Series 2005 LBBFA Lease Revenue Refunding Bonds (Temple Willow) issued August, 2005 to advance refund the Series 1998A LBBFA Revenue Bonds (Temple Willow)			
⁽³⁾ Series 2006 LBBFA Lease Revenue Refunding Bonds (Rainbow Harbor) issued April, 2006 refunded the Series 1999A LBBFA Revenue Bonds (Rainbow Harbor) and the 1997 Queensway Parking Facility bonds.			

Tax Allocation Revenue Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1992A Downtown Project Refunding Bonds	2017	\$81,020,000	\$29,590,000
Series 1992 West Long Beach Industrial Tax Allocation Rev. Bonds	2017	36,470,000	13,325,000
Series 2002A Long Beach Bond Finance Authority (LBBFA) Tax Allocation Revenue Bonds	2031	77,715,000	30,388,000
(Downtown Redevelopment Project Area)	2024	26,820,000	14,921,000
(North Long Beach Redevelopment Project Area)	2031	40,290,000	8,988,000
(Poly High Redevelopment Project Area)	2012	1,710,000	599,000
(West Beach Redevelopment Project Area)	2018	8,895,000	5,880,000
Series 2002B Long Beach Bond Finance Authority (LBBFA) Tax Allocation Revenue Bonds ⁽¹⁾	2024	47,780,000	44,910,000
(Downtown Redevelopment Project Area)	2022	25,920,000	22,615,000
(West Long Beach Industrial Redevelopment Project Area)	2024	21,860,000	19,295,000

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Tax Allocation Revenue Bonds (continued)			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2005C Long Beach Bond Finance Authority (LBBFA) Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas) ⁽²⁾	2031	\$35,045,000	\$34,884,000
(Downtown Redevelopment Project)	2024	7,900,000	7,740,000
(North Long Beach Redevelopment Project)	2031	27,145,000	27,144,000
⁽¹⁾ Series 2002B LBBFA Tax Allocation Revenue Bonds issued December 2002 partially defeased the Series 1992 West Long Beach Industrial Tax Allocation Revenue Bonds and the Series 1992A Downtown Project Refunding Bonds. Maturity date revised at partial defeasement of 1992 bonds by the series 2002B LBBFA Tax Allocation Revenue Bonds.			
⁽²⁾ Series 2005C LBBFA Tax Allocation Revenue Bonds, issued February 2006, partially defeased the Series 2002 Long Beach Bond Finance Authority Tax Allocation Revenue Bonds.			

Pension Obligation Bonds			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1995 Pension Obligation Refunding Bonds ⁽¹⁾	2011	\$108,635,000	\$7,795,000
Series 2002A&B Pension Obligation Bonds Refunding Taxable Bonds (Auction Rate Securities) ⁽¹⁾	2021	87,590,000	62,545,000
⁽¹⁾ Series 2002A&B Pension Obligation Refunding Taxable Bonds Partially defeased Series 1995 Pension Obligation Refunding Bonds in September 2002. The remaining issue amount after partial defeasement of the Series 1995 Pension Obligation Bonds was \$23,920,000. Series 2002A&B Pension obligation Bonds were remarketed on December 30, 2005 to a fixed rate from auction rate.			

Certificates of Participation			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1993 Airport Refunding	2016	\$16,815,000	\$7,480,000

Source: City of Long Beach – Comprehensive Annual Financial Report

Debt Management

City of Long Beach
Legal Debt Margin Information
Last Ten Fiscal Years
(In Thousands)

	Fiscal Year				
	2000	2001	2002	2003	2004
Assessed valuation	\$21,832,600	\$23,688,371	\$24,989,993	\$26,454,417	\$29,613,229
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	5,458,150	5,922,093	6,247,498	6,613,604	7,403,307
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	818,723	888,314	937,125	992,041	1,110,496
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 818,723</u>	<u>\$ 888,314</u>	<u>\$ 937,125</u>	<u>\$ 992,041</u>	<u>\$ 1,110,496</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2005	2006	2007	2008	2009
Assessed valuation	\$32,069,711	\$35,519,905	\$39,877,469	\$43,345,421	\$46,621,743
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	8,017,428	8,879,976	9,969,367	10,836,355	11,655,436
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,202,614	1,331,996	1,495,405	1,625,453	1,748,315
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,202,614</u>	<u>\$ 1,331,996</u>	<u>\$ 1,495,405</u>	<u>\$ 1,625,453</u>	<u>\$ 1,748,315</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15 percent of gross assessed valuation. This provision was enacted when assessed valuation was based on 25 percent of market value. Effective with fiscal year 1982, each parcel is assessed at 100 percent of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25 percent level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: City of Long Beach, Department of Financial Management.
County of Los Angeles, Department of Auditor-Controller.