

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, 2012. However, \$630 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, 2012.

REVENUE BONDS			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2010A Harbor Revenue Bonds	2025	\$ 200,835,000	\$ 181,355,000
Series 2010B Harbor Revenue Refunding Bonds ⁽¹⁾	2027	\$ 158,085,000	\$ 157,760,000
Series 2010A Water Revenue Refunding Bonds	2024	\$ 22,740,000	\$ 22,250,000
Series 2012A Second Lien Water Revenue Bonds	2027	\$ 9,850,000	\$ 9,850,000
Series 2010A&B The City of Long Beach, Senior Airport Revenue Bonds ⁽²⁾	2040	\$ 61,400,000	\$ 61,160,000
Series 2009A&B&C The City of Long Beach, Senior Airport Revenue Bonds	2039	\$ 61,440,000	\$ 58,590,000
Series 2009A	2022	9,795,000	9,630,000
Series 2009B	2016	6,755,000	4,070,000
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	2033	\$ 887,360,000	\$ 629,370,000
Series 2007A & B Long Beach Bond Finance Authority (LBBFA) Natural Gas Purchase Revenue Bonds (Fixed Rate)	2032	635,665,000	560,365,000
Series 2007A & B Long Beach Bond Finance Authority (LBBFA) Natural Gas Purchase Revenue Bonds (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	\$ 755,000
Series 2005A&B Harbor Refunding Revenue Bonds	2040	\$ 257,975,000	\$ 117,200,000
Series 2005A&B LBBFA Revenue Bonds (Redevelopment, Housing and Gas Utility Financings) ⁽³⁾	2040	\$ 184,757,306	\$ 164,397,306
Series 2005 Gas Utility Bonds	2013	\$ 7,675,000	\$ 750,000
Series 2004A Taxable Variable Rate Demand Revenue Bonds (Long Beach Towne Center Site Refinancing Project)	2030	\$ 11,595,000	\$ 10,095,000
Series 2004A Harbor Revenue Refunding Bonds ⁽⁴⁾	2018	\$ 81,365,000	\$ 13,640,000
Series 2004B Harbor Revenue Refunding Bonds ⁽⁴⁾	2018	\$ 32,045,000	\$ 32,045,000
Series 2002B Harbor Revenue Refunding Bonds	2027	\$ 150,000,000	\$ 48,455,000

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REVENUE BONDS (cont.)			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 1998A Harbor Revenue Bonds	2019	\$ 206,330,000	\$ 98,215,000
Series 1997A Water Revenue Refunding Bonds ⁽⁵⁾	2024	\$ 46,945,000	\$ 5,175,000

⁽¹⁾ 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.

⁽²⁾ The Senior Airport Revenue Bonds, Series 2009C includes a Federally Taxable-Build America Bonds-Issue that includes a Federal Direct payment equal to 35 percent of the interest payable on the 2009C bonds.

⁽³⁾ Original Issue Discount ("OID") Bonds have a final maturity value of \$6,340,000

⁽⁴⁾ Defeased the Series 1993 Harbor Revenue Bonds aggregate principal of \$127,470,000.

⁽⁵⁾ Series 2010A partially refunded the Series 1997A Revenue Refunding Bonds

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2012 unaudited

LEASE REVENUE BONDS			
Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
LBBFA 2012 Refunding Revenue Bonds (Aquarium of the Pacific Project) ⁽⁴⁾	2030	\$ 102,580,000	\$ 102,580,000
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) ⁽¹⁾	2024	\$ 50,785,000	\$ 36,655,000
Series 2005A (LBBFA) Lease Revenue Refunding Bonds (Temple Willow) ⁽²⁾	2028	\$ 8,145,000	\$ 6,430,000
Series 2003A (Non-AMT) & B (AMT) Southeast Resource Recovery Facility Authority Lease Revenue Bonds ⁽³⁾	2018	\$ 120,235,000	\$ 65,615,000
Series 2003A (Non-AMT)	2018	89,025,000	48,750,000
Series 2003B (AMT)	2018	31,210,000	16,865,000
Series 2003 LBBFA Lease Revenue Bonds (Skylinks Golf Course Project)	2029	\$ 6,890,000	\$ 5,375,000
Series 2002 LBBFA Lease Revenue Bonds (Public Safety Facilities)	2031	\$ 40,915,000	\$ 34,690,000
Series 2001 LBBFA Lease Revenue Bonds (Plaza Parking Facilities) ⁽⁵⁾	2027	\$ 11,500,000	\$ 8,860,000
Series 1998A & B LBBFA Lease Revenue Refunding Bonds (Temple Willow)	2027	\$ 29,565,000	\$ 21,645,000

