

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 \$1.5 billion in debt was outstanding as of September 30, 2023. Of this amount, \$512 million of this debt is related to the Gas Prepay, which is guaranteed by Bank of America Merrill Lynch, Inc., even though the bonds were issued by the Long Beach Bond Finance Authority (LBBFA).

Central to debt management is ensuring the City's compliance with Federal, State and local regulations, such as the Internal revenue Service requirement to spend tax-exempt bond proceeds promptly. Other duties of this function include bond payments, maintenance of credit ratings, facilitating project fund draws, meeting the reporting requirements of the Municipal Securities Rulemaking Board and Internal Revenue Service, and determining annual assessment levies.

SUMMARY OF THE CITY AND RELATED AGENCIES OUTSTANDING DEBT

The tables below summarize the City's outstanding debt as of September 30, 2023 including final maturities, original par amounts and amounts outstanding, unless noted. The tables below exclude premiums/discounts, Civic Center public/private debt, federal transportation loans, short-term harbor notes, lines of revolving credit, conduit debt, district debt and equipment leases.

| REVENUE BONDS | | | |
|--|----------------|---------------------|--------------------|
| Issue Name | Final Maturity | Original Par Amount | Amount Outstanding |
| City of Long Beach, Senior Airport Revenue Refunding Bonds, Series 2022A, (Government/Non-AMT) ⁽¹⁾ | 2040 | \$47,505,000 | \$45,945,000 |
| City of Long Beach, Senior Airport Revenue Refunding Bonds, Series 2022B, (Private Activity/Non-AMT) ⁽¹⁾ | 2040 | \$32,855,000 | \$31,845,000 |
| City of Long Beach, Senior Airport Revenue Bonds, Series 2022C (Private Activity/AMT) | 2040 | \$30,140,000 | \$30,140,000 |
| City of Long Beach, Tidelands Revenue Refunding Bonds, Series 2022 ⁽²⁾ | 2029 | \$32,090,000 | \$28,985,000 |
| City of Long Beach, Harbor Revenue Refunding Bonds, Series 2020A, (Private Activity/Non-AMT) ⁽³⁾ | 2027 | \$55,725,000 | \$55,725,000 |
| City of Long Beach, Harbor Revenue Refunding Bonds, Series 2020B, (Private Activity/AMT) ⁽³⁾ | 2024 | \$74,940,000 | \$21,540,000 |
| City of Long Beach, Harbor Revenue Bonds, Series 2019A, (Non-AMT) ⁽⁴⁾ | 2049 | \$161,310,000 | \$161,310,000 |
| City of Long Beach, Tidelands Revenue Bonds, Series 2017A (Aquarium of the Pacific Project) ⁽⁵⁾ | 2027 | \$10,190,000 | \$6,540,000 |
| City of Long Beach, Taxable Tidelands Revenue Refunding Bonds, Series 2017B (Queen Mary Improvements) ⁽⁵⁾ | 2027 | \$17,705,000 | \$7,385,000 |
| City of Long Beach, Harbor Revenue Bonds, Series 2017A (AMT), B (AMT) Green Bonds, C (Non-AMT) ⁽⁶⁾ | 2047 | \$170,255,000 | \$170,255,000 |
| City of Long Beach, Senior Sewer Revenue Refunding Bonds, Series 2016A ⁽⁷⁾ | 2036 | \$9,830,000 | \$7,165,000 |

