TWO NEW ISSUES—BOOK-ENTRY ONLY

RATINGS:
Insured Bonds: S&P: "AA"
Uninsured Bonds: S&P: "A+"
See "RATINGS" herein

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Successor Agency with certain covenants, interest on the Series 2014A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2014B Bonds is includible in gross income of the owners thereof for federal income tax purposes. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

SUCCESSOR AGENCY TO THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA

(Alameda County, California)

$23,495,000	$25,080,000
Subordinate Tax Allocation Refunding Bonds, Series 2014A	**Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B**

Dated: Date of Delivery **Due: September 1, as shown on the inside cover**

The $23,495,000 Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Tax Allocation Refunding Bonds, Series 2014A (the "Series 2014A Bonds"), and $25,080,000 Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B (the "Series 2014B Bonds" and, with the Series 2014A Bonds, the "Bonds"), are being issued by the Successor Agency to the Community Improvement Commission of the City of Alameda (the "Successor Agency") pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the "Refunding Bond Law"), a resolution adopted by the Successor Agency and an indenture of trust, dated as of December 1, 2014 (the "Indenture"), by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Trustee"), to (a) refund certain outstanding bonds issued by the former Community Improvement Commission of the City of Alameda (the "Former Agency"), the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the redevelopment project areas of the Former Agency, (b) purchase a municipal bond insurance policy in lieu of funding a debt service reserve fund for the Bonds, and (c) provide for the costs of issuing the Bonds.

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. Principal of, premium if any, and semiannual interest on the Bonds due on March 1 and September 1 of each year, commencing March 1, 2015, will be payable by the Trustee to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds. See "THE BONDS."

The Bonds are subject to optional redemption redemption prior to maturity. See "THE BONDS—Redemption" herein.

The Bonds are payable from and secured by a first lien on the Tax Revenues, as defined in this Official Statement, and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement. See "SECURITY FOR THE BONDS" herein. While the Bonds are secured by a first lien on Tax Revenues, the definition of Tax Revenues excludes the amounts required to pay debt service on the 2011 Bonds, as defined in this Official Statement, and, as such, the Bonds are subordinate to the 2011 Bonds.

In addition to the Bonds, the Successor Agency may issue or incur Parity Debt that is payable from Tax Revenues on a parity with the Bonds, but only for the purpose of refunding the Bonds and any future parity debt. See "THE BONDS—Parity Debt" herein.

The scheduled payment of principal of and interest on the Series 2014A Bonds and on the Series 2014B Bonds maturing on September 1 of the years 2020 through 2026, inclusive, with CUSIP numbers 010775 AQ7, 010775 AR5, 010775 AS3, 010775 AT1, 010775 AU8, 010775 AV6 and 010775 AW4, (collectively, the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.** The scheduled payment of principal of and interest on the Series 2014B Bonds maturing on September 1 of the years 2015 through 2019, inclusive, and will not be insured.

The Bonds and interest thereon are not a debt of the City of Alameda (the "City"), Alameda County (the "County"), the State of California (the "State") or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The Bonds and interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. Neither the members of the Successor Agency, the Oversight Board (defined herein), the County Board of Supervisors nor any persons executing the Bonds are liable personally on the Bonds. The Successor Agency has no taxing power.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

SEE THE INSIDE COVER

This cover page and the inside cover page hereof contain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision with respect to the Bonds.

The Bonds are offered, when, as and if issued, subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by Janet Kern, Esq., the Alameda City Attorney, acting as general counsel to the Successor Agency, and for the Underwriter by McFarlin & Anderson LLP, Laguna Hills, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about December 23, 2014.

PiperJaffray

Dated: December 9, 2014

SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
(Alameda County, California)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

$23,495,000
Subordinate Tax Allocation Refunding Bonds, Series 2014A

CUSIP† Prefix: 010775

Maturity (September 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2026*	$1,455,000	5.000%	2.860%	AB0
2027*	2,730,000	5.000	2.970	AC8
2028*	2,870,000	5.000	3.060	AD6
2029*	3,020,000	5.000	3.160	AE4
2030*	3,180,000	5.000	3.210	AF1
2031*	3,340,000	5.000	3.260	AG9
2032*	3,525,000	5.000	3.280	AH7
2033*	3,375,000	5.000	3.320	AJ3

$25,080,000
Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B

CUSIP† Prefix: 010775

Maturity (September 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2015	$2,455,000	0.553%	0.553%	AK0
2016	1,895,000	1.180	1.180	AL8
2017	1,920,000	1.688	1.688	AM6
2018	1,980,000	2.131	2.131	AN4
2019	2,020,000	2.581	2.581	AP9
2020*	2,090,000	2.826	2.826	AQ7
2021*	2,145,000	3.226	3.226	AR5
2022*	2,225,000	3.419	3.419	AS3
2023*	2,305,000	3.619	3.619	AT1
2024*	2,395,000	3.819	3.819	AU8
2025*	2,500,000	4.000	4.019	AV6
2026*	1,150,000	4.000	4.139	AW4

*Insured maturities.

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Successor Agency.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Areas since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriter may over-allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, section 21E of the United States Securities Exchange Act of 1934, as amended, and section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE AUTHORITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Website. The City of Alameda maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

Municipal Bond Insurance. Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND INSURANCE" and APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.

SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA
ALAMEDA, CALIFORNIA

SUCCESSOR AGENCY*

Marie L. Gilmore, *Mayor*
Marilyn Ezzy Ashcraft, *Vice Mayor*
Lena Tam, *Councilmember*
Stewart Go Chen, *Councilmember*
Tony Daysog, *Councilmember*

SUCCESSOR AGENCY/CITY OFFICIALS

John A. Russo, *Executive Director/City Manager*
Elizabeth Warmerdam, *Assistant Executive Director/Assistant City Manager*
Alexander Nguyen, *Assistant City Manager*
Kevin Kearney, *City Auditor*
Kevin Kennedy, *City Treasurer*
Juelle-Ann Boyer, *Interim Finance Director*
Janet C. Kern, *City Attorney*
Debbie Potter, *Community Development Director*
Lara Weisiger, *Secretary/City Clerk*

SPECIAL SERVICES

Financial Advisor
Public Financial Management, Inc.
San Francisco, California

Bond and Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Fiscal Consultant
Keyser Marston Associates
San Francisco, California

Trustee
MUFG Union Bank, N.A.
San Francisco, California

Verification Agent
Causey Demgen & Moore, P.C.
Denver, Colorado

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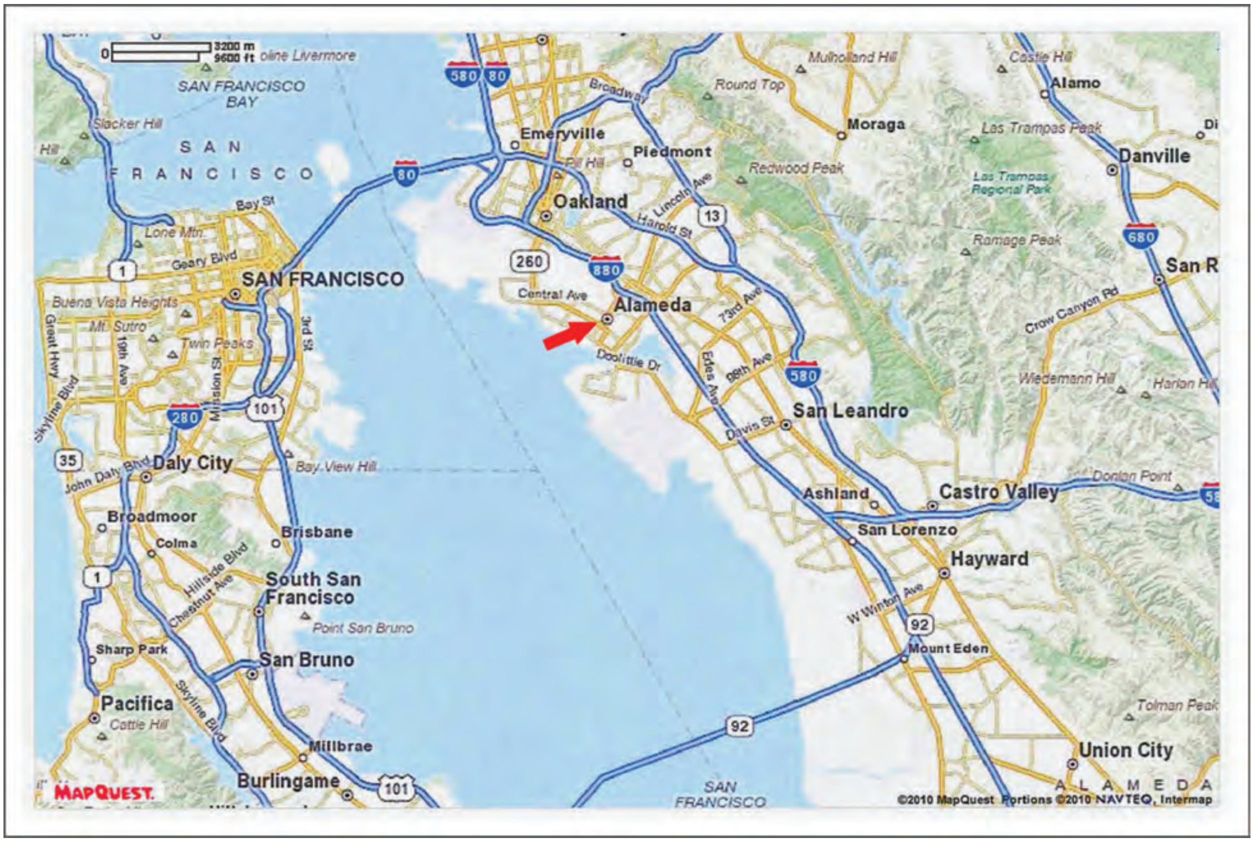
* As a result of the City Council election on November 4, 2014, the Council members, as of December 16, 2014, will be Trish Spencer, as Mayor, Tony Daysog, Marilyn Ezzy Ashcraft, Frank Matarrese and Jim Oddie.

LOCATION MAP – CITY OF ALAMEDA



OFFICIAL STATEMENT

SUCCESSOR AGENCY TO THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA (Alameda County, California)

$23,495,000 Subordinate Tax Allocation Refunding Bonds, Series 2014A	$25,080,000 Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Community Improvement Commission of the City of Alameda (the "Successor Agency") of its $23,495,000 Successor Agency to the Community Improvement Commission of the City of Alameda (Alameda County, California) Subordinate Tax Allocation Refunding Bonds, Series 2014A (the "Series 2014A Bonds"), and its $25,080,000 Successor Agency to the Community Improvement Commission of the City of Alameda (Alameda County, California) Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B (the "Series 2014B Bonds" and, with the Series 2014A Bonds, the "Bonds").

Authority and Purpose

The Successor Agency is issuing the Bonds pursuant to authority granted by the Constitution of the State of California, section 34177.5(a)(1) of the Health & Safety Code of the State of California, Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and an Indenture of Trust, dated as of December 1, 2014 (the "Indenture") by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Trustee"). See "THE BONDS—Authority for Issuance."

The Successor Agency is issuing the Bonds to refund the following four outstanding bonds (collectively, the "Prior Bonds") of the former Community Improvement Commission of the City of Alameda (the "Former Agency"):

- Community Improvement Commission of the City of Alameda Insured Tax Allocation Bonds (Merged Improvement Areas), Series 2003A1 (the "2003A1 Bonds"),

- Community Improvement Commission of the City of Alameda Insured Taxable Tax Allocation Bonds (Merged Improvement Areas), Series 2003A2 (the "2003A2 Bonds"),

- Community Improvement Commission of the City of Alameda Subordinated Tax Allocation Bonds (Merged Improvement Areas), Series 2003B (the "2003B Bonds"), and

- Community Improvement Commission of the City of Alameda Tax Allocation Refunding Bonds (Business and Waterfront Improvement Area), Series 2003C (the "2003C Bonds").

The Prior Bonds were issued for the purpose of financing and refinancing redevelopment and low and moderate income housing activities in the Merged WECIP/BWIP Project Area (the "Merged Project") of the Former Agency.

The proceeds of the Series 2014A Bonds will be applied to the defeasance of the 2003A1 Bonds, the 2003B Bonds and the 2003C Bonds. The proceeds of the Series 2014B Bonds will be applied to the defeasance of the 2003A2 Bonds.

A portion of the proceeds of the Bonds will also be used to purchase a municipal bond insurance policy in lieu of funding a debt service reserve fund for the Bonds, and provide for the costs of issuing the Bonds.

The Successor Agency has two issues of bonds that will *not* be refunded from the proceeds of the Bonds, its Community Improvement Commission of the City of Alameda 2011 Tax Allocation Housing Bonds, Subordinate Series A (Taxable) (Merged WECIP/BWIP Project Area) (the "2011A Bonds"), and its Community Improvement Commission of the City of Alameda 2011 Tax Allocation Housing Bonds, Subordinate Series B (Tax-Exempt) (Merged WECIP/BWIP Project Area) (the "2011B Bonds" and, with the 2011A Bonds, the "2011 Bonds"). *The Successor Agency's debt service payment obligations with respect to the 2011 Bonds, together with certain other obligations, will be paid before tax revenues are available for the payment of debt service on the Bonds.* While the Bonds are secured by a first lien on Tax Revenues (as hereinafter defined), the definition of Tax Revenues excludes the amounts required to pay debt service on the 2011 Bonds and, as such, the Bonds are subordinate to the 2011 Bonds.

The City and the Successor Agency

City. The City of Alameda (the "City") is a chartered city located in Alameda County (the "County"), just west of the City of Oakland and approximately 12 miles east of the City of San Francisco. The City consists of an island in the eastern portion of San Francisco Bay approximately six miles long by one and one-half miles wide and part of a peninsula adjacent to the Oakland Airport. The island portion is connected to the East Bay area by three bridges and a vehicular underwater double barrel tube. The total City area is 22.7 square miles, about 12.4 square miles of which is water area. For certain information with respect to the City, see APPENDIX F—CITY OF ALAMEDA SUPPLEMENTAL INFORMATION.

Former Agency. The Former Agency was a redevelopment agency activated in 1982 by Ordinance No. 2103 of the City Council of the City with all of the powers vested in such organizations under the Community Redevelopment Law (which is referred to in this Official Statement as the "Redevelopment Law"). The City Council of the City was the governing board of the Former Agency.

Dissolution Act. On June 29, 2011, Assembly Bill No. 26 ("AB 1X 26") was enacted together with a companion bill, Assembly Bill No. 27 ("AB 1X 27"). The provisions of AB 1X 26 provided for the dissolution of all redevelopment agencies statewide. The provisions of AB 1X 27 permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.,* 53 Cal. 4th 231 (2011), challenging the constitutionality of AB 1X 26 and AB 1X 27. On December 19, 2011, in its decision in that lawsuit, the California Supreme Court largely upheld AB 1X 26, invalidated AB 1X 27, and held that AB 1X 26 may be severed from AB 1X 27 and enforced independently. As a result of AB 1X 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB 1X 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with section 34161) and 1.85 (commencing with section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the "Dissolution Act").

Successor Agency. Pursuant to section 34173 of the Dissolution Act, the City Council of the City made an election to serve as the Successor Agency to the Former Agency. However, subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate legal entity from the City, that the two entities shall not merge and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

The Project Areas

Merged Project. The City Council of the City adopted a redevelopment plan (the "WECIP Plan") for the West End Community Improvement redevelopment project area (the "WECIP Project Area") pursuant to Ordinance No. 2141, adopted on July 5, 1983. The City Council of the City adopted a redevelopment plan (the "BWIP Plan") for the Business and Waterfront Improvement redevelopment project area (the "Original BWIP Project Area") pursuant to Ordinance No. 2559, adopted on June 18, 1991.

On April 1, 2003, the City Council of the City adopted Ordinance Nos. 2896 and 2897, amending and merging the WECIP Plan and the BWIP Plan in order to add approximately 123 acres of territory (known as the "Exchange Area") to the Original BWIP Project Area (the Original BWIP Project Area, together with the Exchange Area, is referred to in this Official Statement as the "BWIP Project Area"). Those Ordinances also fiscally merged the BWIP Plan and the WECIP Plan and reestablished or extended, as applicable, eminent domain authority in the WECIP Project Area and the BWIP Project Area. The fiscally merged WECIP Project Area and the BWIP Project Area is referred to in this Official Statement as the "Merged Project." In total, the Merged Project encompasses approximately 1,097 acres or approximately 16% of the land area of the City. The Merged Project is zoned for mixed land uses with commercial, industrial and residential uses. The total assessed valuation of taxable property in the Merged Project in fiscal year 2014-15 is $1,896,523,401, and the corresponding incremental assessed valuation is $1,589,890,407 over the base year valuation of $306,632,994. See "THE MERGED PROJECT" for a description of amendments of the Merged Project Redevelopment Plan and related limitations and for information on land use, assessed valuation and property ownership within the Merged Project.

Alameda Point Project. In addition to the Merged Project, the Successor Agency has an additional project area, the Alameda Point Improvement Project (the "Alameda Point Project") corresponding to the decommissioned Alameda Naval Air Station. Tax revenues generated by the Alameda Point Project are relatively limited at the current time because the property remains under public ownership and property taxes consist only of possessory interest and personal property assessed values related to private leases. Tax revenues derived from the Alameda Point Project are expressly excluded from Tax Revenues pledged to the Bonds. No bonds have been issued for the Alameda Point Project and the Bonds are not secured by any tax revenues generated in the Alameda Point Project.

Tax Allocation Financing

Prior to the enactment of AB 1X 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies receiving property taxes thereafter received only that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion of property taxes produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations.

Authority to Issue Refunding Bonds

The Dissolution Act authorizes each successor agency to issue refunding bonds secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller for the Successor Agency by the Dissolution Act (the "Redevelopment Property Tax Trust Fund"). Section 34177.5(a)(1) of the Dissolution Act authorizes the issuance of refunding bonds, to be secured by a pledge of moneys deposited from time to time in the applicable Redevelopment Property Tax Trust Fund to provide savings to the successor agency, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

Security for the Bonds

The Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and are payable solely from and secured by Tax Revenues, moneys on deposit in the Debt Service Fund (including in the accounts and subaccounts therein), including but not limited to the Reserve Account. See "SECURITY FOR THE BONDS—Pledge Under the Indenture."

The Dissolution Act requires the Alameda County Auditor-Controller (the "County Auditor-Controller") to determine the amount of property taxes that would have been allocated to the Former Agency from the Merged Project had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if the bonds or other indebtedness had been issued prior to effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

The Dissolution Act further provides that bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Bonds, are taxes allocated to the successor agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Property tax revenues will be allocated to the Successor Agency on a semi-annual basis based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to an oversight board established for the Successor Agency (the "Oversight Board") and the California Department of Finance (the "DOF"). The County Auditor-Controller will distribute funds from the Redevelopment Property Tax Trust Fund for each six-month period in the order specified in the Dissolution Act. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

In accordance with the Dissolution Act, the term "Tax Revenues" is defined under the Indenture to mean the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, but specifically excluding any moneys deposited therein derived from the Alameda Point Project or from the Alameda Landing property, less (a) the County administrative fees, (b) Statutory Pass-Through Amounts, (c) Negotiated Pass-Through Amounts, (d) amounts required to be paid pursuant to section 33676 of the Law, (e) amounts payable under the Alameda Landing DDA except to the extent made from revenues derived from the Alameda Landing property, and (f) amounts required for the payment of debt service on the 2011A Bonds and the 2011B Bonds. If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Redevelopment Law, or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

Successor agencies have no power to levy property taxes and must rely on the allocation of taxes as described above. See "RISK FACTORS."

Municipal Bond Insurance Policy; Reserve Account Insurance Policy

The scheduled payment of principal of and interest on the Series 2014A Bonds and on the Series 2014B Bonds maturing on September 1 of the years 2020 through 2026, inclusive, with CUSIP numbers 010775 AQ7, 010775 AR5, 010775 AS3, 010775 AT1, 010775 AU8, 010775 AV6 and 010775 AW4, (collectively, the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Insured Bonds by Build America Mutual Assurance Company ("BAM") simultaneously with the issuance of the Bonds. See "MUNICIPAL BOND INSURANCE."

In addition, BAM has made a commitment to issue a municipal bond insurance policy for the Reserve Account (the "Reserve Account Insurance Policy") in an amount equal to the Reserve Requirement for the benefit of Bonds. See "SECURITY FOR THE BONDS—Reserve Account."

Limited Obligation

The Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal, interest and premium, if any, from Tax Revenues and other funds. The Bonds, interest and premium, if any, are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency are liable thereon. The Bonds, interest thereon and premium, if any, are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the Successor Agency, the Oversight Board, the County Board of Supervisors or any person executing the Bonds is liable personally on the Bonds by reason of their issuance.

Parity Debt

The Indenture permits the issuance of Parity Debt under certain circumstances. See "THE BONDS—Parity Debt."

Professionals Involved in the Offering

Public Financial Management, Inc., San Francisco, California (the "Financial Advisor"), has served as financial advisor to the Successor Agency and has advised the Successor Agency with respect to the financial structure of the refinancing and as to other financial aspects of the transaction. *Payment of the fees and expenses of the Financial Advisor is contingent upon the sale and delivery of the Bonds.*

Keyser Marston Associates, San Francisco, California, has acted as fiscal consultant to the Successor Agency (the "Fiscal Consultant") and advised the Successor Agency as to the taxable values and Tax Revenues projected to be available to pay debt service on the Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the "Fiscal Consultant Report." See APPENDIX G—FISCAL CONSULTANT'S REPORT.

MUFG Union Bank, N.A., San Francisco, California, will act as Trustee with respect to the Bonds.

All proceedings in connection with the issuance of the Bonds are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Quint & Thimmig LLP is also acting as Disclosure Counsel to the Successor Agency. Janet Kern, Esq., the City Attorney, will render certain opinions on behalf of the Successor Agency as general counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriter by McFarlin & Anderson LLP, Laguna Hills, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the sale and delivery of the Bonds.*

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Successor Agency, the Former Agency, the County and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, the County and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture.

During the period of the offering of the Bonds, copies of the forms of all documents are available from the Finance Director, City of Alameda, 2263 Santa Clara Avenue, Alameda, CA 94501, (510) 747-4888. The City may impose a charge for copying, mailing and handling.

REFUNDING PLAN

Refunding of the Prior Bonds

Pursuant to separate escrow agreements (collectively, the "Escrow Agreements"), each by and between the Successor Agency and MUFG Union Bank, N.A., as escrow bank (the "Escrow Bank"), the Successor Agency will deliver a portion of the proceeds of the Bonds, along with other available amounts, to the Escrow Bank for deposit in separate escrow funds established under the Escrow Agreements (the "Escrow Funds").

A portion of the amounts deposited in the Escrow Funds for the 2003A1 Bonds and the 2003B Bonds will be invested in U.S. Treasury Securities—State and Local Government Series ("SLGS"), and the remaining amounts will be held in cash, uninvested. The maturing SLGS, the interest thereon and the uninvested cash in the Escrow Funds for the 2003A1 Bonds and the 2003B Bonds will generate sufficient amounts to redeem the 2003A1 Bonds and the 2003B Bonds in full on March 1, 2015, at a redemption price equal to 100% of the principal amount thereof, and to pay any amounts maturing on such date, together with accrued interest to such date.

The amounts deposited in the Escrow Fund for the 2003A2 Bonds will be held in cash, uninvested, and will be applied to the redemption of the 2003A2 Bonds in full on March 1, 2015, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date.

The amounts deposited in the Escrow Fund for the 2003C Bonds will be held in cash, uninvested, and will be applied to the redemption of the 2003C Bonds in full on January 12, 2015, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date.

Sufficiency of the deposits in the Escrow Funds will be verified by Causey Demgen & Moore, P.C., Denver, Colorado (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL ACCURACY." Assuming the accuracy of the Verification Agent's computations, the Successor Agency's obligations with respect to the Prior Bonds will be discharged.

Identification of Prior Bonds to be Refunded

Issue	Outstanding Principal Amount
Community Improvement Commission of the City of Alameda Insured Tax Allocation Bonds (Merged Improvement Areas), Series 2003A1	$ 7,090,000
Community Improvement Commission of the City of Alameda Insured Taxable Tax Allocation Bonds (Merged Improvement Areas), Series 2003A2	$28,120,000
Community Improvement Commission of the City of Alameda Subordinated Tax Allocation Bonds (Merged Improvement Areas), Series 2003B	$ 8,485,000
Community Improvement Commission of the City of Alameda Tax Allocation Refunding Bonds (Business and Waterfront Improvement Area), Series 2003C	$14,920,000

The amounts held by the Escrow Bank in the Escrow Funds are pledged solely to the payment of amounts due and payable by the Successor Agency with respect to the Prior Bonds and the amounts due and payable by the Successor Agency under the indentures under which the Prior Bonds were issued. The funds deposited in the Escrow Funds will not be available for the payment of debt service with respect to the Bonds.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds are summarized below.

	Series 2014A Bonds	Series 2014B Bonds	Total
Sources:			
Principal Amount of Bonds	$23,495,000.00	$25,080,000.00	$48,575,000.00
Plus/Less: Original Issue Premium/Discount	3,565,319.45	(18,979.50)	3,546,339.95
Plus: Available Funds			
2003A1 Bonds	1,086,040.76	0.00	1,086,040.76
2003A2 Bonds	0.00	4,260,476.46	4,260,476.46
2003B Bonds	1,299,836.63	0.00	1,299,836.63
2003C Bonds	2,176,819.59	0.00	2,176,819.59
Total Sources	$31,623,016.43	$29,321,496.96	$60,944,513.39
Uses:			
Escrow Fund Deposits			
2003A1 Bonds	$ 7,256,552.31	0.00	$ 7,256,552.31
2003A2 Bonds	0.00	28,987,827.50	28,987,827.50
2003B Bonds	8,730,610.48	0.00	8,730,610.48
2003C Bonds	15,228,913.16	0.00	15,228,913.16
Costs of Issuance(1)	406,940.48	333,669.46	740,609.94
Total Uses	$31,623,016.43	$29,321,496.96	$60,944,513.39

(1) Costs of Issuance include the Underwriter's discount, fees and expenses for Bond Counsel, Disclosure Counsel, the Financial Advisor, the Fiscal Consultant, the Trustee, the City, the Successor Agency administrative staff, Successor Agency counsel, printing expenses, rating fees, the premiums for the Municipal Bond Insurance Policy and the Reserve Account Insurance Policy and other costs related to the issuance of the Bonds.

Debt Service Schedule

The following table shows the annual debt service schedule for the Bonds, assuming no optional redemption of the Bonds.

Bond Year Ending September 1	Series 2014A Bonds			Series 2014B Bonds			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	
2015	—	$ 809,272.22	$ 809,272.22	$2,455,000	$ 473,882.26	$ 2,928,882.26	$ 3,738,154.48
2016	—	1,174,750.00	1,174,750.00	1,895,000	674,317.46	2,569,317.46	3,744,067.46
2017	—	1,174,750.00	1,174,750.00	1,920,000	651,956.46	2,571,956.46	3,746,706.46
2018	—	1,174,750.00	1,174,750.00	1,980,000	619,546.86	2,599,546.86	3,774,296.86
2019	—	1,174,750.00	1,174,750.00	2,020,000	577,353.06	2,597,353.06	3,772,103.06
2020	—	1,174,750.00	1,174,750.00	2,090,000	525,216.86	2,615,216.86	3,789,966.86
2021	—	1,174,750.00	1,174,750.00	2,145,000	466,153.46	2,611,153.46	3,785,903.46
2022	—	1,174,750.00	1,174,750.00	2,225,000	396,955.76	2,621,955.76	3,796,705.76
2023	—	1,174,750.00	1,174,750.00	2,305,000	320,883.00	2,625,883.00	3,800,633.00
2024	—	1,174,750.00	1,174,750.00	2,395,000	237,465.06	2,632,465.06	3,807,215.06
2025	—	1,174,750.00	1,174,750.00	2,500,000	146,000.00	2,646,000.00	3,820,750.00
2026	$ 1,455,000	1,174,750.00	2,629,750.00	1,150,000	46,000.00	1,196,000.00	3,825,750.00
2027	2,730,000	1,102,000.00	3,832,000.00	—	—	—	3,832,000.00
2028	2,870,000	965,500.00	3,835,500.00	—	—	—	3,835,500.00
2029	3,020,000	822,000.00	3,842,000.00	—	—	—	3,842,000.00
2030	3,180,000	671,000.00	3,851,000.00	—	—	—	3,851,000.00
2031	3,340,000	512,000.00	3,852,000.00	—	—	—	3,852,000.00
2032	3,525,000	345,000.00	3,870,000.00	—	—	—	3,870,000.00
2033	3,375,000	168,750.00	3,543,750.00	—	—	—	3,543,750.00
Total	$23,495,000	$18,317,772.22	$41,812,772.22	$25,080,000	$5,135,730.24	$30,215,730.24	$72,028,502.46

THE BONDS

Authority for Issuance

The issuance of the Bonds and the Indenture were authorized by the Successor Agency pursuant to Resolution No. 14-01, adopted on September 16, 2014 (the "Successor Agency Resolution"), and approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 14-08, adopted on September 17, 2014 (the "Oversight Board Resolution").

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF on September 23, 2014. On November 19, 2014, the DOF provided a letter to the Successor Agency stating that based on the DOF's review and application of the law, the Oversight Board Resolution approving the Bonds is approved by the DOF.

Section 34177.5 of the Dissolution Act provides that when, as here, a successor agency issues refunding bonds with the approval of the oversight board and the DOF, the oversight board may not unilaterally approve any amendments to or early termination of the bonds, and the scheduled payments on the bonds shall be listed in the Recognized Obligation Payment Schedule and are not subject to further review and approval by the DOF or the California State Controller.

Description of the Bonds

The Bonds will be issued and delivered in fully-registered form without coupons in the denomination of $5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, as registered owner of all Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the "Closing Date") and mature on September 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on March 1 and September 1 in each year, commencing on March 1, 2015, by check mailed to the registered owners thereof or upon the request of the Owners of $1,000,000 or more in principal amount of Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the close of business on the fifteenth (15^{th}) calendar day of the month preceding each Interest Payments Date, whether or not such fifteenth (15^{th}) calendar day of the month is a Business Day (the "Record Date") preceding the Interest Payment Date.

One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX C—BOOK-ENTRY ONLY SYSTEM.

Redemption

Optional Redemption.

Series 2014A Bonds. The Series 2014A Bonds are subject to redemption, at the option of the Successor Agency on any date on or after September 1, 2024, in whole or in part, by such maturities as are determined by the Successor Agency and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Series 2014B Bonds. The Series 2014B Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Series 2014B Bonds maturing on or after September 1, 2025, are subject to redemption, at the option of the Successor Agency on any date on or after September 1, 2024, in whole or in part, by such maturities as are determined by the Successor Agency and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services designated in a Written Request of the Successor Agency filed with the Trustee at the time the Successor Agency notifies the Trustee of its intention to redeem Bonds; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of the Indenture.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof. All Bonds redeemed shall be canceled.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of Bonds and less than all Bonds then currently outstanding are called for redemption, the Trustee will select Bonds for redemption from Bonds then currently Outstanding and not previously called for redemption, at the written direction of the Successor Agency in such order of maturity as shall be designated by the Successor Agency, and in the absence of such direction, *pro rata* among maturities and by lot within a maturity. The Trustee will promptly notify the Successor Agency in writing of the Bonds so selected for redemption.

Parity Debt

"Parity Debt" means any loan, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Bonds as authorized by the Indenture. The Indenture permits the issuance of Parity Debt to refund the Bonds and/or the 2011 Bonds. With respect to any such refunding, (i) annual debt service on such Parity Debt must be lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding and (ii) the final maturity of any such Parity Debt must not exceed the final maturity of the obligations being refunded.

THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the Redevelopment Property Tax Trust Fund for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedule. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan, taxes levied upon taxable property in the Merged Project each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory are to be divided as follows:

> (a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Merged Project as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the applicable Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Merged Project, as applicable (each, a "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and
>
> (b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition

or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the applicable Redevelopment Plan, following the date of issuance of the Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of section 16 of Article XVI of the State Constitution, the Redevelopment Property Tax Trust Fund shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the Redevelopment Property Tax Trust Fund. In addition, section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

In addition, pursuant to section 34187 of the Dissolution Act, funds associated with retired enforceable obligations are required to be reallocated to taxing agencies as regular property taxes and not deposited into the Redevelopment Property Tax Trust Fund for the Successor Agency at all (however, section 34187(a)(2) of the Dissolution Act provides for retention of funds by the Successor Agency to the extent needed for payment of enforceable obligations upon authorization by the DOF).

Recognized Obligation Payment Schedules

Submission of Recognized Obligation Payment Schedule. Not less than 90 days prior to each January 2 and June 1, the Dissolution Act requires successor agencies to prepare, and submit to the successor agency's oversight board and the DOF for approval, a recognized obligation payment schedule (the "Recognized Obligation Payment Schedule") pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation.

Payment of Amounts Listed on the Recognized Obligation Payment Schedule. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the Recognized Obligation Payment Schedule and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Sources of Payments for Enforceable Obligations. Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a Recognized Obligation Payment Schedule are the following: (i) the low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance (successor agencies are entitled to receive not less than $250,000, unless that amount is reduced by the oversight board), (v) the Redevelopment Property Tax Trust Fund (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that only those payments listed in the Recognized Obligation Payment Schedule may be made by a successor agency and only from the funds specified in the Recognized Obligation Payment Schedule.

Order of Priority of Distributions from Redevelopment Property Tax Trust Fund. Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in section 34183 of the Dissolution Act:

(i) first, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act, if any (as described above under "SECURITY FOR THE BONDS—Statutory Pass-Through Payments" and "—Pass-Through Agreement") and no later than each January 2 and June 1, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the Recognized Obligation Payment Schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

Failure to Submit a Recognized Obligation Payment Schedule. The Recognized Obligation Payment Schedule must be approved by the oversight board and must be submitted by a successor agency to the county administrative office, the county auditor-controller, the DOF, and the State Controller by 90 days before the date of the next January 2 or June 1 property tax distribution. If the successor agency does not submit a Recognized Obligation Payment Schedule by the applicable deadline, the city or county that established the former redevelopment agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, the successor agency's administrative cost allowance is reduced by 25% if the successor agency did not submit a Recognized Obligation Payment

Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for the subsequent six-month period. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the Bonds, see "RISK FACTORS—Recognized Obligation Payment Schedule."

SECURITY FOR THE BONDS

The County Auditor-Controller will deposit property tax revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Health and Safety Code, including *inter alia* Health and Safety Code section 34183 and 34170.5(b). The Bonds are payable from and secured by the Tax Revenues to be derived from the Merged Project consisting of a portion of the property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

Pledge Under the Indenture

Except as described in "—Redevelopment Obligation Retirement Fund" below and as required to compensate or indemnify the Trustee, the Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund or in the Special Fund (if applicable), and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account and the Redemption Account) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Account established by the Indenture. The Bonds are also equally secured by the pledge and lien created with respect to the Bonds by section 34177.5(g) of the Dissolution Act on moneys deposited from time to time in the Redevelopment Property Tax Trust Fund. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by purchasers of the Bonds, the Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Tax Revenues

"Tax Revenues" means the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, but specifically excluding any moneys deposited therein derived from the Alameda Point Project or from the Alameda Landing property, less (a) the County administrative fees, (b) Statutory Pass-Through Amounts, (c) Negotiated Pass-Through Amounts, (d) amounts required to be paid pursuant to section 33676 of the Law, (e) amounts payable under the Alameda Landing DDA except to the extent made from revenues derived from the Alameda Landing property, and (f) amounts required for the payment of debt service on the 2011A Bonds and the 2011B Bonds. If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Redevelopment Law, or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in the Merged Project into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as "Housing Set-Aside."

The Dissolution Act eliminated the Housing Set-Aside requirement. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated due diligence review. The amounts found to be unencumbered through this due diligence review have been paid to the County and these funds have been allocated to the taxing entities within the Merged Project.

Since a deduction for the Housing Set-Aside is no longer required, amounts that were previously required to be deposited in the housing fund are now included in Tax Revenues.

Flow of Funds Under the Indenture

General. The Successor Agency previously established the Redevelopment Obligation Retirement Fund pursuant to section 34170.5(a) of the Dissolution Act and agrees to hold and maintain the Redevelopment Obligation Retirement Fund as long as any of the Bonds are Outstanding.

Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund. The Indenture provides that the Successor Agency shall deposit all of the Tax Revenues received with respect to any Semiannual Period into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency. All Tax Revenues received by the Successor Agency in excess of the amount required to pay debt service on the Bonds and any Parity Debt, and except as may be provided to the contrary in any Parity Debt Instrument, shall be released from the pledge and lien under the Indenture and shall be applied in accordance with the Redevelopment Law, including but not limited to the payment of debt service on any Subordinate Debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency shall not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Deposit of Amounts by Trustee. There is established a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Redevelopment Obligation Retirement Fund shall be transferred by the Successor Agency to the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective special accounts, which are established in the Debt Service Fund, and in the following order of priority:

Interest Account. On or before the fifth Business Day preceding each Interest Payment Date, commencing March 1, 2015, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity pursuant to the Indenture).

Principal Account. On or before the fifth Business Day preceding each Interest Payment Date, commencing September 1, 2015, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to one-half of the principal payments becoming due and payable on Outstanding Bonds and Parity Debt on the next September 1, to the extent monies on deposit in the Debt Service Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal payments to become due on the next September 1 on all Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the Bonds and Parity Debt as it becomes due and payable.

Reserve Account. The Reserve Account Requirement will be satisfied by the issuance of the Reserve Account Insurance Policy by BAM and not by any deposit of cash in the Reserve Account. The Successor Agency has no obligation to replace the Reserve Account Insurance Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Account Insurance Policy.

In the event moneys on deposit in the Debt Service Fund five (5) Business Days before any Interest Payment Date are less than the full amount of the interest and principal payments required to be deposited by the Trustee, the Trustee will, five (5) Business Days before such Interest Payment Date, draw on the Reserve Account Insurance Policy an amount equal to any such deficiency and will notify the Successor Agency of any such withdrawal.

Redemption Account. On or before the fifth Business Day preceding any date on which Bonds are to be redeemed, the Trustee shall withdraw from the Debt Service Fund and transfer to the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed on the respective dates set for such redemption.

Reserve Account

Initial Deposit into the Reserve Account. On the date of issuance of the Bonds, in lieu of a cash deposit to the Reserve Account, BAM will issue the Reserve Account Insurance Policy, in an amount equal to the initial "Reserve Requirement" for the Bonds, being $3,870,000.00.

Definition of Reserve Requirement. The Indenture defines "Reserve Requirement" to mean, as of any date of calculation, to be equal to the least of (a) Maximum Annual Debt Service for the then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for the then current and every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds and any Parity Debt.

Relationship to Parity Debt. The Reserve Account shall be held by the Trustee in trust solely for the benefit of the Owners of the Bonds and shall not be available to secure Parity Debt.

Limited Obligation

The Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the Oversight Board or the Board of Supervisors of the County shall be individually or personal liable for the payment of the principal of or interest or redemption premium (if any) on the Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Dissolution Act Covenant by the Successor Agency. The Successor Agency covenants in the Indenture that it will comply with all of the requirements of the Redevelopment Law and the Dissolution Act.

Pursuant to section 34177 of the Dissolution Act, not less than 90 days prior to each January 2 and June 1, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Dissolution Act to include in a Recognized Obligation Payment Schedule for each Semiannual Period (hereinafter defined) debt service on the Bonds and any Parity Debt, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required to enable the Successor Agency to pay timely payments of principal of, and interest on, the Bonds and any Parity Debt coming due with respect the applicable Semiannual Period, including inclusion on the applicable Recognized Obligation Payment Schedule of (a) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule attached hereto as Exhibit B and hereby made a part hereof or as such Schedule may be hereafter amended and (b) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule attached to any Supplemental Indenture and hereby made a part hereof or as such Schedule may be hereafter amended, and the inclusion of any amount required to be deposited in the Reserve Account, in order to maintain in the Reserve Account the amount of the Reserve Requirement. Notwithstanding the foregoing, the Successor Agency shall use its best efforts, subject to their being available funds for that purpose, to include on each Recognized Obligation Payment Schedule that is payable by the County Auditor-Controller on January 2 one-half of the principal payment on the Bonds that is payable on the following September 1 as a reserve for the principal payment payable on such September 1. The Recognized Obligation Debt Service Schedule shall not be amended except by Supplemental Indenture entered into pursuant to the Indenture. "Semiannual Period" means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

The Recognized Obligation Debt Service Schedule shall not be amended except by Supplemental Indenture entered into pursuant to the Indenture.

In addition, the Successor Agency shall place on the applicable Recognized Obligation Payment Schedule for approval by the Oversight Board and DOF, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the following half of the calendar year, as contemplated by paragraph (1)(A) of subdivision (d) of section 34171 of the Dissolution Act and any amount required to be deposited in the Reserve Account in order to maintain in the Reserve Account the amount of the Reserve Requirement.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the Bonds (see "RISK FACTORS").

History of Submission of the Recognized Obligation Payment Schedules. The Successor Agency has policies and procedures in place to ensure full and timely compliance with the above-described covenant. Under the direction of the Director of Finance, the Successor Agency has submitted its Recognized Obligation Payment Schedules, as described below.

	Funding Period	Date ROPS Approved by Oversight Board	Date Approved ROPS Submitted to DOF	Deadline to Submit ROPS to DOF	ROPS Submitted On Time?
ROPS I	Jan-Jun 2012	4/24/12	4/26/12	4/15/12	No
ROPS II	Jul-Dec 2012	4/24/12	4/26/12	4/27/12	Yes
ROPS III	Jan-Jun 2013	8/22/12	8/24/12	9/1/12	Yes
ROPS 2013-14A	Jul-Dec 2013	2/27/13	3/1/13	3/1/13	Yes
ROPS 2013-14B	Jan-Jun 2014	9/26/13	9/27/13	10/1/13	Yes
ROPS 2014-15A	Jul-Dec 2014	2/11/14	2/14/14	3/1/14	Yes
ROPS 2014-15B	Jan-Jun 2015	9/17/14	9/18/14	10/1/14	Yes

County Administrative Fees

Chapter 466, Statutes of 1990 (referred to as SB 2557), permits the County to withhold a portion of annual tax revenues for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. Section 34182(a)(3) of the California Health and Safety Code also provides for recovery of county costs in connection with performing duties related to the dissolution of redevelopment agencies. The actual fiscal year 2013-14 charges for the Successor Agency equate to 1.03% of gross RPTTF revenues. The Fiscal Consultant's projections included assume that the County administrative costs will continue to be charged at approximately 1.03% of gross revenue in subsequent fiscal years.

