

**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

**2012 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of January 15, 2013

Also available at:



www.willdan.com

⁺ Copyright, American Banker's Association. CUSIP data is provided by Standard and Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is *not* intended to create a database and does not serve in any way as a substitute for the CUSIP service. The issuer takes no responsibility for the accuracy of such number.

LIST OF PARTICIPANTS

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE
CITY OF REDWOOD CITY**
www.redwoodcity.org

Brian J. Ponty
Finance Director
1017 Middlefield Rd.
Redwood City, California 94063-1993

DISCLOSURE CONSULTANT & DISSEMINATION AGENT

Willdan Financial Services *
Temecula, California 92590
(951) 587-3500
www.willdan.com

UNDERWRITER

Stone & Youngberg LLC

BOND COUNSEL

Nossaman, Guthner, Knox & Elliott, LLP
Irvine, California

TRUSTEE

Mary Wong
U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
(415) 273-4584

* 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.

TABLE OF CONTENTS

<i>I. INTRODUCTION.....</i>	<i>1</i>
<i>II. BOND INFORMATION</i>	<i>2</i>
A. PRINCIPAL OUTSTANDING.....	2
B. FUND INFORMATION.....	2
<i>III. FINANCIAL INFORMATION.....</i>	<i>2</i>
<i>IV. OPERATING INFORMATION.....</i>	<i>3</i>
A. INCREMENTAL TAXABLE VALUE.....	3
B. HISTORICAL TAX REVENUE	3
C. HISTORICAL DEBT SERVICE COVERAGE	3
D. MAJOR PROPERTY TAXPAYERS	4
<i>V. REDEVELOPMENT AGENCY DISSOLUTION</i>	<i>5</i>
<i>VI. OCCURRENCE OF LISTED EVENTS.....</i>	<i>6</i>

I. INTRODUCTION

Pursuant to an Official Statement dated October 15, 2003, 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 primarily 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 Project Area No. 2. The Bonds were issued on parity with the Former Agency's previously issued Project Area No. 2 Tax Allocation Refunding Bonds, Series 1997 (the "1997 Bonds"). The 1997 Bonds were called in full and defeased 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. Due to the dissolution of California redevelopment agencies effective February 1, 2012, the City has elected to become Successor to the Former Agency (now referred to as 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, as defined within the Official Statement. The Bonds are not a debt of the City, the State of California, or any of its political subdivisions and neither the City, the State of California, nor any of its political subdivisions 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 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.

The information set forth herein has been furnished by the Successor Agency and by sources, which are believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement 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 Annual Continuing Disclosure Information Statement 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.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bonds Outstanding	As of November 30, 2012
Current Interest Bonds	\$8,790,000
Capital Appreciation Bonds	\$60,105,000 ⁽¹⁾

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

B. FUND INFORMATION

Account	As of November 30, 2012
Reserve Fund ⁽¹⁾	\$3,519,328
Reserve Requirement	\$3,510,000

(1) The Reserve Fund is also secured by a Reserve Fund Surety Bond with Ambac Assurance Inc.

III. FINANCIAL INFORMATION

The audited financial statements for the Former Agency for the period ended January 31, 2012 will be separately filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

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 for the period February 1, 2012 through June 30, 2012. 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, 2012 will be separately filed through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

IV. OPERATING INFORMATION

A. INCREMENTAL TAXABLE VALUE

The following table sets forth the assessed valuations of the Redevelopment Project for fiscal years 2008/09 through 2012/13.

Fiscal Year	Secured Value	Unsecured Value	SBE Total Value	Total Value ⁽¹⁾	Less Base Year Value	Incremental Value
2008/09	\$1,475,470,534	\$224,969,704	\$2,522,124	\$1,702,962,362	\$370,145,150	\$1,332,817,212
2009/10	1,501,425,701	266,685,354	2,522,124	1,770,633,179	370,145,150	1,400,488,029
2010/11	1,476,868,416	258,575,571	2,522,124	1,737,966,111	370,145,150	1,367,820,961
2011/12	1,473,990,448	270,871,079	1,466,946	1,746,328,473	370,145,150	1,376,183,323
2012/13	1,523,280,232	248,109,841	1,420,056	1,772,810,129	370,145,150	1,402,664,979

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

Source: San Mateo County Assessor and California Municipal Statistics, Inc.

B. HISTORICAL TAX REVENUE ⁽¹⁾

The following sets forth the calculation of Tax Revenues pledged to debt service on the Bonds for fiscal year 2010/11.

