

**REDEVELOPMENT AGENCY OF THE
CITY OF REDWOOD CITY**

\$33,997,447.85
REDEVELOPMENT PROJECT AREA NO. 2
TAX ALLOCATION BONDS, SERIES 2003A

San Mateo County, California
Dated: October 30, 2003
Base CUSIP⁺: 757887



**2019 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of January 21, 2020

Also available at:



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LIST OF PARTICIPANTS

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF REDWOOD CITY <i>www.redwoodcity.org</i>	
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DISCLOSURE CONSULTANT & DISSEMINATION AGENT	
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UNDERWRITER	
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* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

The Redevelopment Agency of the City of Redwood City (the “Former Agency”) issued \$33,997,477.85 Redevelopment Project Area No. 2 Tax Allocation Bonds, Series 2003A (the “Bonds”). The proceeds of the Bonds were used to repay certain loans made by the City of Redwood City (the “City”) to the Former Agency and to pay the costs of redevelopment activities within the Redevelopment Project Area No. 2 (the “Project Area”). The Bonds were issued on parity with the Former Agency’s Redevelopment Project Area No. 2 Tax Allocation Refunding Bonds, Series 1997 (the “1997 Bonds”). The 1997 Bonds were defeased and called in full on December 1, 2009.

The City is located in San Mateo County and is situated approximately 25 miles south of San Francisco on the west side of San Francisco Bay. The City covers approximately 34 square miles. Upon the dissolution of California redevelopment agencies effective February 1, 2012, the City elected to become Successor to the Former Agency (the “Successor Agency”).

The Successor Agency has only one redevelopment project area comprising approximately 932.24 acres of land in three non-contiguous sub-areas, including certain portions of the City’s downtown area, certain portions of the City’s marina area and certain property along Seaport Boulevard.

The Bonds are special obligations of the Successor Agency and are secured by a Pledge of Tax Revenues derived from the Project Area, as defined within the Official Statement. The Bonds are not a debt of the City, the State of California (the “State”), or any of its political subdivisions other than the Successor Agency and neither the City, the State, nor any of its political subdivisions other than the Successor Agency is liable. The Bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limit or restriction.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the Former Agency for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the Former Agency, the City, and the Bonds, reference is made to the Official Statement, dated October 15, 2003.

The information set forth herein has been furnished by the Successor Agency and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bonds Outstanding	As of November 30, 2019
Capital Appreciation Bonds	\$45,575,000 ⁽¹⁾

⁽¹⁾ Principal balance on Capital Appreciation Bonds reflects the Maturity Value.

B. FUND INFORMATION

Account	As of November 30, 2019
Reserve Fund	\$3,524,513 ⁽¹⁾
Reserve Requirement	\$3,510,000

⁽¹⁾ A portion of the Reserve Fund is secured by a Reserve Fund Surety Bond issued by Ambac Assurance Corporation.

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

Due to the dissolution of California redevelopment agencies effective February 1, 2012, there will not be separate audited financial statements prepared for the Former Agency. Commencing with the audited financial statements of the City for the fiscal year ended June 30, 2012, the activities of the Successor Agency will be reported as a fiduciary trust fund as part of the City's audited financial statements.

The City's audited financial statements for the fiscal year ended June 30, 2019 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

V. OPERATING INFORMATION

A. HISTORIC PROJECT AREA ASSESSED VALUES

The following table sets forth a summary of the assessed valuations of the Project Area.