For purposes of showing debt service coverage, the Fiscal Consultant has assumed that the County administrative fees are senior to the Successor Agency's pledge of Tax Revenues to its obligation to make debt service payments on the Bonds.

Pass-Through Obligations

Taxing Agency Elections Payable Under H&S 33676 (BWIP Original Area). Redevelopment projects adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the California Health and Safety Code. The BWIP Original Project Area was adopted during the applicable time period. The annual payments represent that portion of property taxes that are, or otherwise would be, calculated annually pursuant to subdivision (f) of section 110.1 of the California Revenue and Taxation Code (and referred to as the 2% inflation allocation). In addition, based on the ruling in *Santa Ana Unified School District vs. Orange County Redevelopment Agency*, school and community college districts are entitled to the payments even if no election was made at the time of project area adoption. Seven taxing entities receive payments pursuant to this provision from the BWIP Original Area including the County, the City, Flood Control District, Mosquito Abatement District, AC Transit, BART, and the East Bay Regional Park District.

Tax Sharing Agreements (BWIP Original Area). The Successor Agency has five tax sharing agreements which apply only within the BWIP Original Area:

(1) **County of Alameda Pass-Through Agreement**. Pass-through payments to the County are based upon 50% of the County's share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to Section 33676 of the California Health and Safety Code. The County additionally receives 100% of its percentage share of former tax increment from five designated parcels. The County's percentage share under the pass-through agreement increases from 50% to 100% commencing with receipt of a cumulative of $566 million from the BWIP Original Area; however, it is projected that this threshold will never be reached because the $691 million cumulative limit for the Merged Project as a whole is projected to be reached first. In the event one or more properties under the ownership of the federal government or Peralta Community College identified in an exhibit to the agreement are placed on the tax rolls and developed without substantial assistance from the Former Agency, pass-through payments for those specific parcels would be based on 80% of the County's share. The agreement also provides for increased pass-throughs under a formula governed by sales tax generation in designated commercial areas; however, this provision has not been operative in the past and the projections do not include potential payments under this provision. Payments pursuant to the County agreement are limited to no more than the amount the County would receive absent the allocation of revenue to the RPTTF, which would represent approximately 17.9% of gross RPTTF revenue for the BWIP Original Area. Currently, pass through payments to the County represent approximately 15.3% of gross RPTTF revenue from the BWIP Original Area.

(2) **Alameda Unified School District Pass-Through Agreement**. Pass-through payments to the Alameda Unified School District (the "School District") consist of two components, (a) deposits to a "District Capital Outlay Fund," calculated as 4% of net former tax increment after deduction of the 20% housing set-aside and payments pursuant to Section 33676 of the California Health and Safety Code, and (b) deposits to a "District Housing Fund," equal to 8% of former tax increment and restricted for use consistent with the requirements for former housing

set-aside funds. The County has been deducting pass-through payments for the District Housing Fund but has withheld disbursement of the funds to the School District pending legal review.

(3) **East Bay Regional Park District Pass-Through Agreement**. Pass-through payments to the East Bay Regional Park District (the "Park District") are based upon 10% of the Park District's 2.77% share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to Section 33676 of the California Health and Safety Code.

(4) **Peralta Community College District Pass-Through Agreement**. Pass-through payments to Peralta Community College District (the "College District") are based upon 21% of the College District's 2.82% share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to Section 33676 of the California Health and Safety Code.

(5) **Alameda County Superintendent of Schools Pass-Through Agreement**. Pass-through payments to the County Superintendent of Schools (the "County Superintendent") are based upon 21% of the County Superintendent's 0.47% share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to Section 33676 of the California Health and Safety Code.

AB 1290 Statutory Pass-Throughs (all component project areas). Statutory pass-through payments under AB 1290 (set forth under sections 33607.7 and 33607.5 of the California Health and Safety Code) are required for each of the component areas that comprise the Merged Project. Statutory pass-through payments for the WECIP and BWIP Original Area were triggered by adoption of Ordinance No. 2889 and Ordinance No. 2963 to eliminate the debt incurrence time limitations for the WECIP and BWIP areas respectively as allowed under legislation enacted by SB 211. The statutory pass-through obligations for WECIP commenced in fiscal year 2004-05, which is the first year following the fiscal year in which the original July 5, 2003, debt incurrence time limit would have taken effect. The statutory pass-through obligations for BWIP commenced in fiscal year 2011-12, which is the first year following the fiscal year in which the original debt incurrence time limit would have taken effect. The BWIP Exchange Area was adopted after implementation of AB 1290 in 1994 and has been subject to statutory pass-through payments since adoption. The five taxing agencies with pass-through agreements in the BWIP Original area continue to receive contractual pass through payments. All taxing agencies in the WECIP and BWIP Exchange Areas and all taxing agencies for the BWIP Original Area other than the County, the School District, the Park District, the College District and the County Superintendent are eligible to receive their allocation of the resulting statutory pass through.

For purposes of showing debt service coverage, the Fiscal Consultant has assumed that all pass-through obligations are senior to the Successor Agency's pledge of Tax Revenues to its obligation to make debt service payments on the Bonds.

Alameda Landing DDA

Alameda Landing DDA. Pursuant to a disposition and development agreement for development of the Alameda Landing Mixed Use Project (the "Alameda Landing DDA") with Catellus Alameda Development, LLC ("Catellus"), former tax increment generated by the Alameda Landing Mixed Use Project ("Alameda Landing") is excluded from the pledge of Tax Revenues to the Bonds. Alameda Landing is located primarily within the BWIP Original Project Area and includes 285,000 square feet of retail

(157,000 square feet complete and 128,000 square feet currently under construction), 284 residential units of which 128 are currently under construction, and a future phase with approximately 400,000 square feet of office/commercial space, an additional 15,000 square feet of retail, and an eight-acre waterfront park. The Alameda Landing DDA was executed on December 5, 2006, with subsequent amendments approved on December 4, 2007, and June 4, 2008. The Alameda Landing DDA modified an earlier agreement with the Catellus Development Corporation executed on June 16, 2000, which addressed development of property corresponding to both the Alameda Landing and Bayport projects.

In additional to the exclusion of Alameda Landing generated revenues from the pledge of Tax Revenues, payments to Catellus derived from former "80% Tax Increment" generated by the adjacent Bayport Project are senior to the Bonds. The Bayport Project consists of 485 homes and generates the majority of the property tax revenue within the BWIP Exchange Area. Payments to Catellus derived from Bayport "80% Tax Increment" are net of an allocable share of debt service on the Bonds proportionate to the proceeds of the prior bonds used to fund infrastructure within the Bayport Project.

The balance due under the Alameda Landing DDA to be paid from former tax increment generated by both the Bayport and Alameda Landing Projects is currently $25.6 million. An additional $8 million will become due in the event the rate of return to Catellus falls below a specified threshold as determined at project completion, not expected for several more years.

For purposes of showing debt service coverage, the Fiscal Consultant has assumed that the Alameda Landing DDA is senior to the Successor Agency's pledge of Tax Revenues to its obligation to make debt service payments on the Bonds.

Other disposition and development and owner participation agreement obligations listed on the Successor Agency's Recognized Obligation Payment Schedule have either been paid in full or are unsecured contractual obligations of the Successor Agency and, accordingly, are not deducted from the projected revenues.

MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

Concurrently with the issuance of the Insured Bonds, BAM will issue the Municipal Bond Insurance Policy for the Insured Bonds. The Municipal Bond Insurance Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Municipal Bond Insurance Policy included as an exhibit to this Official Statement.

The Municipal Bond Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2014 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $492.2 million, $38.0 million and $454.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "MUNICIPAL BOND INSURANCE."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when' approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Insured Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (e.g. general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM's website at buildamerica.com/obligor/.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Insured Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the "Taxing Authority") for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax (each a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Funds.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code section 75.70 provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as the general property tax. The receipt of Supplemental Assessment revenues by taxing entities typically follows the change of ownership by a year or more. This statute provides increased revenue to the Redevelopment Property Tax Trust Fund to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. If a change in ownership results in a decrease in assessed value, a negative supplemental assessment may occur, requiring a refund of taxes paid to the property owner. To the extent such supplemental assessments occur within the Merged Project, tax increment may increase or decrease. Revenues resulting from Supplemental Assessments have not been included in the Fiscal Consultant's projections of tax increment available to pay debt service on the Bonds.

County Property Tax Collection and Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. In addition, sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the costs of administering the provisions of the Dissolution Act. For fiscal year 2013-14, the County charges were 1.03% of gross tax increment within the Merged Project. Based on the collection charges for fiscal year 2013-14, the Fiscal Consultant projected the charge for fiscal year 2014-15 as a percentage of gross tax increment to remain at 1.03%. For purposes of the Fiscal Consultant's projections of tax increment available to pay debt service on the Bonds, the Fiscal Consultant assumed that the County will continue to charge the Successor Agency for property tax collection and administration and that such charge will increase proportionally with any increases in revenue.

Teeter Plan

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Consequently, property tax revenues in the Merged Project do not reflect actual collections because the County allocates property tax revenues to the Successor Agency as if 100% of the calculated property taxes were collected without adjustment for delinquencies, redemption payments or roll adjustments. The County could elect to terminate this policy and, in such event, the amount of the levy of property tax revenue that could be allocated to the Successor Agency would depend upon the actual collections of the secured taxes within the Merged Project. Substantial delinquencies in the payment of property taxes could impair the timely receipt by the Successor Agency of Tax Revenues, although the Tax Revenues provide substantial debt service coverage on the Bonds. See "-Projected Available Net Tax Increment and Estimated Debt Service Coverage" below.

Unitary Property

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. The tax revenues are then to be allocated to each taxing entity county-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of a project area. Consequently, the base year values of project areas are reduced by the amount of utility value that existed originally in the base years. The Auditor Controller allocated a total of $46,038 of unitary tax revenue to the Merged Project for fiscal year 2013-14. The Fiscal Consultant estimates $47,000 of unitary revenues will be allocated to the Successor Agency from the Merged Project in fiscal year 2014-15. For purposes of the Fiscal Consultant's projection of tax revenues available to pay debt service on the Bonds, the Fiscal Consultant assumed that the amount of unitary revenue allocated for fiscal year 2014-15 will continue to be allocated to the Merged Project in the same amount for the life of the projection.

Article XIIIA of the State Constitution

Article XIIIA limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIIIA (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIIIA has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIIIA. Proposition 58 amended Article XIIIA to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIIIA, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first $1,000,000 of other property between parents and children. This amendment to Article XIIIA may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIIIA to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the Board of Equalization announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the

2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Through fiscal year 2010-11 there were six occasions when the inflation factor was less than 2%. Until fiscal year 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels; however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was -0.237% and this resulted in reductions to the adjusted base year value of parcels. The table below reflects the inflation adjustment factors for the current fiscal year and 10 prior fiscal years .

Historical Inflation Adjustment Factors

Fiscal Year	Inflation Adj. Factor
2004-05	1.867%
2005-06	2.000
2006-07	2.000
2007-08	2.000
2008-09	2.000
2009-10	2.000
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454

Appropriations Limitation—Article XIIIB

Article XIIIB limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The "base year" for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIIIB, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including section 33678 of the Redevelopment Law. The constitutionality of section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

See "THE MERGED PROJECT—Assessment Appeals" for information regarding historical and pending appeals of assessed valuations by property owners in the Merged Project.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After such reductions in value are implemented, the Assessor is required to review the property's market value as of each subsequent lien date and adjust the value of real property to the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIIIA of the California Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under Proposition 8 to residential properties are normally initiated by the Assessor but may also be requested by the property owner. Reductions of value for commercial, industrial and other land use types under Proposition 8 are normally initiated by the property owner as an assessment appeal.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

For a summary of the recent history of Proposition 8 reductions in the Merged Project, see "THE MERGED PROJECT—Assessed Appeals."

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIIIC and XIIID to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIIIC of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution.

Tax Revenues securing the Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency's ability to expend revenues.

THE SUCCESSOR AGENCY TO THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA

As described in "INTRODUCTION," the Dissolution Act dissolved the Former Agency as of February 1, 2012. Thereafter, pursuant to section 34173 of the Dissolution Act, the City became the Successor Agency to the Former Agency. Subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Successor Agency Powers

All powers of the Successor Agency are vested in its five members who are elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, substantially all Successor Agency actions are subject to approval by the Oversight Board, as well as review by the DOF.

Status of Compliance with Dissolution Act

The Dissolution Act requires a due diligence review to determine the unobligated balances of each successor agency that are available for transfer to taxing entities. The due diligence review involves separate reviews of each successor agency's low and moderate income housing fund and of all other funds and accounts. Once a successor agency completes the due diligence review and any transfers to taxing entities, the DOF will issue a finding of completion that expands the authority of each successor agency in carrying out the wind down process. A finding of completion allows a successor agency to, among other things, retain real property assets of the dissolved redevelopment agency and utilize proceeds derived from bonds issued prior to January 1, 2011.

The Successor Agency has completed the due diligence process and received its Finding of Completion on May 24, 2013.

After receiving a finding of completion, each successor agency is required to submit a Long Range Property Management Plan detailing what it intends to do with its inventory of properties. Successor agencies are not required to immediately dispose of their properties but are limited in terms of what they can do with the retained properties. Permissible uses include: sale of the property, use of the property to fill an enforceable obligation, retention of the property for future redevelopment, and retention of the property for governmental use. These plans must be filed by successor agencies within six months of receiving a finding of completion, and the DOF will review these plans as submitted on a rolling basis.

The Successor Agency submitted its Long Range Property Management Plan on February 12, 2014, and it is awaiting review by the DOF.

THE MERGED PROJECT

General

In July 1983, the City Council approved the WECIP Project Area to assist in the financing of streets, utilities, and other public improvements necessary to alleviate blight on properties along the Oakland/Alameda estuary and to make private sector investment economically feasible. The WECIP Project Area is located adjacent to and south of the Oakland Estuary, and east of Webster Street and the Webster Street Tube (as well as right of way contained in the commercial business street, known as Webster Street). The WECIP Project Area is an irregularly shaped area of approximately 225 acres of public and private land, divided into two segments separated by Constitution Way.

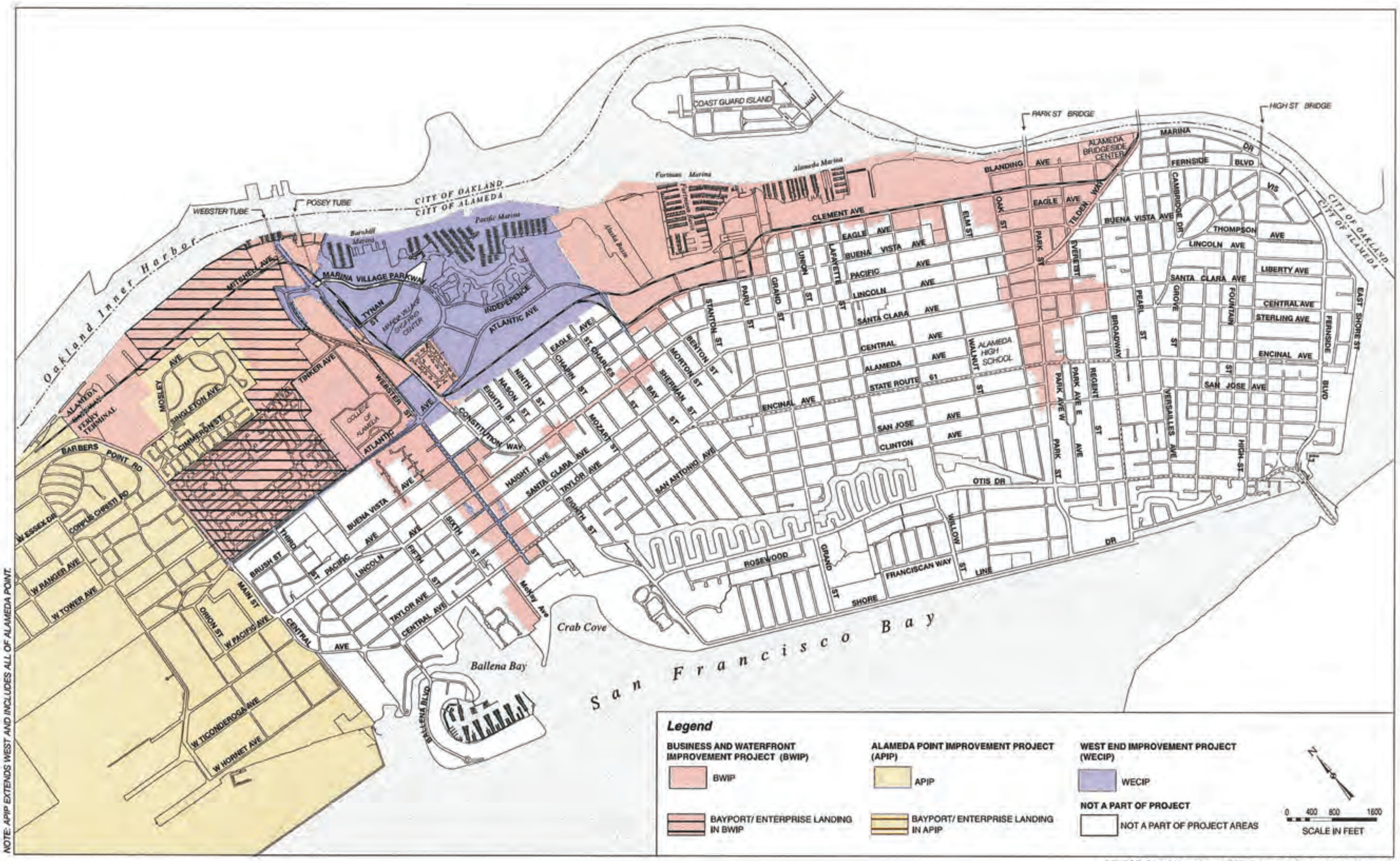
In June 1991, the City Council approved the Original BWIP Project Area, which is an irregularly shaped area of approximately 749 acres of public and private land. The Original BWIP Project Area includes the Park Street and Webster Street business districts, two neighborhood commercial districts along

Lincoln Avenue, most of the estuary waterfront from Tilden Way to the former Alameda Naval Air Station, now Alameda Point, the Civic Center, and the primary entrances to the City.

The City Council of the City adopted the WECIP Plan pursuant to Ordinance No. 2141, adopted on July 5, 1983. The City Council of the City adopted the BWIP Plan pursuant to Ordinance No. 2559, adopted on June 18, 1991.

On April 1, 2003, the City Council of the City adopted Ordinance Nos. 2896 and 2897, amending and merging the WECIP Plan and the BWIP Plan in order to add approximately 123 acres of territory (known as the "Exchange Area") to the Original BWIP Project Area (the Original BWIP Project Area, together with the Exchange Area, is referred to in this Official Statement as the "BWIP Project Area"). Those Ordinances also fiscally merged the BWIP Plan and the WECIP Plan and reestablished or extended, as applicable, eminent domain authority in the WECIP Project Area and the BWIP Project Area. The fiscally merged WECIP Project Area and the BWIP Project Area is referred to in this Official Statement as the "Merged Project." The fiscal merger of the BWIP Plan and the WECIP Plan allowed the Agency to finance and refinance redevelopment activities anywhere within the Merged Project by means of a pledge of tax increment revenues from the Merged Project.

A map highlighting the project areas is shown on the following page. Note that tax revenues from the Alameda Pont Project are not included in the Tax Revenues pledged to the repayment of the Bonds.



SOURCE: City of Alameda NOTE: This map is for graphic purposes only.

Plan Limits

The redevelopment plan include specific time and dollar limitations on collection of revenue for repayment of debt. The Merged Project has a $691 million limit on the cumulative amount of revenue that may be allocated for the WECIP and BWIP Original Area (the BWIP Exchange Area is not subject to the limit). The Merged Project Area also has a limit on the maximum amount of bonded indebtedness that may be outstanding at any one time. These limits are as follows:

TABLE 1
MERGED PROJECT
Redevelopment Plan Limits

		BWIP	BWIP
	WECIP	Original Area	Exchange Area
Adoption Date	7/5/1983	6/18/1991	4/1/2003
Final Date to Repay Debt	7/5/2036	6/18/2042	4/1/2049
Cumulative Revenue Limit	$691,000,000		No Limit
Bonded Indebtedness Limit	$210,000,000		

Based on tax increment receipt records of the Successor Agency and information provided by the County Auditor-Controller, a total of $176.2 million has been received through fiscal year 2013-14 toward the $691 million cumulative revenue limit for the Merged Project Area. Based upon the growth assumptions incorporated into the projection, $423 million or approximately 61% of the $691 million limit is projected to be collected through the final maturity for the Bonds. For the $691 million tax increment revenue limit to be reached prior to the final debt service payment in 2033, it is estimated that assessed values for the WECIP and BWIP Original Area would need to grow at a future annual rate in excess of approximately 7.4% per year.

See APPENDIX G—FISCAL CONSULTANT'S REPORT for a more detailed analysis of the cumulative tax increment limit.

Land Use

The Merged Project consists of approximately 1,097 acres. The Merged Project is zoned for mixed land uses with commercial, industrial and residential uses.

Designated land use in the Merged Project for fiscal year 2014-15, excluding the Alameda Landing property, is set forth in the following table.

TABLE 2
MERGED PROJECT
Land Use
Fiscal Year 2014-15

Land Use	No. of Parcels (1)	Taxable Value	% of Total
Residential	1,551	$ 768,391,470	42.2%
Commercial	405	586,876,341	32.2
Industrial	65	172,227,663	9.5
Other Secured	205	100,880,787	5.5
Unsecured	2,693	193,248,130	10.6
Total	4,919	$1,821,624,391	100.0%

Source: Fiscal Consultant.
(1) Includes unsecured assessments.

For further information about sub-categories of land uses, see APPENDIX G—FISCAL CONSULTANT'S REPORT.

Tax Rate

The tax rates which are applied to taxable values consist of two components: the General Tax Rate of $1.00 per $100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% ($1.00 of $100 taxable value) in accordance with Article XIIIA of the California Constitution. Prior to dissolution, the Former Agency's tax rate included the basic one percent levy and two debt service override levies approved by voters prior to 1989 for East Bay Regional Park and the East Bay Municipal Utility District. Commencing with dissolution, the County Auditor-Controller ceased allocating override levies to the Successor Agency's Redevelopment Property Tax Trust Fund based on section 38183(a)(1) of the Dissolution Act. Accordingly, a one percent levy is applied in the projections.

Assessed Values

The following table sets forth the assessed value history of the Merged Project with and without the assessed values associated with the non-pledged Alameda Landing property.

TABLE 3
MERGED PROJECT
Assessed Values
Fiscal Years 2009-10 through 2014-15

	Merged Project Total		Merged Project Total Excluding Alameda Landing Property	
Fiscal Year	Assessed Value	% Annual Change	Assessed Value	% Annual Change
2009-10	$1,773,314,691	—	$1,773,314,691	—
2010-11	1,733,072,955	-2.3%	1,733,072,955	-2.3%
2011-12	1,700,368,043	-1.9%	1,700,368,043	-1.9%
2012-13	1,720,532,048	1.2%	1,720,532,048	1.2%
2013-14	1,780,179,842	3.5%	1,767,143,205	2.7%
2014-15	1,896,523,401	6.5%	1,821,624,391	3.1%
5 Year Annualized % Change		1.4%		0.5%

Source: Fiscal Consultant

The Merged Project assessed value for fiscal year 2014-15, after deduction of the $74,899,010 Alameda Landing property assessed value is shown below:

TABLE 4
MERGED PROJECT
Assessed Value excluding the Alameda Landing Property
Fiscal Year 2014-15

	Assessed Value	% Total
Secured	$1,621,197,827	89%
Utility	7,178,434	0%
Unsecured	193,248,130	10%
Total	1,821,624,391	100%
Less: Base Year Assessed Value	(306,632,994)	17%
Incremental Assessed Value	1,514,991,397	83%

Source: Fiscal Consultant

Historical Taxable Values and Tax Increment Revenues

The following table sets forth historical taxable values and tax increment revenues for the Merged Project.

TABLE 5
MERGED PROJECT
Historical Taxable Values and Tax Revenues
Fiscal Years 2009-10 through 2013-14

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
Total Assessed Value	$1,773,314,691	$1,733,072,955	$1,700,368,043	$1,720,532,048	$1,780,179,842
Incremental Value	1,466,681,697	1,426,439,961	1,393,735,049	1,413,899,054	1,473,546,848
Total Annual Increment (1)	15,175,743	14,732,618	14,151,404	14,138,990	14,735,467
Gross RPTTF Collections (2)	15,646,412	14,890,470	14,315,967	14,361,538	15,252,859
Less: County Admin. Fees	(123,144)	(126,475)	(128,803)	(160,006)	(151,745)
Less: Pass-Through Payments	(2,995,650)	(2,806,940)	(2,618,647)	(2,712,579)	(3,071,948)
Less: Alameda Landing DDA (3)	0	0	0	(300,000)	(1,640,000)
Less: 2011 Bond Debt Service	0	(546,292)	(879,763)	(879,763)	(879,763)
Tax Revenues	12,527,618	11,410,763	10,688,755	10,309,191	9,509,403

Source: Fiscal Consultant.

(1) Represents regular secured and unsecured taxes computed based upon the Incremental Value multiplied by the applicable tax rate in each year.

(2) Includes regular secured, unsecured, unitary and supplemental and other taxes.

(3) Deduction to exclude revenues generated by the Alameda Landing Project and payments made pursuant to the Alameda Landing DDA. Fiscal year 2013-14 was the first year the Alameda Landing property was reflected in the tax rolls. Prior to commencement of payments on the Alameda Landing DDA, former 80% Tax Increment from the Bayport project was committed pursuant to the Bayport DDA, now paid in full (final payment made January 2014). .

Largest Taxpayers

The ten largest taxpayers in the Merged Project according to the 2014-15 assessed valuations, excluding the Alameda Landing project, are shown below. Three top taxpayers in the Merged Project with an aggregate 2014-15 assessed value of $74,899,010 are not reflected in the list as they are within the excluded Alameda Landing Project.

TABLE 6
MERGED PROJECT
Ten Largest Property Taxpayers
Fiscal Year 2014-15

	Property Owner	Property Use (1)	No. of Parcels (2)	2014-15 Assessed Value	% of Total Value (3)	% of Incremental Value (3)
1	Brookfield Properties (4)(8)	Office/Light Industrial	35	$181,504,705	10.0%	12.0%
2	Wind River Systems, Inc.	Office/Land	9	63,555,806	3.5	4.2
3	CREA Bridgeside LLC (8)	Retail	3	34,780,000	1.9	2.3
4	Legacy: Mariner Loop/Alameda II (5)(8)	Office	5	31,987,926	1.8	2.1
5	SRM Marina Investors LLC (9)	Marina	10	28,386,019	1.6	1.9
6	Oakmont Senior Living LLC (6)(8)	Institutional	2	25,563,647	1.4	1.7
7	Lennar Homes California Inc.	Land	1	17,077,180	0.9	1.1
8	Extra Space Storage, Inc. (7)	Self-Storage	3	16,795,047	0.9	1.1
9	Victoria Marina LLC	Retail	4	15,876,534	0.9	1.1
10	Bay Ship & Yacht Co.	Shipyard (unsecured)	2	14,187,845	0.8	0.9
			74	$429,714,709	23.6%	28.4%

Source: Fiscal Consultant.
(1) Based on land use codes in County Assessor database.
(2) Number of secured parcels and / or unsecured assessments.
(3) Based upon reported fiscal year 2014-15 total assessed value of $1,821,624,391 and incremental assessed value of $1,514,991,397 for the Merged Project, exclusive of the Alameda Landing property.
(4) Owned by BSREP Marina Village Owner LLC a Brookfield Properties limited liability corporation. Identified on the 2014-15 assessment roll as under the ownership of Legacy Partners I Alameda LLC but property was recently acquired by Brookfield following a deed in-lieu of foreclosure by Legacy. The property was acquired by Brookfield through purchase of note prior to foreclosure.
(5) These Legacy properties were not subject to deed in-lieu of foreclosure described in Note 4.
(6) Includes OakmontSL of Alameda LP ETAL and Oakmont Senior Living LLC.
(7) Includes Extra Space Properties Two LLC and Extra Space Storage, Inc.
(8) Property owner has pending assessment appeal filing(s) for fiscal year 2013-14. The filing deadline for fiscal year 2014-15 appeals had not yet passed as of the time the appeals analysis was prepared.

See APPENDIX G—FISCAL CONSULTANT'S REPORT for the top ten property taxpayers in the Merged Project.

Brookfield Asset Management Inc. (NYSE: BAM) ("Brookfield") represents 10% of the assessed value in the Merged Project. Brookfield, with $200 billion of assets under management, is a leading global asset management company focused on real estate, power generation, and infrastructure. Brookfield has a considerable presence in the commercial real estate sector with a global portfolio totaling approx. $120 billion.

New Development and Transfers of Ownership

New Development. New construction in the Merged Project occurring after the January 1, 2014, lien date for the fiscal year 2014-15 assessment roll is summarized below based on information provided by the City. Anticipated increases in assessed value from the identified projects are not reflected for purposes of the Fiscal Consultant's projections.

- **Alameda Landing Project** – The Alameda Landing Project is a multi-phase, mixed use project currently under development on the site of the former U.S. Navy Fleet Industrial Supply Center (FISC) within the BWIP Original Project Area. The project includes the following components:

  - Retail Component –285,000 square feet of retail including the recently completed 140,000 square foot Target store and 17,000 square foot Michaels store and an additional 128,000 square feet currently under construction that will include a new Safeway grocery store (a small amount of second story office/commercial space is part of the 128,000 square feet of development (less than 5%)).

  - Residential Component - 284 residential units of which of which 17% will be affordable units. Construction is currently underway on a 128-unit first phase.

  - Future Office/Commercial – existing project entitlements provide for approximately 400,000 square feet of office / commercial space, 15,000 square feet of additional retail space, and an eight-acre waterfront park as a future phase.

  Revenues generated by the Alameda Landing Project are excluded from Tax Revenues available for debt service on the Bonds.

- **501-555 Willie Stargell Avenue –** Construction of a new Chase Bank, an In and Out Burger and a Safeway Fuel center on a vacant 2.3 acre site commenced construction in summer 2014 and is expected to be complete by the end of the year. The project is located in the BWIP Original Project.

- **1600 Park Street** – A new 16,500 square foot Walgreens store and a new 8,000 square foot retail space at 1600 Park Street in the BWIP Original Project Area is currently under construction. Construction of the Walgreens is completed and the store opened in September 2014. Construction on the new retail space commenced in July 2014 and is anticipated to be completed in April 2015.

Transfers of Ownership. The Fiscal Consultant reviewed transfers of ownership activity in the Merged Project since the January 1, 2014, lien date for the fiscal year 2014-15 assessment roll utilizing data from the commercial data provider Costar. Based on a review of major transfers of ownership for properties valued at $5 million or above, one transfer of ownership was identified in the Project Area:

- **Marina Village** – This approximately 1.2 million square foot business park property was transferred by Legacy Partners to Brookfield Properties (BSREP Marina Village Owner LLC) as a deed in-lieu of foreclosure on May 8, 2014. Brookfield is reported to have purchased the loan on the property several years ago. Legacy will continue to manage the property on behalf of Brookfield. Brookfield reportedly plans substantial capital improvements. The property is the top taxpayer for 2014-15 with an assessed value of $181.5 million. An estimated $44 million net reduction from pending appeals for the property is reflected in the Fiscal Consultant's projections. After the estimated appeal reduction reflected in the projections, the assessed value of the property would be $137.5 million, approximately $20 million less than the $157 million first mortgage previously in place on the property. Brookfield reportedly obtained a $100 million first mortgage following acquisition of the property.

Assessment Appeals

The major taxpayers in the Merged Project have actively appealed their assessed values.

Resolved Appeals. In fiscal years 2008-09 through 2013-14, property owners in the Merged Project filed 663 assessment appeals. Of these appeals, 522 have been resolved, as shown in the following table. Of the 522 resolved appeals, 277 were either withdrawn or denied. In the resolved appeals, property owners had requested an aggregate reduction in assessed value of $834 million. Upon resolution, aggregate assessed value was reduced by $199 million.

Pending Appeals. There are currently 141 appeals pending in the Merged Project of which 76 pertain to fiscal year 2013-14 assessed valuations. Based on the historical results of appeals filed in fiscal years 2008-09 through 2013-14, the Successor Agency has assumed, for purposes of forecasting future Tax Revenues, that the fiscal year 2014-15 assessed valuation in the Merged Project will be reduced by $70 million. None of these appeals relate to the excluded Alameda Landing property. *While the Successor Agency believes this adjustment to be reasonable, there can be no assurance that actual successful appeals, if any, will not reduce assessed values by a greater amount.*

TABLE 7
MERGED PROJECT
Resolved Assessment Appeals
Fiscal Years 2008-09 through 2013-14

		Number of Filings			Assessed Value Reductions				
Fiscal Year	Total Filings	Total Resolved	Denied or Withdrawn	Stipulated or Reduced	County Roll Value ($millions)	Applicant Opinion ($millions)	Resolved Value ($millions)	Net Reduction ($ millions)	% Reduction
2008-09	118	118	91	27	$ 358	$ 189	$ 354	$ 5	1.3%
2009-10	184	184	92	92	657	366	592	65	9.8
2010-11	103	103	42	61	445	248	379	66	14.8
2011-12	89	87	32	55	323	176	262	61	18.9
2012-13	91	28	20	8	68	39	66	2	3.6
2013-14	78	2	0	2	1	1	1	0	8.1
TOTAL	663	522	277	245	$1,853	$1,019	$1,654	$199	10.7%

Source: Fiscal Consultant, as of July 25, 2014.

TABLE 8
MERGED PROJECT
Estimated Value Reductions from
2013-14 Pending Appeals

Filings	County Roll Value ($millions)	Applicant Opinion ($millions)	Projected Resolved Value ($millions)	Projected Net Reduction ($ millions)	% Reduction
76	$333,748	$179,405	$263,838	$69,910	21%

Source: Fiscal Consultant, as of July 25, 2014.

See APPENDIX G—FISCAL CONSULTANT'S REPORT for a more detailed analysis of the assessment appeals.

PROJECTED AVAILABLE TAX REVENUES AND ESTIMATED DEBT SERVICE COVERAGE

The table below shows available net tax increment from the Merged Project, assumes 0% growth beginning in fiscal year 2015-16 and includes projected debt service on the Bonds.

Tax Revenues presented in the projection represent the amount available for debt service computed as gross Redevelopment Property Tax Trust Fund Revenue less (1) the Senior Obligations; and (2) the Pass-Through Obligations. The projection commences with the 2014-15 fiscal year and incorporates the valuation assumptions made in the Fiscal Consultant's Report. No increase in assessed value has been reflected in the projections based on new development. Personal Property values are assumed to remain constant. The projections include an adjustment for pending appeals.

TABLE 9
MERGED PROJECT
Projection of Tax Revenues for Debt Service and Debt Service Coverage
(dollars in thousands)

(1) Year Ending 6/30	WECIP Tax Revenues	BWIP Original Tax Revenues	BWIP Exchange Tax Revenues	Total Merged Project RPTTF Revenues	Less: County Admin.	Less: Pass-Through Obligations	Less: Alameda Landing RPTTF	Less: Alameda Landing DDA	Less: 2011 Bond Debt Service	Merged Project Tax Revenues	(2) Debt Service	(2) Debt Service Coverage
2015	$4,533	$7,558	$3,855	$15,946	($164)	($3,314)	($477)	($1,359)	($880)	$ 9,752	$3,738	2.61x
2016	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644	3,744	2.31x
2017	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644	3,747	2.31x
2018	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644	3,774	2.29x
2019	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644	3,772	2.29x
2020	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(920)	8,604	3,790	2.27x
2021	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(948)	8,576	3,786	2.27x
2022	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(974)	8,550	3,797	2.25x
2023	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(1,003)	8,521	3,801	2.24x
2024	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(1,035)	8,488	3,807	2.23x
2025	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(1,065)	8,459	3,821	2.21x
2026	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(901)	(1,098)	9,379	3,826	2.45x
2027	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(36)	(1,128)	10,214	3,832	2.67x
2028	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(34)	(1,163)	10,182	3,836	2.65x
2029	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(30)	(1,193)	10,156	3,842	2.64x
2030	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,298)	(1,228)	8,853	3,851	2.30x
2031	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(2,242)	(1,262)	7,875	3,852	2.04x
2032	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(2,242)	(1,300)	7,837	3,870	2.03x
2033	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	0	(1,529)	9,849	3,544	2.78x

(1) Tax Revenues are presented for the fiscal year ending in the year; Bond debt service is presented for the calendar year as payable from that fiscal year Tax Revenues.
(2) Preliminary, subject to change.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in a Recognized Obligation Payment Schedule may be made by a successor agency from the funds specified in the Recognized Obligation Payment Schedule. Pursuant to section 34177 of the Dissolution Act, not less than 90-days prior to each January 2 and June 1, the Successor Agency shall submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule. For each Semiannual Period, the Dissolution Act requires each successor agency to prepare and approve, and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Consequently, Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the county auditor-controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the Bonds and to pay other enforceable obligations. See "THE DISSOLUTION ACT—Recognized Obligation Payment Schedule." In the event the Successor Agency were to fail to file a Recognized Obligation Payment Schedule with respect to a six-month period and, if applicable, the following half of the calendar year, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "THE DISSOLUTION ACT—Recognized Obligation Payment Schedule."

If a successor agency does not submit a Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations and the DOF does not provide a notice to the county auditor-controller to withhold funds from distribution to taxing entities, amounts in the Redevelopment Property Tax Trust Fund for such six-month period would be distributed to taxing entities.

For a description of the covenants made by the Successor Agency in the Indenture relating to the obligation to submit Recognized Obligation Payment Schedules on a timely basis, and the Successor Agency's history of submissions of Recognized Obligation Payment Schedules, see "THE DISSOLUTION ACT—Recognized Obligation Payment Schedule."

AB 1484 also adds new provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment Schedule for a six-month period. Specifically, a Recognized Obligation Payment Schedule must be submitted by the successor agency to the oversight board, to the county administrative officer, the county auditor-controller, the DOF, and the State Controller no later than 90 days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If a successor agency does not submit a Recognized Obligation Payment Schedule by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved Recognized Obligation Payment Schedule by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the Recognized Obligation Payment Schedule for subsequent six-month periods.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the "Redistribution Provisions" thereof (i.e., California Health and Safety Code sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora's constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora's takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the Bonds.

Reduction in Taxable Value

Tax Revenues allocated to the Redevelopment Property Trust Fund and thereby available to pay principal of and interest on the Bonds are determined by the amount of incremental taxable value in the Merged Project and the current rate or rates at which property in the Merged Project is taxed. The reduction of taxable values of property in the Merged Project caused by economic factors beyond the Successor Agency's control, such as relocation out of the Merged Project by one or more major property owners, sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the Bonds. Such reduction of tax increment available to pay debt service on the Bonds could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the Bonds; this risk could be increased by the significant concentration of property ownership in the Merged Project. see "THE MERGED PROJECT—Ten Largest Taxpayers."

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIIIA of the State Constitution," Article XIIIA provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds could reduce tax increment available to pay debt service on the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the Bonds and adversely affect the source of repayment and security of the Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the Bonds will be dependent upon the economic strength of the Merged Project. The general economy of the Merged Project will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Merged Project could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the Merged Project, the owners of property within the Merged Project may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Merged Project. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Concentration of Property Ownership

Based on fiscal year 2014-15 locally assessed taxable valuations, the top ten taxable property owners in the Merged Project, excluding the Alameda Landing property, represent approximately 23.6% of the total fiscal year 2014-15 taxable value and 28.4% of the fiscal year 2014-15 incremental value. Some of these property owners have pending assessed value appeals with respect to their property in the Merged Project. Although the bankruptcy, termination of operations or departure from one of the Merged Project by one of the largest property owners from the Merged Project could adversely impact the availability of Tax Revenues to pay debt service on the Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2014-15 available tax increment. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Reduction in Inflationary Rate

As described in greater detail below, Article XIIIA of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%.

Since Article XIIIA was approved, the annual adjustment for inflation has fallen below the 2% limitation several times; in fiscal year 2010-11, the inflationary value adjustment was negative for the first time at -0.237%. In fiscal year 2011-12, the inflationary value adjustment was 0.753%. For fiscal years 2012-13 and 2013-14, the inflationary value adjustment is 2.00%, which is the maximum permissible increase under Article XIIIA. The fiscal year 2014-15 inflationary value adjustment is 0.454%.

The Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Merged Project, whether an increase or a reduction, will be realized in the future.

Development Risks

The general economy of a redevelopment project area will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project area is delayed or halted, the economy of the redevelopment project area could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues.

The Successor Agency believes that a decline in development activity in the Merged Project is unlikely to adversely impact its ability to pay debt service on the Bonds in light of the debt service coverage provided by fiscal year 2014-15 Tax Revenues. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

Assessment Appeals

Property taxable values may be reduced as a result of Proposition 8, which reduces the assessed value of property, or of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the respective project area and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Pledged Tax Revenues and, potentially, Revenues under the Indenture. The Successor Agency has in the past experienced reductions in its Tax Increment Revenues as a result of assessment appeals. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. For a discussion of historical assessment appeals in the Project Area and summary information regarding pending and resolved assessment appeals for the Successor Agency, see APPENDIX G—FISCAL CONSULTANT'S REPORT.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the tax increment available to pay debt service on the Bonds.

Although delinquencies in the payment of property taxes by the owners of land in the Merged Project, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2014-15 net tax increment. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Although such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2014-15 net tax increment. See "Projected AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Estimated Revenues

In estimating that net tax increment will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Merged Project, future tax rates and percentage of taxes collected. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the net tax increment available to pay debt service on the Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of, premium (if any) and interest on the Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the Merged Project. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Merged Project be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Natural Disasters

The value of the property in the Merged Project in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the Merged Project could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

Seismic. The City is located in close proximity to several seismically active earthquake faults, including the two most prominent and active faults in the San Francisco Bay Area, the San Andreas and Hayward faults. Therefore, the entire City is subject to hazardous ground shaking in a major earthquake. The City has experienced earthquakes with a Richter magnitude of 6.0 or greater and with the epicenter being within the San Francisco Bay Area. Earthquake damage to structures can be caused by ground rupture, liquefaction, groundshaking, and possibly inundation from tsunami. The level of damage in the City resulting from an earthquake would depend upon the magnitude of the event, the epicenter distance from the City, the response of geologic materials, and the strength and construction quality of structures. During an earthquake, shaking of granular loose soil saturated with water can lead to liquefaction. Liquefaction is a transformation of soil from a solid to a liquefied state, resulting from the buildup of excess pore water pressure, especially during earthquake-induced cyclic loading. Soil susceptible to liquefaction includes loose to medium dense sand and gravel, low-plasticity silt and some low-plasticity clay deposits. Earthquake damage in the Merged Project would adversely affect assessed valuation and therefore the ability of the Successor Agency to pay debt service on the Bonds.