Gross Tax Increment	\$12,100,793
Less: County Administrative Fee	102,725
Tax Sharing Payments ⁽²⁾	28,558
Low and Moderate Income Housing Set Aside ⁽³⁾	4,416,733
Pledged Tax Revenue	\$7,552,777

(1) Data not available for 2011/12.

(2) Based on tax sharing agreement with San Mateo County Mosquito Abatement District.

(3) Includes amounts paid from Housing Set Aside for property tax refunds, waivers on tax increment and County admin fees.

C. HISTORICAL DEBT SERVICE COVERAGE ⁽¹⁾

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

2010/11 Fiscal Year Tax Revenue	2010/11 Fiscal Year Debt Service on the Bonds	Debt Service Coverage
\$7,552,777	\$1,857,713	4.07

(1) Data not available for 2011/12.

D. MAJOR PROPERTY TAXPAYERS

Property Owner	Primary Land Use	Total 2012/13 Secured Taxable Value	Percent of Total Value ⁽¹⁾
Slough Redwood City LLC	Industrial	\$177,525,919	11.65%
Irvine Co. LLC	Apartments	83,195,900	5.46%
Metropolitan Life Insurance Co.	Industrial	80,422,645	5.28%
Reef America REIT II Corp QQQ	Industrial	72,134,266	4.74%
Century Theatres Inc.	Movie Theater	58,026,560	3.81%
Marshall Squares Investment Group	Office Building	40,799,925	2.68%
Reg8 Sequoia Station LLC	Shopping Center	34,790,864	2.28%
RWC Technology Station LLC	Office Building	27,781,904	1.82%
Broadway LLC	Office Building	19,583,964	1.29%
Vet Plaza LLC	Office Building	16,205,692	1.06%
Wickes Companies Inc., Lessee	Commercial	15,929,048	1.05%
Vista Marin LLC	Office Building	15,102,464	0.99%
Safeway Inc.	Shopping Center	15,091,297	0.99%
Marymount Manor LLC	Apartments	14,806,051	0.97%
Griffin Capital Investors LLC	Office Building	14,000,000	0.92%
Marymount Tower LLC	Apartments	13,129,893	0.86%
John J. Sorci Trust	Commercial	12,758,145	0.84%
Price Company	Commercial	11,753,700	0.77%
Richard Tod & Catherine R. Spieker	Apartments	11,392,490	0.75%
Redwood City Associates LLC	Shopping Center	10,144,411	0.67%
Total		\$744,575,138	48.88%

(1) 2012/13 Local Secured Assessed Valuation: \$1,523,280,232.

Source: California Municipal Statistics, Inc.

V. REDEVELOPMENT AGENCY DISSOLUTION

On December 29, 2011, the California Supreme Court upheld ABx1 26 (“Redevelopment Dissolution Act”), which dissolves all redevelopment agencies (“RDA”) in California, effective February 1, 2012. Each successor agency is responsible for drafting a Recognized Obligation Payment Schedule (“ROPS”) delineating the enforceable obligations of the former RDA payable through June 30, 2012 and their source of payment, and then additional ROPS every six months thereafter. ROPS are subject to the approval of the local oversight board and the State Department of Finance. All tax increment revenue which was previously received by the former Redevelopment Agency is now deposited into the Redevelopment Property Tax Trust Fund, which is the sole funding source of the ROPS, by the County Controller and distributed in accordance with State law. At this time there are questions about the priority of these distributions which have yet to be resolved.

The former Redwood City Redevelopment Agency's schedule can be accessed by the link below.

<http://www.redwoodcity.org/phed/econdev/redevelopment/index.html>

VI. OCCURRENCE OF LISTED EVENTS

As amended, the Continuing Disclosure Covenants outline the events that must be reported in not more than ten (10) business days after the occurrence of the event, **irrespective of any determination as to whether such event may or may not be deemed material**. The Successor Agency has no knowledge that any of the events listed below have occurred or have not been previously reported during the fiscal year ended June 30, 2012.

1. Principal and interest payment delinquencies on the Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the Successor Agency.
9. Ratings changes.

As amended, the Continuing Disclosure Covenants outline the events that must be reported in not more than ten (10) Business Days after the occurrence of the event, **if deemed material**. The Successor Agency has no knowledge that any of the events listed below have occurred or have not been previously reported during the fiscal year ended June 30, 2012.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the Successor Agency or the dissolution of the Successor Agency.
11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
12. Non-payment related defaults.
13. Modifications to the rights of Holders.
14. Optional, contingent or unscheduled bond calls, prepayment or redemptions other than defeasances.
15. Release, substitution or sale of property securing repayment of the Bonds.