

# 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 \$2.2 billion in debt was outstanding as of September 30, 2011. However, \$638.4 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, 2011.

REVENUE BONDS			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2010A Water Revenue Refunding Bonds	2024	\$ 22,740,000	\$ 22,740,000
The City of Long Beach, Senior Airport Revenue Bonds		\$ 61,440,000	\$ 59,680,000
Series 2009A	2022	9,795,000	9,795,000
Series 2009B	2016	6,755,000	4,995,000
Series 2009C Taxable Build America Bonds	2039	44,890,000	44,890,000
Series 2007A & B Long Beach Bond Finance Authority (LBBFA) Natural Gas Purchase Revenue Bonds		\$ 887,360,000	\$ 638,385,000
Series 2007A (Fixed)	2032	635,665,000	569,380,000
Series 2007B (LIBOR Index Rate)	2033	251,695,000	69,005,000
Series 2005A Long Beach Bond Finance Authority (LBBFA) Limited Obligation Refunding Revenue Bonds (AD 90-3)	2015	\$ 2,100,000	\$ 980,000
Series 2005A&B Harbor Refunding Revenue Bonds		\$ 257,975,000	\$ 127,730,000
Series 2005A (AMT)	2025	233,005,000	102,760,000
Series 2005B (Non-AMT)	2018	24,970,000	24,970,000
Series 2005A&B LBBFA Revenue Bonds (Redevelopment, Housing and Gas Utility Financings)		\$ 192,432,306	\$ 171,957,306
Los Altos/North LB and Gas Utility bonds	2040	76,440,000	64,625,000
Poly High/West LB supplemental bonds <sup>(1)</sup>	2024	3,397,306	3,397,306
Central LB/Other Housing Projects	2040	112,595,000	103,935,000
Series 2004A Taxable Variable Rate Demand Revenue Bonds (Long Beach Towne Center Site Refinancing Project)	2030	\$ 11,595,000	\$ 10,335,000
Series 2010A Harbor Revenue Bonds	2025	\$ 200,835,000	\$ 191,510,000
Series 2010B Harbor Revenue Refunding Bonds <sup>(2)</sup>	2027	\$ 158,085,000	\$ 157,955,000
Series 2004A Harbor Revenue Refunding Bonds <sup>(3)</sup>	2018	\$ 81,365,000	\$ 21,740,000
Series 2004B Harbor Revenue Refunding Bonds <sup>(3)</sup>	2015	\$ 32,045,000	\$ 32,045,000
Series 2002B Harbor Revenue Refunding Bonds	2027	\$ 150,000,000	\$ 53,255,000
Series 1998A Harbor Revenue Bonds	2019	\$ 206,330,000	\$ 109,250,000
Series 1997A Water Revenue Refunding Bonds <sup>(4)</sup>	2024	\$ 46,945,000	\$ 5,175,000
<sup>(1)</sup> Original Issue Discount ("OID") Bonds have a final maturity value of \$6,340,000			
<sup>(2)</sup> The Series 2010B partially refunded \$63,060,000 of the Series 2002B, \$12,105,000 of the Series 2004A and \$78,410,000 of the Series 2005A bonds.			
<sup>(3)</sup> Defeased the Series 1993 Harbor Revenue Bonds aggregate principal of \$127,470,000.			
<sup>(4)</sup> Series 2010A partially refunded the Series 1997A Revenue Refunding Bonds			

# Debt Management

LEASE REVENUE BONDS			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2006 LBBFA Lease Revenue and Bond, Series B (Parks/Open Space Financing Project)	2031	\$ 24,320,000	\$ 24,320,000
Series 2006 LBBFA Lease Revenue and Refunding Bonds (Rainbow Harbor Refinancing Project) <sup>(1)</sup>	2024	\$ 50,785,000	\$ 39,245,000
Series 2005A (LBBFA) Lease Revenue Refunding Bonds (Temple Willow) <sup>(2)</sup>	2028	\$ 8,145,000	\$ 6,685,000
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds <sup>(3)</sup>		\$ 120,235,000	\$ 73,250,000
Series 2003A (Non-AMT)	2018	89,025,000	54,405,000
Series 2003B (AMT)	2018	31,210,000	18,845,000
Series 2003 LBBFA Lease Revenue Bonds (Skylinks Golf Course Project)	2029	\$ 6,890,000	\$ 5,555,000
Series 2002 LBBFA Lease Revenue Bonds (Public Safety Facilities)	2031	\$ 40,915,000	\$ 35,670,000
Series 2001 LBBFA Lease Revenue Refunding Bonds (Aquarium of the Pacific Project) <sup>(4)</sup>	2030	\$ 129,520,000	\$ 114,555,000
Series 2001 LBBFA Lease Revenue Bonds (Plaza Parking Facilities) <sup>(5)</sup>	2027	\$ 11,500,000	\$ 9,210,000
Series 1998A & B LBBFA Lease Revenue Refunding Bonds (Temple Willow)	2027	\$ 29,565,000	\$ 21,645,000

<sup>(1)</sup> 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.