Flood. The Federal Emergency Management Agency ("FEMA") prepared new maps of the City's flood risk potential in December 2007, which went into effect on August 3, 2009. The majority of the City is designated as Zone X (i.e., areas outside the 500-year flood zone). Should widespread flooding occur, both Merged Project and the City would be at equal risk to damage due to the small size of the City and the general lack of variegated topography. Flooding in the Merged Project and City could also occur as a result of global climate change, storm-induced flooding, inundations from dam failure, and tsunamis as discussed below.

State Budget Issues

On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the "2014-15 Budget"). The following information is drawn from the State Department of Finance's summary of the 2014 15 Budget. The 2014-15 Budget is based on revenue projections previously included in the Governor's May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of $102.2 billion, and total State general fund expenditures of $100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a $2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of $109.4 billion and total State general fund expenditures of $108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately $2.1 billion. This projected reserve is a combination of $449 million in the State's general fund traditional reserve, and an authorized deposit of $1.6 billion into the Budget Stabilization Account established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

The full text of each Assembly Bill cited above may be obtained from the "Official California Legislative Information" website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: http://www.leginfo.ca.gov/bilinfo.html. Information about the State budget and State spending is available at various State maintained websites. Text of the 2014-15 Budget and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

Certain litigation is pending which challenges some of the terms of the Dissolution Act, and it is anticipated that there will be additional future legislation in this area. See "—Challenges to Dissolution Act." The Successor Agency cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

None of the websites or web pages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Successor Agency makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Indenture.

In addition, current and future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals.

Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Series 2014A Bonds. Federal tax law contains a number of requirements and restrictions which apply to the Series 2014A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Successor Agency has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2014A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2014A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2014A Bonds.

Subject to the Successor Agency's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, interest on the Series 2014A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Series 2014A Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Successor Agency with respect to certain material facts within the Successor Agency's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax exempt interest, including interest on the Series 2014A Bonds.

Ownership of the Series 2014A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Series 2014A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for the Series 2014A Bonds is the price at which a substantial amount of the Series 2014A Bonds is first sold to the public. The Issue Price of the Series 2014A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

Owners of Series 2014A Bonds who dispose of Series 2014A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2014A Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2014A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2014A Bond is purchased at any time for a price that is less than the Series 2014A Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Series 2014A Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2014A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2014A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2014A Bonds.

An investor may purchase a Series 2014A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2014A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. The amortized bond premium is treated as a reduction in the tax exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2014A Bonds. Investors who purchase a Series 2014A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2014A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2014A Bonds.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2014A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2014A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2014A Bonds. If an audit is commenced, under current procedures the Service may treat the Successor Agency as a taxpayer and the Series 2014A Bond owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2014A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Series 2014A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2014A Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2014A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the Series 2014A Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Series 2014A Bonds may result in other state and local tax consequences to certain taxpayers. Series 2014A Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2014A Bonds. Prospective purchasers of the Series 2014A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Series 2014A Bonds is set forth in APPENDIX B—FORMS OF OPINIONS OF BOND COUNSEL—Series 2014A Bonds.

Series 2014B Bonds. Interest on the Series 2014B Bonds is includible in gross income for federal income purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Series 2014B Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series 2014B Bonds in gross income for federal income tax purposes and any collateral tax consequences.

In the opinion of Bond Counsel, interest on the Series 201B Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Series 2014B Bonds may result in other state and local tax consequences to certain taxpayers. Series 2014B Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2014B Bonds. Prospective purchasers of the Series 2014B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Series 2014B Bonds is set forth in APPENDIX B—FORMS OF OPINIONS OF BOND COUNSEL—Series 2014B Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will examine the arithmetical accuracy of certain computations included in the schedules relating to the refunding of the 2003A1 Bonds, the 2003A2 Bonds and the 2003B Bonds . See "REFUNDING PLAN." The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

UNDERWRITING

Series 2014A Bonds. The Series 2014A Bonds are being purchased by Piper Jaffray & Co. (the "Underwriter"). The Underwriter has agreed to purchase the Series 2014A Bonds at a price of $26,978,086.95 (the "Series A Purchase Price") (being the principal amount of the Series A Bonds of $23,495,000, less an Underwriter's discount of $82,232.50, and plus an original issue premium of $3,565,319.45). The Underwriter will purchase all of the Series 2014A Bonds if any are purchased.

The Underwriter may offer and sell Series 2014A Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

Series 2014B Bonds. The Series 2014B Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Series 2014B Bonds at a price of $24,973,240.50 (the "Series B Purchase Price") (being the principal amount of the Series B Bonds of $25,080,000, less an Underwriter's discount of $87,780.00, less an original issue discount of $18,979.50). The Underwriter will purchase all of the Series 2014B Bonds if any are purchased.

The Underwriter may offer and sell Series 2014B Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has entered into a distribution agreement (the "Schwab Distribution Agreement") with Charles Schwab & Co., Inc. ("Schwab ") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Schwab Distribution Agreement, Schwab will purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that Schwab sells.

The Underwriter and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation ("Pershing"), entered into an agreement (the "Pershing Agreement") which enables Pershing to distribute certain new issue municipal securities underwritten by or allocated to the Underwriter, including the Bonds. Under the Pershing Agreement, the Underwriter will share with Pershing a portion of the fee or commission paid to the Underwriter.

FINANCIAL ADVISOR

The Successor Agency has retained the Financial Advisor in connection with the authorization, issuance, sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Financial Advisor is an independent registered municipal advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

LEGAL OPINIONS

The final approving opinions of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the Bonds. Copies of the proposed forms of Bond Counsel's final approving opinions with respect to the Bonds are attached hereto in APPENDIX B—FORMS OF OPINIONS OF BOND COUNSEL. In addition, certain legal matters will be passed on by Quint & Thimmig LLP, as Disclosure Counsel, and by McFarlin & Anderson LLP, as Underwriter's Counsel. Certain legal matters will be passed on for the Successor Agency by the City Attorney, as Counsel for the Successor Agency.

Compensation paid to Bond Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon the sale and delivery of the Bonds.

LITIGATION

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency taken with respect to any of the foregoing. See, however, "RISK FACTORS—Challenges to Dissolution Act."

RATINGS

S&P is expected to assign the rating of "AA" to the Insured Bonds based on the issuance of the Municipal Bond Insurance Policy by the Municipal Bond Insurer at the time of delivery of the Insured Bonds. See "MUNICIPAL BOND INSURANCE." In addition, S&P has assigned the underlying rating of "A+" to the Bonds without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P at 55 Water Street, New York, NY 10041. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than March 31 after the end of each fiscal year of the Successor Agency (currently June 30), commencing not later than March 31, 2015 with the report for the 2013-14 fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain listed events. The specific nature of the information to be contained in the Annual Report or the notices of listed events is summarized in APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2 12(b)(5) (the "Rule").

The City and its related entities, including the Former Agency and the Successor Agency, previously entered into disclosure undertakings under the Rule in connection with the issuance of long-term obligations. During the past five years, the City, the Former Agency and the Successor Agency, or other related entities, failed to comply in all respects with their undertakings.

For example, with respect to filings by the Former Agency and the Successor Agency, the operating data filed with respect to Fiscal Years 2008-09 through 2012-13, as applicable, did not contain all specific items referenced in the respective continuing disclosure undertakings. In addition, the audit for Fiscal Year 2012-13 and the annual financial and operating data for Fiscal Year 2008-09 were each filed under a City of Alameda CUSIP base number rather than under the CUSIP base number for the correct financing. Finally, notices that S&P upgraded the underlying ratings of the 2003A1 Bonds, 2003A2 Bonds and 2003C Bonds in 2010 were not filed at the time the rating changes occurred.

With respect to disclosure filings by the City and its other related entities in connection with financings by the City, the City of Alameda Financing Authority, the Alameda Public Financing Authority, the Northern California Power Agency and Alameda Power & Telecom, as applicable, (i) the audit and the annual financial information and operating data for the municipal power system for Fiscal Year 2008-09 was not filed with respect to two issues, (ii) the audit and the annual financial information and operating data for the municipal power system was prepared timely but filed approximately 16 days late by the dissemination agent for Fiscal Year 2012-13, and (iii) the City comprehensive annual financial report and the annual financial information and operating data was filed approximately 10 days late with respect to Fiscal Year 2008-09, approximately 15 days late with respect to Fiscal Year 2010-11, and approximately 41 days late with respect to Fiscal Year 2011-12. In addition, the annual financial information and operating data of the City for Fiscal Year 2008-09 through 2012-13 did not contain all of the information required under the respective disclosure undertakings and the Fiscal Year 2008-09 operating data for Alameda Power & Telecom for Fiscal Year 2008-09 did not contain all of the information required under its disclosure undertaking. Additionally, notices of rating changes were not always filed with respect to financings which were rated.

Information for currently outstanding issues has either been filed, or is being researched so that supplemental information which is available, will be filed prior to issuance of the Bonds.

The City has established procedures to ensure compliance with their continuing disclosure undertakings in the future for the City and for all entities that are created or controlled by the City.

AUDITED FINANCIAL STATEMENTS

Excerpts from the City's Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013 (the "City CAFR") is attached as APPENDIX E—EXCERPTS FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF ALAMEDA FOR THE FISCAL YEAR ENDED JUNE 30, 2013. The City CAFR includes the Successor Agency's audited financial statements for the fiscal year ended June 30, 2013. The Successor Agency's audited financial statements were audited by Maze & Associates (the "Auditor"). The Auditor has not been asked to consent to the inclusion of the Successor Agency's audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in "SECURITY FOR THE BONDS—Limited Obligation," the Bonds are payable from and secured by a pledge of Tax Revenues and the Bonds are not a debt of the City. Excerpts from the City CAFR are attached as Appendix E to this Official Statement only because it includes the Successor Agency's audited financial statements.

MISCELLANEOUS

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans for the Merged Project, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT
COMMISSION OF THE CITY OF
ALAMEDA

By /s/ John A. Russo
John A. Russo
Executive Director

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture, dated as of December 1, 2014, between the Successor Agency and the Trustee (the "Indenture"), which are not described elsewhere in this Official Statement. This summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.

Definitions

The following are definitions of certain terms used in this Official Statement. Other capitalized terms used in the Indenture are defined in the Indenture.

"*Agency*" means the former Community Improvement Commission of the City of Alameda.

"*Alameda Landing DDA*" means the disposition and development agreement for development of the Alameda Landing Mixed Use Project with Catellus Alameda Development, LLC ("Catellus"), executed on December 5, 2006, with subsequent amendments approved on December 4, 2007, and June 4, 2008.

"*Alameda Landing Property*" means the real property described in the Indenture.

"*Alameda Point Plan*" means the Community Improvement Plan for the Alameda Point Project, together with any amendments to such plan approved in accordance with the Law.

"*Alameda Point Project*" "means the area of the undertaking pursuant to the Alameda Point Plan, together with any amendments of such redevelopment plan at any time duly authorized pursuant to the Law.

"*Annual Debt Service*" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and any Parity Debt in such Bond Year, assuming that the Outstanding Bonds and Parity Debt are retired as scheduled, and (b) the principal or sinking fund amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

"*BAM*" means Build America Mutual Assurance Company, or any successor thereto.

"*Bonds*" means, collectively, the Series A Bonds and the Series B Bonds, and, when the context requires, any Parity Debt.

"*BWIP Plan*" means the Community Improvement Plan for the BWIP Project, approved by Ordinance No. 2559 enacted by the City Council of the City on June 18, 1991, together with any amendments to such plan approved in accordance with the Law.

"*BWIP Project*" means the Business and Waterfront Improvement Project Area described in the BWIP Plan, together with the area known as the "Exchange Area" added to the BWIP Project by reason of amendments to the BWIP Plan and the Alameda Point Plan.

"*Bond Year*" means any twelve-month period beginning on September 2 in any year and ending on the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on September 1, 2015.

"*Business Day*" means a day of the year, other than a Saturday or Sunday, on which banks in Los Angeles and San Francisco, California, are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"*City*" means City of Alameda, California.

"*Closing Date*" means the date on which the Bonds are delivered by the Successor Agency to the original purchaser thereof.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced in the Indenture) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"*Continuing Disclosure Certificate*" means the Continuing Disclosure Certificate executed by the Successor Agency dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, fiscal consultants, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, premiums for municipal bond insurance and reserve fund surety bonds, if any, premiums for the Municipal Bond Insurance Policy and the Reserve Policy and any other cost, charge or fee in connection with the original issuance of the Bonds.

"*Costs of Issuance Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*County*" means Alameda County.

"*Debt Service Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*Defeasance Obligations*" means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, (e) CATS, TIGRS, STRPS, and (f) defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing).

"*Dissolution Act*" means Parts 1.8 (commencing with section 34161) and 1.85 (commencing with section 34170) of Division 24 of the California Health and Safety Code, as amended.

"*Escrow Agreements*" means, collectively, the 2003A1 Escrow Agreement, the 2003A2 Escrow Agreement, the 2003B Escrow Agreement and the 2003C Escrow Agreement.

"*Escrow Bank*" means MUFG Union Bank, N.A., as escrow bank under the Escrow Agreements, or any successor thereto appointed as escrow bank thereunder.

"*Event of Default*" means any of the events described in the Indenture.

"*Federal Securities*" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the timely payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; (b) obligations of any agency or department of the United States of America which represent the full faith and credit of the United States of America or the timely payment of the principal of and interest on which are secured or guaranteed by the full faith and credit of the United States of America; and (c) any obligations issued by the State of California or any political subdivision thereof the payment of and interest and premium (if any) on which are fully secured by Federal Securities described in the preceding clauses (a) or (b), as verified by an independent certified public accountant, and rated "AAA" and "Aaa" by S&P and Moody's, respectively.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

"*Indenture*" means the Indenture of Trust, dated as of December 1, 2014, by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions hereof.

"*Independent Accountant*" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"*Independent Financial Consultant*" means any financial consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds or any Parity Debt; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"*Independent Redevelopment Consultant*" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; (c) does not have any substantial interest, direct or indirect, with the Successor Agency; and (d) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"*Information Services*" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

"*Interest Account*" means the account by that name established and held by the Trustee pursuant to the Indenture.

"*Interest Payment Date*" means March 1 and September 1 in each year, commencing March 1, 2015, so long as any of the Bonds remain Outstanding under the Indenture.

"*Insured Bonds*" means all Series A Bonds and Series B Bonds maturing on September 1, in the years 2020, through 2026.

"*Late Payment Rate*" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as BAM in its sole and absolute discretion shall specify.

"*Law*" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the California Health and Safety Code, and the acts amendatory thereof and supplemental thereto.

"*Maximum Annual Debt Service*" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year following the anticipated issuance of Bonds and Parity Debt.

"*Merged Plan Limitations*" means the limitations contained or incorporated in the Merged Plan on (a) the aggregate principal amount of indebtedness which may be outstanding at any time, (b) the aggregate amount of taxes which may be divided and allocated to the Successor Agency pursuant to the Merged Plan, and (c) the period of time for establishing or repaying indebtedness.

"*Merged Plan*" collectively, the BWIP Plan and the WECIP Plan.

"*Merged Project*" "the merged BWIP Project and the WECIP Project, as such merger was completed pursuant to Ordinance Nos. 2896 and 2897 adopted by the City Council of the City on April 1, 2003.

"*Moody's*" means Moody's Investors Service, its successors and assigns.

"*Municipal Bond Insurance Policy*" means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

"*Negotiated Pass-Through Amounts*" means amounts paid to affected taxing agencies pursuant to the Pass-Through Agreements

"*Original Purchaser*" means Piper Jaffray & Co., the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

"*Outstanding*" when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of the Indenture; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant hereto.

"*Oversight Board*" means the oversight board to the Successor Agency duly constituted from time to time pursuant to section 34179 of the Dissolution Act.

"*Owner*" or "*Bondowner*" or "*Bond Owner,*" when used with respect to the Bonds, means the person in whose name the ownership of the Bonds shall be registered on the Bond Registration Books.

"*Parity Debt*" means any loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the Bonds pursuant to the Indenture. For all purposes of the Indenture, the Series A Bonds and the Series B Bonds are Parity Debt.

"*Participating Underwriter*" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"*Pass-Through Agreements*" means, (a) the agreement, dated May 14, 1991, by and between the Former Agency and the County, (b) the agreement, dated November 12, 1991, by and between the Former Agency and the Alameda Unified School District, (c) the agreement, dated June 4, 1991, by and between the Former Agency and the East Bay Regional Park District, (d) the agreement, dated August 7, 1991, by and between the Former Agency and the Peralta Community College District, and (e) the agreement, dated August 7, 1991, by and between the Former Agency and the Alameda County Superintendent of Schools.

"*Permitted Investments*" means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. U.S. Farmers Home Administration (FmHA)
   Certificates of Beneficial Ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation Certificates

6. Government National Mortgage Association (GNMA or Ginnie Mae)
   GNMA—guaranteed mortgage-backed bonds
   GNMA—guaranteed pass-through obligations

7. U.S. Maritime Administration
   Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
   Project Notes
   Local Authority Bonds
   New Communities Debentures - U.S. government guaranteed debentures
   U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are not backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Participation Certificate
Senior debt obligations

3. Federal National Mortgage Association (FNMA or Fannie Mae)
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or Sallie Mae)
Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, which invest solely in Federal Securities, if rated by S&P, having a rating of AAAm-G; and if rated by Moody's having a rating of Aaa, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Certificates of deposit and deposit accounts secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks or savings and loan associations (including the Trustee or its affiliates). The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC including those of the Trustee and its affiliates.

(g) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(h) Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or better by Moody's and "A-1" or better by S&P.

(i) the Local Agency Investment Fund of the State, created pursuant to 16429.1 of the California Government Code.

(j) other forms of investments that satisfy the City's Statement of Investment Policy.

"*Principal Account*" means the account by that name established and held by the Trustee pursuant to the Indenture.

"*Principal Corporate Trust Office*" means such principal corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Successor Agency, initially being at 350 California Street, 11th Floor, San Francisco, CA 94104, except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"*Rating Category*" means any generic rating category of Moody's or S&P, without regard to any refinement of such category by plus or minus sign or by numerical or other qualifying designation.

"*Recognized Obligation Payment Schedule*" means a Recognized Obligation Payment Schedule, prepared and approved from time to time pursuant to subdivision (l) of section 34177 of the Dissolution Act.

"*Record Date*" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"*Redemption Account*" means the account by that name established and held by the Trustee pursuant to the Indenture.

"*Redevelopment Obligation Retirement Fund*" means the fund by that name established pursuant to section 34170.5 of the Dissolution Act and referenced in the Indenture.

"*Redevelopment Plans*" means, collectively, the Alameda Point Plan and the Merged Plan.

"*Refunding Bond Law*" means, collectively, section 34177.5(g) of the Dissolution Act and section 53580 *et seq*. of the California Government Code

"*Registration Books*" means the records maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

"*Report*" means a document in writing signed by an Independent Financial Consultant or an Independent Redevelopment Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"*Reserve Account*" means the account by that name established and held by the Trustee pursuant to the Indenture.

by and between the Successor Agency and BAM.

"*Reserve Policy*" means the Reserve Account Municipal Bond Insurance Policy issued by BAM in lieu of a cash funded reserve fund for the Bonds in an amount equal to the Reserve Requirement.

"*Reserve Requirement*" means, as of any date of calculation, to be equal to the least of (a) Maximum Annual Debt Service for the then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for the then current and every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds and any Parity Debt.

"*Responsible Officer*" means any Vice President, Assistant Vice President or Trust Officer of the Trustee with responsibility for matters related to the Indenture.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., New York, New York, or its successors.

"*Securities Depositories*" means The Depository Trust Company, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Successor Agency may designate in a Certificate of the Successor Agency delivered to the Trustee.

"*Series A Bonds*" means the $23,495,000 Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Tax Allocation Refunding Bonds, Series 2014A.

"*Series B Bonds*" means the $25,080,000 Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B.

"*State*" means the State of California.

"*Statutory Pass-Through Amounts*" means amounts paid to affected taxing agencies pursuant to sections 33607.5 and/or 33607.7 of the Law and section 34183 of the Dissolution Act.

"*Successor Agency*" means the Successor Agency to the Community Improvement Commission of the City of Alameda, as successor to the former Community Improvement Commission of the City of Alameda, a public body corporate and politic duly organized and existing under the Law.

"*Supplemental Indenture*" means any resolution, agreement or other instrument which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"*Tax Revenues*" means the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, but specifically excluding any moneys deposited therein derived from the Alameda Point Project or from the Alameda Landing Property, less (a) the County administrative fees, (b) Statutory Pass-Through Amounts, (c) Negotiated Pass-Through Amounts, (d) amounts required to be paid pursuant to section 33676 of the Law, (e) amounts payable under the Alameda Landing DDA except to the extent made from revenues derived from the Alameda Landing Property, and (f) amounts required for the payment of debt service on the 2011A Bonds and the 2011B Bonds. If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

"*Trustee*" means MUFG Union Bank, N.A., as trustee under the Indenture, or any successor thereto appointed as trustee thereunder in accordance with the provisions of the Indenture.

"*2003A1 Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and between the Successor Agency and the Escrow Bank, pursuant to which provision will be made for the refunding of the 2003A1 Bonds.

"*2003A1 Escrow Fund*" means the Escrow Fund held by the Escrow Bank under and pursuant to the 2003A1 Escrow Agreement.

"*2003A1 Bonds*" means the Community Improvement Commission of the City of Alameda Insured Tax Allocation Bonds (Merged Improvement Areas), Series 2003A1, issued to finance redevelopment activities within and for the benefit of the Merged Project, of which $7,090,000 principal amount remains outstanding.

"*2003A2 Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and between the Successor Agency and the Escrow Bank, pursuant to which provision will be made for the refunding of the 2003A2 Bonds.

"*2003A2 Escrow Fund*" means the Escrow Fund held by the Escrow Bank under and pursuant to the 2003A2 Escrow Agreement.

"*2003A2 Bonds*" means the Community Improvement Commission of the City of Alameda Insured Taxable Tax Allocation Bonds (Merged Improvement Areas), Series 2003A2, issued to finance redevelopment activities within and for the benefit of the Merged Project, of which $28,120,000 principal amount remains outstanding.

"*2003B Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and between the Successor Agency and the Escrow Bank, pursuant to which provision will be made for the refunding of the 2003B Bonds.

"*2003B Escrow Fund*" means the Escrow Fund held by the Escrow Bank under and pursuant to the 2003B Escrow Agreement.

"*2003B Bonds*" means the Community Improvement Commission of the City of Alameda Subordinated Tax Allocation Bonds (Merged Improvement Areas), Series 2003B, issued to finance redevelopment activities within and for the benefit of the Merged Project, of which $8,485,000 principal amount remains outstanding.

"*2003C Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and between the Successor Agency and the Escrow Bank, pursuant to which provision will be made for the refunding of the 2003C Bonds.

"*2003C Escrow Fund*" means the Escrow Fund held by the Escrow Bank under and pursuant to the 2003C Escrow Agreement.

"*2003C Bonds*" means the Community Improvement Commission of the City of Alameda Tax Allocation Refunding Bonds (Business and Waterfront Improvement Area), Series 2003C, issued to finance redevelopment activities within and for the benefit of the Merged Project, of which $14,920,000 principal amount remains outstanding.

"*2011A Bonds*" means the Community Improvement Commission of the City of Alameda 2011 Tax Allocation Housing Bonds, Subordinate Series A (Taxable) (Merged WECIP/BWIP Project Area).

"*2011B Bonds*" means the Community Improvement Commission of the City of Alameda 2011 Tax Allocation Housing Bonds, Subordinate Series B (Tax-Exempt) (Merged WECIP/BWIP Project Area).

"*WECIP Plan*" means the Community Improvement Plan for the WECIP Project, approved by Ordinance No. 2141 enacted by the City Council of the City on July 5, 1983, together with any amendments to such plan approved in accordance with the Law.

"*WECIP Project*" means the West End Community Improvement Project area described in the WECIP Plan.

"*Written Request of the Successor Agency*" or "*Written Certificate of the Successor Agency*" means a request or certificate, in writing signed by the Chairman, the Executive Director or the Treasurer of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

Costs of Issuance Fund

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date three months following the Closing Date, or upon the earlier Written Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account and the Costs of Issuance Fund shall be closed.

Issuance of Parity Debt

In addition to the Bonds, the Successor Agency may issue or incur Parity Debt to refund the Bonds or previously issued Parity Debt in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee. The Successor Agency may issue or incur such Parity Debt subject to the following specific conditions precedent:

(a) The Successor Agency will be in compliance with all covenants set forth in the Indenture;

(b) The Oversight Board shall have approved the issuance of the Parity Debt.

(c) The annual debt service on such Parity Debt must be lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding and the final maturity of any such Parity Debt must not exceed the final maturity of the obligations being refunded

(d) The Parity Debt will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for bonds substantially in accordance with the Indenture, and (ii) the deposit of moneys or a surety bond into the Reserve Account in an amount sufficient, together with the balance of the Reserve Account, to equal the Reserve Requirement on all Bonds expected to be outstanding including the Parity Debt;

(e) If applicable, receipt of a certificate or opinion of an Independent Financial Consultant stating that the total net interest cost to maturity of the Parity Debt plus the principal amount of the Parity Debt will not exceed the total net interest cost to maturity of the Bonds or previously issued Parity Debt to be refunded plus the principal amount of the Bonds or previously issued Parity Debt to be refunded.

(f) The Parity Debt will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Debt until either the next succeeding March 1 or September 1).

Security of Bonds; Equal Security

Except as otherwise provided in the Indenture, the Bonds and any additional Parity Debt shall be equally secured by a pledge and lien on all of the Tax Revenues and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account, the Reserve Account and the Redemption Account therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Bonds by those who shall own the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements in the Indenture set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues

The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts received therein to the Debt Service Fund established and held by the Trustee under the Indenture until such time during such Bond Year as the amounts so transferred to the Debt Service Fund under the Indenture equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund in such Bond Year pursuant to the Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture.

Deposit of Amounts by Trustee

Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective accounts within the Debt Service Fund, in the following order of priority:

Interest Account. On or before the fifth Business Day preceding each Interest Payment Date, commencing February 23, 2015, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity pursuant to the Indenture).

Principal Account. On or before the fifth Business Day preceding each September 1, commencing August 25, 2015, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to one-half of the principal payments becoming due and payable on Outstanding Bonds and Parity Debt on the next September 1, to the extent monies on deposit in the Debt Service Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal payments to become due on the next September 1 on all Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the Bonds and Parity Debt as it becomes due and payable.

Reserve Account.

(a) In lieu of a cash deposit to the Reserve Account, the Reserve Policy shall be delivered to the Trustee on the Closing Date. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the Reserve Account.

If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the Bonds then coming due and payable, the Trustee shall apply the moneys available in the Reserve Account to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account. To the extent there is cash or investments on deposit in the Reserve Account, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash (a "Credit Facility"). Payment of any Reserve Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Reserve Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the Reserve Account or there has been a draw on the Reserve Policy, such amount shall be deposited in the Reserve Account to the extent of such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom.

The Reserve Account may be maintained at the specific direction of the Successor Agency in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and Parity Debt in conformity with applicable provisions of the Tax Code.

The Successor Agency has no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Policy.

(b) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(c) Draws under the Reserve Policy may only be used to make payments on Bonds insured by BAM.

(d) If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

(e) The Indenture shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Successor Agency's obligation to pay such amount shall expressly survive payment in full of the Bonds.

(f) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to BAM at least three business days prior to each date upon which interest or principal is due on the Bonds.

(g) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

With respect to the Reserve Policy, notwithstanding anything to the contrary set forth in the Indenture, the Successor Agency and the Trustee agree to comply with the terms of the Reserve Agreement.

Redemption Account. On or before the fifth Business Day preceding any date on which Bonds are to be redeemed, the Trustee shall withdraw from the Debt Service Fund and transfer to the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed on the respective dates set for such redemption.

Covenants of the Successor Agency

As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture or in any Bond issued under the Indenture, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and any Parity Debt and will tend to make them more marketable; *provided, however*, that the covenants do not require the Successor Agency to expend any funds other than the Tax Revenues:

Use of Proceeds; Management and Operation of Properties. The Successor Agency covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in the Indenture and that it will manage and operate all properties owned by it comprising any part of the Redevelopment Projects in a sound and businesslike manner.

No Priority. The Successor Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, from the Tax Revenues which have any lien upon the Tax Revenues prior or superior to the lien of the Bonds. Except as permitted by the Indenture, it will not issue any obligations, payable as to principal or interest, from the Tax Revenues, which have any lien upon the Tax Revenues on a parity with the Bonds authorized in the Indenture. Notwithstanding the foregoing, nothing in the Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all or a portion of the Outstanding Bonds and Parity Debt upon meeting the requirements of section 34177.5(a) of the Dissolution Act, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Tax Revenues which is junior to the Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Tax Revenues. As used in the Indenture "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

Punctual Payment. The Successor Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds on the date, at the place and in the manner provided in the Bonds, and that it will take all actions required under the Dissolution Act to include scheduled debt service on the Bonds in Recognized Obligation Payment Schedules for each six-month period (or for any other period for which Recognized Obligation Payment Schedules are drafted) so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Successor Agency's Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required for the Successor Agency to pay principal of, and interest on, the Bonds coming due in the respective six-month period, including, without limitation, placing on the periodic Recognized Obligation Payment Schedule for approval by the Oversight Board and State Department of Finance, to the extent necessary, the amounts to be held by the Successor Agency as a reserve until the next six-month period, as contemplated by paragraph (1)(A) of subdivision (d) of section 34171 of the Dissolution Act, that are necessary to provide for the payment of principal and interest under the Indenture when the next property tax allocation is projected to be insufficient to pay all obligations due under the Indenture and for the next payment due thereunder and under the Indenture in the following six-month period.

Payment of Taxes and Other Charges. The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Redevelopment Projects, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

Books and Accounts; Financial Statements. The Successor Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Redevelopment Projects and the Tax Revenues and other funds relating to the Redevelopment Projects. The Successor Agency will prepare within one hundred eighty (180) days after the close of each of its Fiscal Years a post-audit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency, and will furnish a copy of the post-audit to the Trustee and any rating agency which maintains a rating on the Bonds, and, upon written request, to any Bondowner. The Trustee shall have no duty to review such post-audits.

Eminent Domain Proceeds. The Successor Agency covenants and agrees that if all or any part of the Redevelopment Projects should be taken from it without its consent, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, it shall take all steps necessary to adjust accordingly the base year property tax roll of the Redevelopment Projects.

Disposition of Property. The Successor Agency covenants and agrees that it will not dispose of land area in the Redevelopment Projects (except property in effect on the date the Indenture is adopted as planned for public use, or property to be used for public streets, public off-street parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Tax Revenues to be less than 1.25 times Maximum Annual Debt Service, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

Protection of Security and Rights of Bondowners. The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Bondowners and to contest by court action or otherwise (i) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that (A) the Law is unconstitutional or (B) that the Tax Revenues pledged under the Indenture cannot be paid to the

Successor Agency for the debt service on the Bonds or (ii) any other action affecting the validity of the Bonds or diluting the security therefor, including, with respect to the Tax Revenues, the senior lien position of the Bonds to the Statutory Pass-Through Agreements.

Tax Covenants. The Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Series A Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Series A Bonds. Notwithstanding any other provision of the Indenture, absent an opinion of Series A Bond Counsel that the exclusion from gross income of interest with respect to the Series A Bonds and Parity Debt will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Tax Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government. In the event that the Successor Agency shall determine that any amounts are due and payable to the United States of America under the Indenture and that the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the Interest Account, the Principal Account and excluding any other moneys required to pay the principal of or interest or redemption premium, if any, on the Series A Bonds) to make such payment, the Successor Agency shall promptly pay from available Tax Revenues or any other source of legally available funds the sum of (a) one hundred percent (100%) of the amounts determined to be due and payable to the United States of America as a result of the investment of amounts on deposit in any fund or account established under the Indenture, plus (b) all other amounts due and payable to the United States of America.

Private Business Use Limitation. The Successor Agency shall assure that the proceeds of the Series A Bonds are not used in a manner which would cause the Series A Bonds to become "private activity Series A Bonds" within the meaning of section 141(a) of the Tax Code.

Private Loan Limitation. The Successor Agency shall assure that no more than five percent (5%) of the net proceeds of the Series A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Tax Code or constituting assessments) to persons other than state or local government units.

Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series A Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

(v) **No Arbitrage**. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Series A Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date of the Series A Bonds, would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Tax Code.

Compliance with Dissolution Act. The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds coming due in such Bond Year, including the inclusion on the applicable Recognized Obligation Schedule the amounts set forth in the Recognized Obligation Debt Service

Schedule and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy.

Pursuant to section 34177 of the Dissolution Act, not less than 90 days prior to each January 2 and June 1, the Successor Agency shall submit to the Oversight Board and the State Department of Finance, a Recognized Obligation Payment Schedule. The Successor Agency shall take all actions required under the Dissolution Act to include in a Recognized Obligation Payment Schedule for each Semiannual Period (hereinafter defined) debt service on the Bonds and any Parity Debt, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required to enable the Successor Agency to pay timely payments of principal of, and interest on, the Bonds and any Parity Debt coming due with respect the applicable Semiannual Period, including inclusion on the applicable Recognized Obligation Payment Schedule of (a) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule or as such Schedule may be hereafter amended and (b) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule attached to any Supplemental Indenture and hereby made a part hereof or as such Schedule may be hereafter amended, and the inclusion of any amount required to be deposited in the Reserve Account, in order to maintain in the Reserve Account the amount of the Reserve Requirement. Notwithstanding the foregoing, the Successor Agency shall use its best efforts, subject to their being available funds for that purpose, to include on each Recognized Obligation Payment Schedule that is payable by the County Auditor-Controller on January 2 one-half of the principal payment on the Bonds that is payable on the following September 1 as a reserve for the principal payment payable on such September 1. The Recognized Obligation Debt Service Schedule shall not be amended except by Supplemental Indenture entered into pursuant to the Indenture. "Semiannual Period" means (a) each six-month period beginning on January 1 of any calendar year and ending on June 30 of such calendar year, and (b) each six-month period beginning on July 1 of any calendar year and ending on December 31 of such calendar year.

Compliance with the Dissolution Act; Recognized Obligation Payment Schedules. The Successor Agency shall comply with all of the requirements of the Dissolution Act. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely principal of, and interest on, all outstanding obligations coming due in such Bond Year, including the inclusion on the applicable Recognized Obligation Schedule the amounts set forth in the Recognized Obligation Debt Service Schedule and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy.

Compliance with Plan Limit. If and to the extent that the Plan Limit applies to the Successor Agency under the Law, the Successor Agency will annually review, no later than December 1 of each year, the total amount of remaining tax increment to be received by the Successor Agency under the Plan Limit (assuming all incremental revenue is allocated to the Successor Agency), as well as future cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds. If, based on such review, the allocation of tax increment to the Successor Agency in any of the next three succeeding Fiscal Years would cause an amount equal to 95% of the amount remaining under the Plan Limit to fall below the remaining cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee and any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds, the Successor Agency will include in its Recognized Obligation Payment Schedule sufficient additional amounts to fund a defeasance escrow to be held by the Trustee and to be pledged solely to the payment of debt service on the Bonds, which escrow shall be invested in Defeasance Obligations and used for the payment of principal of, redemption premiums, if any, and interest on the Bonds to ensure that there are sufficient remaining tax increment revenues under the Plan Limit to pay the remaining debt service and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy. In the event such 95% limit is or will be reached or exceeded in any Fiscal Year, the Successor Agency shall promptly notify BAM of such fact in writing.

*Dissolution Act Invalid; Maintenance of Tax Revenues***.** In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Continuing Disclosure. The Successor Agency hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default under the Indenture. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its continuing disclosure obligations.

Deposit and Investment of Moneys in Funds

Subject to the provisions of the Indenture, all moneys held by the Trustee in the Debt Service Fund, Costs of Issuance Fund or the Redemption Account, shall, at the written direction of the Successor Agency, be invested only in Permitted Investments. If the Trustee receives no written directions from the Successor Agency as to the investment of moneys held in any fund or account, the Trustee shall request such written direction from the Successor Agency and, pending receipt of instructions, shall invest such moneys solely in Permitted Investments described in subsection (d) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the Successor Agency specifying a specific money market fund and, if no such written direction is so received, the Trustee shall hold such moneys uninvested.

(a) Moneys in the Redevelopment Obligation Retirement Fund shall be invested by the Successor Agency only in obligations permitted by the Law which will by their terms mature not later than the date the Successor Agency estimates the moneys represented by the particular investment will be needed for withdrawal from the Redevelopment Obligation Retirement Fund.

(b) Moneys in the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund shall be invested only in obligations which will by their terms mature on such dates as to ensure that before each interest and principal payment date, there will be in such account, from matured obligations and other moneys already in such account, cash equal to the interest and principal payable on such payment date.

(c) Moneys in the Reserve Account shall be invested in (i) obligations which will by their terms mature on or before the date of the final maturity of the Bonds or five (5) years from the date of investment, whichever is earlier or (ii) an investment agreement which permits withdrawals or deposits without penalty at such time as such moneys will be needed or in order to replenish the Reserve Account.

Obligations purchased as an investment of moneys in any of the funds or accounts shall be deemed at all times to be a part of such respective Fund or Account and the interest accruing thereon and any gain realized from an investment shall be credited to such Fund or Account and any loss resulting from any authorized investment shall be charged to such Fund or Account without liability to the Trustee. The Successor Agency or the Trustee, as the case may be, shall sell or present for redemption any obligation purchased whenever it shall be necessary to do so in order to provide moneys to meet any payment or transfer from such Fund or Account as required by the Indenture and shall incur no liability for any loss realized upon such a sale. All interest earnings received on any monies invested in the Interest Account, Principal Account, Redemption Account or Reserve Account, to the extent they exceed the amount required to be in such Account, shall be transferred on each Interest Payment Date to the Debt Service

Fund. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the Indenture. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the Indenture. The Successor Agency acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Successor Agency the right to receive brokerage confirmations of security transactions as they occur, the Successor Agency specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Successor Agency periodic cash transaction statements which shall include detail for all investment transactions made by the Trustee under the Indenture.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

The value of Permitted Investments shall be determined as follows: (i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination; (ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service; (iii) as to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and (iv) as to any investment not specified above: the value thereof established by prior agreement between the Successor Agency and the Trustee. If more than one provision of this definition of "value" shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment; provided, notwithstanding the foregoing, in making any valuations under the Indenture, the Trustee may utilize and conclusively rely upon such pricing services as may be regularly available to it, including, without limitation, those within its regular accounting system.

Accounting Records and Financial Statements

The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds made by it and all funds and accounts held by the Trustee established pursuant to the Indenture. Such books of record and account shall be available for inspection by the Successor Agency upon reasonable prior notice, at reasonable hours and under reasonable circumstances. The Trustee shall furnish to the Successor Agency, at least monthly, an accounting of all transactions in the form of its customary statements relating to the proceeds of the Bonds and all funds and accounts held by the Trustee pursuant to the Indenture. The Trustee shall maintain and store such records for a period of one year after the stated maturity of the Bonds.

Amendment

The Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Successor Agency in the Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers in the Indenture reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt in accordance with the Indenture; or

(d) to amend any provision of the Indenture relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of nationally recognized bond counsel.

Except as set forth in the preceding paragraph, the Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners and that all conditions precedent for any supplement or amendment have been satisfied.

Events of Default

The following events shall constitute Events of Default under the Indenture:

(a) if default shall be made by the Successor Agency in the due and punctual payment of the principal or sinking fund payment of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure within 120 days; or

(c) if the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

If an Event of Default has occurred and is continuing, the Trustee may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) the Trustee shall, subject to the provisions of the Indenture, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

Promptly upon receiving written notice or actual knowledge (of a Responsible Officer) of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel) to and any and all other defaults of which the Trustee has notice (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Application of Funds Upon Acceleration

All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee under the Indenture upon the date of the declaration of acceleration as provided in the Indenture, and all sums thereafter received by the Trustee under the Indenture, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in the Indenture, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

Second, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Remedies Not Exclusive

No remedy in the Indenture conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given under the

Indenture or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Discharge of Indenture

If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee or another fiduciary, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to the Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(c) by irrevocably depositing with the Trustee or another fiduciary, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion of (including all principal, interest and redemption premiums) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in the Indenture and all other obligations of the Trustee and the Successor Agency under the Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the Successor Agency under the Indenture with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds under the Indenture, (c) the obligations of the Successor Agency under the Indenture, and (d) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due to the Trustee pursuant to the Indenture shall be paid over to the Successor Agency.

To accomplish defeasance the Successor Agency shall cause to be delivered (i) a Report of an Independent Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Successor Agency and the Trustee.

Provisions Relating to BAM and the Municipal Bond Insurance Policy

Books and Records. The Successor Agency and the Trustee shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions and all funds and accounts by or maintained pursuant to the Indenture, which shall at all times during normal business hours and upon reasonable notice be subject to inspection by BAM or its agents or representatives who have been duly authorized in writing.

Discussion of Financial Matters. The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by BAM and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as BAM may reasonably request.

Final and Conclusive Determination. The Successor Agency agrees to petition the California Department of Finance ("DOF") and use its best efforts to obtain within one year from the issuance date of the Insured Bonds a final and conclusive determination pursuant to HRC Section 34177.5(i) that the Insured Bonds and obligations under the Indenture are enforceable obligations.

Meet and Confer; ROPs Denial. The Successor Agency shall provide BAM with copies of all Recognized Obligation Payment Schedule ("ROPS") submitted and any and all correspondence received from the DOF upon receipt. In the event that the Successor Agency is a party to a meet and confer with the DOF, the Successor Agency shall timely notify BAM and BAM shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as BAM determines in its discretion. In the event the Successor Agency receives a ROPS denial, whether relating to the Insured Bonds or not, and such denial could delay the receipt of tax revenues necessary to pay debt service or Policy Costs relating to the Insured Bonds, the Successor Agency agrees to cooperate in good faith with BAM and BAM shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the DOF and to discuss such matters with the DOF directly.