	Fiscal Year				
	2015/16	2016/17	2017/18	2018/19	2019/20
Locally Assessed Secured Value	\$2,092,507,156	\$2,564,359,138	\$3,240,164,816	\$3,589,968,885	\$3,888,721,650
Unsecured Value	322,023,555	390,832,312	404,537,283	448,522,262	529,194,863
State-Assessed Value	914,760	914,760	914,760	914,760	1,045,440
Total Taxable Value ⁽¹⁾	\$2,415,445,471	\$2,956,106,210	\$3,645,616,859	\$4,039,405,907	\$4,418,961,953
Percentage Change	19%	22%	23%	11%	9%
Less Base Year Value	\$373,183,498	\$373,183,498	\$373,183,498	\$373,183,498	\$373,183,498
Total Incremental Value	\$2,042,261,973	\$2,582,922,712	\$3,272,433,361	\$3,666,222,409	\$4,045,778,455
Levy per County	\$20,430,294	\$25,836,913	\$32,732,074	\$36,669,978	\$40,465,541
Tax Inc. less Supplementals	\$20,067,343	\$26,000,437	\$32,452,180	\$36,087,043	NA
Supplementals	1,473,942	2,139,075	2,733,827	2,957,505	NA
Total Tax Increment Receipts	\$21,541,285	\$28,139,512	\$35,186,007	\$39,044,548	NA

⁽¹⁾ Accounts for Exemptions. Does not take into account pending assessment appeals.

Source: California Municipal Statistics, Inc. and San Mateo County Assessor's Database, as compiled by Willdan Financial Services.

B. HISTORIC TAX REVENUE

The following table sets forth the calculation of Tax Revenues pledged to debt service on the Bonds.

	Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Gross Tax Increment	\$16,854,197	\$21,541,285	\$28,139,512	\$35,186,007	\$39,044,548
Less: County Administrative Fee	148,575	183,054	226,364	250,279	348,626
Tax Sharing Payments	3,703,286	8,042,799	10,693,066	13,711,734	15,223,408
Low and Moderate-Income Housing Set Aside ⁽¹⁾	-	-	-	-	-
Pledged Tax Revenue	\$13,002,336	\$13,315,432	\$17,220,082	\$21,223,994	\$23,472,514

⁽¹⁾ Due to the dissolution of the Former Agency, Housing Set-Aside Revenues are no longer deducted.

C. HISTORIC DEBT SERVICE COVERAGE

The following table sets forth the debt service coverage on the Bonds.

Fiscal Year	Pledged Tax Revenue	Debt Service	Debt Service Coverage	Maximum Annual Debt Service	Maximum Debt Service Coverage
2014/15	\$13,002,336	\$3,274,556	3.97	\$3,510,000	3.70
2015/16	13,315,432	3,434,813	3.88	3,510,000	3.79
2016/17	17,220,082	3,505,000	4.91	3,510,000	4.91
2017/18	21,223,994	3,505,000	6.06	3,510,000	6.05
2018/19	23,472,514	3,505,000	6.70	3,510,000	6.69

D. LARGEST PROPERTY TAXPAYERS

Assessee	Property Use	2018/19 Total Value⁽¹⁾	% of Taxable Value⁽²⁾
Aimco Indigo LP	Residential, Commercial	\$322,535,857	7.98%
TGA 299 Franklin LLC	Residential	221,205,508	5.48%
Redwood City Partners LLC	Commercial	202,641,132	5.02%
Slough Redwood City LLC	Industrial	195,971,971	4.85%
Marston By Windsor 1 LLC	Residential	156,535,000	3.88%
BRE Properties Inc.	Residential	138,731,515	3.43%
BMR Bay LP	Industrial	130,582,668	3.23%
601 Marshall Street Owner LLC	Commercial	99,028,245	2.45%
Franklin St RC Apts. LLC	Residential	92,363,829	2.29%
Metropolitan Life Insurance Co.	Industrial, Commercial	88,778,992	2.20%
Total Valuation		\$1,648,374,717	40.81%

⁽¹⁾ Based on ownership of locally assessed secured property and unsecured property.

⁽²⁾ Based upon fiscal year 2018/19 total assessed value of \$4,039,405,907.

Source: Avenu Insights & Analytics, as compiled by Willdan Financial Services.

E. PARITY ISSUES

There was no debt issued by the Successor Agency on parity with the Bonds in fiscal year 2018/19.

VI. SUBSEQUENT EVENT

As the date of this Report, there are no subsequent events related to the Bonds.