<sup>(2)</sup> Series 2005 LBBFA Lease Revenue Refunding Bonds (Temple Willow) issued August, 2005 refunded the Series 1998A LBBFA Revenue Bonds (Temple Willow).

<sup>(3)</sup> Series 2005A LBBFA Lease Revenue Refunding Bonds (Temple Willow) issued August, 2005 refunded the Series 1998A LBBFA Revenue Refunding Bonds (Temple Willow) original face value of \$8,500,000.

<sup>(4)</sup> Series 2003A and 2003B refunded the Series 1995A and 1995B bonds.

<sup>(5)</sup> Series 2001 refunded and Defeased the 1995 Series A and Series B, taxable bonds.

<sup>(5)</sup> 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).

TAX ALLOCATION REVENUE BONDS			
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) <sup>(1)</sup>	2031	35,045,000	34,785,000
(Downtown Redevelopment Project Area)	2024	7,900,000	7,640,000
(North Long Beach Redevelopment Project Area)	2031	27,145,000	27,145,000
Series 2002A (LBBFA) Tax Allocation Revenue Bonds	2031	\$ 77,715,000	\$ 25,864,789
(Downtown Redevelopment Project Area)	2024	26,820,000	13,560,989
(North Long Beach Redevelopment Project Area)	2031	40,290,000	7,304,000
(Poly High Redevelopment Project Area)	2012	1,710,000	206,000
(West Beach Redevelopment Project Area)	2018	8,895,000	4,793,800
Series 2002B LBBFA Tax Allocation Revenue Bonds	2024	\$ 47,780,000	\$ 41,640,000
(Downtown Redevelopment Project Area) <sup>(2)</sup>	2022	25,920,000	22,615,000
(West Long Beach Industrial Redevelopment Project Area) <sup>(2)</sup>	2024	21,860,000	19,025,000
Series 1992 Tax Allocation Revenue Bonds ( West Long Beach Industrial and Downtown Project)		\$ 117,490,000	\$ 35,220,000
(Series 1992 West Long Beach) <sup>(2)</sup>	2017	36,470,000	10,935,000
(Series 1992A Downtown Project) <sup>(2)</sup>	2017	81,020,000	24,285,000

<sup>1</sup> Series 2005C LBBFA Tax Allocation Revenue Bonds Issued February 2006 partially Defeased the Series 2002 Long Beach Bond Finance Authority Tax Allocation Revenue Bonds.

<sup>(2)</sup> Series 2002B LBBFA Tax Allocation Revenue Bonds Issued December 2002 partially Defeased the Series 1992 West Long Beach 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

# Debt Management

<b>PENSION OBLIGATION BONDS</b>			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2002A&B Pension Obligation Refunding Taxable Bonds <sup>(1)</sup>		\$ 76,550,000	\$ 54,520,000
Series 2002A	2021	38,300,000	27,275,000
Series 2002B	2021	38,250,000	27,245,000
<sup>(1)</sup> Series 2002A&B Pension Obligation Refunding Taxable Bonds partially defeased Series 1995 Pension Obligation September 2002.			

<b>ECONOMIC RECOVERY ZONE BONDS</b>			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
RDA of the City of Long Beach, Taxable Recovery Zone Economic Development Bonds, 2010 Series A (North Long Beach)		\$ 32,980,000	\$ 32,390,000
Series A (North Long Beach)	2040	22,235,000	22,235,000
Series B (North Long Beach)	2025	10,745,000	10,155,000

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				
	2002	2003	2004	2005	2006
Assessed valuation	\$24,989,993	\$26,454,417	\$29,613,229	\$32,069,711	\$35,519,905
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	6,247,498	6,613,604	7,403,307	8,017,428	8,879,976
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	937,125	992,041	1,110,496	1,202,614	1,331,996
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 937,125</u>	<u>\$ 992,041</u>	<u>\$ 1,110,496</u>	<u>\$ 1,202,614</u>	<u>\$ 1,331,996</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

  

	Fiscal Year				
	2007	2008	2009	2010	2011
Assessed valuation	\$39,877,469	\$43,345,421	\$46,621,743	\$45,466,275	\$44,589,625
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	9,969,367	10,836,355	11,655,436	11,366,569	11,147,406
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,495,405	1,625,453	1,748,315	1,704,985	1,672,111
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,495,405</u>	<u>\$ 1,625,453</u>	<u>\$ 1,748,315</u>	<u>\$ 1,704,985</u>	<u>\$ 1,672,111</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