BAM As Third Party Beneficiary. BAM is recognized as and shall be deemed to be an irrevocable third party beneficiary of the Indenture and may enforce the provisions of the Indenture as if it were a party thereto.

Additional Debt. The Successor Agency shall not issue or incur any bonds, debt or other obligations that are payable from or secured by any property tax or tax increment revenues pledged to the Insured Bonds on a basis senior or superior to the Insured Bonds. The Successor Agency shall not issue or incur any senior bonds or parity bonds debt or other obligation except for refunding bonds. Any additional subordinate debt shall be payable on the same dates as the Insured Bonds.

Notice and Other Information to be given to BAM. The Successor Agency will identify BAM as a "notice party" and shall further provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the Owners of Insured Bonds or the Trustee under the Indenture. BAM shall receive copies of all notices and amendments relating to the Insured Bonds.

Defeasance. The investments in the defeasance escrow relating to Insured Bond shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least three (3) Business Days prior to any defeasance with respect to the Insured Bonds, the Successor Agency shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

(ii) The Successor Agency will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Successor Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without written notice to and the prior written consent of BAM.

Trustee. BAM shall receive prior written notice of any name change of the Trustee or the resignation, removal or substitution of the Trustee. Each Trustee must be:

(i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets,

(ii) a state- chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or

(iii) otherwise approved by BAM in writing.

No resignation, removal or substitution of the Trustee shall take effect until a successor, acceptable to BAM, shall be qualified and appointed. BAM shall have the right to direct the replacement of the Trustee upon the occurrence of an event of a default on the Insured Bonds and any event of default to the extent BAM determines in its sole discretion that there exists or could exist a conflict of interest.

Amendments, Supplements and Consents. BAM's prior written consent is required for all amendments and supplements to the Indenture, with the exceptions noted below. The Successor Agency shall send copies of all amendments or supplements to BAM and the rating agencies that have assigned a rating to the Insured Bonds.

(i) **Consent of BAM**. Any amendments or supplements to the Indenture shall require the prior written consent of BAM with the exception of amendments or supplements:

(A) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(B) To grant or confer upon the holders of the Insured Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Bonds, or

(C) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Indenture other conditions, limitations and restrictions thereafter to be observed, or

(D) To add to the covenants and agreements of the Successor Agency in the Indenture other covenants and agreements thereafter to be observed by the Successor Agency or to surrender any right or power therein reserved to or conferred upon the Successor Agency.

(ii) **Consent of BAM in Addition to Owner Consent**. Any amendment, supplement, modification to, or waiver of, any of the Indenture that requires the consent of Owners of the Insured Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

(iii) **Notice To and Consent of BAM in the Event of Insolvency**. To the extent the Successor Agency enters into any reorganization or liquidation plan with respect to the Successor Agency, it must be acceptable to BAM. In the event of any reorganization or liquidation of the Successor Agency BAM shall have the right to file a claim, object to and vote on behalf of all holders of the Insured Bonds absent a continuing failure by BAM to make a payment under the Municipal Bond Insurance Policy. The Successor Agency shall provide BAM with immediate written notice of any insolvency event that causes the Successor Agency to be unable to pay its obligations as and when they become due. In the event of a receivership or out-of-court restructuring, BAM shall have the right to negotiate and speak on behalf of and bind the bondholders and any agreements reached must be acceptable to BAM.

(iv) **Consent of BAM Upon Default**. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, monetary or nonmonetary, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Insured Bonds or the Trustee for the benefit of the Owners of the Insured Bonds. No monetary or nonmonetary default or event of default may be waived without BAM's written consent.

(v) **BAM as Owner**. Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole and exclusive owner of the outstanding Insured Bonds for all purposes under the Indenture, including, without limitation, for purpose of approvals, consents, exercising remedies and approving agreements relating to the Insured Bonds.

(vi) **Consent of BAM for Acceleration**. BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

(vii) **Grace Period for Payment Defaults**. No grace period shall be permitted for payment defaults on the Insured Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

(viii) **Special Provisions for Insurer Default**. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (j)(i)-(v) above to the contrary, (A) if at any time prior to or following an Insurer Default, BAM has made payment under the Municipal Bond Insurance Policy, to the extent of such payment BAM shall be treated like any other Owner of the Insured Bonds for all purposes, including giving of consents, and (B) if BAM has not made any payment under the Municipal Bond Insurance Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Municipal Bond Insurance Policy, in which event, the foregoing clause (A) shall control. For purposes of this paragraph, "Insurer Default" means: (1) BAM has failed to make any payment under the Municipal Bond Insurance Policy when due and owing in accordance with its terms; or (2) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (3) any state or federal agency or instrumentality shall order the suspension of payments on the Municipal Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

Payment Procedure Under the Municipal Bond Insurance Policy. In the event that principal and/or interest due on the Insured Bonds shall be paid by BAM pursuant to the Municipal Bond Insurance Policy, the Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Successor Agency to the Owners shall continue to exist and shall run to the benefit of BAM and shall be subrogated to the rights and remedies of such Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Insured Bonds.

In the event that on the second (2nd) Business Day prior to any Interest Payment Date on the Insured Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall immediately notify BAM or its designee on the same Business Day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall notify BAM or its designee immediately upon receipt of payment.

In addition, if the Trustee has notice that any Owner of the Insured Bonds has been required to disgorge payments of principal of or interest on the Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, then the Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for Owner of the Insured Bonds as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Bonds, the Trustee shall (A) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owners of the Insured Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Bonds, (B) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Municipal Bond Insurance Policy payment from BAM with respect to the claims for interest so assigned, and (C) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal of the Insured Bonds, the Trustee shall (A) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owner of the Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Bonds surrendered to BAM, (B) receive as designee of the respective Owners (and not as Trustee) in accordance with the tenor of the Municipal Bond Insurance Policy payment therefore from BAM, and (C) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Successor Agency on any Insured Bond or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Trustee from proceeds of the Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the Successor Agency with respect to such Insured Bonds, and BAM shall become the owner of such unpaid Insured

Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Successor Agency and the Trustee agree for the benefit of BAM that:

(i) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Insured Bonds, BAM will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the Successor Agency with interest thereon, as provided and solely from the sources stated in the Indenture and the Insured Bonds; and

(ii) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Bonds to Owners, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

Additional Payments. The Successor Agency agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Successor Agency agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Successor Agency agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Municipal Bond Insurance Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Successor Agency, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Successor Agency hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Bonds on parity with debt service due on the Insured Bonds.

Reserve Account. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account, if any, other than the Reserve Policy. Amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Insured Bonds.

Exercise of Rights by BAM. The rights granted to BAM under the Indenture and Insured Bonds to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Bonds or any other person is required in addition to the consent of BAM.

Payment on Insured Bonds Due for Payment. BAM shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Successor Agency (as such terms are defined in the Municipal Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not BAM has received a claim upon the Municipal Bond Insurance Policy.

APPENDIX B

FORMS OF OPINIONS OF BOND COUNSEL

SERIES 2014A BONDS

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Successor Agency to the Community Improvement Commission of the City of Alameda
2263 Santa Clara Avenue
Alameda, California 94501

OPINION: $23,495,000 Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Tax Allocation Refunding Bonds, Series 2014A

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Community Improvement Commission of the City of Alameda, as successor to the former Community Improvement Commission of the City of Alameda (the "Successor Agency"), of $23,495,000 Successor Agency to the Community Improvement Commission of the City of Alameda, Subordinate Tax Allocation Refunding Bonds, Series 2014A (the "Bonds"), pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the "Refunding Bond Law"), a resolution adopted by the Successor Agency on September 16, 2014, and an indenture of trust, dated as of December 1, 2014, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Indenture").

In connection with this opinion, we have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Successor Agency is duly created and validly existing as a public body, corporate and politic, with the power to enter into the Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Indenture has been duly approved by the Successor Agency and constitutes a valid and binding obligation of the Successor Agency enforceable in accordance with its terms.

3. Pursuant to the Refunding Bond Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds on a parity with any Parity Debt that may be issued under and as such term is defined in the Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

5. Subject to the Successor Agency's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

SERIES 2014B BONDS

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Successor Agency to the Community Improvement Commission of the City of Alameda
2263 Santa Clara Avenue
Alameda, California 94501

OPINION: $25,080,000 Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Community Improvement Commission of the City of Alameda, as successor to the former Community Improvement Commission of the City of Alameda (the "Successor Agency"), of $25,080,000 Successor Agency to the Community Improvement Commission of the City of Alameda, Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B (the "Bonds"), pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the "Refunding Bond Law"), a resolution adopted by the Successor Agency on September 16, 2014, and an indenture of trust, dated as of December 1, 2014, by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Indenture").

In connection with this opinion, we have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Successor Agency is duly created and validly existing as a public body, corporate and politic, with the power to enter into the Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Indenture has been duly approved by the Successor Agency and constitutes a valid and binding obligation of the Successor Agency enforceable in accordance with its terms.

3. Pursuant to the Refunding Bond Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds on a parity with any Parity Debt that may be issued under and as such term is defined in the Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

5. It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the SUCCESSOR AGENCY TO THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA (the "Successor Agency") in connection with the issuance of $23,495,000 aggregate principal amount of Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Tax Allocation Refunding Bonds, Series 2014A (the "Series 2014A Bonds"), and $25,080,000 aggregate principal amount of Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B (the "Series 2014B Bonds" and, with the Series 2014A Bonds, the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of December 1, 2014 (the "Indenture"), by and between the Successor Agency and MUFG Union Bank, N.A., as trustee (the "Trustee"). The Bonds shall be secured by a pledge, charge and lien upon Tax Revenues (as such term is defined in the Indenture). The Successor Agency covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"*Annual Report*" shall mean any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean Digital Assurance Certification, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation. In the absence of such a designation, the Successor Agency shall act as the Dissemination Agent.

"*EMMA*" or "*Electronic Municipal Market Access*" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"*Listed Events*" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" shall mean any original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report*. The Successor Agency shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Successor Agency's fiscal year (which currently ends on June 30), commencing with the report for the 2013-14 Fiscal Year, which is due not later than March 31, 2015, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year*. If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent*. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Successor Agency.

(d) *Report of Non-Compliance*. If the Successor Agency is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Successor Agency shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Successor Agency is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification*. The Dissemination Agent shall, if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the Successor Agency for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the Successor Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited financial statements of the Successor Agency, the Annual Report shall also include financial and operating data with respect to the Successor Agency for the preceding fiscal year, as follows:

(i) Breakdown of Assessed Valuation By Category of Use;
(ii) Historical Taxable Values and Tax Revenues;
(iii) Ten Largest Property Taxpayers, by Assessed Value;
(iv) Debt Service Coverage;
(v) Breakdown of Assessed Valuation by component project area, by secured, unsecured, and utility;
(vi) Report if the Teeter Plan is terminated in Alameda County (as a one-time event); and
(vii) Update the first 3 columns of Table 8 in the Official Statement prepared for the Bonds.

(c) *Cross References.* Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on EMMA. The Successor Agency shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, give notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(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) Defeasances.

(6) Rating changes.

(7) Tender offers.

(8) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(9) Adverse tax opinions, 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 security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Non-payment related defaults.

(2) Modifications to rights of security holders.

(3) Bond calls.

(4) The release, substitution, or sale of property securing repayment of the securities.

(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent*. The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Successor Agency, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Successor Agency pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Successor Agency. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Successor Agency shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Successor Agency.

(b) *Compensation of Dissemination Agent*. The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Successor Agency from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Successor Agency or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Successor Agency. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Successor Agency that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances*. If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date*. The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion*. The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Successor Agency shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with their obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate was (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the Successor Agency agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Indenture. The obligations of the Successor Agency under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

SUCCESSOR AGENCY TO THE COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF ALAMEDA

By ____
Authorized Officer

ACKNOWLEDGED:

DIGITAL ASSURANCE CERTIFICATION, as Dissemination Agent

By ____
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	Successor Agency to the Community Improvement Commission of the City of Alameda
Names of Issues:	Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Tax Allocation Refunding Bonds, Series 2014A
	Successor Agency to the Community Improvement Commission of the City of Alameda Subordinate Taxable Tax Allocation Refunding Bonds, Series 2014B
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issues as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by ____________________.

Date: ____________________

DIGITAL ASSURANCE CERTIFICATION, Dissemination Agent

By ____
Authorized Officer

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APPENDIX E

EXCERPTS FROM THE COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY OF ALAMEDA FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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MAZE & ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Alameda, California

Report on Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Alameda (City), California, as of and for the year ended June 30, 2013, which collectively comprise the City's basic financial statements as listed in the table of contents. We did not audit the component unit financial statements of the Alameda Municipal Power, which represents 18% and 80% of the assets and revenues and 35% and 31% of liabilities and expenses of the reporting entity, respectively. These component unit financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion, insofar as it relates to the amounts included for this entity, is based solely on the report of these auditors.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and discretely presented component units of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accountancy Corporation
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Pleasant Hill, CA 94523

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W **mazeassociates.com**

Emphasis of Matters

As discussed in Note 8E, certain beginning fund balances and net position were restated due to fund recategorization.

Management adopted the provisions of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2013 that affected the format and nomenclature of the financial statements:

> Statement 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* See Note 1 to the financial statements for relevant disclosures.

Management early-implemented the provisions of the following Governmental Accounting Standards Board Statement during the year ended June 30, 2013 that also affected the format of nomenclature of the financial statements:

> Statement 65 – *Items Previously Report as Assets and Liabilities*. See Note 1 to the financial statements for relevant disclosures.

The emphasis of these matters does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
February 3, 2014

This management overview and analysis of the City's financial activities and performance is being presented for the fiscal year ended June 30, 2013. The information presented herein should be considered in conjunction with that presented in the Transmittal Letter contained within the Introductory Section of this report, and the Basic Financial Statements for the City.

Overview of the City's Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components:

- **Government-Wide Financial Statements** – These include the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the City as a whole and about the overall financial condition of the City in a manner similar to a private-sector business. These statements are described in more detail in a subsequent section of this Management Discussion and Analysis (MD&A).

- **Fund Financial Statements** – These statements provide additional information about the City's major funds, including how services were financed in the short term and fund balances available for financing future projects. These statements are described in more detail in a subsequent section of this MD&A.

- **Notes to the Financial Statements** – The notes provide additional detail that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents other required supplementary information, including budgetary comparison information on the City's General Fund.

Financial Highlights

- The City had net position at June 30, 2013 of $389 million. Of this amount, $28 million (7%) is unrestricted and represents assets available for future uses, including projected future equipment replacement needs and insurance claims. The balance (93%) relates to the City's investment in its capital assets or is legally restricted for specific activities and projects.

- As of June 30, 2013, the City's governmental funds reported combined ending fund balances of $81 million. Of the total fund balance, $2.2 million (3%) represents nonspendable balances set aside to indicate items that do not represent available spendable resources and $58 million (72%) is either restricted, committed or assigned, indicating it is not available for new expenditures as it has been legally committed to or otherwise set aside for future uses. The remaining $21 million (25%) constitutes fund balances accounted for in the City's General and other special funds, available for future programs, projects, and services, subject to any spending restrictions imposed by those funds.

At the close of FY12-13, the General Fund fund balance was $23 million. The City Council has established a policy for cash reserves at a minimum of 20% of General Fund expenditures for costs associated with economic and other uncertainties. At June 30, 2013, the unassigned fund balance (i.e. available funds) is $21 million.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. They provide information about the activities of the City as a whole, and present a longer-term perspective of the City's finances. The Statement of Net Position presents information on all City assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving.

The Statement of Activities presents information showing the manner in which the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event actually occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes and unused vacation or other compensated leave).

In the government-wide financial statements, the City's activities are reported in three categories:

Governmental Activities – includes most of the City's services such as public safety, public works, planning and building, community services, housing and general government support. Property taxes, sales and use taxes, state subventions and fees for service finance most of these activities.

Business-type Activities – includes the sewer system, where fees for service principally finance the activity.

Discretely Presented Component Units – Alameda Municipal Power is a legally separate reporting entity, but is important because the City is financially accountable for this entity.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control of resources that have been segregated for specific activities or objectives. The City uses fund accounting to show compliance with finance-related legal requirements. For governmental activities, these statements indicate how these services were financed in the short-term, as well as what remains for future spending. All funds of the City of Alameda can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to assist the reader with this comparison between governmental funds and governmental activities.

Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the following funds that are classified as major funds:

- General Fund
- Parking Special Revenue Fund
- FISC Lease Revenue
- Base Reuse
- Housing Special Revenue
- Capital Improvement Projects

Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included elsewhere in this report.

The City adopts an annual appropriated budget of revenues and expenditures for all funds. Budgetary comparison statements have been provided as required supplementary information to demonstrate compliance with the budget.

Proprietary funds. The City's one proprietary fund is its Sewer fund. It is used to account for activities financed and operated in a manner similar to a private enterprise. Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The accounting used for these funds is similar to that used for governmental funds. These funds are reported in a separate statement of fiduciary net position.

Government Activities Financial Analysis

Net position may serve as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by $389 million at the close of FY12-13, an increase of $1.4 million or < 1% from FY11-12. Information on net position is presented in the summary table on the following page:

Summary of Net Position
June 30, 2013 and 2012
(In Millions)

	Governmental Activities		Business-Type Activities		Totals	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Current / Other Assets	122	115	$31	$20	$153	$135
Capital Assets	294	292	49	50	343	342
Total Assets	**$416**	**$407**	**$80**	**$70**	**$496**	**$477**
Long-term Liabilities	69	63	17	6	86	69
Other Liabilities	19	19	2	2	21	21
Total Liabilities	**$88**	**$82**	**$19**	**$8**	**$107**	**$90**
Net Position:						
Net Investment in Capital Assets	234	249	32	44	266	293
Restricted	65	58	30	18	95	76
Unrestricted	28	18			28	18
Total Net Position	**$327**	**$325**	**$62**	**$62**	**$389**	**$387**

The largest portion of the City's net position (68%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to the community. Net position invested in capital assets, decreased by $27 million during the year due to depreciation incurred on capital assets purchased in prior years. Long-Term Liabilities also increased by $17 million due to the issuance of new sewer revenue bonds and an increase in the City's Net OPEB obligation.

The amount of net position invested in capital assets, is reported as a distinct component of net position because this amount is not available for future spending. In addition, although the City's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources and related deferred inflow of resources, because the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position, that portion of the City's net position (24%) subject to restrictions on how they may be used, increased $19 million this year. Unrestricted net position, the portion of the City's net position available for use (7%), increased $10 million this year. There was no change in other liabilities. A summary of Changes in Net position is presented on the following page:

Summary of Changes in Net Position
June 30, 2013 and 2012
(dollars in thousands)

	Governmental Activities		Business-Type		Totals	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
Revenues						
Program Revenues						
Charges for Services	$31,782	$28,966	$8,968	$11,406	$40,750	$40,372
Operating Grants & Contributions	7,435	9,899			7,435	9,899
Capital Grants and Contributions	3,504	5,112			3,504	5,112
General Revenues						0
Property Taxes	26,938	27,965			26,938	27,965
Incremental Property Taxes	0	5,749			0	5,749
Special Assessments	1,843	1,844			1,843	1,844
Sales Taxes	5,932	6,036			5,932	6,036
Utility Users Tax	9,096	8,787			9,096	8,787
Other Taxes	15,319	13,453			15,319	13,453
Motor Vehicle in Lieu Fees	5,898	5,874			5,898	5,874
Use of Money and Properties	4,039	618	33	193	4,072	811
Other	1,531	5,803	5	57	1,536	5,860
Total Revenues	**$113,317**	**$120,106**	**$9,006**	**$11,656**	**$122,323**	**$131,762**
Expenses						
General Government	$13,570	$15,237			$13,570	$15,237
Police	30,432	25,905			30,432	25,905
Fire	27,375	23,970			27,375	23,970
Public Works	12,665	13,738			12,665	13,738
Community Development	20,805	17,960			20,805	17,960
Community Services	8,296	8,741			8,296	8,741
Housing	1,222	2,211			1,222	2,211
Interest on Long-Term Debt	1,409	4,142			1,409	4,142
Golf Course				3,815	0	3,815
Sewer Services			5,126	3,864	5,126	3,864
Total Expenses	**$115,774**	**$111,904**	**$5,126**	**$7,679**	**$120,900**	**$119,583**
Change in Net Position Before Transfers	($2,457)	$8,202	$3,880	$3,977	$1,423	$12,179
Transfers, Net	269	206	-269	0	0	206
Change, Net	(2,188)	8,408	3,611	3,977	1,423	12,385
Beginning Net Position, as restated	329,156	275,802	58,074	56,650	387,230	332,452
Net Liabilities assumed by Successor Agency		40,815			0	40,815
Ending Net Position	**326,968**	**325,025**	**61,685**	**60,627**	**388,653**	**385,652**

Decreases in investment earnings, grants and other revenues contributed to an overall decrease in revenues. Program expenses decreased due to a decrease in public safety expenditures over the prior Fiscal Year. A summary of Expense and Revenues by Program for Governmental Activities is shown on the following page:

Expense and Program Revenue - Governmental Activities
Fiscal Year 2012-2013

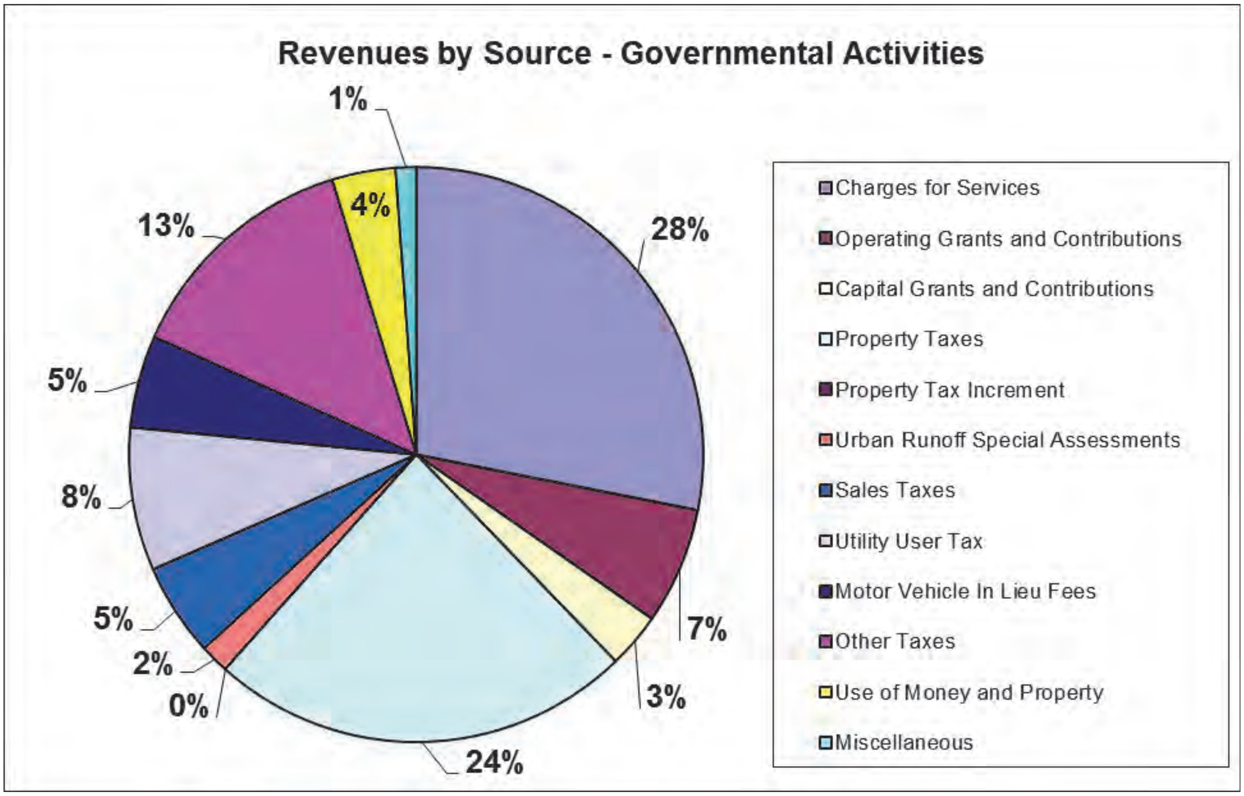
(dollars in thousands)

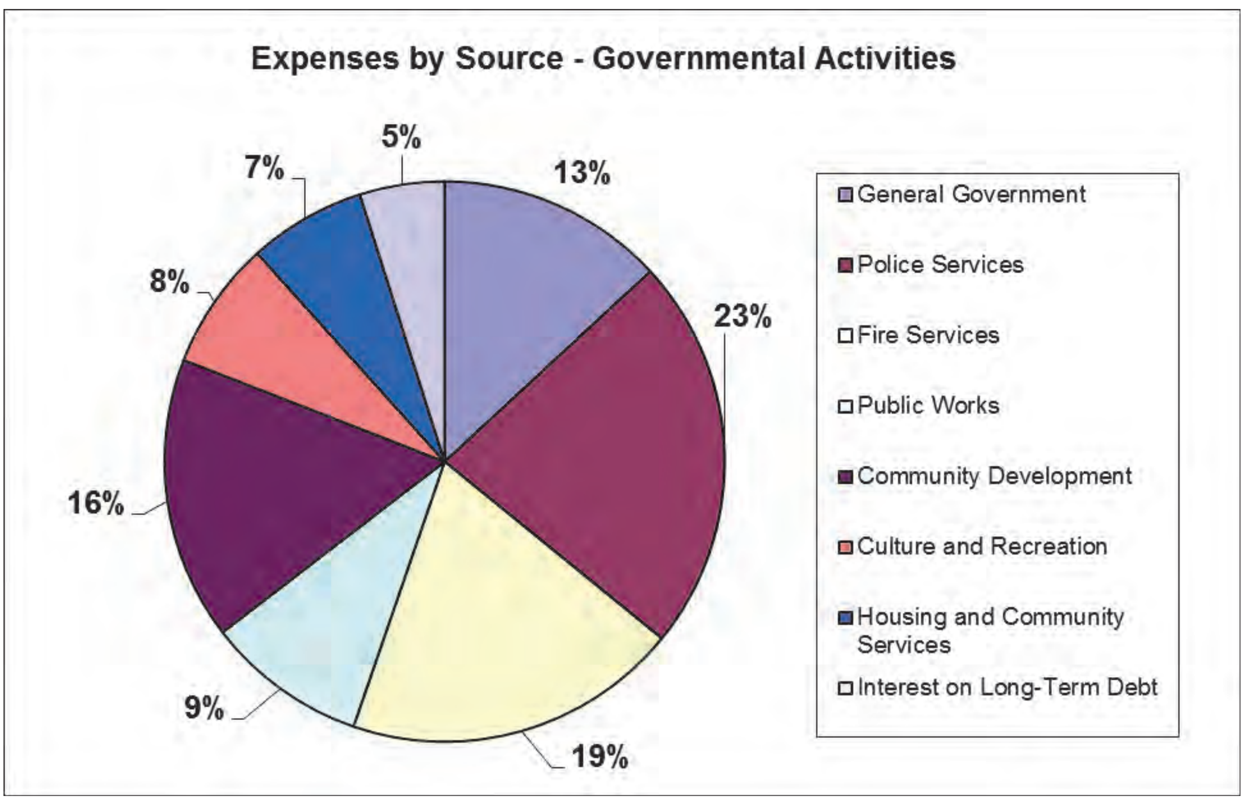
	Expense	Revenue	Net Difference
General Government	$13,570	$7,507	($6,063)
Police	30,432	1,466	(28,966)
Fire	27,375	4,044	(23,331)
Public Works	12,665	12,957	292
Community Development	20,805	12,343	(8,462)
Community Services	8,296	4,049	(4,247)
Housing	1,222	353	(869)
Interest on Long-Term Debt	1,409		(1,409)
	$115,774	$42,719	($73,055)

Revenues by Source - Governmental Activities

(dollars in thousands)

	2013	2012	Difference
Charges for Services	$31,782	$28,966	$2,816
Operating Grants and Contributions	7,435	9,899	(2,464)
Capital Grants and Contributions	3,504	5,112	(1,608)
Property Taxes	26,938	27,965	(1,027)
Property Tax Increment	0	5,749	(5,749)
Urban Runoff Special Assessments	1,843	1,844	(1)
Sales Taxes	5,932	6,036	(104)
Utility User Tax	9,096	8,787	309
Motor Vehicle In Lieu Fees	5,898	5,874	24
Other Taxes	15,319	13,453	1,866
Use of Money and Property	4,039	618	3,421
Miscellaneous	1,531	5,803	(4,272)
	$113,317	$120,106	($6,789)


Revenues by Source - Governmental Activities
1%
4%
28%
13%
5%
8%
5%
2%
0%
24%
3%
7%
Charges for Services
Operating Grants and Contributions
Capital Grants and Contributions
Property Taxes
Property Tax Increment
Urban Runoff Special Assessments
Sales Taxes
Utility User Tax
Motor Vehicle In Lieu Fees
Other Taxes
Use of Money and Property
Miscellaneous


Expenses by Source - Governmental Activities
5%
7%
13%
8%
23%
16%
9%
19%
General Government
Police Services
Fire Services
Public Works
Community Development
Culture and Recreation
Housing and Community Services
Interest on Long-Term Debt

Business-type Activities Financial Analysis

Sewer Fund Net position of the Sewer Fund at June 30, 2013, was $62 million, consisting including a net position invested in capital assets, of $32 million. The remaining $29 million includes a $3 million advance for a capital improvement project and the remaining balance of $26 million, which is available to fund operations and future sewer related improvement and maintenance projects. The Sewer fund generated income and transfers of $9 million and incurred $5 million of expenditures, for a net increase in assets of $4 million.

In addition, the City combined the Golf Enterprise Fund into the Athletic Recreation Special Revenue Fund for Fiscal Year 2012-13, as the City entered into an agreement with Greenway Golf Associates Inc., for the long-term maintenance and operations of the Chuck Corica Golf Complex.

Expense and Program Revenue
Business-type Activity
Fiscal Year 2012-2013
(dollars in thousands)

	Revenue	Expense	Difference
Sewer	8,967	5,126	3,841

Business-type Activities
(dollars in thousands)

	2013	2012	Difference
Charges for Services	$8,967	$11,406	($2,439)
Operating Grants and Contributions		0	0
Unrestricted Investment Earnings/Rents	33	193	(160)
Miscellaneous Revenues	5	58	(53)
	$9,005	$11,657	($2,652)

Financial Analysis of the Government's Funds

As previously noted, the City of Alameda uses fund accounting methodology to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Alameda's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Alameda's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for expenditures at the end of the fiscal year.

As of June 30, 2013, the City of Alameda's governmental funds reported combined ending fund balances of $81 million, a decrease of $1 million (1%) from the prior fiscal year. Approximately $21 million or 25% of the combined ending fund balance constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remaining balance is either *restricted, committed or assigned* to indicate that it is *not* available for new spending because it has been committed to liquidate contracts and purchase orders from the prior fiscal period; pay debt service; or fund future uses.

The General Fund is the chief operating fund of the City. At June 30, 2013, unassigned fund balance (cash reserve) of the General Fund was $21 million; the total fund balance, including restricted, committed and assigned resources, was $23 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 30% of total General Fund expenditures and transfers. The fund balance of the City of Alameda's General Fund increased by approximately $.4.5 million from the prior fiscal year (1%) due to higher sales tax revenue received by the City.

The FISC Lease Revenue Special Revenue Fund had a deficit fund balance of $.7 million at June 30, 2013, due to an assumption of an advance from the Sewer Fund previously made to the former Community Improvement Commission (CIC), which was subsequently disallowed by the State as part of the dissolution of the CIC. Fund balance increased by $.9 million during the year due to an increase in rental income received from its properties.

The Base Reuse Special Revenue Fund had a restricted fund balance of $3 million at June 30, 2013. Fund balance decreased $3 million primarily due to one-time expenditures incurred for the settlement of outstanding claims.

The Parking Fund had a restricted fund balance of $.3 million at June 30, 2013, to be used for future parking projects within the City. The Housing Special Revenue Fund had a committed fund balance of $1 million at June 30, 2013. Fund balance decreased $.1 million primarily due to one-time expenditures incurred for affordable housing projects.

The Capital Improvement Projects Capital Project Fund has a total fund balance of $5 million as of June 30, 2013, all committed for current and future capital projects. The fund incurred $10 million for capital projects during FY12-13, including the following:

- Woodstock Field Improvements
- City Building Renovations
- Lagoon Wall Stabilization
- Street Resurfacing
- Park Street Pedestrian Safety
- Shoreline Repairs
- Resurface Tennis Courts
- Fire Station 3 Feasibility Study
- Sidewalk Maintenance Program
- Storm Drain Upgrades
- Sewer Infrastructure Improvements

***Proprietary Funds**.* The City of Alameda's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Restricted net position at June 30, 2013, was $29 million for the Sewer Fund.

Internal Service Funds. The Worker's Compensation Insurance Fund net asset deficit reflects future claims liabilities maturing in five to ten years. Other Internal Service Funds have net position to offset this deficit.

Unrestricted net position (deficits) at June 30, 2013, are as follows by fund (reported in thousands):

Equipment Replacement	$3,157
Central Services	84
Fleet Maintenance	270
Technology Services	1,232
Facilities Maintenance	1,192
Worker's Compensation Insurance	(2,980)
Risk Management Insurance	273
Unemployment Insurance	222
OPEB / Vacation	1,843
	$5,293

Capital Assets and Long Term Debt

Capital Assets

The City of Alameda's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totals $344 million (net of accumulated depreciation), an increase of approximately $2 million (< 1%) from the prior period. Investment in capital assets includes land, buildings and systems improvements, machinery and equipment, sewer lines, park facilities and streets. Additional information about the City's capital assets can be found in Note 5 of this report.

Capital Assets (net of depreciation)
(dollars in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	$5,995	$5,818		$177	$5,995	$5,995
Buildings and systems	151,205	150,453		851	151,205	151,304
Infrastructure	77,900	64,592	$42,263	40,498	120,163	105,090
Construction in progress	48,541	61,826	6,718	7,654	55,259	69,480
Machinery and equipment	10,555	9,084	341	648	10,896	9,732
Total	$294,196	$291,773	$49,322	$49,828	$343,518	$341,601

Long-term Debt

At June 30, 2013, the City had $60 million in outstanding debt, including $11 million in Certificates of Participation and $26 million in Revenue Bonds. During Fiscal Year 2012-13, the City issued $15 million of Sewer Revenue bonds to fund infrastructure improvements to its sewer system.

The schedule below is a summary schedule of outstanding debt as of June 30, 2013.

Outstanding Debt
(dollars in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Certificates of Participation	$10,700	$11,600	$0	$2,160	$10,700	$13,760
Revenue Bonds	11,700	12,000	14,715		26,415	12,000
General Obligation Bonds	8,925	9,155			8,925	9,155
HUD Section 108 Loan	6,355	6,529			6,355	6,529
Other Long Term Obligations	5,086	3,350	2,956	3,499	8,042	6,849
Total	$42,766	$42,634	$17,671	$5,659	$60,437	$48,293

Additional information on the City of Alameda's long-term debt can be found in Note 6 of this report.

Economic Outlook

At the time these financial statements were prepared and audited, the City was aware of the following items that could significantly impact its financial health in the future:

- During Calendar Year 2012, the City entered into new employment agreements with most of its bargaining groups, which included changes for amounts paid for pension and health benefits and other special pays. The projected costs/savings from each of these new agreements have been incorporated into the City's budget for Fiscal Years 2013-14 and 2014-15.

- The City offers post-employment health benefits to its retirees, as described in Note 10. The type and value of this benefit is a bargained benefit. Miscellaneous employees receive the minimum payment required by the Public Employees Medical Coverage Health Agreement (PEMCHA); and public safety receives the employer paid premium of the PEMCHA provided health insurance and dental insurance for retirees and spouses. The City had a third party prepare an updated actuarial study in 2013 of these benefits and their future costs, which projects the City's liability to be about $91 million, based on a 4.0% return and a 30 year period. The assumed role is based upon the fact that the City was not actively funding on OPEB Trust during Fiscal year 2012-13.

- Alameda Point and its final conveyance from the Navy to the City will have a positive impact on future economic development in the City. The timing of the development process, however, cannot be determined at this point.

- New Miscellaneous / Safety PERS rates have been adopted by CalPERS, which include the projected effect of the recent changes made by CalPERS to their amortization and smoothing policies, which was to smooth changes to the rate over a five instead of a fifteen year period. CalPERS will be implementing these changes over a five year period, beginning in FY 2015-16, and staff will be incorporating these new rates as part of its future budgets.

- Note 15 to the financial statements discuss two events that occurred subsequent to the end of Fiscal Year 2012-13 and their financial impact on the City these events include the refinancing of its 2003 General Obligation Bonds and the refinancing of its 2002 Certificates of Participation, which will result in debt service savings for the City and additional bond proceeds for the construction of a new Emergency Operations Center (EOC).

Request for Information

This Comprehensive Annual Financial Report (CAFR) is designed to provide a general overview of the City of Alameda's finances. For the convenience of the public, a copy of this report is posted on the City's website (http://alamedaca.gov/finance). Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Alameda, Attention: Finance Department, 2263 Santa Clara Avenue, Room 220, Alameda, California 94501.

City of Alameda, California
Statement of Net Position
and Statement of Activities

The Statement of Net Position reports the difference between the City's total assets, deferred outflow of resources, the City's total liabilities, and deferred inflow of resources, including all the City's capital assets and all its long-term obligations. The Statement of Net Position summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City. This column is followed by an individual column, which displays the City's discretely presented component unit.

The City's Governmental Activities include the activities of its General Fund, its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds primarily, their activities are consolidated with Governmental Activities, after eliminating inter-fund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities, Business-type Activities, or discretely presented component unit columns, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City, the blended component unit: The Alameda Public Financing Authority, which is a legally separate but are component unit of the City because it is controlled by the City, which is financially accountable for the activities of the entity. The balances and the activities of the discretely presented component unit of Alameda Municipal Power are included in these statements as separate columns.


1074
606
1072
65975

City of Alameda
Statement of Net Position
June 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Alameda Municipal Power
ASSETS				
Cash and cash equivalents (Note 2)	$91,269,838	$14,750,482	$106,020,320	$37,365,770
Restricted cash and investments (Note 2)	6,930,230	12,908,233	19,838,463	4,529,302
Accounts receivable	10,056,361	426,042	10,482,403	8,643,339
Interest receivable	319,768		319,768	14,166
Internal balances (Note 3D)	(3,000,000)	3,000,000		
Loans receivable (Note 4)	15,953,237		15,953,237	
Materials, parts and supplies				3,043,935
Prepaids, deposits, bond discounts and issue costs				1,345,065
Share of certain NCPA projects and reserve (Note 12)				19,506,298
Capital assets (Note 5):				
Non-depreciable	54,536,425	6,718,058	61,254,483	2,031,492
Depreciable, net of accumulated depreciation	239,659,962	42,604,095	282,264,057	34,285,187
Total Assets	415,725,821	80,406,910	496,132,731	110,764,554
LIABILITIES				
Accounts payable	4,872,708	746,301	5,619,009	4,085,816
Accrued payroll	1,960,119	2,447	1,962,566	
Interest payable	400,806	227,686	628,492	778,904
Unearned revenue	2,440,015		2,440,015	982,205
Refundable deposits	2,170,026		2,170,026	638,476
Due to other agencies	37,930		37,930	
Claims payable (Note 11B):				
Due within one year	3,592,434		3,592,434	230,000
Due in more than one year	5,835,774		5,835,774	874,671
Compensated absences (Note 1H):				
Due within one year	2,497,795	74,698	2,572,493	665,869
Due in more than one year				9,171
Net pension obligation (Note 9D)	558,000		558,000	
Net OPEB obligation, due in more than one year (Note 10)	21,626,000		21,626,000	
Long-term debt (Note 6):				
Due within one year	2,085,883	658,877	2,744,760	3,267,173
Due in more than one year	40,679,880	17,012,400	57,692,280	27,879,533
Purchased power balancing account (Note 1J)				18,770,493
Total Liabilities	88,757,370	18,722,409	107,479,779	58,182,311
NET POSITION (Note 8):				
Net investment in capital assets	234,318,345	32,309,753	266,628,098	28,278,573
Restricted for:				
Capital projects	3,947,003		3,947,003	
Debt service	1,738,535		1,738,535	
Redevelopment and housing	4,779,725		4,779,725	
Public safety	937,203		937,203	
Planning and building	556,360		556,360	
Recycling	4,545,140		4,545,140	
Culture and recreation	4,332,494		4,332,494	
Maintenance Assessment Districts	4,443,457		4,443,457	
Transportation	10,768,352		10,768,352	
Tidelands properties	2,938,578		2,938,578	
Other special purpose projects	26,076,333		26,076,333	
NCPA projects and reserve				4,529,302
Sewer operations and projects		29,374,748	29,374,748	
Total Restricted Net Position	65,063,180	29,374,748	94,437,928	4,529,302
Unrestricted	27,586,926		27,586,926	19,774,368
	$326,968,451	$61,684,501	$388,652,952	$52,582,243

See accompanying notes to financial statements.

