





Date: March 19, 2015

To: Patrick H. West, City Manager 

From: John Gross, Director of Financial Management 

For: Mayor and Members of the City Council

Subject: **Preliminary Offering Statement of Harbor Series 2015 Senior Bonds**

Attached is a draft Preliminary Offering Statement (POS) for agenda item R-12, that will be heard by the City Council on March 24, 2015.

The City Council will be requested to adopt a Resolution approving the issuance by the Board of Harbor Commissioners, on behalf of the City, of Series 2015 Senior Bonds, in an aggregate principal amount not to exceed \$230,000,000, consisting of Harbor Revenue Refunding Bonds (2015 Refunding Bonds), in an aggregate amount not to exceed \$80,000,000, and Harbor Revenue Bonds (2015 Revenue Bonds), in an aggregate amount not to exceed \$150,000,000, secured by Harbor Department revenues. The proceeds of the 2015 Refunding Bonds and the 2015 Revenue Bonds shall also be used to pay the costs of issuance, thereof.

On March 4, 2015, the City, acting on behalf of the Board, held a Tax Exempt and Fiscal Responsibility Act (TEFRA) public hearing. No public comment was received on the bond issuance by the City, of one or more series of senior and/or subordinate harbor revenue bonds, notes, certificates and other obligations (collectively, the Harbor Bonds), in an aggregate amount not to exceed \$760,000,000. The Harbor bonds, in an amount not to exceed \$760,000,000, are expected to be issued over the next three years, which includes the 2015 Senior Bonds for \$230,000,000.

The 2015 Refunding Bonds and 2015 Revenue Bonds are part of the Harbor Department's integrated financing program to fund for the costs of capital projects and improvements that will include, but not be limited to, terminal development projects at Piers D/E/F (Middle Harbor); various environmental projects; dredging projects; Port security and safety projects; Port mitigation projects; rail projects; Harbor Department buildings; information management projects and related facilities and improvements (collectively, the Projects); and, to pay all, or a portion of, the amounts outstanding under the Harbor Department's Subordinate Revolving Credit Agreements.

The attached POS describes the offering and terms of sale for the Refunding Bonds and the Revenue Bonds. The POS was developed with the assistance and guidance of the City Attorney's Office and the external bond counsel. Copies of the bond documents are on file with the City Clerk at <http://longbeach.legistar.com/calendar.aspx>.

HONORABLE MAYOR AND CITY COUNCIL

March 19, 2015

Page 2

If you should have any questions, please feel free to contact City Treasurer, David Nakamoto, at extension 8-6845.

JG:DN

T:\DEBT MANAGEMENT\2015 HARBOR REFUNDING\COUNCIL LETTER DRAFTS\TFF HARBOR 2015 REFUNDING POS.V1.DOCX

ATTACHMENTS: DRAFT PRELIMINARY OFFERING STATEMENT

CC: TOM MODICA, ASSISTANT CITY MANAGER
ARTURO SANCHEZ, DEPUTY CITY MANAGER
JYL MARDEN, ASSISTANT TO THE CITY MANAGER
JON SLANGERUP, CHIEF EXECUTIVE, PORT OF LONG BEACH
STEVE RUBIN, MANAGING DIRECTOR OF FINANCE, PORT OF LONG BEACH
CHARLES GALE, SENIOR DEPUTY CITY ATTORNEY