VII. REDEVELOPMENT AGENCY DISSOLUTION

On December 29, 2011, the California Supreme Court upheld ABx1 26, which dissolved all redevelopment agencies (“RDA”) in California, effective February 1, 2012. Each successor agency is now responsible for drafting an annual Recognized Obligation Payment Schedule (“ROPS”) delineating the enforceable obligations of the former RDA and their source of payment. ROPS are subject to the approval of the local oversight board, County Auditor-Controller and the California Department of Finance.

The Successor Agency’s schedules can be accessed by the link below.

<http://www.redwoodcity.org/departments/administrative-services/finance/financial-information-reports/successor-agency>

VIII. REPORTING OF SIGNIFICANT EVENTS

The Continuing Disclosure Covenants outline the Significant Events that must be reported if they are deemed material. The Successor Agency has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2019.

1. Principal and interest payment delinquencies on the Bonds.
2. Non-payment related defaults.
3. Unscheduled draws on debt service reserves reflecting financial difficulties.
4. Unscheduled draws on credit enhancements reflecting financial difficulties.
5. Substitution of credit or liquidity providers, or their failure to perform.
6. Adverse tax opinions or events affecting the tax-exempt status of the security.
7. Modifications to rights of security holders.
8. Contingent or unscheduled bond calls.
9. Defeasances.
10. Release, substitution, or sale of property securing repayments of the securities.
11. Rating changes.

January 22, 2020

Ms. Kimbra McCarthy
Assistant City Manager of Administrative Services/Treasurer
City of Redwood City
1017 Middlefield Rd.
Redwood City, CA 94063-1993

***RE: ANNUAL CONTINUING DISCLOSURE INFORMATION STATEMENT FOR
FISCAL YEAR ENDING 2019***

FOR: Redevelopment Project Area No. 2, Tax Allocation Bonds, Series 2003A

Dear Ms. McCarthy:

Enclosed please find the Annual Continuing Disclosure Information Statement for the fiscal year ending June 30, 2019 for the above referenced bond issue. Also enclosed is the Dissemination Certificate.

The Annual Continuing Disclosure Information Statement has been disseminated to the Electronic Municipal Market Access website (“EMMA”) and will be posted on our website at www.willdan.com. Should you receive any inquiries with respect to the above referenced obligations, please feel free to refer them to the report on the website or to us directly.

If you have any additional questions, please do not hesitate to contact me at (800) 755-6864.

Sincerely,
Willdan Financial Services



Dave Davies, Senior Project Manager
Federal Compliance Group

Enclosures

DISSEMINATION CERTIFICATE

REDEVELOPMENT PROJECT AREA NO. 2, TAX ALLOCATION BONDS, SERIES 2003A CITY OF REDWOOD CITY

The Annual Continuing Disclosure Information Statement (the “Annual Report”) for the period ending June 30, 2019 was disseminated for the above referenced obligations in compliance with SEC Rule 15c2-12 to EMMA as follows:

- **Submission ID: ER1002726**
01/22/2020 03:38 PM EST

The Audited Financial Statements for the period ending June 30, 2019 for the above referenced obligations were disseminated to EMMA as follows:

- **Submission ID: ER997065**
01/03/2020 05:27 PM EST

WILLDAN FINANCIAL SERVICES

The Annual Report will be posted to the Willdan Financial Services website at www.willdan.com. Please feel free to refer any inquiries with respect to the above referenced obligations or the Annual Report on the website to us directly at (800) 755-6864.

OTHER INTERESTED PARTIES

Trustee:

Mary Wong
U.S. Bank Trust, N.A.
One California Street, Suite 1000
San Francisco, CA 94111

In conjunction with SEC Rule 15c2-12, the following table sets forth the historical compliance in connection with the above referenced obligations’ Annual Report for the last five years:

Period Ending	Annual Report Due Date	Date Disseminated
June 30, 2019	January 26, 2020	January 22, 2020
June 30, 2018	January 26, 2019	January 25, 2019
June 30, 2017	January 26, 2018	January 23, 2018
June 30, 2016	January 26, 2017	January 25, 2017
June 30, 2015	January 26, 2016	January 26, 2016