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$13,569,619	$7,507,538		
Police	30,431,546	1,125,359	$337,801	$3,273
Fire	27,374,670	2,625,040	1,355,337	64,070
Public works	12,664,895	7,329,147	2,409,292	3,218,958
Community development	20,805,104	9,717,218	2,625,469	
Community services	8,296,495	3,477,649	353,727	217,927
Housing	1,222,077	45	353,095	
Interest on long-term debt	1,409,201			
Total Governmental Activities	115,773,607	31,781,996	7,434,721	3,504,228
Business-type Activities:				
Sewer services	5,125,508	8,966,628		
Total Business-type Activities	5,125,508	8,966,628		
Total Primary Government	$120,899,115	$40,748,624	$7,434,721	$3,504,228
Component Unit:				
Alameda Municipal Power	$53,896,090	$56,157,469		
Total Component Units	$53,896,090	$56,157,469		
General revenues:				
Taxes:				
Property taxes				
Urban runoff special assessments				
Sales taxes				
Utility users tax				
Transfer tax				
Franchise tax				
Transient occupancy tax				
Property tax in-lieu				
Other taxes				
Motor vehicle in-lieu, unrestricted				
Use of money and properties				
Miscellaneous				
Increase in value of certain NCPA projects and reserves				
Transfers (Note 3C)				
Total general revenues and transfers				
Change in Net Position				
Beginning Net Position, as restated (Note 8)				
Ending Net Position				

See accompanying notes to financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Alameda Municipal Power
($6,062,081)		($6,062,081)	
(28,965,113)		(28,965,113)	
(23,330,223)		(23,330,223)	
292,502		292,502	
(8,462,417)		(8,462,417)	
(4,247,192)		(4,247,192)	
(868,937)		(868,937)	
(1,409,201)		(1,409,201)	
(73,052,662)		(73,052,662)	
	3,841,120	3,841,120	
	3,841,120	3,841,120	
(73,052,662)	3,841,120	(69,211,542)	
			$2,261,379
			2,261,379
26,937,823		26,937,823	
1,842,568		1,842,568	
5,932,043		5,932,043	
9,095,600		9,095,600	
5,582,337		5,582,337	
4,439,185		4,439,185	
1,396,432		1,396,432	
1,112,896		1,112,896	
2,788,444		2,788,444	
5,897,923		5,897,923	
4,039,370	33,149	4,072,519	98,920
1,531,218	5,495	1,536,713	176,225
			1,447,092
269,538	(269,538)		
70,865,377	(230,894)	70,634,483	1,722,237
(2,187,285)	3,610,226	1,422,941	3,983,616
329,155,736	58,074,275	387,230,011	48,598,627
$326,968,451	$61,684,501	$388,652,952	$52,582,243


OLD NAVY


Comerica Bank
Comerica Bank
2416

The funds described below were determined to be Major Funds of the City of Alameda in FY12-13. Individual non-major funds may be found in the Supplemental Information section.

General Fund

The General Fund accounts for all general revenues of the City not specifically levied or collected by other City funds, and related expenditures. The General Fund also accounts for all financial resources of the City which are not accounted for in another fund.

FISC Lease Revenue Special Revenue Fund

This fund accounts for revenue from the Fleet Industrial Supply Center (FISC) lease and related capital improvement expenditures.

Base Reuse Special Revenue Fund

This fund accounts for the revenues from leasing activities revenues and grants. Expenditures are made for base reuse activities.

Housing Special Revenue Fund

This fund accounts for funds to be used for affordable housing programs in the City.

Parking Special Revenue Fund

This fund accounts for revenues from the Civic Center garage and City parking lots. Expenditures support parking and transportation related projects.

Capital Improvement Projects Fund

This fund accounts for monies for major capital improvement projects not provided for in a separate and specific capital project fund.

City of Alameda
Governmental Funds
Balance Sheet
June 30, 2013

	General	FISC Lease Revenue Special Revenue
ASSETS		
Cash and cash equivalents (Note 2)	$19,891,495	$2,491,003
Restricted cash and investments (Note 2)	6,000	
Accounts receivable	6,342,072	
Interest receivable	319,583	
Due from other funds (Note 3A)	523,208	
Loans receivable (Note 4)	2,200,000	
Total Assets	$29,282,358	$2,491,003
LIABILITIES		
Accounts payable	$1,366,197	$50,940
Accrued payroll	1,925,558	321
Accrued interest		
Due to other funds (Note 3A)		
Due to other agencies	21,775	
Advances from other funds (Note 3B)		3,000,000
Refundable deposits	419,743	96,905
Total Liabilities	3,733,273	3,148,166
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	2,056,071	
Total Liabilities and Deferred Inflows of Resources	5,789,344	3,148,166
FUND BALANCES (Note 8):		
Nonspendable	2,200,000	
Restricted		
Committed		
Assigned		
Unassigned	21,293,014	(657,163)
Total Fund Balances	23,493,014	(657,163)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$29,282,358	$2,491,003

Base Reuse Special Revenue	Housing Special Revenue	Parking Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
$5,110,801	$1,187,645	$284,078	$4,437,699	$43,278,886	$76,681,607
			584,743	5,587,085	6,177,828
81,955	23,972		1,346,727	1,982,056	9,776,782
				185	319,768
					523,208
	10,700,086	3,053,151			15,953,237
$5,192,756	$11,911,703	$3,337,229	$6,369,169	$50,848,212	$109,432,430
$1,076,705	$29,731		$1,257,570	$745,660	$4,526,803
2,184	13		4,878	27,165	1,960,119
	7,543			1,154	8,697
				520,129	520,129
			2,855	13,300	37,930
					3,000,000
1,208,583		$33,113	38,246	352,000	2,148,590
2,287,472	37,287	33,113	1,303,549	1,659,408	12,202,268
	10,700,086	3,053,151	49,227	334,717	16,193,252
2,287,472	10,737,373	3,086,264	1,352,776	1,994,125	28,395,520
					2,200,000
2,905,284		250,965		18,137,004	21,293,253
	1,174,330		5,016,393	30,717,083	36,907,806
					20,635,851
2,905,284	1,174,330	250,965	5,016,393	48,854,087	81,036,910
$5,192,756	$11,911,703	$3,337,229	$6,369,169	$50,848,212	$109,432,430

City of Alameda
Reconciliation of
Governmental Funds -- Fund Balances
with Governmental Net Position
June 30, 2013

Total fund balances reported on the governmental funds balance sheet	$81,036,910
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	288,316,023
ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS	
Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.	
Cash and cash equivalents	14,588,231
Restricted cash and investments	752,402
Accounts receivable	279,579
Capital assets	5,880,364
Accounts payable	(345,905)
Accrued payroll	
Accrued interest	(95,789)
Due to other funds	(3,079)
Refundable deposits	(21,436)
Claims payable	(9,428,208)
Compensated absences	
Long-term debt	(5,085,763)
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES	
Revenues are deferred on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	13,753,237
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:	
Interest payable	(296,320)
Long-term debt	(37,680,000)
Compensated absences	(2,497,795)
Net Pension obligation	(558,000)
Net OPEB obligation	(21,626,000)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$326,968,451

See accompanying notes to financial statements.

City of Alameda
Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balance
For the year ended June 30, 2013

	General	FISC Lease Revenue Special Revenue
REVENUES		
Property taxes	$23,072,986	
Other local taxes	29,205,668	
Licenses and permits	1,824,801	
Revenues from other agencies	6,251,176	$173,871
Charges for current services	9,435,269	
Fines and forfeitures	760,537	
Use of money and property	1,258,352	1,509,286
Other	48,799	
Total Revenues	71,857,588	1,683,157
EXPENDITURES		
Current:		
General government	9,917,659	
Police	27,052,038	
Fire	23,262,699	
Public works	1,080,916	
Community development		658,673
Community Services	3,444,188	
Culture and recreation		
Housing		
Capital outlay	345,853	1,426
Debt service:		
Principal	67,360	
Interest	19,028	29,445
Total Expenditures	65,189,741	689,544
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,667,847	993,613
OTHER FINANCING SOURCES (USES)		
Transfers in (Note 3C)	103,318	
Transfers (out) (Note 3C)	(6,296,919)	(50,000)
Total Other Financing Sources (Uses)	(6,193,601)	(50,000)
NET CHANGE IN FUND BALANCE	474,246	943,613
BEGINNING FUND BALANCES, AS RESTATED (NOTE 8)	23,018,768	(1,600,776)
ENDING FUND BALANCES (DEFICITS)	$23,493,014	($657,163)

See accompanying notes to financial statements.

Base Reuse Special Revenue	Housing Special Revenue	Parking Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total Governmental Funds
				$7,226,442	$30,299,428
				235,598	29,441,266
			$22,158	1,373,123	3,220,082
$155,983			1,065,830	7,370,313	15,017,173
27,649			2,056,500	5,472,745	16,992,163
				952,021	1,712,558
11,692,526	$297,111	$14,866	34,135	1,478,045	16,284,321
160,351	12,221	201,976	313,747	629,517	1,366,611
12,036,509	309,332	216,842	3,492,370	24,737,804	114,333,602
				4,078,995	13,996,654
				1,486,070	28,538,108
					23,262,699
				3,239,536	4,320,452
13,981,348				3,188,758	17,828,779
				3,260,528	6,704,716
				1,178,313	1,178,313
	385,716			1,665,553	2,051,269
			10,367,425	2,592,062	13,306,766
				1,642,854	1,710,214
				1,383,169	1,431,642
13,981,348	385,716		10,367,425	23,715,838	114,329,612
(1,944,839)	(76,384)	216,842	(6,875,055)	1,021,966	3,990
			6,881,242	6,252,232	13,236,792
(1,486,799)	(27,664)	(194,000)	(104,618)	(6,012,654)	(14,172,654)
(1,486,799)	(27,664)	(194,000)	6,776,624	239,578	(935,862)
(3,431,638)	(104,048)	22,842	(98,431)	1,261,544	(931,872)
6,336,922	1,278,378	228,123	5,114,824	47,592,543	81,968,782
$2,905,284	$1,174,330	$250,965	$5,016,393	$48,854,087	$81,036,910

City of Alameda
Reconciliation of the
Net Change in Fund Balance - Governmental Funds
with the Change in Governmental Net Position
For the year ended June 30, 2013

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	($931,872)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay therefore added back to fund balance	13,306,766
Non-capitalized capital outlay expenditures were re-classified to various governmental activities	(7,586,443)
Loss on retirement of capital assets is deducted from fund balance	(403,145)
Depreciation expense is deducted from fund balance (Depreciation expense is net of internal service fund depreciation of $693,170 which has already been allocated to service funds)	(8,227,844)
LONG-TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Repayment of debt principal is added back to fund balance	1,696,660
Capital lease assumed by other agency	238,997
ACCRUAL OF NON-CURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):	
Unavailable revenue	332,600
Interest payable	22,441
Net pension obligation	(6,000)
Net OPEB obligation	(4,990,426)
Compensated absences	751,069
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, equipment, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising from their transactions with governmental funds is reported with governmental activities, because they service those activities.	
Change in Net Position - All Internal Service Funds	3,609,912
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	($2,187,285)

See accompanying notes to financial statements.

City of Alameda
General Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	$22,682,000	$22,682,000	$23,072,986	$390,986
Other local taxes	28,076,950	28,076,950	29,205,668	1,128,718
Licenses and permits	1,701,800	1,701,800	1,824,801	123,001
Revenues from other agencies	6,025,200	6,025,200	6,251,176	225,976
Charges for current services	9,834,352	9,834,352	9,435,269	(399,083)
Fines and forfeitures	812,000	812,000	760,537	(51,463)
Use of money and property	1,305,865	1,305,865	1,258,352	(47,513)
Other revenue			48,799	48,799
Total Revenues	70,438,167	70,438,167	71,857,588	1,419,421
EXPENDITURES:				
Current:				
General government	11,597,507	11,599,807	9,917,659	1,682,148
Police	25,198,394	27,161,872	27,052,038	109,834
Fire	23,365,049	23,303,446	23,262,699	40,747
Public works	1,160,032	1,160,032	1,080,916	79,116
Community Services	3,516,844	3,523,195	3,444,188	79,007
Capital outlay	381,000	378,700	345,853	32,847
Debt service:				
Principal	67,360	67,360	67,360	
Interest	19,030	19,030	19,028	2
Total Expenditures	65,305,216	67,213,442	65,189,741	2,023,701
NET CHANGE IF FUND REVENUES	5,132,951	3,224,725	6,667,847	3,443,122
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)	727,820	699,171	103,318	(595,853)
Transfers (out) (Note 3C)	(6,927,755)	(5,231,316)	(6,296,919)	(1,065,603)
Total other financing sources (uses)	(6,199,935)	(4,532,145)	(6,193,601)	(1,661,456)
NET CHANGE IN FUND BALANCE	($1,066,984)	($1,307,420)	474,246	$1,781,666
Beginning fund balance			23,018,768	
Ending fund balance			$23,493,014	

See accompanying notes to financial statements.

City of Alameda
FISC Lease Revenue
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Revenues from other agencies	$212,010	$212,010	$173,871	($38,139)
Use of money and property	1,113,737	1,113,737	1,509,286	395,549
Total Revenues	1,325,747	1,325,747	1,683,157	357,410
EXPENDITURES:				
Current:				
Community development	688,220	783,220	658,673	124,547
Capital outlay				
Debt service:		3,500	1,426	2,074
Interest			29,445	(29,445)
Total Expenditures	688,220	786,720	689,544	97,176
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	637,527	539,027	993,613	454,586
OTHER FINANCING SOURCES (USES)				
Transfers (out) (Note 3C)	(150,000)	(51,500)	(50,000)	1,500
Total other financing sources (uses)	(150,000)	(51,500)	(50,000)	1,500
NET CHANGE IN FUND BALANCE	$487,527	$487,527	943,613	$456,086
Beginning fund balance			(1,600,776)	
Ending fund balance (deficit)			($657,163)	

See accompanying notes to financial statements.

City of Alameda
Base Reuse
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Revenue from other agencies			$155,983	$155,983
Charges for current services		$24,000	27,649	3,649
Use of money and property	$12,346,860	12,393,366	11,692,526	(700,840)
Other			160,351	160,351
Total Revenues	12,346,860	12,417,366	12,036,509	(380,857)
EXPENDITURES:				
Current:				
Community development	11,430,510	12,190,510	13,981,348	(1,790,838)
Total Expenditures	11,430,510	12,190,510	13,981,348	(1,790,838)
EXCESS OF REVENUES OVER EXPENDITURES	916,350	226,856	(1,944,839)	(2,171,695)
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)				
Transfers (out) (Note 3C)			(1,486,799)	(1,486,799)
Total other financing sources (uses)			(1,486,799)	(1,486,799)
NET CHANGE IN FUND BALANCE	$916,350	$226,856	(3,431,638)	($3,658,494)
Beginning fund balance			6,336,922	
Ending fund balance			$2,905,284	

See accompanying notes to financial statements.

City of Alameda
Housing
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
for the year ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Use of money and property	$215,025	$215,025	$297,111	$82,086
Other	298,000	298,000	12,221	(285,779)
Total Revenues	513,025	513,025	309,332	(203,693)
EXPENDITURES:				
Current:				
Housing	456,185	566,185	385,716	180,469
Total Expenditures	456,185	566,185	385,716	180,469
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,840	(53,160)	(76,384)	(23,224)
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)				
Transfers (out) (Note 3C)	(200,000)	(200,000)	(27,664)	172,336
Total other financing sources (uses)	(200,000)	(200,000)	(27,664)	172,336
NET CHANGE IN FUND BALANCE	($143,160)	($253,160)	(104,048)	$149,112
Beginning fund balance			1,278,378	
Ending fund balance			$1,174,330	

See accompanying notes to financial statements.

City of Alameda
Parking
Special Revenue Fund
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget and Actual
For the year ended June 30, 2013

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property		$2,195	$14,866	$12,671
Other		204,810	201,976	(2,834)
Total Revenues		207,005	216,842	9,837
OTHER FINANCING SOURCES (USES)				
Transfers in (Note 3C)				
Transfers (out) (Note 3C)		(194,000)	(194,000)	
Total other financing sources (uses)		(194,000)	(194,000)	
NET CHANGE IN FUND BALANCE		$13,005	22,842	$9,837
Beginning fund balance			228,123	
Ending fund balance			$250,965	

See accompanying notes to financial statements.

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The City's intent is that the cost of providing goods and services within these funds be financed primarily through user charges.

Sewer Services Fund

The City operates its own wastewater system. This fund accounts for all financial transactions relating to this municipal activity including, but not limited to, operations, maintenance, capital financing and related debt services, billing and collection.

City of Alameda
Proprietary Funds
Statement of Net Position
June 30, 2013

	Business-type Activities Enterprise Funds Sewer Services	Governmental Activities- Internal Service Funds
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	$14,750,482	$14,588,231
Accounts receivable	426,042	279,579
Total Current Assets	15,176,524	14,867,810
Noncurrent Assets		
Restricted cash and investments (Note 2)	12,908,233	752,402
Advances to other funds (Note 3B)	3,000,000	
Capital assets (Note 5):		
Non-depreciable	6,718,058	
Depreciable, net	42,604,095	5,880,364
Total Non-current assets	65,230,386	6,632,766
Total Assets	80,406,910	21,500,576
LIABILITIES		
Current Liabilities:		
Accounts payable	746,301	345,905
Claims payable (Note 11)		3,592,434
Accrued payroll	2,447	
Interest payable	227,686	95,789
Due to other funds (Note 3A)		3,079
Refundable deposits		21,436
Compensated absences (Note 1H)	74,698	
Long-term debt - current (Note 6)	658,877	431,883
Total Current Liabilities	1,710,009	4,490,526
Claims payable - noncurrent (Note 11)		5,835,774
Long-term debt - noncurrent (Note 6)	17,012,400	4,653,880
Total Liabilities	18,722,409	14,980,180
NET POSITION (Note 8):		
Net investment in capital assets	32,309,753	1,226,484
Restricted	29,374,748	5,293,912
Total Net Position	$61,684,501	$6,520,396

See accompanying notes to financial statements.

City of Alameda
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2013

	Business-type Activities Enterprise Funds Sewer Services	Governmental Activities- Internal Service Funds
OPERATING REVENUES		
Charges for services	$8,966,628	$9,765,800
Miscellaneous	5,495	1,592,178
Total Operating Revenues	8,972,123	11,357,978
OPERATING EXPENSES		
General administrative	1,097,439	402,841
Wages and benefits	1,094,026	178,059
Insurance		6,631,779
Contractual services	1,363,572	800,858
Depreciation	1,030,020	882,778
Utilities	64,738	
Supplies and maintenance	128,737	77,274
Total Operating Expenses	4,778,532	8,973,589
Operating Income (Loss)	4,193,591	2,384,389
NONOPERATING REVENUES (EXPENSES)		
Interest income	33,149	20,123
Interest (expense)	(346,976)	
Total Nonoperating Revenues (Expenses)	(313,827)	20,123
Income (Loss) Before Transfers	3,879,764	2,404,512
Transfers in (Note 3C)	92,108	1,205,400
Transfers (out) (Note 3C)	(361,646)	
Change in net position	3,610,226	3,609,912
BEGINNING NET POSITION (AS RESTATED NOTE 8)	58,074,275	2,910,484
ENDING NET POSITION	$61,684,501	$6,520,396

See accompanying notes to financial statements.

City of Alameda
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2013

	Business-type Activities Enterprise Funds — Sewer Services	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$8,682,887	$11,186,716
Payments to suppliers	(1,322,444)	(3,676,141)
Payments to employees	(2,609,631)	(718,056)
Claims paid		(2,978,264)
Cash Flows from Operating Activities	4,750,812	3,814,255
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Interfund payments		3,079
Transfers in	92,108	1,205,400
Transfers (out)	(361,646)	
Cash Flows from Noncapital Financing Activities	(269,538)	1,208,479
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets, net	(3,899,380)	(2,841,220)
Equipment purchase agreement proceeds		2,165,074
Issuance of debt	14,715,000	
Premium on bonds	107,895	
Principal payments on capital debt	(2,571,399)	(336,505)
Interest paid	(181,875)	
Cash Flows from Capital and Related Financing Activities	8,170,241	(1,012,651)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in restricted investments	(12,237,984)	(269,415)
Interest income	33,149	20,123
Cash Flows from Investing Activities	(12,204,835)	(249,292)
Net Cash Flows	446,680	3,760,791
Cash and investments at beginning of period	14,303,802	10,827,440
Cash and investments at end of period	$14,750,482	$14,588,231
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:		
Operating income	$4,193,591	$2,384,389
Adjustments to reconcile operating income to cash flows from operating activities:		
Depreciation	1,030,020	882,778
Change in assets and liabilities:		
Accounts receivable and refundable deposits	(289,236)	(171,262)
Prepaids and deposits	234,603	
Accounts payable	(396,746)	(89,822)
Claims payable		945,328
Accrued payroll	(11,365)	(595)
Compensated absences	(10,055)	(136,561)
Cash Flows from Operating Activities	$4,750,812	$3,814,255

See accompanying notes to financial statements.

Trust funds are used to account for assets held by the City as a trustee agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide Financial Statements, but are presented in separate Fiduciary Fund Financial Statements.

Pension Trust Funds are used to account for the resources accumulated by the City for the payment of pension benefits on behalf of retirees in the City's two closed pension plans, 1079 and 1082.

Successor Agency Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the former Community Improvement Commission of the City of Alameda.

Agency Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

City of Alameda
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2013

	Pension Trust Funds	Successor Agency Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents (Note 2)		$13,728,514	
Restricted cash and investments (Note 2)	$52,169	8,633,655	$8,980,501
Accounts receivable		5,597	15,908
Interest receivable		55	
Total Assets	52,169	22,367,821	8,996,409
LIABILITIES			
Accounts payable		1,285,345	432,308
Accrued payroll		55	
Interest payable		1,447,875	
Pass-through obligations		105,458	
Payable to the Housing Authority		32,164	
Due to bondholders			8,052,427
Long term debt (Note 14C):			
Due within one year		1,845,000	
Due in more than one year		69,322,895	
Total Liabilities		74,038,792	8,484,735
NET POSITION			
Restricted for:			
Held in Trust for private purpose		(51,670,971)	
Employees' pension benefits	52,169		
Total Net Position	$52,169	($51,670,971)	

See accompanying notes to financial statements.

City of Alameda
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
for the year ended June 30, 2013

	Pension Trust Funds	Successor Agency Private Purpose Trust Funds
ADDITIONS		
Employer contributions	$1,918,875	
Property taxes		$11,742,512
Use of money and property		57,662
Transfer from Successor Agency Special Revenue Fund		5,868,592
Other		486,045
Total Additions	1,918,875	18,154,811
DEDUCTIONS		
Administration		336,419
Retirements and other benefits	1,860,527	
Contractual services	7,096	3,373,607
Transfer to Successor Agency Debt Service Fund		5,868,592
Community development expense		993,951
Debt service:		
Interest and fiscal charges		4,591,810
Total Deductions	1,867,623	15,164,379
CHANGE IN NET POSITION	51,252	2,990,432
NET POSITION, BEGINNING OF YEAR	917	(54,661,403)
NET POSITION, END OF YEAR	$52,169	($51,670,971)

See accompanying notes to financial statements.

BEECHER
TRUCK 2
CITY OF

Harvard DR
1900


City of Alameda
Paratransit Shuttle
OPERATE
MV TRANSPOR

Note 1 – Summary of Significant Accounting Policies

The City of Alameda, California, occupies the island of Alameda situated in the San Francisco Bay. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire); streets and related improvements; sanitation; development services; public improvements; planning and zoning and general administration services.

A. Reporting Entity

The City of Alameda is a charter city and is governed by a five-member City Council elected by City residents. The City is legally separate and fiscally independent, which means it can issue debt, adopt and modify budgets and fees, and sue or be sued. These financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations, thus data from these units are combined with that of the primary government. Each discretely presented component unit is reported in a separate column in the basic financial statements to emphasize that it is legally separate from the primary governmental unit.

Primary Government

The financial statements of the primary government of the City of Alameda include the activities of the City as well as the Alameda Public Financing Authority (APFA), which is controlled by and dependent upon the City. While the APFA is a separate legal entity, its financial activities are integral to those of the City. Its financial activities has aggregated and merged (termed "blending") with those of the primary government of the City in the accompanying financial statements.

Blended Component Units

The Alameda Public Financing Authority (APFA**)** is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Successor Agency Private Purpose Trust Funds.

Discretely Presented Component Units

The component unit below is legally separate from the City. However, City Council appoints the members of its governing board and approves its budgets.

Alameda Municipal Power was established to provide electricity to the City of Alameda. The Charter was amended in 1998 to allow provision of telecommunications services as well. The telecommunications services were sold off during FY 2009-10. The financial activities of the Alameda Municipal Power are discretely included in the Alameda Municipal Power Component Unit columns of the Statement of Net Position and Statement of Activities.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.

Note 1 - Summary of Significant Accounting Policies (Continued)

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the City and its blended component units. These statements include the financial activities of the overall City government, except for fiduciary activities.

Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs; (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category — *governmental, proprietary*, and *fiduciary* — are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. O*perating* revenues, such as charges for services, and expenses, such as contractual services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as investment earnings, and expenses, such as interest expenses, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, entitled non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General Fund accounts for all general revenues of the City not specifically levied or collected by other City funds and their related expenditures. The General Fund also accounts for all financial resources of a governmental unit which are not accounted for in another fund.

***FISC Lease Special Revenue Fund* -** This fund accounts for revenue from the Fleet Industrial Supply Center (FISC) lease and related capital improvement expenditures.

***Base Reuse Special Revenue Fund* -** This fund accounts for revenues from leasing activities revenues and grants. Expenditures are made for base reuse activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

Housing Special Revenue Fund **-** This fund accounts for funds received from developer impact fees to be used for affordable housing programs in the City.

Parking Special Revenue Fund **–** This fund accounts for revenue from the Civic Center garage and City parking lots. Expenditures support parking and transportation related projects.

Capital Improvement Projects Fund **-** This fund accounts for monies for major capital improvement projects not provided for in a separate and specific capital project fund transferred in from other funds and received from grants.

The City reported its only enterprise fund as a major fund in the accompanying financial statements:

Sewer Services Fund **-** The City operates its own wastewater system. This fund accounts for all financial transactions relating to this municipal activity including, but not limited to, operations, maintenance, capital financing and related debt service, billing and collection.

The City also reports the following fund types:

Internal Service Funds - The funds account for central stores, central garage, information technology services, workers' compensation insurance and claims, risk management insurance and claims, unemployment insurance and post-employment benefits, all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - Pension Trust Funds and Agency Funds are used to account for assets held by the City as an agent.

Trust Funds **-** These funds account for assets held by the City as an agent for various functions. The Pension Trust Funds account for the resources accumulated by the City for the payment of pension benefits on behalf of retirees in the City's two closed pension plans 1079 and 1082. The Successor Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments due for the City's former Community Improvement Commission at appropriate amounts and times in the future. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Agency Funds **-** These funds account for assets held by the City as an agent for certain assessment districts in the City, the Waste Management Joint Refuse Rate Review Committee, and the Mastick Senior Center, which provides services and facilities to enhance the quality of lives for senior citizens. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred,* regardless of when the related cash flows take place. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are generally collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on governmental long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are taxes, special assessments, intergovernmental revenues, use of money and property revenue, charges for services, fines and penalties, and license and permit revenues. Sales taxes collected and held by the State at year-end on behalf of the City are also recognized as revenue.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions and activities.

All proprietary and similar trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when earned, and their expenses are recognized when incurred, except for revenues from electricity and sewer customers, which are recognized based on cycle billings. Revenues for services provided, but not billed at the end of a fiscal period, are not material and thus not accrued.

In addition to assets, the statement of financial position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position or balance sheet will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

The City adopts a budget annually for all funds. This budget is effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted by the City Council, and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget during the fiscal year. The City Manager or his designee is authorized to transfer budgeted amounts between departments and between line items within any fund. However, any revisions which alter the total expenditures of any fund must be approved by the City Council. Transfers between funds must be approved by the City Council. All appropriations lapse at year end. Supplemental changes in appropriations that have been adopted by the City Council have been included in the budget versus actual statements.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except for the major Capital Improvements Projects Fund, which is budgeted at total cost in the budget year it is approved. Unexpended balances of this fund are reappropriated in the subsequent year as necessary to complete the projects.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end lapse and must be reappropriated as part of the following year budget.

The following funds incurred expenditures in excess of its budget for the year ended June 30, 2013:

Fund Name	Amount
Governmental Major Funds:	
Base Reuse Special Revenue Fund	$1,790,838
Governmental Non-Major Funds:	
Asset Seizure/Traffic Safety Fund	29,558
Athletic Recreation	340,360
Commercial Revitalization Fund	29,379
Construction Impact Fee Fund	1,687

Sufficient resources were available within each fund to finance the overages.

F. Materials, Parts and Supplies

Materials, parts and supplies are held for consumption and are valued at average cost. Enterprise fund supplies consist of materials and supplies for the golf shop, which are held for resale to the public. General fund supplies are recorded as expenditures at the time individual supply items are purchased.

G. Deferred Compensation Plans

City employees may defer a portion of their compensation under four separate, optional City sponsored deferred compensation plans created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The City has Deferred Compensation Plan administration agreements with ICMA, California Public Employees Retirement System, Nationwide Retirement Solutions, Inc., and ITT Hartford Life Insurance Companies to provide for the administration and management of employees' deferred compensation plan assets. These agreements incorporate changes in the laws and IRS regulations governing deferred compensation plan assets, which require plan assets to be held for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Compensated Absences

The liability for compensated absences includes the vested portions of vacation, sick leave and compensated time off. For all governmental funds, a liability of these amounts is reported only if they have matured, for example, as a result of employee resignations and retirements. The remaining portion is recorded as a liability in the Statement of Net Position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

Compensated absences activity for the year ended June 30, 2013, is as follows:

	Primary Government			Component Unit	
	Governmental Activities	Business-Type Activities	Subtotal	Alameda Municipal Power	Total
Beginning Balance	$3,385,425	$84,753	$3,470,178	$711,939	$4,182,117
Additions	2,730,776	67,785	2,798,561	506,099	3,304,660
Payments	(3,618,406)	(77,840)	(3,696,246)	(542,998)	(4,239,244)
Ending Balance	$2,497,795	$74,698	$2,572,493	$675,040	$3,247,533
Current Portion	$2,497,795	$74,698	$2,572,493	$665,869	$3,238,362

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

I. Property Tax

Alameda County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

Property taxes levied are recorded as revenue and receivables in the fiscal year of levy or assessment.

J. Purchased Power Balancing Account

The Purchased Power Balancing Account is used by Alameda Municipal Power to stabilize rates in the short term. Specifically, the balancing account accumulates differences between the actual cost of purchased power and the revenues designated for recovery of such costs. Deferred amounts are refunded to or recovered from customers through authorized rate adjustments. The effect of using the balancing account is that unanticipated changes in sales levels and purchased power costs do not immediately affect Alameda Municipal Power's rate payers, because they are included in operating expenses when matched by revenues.

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Transfer from Alameda Municipal Power

The City Charter provides that Alameda Municipal Power transfer to the City's General Fund certain excess earnings as defined in the Charter. During fiscal year 2010-11, there were no excess earnings to be transferred. However, the Public Utilities Board by resolution has directed that $2,800,000 be contributed to the City's General Fund, in accordance with these provisions, during the fiscal year ended June 30, 2013.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash and Investments

The City's dependence upon property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools cash from all sources and all funds except Cash with Fiscal Agents and the Alameda Municipal Power so that it can be invested at the maximum yield, consistent with safety and liquidity. Individual funds can make expenditures at any time.

Investment income is allocated among funds on the basis of average month-end cash and investment balances in these funds. Investments are carried at fair value.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of form.

The City's investments are carried at fair market value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair market value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows. Restricted cash and investments are not included for cash flow purposes.

Note 2 - Cash and Investments (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not use is restricted under the terms of City debt instruments or agency agreements. Cash and investments as of June 30, 2013, as presented on the Statement of Net Position and Statement of Fiduciary Net Position are as follows:

Cash and investments available for operations:	
City	$106,020,320
Alameda Municipal Power	37,365,770
Restricted cash and investments:	
City	19,838,463
Alameda Municipal Power	4,529,302
Total cash and investments of primary government and component units	167,753,855
Restricted cash and investments in Fiduciary Funds (separate statement):	
Cash and cash equivalents	13,728,514
Restricted cash and investments	17,666,325
Total cash and investments	$199,148,694

Cash and investments as of June 30, 2013 are composed of the following categories:

	Amounts
City	$157,253,622
Component Unit:	
Alameda Municipal Power	41,895,072
Total	$199,148,694

Note 2 - Cash and Investments (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's investment policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive, that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

The City's investment policy and the California Government Code allow the City to invest in the following:

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	270 Days	N/A	20%	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	$50,000,000 per account	$50,000,000 per account
U.S. Treasury Bonds, Notes and Bills	5 Years	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	5 Years	N/A	75%	25% in each U.S. Agency
Bankers' Acceptances	180 Days	N/A	30%	30%
Commercial Paper	270 Days	A1, P1	25%	No Limit
Negotiable Certificates of Deposit	5 Years	AA	30%	No Limit
Time Certificates of Deposit	5 Years	N/A	30%	No Limit
Medium-Term Corporate Notes	5 Years	A	30%	No Limit
Money Market Mutual Funds	N/A	N/A	20%	No Limit
County Agency Investment Fund	Upon Demand	N/A	15%	No Limit
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit
CDs - non-negotiable / CDAR	3 Years	N/A	30%	5%
Local Agency Debt	5 Years	A	5%	5%

(A) The maximum of any investment shall not exceed five years unless expressly authorized by City Council.

Note 2 - Cash and Investments (Continued)

Alameda Municipal Power's investment policy and the California Government Code allow Alameda Municipal Power to invest in the following, provided the credit ratings of the issuers are acceptable to Alameda Municipal Power, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or Alameda Municipal Power's investment policy where Alameda Municipal Power's Investment Policy is more restrictive, that addresses investments of interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of Alameda Municipal Power, rather than the general provisions of the California Government Code or Alameda Municipal Power's investment policy.

Alameda Municipal Power's investment policy and the California Government Code allow Alameda Municipal Power to invest in the following:

Authorized Investment Type	Maximum Maturity (A)	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Municipal Bonds	5 years	N/A	No Limit	No Limit
U.S. Treasury Obligations	5 years	N/A	20%	No Limit
State of California Obligations	5 years	N/A	No Limit	No Limit
Other State Obligations (C)	5 years	N/A	No Limit	No Limit
CA Local Agency Obligations	5 years	N/A	No Limit	No Limit
U.S. Agency Securities (B)	5 years	N/A	No Limit	No Limit
Bankers Acceptances	180 days	N/A	40%	30%
Commercial Paper	270 days	A1	25%	10%
Negotiable Certificates of Deposit	2 years	N/A	25%	No Limit
Time Certificates of Deposit	2 years	N/A	25%	No Limit
Repurchase Agreements	1 Year	N/A	No Limit	No Limit
Reverse Repurchase Agreements (requires Board approval)	92 days	N/A	20 % of market value of portfolio	No Limit
Medium Term Corporate Notes	5 years	A	30%	No Limit
Mutual Funds	2 years	Top rating category	20%	10%
Money Market Mutual Funds	2 years	Top rating category	5%	10%
Collateralized Bank Deposits	2 years	N/A	5%	No Limit
Mortgage Pass-Through Securities	2 years	Top rating category	20%	No Limit
County Pooled Investment Funds	Upon Demand	N/A	15%	No Limit
California Local Agency Investment Fund	Upon Demand	N/A	90%	$40,000,000 per account
California Asset Management Program (CAMP)	Upon Demand	N/A	No Limit	No Limit

(A) The Maximum term of any investment shall not exceed five years unless expressly authorized by the Public Utilities Board
(B) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank (FFCB), the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC)
(C) State Obligations such as registered treasury notes and bonds

Note 2 - Cash and Investments (Continued)

D. Investments Authorized by Debt Agreements

The City and the Successor Agency to the Community Improvement Commission must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the City or the Successor Agency to the Community Improvement Commission fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment In One Issuer
Repurchase Agreements	30 days	Top Four Rating Categories	No Limit	No Limit
U.S. Treasury Bonds, Notes and Bills	No Limit	N/A	No Limit	No Limit
U.S. Agency and U.S. Government Sponsored Enterprise Securities	No Limit	No Limit	No Limit	No Limit
State Obligations	No Limit	Not lower than their bond rating	No Limit	No Limit
Commercial Paper	270 days	A-1+	No Limit	No Limit
Negotiable Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Time Certificates of Deposit	No Limit	N/A	No Limit	No Limit
Corporate Notes and Bonds	No Limit	Not lower than their bond rating	No Limit	No Limit
Guaranteed Investment Contracts	No Limit	Not lower than their bond rating	No Limit	No Limit
Shares of Beneficial Interest	No Limit	Top Rating Category	No Limit	No Limit
Money Market Mutual Funds	No Limit	Aam	20%	No Limit
Bankers' Acceptances	365 days	A-1+	30%	30%
Municipal Bonds	No Limit	AAA	No Limit	No Limit
California Local Agency Investment Fund (LAIF)	Upon Demand	N/A	$50,000,000 per account	$50,000,000 per account
Investment Agreements	No Limit	AA-	No Limit	No Limit

Note 2 - Cash and Investments (Continued)

Alameda Municipal Power must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if Alameda Municipal Power fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Alameda Municipal Power's ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	N/A	N/A	No Limit	No Limit
State Obligations	N/A	AA+	No Limit	No Limit
U.S. Agency Securities (A)	N/A	N/A	No Limit	No Limit
Commercial Paper	N/A	P1	No Limit	No Limit
Certificates of Deposit	N/A	P1	No Limit	No Limit
Bankers Acceptances	1 year	P1	No Limit	No Limit
Money Market Mutual Funds	N/A	AAAm	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	$40,000,000 per account	$40,000,000 per account
Investment Agreements (B)	N/A	AA	No Limit	No Limit

(A) Securities issued by agencies of the federal government such as the Federal Farm Credit Bank, the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation (FHLMC)
(B) Investment agreements, including guaranteed investment contracts, repurchase agreements, forward purchase agreements and reserve fund put agreements

Note 2 - Cash and Investments (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in economic markets that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to the changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities, so that a portion of the portfolio is maturing or realizing maturity evenly over time as necessary in order to provide the cash flow and liquidity needed for operations. Information on the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at June 30, 2013:

Investment Type	12 Months or less	One to Five Years	Total
City of Alameda:			
U.S. Government-Sponsored			
Enterprise Agencies			
Non-callable	$2,899,374	$26,470,702	$29,370,076
Callable		2,239,833	2,239,833
Corporate Securities			
Non-callable	3,651,370	14,020,353	17,671,723
Callable	630,757	694,507	1,325,264
US Treasury Notes and Bills	24,989,811		24,989,811
Money Market Mutual Funds	24,145,883		24,145,883
California Local Agency Investment Fund	35,069,329		35,069,329
California Asset Management Program	381,739		381,739
Negotiable Certificates of Deposit	5,448,120		5,448,120
Time Certificates of Deposit	850,172		850,172
Commercial Paper	1,499,463		1,499,463
Municipal Bonds		1,200,848	1,200,848
Total Investments	$99,566,018	$44,626,243	144,192,261
Cash deposits with banks and on hand			13,061,361
Total Cash and Investments			$157,253,622

Note 2 - Cash and Investments (Continued)

Information about the sensitivity of the fair values of Alameda Municipal Power's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Alameda Municipal Power's investments by maturity:

	12 Months or less
Investments:	
Bond Mutual Funds	$4,529,302
U.S. Treasury Notes	998,456
Local Agency Investment Fund	23,329,900
Certificate of Deposits	6,965,000
Total Investments	35,822,658
Cash with Banks and Petty Cash	6,072,414
Total Cash and Investments	$41,895,072

The City and Alameda Municipal Power are voluntary participants in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City and Alameda Municipal Power report their investments in LAIF at the fair value amounts provided by LAIF, which is the same as the value of the pool share. At June 30, 2013 the fair value approximated cost of the investments of the City and Alameda Municipal Power. The balance, available for withdrawal on demand, is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2013, these investments had an average maturity of 278 days.

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its Participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2013 the fair value approximated is the City's cost. At June 30, 2013, these investments have an average maturity of 37 days.

Note 2 - Cash and Investments (Continued)

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment when an investment matures. This is measured by the assignment of a credit rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2013, for each City's investment type as provided by Standard and Poor's:

Investment Type	AAA	AAAm	AA+	AA	AA-	A+	A	A-	A-1+	A-1	Total
City of Alameda:											
U.S. Government-Sponsored											
Enterprise Agencies											
Non-callable			$29,370,076								$29,370,076
Callable			2,239,833								2,239,833
Corporate Securities											
Non-callable			3,559,522	$1,660,183	$1,124,522	$2,660,653	$7,746,681	$920,162			17,671,723
Callable				249,163		1,076,101					1,325,264
Commercial Paper										$1,499,463	1,499,463
Municipal Bonds	$400,000		800,848								1,200,848
Negotiable Certificates of Deposit					1,796,135				$2,451,273	1,200,712	5,448,120
Money Market Mutual Funds		$24,145,883									24,145,883
California Asset Management Program		381,739									381,739
Totals	$400,000	$24,527,622	$35,970,279	$1,909,346	$2,920,657	$3,736,754	$7,746,681	$920,162	$2,451,273	$2,700,175	83,282,949
Not rated:											
City of Alameda:											
California Local Agency Investment Fund											35,069,329
Time Certificates of Deposit											850,172
											35,919,501
Exempt:											
City of Alameda:											
US Treasury Notes and Bills											24,989,811
Total Investments											$144,192,261

Presented below is the actual rating as of June 30, 2013, for each Alameda Municipal Power investment type as provided by Standard and Poor's:

Investments with Fiscal Agent	
AAAm:	
Bond Mutual Funds	$4,529,302
Not rated:	
Certificate of Deposits (Morgan Stanley)	6,965,000
Local Agency Investment Fund	23,329,900
Exempt:	
U.S. Treasury Notes	998,456
Total Investments	$35,822,658

Note 2 - Cash and Investments (Continued)

G. Concentration of Credit Risk

The City's investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. However, the City is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by individual City Funds in the securities of issuers other than U. S. Treasury securities, mutual funds and external investment pools. At June 30, 2013, those investments consisted of:

Reporting Unit	Issuer	Investment Type	Reported Amount
Entity Wide:	Federal Home Loan Mortgage Corporation	U.S. Government-Sponsored Enterprise Agencies	$10,744,484
	Federal National Mortgage Association	U.S. Government-Sponsored Enterprise Agencies	9,086,058

H. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City's investments include U.S. Government-Sponsored Enterprise Agencies and Corporate Notes that have an embedded call feature. At June 30, 2013, those investments consisted of:

Issuer	Maturity Date	Callable Date	Reported Amount
Federal Home Loan Mortgage Corporation	4/29/2015	10/29/2013	$808,603
Federal National Mortgage Association	8/7/2015	8/7/2013	998,265
Federal Home Loan Bank	2/27/2017	2/27/2015	432,965
US Bank	9/13/2013	8/13/2013	630,757
Bank of New York Mellon	3/4/2016	2/3/2016	445,344
Chevron Corporation	12/5/2017	11/5/2017	249,163

Note 3 - Interfund Transactions

A. Current Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The purpose of these balances is to eliminate negative cash balances at year end in various funds. At June 30, 2013, the amounts of current interfund balances were as follows:

Due From Other Funds	Due To Other Funds	
General Fund	Non-Major Governmental Funds	$520,129
	Internal Service Funds	3,079

B. Long-Term Advances

The General Fund advanced $1,440,000 the FISC Lease Special Revenue Fund to pay for the public safety of former Navy property. The advance bears interest at 6% and will be repaid from future lease revenue as funds become available. The remaining balance of this advance was $480,000 and was paid off in full as of June 30, 2013.