⁽¹⁾ 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.

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

⁽²⁾ 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.

⁽³⁾ Series 2003A and 2003B refunded the Series 1995A and 1995B bonds.

⁽⁴⁾ The 2012 Refunding Revenue bonds refunded the Series 2001 Lease Revenue Refunding Bonds, whereas the Series 2001 refunded and Defeased the 1995 Series A and Series B. taxable bonds.

⁽⁵⁾ 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).

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2012 Unaudited

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TAX ALLOCATION REVENUE BONDS

Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2010A&B Redevelopment Agency of the City of Long Beach, Taxable Recovery Zone Economic Development Bonds (North Long Beach)	2040	\$ 32,980,000	\$ 31,795,000
Series 2005C Long Beach Bond Finance Authority (LBBFA) Tax Allocation Revenue Bonds (Downtown and North Long Beach Redevelopment Project Areas) ⁽¹⁾	2031	\$ 35,045,000	\$ 34,730,000
Series 2002A (LBBFA) Tax Allocation Revenue Bonds	2031	\$ 77,715,000	\$ 23,414,302
Series 2002B LBBFA Tax Allocation Revenue Bonds ⁽²⁾	2024	\$ 47,780,000	\$ 41,490,000
Series 1992 Tax Allocation Revenue Bonds(West Long Beach Industrial and Downtown Project) ⁽²⁾	2017	\$ 117,490,000	\$ 31,025,000

⁽¹⁾ Series 2005C LBBFA Tax Allocation Revenue Bonds Issued February 2006 partially Defeased the Series 2002 Long Beach Bond Finance Authority Tax Allocation Revenue Bonds.

⁽²⁾ 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

PENSION OBLIGATION BONDS

Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
Series 2002A&B Pension Obligation Refunding Taxable Bonds ⁽¹⁾	2021	\$ 76,550,000	\$ 50,205,000

⁽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.

TAX AND REVENUE ANTICIPATION NOTES ⁽¹⁾

Issue Name	Final Maturity	Original Par Amount	Amount Outstanding
		\$0	\$0

⁽¹⁾ 2012-2013 Notes were issued on October 1, 2012, maturing on September 30, 2013 in the amount of \$23,830,000.

Source: City of Long Beach - Comprehensive Annual Financial Report - FY2012 Unaudited

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Assessed valuation	\$26,454,417	\$29,613,229	\$32,069,711	\$35,519,905	\$39,877,469
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	6,613,604	7,403,307	8,017,428	8,879,976	9,969,367
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	992,041	1,110,496	1,202,614	1,331,996	1,495,405
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 992,041</u>	<u>\$ 1,110,496</u>	<u>\$ 1,202,614</u>	<u>\$ 1,331,996</u>	<u>\$ 1,495,405</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2008	2009	2010	2011	2012
Assessed valuation	\$43,345,421	\$46,621,743	\$45,466,275	\$44,589,625	\$45,421,772
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	10,836,355	11,655,436	11,366,569	11,147,406	11,355,443
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	1,625,453	1,748,315	1,704,985	1,672,111	1,703,316
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	<u>\$ 1,625,453</u>	<u>\$ 1,748,315</u>	<u>\$ 1,704,985</u>	<u>\$ 1,672,111</u>	<u>\$ 1,703,316</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.