Debt Management

| REVENUE BONDS (cont'd) | | | |
|--|----------------|---------------------|--------------------|
| Issue Name | Final Maturity | Original Par Amount | Amount Outstanding |
| City of Long Beach, Marina Revenue Bonds, Series 2015 (Alamitos Marina Project) ⁽⁸⁾ | 2045 | \$114,015,000 | \$104,095,000 |
| City of Long Beach, Harbor Revenue Refunding Bonds, Series 2015B (Non-AMT) ⁽⁹⁾ | 2025 | \$20,130,000 | \$10,355,000 |
| City of Long Beach, Harbor Revenue Bonds, Series 2015C (AMT) & D (Non-AMT) | 2042 | \$132,950,000 | \$132,950,000 |
| City of Long Beach, Harbor Revenue Refunding Bonds, Series 2014 B (Non-AMT) ⁽¹⁰⁾ | 2027 | \$20,570,000 | \$4,050,000 |
| City of Long Beach, Second Lien Water Revenue Bonds, Series 2012A ⁽¹¹⁾ | 2027 | \$9,850,000 | \$3,250,000 |
| City of Long Beach, Water Revenue Refunding Bonds, Series 2010A ⁽¹²⁾ | 2024 | \$22,740,000 | \$2,945,000 |
| LBBFA, Natural Gas Purchase Revenue Bonds, Series 2007A & B ⁽¹³⁾ | 2037 | \$887,360,000 | \$511,870,000 |

⁽¹⁾ Airport Revenue Refunding Bonds, Series 2022 A&B issued in June 2022 refunded the 2009 A&C Senior Airport Revenue Bonds and 2010 A&B Senior Airport Revenue Bonds. The 2022 refunding sunset the Build America Bonds component of the 2009C Airport Bonds.

⁽²⁾ Tidelands Revenue Refunding Bonds, Series 2022 issued in May 2022. Amount outstanding at issuance. The 2022 Tidelands Revenue Refunding Bonds refunded the 2012 Aquarium Revenue Bonds.

⁽³⁾ Harbor Revenue Refunding Bonds, Series 2020 A&B issued in February 2020 refunded the Harbor Revenue Bonds, Series 2010A and Harbor Revenue Refunding Bonds, Series 2010B.

⁽⁴⁾ Harbor Revenue Bonds, Series 2019A issued in June 2019 to pay or reimburse the Harbor Department for the Harbor's headquarters.

⁽⁵⁾ Tidelands Revenue Bonds, Series 2017 A&B issued in November 2017 provided improvement funds for projects.

⁽⁶⁾ Harbor Series 2017A, B & C issued in June 2017.

⁽⁷⁾ Refunded the Long Beach Water Department's Sewer Commercial Paper.

⁽⁸⁾ Prepaid CA Boating and Waterway (DBW / DBAW) loans totaling \$61.4 million.

⁽⁹⁾ Refunded the Harbor Revenue Refunding Bonds, Series 2005B (Non-A MT).

⁽¹⁰⁾ Refunded Harbor Revenue Bonds Series 2002B and Revenue Refunding Bonds Series 2004A & B. Series 2014A matured in May 2017.

⁽¹¹⁾ Refunded the Long Beach Water Department's Subordinate Commercial Paper, Series A.

⁽¹²⁾ Refunded the Water Revenue Refunding Bonds, Series 1997A.

⁽¹³⁾ Redeemed by 2009 bond tenders ; 2007A \$48.3 million and 2007B \$182.7 million

Source: City of Long Beach - Annual Comprehensive Financial Report - FY 2023 Audited

Debt Management

| LEASE REVENUE BONDS | | | |
|--|-----------------------|----------------------------|---------------------------|
| Issue Name | Final Maturity | Original Par Amount | Amount Outstanding |
| FALB, Finance Authority of Long Beach, Lease Revenue (Refunding) Bonds, Series 2022 ⁽¹⁾ | 2031 | \$41,140,000 | \$32,360,000 |
| FALB, Finance Authority of Long Beach, Lease Revenue Bonds, Series 2019A (Public Safety Parking Garage Financing Project) | 2039 | \$9,245,000 | \$8,070,000 |
| FALB, Finance Authority of Long Beach, Lease Revenue Refunding Bonds, Series 2019B (Open Space Refinancing Project) ⁽²⁾ | 2031 | \$13,350,000 | \$8,925,000 |
| FALB, Finance Authority of Long Beach, Lease Revenue Bonds, Series 2016A (Courthouse Demolition Project) | 2026 | \$13,150,000 | \$4,465,000 |

⁽¹⁾ Refunded the LBBFA Lease Revenue Refunding Bonds, Series 2012. Amounts aggregate both funds: general government fund and internal service fund as apply to these bonds; it is separated in ACFR by budgeted fund.