Note 3 - Interfund Transactions (Continued)

The Sewer Enterprise Fund advanced $3,000,000 to the former Community Improvement Commission as matching funds for construction of the Webster Street/Wilver Stargell Avenue Intersection Project. These advances bear interest at 3% until paid in full. The advance is expected to be repaid by 2014. Due to the dissolution of the Commission effective February 1, 2012, the City and the Successor Agency agreed that the obligation is to be transferred to the FISC Lease Special Revenue Fund and is payable from future developments in the area. As of June 30, 2013, the FISC Lease Special Revenue Fund has recorded this advance with a balance of $3,000,000.

C. Transfers Between City Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between City funds during fiscal year 2012-13 were as follows:

Fund Receiving Transfers	Fund Making Transfer	Amount Transferred	
General Fund	Base Reuse Special Revenue Fund	$27,649	A
	Sewer Services Enterprise Fund	10,000	A
	Non-Major Governmental Funds	65,669	A
Capital Improvement Projects Fund	General Fund	1,534,000	B
	FISC Lease Revenue Special Revenue Fund	50,000	B
	Base Reuse Special Revenue Fund	170,125	B
	Sewer Services Enterprise Fund	351,646	B
	Non-Major Governmental Funds	4,775,471	B
Sewer Services Enterprise Fund	Non-Major Governmental Funds	92,108	B
Non-Major Governmental Funds	General Fund	3,781,799	A,B
	Base Reuse Special Revenue Fund	1,213,025	B
	Housing Special Revenue Fund	27,664	C
	Parking Special Revenue Fund	194,000	B
	Capital Improvement Projects	4,618	B
	Non-Major Governmental Funds	1,031,126	A,B,C
Internal Service Funds	General Fund	981,120	A
	Base Reuse Special Revenue Fund	76,000	A
	Capital Improvement Projects Fund	100,000	A
	Non-Major Governmental Funds	48,280	A
Total		$14,534,300	

The reasons for these transfers are set forth below:
(A) To fund library, debt service, and other indirect costs.
(B) To fund capital or storm drain projects.
(C) To fund housing projects.

D. Internal Balances

Internal balances are presented in the entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

Note 4 - Loans Receivable

A. Housing Rehabilitation and Affordable Housing Loans

The City and former CIC has engaged in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the City's and former CIC's terms. Some of these loans may be forgiven at the completion of the loan term if all stipulated conditions are met. Other loans and notes are expected to be repaid in full.

As discussed in Note 14B, on July 31, 2012 the housing rehabilitation and affordable housing loans were transferred from the Successor Agency to the Housing Authority.

The City's remaining outstanding balance of the loans receivable from these programs, net of allowance for doubtful accounts, at June 30, 2013 was $10,700,086, which has been offset with deferred revenue. Included in the outstanding balance was a receivable for $1,080,285 from the Housing Authority. The City has determined that $719,706 of the outstanding balance may have to be written off in the future therefore they have established an allowance for doubtful accounts for this amount.

B. Loan to Alameda Municipal Power

On December 16, 2003 at the request of the Public Utilities Board, the Alameda City Council loaned $2,200,000 to Alameda Municipal Power for the purpose of the construction of a hybrid fiber-optic/coaxial telecom network. As of June 30, 2013, the remaining principal balance was $2,200,000.

C. Alameda Municipal Power Loans to the City

The City entered into a loan agreement with Alameda Municipal Power for the replacement of deteriorated street lights. Through June 30, 2013, Alameda Municipal Power had expended $627,300 for street light replacement, and the City had made payments of $627,300. The loan was paid off in fiscal year 2013.

D. Multiplex Cinema

As part of a Disposition and Development Agreement the City entered into a loan agreement with Alameda Entertainment Associates, L.P. in March 2007 for $2,800,000 for the renovation of the Historic Alameda Theatre and development of a new multiplex cinema. Repayment of $1,400,000 of this loan will begin in the seventh operating year for twenty years with equal monthly installments. The remaining $1,400,000 will be repaid by percentage rental amounts from gross operating revenues as established in the Disposition and Development Agreement. An additional loan agreement of $300,000 was entered into by both parties for furniture fixtures and equipment purchases as part of the renovation project. As of June 30, 2013, the City has loans outstanding with Alameda Entertainment Associates totaling $3,053,151.

Note 5 – Capital Assets

Capital assets, other than infrastructure assets, are defined by the City as assets with an initial, individual cost of more than $10,000. All capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed.

All capital assets with limited useful lives are depreciated during their estimated useful lives. The purpose of depreciation is to allocate the cost of capital assets equitably among all users during the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

Electric Plant	30 years
Buildings and Improvements	40 - 80 years
Machinery, Furniture and Equipment	4 - 40 years
Infrastructure	15 - 75 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds within the same period.

Note 5 – Capital Assets (Continued)

A. Capital Asset Additions and Retirements

City capital asset activities for the year ended June 30, 2013, are as follows:

	Balance at June 30, 2012	Restatement (See Note 8)	Additions	Retirements	Transfers	Balance at June 30, 2013
Governmental activities						
Capital assets not being depreciated:						
Land	$5,818,419	$176,899				$5,995,318
Construction in progress	61,825,879		$5,713,010	($50,222)	($18,947,560)	48,541,107
Total capital assets not being depreciated	67,644,298	176,899	5,713,010	(50,222)	(18,947,560)	54,536,425
Capital assets being depreciated:						
Buildings	252,768,313	1,133,476		(707,602)	478,499	253,672,686
Machinery and equipment	28,535,703	1,938,400	2,841,220	(2,553,738)		30,761,585
Infrastructure:						
Streets	95,586,110	201,996			18,193,136	113,981,242
Landscape	20,479,187					20,479,187
Storm drains	19,795,994	314,356				20,110,350
Portable water systems	1,353,939					1,353,939
Parks	7,704,115				275,925	7,980,040
Marina facilities	24,285,397					24,285,397
Golf Improvements		4,205,963				4,205,963
Total capital assets being depreciated	450,508,758	7,794,191	2,841,220	(3,261,340)	18,947,560	476,830,389
Less accumulated depreciation:						
Buildings	(99,165,165)	(281,930)	(3,383,010)	362,445		(102,467,660)
Machinery and equipment	(19,451,855)	(1,598,300)	(1,512,717)	2,356,364		(20,206,508)
Infrastructure:						
Streets	(59,895,657)	(147,047)	(2,388,511)			(62,431,215)
Landscape	(16,223,080)		(540,379)			(16,763,459)
Storm drains	(8,248,991)	(79,894)	(339,235)			(8,668,120)
Portable water systems	(1,161,481)		(7,851)			(1,169,332)
Parks	(2,920,368)		(281,370)			(3,201,738)
Marina facilities	(19,313,539)		(301,218)			(19,614,757)
Golf Improvements		(2,488,228)	(159,410)			(2,647,638)
Total accumulated depreciation	(226,380,136)	(4,595,399)	(8,913,701)	2,718,809		(237,170,427)
Net capital assets being depreciated	224,128,622	3,198,792	(6,072,481)	(542,531)	18,947,560	239,659,962
Governmental activity capital assets, net	$291,772,920	$3,375,691	($359,471)	($592,753)		$294,196,387

Note 5 - Capital Assets (Continued)

	Balance at June 30, 2012	Restatement (See Note 8)	Additions	Transfers	Balance at June 30, 2013
Business-type activities					
Capital assets, not being depreciated:					
Land and improvement	$176,899	($176,899)			
Construction in progress	7,654,447		$3,787,113	($4,723,502)	$6,718,058
Total capital assets not being depreciated	7,831,346	(176,899)	3,787,113	(4,723,502)	6,718,058
Capital assets, being depreciated:					
Buildings	1,133,476	(1,133,476)			
Sewer lines	64,559,409			4,723,502	69,282,911
Streets	201,996	(201,996)			
Storm drains	314,356	(314,356)			
Golf improvements	4,205,963	(4,205,963)			
Office furniture and equipment	3,128,097	(1,938,400)	112,267		1,301,964
Net capital assets being depreciated	73,543,297	(7,794,191)	112,267	4,723,502	70,584,875
Less accumulated depreciation for:					
Buildings	(281,930)	281,930			
Sewer lines	(26,068,668)		(951,583)		(27,020,251)
Streets	(147,047)	147,047			
Storm drains	(79,894)	79,894			
Golf improvements	(2,488,228)	2,488,228			
Office furniture and equipment	(2,480,392)	1,598,300	(78,437)		(960,529)
Total accumulated depreciation	(31,546,159)	4,595,399	(1,030,020)		(27,980,780)
Net capital assets being depreciated	41,997,138	(3,198,792)	(917,753)	4,723,502	42,604,095
Business-type activity capital assets, net	$49,828,484	($3,375,691)	$2,869,360		$49,322,153

Note 5 - Capital Assets (Continued)

B. Alameda Municipal Power's Capital Assets

Alameda Municipal Power capital asset activities for the year ended June 30, 2013, are as follows:

	Balance June 30, 2012	Additions	Retirements	Transfers	Balance June 30, 2013
Capital assets not being depreciated:					
Land and Rights	$153,643				$153,643
Construction Work in Progress	1,501,292	$2,380,526	($343,449)	($1,660,520)	1,877,849
Total capital assets not being depreciated	1,654,935	2,380,526	(343,449)	(1,660,520)	2,031,492
Capital assets being depreciated:					
Utility Plant	71,900,364		(16,659)	1,438,598	73,322,303
Service Center Building	7,843,636				7,843,636
Machinery and Equipment	8,915,622	158,916			9,074,538
Transportation Equipment	2,738,514				2,738,514
Computer Equipment	3,288,430	39,976	(7,500)		3,320,906
Furniture and Fixtures	606,182	23,031			629,213
Easements	185,500				185,500
Total capital assets being depreciated	95,478,248	221,923	(24,159)	1,438,598	97,114,610
Less accumulated depreciation for:					
Utility Plant	43,154,857	2,311,506	(1,317)		45,465,046
Service Center Building	3,221,911	165,870			3,387,781
Machinery and Equipment	8,275,515	98,476			8,373,991
Transportation Equipment	1,759,412	192,474			1,951,886
Computer Equipment	2,980,778	131,039	(7,500)		3,104,317
Furniture and Fixtures	422,867	18,535			441,402
Easements	101,500	3,500			105,000
Total accumulated depreciation	59,916,840	2,921,400	(8,817)		62,829,423
Total depreciable assets	35,561,408	(2,699,477)	(15,342)	1,438,598	34,285,187
Business activity capital assets, net	$37,216,343	($318,951)	($358,791)	($221,922)	$36,316,679

Note 5 - Capital Assets (Continued)

C. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. These contributions are accounted for as revenues at the time the capital assets are contributed.

D. Depreciation Allocation

Depreciation expense is charged to functions and programs based upon usage of the related assets. The amounts allocated to each function or program is as follows:

Governmental Activities	
General government	$279,629
Police	217,704
Fire	232,501
Public works	4,069,856
Community development, planning and building	2,403,547
Culture and recreation	1,710,464
Total Governmental Activities	$8,913,701
Business-Type Activities	
Sewer services	$1,030,020
Total Business-Type Activities	$1,030,020
Discretely Presented Component Units:	
Alameda Municipal Power	$2,921,400

Note 6 – Long-Term Debt

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the term of the related debt. Bond discounts and issuance costs of long-term debt issues are amortized during the life of the related debt.

Note 6 – Long-Term Debt (Continued)

A. *City Long-Term Debt*

The City's long-term debt activities for the year ended June 30, 2013, are as follows:

	Balance June 30, 2012	Restatement (See Note 8)	Additions	Retirements	Balance June 30, 2013	Current Portion
Governmental Activity Debt:						
Certificates of Participation:						
2002 City Hall	$7,860,000			$465,000	$7,395,000	$485,000
2008 Refinancing Project	3,740,000			435,000	3,305,000	460,000
Total Certificates of Participation	11,600,000			900,000	10,700,000	945,000
2003 General Obligation Bonds	9,155,000			230,000	8,925,000	245,000
2003 ARRA Demand Revenue Bonds	12,000,000			300,000	11,700,000	300,000
Leases Payable	3,324,554	$238,997	$2,165,074	642,862	5,085,763	431,883
HUD Section 108 Loan	6,529,000			174,000	6,355,000	164,000
Other Loans Payable	25,300			25,300		
Subtotal	31,033,854	238,997	2,165,074	1,372,162	32,065,763	1,140,883
Total Governmental Activity Debt	42,633,854	238,997	2,165,074	2,272,162	42,765,763	2,085,883
Business Activity Debt:						
1995 Certificates of Participation	2,160,000			2,160,000		
State Construction Loan	37,243			23,085	14,158	23,085
State Water Resources Control Board	840,541			130,608	709,933	130,608
State Revolving Fund Loan, 1998	938,868			124,020	814,848	124,020
State Revolving Fund Loan, 1999	475,538			54,050	421,488	54,050
State Revolving Fund Loan, 2004	967,591			77,114	890,477	77,114
Sewer Revenue Bond, 2012 Series A			14,715,000		14,715,000	250,000
Plus: Unamortized bond premium			107,895	2,522	105,373	
Equipment Purchase Agreement	238,998	(238,998)				
Total Business Activity Debt	5,658,779	(238,998)	14,822,895	2,571,399	17,671,277	658,877
Total City Debt	$48,292,633	($1)	$16,987,969	$4,843,561	$60,437,040	$2,744,760

Note 6 – Long-Term Debt (Continued)

B. Alameda Municipal Power Long-Term Debt

Alameda Municipal Power's long-term debt consists of the Certificates of Participation issues discussed in Note E below. The Alameda Municipal Power long-term debt issues and transactions were as follows:

	Original Issue Amount	Balance June 30, 2012	Retirements	Balance June 30, 2013	Current Portion
2008 Truck (Altel Model AM-55)- Capital Lease	$176,295	$80,248	$27,362	$52,886	$28,192
2009 Truck (Altel Model D3060) - Capital Lease	229,168	109,362	33,843	75,519	35,632
Revenue Bonds, Series 2010A	8,700,000	8,700,000		8,700,000	
Taxable Revenue Bonds, Series	22,985,000	22,090,000	1,040,000	21,050,000	1,065,000
Loan from City of Alameda	2,200,000	2,200,000		2,200,000	2,200,000
Deferred amount on refunding	n/a	(993,350)	(61,651)	(931,699)	(61,651)
Total long-term debt		$32,186,260	$1,039,554	$31,146,706	$3,267,173

C. Debt Service Requirements - City and Alameda Municipal Power

Annual debt service requirements are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities		Business-Type Activities		Component Unit Alameda Municipal Power	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	2,085,883	$1,420,006	$660,297	$532,196	$3,328,284	$1,548,668
2015	2,268,376	1,345,504	681,761	512,044	1,163,204	1,511,204
2016	2,409,136	1,265,756	702,669	492,783	1,126,917	1,469,602
2017	2,234,168	1,185,049	718,872	472,934	1,170,000	1,424,034
2018	2,321,483	1,107,165	740,373	449,628	1,220,000	1,372,054
2019-2023	12,347,282	4,202,299	2,641,930	1,933,415	7,110,000	5,835,926
2024-2028	11,044,435	1,832,771	2,265,000	1,567,115	9,710,000	3,275,382
2029-2033	6,585,000	562,445	2,600,000	1,220,023	7,250,000	542,682
2034-2038	1,470,000	18,218	3,020,000	801,380		
2039-2043			3,535,002	293,173		
Total	$42,765,763	$12,939,213	17,565,904	$7,981,518	$32,078,405	$16,979,552
Plus Unamoritzed bond premium			105,373			
Less deferred amount on refunding					(931,699)	
Total			$17,671,277		$31,146,706	

Note 6 – Long-Term Debt (Continued)

D. Description of the City's Long-Term Debt Issues

The balance of the City's debt is in various forms as follows:

Governmental Activity Debt

Certificates of Participation

Some of the City's debt is in the form of Certificates of Participation, which are a type of long-term borrowing secured by lease payments made by the City under non-cancelable lease agreements. The cost of the assets securing these leases and the balance of the debt evidenced by these Certificates of Participation have been included in the City's financial statements, as these leases are in essence financing arrangements with ownership of the financed assets reverting to the City at the conclusion of the lease term.

2002 City Hall Refinancing Project Certificates of Participation – The City issued Certificates of Participation in the original principal amount of $11,370,000, bearing interest at 2.25-4.75%, on September 10, 2002, in order to repay the City's outstanding $10,565,000 1995 City Hall Seismic Upgrade and Renovation Project Certificates of Participation. The 1995 COP was to finance the seismic upgrade and renovation of City Hall and certain fire station facilities under a non-cancelable lease of these facilities extending to May 1, 2025. Under this lease, the City makes semi-annual payments May 1 and November 1 from General Fund revenues, which are sufficient to pay the principal and interest on the 2002 Certificates of Participation. Ownership of the leased premises reverts to the City at the end of the lease. The balance of debt evidenced by the 2002 Certificates of Participation has been included in the City's financial statements as this lease is in essence a financing arrangement, with ownership of the financed assets reverting to the City at conclusion of the lease term. Principal and interest are payable semi-annually each November 1 and May 1 through 2025.

The refunding proceeds of the 2002 Bonds were used to purchase non-callable US government securities, which were deposited in an irrevocable trust to provide for all future debt service payments of 1995 COPs. Accordingly, the trust account assets and the liability for the refunded portion of the 1995 COPs are not included in the financial statements.

2008 Refinancing Project Certificates of Participation

In July 2008, the City Council authorized the issuance of the Certificates of Participation (2008 Refinancing Project) in the amount of $4,575,000 to refinance the 1996 Police Building Refunding and Equipment Financing Certificates of Participation and the 1996 Library and Golf Course Upgrade and Renovation Certificates of Participation. The 2008 Certificates bear interest rates from 4% to 5% which are payable semi-annually in May and November. The City's principal payments commenced on May 1, 2011.

General Obligation Bonds

2003 General Obligation Bonds – On November 7, 2000, the voters approved the issuance of General Obligation Bonds, which the City issued on March 25, 2003, in the principal amount of $10,600,000, in addition to a reoffering premium of $268,000, to finance the acquisition and construction of a new main library and improvements to two branch libraries within the City. The bonds bear interest at 2.00-5.00%. The repayment of the bonds is secured by all non-restricted revenue of the City. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1 through August 1, 2033.

Note 6 – Long-Term Debt (Continued)

2003 ARRA Variable Rate Demand Revenue Bonds – On December 1, 2003, the Alameda Public Financing Authority issued Variable Rate Revenue Bonds in the original principal amount of $13,440,000 at a variable rate of interest determined on a weekly basis. The proceeds from the bonds were used to refund the 1999 ARRA Revenue Bonds, which were issued to finance the costs of certain improvements at Alameda Point, and to finance professional services for land use planning and other activities required for the redevelopment process at Alameda Point. Repayment of these bonds is from lease revenues paid to ARRA from certain land, buildings, fixtures and equipment. Interest is payable on the first business day of each month.

The pledge of sublease revenues ends upon repayment of the $14,773,632 in remaining debt service on the Bonds, which is scheduled to occur in 2034. As disclosed in the bond indenture documents, pledged future sublease revenues are expected to provide coverage over debt service of 1.5 during the life of the Bonds. For FY12-13, sublease revenues amounted to $11,629,529 which represented coverage of 3,709% over the $313,458 in debt service.

Leases and Loans Payable

Leases Payable – At June 30, 2013, the City held the following leases payable. Under the lease agreements, ownership of the capital assets reverts to the City at the end of the lease terms. Since the leases are in essence financing arrangements, the costs of the capital assets and the amounts of the lease terms have been included in the City's financial statements.

Fire Truck Lease Payable -- On April 1, 2003, the City entered into a non-cancelable lease agreement in the amount of $674,467 with Bank of Alameda to acquire two fire trucks. The City agreed to pay the lease in quarterly payments of $21,597 for ten years. The lease was paid off in fiscal 2013.

Fire Apparatus Lease Payable – On October 19, 2011, the City entered into a lease agreement in the amount of $1,750,000 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on October 19, 2012, in annual payments of $147,127, which includes interest, for fifteen years. Balance of the lease as of June 30, 2013, was $1,656,254.

Radio Lease Payable – On October 1, 2011, the City entered into a lease agreement in the amount of $1,507,194 with Holman Capital Corporation to acquire 206 hand-held radios and 124 vehicle radios. The City agreed to pay the lease starting on October 11, 2012, in annual payments of $231,896, which includes interest rate of 1.89%, for 7 years. Balance of the lease as of June 30, 2013, was $1,303,784.

On August 1, 2011, the City entered into a lease agreement in the amount of $303,722 with Yamaha Motor Corporation, U.S.A., to acquire 120 golf cars. The City agreed to pay the lease in monthly payments of $7,500, which includes interest, for 48 months. In fiscal year 2013, the City recategorized the Golf Fund from an Enterprise Fund to a Special Revenue Fund. As a result, the balance of this lease of $238,998 was reclassified from business-type activities to governmental activities as of July 1, 2012. The outstanding balance of the lease agreement in the amount of $214,866 was transferred to the new golf operator, Greenway, as of June 30, 2013.

2013 Fire Truck Lease Payable -- On September 26, 2012, the City entered into a lease agreement in the amount of $1,750,000 with Oshkosh Capital to acquire two fire apparatus vehicles. The City agreed to pay the lease starting on September 26, 2013, in annual payments of $162,546 which includes interest, for fifteen years. Balance of the lease as of June 30, 2013, was $1,965,726.

Note 6 – Long-Term Debt (Continued)

2013 Ambulance Lease Payable -- On April 23, 2013, the City entered into a lease agreement in the amount of $199,348 with Oshkosh Capital to acquire an ambulance vehicle. The City agreed to pay the lease starting on April 24, 2013, with the first payment of $39,348 and annual payments thereafter of $25,584 which includes interest, for eight years. Balance of the lease as of June 30, 2013, was $160,000

HUD Section 108 Loan – On January 5, 2006, the City entered into an agreement to borrow $7,000,000 from the Housing and Urban Development Department. In September 2006, the City drew down $4,000,000 for the construction of the Alameda Theater Garage Project. In August 2007, the City drew down an additional $3,000,000 for the same project. Principal and interest payments of both loans are due semi-annually on August and February through 2027. The loan carries a variable interest rate of 20 points above the LIBOR rate. Repayments of the loans are funded by a BEDI (Brownfields Economic Development Initiative) grant, parking garage and retail and cinema lease revenues. The outstanding balance as of June 30, 2013 is $6,355,000.

Business Activity Debt

Certificates of Participation

1995 Sewer System Refinancing & Improvement Certificates of Participation - On December 14, 1995, the City issued Certificates of Participation in the original principal amount of $5,850,000, bearing interest at 4.05-5.15%. Of these proceeds, $5,035,792 of the proceeds plus $434,355 from the 1988 refunded debt reserves were used to establish an escrow account for principal and interest payments on the 1988 refunded debt through March 1, 1998, and to redeem the 1988 COPs at 103% on March 1, 1998. The remaining $815,000 of the proceeds was used for Sewer Fund Projects relating to the closure of the Alameda Naval Air Station. On October 17, 2012 the City repaid the outstanding balance with the Sewer Revenue Bonds, 2012 Series A.

Loans Payable

State Construction Loan - On May 2, 1989, the City entered into a loan with the State of California State Water Resources Control Board for $400,431 at 3.39% interest to construct facilities for the control and prevention of water pollution. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of $24,349 through December 1, 2013. The balance as of June 30, 2013, was $14,158.

State Water Resources Control Board - On February 8, 1996, the City entered into a loan with the State of California State Water Resources Control Board for up to $2,324,502 at 2.8% interest, of which all has been drawn down. The purpose of the loan is to provide funding to install sanitary sewer facilities. The loan is payable from Sewer Service Enterprise Fund operating revenues. The City agreed to make annual payments of $154,144 through August 5, 2017. The balance as of June 30, 2013, was $709,933.

State Revolving Fund Loan 1998 - The City entered into a contract on July 1, 1998, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is $2,292,025, of which all has been drawn down. This loan bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2013 was $814,848.

Note 6 - Long-Term Debt (Continued)

State Revolving Fund Loan 1999 - The City entered into a contract on September 29, 1999, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is $1,193,529 and bears interest at 2.7% per year for a term of twenty years. The balance as of June 30, 2013, was $421,488.

State Revolving Fund Loan 2004 - The City entered into a contract on August 12, 2004, to borrow funds from the State Water Resources Control Board. The funds are being used for a Sewer Replacement Project to replace sewers to correct infiltration and inflow. The maximum loan amount is $1,840,292 and bears interest at 2.6% per year for a term of twenty years. The balance as of June 30, 2013, was $890,477.

Revenue Bonds

Sewer Revenue Bonds 2012 Series A - On October 3, 2012, the APFA issued Sewer Revenue Bonds 2012 Series A, in the original principal amount of $14,715,000, to repay the 1995 Sewer System Refinancing and Improvement Certificates of Participation, and to finance improvements to the City's municipal sewer system. The Bonds bear interest between 2% and 4%, which are payable semi-annually in February and August. Principal payments of the Bonds commenced on August 1, 2013.

The refunding resulted in an overall debt service savings of $559,432. The net present value of the debt securities savings is called an economic gain and amounted to $200,570.

The pledge of sublease revenues ends upon repayment of the $22,806,880 in remaining debt service on the Bonds, which is scheduled to occur in 2042. As disclosed in the bond indenture documents, pledged future revenues are expected to provide coverage over debt service of 1.25 during the life of the Bonds. For fiscal year 2013, revenues amounted to $8,972,123 which represented coverage of 6,751% over the $132,909 in debt service.

E. Alameda Municipal Power Certificates of Participation and Bonds Payable

Revenue Bonds, Series 2010A/B (AMP Refinancing) - As described in an indenture agreement dated August 1, 2010, Revenue Bonds, Series 2010A/B were issued to provide funds, together with certain other available monies, to 1) prepay the obligations of AMP for the Electric System Revenue Certificates of Participation Series 2000A, 2) prepay the obligations of AMP for the Taxable Electric System Revenue Certificates of Participation, Series 2000AT, 3) fund a deposit to the Common Reserve Account, and 4) prepay the costs of issuance of the 2010 Bonds. Revenue Bonds, Series 2010A bear interest at 4.375% to 5.25%, payable January 1 and July 1 of each year.

Principal on the Series 2010B Bonds will be payable beginning July 1, 2011 and each succeeding July 1 until defeased in 2027. Principal on the Series 2010A Bonds will be payable beginning July 1, 2027 and each succeeding July 1 until defeased in 2030. The 2010 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. The 2010 Bonds are special obligations payable solely from electric revenues, other amounts held in the bond funds and accounts established pursuant to the indenture, and amounts on deposit in the Common Reserve Account. The initial book-entry principal obligation for the Series 2010A is $8,700,000 and $22,985,000 for the Series 2010B. The combined principal obligation amount is $31,685,000.

Note 6 - Long-Term Debt (Continued)

This advance refunding was undertaken to reduce debt service payments over the next 20 years by $17,662,628, and resulted in an economic gain (difference between the present value of the debt service requirements on the old and new bonds discounted at the effective interest rate on the new debt and adjusted for any additional cash) of $2,308,432. The advance refunding resulted in a deferred amount on refunding of $1,116,652.

Capital Lease Obligation – On June 1, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was $176,295 and is due in monthly principal and interest installments of $2,533 through June, 2015. Accumulated depreciation for the vehicle is $97,318 as of June 30, 2013.

Capital Lease Obligation – On July 18, 2008, Alameda Municipal Power entered into a long-term contract for the lease of a vehicle for maintenance operations use. Total cost of the vehicle was $229,168 and is due in monthly principal and interest installments of $3,347 through July, 2015. Accumulated depreciation for the vehicle is $121,707 as of June 30, 2013.

Loan from City of Alameda – On December 15, 2003, at the request of the Public Utilities Board, the Alameda City Council authorized a loan of $2,200,000 to AMP for the purpose of construction of the hybrid fiber-optic/coaxial telecom system. The loan is interest free and was due on June 1, 2009. The City and Alameda Municipal Power are currently negotiating the payment terms for this loan.

Note 7 - Special Assessment Debt Without City's Commitment

Paragon Gateway Community Facilities District #2, Harbor Bay Community Facilities District #1 (Harbor Bay Business Park), and the Alameda Public Financing Authority (Marina Village Assessment District Bond Refinancing), have also issued debt, but the City has no legal written liability with respect to the payment of this debt, which is secured by assessments on the properties in these Districts.

At June 30, 2013, the combined outstanding debt amount for all of these assessment districts was $13,030,000.

Note 8 – Net Position and Fund Balances

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined at proprietary fund and the Government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and funds restricted for low and moderate housing purposes.

Note 8 – Net Position and Fund Balances (Continued)

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities. Portions of a fund's balance may be reserved or designated for future expenditure.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions,* which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represent balances set aside to indicate items that do not represent available, spendable resources, even though they are a component of assets. Fund balances required to be maintained intact, such as permanent funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment, are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action (through a resolution) of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Manager or its designee as authorized by an adopted City Council resolution and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed through a council resolution, the City Council has designated the City Manager or his designee to determine the amount of assigned fund balances.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Note 8 – Net Position and Fund Balances (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2013, are below:

Classifications	General Fund	FISC Lease Revenue Special Revenue	Base Reuse Special Revenue	Housing Special Revenue	Parking Special Revenue	Capital Improvement Projects	Other Governmental Funds	Total
Nonspendable:								
Items not in spendable form								
Loans	$2,200,000							$2,200,000
Total Nonspendable	2,200,000							2,200,000
Restricted for:								
Redevelopment activities			$2,905,284		$250,965			3,156,249
Streets and roads							$8,274,235	8,274,235
Public safety							527,563	527,563
Assessment Districts							7,382,035	7,382,035
Debt service							1,953,171	1,953,171
Total Restricted			2,905,284		250,965		18,137,004	21,293,253
Committed to:								
Capital projects						$5,016,393	17,131,935	22,148,328
Community Development							556,360	556,360
Culture and recreation							3,294,539	3,294,539
Library Operations							1,037,955	1,037,955
Affordable Housing				$1,174,330				1,174,330
Redevelopment Activities							1,012,887	1,012,887
Parking Meter/Garage Operations/Projects							3,138,267	3,138,267
Waste Management							4,545,140	4,545,140
Total Committed				1,174,330		5,016,393	30,717,083	36,907,806
Unassigned:								
Reserve policy	14,297,332							14,297,332
Residual fund balance in excess policy of Fund balance deficits	6,995,682	(657,163)						6,338,519
Total Unassigned	21,293,014	(657,163)						20,635,851
Total Fund Balances	$23,493,014	($657,163)	$2,905,284	$1,174,330	$250,965	$5,016,393	$48,854,087	$81,036,910

Note 8 – Net Position and Fund Balances (Continued)

C. Fund Balance Deficits

The funds below had fund balance deficits or net asset deficits in the amounts shown at June 30, 2013. Future revenues are expected to offset these deficits.

Special Revenue Fund:	
FISC Lease Revenue	$657,163
Internal Service Fund:	
Workers' Compensation Insurance	2,980,054
Private Purpose Trust Fund	
Successor Agency Debt Service	64,455,559

D. Fund Recategorization

In fiscal year 2013, the City combined the Golf Enterprise Fund with the Athletic Recreation Special Revenue Fund. As discussed in Note 13C, the City and Greenway Golf Associates, Inc. entered into lease agreement for the long-term maintenance and operations of the Chuck Corica Golf Complex.

As a result, July 1, 2012 balances were restated as follows:

	Fund Level		Entity-wide		
Classifications	Golf Course Enterprise Fund	Governmental Funds	Business-type Activities	Governmental Activities	Total Activities
Net Position/Fund Balance:					
Balances as previously reported	$4,180,685	$80,924,791	$62,254,960	$324,975,051	$387,230,011
Increase (Decrease) in					
Net Position/Fund Balance					
Capital Assets	(3,375,691)		(3,375,691)	3,375,691	
Long term debt	238,997		238,997	(238,997)	
Unrestricted Net Assets	(1,043,991)	1,043,991	(1,043,991)	1,043,991	
Total Recategorizations	(4,180,685)	1,043,991	(4,180,685)	4,180,685	
Net Position/Fund Balance:					
As restated		$81,968,782	$58,074,275	$329,155,736	$387,230,011

Note 9 - Pension Plans

A. CALPERS Safety and Miscellaneous Employees Plans

All Full time City employees are eligible to participate in pension plans offered by the California Public Employees Retirement System (CALPERS), an agent multiple employer defined benefit pension plan, which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. The City's employees participate in the separate Safety (police and fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CALPERS; the City must contribute these amounts. The Plans' provisions and benefits in effect for fiscal year 2012-13, are summarized as follows:

	Safety	Miscellaneous
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of annual salary	3.000%	2.000%
Required employee contribution rates	9.000%	7.000%
Required employer contribution rates	38.683% (A)	14.561% (B)

(A) Employees contribute 2% of the total % reported above in addition to their 9% share.

(B) Miscellaneous employees contribute 1.868% of the total reported above in addition to their 7% share.

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this Method is the level amount the employer must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

Assembly Bill 340 (AB340) created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation periods, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of a new member under PEPRA.

Note 9 - Pension Plans (Continued)

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis within twenty years. Investment gains and losses are accumulated as realized; ten percent of the net balance is amortized annually.

The Plans' actuarial value (which differs from market value) and funding progress within the most recently available past three years is set forth below at their actuarial valuation date of June 30:

Safety Plan Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2010	$290,369,467	218,842,250	$71,527,217	75.4%	$21,251,762	336.6%
2011	308,606,464	227,619,418	80,987,046	73.8%	21,523,174	376.3%
2012	320,157,194	234,428,640	85,728,554	73.2%	20,094,417	426.6%

Miscellaneous Plan Actuarial						
Valuation Date	Entry Age Accrued Liability	Actuarial Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
2010	$210,927,819	187,904,871	$23,022,948	89.1%	$28,225,541	81.6%
2011	222,550,387	197,051,737	25,498,650	88.5%	27,996,755	91.1%
2012	219,802,218	194,595,559	25,206,659	88.5%	23,840,561	105.7%

Audited annual financial statements are available from CALPERS at PO Box 942709, Sacramento, CA 94229-2709. CALPERS reports this information approximately eighteen months after the end of its June 30 fiscal year.

Actuarially required contributions for fiscal years 2013, 2012, and 2011, were $13,572,530, $13,449,867, and $12,082,061. The City made these contributions as required, in addition to amounts required as the result of the payment of additional employee compensation.

B. Police and Fire Pension Plans

The City sponsors and administers two single employer defined benefit retirement plans for its police and fire department retirees. Police and fire employees who entered service before 1953 participate in Plan 1079, a closed plan consisting of 26 participants, all of whom are retired employees or beneficiaries. Employees with twenty-five or more years of service receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the retiree one year prior to the date of retirement. Employees retired after ten, but before twenty-five years of service receive monthly pension benefits in the proportion that the number of service years bears to twenty-five. Qualified surviving spouses receive the retirees' monthly pension benefits for life. Upon remarriage, the qualified surviving spouse receives one-half of the retiree's monthly pension benefits. Employees who became disabled from service-related causes receive monthly pension benefits equal to one-half the monthly salary paid to current City employees of the rank held by the disabled employee on the date of their disability, reduced by any workers' compensation benefits received.

Note 9 - Pension Plans (Continued)

Plan 1082 is a closed plan consisting of two retired employees who receive monthly pension benefits of $1,435 and $2,289 respectively, adjusted annually by a maximum of 2% per year cost-of-living adjustment. Upon the death of a retiree, the qualified spouse receives one-half of the retiree's monthly pension benefit for life or until remarriage.

C. Funding Policy and Actuarial Methods

Plans 1079 and 1082 do not have allocated assets as of June 30, 2013. The City's policy is to fund the plans on a pay-as-you-go basis. The annual required contribution equals the greater of:

- 15 year amortization of the unfunded actuarial accrued liability based on the dollar level (see Note 10E below), or,
- actual benefits paid during the year.

The actuarial method used to determine the liabilities were calculated using the Unit Credit Funding Method. The Actuarial Accrued Liability and the Actuarial Present Value of Benefits being paid were determined by multiplying the accrued pension benefits by present value cost of factors based on the applicable actuarial assumptions. Future cost-of-living increases are included in the calculation of the Actuarial Accrued Liability, but not the Actuarial Value of Benefits being paid.

D. Annual Pension Cost

Governmental Accounting Standards Board Statement No. 27 requires the City to determine the plan's annual pension cost based on the most recent actuarial valuation. The annual pension cost equals the plan's annual required contribution, adjusted for historical differences between the annual required contribution and amounts contributed. The actuary has determined the City's annual required contribution as the greater of (a) a 15-year amortization of the unfunded actuarial liability, or (b) actual benefit payments made for the year.

The annual required contribution was determined using an actuarial valuation dated January 1, 2013, using the projected unit credit actuarial cost method. The actuarial assumptions were as follows:

Assumption	
Funding Policy	-- Pay-as-you-go
Interest Rate	-- 4.0% -- Net of expenses -- Assets in City investments
CPI Increase (Plan 1082)	-- 2%
Salary Increase (Plan 1079)	-- 2%
Mortality	-- CalPERS 1997-2007 Experience Study -- Scale AA

Note 9 - Pension Plans (Continued)

For fiscal year ending June 30, 2012, annual pension costs were $1,801,000 for Plan 1079 and $65,000 for Plan 1082. Actual contributions made by the City during the year were $1,815,000 for Plan and 1079 and $45,000 for Plan 1082.

	Plan 1079 (000's omitted)	Plan 1082 (000's omitted)	Total (000's omitted)
Annual Required Contribution (ARC)	$1,815	$78	$1,893
Interest on Net Pension Obligation	11	11	22
Amortization of Net Pension Obligation	(25)	(24)	(49)
Annual Pension Cost	1,801	65	1,866
Contributions (Benefit Payments)	1,815	45	1,860
(Decrease) Increase in Net OPEB obligations	(14)	20	6
Net Pension Obligation at June 30, 2012	280	272	552
Net Pension Obligation at June 30, 2013	$266	$292	$558

E. Trend Information - Plans 1079 and 1082

The following table provides three years of historical information of the Annual Pension Cost:

Plan 1079:

Fiscal Year Ending	Annual Pension Cost (APC) (000's omitted)	Percentage of APC Contributed	Net Pension Obligation (000's omitted)
6/30/2011	$2,007	101%	$294
6/30/2012	1,900	101%	280
6/30/2013	1,801	101%	266

Plan 1082:

Fiscal Year Ending	Annual Pension Cost (APC) (000's omitted)	Percentage of APC Contributed	Net Pension Obligation (000's omitted)
6/30/2011	$63	68%	$254
6/30/2012	62	71%	272
6/30/2013	65	69%	292

Note 9 - Pension Plans (Continued)

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
Plan 1079						
6/30/2010	$0	$19,424,000	$19,424,000	0%	N/A	N/A
1/1/2011	0	14,141,000	14,141,000	0%	N/A	N/A
1/1/2013	0	12,755,000	12,755,000	0%	N/A	N/A
Plan 1082						
6/30/2010	$0	$817,000	$817,000	0%	N/A	N/A
1/1/2011	0	812,000	812,000	0%	N/A	N/A
1/1/2013	0	887,000	887,000	0%	N/A	N/A

Audited financial statements are available from the City of Alameda at 2263 Santa Clara Avenue, Room 220, Alameda, California 94501.

F. Other Retirement Systems

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer's existing retirement system as of January 1, 1992, be covered by either Social Security or an alternative plan. Effective January 1, 1995, the City contracted with the Public Agency Retirement System (PARS), to maintain a defined contribution plan. This Plan covers part-time, seasonal and temporary employees as well as all employees not covered by another retirement system. All eligible employees, covered by the Plan, are fully vested. Employer liabilities are limited to the amount of current contributions. The City is responsible for determining the provisions of the Plan, directing distributions, and establishing investment policy for the Plan assets.

Under PARS, employees contribute 6% and the City contributes 1.5% of the employee's salary each pay period. For the fiscal year ending June 30, 2012, total contributions of $211,209 were made based on a total amount of covered compensation of $2,816,422.

One of the City's part-time employees elected to be covered under Social Security, which requires these employees and the City to each contribute 6.2% of the employees' pay. Total contributions to Social Security during the year ended June 30, 2012, amounted to $1,710, of which the City paid 50%.

Effective May 3, 2001 the City adopted the PARS Retirement Enhancement Plan for Council-appointed employees as of that date, and the PARS Excess Benefit Plan for two Council-appointed employees as of that date as part of the City Retirement Program. Under the Enhancement Plan, specific appointed employees will be entitled to receive retirement benefits of 3% at age 55, as well as medical and disability benefits upon retirement.

Note 10 – Post Employment Health Care Benefits

The City provides medical and dental benefits to retirees as specified below under the City of Alameda Other Post Employment Benefit Plan, offered by California Public Employee Retirements Systems (CALPERS), an agent multiple-employer defined benefit healthcare plan. The City is responsible for establishing and amending the funding policy of the Plan. As of January 1, 2011, the latest actuarial study available, there were 463 employees active, 331 employees retired, and 184 employees who are retired but choose not receive benefits for a total of 978 participants in the Plan.

Separately issued financial statements are available from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Eligibility Requirements

In order to be eligible for these benefits, an employee must retire directly from City under CalPERS. They also must be at least 50 years old when they retire and have five years of CalPERS service or disability credits.

Eligible Miscellaneous Employees (including non sworn public safety employees)

The City will pay the Public Employees' Medical and Hospital Care Act (PEHMCA) minimum employer contribution on their behalf, which is $115 per month for 2013. These employees receive no other post-employment benefits from the City.

Sworn Public Safety Employees

A. Hired before July 1, 1995 and Retired Before January 1, 2011

If the employee had 15 years or more experience with the City as part of the Alameda Police Officers Association (APOA), the City pays the health care and dental premiums based upon the City's health employer rate for the employee and their spouse, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 15 years of experience with APOA, the City only pays the PEHMCA premium.

B. Hired after July 1, 1995 and Retired Before January 1, 2011

If the employee had 20 years or more experience with the City as part of APOA and the Alameda Police Managers Association (APMA), the City pays the health care and dental premiums based upon the City's health employer rate for the employee and their spouse, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 20 years of experience with APOA and APMA, the City only pays the PEHMCA premium.

