

**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

**2011 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of January 17, 2012

Also available at:



www.willdan.com

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LIST OF PARTICIPANTS

**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

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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.

I. INTRODUCTION

Pursuant to an Official Statement dated October 15, 2003, the Redevelopment Agency of the City of Redwood City (the "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 Agency and to pay the costs of redevelopment activities within Project Area No. 2. The Bonds were issued on parity with the 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.

The Agency's primary responsibilities include elimination of the slums and blight, revitalization of older neighborhoods, facilitation of additional housing, encouragement of economic development and creation of new employment opportunities.

The 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 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 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 Agency, the City, and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the 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 which 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 Agency or any other parties described herein.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bonds Outstanding	As of November 30, 2011
Current Interest Bonds	\$11,270,000
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, 2011
Reserve Fund ⁽¹⁾	\$3,503,103
Reserve Requirement	\$1,967,000

(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 Agency for the fiscal year ended June 30, 2011 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.

IV. OPERATING INFORMATION

A. INCREMENTAL TAXABLE VALUE

The following table sets forth the assessed valuations of the Redevelopment Project for fiscal years 2007/08 through 2011/12.

Fiscal Year	Secured Value	Unsecured Value	SBE Total Value	Total Value ⁽¹⁾	Less Base Year Value	Incremental Value
2007/08	\$1,294,826,002	\$222,926,512	\$2,522,124	\$1,520,274,638	\$373,183,498	\$1,147,091,140
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

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

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

B. TAX REVENUE

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 ⁽¹⁾	28,558
Low and Moderate Income Housing Set Aside ⁽²⁾	4,416,733
Pledged Tax Revenue	\$7,552,777

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

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

C. ANNUAL DEBT SERVICE COVERAGE

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

D. MAJOR PROPERTY TAXPAYERS

Property Owner	Primary Land Use	Total 2011/12 Secured Taxable Value	Percent of Total Value ⁽¹⁾
Slouth Redwood City LLC	Industrial	\$174,045,031	11.81%
Irvine Co. LLC	Apartments	81,585,015	5.53%
Metropolitan Life Insurance Co.	Industrial	78,845,747	5.35%
Reef America REIT II Corp. QQQ	Industrial	70,719,872	4.80%
Century Theatres Inc., Lessee	Movie Theater	56,888,786	3.86%
Marshall Square Investment Group	Office Building	37,519,964	2.55%
REG8 Sequoia Station LLC	Shopping Center	34,108,693	2.31%
RWC Technology Station LLC	Office Building	27,237,162	1.85%
Broadway LLC	Office Building	17,200,000	1.17%
Vet Plaza LLC	Office Building	15,887,935	1.08%
Safeway Inc.	Shopping Center	14,795,391	1.00%
Marymount Manor LLC	Apartments	14,515,738	0.98%
Marymount Tower LLC	Apartments	12,872,446	0.87%
John J. Sorci, Trust	Commercial	12,507,986	0.85%
Griffin Capital Investors LLC	Office Building	12,000,000	0.81%
Vista Marin LLC	Office Building	12,000,000	0.81%
Price Company	Commercial	11,362,337	0.77%
Richard Todd and Catherine R. Spieker	Apartments	11,169,109	0.76%
Wickes Companies Inc., Lessee	Commercial	10,638,572	0.72%
Redwood City Associates LLC	Shopping Center	9,945,504	0.67%
Total		\$715,845,288	48.57%

(1) 2011/12 Local Secured Assessed Valuation: \$1,473,990,448.

Source: California Municipal Statistics, Inc.

V. REPORTING OF SIGNIFICANT 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 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, 2011.

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 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 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, 2011.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the Agency or the dissolution of the 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.

VI. SUBSEQUENT EVENTS

As part of the 2011/12 State budget package, the California Legislature enacted and the Governor signed two companion bills addressing redevelopment, AB1x 26 (“Dissolution Act”) and AB1x 27 (“Voluntary Program Act”), which took effect on June 29, 2011.

The Dissolution Act immediately suspended all new redevelopment activities and incurrence of indebtedness, and eliminates redevelopment agencies as of October 1, 2011.

The Voluntary Program Act allows the community that created the redevelopment agency to avoid dissolution by opting to pay a substantial community remittance (“Remittance”) beginning FY 2011/12 and each year thereafter.

On December 29, 2011 the Supreme Court upheld the constitutionality of the Dissolution Act while ruling that the Voluntary Program Act was unconstitutional. The net effect of these rulings is that Redevelopment Agencies across California will be abolished, currently effective February 1, 2012. The Dissolution Act provides for a successor agency to be established and funded to honor outstanding debt obligations for each Redevelopment Agency. The City of Redwood City is currently planning for the orderly elimination of its Redevelopment Agency and for the orderly transfer of the Agency’s debt obligations to the City as the successor agency.

January 18, 2012

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

***RE: ANNUAL CONTINUING DISCLOSURE INFORMATION STATEMENT FOR FISCAL
YEAR ENDING 2011***

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

Dear Brian:

Enclosed please find the Annual Continuing Disclosure Information Statement for the fiscal year ending June 30, 2011 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. If you receive any inquires with respect to the obligation, feel free to refer them to the report on the website or to us directly.

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

Sincerely,
Willdan Financial Services



Dave Davies, Project Manager
Federal Compliance Group

Enclosures

DISSEMINATION CERTIFICATE

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

The Information Statement (the "Report") for the period ending June 30, 2011 for the above referenced obligation was disseminated on January 18, 2012, in compliance with SEC Rule 15c2-12, to the following recipient(s):

- **ELECTRONIC MUNICIPAL MARKET ACCESS (EMMA)**

In conjunction with the authorization from the Securities and Exchange Commission (the "SEC"), the Report has been disseminated to EMMA.

- **WILLDAN FINANCIAL SERVICES**

The Report has been posted to the Willdan Financial Services website at www.willdan.com. Please feel free to refer any inquires with respect to the obligation or the Report on the website to us directly at (951) 587-3500.

- **OTHER INTERESTED PARTIES:**

Other:

Robert Hyman
 U.S. Bank Trust, N.A.
 One California Street, Suite 2100
 San Francisco, CA 94111

Other:

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

Period Ending	Report Due Date	Date Disseminated
June 30, 2011	January 31, 2012	January 18, 2012
June 30, 2010	January 31, 2011	December 16, 2010
June 30, 2009	January 31, 2010	January 20, 2010
June 30, 2008	January 31, 2009	January 21, 2009
June 30, 2007	January 31, 2008	January 22, 2008