⁽²⁾ Refunded the LBBFA Lease Revenue Bonds, Series 2006B (Parks/Open Space Financing Project)

Source: City of Long Beach – Annual Comprehensive Financial Report - FY 2023 Audited

Debt Management

| TAX ALLOCATION REVENUE BONDS | | | |
|--|----------------|---------------------|--------------------|
| Issue Name | Final Maturity | Original Par Amount | Amount Outstanding |
| Successor Agency to the Redevelopment Agency of the City of Long Beach, Tax Allocation Refunding Bonds, Series 2021 ⁽¹⁾ | 2039 | \$19,765,000 | \$17,270,000 |
| County of Los Angeles Redevelopment Refunding Authority, Tax Allocation Revenue Refunding Bonds, Series 2015A (Tax-Exempt) and Series 2015B (Federally Taxable), Successor Agency to the Redevelopment Agency of the City of Long Beach Project Areas ⁽²⁾ | 2040 | \$155,820,000 | \$105,305,000 |
| LB B F A, Tax Allocation Revenue Bonds, Series 2005C (Downtown and North Long Beach Redevelopment Project Areas) ⁽³⁾ | 2031 | \$35,045,000 | \$13,680,000 |

⁽¹⁾ 2021 Successor Agency TARBs issued in February 2021 refunded the 2010A RDA and the 2010B RDA Bonds. This refunding sunset the Build America Bonds subsidy equal to 35% of the interest payments for 2010A and RZ EDB subsidy equal to 45% of the interest payments for 2010B.

⁽²⁾ The 2015AB County of Los Angeles Redevelopment Tax Allocation Revenue Refunding Bonds refunded and/or partially refunded the following redevelopment project debt issues at the Authority and Obligor levels of the 1992 LBFA Tax Allocation Refunding Bonds, 2002AB LBBFA Tax Allocation Revenue Bonds, 2005A LBBFA Revenue Bonds, 2005B LBBFA Taxable Revenue Bonds, 2005C LBBFA Tax Allocation Revenue Bonds, 2010A City Redevelopment Taxable Recovery Zone Economic Development Bonds, and 2010B City Redevelopment Taxable Build America Bonds. .

⁽³⁾ The 2005C Tax Allocation Revenue Bonds partially refunded the 2002 Tax Allocation Revenue Bonds . The 2005C Bonds were partially refunded by the County of Los Angeles Redevelopment Refunding Authority, Tax Allocation Revenue Refunding Bonds, Series 2015 A & B.

Source: City of Long Beach - Comprehensive Annual Financial Report - FY 2023 Audited

Debt Management

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

| | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Assessed valuation | \$ 47,952,110 | \$ 50,498,496 | \$ 51,678,154 | \$ 52,898,656 | \$ 55,662,248 |
| Conversion percentage | 25% | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 11,988,028 | 12,624,624 | 12,919,539 | 13,224,664 | 13,915,562 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 1,798,204 | 1,893,694 | 1,937,931 | 1,983,700 | 2,087,334 |
| Total net debt applicable to limit: | | | | | |
| General obligation bonds | - | - | - | - | - |
| Legal debt margin | \$ 1,798,204 | \$ 1,893,694 | \$ 1,937,931 | \$ 1,983,700 | \$ 2,087,334 |
| Total debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% |

| | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2018 | 2019 | 2020 | 2021 | 2022 |
| Assessed valuation | \$ 58,634,492 | \$ 61,889,133 | \$ 65,445,552 | \$ 67,573,359 | \$ 71,980,171 |
| Conversion percentage | 25% | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 14,658,623 | 15,472,283 | 16,361,388 | 16,893,340 | 17,995,043 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 2,198,793 | 2,320,842 | 2,454,208 | 2,534,001 | 2,699,256 |
| Total net debt applicable to limit: | | | | | |
| General obligation bonds | - | - | - | - | - |
| Legal debt margin | \$ 2,198,793 | \$ 2,320,842 | \$ 2,454,208 | \$ 2,534,001 | \$ 2,699,256 |
| Total debt applicable to the limit as a percentage of debt limit | 0% | 0% | 0% | 0% | 0% |