Note 10 – Post Employment Health Care Benefits (Continued)

C. Hired before June 7, 2011 and Retired after January 1, 2011

If the employee had 5 years or more experience with the City the City pays the health care based upon the higher of City's health employer rate for Kaiser or Blue Shield Bay Area, as well as dental premiums for the employee and their spouse, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 5 years of experience with the City, the City only pays the PEHMCA premium.

D. Hired after June 7, 2011 and Retired after January 1, 2011

If the employee had 10 years or more experience with the City the City pays the health care based upon the higher of City's health employer rate for Kaiser or Blue Shield Bay Area for the employee only, as well as dental premiums for the employee and their spouse, in addition to the PEHMCA monthly premium discussed above.

If the employee had less than 10 years of experience with the City, the City only pays the PEHMCA premium.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a January 1, 2013 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 4.0% investment rate of return; (b) a healthcare trend of declining annual increases ranging from 8.3% in 2014 to 5% for years starting 2021. The actuarial methods and assumptions used include techniques that "smooth" the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually, as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability as of June 30, 2013, is being amortized using a 26-year closed amortization period. Assumption changes, plan changes and gains or losses are being amortized using a 15-year closed period.

Note 10 – Post Employment Health Care Benefits (Continued)

The City accounts for the OPEB Obligation on an accrual basis. During the fiscal year ended June 30, 2013, the City recorded a Net OPEB Obligation under the Governmental Activities on the Statement of Net Position, representing the difference between the ARC and actual contributions, as presented below:

Annual Required Contribution (ARC)	$8,128,000
Interest on Net OPEB Obligation	689,000
Adjustment to ARC	(1,166,885)
Annual Pension Cost	7,650,115
Contributions made	(2,659,689)
(Decrease) increase in net OPEB obligations	4,990,426
Net OPEB obligation at June 30, 2012	16,635,574
Net OPEB obligation at June 30, 2013	$21,626,000
Percentage of ARC Contributed	32%

The Plan's annual OPEB cost and actual contributions for fiscal years ended June 30, 2011, 2012, 2013 are set forth below:

Fiscal Year	Annual OPEB Cost	Actual Payments	Percentage Of Annual OPEB Cost Paid	Net OPEB Obligation (Asset)
6/30/2011	$6,193,000	$2,255,039	36%	$11,720,533
6/30/2012	7,340,000	2,424,959	33%	16,635,574
6/30/2013	7,650,115	2,659,689	35%	21,626,000

As of June 30, 2013 approximately 515 participants were eligible to receive benefits.

The schedule of funding progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits. Trend data from the most recent available actuarial studies is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Overfunded (Underfunded) Actuarial Accrued Liability (A – B)	Funded Ratio (A/B)	Covered Payroll (C)	Overfunded (Underfunded) Actuarial Liability as Percentage of Covered Payroll [(A – B)/C]
1/1/2009	$0	$75,850,000	($75,850,000)	0.00%	$59,678,000	(127.1%)
1/1/2011	0	86,416,000	(86,416,000)	0.00%	47,314,000	(182.6%)
1/1/2013	0	91,172,000	(91,172,000)	0.00%	42,055,000	(216.8%)

Note 11 - Risk Management

The City and Alameda Municipal Power manage risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

A. Risk Coverage

The City and Alameda Municipal Power are members of the California Joint Powers Risk Management Authority (CJPRMA), which covers general liability claims. The City and Alameda Municipal Power have self-insured retention of $500,000 per claim. Once the self-insured retention is met, CJPRMA becomes responsible for payment of all claims up to the limit. During the fiscal year ended June 30, 2013, the City contributed $357,953 for coverage during the current year.

The City and Alameda Municipal Power are members of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) which covers workers' compensation claims up to statutory limits. The City and Alameda Municipal Power have self-insured retention of up to $350,000 per claim. During the fiscal year ended June 30, 2013, the City and Alameda Municipal Power contributed $403,678 and $70,623 respectively, for current year coverage.

Note 11 - Risk Management (Continued)

The following types of loss risks are covered by the above authorities under the terms of their respective joint-powers agreements and through commercial insurance policies as follows:

	Coverage Limits	
Type of Coverage	City	Alameda Municipal Power
Liability	$40,000,000	$40,000,000
Auto - Physical damage	$5,000,000	Actual cash value
Workers' Compensation	Statutory	Statutory w/ $5,000,000 in Employer's Liability
All Risk Fire & Property except earthquake and flood	Replacement Cost	Replacement Cost
Boiler & Machinery	$21,250,000	Replacement Cost
Computer Software	N/A	Self-Insured
Terrorism	$10,000,000	$10,000,000
Vessel	$1,000,000	N/A

B. Insurance Internal Service Funds

The Governmental Accounting Standards Board (GASB) requires municipalities to record their liability for uninsured claims and to reflect the current portion of this liability as an expenditure in their financial statements. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible, or uninsured portion of these claims.

The City's liability for uninsured general liability claims, including claims incurred but not reported, is reported in the City's Risk Management Insurance Internal Service Fund. The liability is based on an independent actuarial study prepared annually and was computed as follows for the years ended June 30:

	2013	2012
Beginning balance	$1,515,654	$1,288,448
Liability for current fiscal year claims	476,226	195,504
Increase (decrease) in estimated liability for prior year claims	(8,640)	66,289
Claims paid in current year	(21,436)	(34,587)
Ending balance	$1,961,804	$1,515,654
Current portion	$21,436	$34,587

Note 11 - Risk Management (Continued)

The change in the Workers' Compensation Insurance Internal Service Fund's claims liability, including claims incurred but not reported, as estimated by the City's Risk Manager, is based on historical trend information provided by its third party administrators and was computed as follows at June 30:

	2013	2012
Beginning balance	$6,967,226	$6,142,687
Liability for current fiscal year claims	1,076,773	1,350,519
Increase (decrease) in estimated liability for prior year claims	2,991,993	1,982,137
Claims paid in current year	(3,569,588)	(2,508,117)
Ending balance	$7,466,404	$6,967,226
Current portion	$3,569,588	$2,508,117

The City's claims settlements have not exceeded insurance coverage for the past three fiscal years.

Note 12 – Alameda Municipal Power Joint Ventures

A. General

AMP participates in joint ventures through Joint Powers Authorities (JPAs) established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these JPAs exercise full powers and authorities within the scope of the related Joint Powers Agreement, including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Obligations and liabilities of the JPAs are not those of AMP and the other participating entities unless assumed by them.

Each JPA is governed by a board consisting of representatives from each member agency. Each board controls the operations of its respective JPA, including selection of management and approval of operating budgets, independent of any influence by member agencies beyond their representation on the board.

AMP is a member of NCPA, a joint powers agency which operates under a joint powers agreement among 18 public agencies. The purpose of NCPA is to use the combined strength of its members to purchase, generate, sell and interchange electric energy and capacity through the acquisition and use of electrical generation and transmission facilities, and to optimize the use of those facilities and the member's position in the industry. Each agency member has agreed to fund a pro rata share of certain assessments by NCPA and certain members have entered into take-or-pay power supply contracts with NCPA. While NCPA is governed by its members, none of its obligations are those of its members unless expressly assumed by them.

Amounts paid by AMP to NCPA during the years ended June 30, 2013 and 2012 for purchased power were $28,544,844 and $25,878,402, respectively. Amounts paid include payments for NCPA invoiced amounts received directly by NCPA from the Certificates of Participation 2000AT trustee. Additionally, purchased power was reduced by a refund of $1,276,447 and $1,260,883 for power exchange distribution and budget settlement monies returned to the NCPA General Operating Reserve (GOR), for the fiscal year ended June 30, 2013 and 2012, respectively.

AMP receives no income from NCPA, and does not participate in all of its projects. Further, NCPA does not measure or determine AMP's equity in NCPA as a whole. NCPA reports only AMP's share of its General Operating Reserve, comprised of cash and investments, and AMP's share of those projects in which AMP is a participant. These amounts are reflected in the financial statements as share of Certain NCPA Projects and Reserve.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

These changes in AMP's share in NCPA projects and reserve are set forth below:

	Fiscal Year Ended June 30	
	2013	2012
Beginning balance	$16,782,759	$15,998,430
Increase in equity in NCPA projects	2,723,539	784,329
Ending balance	19,506,298	$16,782,759

AMP's interest in NCPA Projects and Reserve, as computed by NCPA, is set forth below.

	June 30	
	2013	2012
General Operating Reserve	$15,551,397	$14,233,970
Purchased Power & Transmission	23,131	128,128
Share of Scheduling Coordination Balancing Account	1,504,318	
Share of Congestion Revenue Rights (CRR)	150,859	
Associated Member Services	93,713	
Alameda Municipal Power's share of NCPA Power Projects:		
Geothermal Projects/Power Line	1,573,700	2,137,422
Calaveras Hydroelectric Project	734,628	654,484
Combustion Turbine Project No. 1	(209,732)	(359,486)
Combustion Turbine Project No. 2	84,284	(11,759)
	$19,506,298	$16,782,759

The General Operating Reserve represents AMP's portion of funds which resulted from the settlement in prior years of issues with financial consequences and reconciliations of several prior years' budgets for programs. These funds are available on demand and earn interest, but AMP has left them with NCPA as a reserve against contingencies identified by NCPA.

Members of NCPA may participate in an individual project of NCPA without obligation for any other project. Member assessments collected for one project may not be used to finance other projects of NCPA without the member's permission.

Note 12 – Alameda Municipal Power Joint Ventures (Continued)

B. Projects in which Alameda Municipal Power is a Participant

Geothermal Projects

A power purchase agreement with NCPA obligates AMP for 17.05407% of the debt service for two NCPA 110-megawatt geothermal steam powered generating plants, Plant Number 1 and Plant Number 2, located in the Geysers area in Northern California. AMP is obligated to pay 16.8825% of the operating costs of both plants. NCPA continues to pursue alternatives for improving and extending steam field reservoir performance, including supplemental water reinjection, plant equipment modifications, and changes in operating methodology. NCPA has increased steam production in the vicinity of reinjection wells and has evaluated a number of alternatives to increase water reinjection at strategic locations. Effective April 1, 2010, Turlock Irrigation District withdrew as an NCPA participant.

In 1993, NCPA issued the 1993 Refunding Series A and B for $254,530,000. In 2009, NCPA issued the Refunding Series A for $35,610,000 to improve the Unit 4 steam path, provide for the Middletown booster pump solar project, provide for the Southeast Treatment plant solar project, make a contribution to the Debt Service Reserve Account, and to pay the cost of issuance of the 2009 Series A bonds.

AMP is obligated to pay its contractual share of the debt until it is fully satisfied, regardless of resulting cost or availability of energy. At June 30, 2013, the book value of this Project's plant, equipment and other assets was $103,560,994 while its long-term debt totaled $44,638,207 and other liabilities totaled $52,056,300. AMP's share of the Project's long-term debt and other liabilities amounted to $15,909,985 at that date.

Calaveras Hydroelectric Project

NCPA contracted to finance, manage, construct, and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982 and also has an option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval. Debt service payments to NCPA began in February 1990 when the project was declared substantially complete and power was delivered to the participants.

During fiscal year 2009, NCPA reduced its obligations on the 1992 Refunding Series A Serial by ~ $7,105,000 and reduced its 1993 Refunding Series A Serial obligations by $260,000. In March 2008, NCPA issued the 2008 Refunding Series A for $85,160,000 and the 2008 Taxable Refunding Series B for $3,165,000 in variable rate demand bonds for the purpose of providing funds, together with other available moneys, to refund a portion of outstanding Hydroelectric Project Number One Revenue Bonds, 1998 Refunding Series A and to pay costs of issuance of the 2008 Bonds and other costs relating to the refunding of the refunded 1998 Bonds. The refunding was done in order to realize debt service savings under the 2004 Swap Agreement.

Additionally, in response to credit market upheavals and to ensure debt service certainty, in July 2008 the Agency refunded (or purchased from the liquidity providers) the 2002 Hydroelectric Refunding Revenue Bonds Series A & B and the 2003 Hydroelectric Refunding Revenue Bonds Series A & B with outstanding principal of $140,200,000. The associated interest rate swaps were terminated on July 9, 2008. The refunding was completed through the issuance of $128,005,000 fixed rate tax exempt debt (2008 Series C) and $9,505,000 fixed rate taxable debt (2008 Series D). The payment of principal and interest on these issues are covered by financial guaranty insurance policies issued by Assured Guaranty. In 2010, the NCPA issued the 2010 Refunding Series A for $101,260,000 and 2010 Refunding Series B obligations for $8,025,000 for the purpose of providing funds to refund the Refunded 1998 Bonds, to deposit the respective 2010 Series debt service reserve account and to pay the cost of issuance of the 2010 bonds.

Note 12 – Alameda Municipal Power Ventures (Continued)

Under its power purchase agreement with NCPA, AMP is obligated to pay 10.9774% of this Project's debt service and operating costs. The project entitlement share on the Hydroelectric Projects funded with the 2009 Refunding Series C and 2008 Taxable Refunding Series D obligations is 10%. At June 30, 2013, the book value of this Project's plant, equipment and other assets was $412,763,311, while its long-term debt totaled $364,437,666 and other liabilities totaled $40,979,363. AMP's share of the Project's long-term debt and other liabilities amounted to $40,541,703 at that date.

Combustion Turbine Project No. 1

In October 1984, NCPA financed a five-unit, 125-megawatt combustion turbine project. The project, built in three member cities including Alameda, began full commercial operation in June 1986 and provides reserve and peaking power. In December 1998, NCPA issued $43,165,000 in fixed rate revenue bonds, the proceeds of which were used to refund outstanding revenue bonds and to pay costs of issuance of the debt. Under the NCPA power purchase agreement, AMP is obligated to pay 13.092% of this Project's debt service and operating costs. During August 2010, phase 2 of the First Amendment to the Agreement finalized the transfer of ownership of two NCPA electricity generating units to the City of Roseville due to a misalignment of ISO control areas. The transfer reduced the generation output of the project to 74 MW, and increased the entitlement share to 21.82% Although AMP's project percentage share increases, its resulting generating capacity entitlement remains constant at 16.05 MW. At June 30, 2013, the book value of this Project's plant, equipment and other assets was $3,078,679 while its long-term debt totaled $0, and other liabilities totaled $4,039,870. AMP's share of the Project's long-term debt and other liabilities amounted to $881,500 at that date.

Combustion Turbine Project No. 2 (Steam Injected Gas Turbine Project)

AMP is a participant in NCPA's 49.8 megawatt Steam Injected Gas Turbine (STIG) project which was built under turnkey contract near the City of Lodi and declared substantially complete on April 23, 1996. In October 1992, NCPA issued $152,320,000 of Multiple Capital Facilities Revenue Bonds to finance this project, a similar project for the Turlock Irrigation District in Ceres, and Lodi distribution system facilities. In January 1999, NCPA issued $67,875,000 in fixed rate revenue bonds to refund a portion of outstanding Capital Facilities Bonds and to pay debt service (consisting of interest only) on the 1999 Bonds through August 1, 2002 and a portion of the interest due on the 1999 Bonds on February 1, 2003, and to pay costs of the issuance of the debt. In 2010, the NCPA issued 2010 Refunding Series A Bonds for $55,120,000 for the purpose of providing funds to refund all of the Refunded 1999 Bonds, to fund a deposit to the 2010 Series debt service reserve account and to pay cost of issuance of the 2010 Series A Bonds. Under the NCPA power purchase agreement, AMP is obligated to pay 19.00% of the debt service and operating costs for the STIG project.

AMP's participation in procurement of natural gas for fuel for existing and new combustion turbine units was approved in 1993. Although there is currently no additional debt financing, AMP and NCPA have committed to long-term payments for gas transmission pipeline capacity, and entered a purchase contract for natural gas. AMP is obligated to pay 19.0%.

At June 30, 2013, the book value of this Project's plant, equipment and other assets was $53,496,340 while its long-term debt totaled $50,198,898 and other liabilities totaled $2,853,842. AMP's share of the Project's long-term debt and other liabilities amounted to $10,080,021 at that date.

Note 12 – Alameda Municipal Power Ventures (Continued)

Graeagle Hydroelectric Project

AMP's participation in this small hydroelectric project was approved in 1993. Although this project does not involve any financing, it does involve a long-term contractual commitment to purchase the power produced by the project through January 2010. AMP receives 50% of the power output from this hydroelectric project. After January 1, 2010, AMP will receive 100% of the output from this small hydroelectric project.

Western Area Power Administration

AMP has an allocation of power from the Federal Central Valley Project generating resources contracted through the U.S. Department of Energy's Western Area Power Administration. This allocation has been temporarily assigned to NCPA for scheduling and delivery to AMP. AMP pays 1.08075% of the base resource costs and receives that amount of the base resources, which is the amount of power generated in one federal fiscal year.

Other Power Purchase Agreements

AMP has also entered into a number of other power purchase agreements which are scheduled by or through NCPA.

- ***Morgan Stanley Power Purchase Contract***

  In April 2002, AMP entered into a contract with Morgan Stanley Capital Group (MSCG) for the delivery of power. From January 1 through March 31 and from October 1 through December 31 during each of the calendar years 2005-2014, MSCG has agreed to deliver 15 megawatts of firm power 24-hours per day.

- ***Highwinds Project Power Purchase***

  In December 2004, AMP entered into a long-term power purchase agreement with PPM Energy, Inc. for power supplied by the Highwinds Project in Solano County, California. In 2008, Iberdrola Renewables succeeded PPM Energy as the seller counterparty for this power purchase agreement. AMP receives 6.17% of the output of the 162 megawatt project (nameplate rating) or 10 megawatts through June 30, 2028.

- ***Landfill Gas Projects Power Purchase***

  Since 2004, AMP has entered into four long-term power purchase agreements for power supplied by multiple generating facilities. These facilities utilize combustible gaseous emissions from landfills, located in or near the San Francisco Bay area to create power. AMP began receiving nearly 4 megawatts of base-load power from the first 2 facilities in early 2006. An additional 5.2 megawatts of base-load output was added to AMP's portfolio in April 2009 when the Ox Mountain facility commenced operation. An additional 1.9 megawatts of power was added to AMP's portfolio as the Keller Canyon facility commenced base-load operation in August 2009.

Note 12 – Alameda Municipal Power Ventures (Continued)

California Electric Industry Restructuring

In September 1996, the California State legislature signed into law Assembly Bill 1890 (AB 1890) deregulating the electric power supply market and restructuring the electric power industry in California. While the majority of the legislation was directed at investor-owned utilities (IOUs), AMP and other California publicly owned utilities were greatly affected by the restructuring of markets and the ensuing wide fluctuations in prices that resulted from a deficiency in generating capacity, including an immature and flawed market structure. Because AMP has its own generating resources and is not heavily dependent on the wholesale market to purchase power, it was not negatively impacted by these price swings.

In April 2008, the California Independent System Operator (CAISO) launched a new wholesale market structure in the state. The new structure is referred to as the Market Redesign and Technology Upgrade (MRTU) initiative and features day-ahead energy market with a nodel locational marginal priority regime. The MRTU initiative has introduced new risks and uncertainties for AMP. To establish the extent of the risk and identify its impact to rates, AMP is closely monitoring the new structure's performance and costs.

NCPA plays an active role in protecting members' contractual rights in Federal Energy Regulatory Commission (FERC), California Public Utilities Commission (CPUC), and other legislative/regulatory proceedings. Priorities related to industry restructuring include the preservation of local control authority for publicly owned utilities, assuring open and fair access to wholesale markets and the transmission grid, and maintaining members' preference access to power from the Central Valley Project and Western Area Power Administration.

NCPA Financial Information

NCPA's financial statements can be obtained from NCPA, 651 Commerce Drive, Roseville, CA 95678.

Transmission Agency of Northern California (TANC)

AMP is a member of a joint powers agreement with fourteen other entities in TANC. TANC's purpose is to provide electrical transmission or other facilities for the use of its members. While governed by its members, none of TANC's obligations are those of its members unless expressly assumed by them. According to the 1985 Project Agreement with TANC for the development of the COTP and subsequent related project agreements, AMP is obligated to pay its share of the project's costs, including debt service and is entitled to the use of a percentage of the project's transmission or transfer capacity.

AMP was obligated to pay 1.333% of TANC's debt-service related to the California-Oregon Transmission Project (COTP). AMP entitlement share on COTP is 1.227% and is obligated to pay 1.227% of the project's operating costs. AMP's share on the 2009 Series A bonds is 1.4496%. AMP is not obligated for any portion of the 2009 Series B bonds.

These obligations provide AMP with a COTP transfer capability of 17.05 MW. AMP is also obligated to pay for a portion of the debt associated with the South of Tesla transmission which is provided under an agreement between TANC and Pacific Gas & Electric Company.

Note 12 – Alameda Municipal Power Ventures (Continued)

In May 2009, TANC issued $67.0 million of tax-exempt 2009 Series A bonds and $6.18 million of taxable 2009 Series B bonds. The proceeds of the Series A bonds were used to retire a bank loan that refinanced $30.3 million of TANC's tax-exempt commercial paper and also to refund $34.7 million of TANC's 2003 Series C Auction Rate Securities. The proceeds of the Series B bonds were used to retire a bank loan that refinanced $56.3 million of TANC's taxable commercial paper. The 2009 refunding increased future aggregate debt service payments by $19.3 million, but resulted in a total economic gain of $6.5 million, the difference between present value of the old and new debt service payments. TANC has issued Revenue Bonds for $435,790,000 and eliminated its obligations for the Tax Exempt Commercial Paper notes. As of June 30 and 2013 and 2012 AMP's share of this debt is $4,229,490 and $4,456,433, respectively.

TANC Financial Information

TANC's financial statements can be obtained from TANC, P.O. Box 15129, Sacramento, CA 95851 or from their website at http://www.tanc.us/financials.html.

Note 13 - Commitments and Contingencies

A. City and Successor Agency

The Successor Agency, through the former CIC, has an agreement extending through 2014 under which it refunds a portion of Alameda Marina Village Assessment District Property Tax Increments to the Alameda Marina Village property owners as a partial offset of their assessment liability. These refunds are accounted for in the Successor Agency Private Purpose Trust Fund.

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

B. Alameda Municipal Power

Commitments

i) Take or Pay Agreements

Under the terms of its NCPA and TANC joint venture agreements, AMP is liable for a portion of the bonded indebtedness issued by these agencies under take-or-pay or similar agreements, as discussed in Notes 8 and 9. AMP's estimated share of such debt outstanding at June 30, 2013 was $92,438,132. Under certain circumstances, AMP may also be responsible for a portion of the costs of operating these entities. Under certain circumstances, such as default or bankruptcy of other participants, AMP may also be liable to pay a portion of the debt of these joint ventures on behalf of the other participants. These "step up" provisions are generally capped at a 25 percent increase.

Note 13 - Commitments and Contingencies (Continued)

ii) Lease Agreement with Alameda Reuse and Redevelopment Authority

In June 2009, AMP entered into two lease agreements with the Alameda Reuse and Redevelopment Authority. The lease terms for each agreement are for two years beginning June 1, 2009 and expiring on May 30, 2011. In May 2011, AMP approved one year extensions to both lease agreements, with new expiration dates of May 30, 2012. AMP will continue to occupy the premises for minimum monthly payments of $1,083 and $11,103 respectively.

Contingent Liabilities

i) Lawsuits and Litigation

AMP is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, the outcome of these actions cannot be predicted with certainty. In the opinion of the City Attorney, the outcome of these actions will not have a material adverse effect on the financial position of AMP.

ii) Vectren Communications Services

In June, 2008, AMP, along with the City of Alameda, was named as a defendant in a suit filed by Vectren Communication Services, Inc., in the United States District Court for the Northern District of California. Vectren's suit alleged, among other things, that the AMP breached its obligation under the 2004Installment Sale Agreement to manage the Telecom System properly and to charge appropriate rates, resulting in the non-payment of installments from net telecom revenues totaling $6.3 million, plus accrued interest at a 9% default rate, for total damages of over $10 million. Vectren amended its complaint in early 2009 to allege an additional breach of contract claim, based upon AMP's sale of the TelecomSystem to Comcast in November 2008 without Vectren's consent.

At the conclusion of a trial in 2010, the jury rejected four out of five of Vectren's claims against the AMP, awarding damages of approximately $1.9 million on Vectren's remaining claim. Both sides appealed. In August 2013, the United States Court of Appeals for the Ninth Circuit reversed the jury's verdict and entered judgment in favor of AMP. On Vectren's sale claim, however, the Ninth Circuit remanded the matter to the district court for a determination of damages. Trial is scheduled for March 2014.

iii) Nuveen Municipal High Income Opportunity Fund

In October 2008, the City of Alameda filed an action for declaratory relief in the United States District Court for the Northern District of California against the Nuveen Municipal High Income Opportunity Fund and related Nuveen entities (Nuveen). The action arose out of the AMP's issuance in 2004 of $33 million in Revenue Bond Anticipation Notes to refinance existing obligations and provide funds for completion of the Telecom System. In October 2008, Nuveen filed a counter claim against AMP alleging violations of state and federal securities law, arising from the City's issuance of the Notes, seeking damages which Nuveen alleged to exceed $11 million. In January 2011, AMP filed a summary judgment motion against Nuveen, which, in May 2011, the district court granted on all claims. Nuveen appealed. On September 19, 2013, the United States Court of Appeals for the Ninth Circuit affirmed the judgment in favor of AMP in full.

Nuveen may petition the United States Supreme Court to hear the case. Pending any further appeals, no assurances can be given and no determination can be made at this time as to the outcome of Nuveen's claims; however, AMP and the City Attorney believe there are meritorious defenses to all of the above claims and that any liability which may finally be determined should not have a material adverse effect on AMP's financial position, results of operations, or cash flows.

Note 13 - Commitments and Contingencies (Continued)

iv) Bernard Osher Trust

On April 1, 2009, a lawsuit was filed against the City/AMP, also arising from issuance of the 2004 Revenue Bond Anticipation Notes, by Bernard Osher Trust (Osher). Similar to the Nuveen action, Osher alleges violations of state and federal securities laws arising from issuance of the Notes. Osher claims damages of approximately $4.7 million. A preliminary settlement conference was conducted on October 28, 2009, a second settlement conference in March 2010, and further settlement conference on July 20, 2010. Fact discovery was completed on October 15, 2010. On September 28, 2010 and in January 2011, the City filed a motion for summary judgment on all of Osher's claims against it. This motion was granted on all claims on May 16, 2011; consequently, the City has filed a motion for recovery of defense costs, totaling $1.5 million which the court denied. The City filed a bill of costs seeking an award of $132,000 in costs, for which judgment was entered awarding $91,516 to City against Nuveen and Osher jointly and severally.

Osher's claims against the City of Alameda have been resolved in the City's favor, due to Osher's failure to appeal the district court's summary judgment on all claims. The district court awarded the City approximately $92,000 in costs, which Osher paid to the City in October 2012. No further legal proceedings in the matter are anticipated.

C. Operating Lease

In August 2012 the City Council approved a twenty year lease with an option of a five year extension between the City and Greenway Golf Associates, Inc. for the long-term maintenance and operations of the Chuck Corica Golf Complex. The agreement stipulates minimum rent payments to the City that escalate over time to $350,000 or 10% of gross revenue up to $4,000,000 and 12% of gross revenues in excess of $12,000,000 in years 9-20.

D. Settlement Agreement

In December 2012, the City, the former Community Improvement Commission, the former Alameda Reuse and Redevelopment Authority and a third party vendor reached a settlement agreement in regards to the redevelopment of the U.S. Naval Air Station at Alameda Point. The City will in total pay $4.325 million to the third party vendor by July 2014. Once the first payment is made by the City each party shall execute and file a Stipulation of Dismissal of the Federal Action and Federal Counter-Claim.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities

A. Redevelopment Dissolution

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolved redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except action required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between the agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office has completed its asset transfer review of the Community Improvement Commission of the City of Alameda for the period from January 1, 2011 through January 31, 2012 in November 2013. The review resulted in a demand that the City return assets totaling $23,290,317, which comprised of cash and investments, loans receivable and capital assets to the Alameda CIC Successor Agency. Cash and loans receivable totaled $234,469 and $3,074,237, respectively. Capital assets consisted of land and improvements for the Alameda Theatre and Parking structure totaling $811,120 and $19,170,491, respectively. However, on July 30, 2013, the Oversight Board retroactively approved the transfer of the assets to the City of Alameda through Oversight Board Resolution 13-10. Therefore, the State Controller report concluded that the State Controller needs no further action from the Successor Agency. On November 6, 2013, the State Department of Finance requested that the Oversight Board reconsider its Resolution 13-10.

Effective January 31, 2012 the Community Improvement Commission (CIC) was dissolved. Certain assets of the CIC Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining CIC assets and liabilities were distributed to a Successor Agency.

The City elected to become the Successor Agency and on February 1, 2012 the CIC's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including the City Manager and one former CIC employee appointed by the Mayor.

The activities of the Successor Agency are reported in the Successor Agency Private Purpose Trust Fund as the activities are under control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former CIC.

Cash and investments of the Successor Agency as of June 30, 2013 are discussed in Note 2. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2013.

In addition to the above amounts, as discussed in Note 3B the CIC had two interfund advances from the City which have been written off as a result of the implementation of ABx1 26.

B. Loans Receivable

Loans that were considered housing assets under the California Health and Safety Code. On July 31, 2012, the housing rehabilitation and affordable loans, were transferred to the Housing Authority of the City of Alameda, the Housing Successor of the CIC.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

C. Long-Term Debt

Successor Agency assumed long-term debt from the Redevelopment Agency consisted of the following:

Current Year Transaction and Balances

	Balance June 30, 2012	Retirements	Balance June 30, 2013	Due within one year	Due more than one year
2003 Tax Allocation Refunding Bonds, Series	$15,995,000	$525,000	$15,470,000	$525,000	$14,945,000
2003 Tax Allocation Bonds, Series A1, A2 & B	45,885,000	1,065,000	44,820,000	1,065,000	43,755,000
2011 Tax Allocation Bonds, Series A & B	10,740,000		10,740,000		10,740,000
Discount	(121,283)	(4,178)	(117,105)		(117,105)
Total Bonds	72,498,717	1,585,822	70,912,895	1,590,000	69,322,895
2006 CRA/ERAF Loan Program	330,000	75,000	255,000	255,000	
Total	$72,828,717	$1,660,822	$71,167,895	$1,845,000	$69,322,895

2003 Community Improvement Commission Tax Allocation Refunding Bonds

On October 1, 2003, the Community Improvement Commission issued Tax Allocation Refunding Bonds related to the Business and Waterfront Improvement Area in the principal amount of $18,535,000, with Series 2003 C issued in the amount of $17,510,000 and Series 2003 D in the amount of $1,025.000. The proceeds were used to retire the 2002 Financing Authority Variable Rate Revenue Bonds. The Bonds are payable from tax increment revenues receivable by the Project Area. Principal is payable annually on February 1, with interest payable semi-annually on February 1 and August 1 through February 2032. The interest rates on the bonds vary from 2% to 4.75%. The outstanding balance as of June 30, 2013 was $15,470,000.

2003 Community Improvement Commission Tax Allocation Bonds

On December 1, 2003, the Community Improvement Commission issued Series 2003 Al and A2 Tax Allocation Bonds in the principal amount of $37,390,000 and Series 2003 B Subordinated Tax Allocation Bonds in the principal amount of $9,205,000, for a total original principal amount of $46,595,000, for the Commission's merged improvement areas. The proceeds were used to finance certain redevelopment projects, to repay a loan of $2,200,000 for the project area, and to finance $12,200,000 of demolition costs incurred in the project area. The Series 2003 Al and A2 are secured by a pledge of certain tax increment revenues for the Merged Project Area. The Series 2003 B are secured by a subordinate pledge of tax revenues. Interest is payable semiannually on March 1 and September 1 through 2033; principal is payable annually on March 1 through 2033. The interest rates on the bonds vary between 2 to 6.25%. The outstanding balance as of June 30, 2013 was $44,820,000.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

2011 Community Improvement Commission Tax Allocation Bonds

On May 1, 2011, the Community Improvement Commission issued Series 2011 A Subordinated Tax Allocation Housing Bonds in the principal amount of $9,870,000 and Series 2011 B Subordinated Tax Allocation Housing Bonds in the principal amount of $1,165,000, for a total original principal amount of $11,035,000, for the Commission's merged improvement areas. Proceeds from the sale of the Bonds will be used to (a) finance certain housing activities of the Agency, (b) refinance the obligations of the Agency under a 1992 Loan Agreement, (c) make a deposit to the Reserve Account for the Bonds in an amount equal to the initial Reserve Requirement, and (d) pay the costs of issuing the Bonds. The Series 2011 A and B are secured by a subordinate pledge of tax revenues. Principal and interest are payable annually on September 1 through 2041. The interest rates on the bonds vary between 2 to 8.5%. The bond was issued with $125,326 discount. The outstanding balance as of June 30, 2013 was $10,622,895, net of discount.

ERAF Loan Program

In April 2007, the Community Improvement Commission borrowed $695,000 from the California Statewide Communities Development Authority to pay for Educational Revenue Augmentation Fund (ERAF) payments due to Alameda County. Both principal and interest payments are made semiannually on November and March through March 2016. The loan carries a 6% interest rate. The outstanding balance as of June 30, 2013 was $255,000.

With the dissolution of the CIC discussed above, tax increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the CIC, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total property taxes received by the Successor Agency in current fiscal year were $11,742,512 which represented coverage of 2.5 times the $4,617,466 of debt service.

Note 14 – Redevelopment Agency Dissolution and Successor Agency Activities (Continued)

Debt Service Requirements

Annual debt service requirements are shown below:

For the Year Ending June 30	Principal	Interest
2014	$1,755,000	$4,227,970
2015	1,850,000	4,141,920
2016	1,955,000	4,049,896
2017	1,965,000	3,948,043
2018	2,095,000	3,846,486
2019-2023	12,760,000	17,420,529
2024-2028	17,560,000	13,360,862
2029-2033	24,415,000	7,379,983
2034-2038	4,870,000	1,836,001
2038	2,060,000	377,826
Subtotal	71,285,000	$60,589,516
Less Discount	(117,105)	
Total	$71,167,895	

D. State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time.

Note 15 – Subsequent Events

A. Long-Term Debt Subsequent to Year End

2013 General Obligation Refunding Bonds

On September 17, 2013, the City approved the issuance of 2013 General Obligation Refunding Bonds to refund the City of Alameda General Obligation Bonds, Series 2003. The 2003 Bonds were issued to finance the construction and renovation of various public libraries. The principal amount of the 2013 Bonds is $9,010,000 and final maturity date of the Bonds is August 1, 2027.

2013 Certificates of Participation

On September 17, 2013, the City approved the issuance of 2013 Certificates of Participation to refund the City of Alameda 2002 Certificates of Participation and to finance the costs of construction of a new City Emergency Operations Center and associated expenses. The principal amount of the 2013 Certificates is $9,610,000 and final maturity date of the Certificates is May 1, 2030.

APPENDIX F

CITY OF ALAMEDA SUPPLEMENTAL INFORMATION

The following information concerning the City of Alameda and surrounding areas is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City is a charter city that was incorporated in 1854. The City is located in the County just west of the City of Oakland and approximately 12 miles east of San Francisco. The City consists of an island in the eastern portion of San Francisco Bay approximately six miles long by one and one-half miles wide and part of a peninsula adjacent to the Oakland Airport. The island portion is connected to the East Bay Area by three bridges and a vehicular underwater double barrel tube. Total City area is 22.7 square miles, about 12.4 square miles of which is water area.

The City is a major marine recreational area for Northern California with seven marinas and a private seaport. The City is part of the highly urbanized East Bay, which consists of Alameda and Contra Costa counties. A highly skilled labor force, excellent transportation facilities, renowned educational institutions and available advanced research and development resources contribute to the area's economy.

Naval Air Station Alameda at Alameda Point was decommissioned in 1997, and is in process of being turned over to the City of Alameda for civilian development. The area of the former NAS is now known as Alameda Point.

Organization

Alameda is a charter city, rather than a general law city, allowing the city to provide for any form of government. Alameda became a charter city and adopted a council-manager government in 1916, which it retains to the present.

Population

The table below summarizes population of the City and the County for the past five years.

POPULATION
City of Alameda and Alameda County

Year	City of Alameda	Alameda County
2010	73,812	1,510,271
2011	74,052	1,517,756
2012	74,546	1,530,206
2013	75,197	1,550,119
2014	75,988	1,573,254

Source: California Department of Finance, Demographic Research Unit.

Employment

The following table summarizes the historical numbers of workers by industry in the County for the last five years:

ALAMEDA COUNTY
Labor Force and Industry Employment
Annual Averages by Industry

	2009	2010	2011	2012	2013(1)
Total, All Industries	658,400	647,200	654,300	674,800	699,200
Total Farm	700	700	700	700	500
Total Nonfarm	657,800	646,400	653,600	674,200	698,700
Goods Producing	95,400	89,500	91,900	94,400	98,500
Manufacturing	61,800	59,100	60,900	60,900	62,800
Service Providing	562,400	556,900	561,800	579,800	600,200
Trade, Transportation & Utilities	121,700	117,600	118,900	122,800	127,300
Information	14,900	14,000	13,600	13,600	13,000
Financial Activities	22,400	22,900	23,000	23,500	24,200
Professional & Business Services	105,200	108,300	111,400	118,100	121,000
Educational & Health Services	99,700	100,400	99,700	104,400	112,200
Leisure & Hospitality	53,900	54,500	56,000	58,700	62,300
Other Services	22,900	23,200	23,300	23,900	24,900
Government	121,300	116,100	116,100	114,900	115,300

Source: California Employment Development Department based on March 2013 benchmark.
(1) Last available full year data.
*Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.

The following tables summarize historical employment and unemployment for the City, the County, the State of California and the United States for the past five years:

CITY OF ALAMEDA, ALAMEDA COUNTY, CALIFORNIA, AND UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate (1)
2009	City of Alameda	39,700	36,900	2,900	7.2%
	Alameda County	761,500	681,600	79,900	10.5
	California	18,208,300	16,144,500	2,063,900	11.3
	United States	154,142,000	139,877,000	14,265,000	9.3
2010	City of Alameda	39,700	36,600	3,100	7.8%
	Alameda County	762,600	676,600	86,000	11.3
	California	18,316,400	16,051,500	2,264,900	12.4
	United States	153,889,000	139,064,000	14,825,000	9.6
2011	City of Alameda	40,000	37,200	2,800	7.1%
	Alameda County	765,700	686,700	79,000	10.3
	California	18,384,900	16,226,600	2,158,300	11.7
	United States	153,617,000	139,869,000	13,747,000	8.9
2012	City of Alameda	40,800	38,300	2,500	6.1%
	Alameda County	778,300	708,600	69,700	9.0
	California	18,494,900	16,560,300	1,934,500	10.5
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	City of Alameda	41,300	39,200	2,100	5.0%
	Alameda County	783,100	725,000	58,000	7.4
	California	18,596,800	16,933,300	1,663,500	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4

Source: California Employment Development Department, based on March 2013 benchmark and US Department of Labor, Federal Bureau of Labor Statistics

(1) The unemployment rate is computed from unrounded data, therefore, it may differ from rates computed from rounded figures available in this table.

Major Employers

The table below sets forth the principal employers of the City and the County.

CITY OF ALAMEDA
2013 Principal Employers

Employer	Employees	Rank	Percent of Total City Employment
Alameda Unified School District	900	1	1.21%
North Face Inc.	600	2	.80
City of Alameda	502	3	.67
Alameda Hospital	492	4	.66
Celera Corp	490	5	.66
VF Outdoor	400	6	.54
Bay Ship & Yacht Co	250	7	.33
ATPA	250	8	.33
USCG Base Alameda	250	9	.33
Marriott	208	10	.28
TOTAL	3,000		4.02%

Source: City of Alameda 2013 Comprehensive Annual Financial Report.

ALAMEDA COUNTY
2014 Major Employers

Company	Location	Industry
Alameda County Law Enforcement	Oakland	Sheriff
Alameda County Medical Ctr	Oakland	Hospitals
Alameda County Sheriff's Ofc	Oakland	Sheriff
Alta Bates Summit Medical Ctr	Oakland	Hospitals
Alta Bates Summit Medical Ctr	Berkeley	Hospitals
Bayer Corp	Berkeley	Drug Millers (Mfrs)
Berkeley Coin & Stamp	Berkeley	Coin Dealers Supplies & Etc
California State-East Bay	Hayward	Schools-Universities & Colleges Academic
Childrens Hospital Health Lbry	Oakland	Special Interest Libraries
Cooper Vision Inc	Pleasanton	Physicians & Surgeons Equip & Supls-Mfrs
East Bay Water	Oakland	Transit Lines
Highland Hospital	Oakland	Hospitals
Intel Corp	Fremont	Semiconductor Devices (Mfrs)
Kaiser Permanente Hospital	Hayward	Hospitals
Kaiser Permanente Medical Ctr	Oakland	Hospitals
Lawrence Berkeley National Lab	Berkeley	Physicians & Surgeons
Lawrence Livermore Natl Lab	Livermore	Small Arms Ammunition (Mfrs)
Oakland Police Patrol Div	Oakland	Police Departments
Residential & Student Svc Prog	Berkeley	Schools-Universities & Colleges Academic
Safeway Inc	Pleasanton	Grocers-Retail
Tesla Motors	Fremont	Automobile Repairing & Service
Transportation Dept-California	Oakland	State Government-Transportation Programs
University of Ca-Berkeley	Berkeley	Schools-Universities & Colleges Academic
Washington Hospital	Fremont	Hospitals
Waste Management	Oakland	Garbage Collection

Source: California Employment Development Department. Data retrieved July 14, 2014.

Construction Activity

The following tables reflects the five-year history of building permit valuation for the City and the County:

CITY OF ALAMEDA
Building Permits and Valuation
(Dollars in Thousands)

	2009	2010	2011	2012	2013
Permit Valuation:					
New Single-family	$ 879	$ 5,985	$ 8,199	$ 1,366	$ 544
New Multi-family	0	0	0	0	0
Res. Alterations/Additions	10,553	11,465	19,659	10,652	20,806
Total Residential	11,432	17,450	27,858	12,019	21,351
Total Nonresidential	2,144	1,794	35,992	11,236	19,500
Total All Building	$ 13,576	$ 19,244	$ 63,850	$ 23,256	$ 40,851
New Dwelling Units:					
Single Family	3	16	24	4	1
Multiple Family	0	0	0	0	0
Total	3	16	24	4	1

ALAMEDA COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2009	2010	2011	2012	2013
Permit Valuation:					
New Single-family	$ 227,982	$ 276,660	$ 269,312	$ 372,919	$ 451,279
New Multi-family	96,518	157,459	249,684	343,669	300,514
Res. Alterations/Additions	229,873	243,289	273,631	235,264	227,675
Total Residential	554,373	677,409	792,627	951,873	979,470
Total Nonresidential	597,987	564,655	708,959	463,431	1,650,777
Total All Building	$ 1,152,360	$ 1,242,065	$ 1,501,586	$ 1,415,305	$ 2,630,247
New Dwelling Units:					
Single Family	802	907	817	1,119	1,339
Multiple Family	536	936	1352	1,508	2,023
Total	1,338	1,843	2,169	2,627	3,362

Sources: Construction Industry Research Board: "Building Permit Summary."
Note: Totals may not add due to independent rounding.

