EXHIBIT C

Port of
LONG BEACH
The Green Port

Cash Flow and Net Income Forecast and Impact of Bond Rating Downgrade

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Assumptions

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- The current $3.1 billion five-year Port capital plan will be completed as scheduled
- Operating revenue will increase at 5% year-over-year from 2011 to 2015
- A minimum cash balance of 600 days of prior year's operating expense before depreciation will be maintained
- Oil price at $70/bbl fixed for the 2011 – 2015 period; extraction cost will start at $30/bbl in 2011 and escalate at 3% annually
- ACTA shortfall will need to be funded starting in fiscal 2011

Scenarios – FY 2011-2015

($ = millions)	I	II	III	IV
Net Oil Revenue to:	Harbor Revenue Fund	City Tidelands Fund	Harbor Revenue Fund	City Tidelands Fund
Additional Oil Revenue received by City's Tidelands Fund	$0	$100	$0	$100
Tidelands Transfer equals:	10% of Net Income	Zero	5% of Operating Revenue	5% of Operating Revenue
Tidelands Transfer	$62	$0	$95	$95
Total Port Contribution to City's Tidelands Fund	**$62**	**$100**	**$95**	**$195**
Port Borrowing	$1,198	$1,263	$1,225	$1,349
Port Net Income	$620	$576	$584	$472

Additional Interest Cost

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- The Port is Aa2 rated by Moody's and AA rated by S&P
- The table below shows the impact of downgrades - assuming $1.2 billion in bonds with level payments over 30 years

Rating (Moody's/S&P)	Estimated Interest Rate Differential	Estimated Additional Interest Cost
Aa3 / AA-	0.15%	$39,161,796
A1 / A+	0.40%	$105,128,880
A2 / A	0.60%	$158,518,824