Commercial Activity

Taxable sales in the County are shown below. Beginning in 2009, reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years.

TAXABLE SALES, 2008-2012
ALAMEDA COUNTY
(dollars in thousands)

	2008
Retail Stores	
Apparel Stores	$ 747,645
General Merchandise	2,126,734
Food Stores	780,311
Eating and Drinking	1,989,406
Household Group	823,075
Building Material Group	1,309,455
Automotive Group	2,329,408
Service Stations	2,030,681
All Other Retail Stores	2,411,035
Retail Stores Totals	14,547,749
Business & Personal Services	959,945
All Other Outlets	8,355,262
Total All Outlets[2]	$ 23,862,957

	2009 [1]	2010 [1]	2011 [1]	2012 [1][3]
Retail and Food Services				
Motor Vehicles and Parts Dealers	$ 1,949,009	$ 2,183,709	$ 2,405,412	$ 2,823,697
Furniture and Home Furnishings Stores	410,092	412,979	438,369	474,949
Electronics and Appliance Stores	571,854	575,374	583,234	625,589
Bldg Mtrl. and Garden Equip. and Supplies	1,085,191	1,091,857	1,153,236	1,230,013
Food and Beverage Stores	866,117	884,033	928,190	990,964
Health and Personal Care Stores	415,203	419,672	434,353	440,239
Gasoline Stations	1,491,427	1,716,376	2,135,182	2,291,985
Clothing and Clothing Accessories Stores	878,290	926,611	995,486	1,084,439
Sporting Goods, Hobby, Book and Music Stores	502,870	489,954	484,909	487,666
General Merchandise Stores	1,629,370	1,710,291	1,810,195	1,887,477
Miscellaneous Store Retailers	845,915	900,038	955,440	988,889
Nonstore Retailers	70,906	68,868	74,685	136,755
Food Services and Drinking Places	1,925,171	1,994,522	2,212,065	2,318,686
Total Retail and Food Services	12,641,415	13,374,283	14,519,756	15,781,349
All Other Outlets	7,788,780	8,167,458	8,911,043	9,400,222
Totals All Outlets[2]	$ 20,430,195	$ 21,541,741	$ 23,430,799	$ 25,181,571

Source: California Board of Equalization, Taxable Sales in California (Sales & Use Tax).
(1) Starting in 2009, categories were revised from prior years.
(2) Totals may not add up due to independent rounding.
(3) Last available full year data.

Median Household Income

The following table summarizes the median household effective buying income for the City, the County, the State of California and the nation for the years 2008 through 2012.

CITY OF ALAMEDA, ALAMEDA COUNTY, STATE AND UNITED STATES
Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2008	City of Alameda	$ 2,110,295	$ 56,044
	Alameda County	38,889,500	55,987
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2009	City of Alameda	$ 2,196,838	$ 58,598
	Alameda County	40,053,865	57,997
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	City of Alameda	$ 2,120,325	$ 55,813
	Alameda County	38,097,873	54,734
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Alameda	$ 2,159,753	$ 55,644
	Alameda County	39,064,683	54,542
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	City of Alameda	$ 2,419,355	$ 58,897
	Alameda County	43,677,855	55,396
	California	664,088,827	47,307
	United States	6,737,867,730	41,358

Source: The Nielsen Company (US), Inc.

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APPENDIX G

FISCAL CONSULTANT'S REPORT

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KEYSER MARSTON ASSOCIATES

FISCAL CONSULTANT REPORT
MERGED WECIP/BWIP
PROJECT AREA

Prepared for:

**SUCCESSOR AGENCY TO THE
COMMUNITY IMPROVEMENT COMMISSION
OF THE CITY OF ALAMEDA**

Prepared by:

Keyser Marston Associates, Inc.

November 17, 2014

Table of Contents

1.0 INTRODUCTION

Keyser Marston Associates, Inc. (KMA) has been retained as Fiscal Consultant to the Successor Agency to the Community Improvement Commission of the City of Alameda (Successor Agency) to prepare a review of assessed values and a projection of Tax Revenues for the Successor Agency's Merged WECIP/BWIP ("Project Area"). The Successor Agency is proposing to issue Refunding Bonds to refund outstanding tax allocation bonds payable from property tax revenues generated by the Project Area and allocated to the Redevelopment Property Tax Trust Fund (RPTTF) of the Successor Agency.

Redevelopment agencies in California were dissolved under ABx1 26 enacted June 2011 and amended by AB 1484 enacted June 2012 ("Dissolution Statutes"). Successor agencies were established to wind-down the affairs of former redevelopment agencies and administer their financial obligations. Prior to the passage of ABx1 26, the California Community Redevelopment Law (CRL) and Article 16, Section 16 of the California Constitution, authorized the former redevelopment agencies to receive that portion of property tax revenue generated from the increase of the current year taxable values over the base year taxable values that existed at the time of adoption of a redevelopment project. This portion of property tax revenue was referred to as tax increment. The CRL provided that tax increment could be pledged by a redevelopment agency for the repayment of bonded indebtedness. Under the Dissolution Statutes, the allocation of tax increment revenues was modified to require county auditor-controllers to deposit former tax increment revenues into a Redevelopment Property Tax Trust Fund (RPTTF) for each successor agency. Property taxes in the RPTTF are allocated twice yearly for the payment of (1) certain county administrative costs; (2) pass through payments; (3) Enforceable Obligations (as defined in the Dissolution Statutes) of the former redevelopment agency, as identified by dollar amounts on a Recognized Obligation Payment Schedule (ROPS) approved by the Successor Agency's Oversight Board and the State Department of Finance; and (4) administrative costs of the Successor Agency. The distributions are to be paid twice a year on January 2nd and June 1st. Upon paying for these obligations, ABx1 26 requires county auditor-controllers to distribute any remaining RPTTF revenues as property taxes to local government agencies whose tax bases overlap the Project Area. The Dissolution Statutes also eliminated the previous requirement to set-aside 20% of revenues for affordable housing in a separate housing fund and precludes successor agencies from incurring new financial obligations (with limited exceptions).

The proposed Refunding Bonds are secured by a pledge of Tax Revenues from the Project Area as defined in the Indenture to include all property taxes allocated to the RPTTF for the Successor Agency excluding amounts derived from the Alameda Point Improvement Project (APIP) and the Alameda Landing Project and after deduction of required payments for (1) certain county administrative costs; (2) pass through payments to affected taxing agencies pursuant to Health and Safety Code (H&S) § 34183 (a) (1); (3) debt service on the 2011 Series A and B Bonds; and (4) the Alameda Landing DDA to the extent payments are made from revenues other than the excluded Alameda Landing revenues (see description of obligation Section 2.5).

This Fiscal Consultant Report has been prepared to reflect the projected amount of future property tax revenues available for allocation to the Successor Agency to fund Enforceable Obligations based upon reported FY 2014-15 assessed values. The projected taxable values and resulting RPTTF revenues for the Project Area are based on assumptions determined by a review of the taxable value history of the Project Area and the property tax assessment and property tax apportionment procedures of the County. This Report also includes a review of the redevelopment plan limits of the Project Area, the historic assessed value trends, major property tax payers, distribution of assessed values by identified land use types, historic Tax Revenues, and potential valuation impacts and tax refunds resulting from pending assessment appeals.

2.0 THE PROJECT AREA

The Merged WECIP/BWIP Project Area was established with the 2003 merger of the (1) West End Community Improvement Project (WECIP), 225 acres; (2) Business and Waterfront Improvement Project (BWIP Original Area), 749 acres; and (3) BWIP Exchange Area (deleted from the Alameda Point Improvement Project and added to the BWIP in 2003), 123 acres. In total, the Project Area encompasses approximately 1,097 acres.

In addition to the Merged WECIP/BWIP Project Area, the Successor Agency has an additional project area, the Alameda Point Improvement Project (APIP) corresponding to the decommissioned Alameda Naval Air Station. RPTTF revenues generated by the APIP are relatively limited at the current time because the property remains under public ownership and property taxes consist only of possessory interest and personal property assessed values related to private leases at Alameda Point. RPTTF revenues derived from the APIP are excluded from Tax Revenues pledged to the Refunding Bonds; accordingly, the information and revenue projections presented in this Report do not include the APIP.

2.1 Redevelopment Plan Limits

The Redevelopment Plan includes specific time and dollar limitations on collection of revenue for repayment of debt[1]. The Project Area has a $691 million limit on the cumulative amount of revenue that may be allocated for the WECIP and BWIP Original Area (the BWIP Exchange Area is not subject to the limit). The Project Area also has a limit on the maximum amount of bonded indebtedness that may be outstanding at any one time. These limits are as follows:

	WECIP	BWIP Original Area	BWIP Exchange Area
Adoption Date	7/5/1983	6/18/1991	4/1/2003
Time Limit to Repay Debt	7/5/2036	6/18/2042	4/1/2049
Cumulative Revenue Limit	$691,000,000 *[applies to WECIP and BWIP Original Area only]*		No Limit
Bonded Indebtedness Limit	$210,000,000 *[applies to all component areas]*		

[1] The California Department of Finance (DOF) has advised County Auditor-Controllers, based its interpretation of the Dissolution Statutes, that these limitations are no longer operative and that RPTTF is to be allocated and successor agency debts paid without regard to such limits. Notwithstanding DOF's advice to County Auditor-Controllers, which does not have the force of law, the analyses and projections incorporated into this Report are based on the assumption that these limits remain in force. We are advised that DOF has approved the escrow of RPTTF funds due to tax increment limits where required by bond documents.

2.2 Collections toward Cumulative Revenue Limit

Based on tax increment receipt records of the Successor Agency and information provided by the County Auditor-Controller, a total of $176.2 million has been received through FY 2013-14 toward the $691 million cumulative revenue limit for the Project Area. Based upon the growth assumptions incorporated into the projection, $423 million or approximately 61% of the $691 million limit is projected to be collected through the 2033 final maturity for the proposed Refunding Bonds[2]. For the $691 million tax increment revenue limit to be reached prior to the final debt service payment in 2033, it is estimated that assessed values for the WECIP and BWIP Original Area would need to grow at a future annual rate in excess of approximately 7.4% per year.

2.3 County Administrative Fees

Chapter 466, Statutes of 1990, (referred to as SB 2557) permits the County to withhold a portion of annual tax revenues for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. H&S 34182 (a) (3) also provides for recovery of County costs in connection with performing duties related to the dissolution of redevelopment agencies. The actual FY 2013-14 charges for the Successor Agency equate to 1.03% of gross RPTTF revenues. The projections included on Tables 7.0 to 8.4 assume that the County administrative costs will continue to be charged at approximately 1.03% of gross revenue in subsequent fiscal years. Payments for County administrative fees are made prior to debt service on the Refunding Bonds.

2.4 Pass Through Obligations

The following summarizes KMA's review of the Successor Agency's pass through obligations. Pass through payments are made prior to debt service on the Refunding Bonds.

a. Taxing Agency Elections Payable Under H&S 33676 [BWIP Original Area]

Redevelopment projects adopted between January 1, 1985 and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Health and Safety Code (H&S) Section 33676. The BWIP Original Project Area was adopted during the applicable time period. The annual payments represent that portion of property taxes that are, or otherwise would be, calculated annually pursuant to subdivision (f) of Section 110.1 of the Revenue and Taxation Code (and referred to as the 2% inflation allocation). In addition, based on the ruling in Santa Ana Unified School District vs.

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[2] This analysis assumes all gross RPTTF revenue from WECIP and the BWIP Original Area is counted toward the dollar limits on receipt of tax increment including monies redistributed to taxing agencies as "residual".

Orange County Redevelopment Agency, school and community college districts are entitled to the payments even if no election was made at the time of project area adoption. Seven taxing entities receive payments pursuant to this provision from the BWIP Original Area including Alameda County, the City of Alameda, Flood Control District, Mosquito Abatement District, AC Transit, BART, and the East Bay Regional Park District.

b. Tax Sharing Agreements [BWIP Original Area]

The Successor Agency has five tax sharing agreements which apply only within the BWIP Original Area:

(1) County of Alameda Pass Through Agreement – Pass through payments to the County of Alameda are based upon 50% of the County's share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to H&S 33676. The County additionally receives 100% of its percentage share of former tax increment from five designated parcels. The County's percentage share under the pass through agreement increases from 50% to 100% commencing with receipt of a cumulative of $566 million from the BWIP Original Area; however, this threshold is not expected to ever be reached because the $691 million cumulative limit for the Merged WECIP/BWIP Project Area as a whole is likely to be reached first. In the event one or more properties under the ownership of the Federal Government or Peralta Community College identified in an exhibit to the agreement are placed on the tax rolls and developed without substantial assistance from the former CIC, pass through payments for those specific parcels would be based on 80% of the County's share. The agreement also provides for increased pass throughs under a formula governed by sales tax generation in designated commercial areas; however, this provision has not been operative in the past and the projections do not include potential payments under this provision. Payments pursuant to the County agreement are limited to no more than the amount the County would receive absent the allocation of revenue to the RPTTF, which would represent approximately 17.9% of gross RPTTF revenue for the BWIP Original Area. Currently, pass through payments to the County represent approximately 15.3% of gross RPTTF revenue from the BWIP Original Area.

(2) Alameda Unified School District (AUSD) Pass Through Agreement – Pass through payments to AUSD consist of two components: a) deposits to a "District Capital Outlay Fund" calculated as 4% of net former tax increment after deduction of the 20% housing set-aside and payments pursuant to H&S 33676 and b) deposits to a "District Housing Fund" equal to 8% of former tax increment and restricted for use consistent with the requirements for former housing set-aside funds. The County has been deducting pass through payments for the District Housing Fund but has withheld disbursement of the funds to AUSD pending legal review.

(3) *East Bay Regional Park District* (EBRPD) *Pass Through Agreement* – Pass through payments to EBRPD are based upon 10% of EBRPD's 2.77% share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to H&S 33676.

(4) *Peralta Community College District (PCCD) Pass Through Agreement* – Pass through payments to PCCD are based upon 21% of PCCD's 2.82% share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to H&S 33676.

(5) *Alameda County Superintendent of Schools* – Pass through payments to the Superintendent of Schools are based upon 21% of the Superintendent's 0.47% share of property taxes as of the effective date of the agreement after deductions for the former 20% housing set-aside and payments pursuant to H&S 33676.

c. AB 1290 Statutory Pass Throughs [all component project areas]

Statutory pass through payments under AB 1290 (set forth under Health and Safety Code Sections 33607.7 and 33607.5) are required for each of the component areas that comprise the Project Area. Statutory pass through payments for the WECIP and BWIP Original Area were triggered by adoption of Ordinance No. 2889 and Ordinance No. 2963 to eliminate the debt incurrence time limitations for the WECIP and BWIP areas respectively as allowed under legislation enacted by SB 211. The statutory pass through obligations for WECIP commenced in FY 2004-05, which is the first year following the fiscal year in which the original July 5, 2003 debt incurrence time limit would have taken effect. The statutory pass through obligations for BWIP commenced in FY 2011-12, which is the first year following the fiscal year in which the original debt incurrence time limit would have taken effect. The BWIP Exchange Area was adopted after implementation of AB 1290 in 1994 and has been subject to statutory pass through payments since adoption. The five taxing agencies with pass through agreements in the BWIP Original area continue to receive contractual pass through payments. All taxing agencies in the WECIP and BWIP Exchange Areas and all taxing agencies for the BWIP Original Area other than the County, AUSD, EBRPD, PCCD, and County Superintendent of Schools are eligible to receive their allocation of the resulting statutory pass through.

2.5 2011 Bonds and DDA Obligations

Tax Revenues available for the Refunding Bonds are after deductions for the following Successor Agency obligations:

a. *2011 Series A and B Bonds* – The Successor Agency issued the 2011 Series A and B bonds secured by a pledge of former housing set-aside funds of the Merged Project.

b. *Alameda Landing DDA* – Pursuant to the Disposition and Development Agreement for development of the Alameda Landing Mixed Use Project ("Alameda Landing DDA") with Catellus Alameda Development, LLC ("Catellus")[3], former tax increment generated by the Alameda Landing Mixed Use Project ("Alameda Landing") is excluded from the pledge of Tax Revenues to the Refunding Bonds. Alameda Landing is located primarily within the BWIP Original Project Area and includes approximately 285,000 square feet of retail (157,000 square feet completed and 128,000 square feet currently under construction), 284 residential units of which 128 are currently under construction, and a future phase with approximately 400,000 square feet of office / commercial space, an additional 15,000 square feet of retail, and an eight-acre waterfront park. The Alameda Landing DDA was executed December 5th 2006 with subsequent amendments approved December 4th 2007 and June 4th 2008. The Alameda Landing DDA modified an earlier agreement with the Catellus Development Corporation executed June 16, 2000 which addressed development of property corresponding to both the Alameda Landing and Bayport projects.

   Payments to Catellus pursuant to the DDA are derived from two sources (1) former tax increment revenues generated by the Alameda Landing Project; and (2) former "80% Tax Increment" generated by the adjacent Bayport Project. Tax Revenues pledged to the Refunding Bonds are defined in the Indenture to exclude all revenues derived from the Alameda Landing Project and after deduction of payments to Catellus made from former "80% Tax Increment" generated by the Bayport Project. The Bayport Project consists of 485 homes and generates the majority of property tax revenue within the BWIP Exchange Area. Payments to Catellus derived from Bayport "80% Tax Increment" are net of an allocable share of debt service on the Refunding Bonds proportionate to the proceeds of the prior bonds used to fund infrastructure within the Bayport Project.

   The balance due under the Alameda Landing DDA to be paid from former tax increment generated by both the Bayport and Alameda Landing Projects is currently $25.6 million. An additional $8 million will become due in the event the rate of return to Catellus falls below a specified threshold as determined at project completion, not expected for several more years. Payments are reflected in the Table 7.0 and 8.0 revenue projections based upon the maximum potential obligation amount inclusive of the potential additional $8 million.

c. *Other Obligations* – Other Disposition and Development and Owner Participation Agreement obligations listed on the Successor Agency's Recognized Obligation Payment Schedule have either been paid in full (including the Bayport DDA, the Marina Village OPA, Jack Capon Villa OPA, and the Bridgeside DDA) or are unsecured contractual obligations of the Successor Agency (including the Independence Plaza agreement and 2005-06 ERAF Loan) and accordingly are not deducted from the projected revenues shown in Tables 7.0 to 8.4.

[3] Successor in interest to Palmtree Acquisition Corporation.

3.0 ASSESSED VALUES

3.1 Current Year Assessed Values

The Project Area assessed values are prepared annually by the County Assessor and reflect a lien date on the January 1st which precedes the beginning of the applicable fiscal year. Each property assessment is assigned a unique Assessor Parcel Number (APN) that correlates to assessment maps prepared by the County. The corresponding assessed values for each parcel are then encoded to Tax Rate Areas (TRAs) which are geographic subareas with common distribution of taxes and which are contained within the Project Area boundaries. Each component project area corresponds to one TRA.

The County Auditor-Controller is responsible for the aggregation of the assessed values assigned by the Assessor for properties within the boundaries of the Project Area. This results in the reported total current year assessed value and becomes the basis for determining revenues to be allocated to the RPTTF for the Successor Agency. The reported values of the Project Area for the 2014-15 fiscal year are summarized in the table below.

FY 2014-15 Assessed Value	WECIP	BWIP Original Area	BWIP Exchange Area	Total Merged WECIP/BWIP Project	
				Assessed Value	%Total
Secured	$391,458,751	$919,559,564	$385,078,522	$1,696,096,837	89%
Utility	-	7,178,434	-	7,178,434	0%
Unsecured	71,927,547	119,676,137	1,644,446	193,248,130	10%
Total	463,386,298	1,046,414,135	386,722,968	1,896,523,401	100%
Less: Base Year AV	(13,762,169)	(291,659,633)	(1,211,192)	(306,632,994)	16%
Incremental Value	449,624,129	754,754,502	385,511,776	1,589,890,407	84%
% of Increment	28%	47%	24%	100%	

The amounts indicated above are net of tax-exempt property[4].

Secured Property includes property on which any property tax levied by the County becomes a lien on that property. Unsecured Property typically includes the value of tenant improvements, trade fixtures and personal property and reflects depreciation factors on the useful life of such property. Unsecured possessory interest values constitute a right to the possession and use of property for a period of time less than perpetuity.

Former tax increment derived from Alameda Landing, which is a specific property within the Project Area further described in Section 2.5, is excluded from Tax Revenues pledged for payment of the Refunding Bonds. Project Area assessed values after deduction of the $74,899,010 Alameda Landing assessed value are summarized below.

[4] Except for the homeowner's exemption which is reimbursed to local governments through a State subvention and is included as part of RPTTF revenue.

FY 2014-15 Project Area Assessed Value Excluding Alameda Landing		
	Assessed Value	%Total
Secured	1,621,197,827	89%
Utility	7,178,434	0%
Unsecured	193,248,130	10%
Total	1,821,624,391	100%
Less: Base Year AV	(306,632,994)	17%
Incremental AV	1,514,991,397	83%

3.2 Real and Personal Property

Real Property, as referred to in this Report, is defined to represent land and improvement assessed values on both the Secured and Unsecured property tax rolls of the County Assessor. Annual increases in the assessed value of Real Property are limited to an annual inflationary increase of up to 2%, as governed by Article XIIIA of the State Constitution and known as the Proposition 13 inflation factor. Real Property values also increase or decrease as a result of a property's change of ownership or new construction activity. As discussed below, the assessed value of taxable property is subject to reduction under certain conditions.

For property tax purposes, the Proposition 13 inflation factor is subject to the State's Consumer Price Index (CPI) inflation adjustment of up to 2% per year. The CPI adjustment is based on the change in the CPI from October to October of the following year. The Proposition 13 inflation factor for FY 2014-15 is 0.454% which is less than the 2% maximum increase. The annual Proposition 13 factor has been less than 2% only seven other times since the enactment of Proposition 13 in 1978 including FY 2010-11 when it was negative for the first time. Three of these occurrences have taken place in the last five years.

Years with Prop 13 Inflation Factors Below 2%	
1983-84	1.000%
1995-96	1.194%
1996-97	1.115%
1999-00	1.853%
2004-05	1.867%
2010-11	-0.237%
2011-12	0.753%
2014-15	0.454%

The assessed value of Personal Property is not subject to the maximum 2% inflationary increase and is subject to annual appraisal, either upward or downward. State assessed Non-Unitary properties assessed by the State Board of Equalization (SBE) also may be revalued annually and such assessments are not subject to the annual 2% inflation limitation of Article XIIIA.

3.3 Historic Taxable Values

Aggregated taxable assessed values for the Project Area from FY 2009-10 to FY 2014-15 are summarized below with and without assessed values associated with the non-pledged Alameda Landing property. Further detail is provided on Table 1, attached.

Historic Project Area Assessed Values				
	Project Area Total		Project Area Without Alameda Landing	
	Assessed Value	%change	Assessed Value	%change
2009-10	$1,773,314,691		$1,773,314,691	
2010-11	1,733,072,955	-2.3%	1,733,072,955	-2.3%
2011-12	1,700,368,043	-1.9%	1,700,368,043	-1.9%
2012-13	1,720,532,048	1.2%	1,720,532,048	1.2%
2013-14	1,780,179,842	3.5%	1,767,143,205	2.7%
2014-15	1,896,523,401	6.5%	1,821,624,391	3.1%
5-Year Annualized % Change		1.4%		0.5%

Aggregate values for the Project Area increased at an annualized rate of 1.4% per year over the period from 2009-10 to 2014-15. Assessed values declined approximately $73 million from FY 2009-10 through 2011-12, during the recent recession. Assessed Values fully recovered to FY 2009-10 levels by FY 2013-14 and gained an additional $116 million by FY 2014-15.

Approximately $75 million of the assessed value growth over the past two years is attributed to initial conveyances of property and new development within Alameda Landing. Annualized growth in assessed values over the period from 2009-10 to 2014-15 without the Alameda Landing Project was 0.5% per year.

3.4 Temporary Declines in Market Value Reflected on FY 2014-15 Roll

In 1978, a Constitutional amendment was passed by the California voters (Proposition 8) that provides for a temporary reduction in assessed value when the Proposition 13 value of a property exceeds its actual market value. The property owner is entitled to the lower of two values: (1) the property's existing Proposition 13 value, which is the purchase price and/or the cost of new construction, annually adjusted for inflation not to exceed 2% per year; or (2) the property's market value as of the January 1 property tax lien date. Once this temporary reduction in assessed value has been granted by the County Assessor, the Assessor must review the property's value annually until it is fully restored to its Proposition 13 value. Depending on the market value determined by such future reviews, the assessed value may be further adjusted, left unchanged, be partially increased or be fully restored to its Proposition 13 value.

Pursuant to Proposition 8, the 2014-15 assessment roll prepared by the Alameda County Assessor reflects downward adjustments to assessed values affecting approximately 19% of parcels in the Project Area with an aggregate net reduction to assessed value of $74 million below the Proposition 13 values. Approximately 95% (by value) of the total Prop 8 adjustments apply to residential property.

	Affected Parcels	2014-15 Maximum Assessed Value Under Prop 13	2014-15 Value With Prop 8 Adjustment For Temporary Market Decline	2014-15 Net Reduction Due to Temporary Market Decline
Properties with Prop 8 Temporary Reductions in Value	421	$464,590,942	$390,559,895	$74,031,047

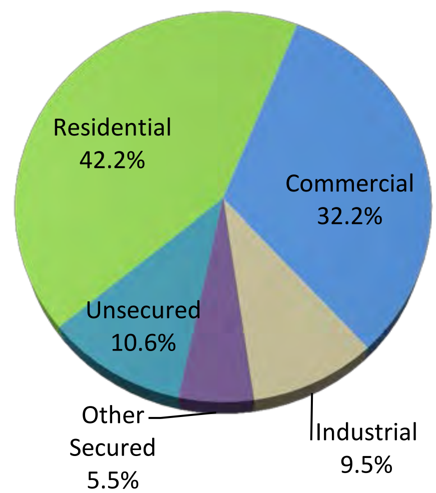
3.5 Values by Property Use

A distribution of 2014-15 taxable assessed values by County Assessor-designated land use for the Project Area excluding the Alameda Landing property is summarized below. Additional detailed land use categories are presented on attached Table 2. The analysis is based upon the County Assessor's land use classification system for the secured roll (the Alameda County Assessor does not assign a land use code for the unsecured roll.) Residential properties account for 42.2% of aggregate 2014-15 taxable value; commercial uses account for approximately 32.2%; industrial properties account for 9.5%; other secured property represents 5.5%; and unsecured assessments account for the remaining 10.6% of taxable value.

FY 2014-15 Assessed Values by Land Use: Project Area Excluding Alameda Landing

	No. of Parcels*	Taxable Value	% of Total
Residential	1,551	$768,391,470	42.2%
Commercial	405	586,876,341	32.2%
Industrial	65	172,227,663	9.5%
Other Secured	205	100,880,787	5.5%
Unsecured	2,693	193,248,130	10.6%
Total	4,919	1,821,624,391	100.0%

Note: More detailed breakout of land uses is provided on Table 2.
*Includes number of unsecured assessments.



3.6 Ten Largest Taxpayers

The ten largest taxpayers for the Project Area excluding the Alameda Landing property are presented on Table 3 and summarized below. KMA identified the ten largest taxpayers based upon a review of the FY 2014-15 locally assessed secured and unsecured taxable valuations reported by the County Auditor-Controller. Table 3 includes the taxpayer name, designated land use, parcel count, assessed value, and percentage share of the total reported and incremental assessed value. Multiple legal entities associated with a single ownership are aggregated; for example, Oakmont Senior Living LLC includes two separate entities which are aggregated for purposes of the analysis of top taxpayers (see notes to Table 3 for details).

	Top 10 Taxpayers, FY 2014-15 Project Area Excluding Alameda Landing	Principal Land Use	Number of Parcels	Assessed Value FY2014-15**	% of Total AV***	% of AV Incr.***
1	Brookfield Properties*	Office, Light Industrial	35	$181,504,705	10.0%	12.0%
2	Wind River Systems, Inc.	Office, Land	9	63,555,806	3.5%	4.2%
3	CREA Bridgeside LLC*	Retail	3	34,780,000	1.9%	2.3%
4	Legacy: Mariner Loop/Alameda II*	Office	5	31,987,926	1.8%	2.1%
5	SRM Marina Investors LLC*	Marina	10	28,386,019	1.6%	1.9%
6	Oakmont Senior Living LLC*	Institutional	2	25,563,647	1.4%	1.7%
7	Lennar Homes California Inc.	Land	1	17,077,180	0.9%	1.1%
8	Extra Space Storage, Inc.	Self-Storage	3	16,795,047	0.9%	1.1%
9	Victoria Marina LLC	Retail	4	15,876,534	0.9%	1.0%
10	Bay Ship & Yacht Co.	Shipyard (unsecured)	2	14,187,845	0.8%	0.9%
Total Top 10 Taxpayers			74	429,714,709	23.6%	28.4%

*Taxpayer has a pending assessment appeal filing for FY 13-14. Filing deadline for FY 2014-15 appeals had not yet passed at the time the appeals analysis was prepared. See Section 4.2 for details.

**See Table 3 for breakout of secured and unsecured. Bay Ship & Yacht AV is all unsecured. SRM Marina Investors includes $164,925 of unsecured. Extra Space Storage includes $79,803 of unsecured.

***Percentages calculated based upon reported FY 2014-15 assessed value of $1,821,624,391 and incremental assessed value of $1,514,991,397 for Merged Project exclusive of non-pledged Alameda Landing area.

The ten largest taxpayers for FY 2014-15 represent 23.6% of total assessed value and 28.4% of incremental assessed value for the Project Area exclusive of Alameda Landing. Three top taxpayers for the Project Area as a whole are not reflected on the list as they are within the excluded Alameda Landing property.

The top taxpayer on the 2014-15 assessment roll recently went through a deed in-lieu of foreclosure in May 2014 resulting in the transfer of property under the ownership of Legacy Partners I Alameda LLC to the current owner BSREP Marina Village Owner LLC (Brookfield Properties). Properties not subject to this transfer of ownership and which remain under the ownership of Legacy Partners are separately identified as the fourth largest taxpayer.

4.0 ASSESSMENT APPEALS

Property values determined by the County Assessor may be subject to an appeal by the property owner. Assessment appeals are filed annually with the County Assessment Appeals Board for a hearing and resolution. A property owner can file for a regular assessment appeal of the current fiscal year assessed valuation between July 2 and September 15. Most appeals heard by an Assessment Appeals Board are scheduled within twelve to eighteen months and residential appeals heard by a Hearing Officer are scheduled within six-nine months. Revenue and Taxation Code §1604, however, allows up to two years for an assessment appeal to be decided unless this time limit is waived by the applicant. If not decided within the two year statutory time frame, the assessor is required to apply the applicant's opinion of value.

The majority of appeal filings in the Project Area are Proposition 8 appeals which relate to temporary declines in market value. Assessed value reductions as a result of Proposition 8 appeals are subject to annual review by the Assessor and potential restoration over time based on future increases in market value. "Base year" appeals contest changes in assessed value arising from re-assessable events such as transfer of ownership or new construction. Assessed value reductions as a result of "Base Year" appeals affect the maximum assessed value under Proposition 13 on an on-going basis.

The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. Alameda County's tax apportionment procedures effectively hold Redevelopment Property Tax Trust Funds harmless from tax refunds due to assessment appeals; therefore, the risk from appeals is the potential future reduction in assessed value and generation of future RPTTF. In Alameda County, property tax refunds arising from assessment appeals are apportioned by the Auditor-Controller to taxing agencies based upon the AB 8 property tax revenue apportionment factors for each taxing agency. Allocation of revenues to the RPTTF is made outside of the AB 8 property tax apportionment process; as such, no appeal refunds are allocated to the RPTTF. This practice is not universal among California counties and some counties do track appeal refunds at the tax rate area level so that refunds occurring within a redevelopment project area may be allocated to the RPTTF for the applicable successor agency. It is possible that Alameda County could revise this practice in the future.

KMA researched the status of assessment appeals filed by property owners in the Project Area based upon the latest information available from the County Appeals Board database for FY 2008-09 through 2013-14[5]. Appeals information for FY 2014-15 was not yet available at the time the appeals analysis was prepared.

[5] Appeals data was provided to KMA on July 25th 2014.

4.1 Historic Appeals Filing Outcomes: 2008-09 to 2013-14

The table below summarizes assessment appeal filing outcomes within the Project Area during the years 2008-09 to 2013-14 including Secured and Unsecured Roll appeals. The County Assessment Appeals Board database includes 522 resolved appeal filings in the Project Area for fiscal years 2008-09 through 2013-14. As shown below, 47% of resolved appeal filings were reduced or stipulated, while 53% were subsequently denied or withdrawn.

Assessment Appeal Filing Outcomes: FY 2008-09 to FY 2013-14

			Resolved		
Fiscal Year	Total Filings	Open Filings	Resolved Total	Denied or Withdrawn	Stipulated or Reduced
2008-09	118	-	118	91	27
2009-10	184	-	184	92	92
2010-11	103	-	103	42	61
2011-12	89	2	87	32	55
2012-13	91	63	28	20	8
2013-14	78	76	2	0	2
Total	**663**	**141**	**522**	**277**	**245**
% of Total			100%	53%	47%

Resolved appeals in the Project Area during FY 2008-09 to 2013-14 had an aggregate contested value of $1.85 billion and resulted in an assessed value reduction of $199 million, which represents an average net reduction of 10.7%.

Assessment Appeal Valuation Impact: FY 2008-09 to FY 2013-14 (Resolved Filings)

Fiscal Year	No. of Resolved Records	Assessor / Roll Value ($Millions)	Applicant Opinion of Value ($Millions)	Resolved Value ($Millions)	Net Reduction in Value ($Millions)	Average % Reduction
2008-09	118	$358	$189	$354	$5	1.3%
2009-10	184	657	366	592	65	9.8%
2010-11	103	445	248	379	66	14.8%
2011-12	87	323	176	262	61	18.9%
2012-13	28	68	39	66	2	3.6%
2013-14	2	1	1	1	0	8.1%
Total	522	1,853	1,019	1,654	199	10.7%

Appeal activity in the Project Area was elevated during the recent recession for fiscal years 2009-10 through 2011-12 and the rate of success by applicants was higher in these years than in either 2008-09 or FY 2012-13 appeals that have been resolved to date. The number of appeal filings for FY 2013-14 is the lowest of any year during the six-year period reviewed and reflects improved conditions in the local economy and real estate market.

4.2 Estimated Value Reductions from Pending Assessment Appeals

Methodology

KMA's summary of pending assessment appeals and estimates of reductions in assessed value resulting from resolution of pending assessment appeals is presented in Tables 4.2 and 4.3 including KMA's appeal resolution assumptions for each pending appeal. Unless a particular pattern from parcel-specific prior year filings is seen, it is difficult to project with any degree of certainty which appeal filings would ultimately be withdrawn, denied, or rejected. Therefore, KMA estimated the Assessed Value reduction for <u>all</u> outstanding appeals based upon the following methodology:

1. If the parcel assessment was reduced by prior stipulation or Appeals Board action, the contested value was reduced to the reported resolved value. Seventy eight (78) of the 141 pending appeals were assumed to be reduced to prior stipulated values based upon parcel-specific prior appeal outcomes.

2. If the applicant, in prior fiscal year appeal filings, withdrew an appeal or failed to appear for a scheduled hearing or was denied the appeal request by the Appeals Board, it was assumed that the same would occur with respect to the open appeals being filed by the applicant. Thirty (30) of the 141 pending appeals were assumed to be denied or withdrawn based upon parcel-specific prior appeal outcomes.

3. If no history of prior appeal resolutions specific to a particular parcel or applicant is available, an adjustment of the Assessed Value to the greater of either the applicant's opinion of value or 80% of the contested value was used (this 20% reduction was based on 245 appeal filings that were either stipulated or reduced from 2008-09 to 2013-14). Assessed value reductions for 33 of 141 pending appeals were estimated in this way.

Summary of Pending Appeals

There are 141 open appeals in the Project Area of which 76 are to contest current year FY 2013-14 assessed values. The aggregate contested value for the FY 2013-14 roll appeals totals $334 million. A combined $154 million net reduction in assessed value is requested for FY 2013-14. None of these appeals pertain to the excluded Alameda Landing property.

Pending Appeals	No. of Open Appeals	Contested Value Represented ($Millions)	Applicant Opinion of Value ($Millions)	Applicant Requested Net Reduction in Value ($Millions)
Current: 2013-14	76	$334	$179	$154
Filings for FY 11-12 & 12-13	<u>65</u>	<u>$270</u>	<u>$146</u>	<u>$125</u>
Total	141	$604	$325	$279

Estimated Reduction in Assessed Valuation from Pending FY 2013-14 Appeals

As shown below, KMA has estimated pending FY 2013-14 appeals will result in assessed value reduction of approximately $70 million to FY 2014-15 assessed values. This estimated reduction in assessed values is based on the 76 pending appeals pertaining to FY 2013-14 assessed valuations. For properties with pending appeal filings for both FY 2013-14 and for prior years, the projected resolution of the FY 2013-14 appeal is assumed to be the most relevant basis for representing the potential future year assessed value reduction. For properties where FY 2013-14 assessed values are uncontested, no adjustment is assumed to be warranted, notwithstanding prior year pending appeals. As shown below, the majority of pending appeals are Prop 8 filings relating to temporary declines in market value. Although Prop 8 reductions granted as a result of successful assessment appeal filings may be restored over time as market valuations increase, for purposes of the revenue projection on Tables 7.0 to 8.4, the estimated reductions are assumed to be permanent.

FY 2013-14 Pending Appeals	No. of Filings	Contested Assessed Value ($Millions)	Applicant Opinion of Value ($Millions)	Est. of Resolved Value ($Millions)	Est. of Net Reduction in Assessed Value ($Millions)	Estimated %Reduction
Prop 8 Filings*	66	$332.0	$178.6	$262.4	($69.6)	21.0%
Other Appeal Types**	10	$1.8	$0.8	$1.4	($0.3)	18.9%
Total	76	$333.7	$179.4	$263.8	($69.9)	20.9%

* Prop 8 appeals relate to temporary declines in market value and are subject to restoration as market valuations increase.

** Other appeal types include regular, supplemental, and base year appeals.

The analysis of the 76 open assessment appeal filings for FY 2013-14 results in a projected reduction in the contested value of 21%, which is about twice the historic average percentage reduction of 10.7%. This above average percentage reduction is driven by the application of parcel-specific prior appeal history to estimate the assessed value reductions for many of the appeal filings. In dollar terms, the estimated assessed value reduction is approximately the same as was experienced during FY 2009-10 through 2011-12.

Actual resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and real estate comparables, all of which are unique to the individual assessment. Therefore, actual reductions, if any, may be higher or lower than the reductions incorporated in the projection. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value.

Portion of FY 2013-14 Pending Appeal Filings Applicable to the Top 10 Taxpayers

The table below summarizes appeal filings for FY 2013-14 by the top 10 taxpayers (which is a subset of the total appeal filings presented above). Five members of the top 10 taxpayers list have pending appeal filings for FY 2013-14. Of the 76 pending appeal filings for FY 2013-14, 49 are by members of the top ten taxpayers list. The estimated net reduction to assessed value relating to appeals by the top ten is estimated at $57 million, representing 81% of the $70 million total estimated assessed value reduction from all pending appeals in the Project Area.

Pending Appeals Filings by the Top 10 Property Owners for FY 2013-14	Pending Appeals 2013-14	Contested Assessed Value ($Millions)	Applicant Opinion of Value ($Millions)	Estimated Resolved Value ($Millions)	Estimated Net Reduction in Assessed Value ($Millions)
Brookfield Properties*	35	$181	$90	$137	($44)
CREA Bridgeside LLC	1	15	7	14	(1)
Legacy: Mariner Loop/Alameda II	5	32	16	24	(8)
SRM Marina Investors LLC	7	26	13	26	(1)
Oakmont Senior Living LLC	1	23	20	20	(3)
Total for Top Ten Taxpayers	49	$277	$146	$220	($57)

*appeal filings were made by the prior property owner Legacy Partners.

5.0 TAX ALLOCATION AND DISBURSEMENT

5.1 Tax Rates

The tax rates which are applied to taxable values consist of two components: the basic levy of $1.00 per $100 of taxable values and the override tax rate which is levied to pay voter approved indebtedness. The basic levy may not exceed 1% ($1.00 of $100 taxable value) in accordance with Article XIIIA. Prior to dissolution, the former Redevelopment Agency's tax rate included the basic one percent levy and three debt service override levies approved by voters prior to 1989 for East Bay Regional Park, East Bay Municipal Utility District, and the City of Alameda. Commencing with dissolution, the Alameda County Auditor-Controller ceased allocating override levies to the Successor Agency's Redevelopment Property Tax Trust Fund based on H&S Code 38183(a)(1) added by the Dissolution Statutes[6]. Accordingly, a one percent levy is applied in the projections presented on Tables 7.0 to 8.4.

5.2 Allocation of Taxes

Secured taxes are due in two equal installments and become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. The County Auditor-Controller is responsible for the aggregation of taxable values assigned by the Assessor as of the lien date for property within the boundaries of the Project Area. This results in the reported total current year Project Area taxable value and becomes the basis for determining the revenue deposited to the RPTTF of the Successor Agency.

Property tax revenues deposited to the RPTTF (former tax increment revenues) are distributed to the Successor Agency by the County Auditor-Controller twice annually on January 2nd and June 1st in accordance with the Dissolution Statutes. The January RPTTF distribution includes 50% of current year secured and unsecured property tax revenues. The remaining 50% of secured and unsecured taxes is allocated with the June RPTTF distribution. RPTTF funds are allocated first to County administrative costs, then to pass through payments, and next for Successor Agency enforceable obligations on approved Recognized Obligation Payment Schedules. The County's current practice is to allocate approximately half of the annual administrative costs and pass through amounts to each semi-annual distribution, resulting in approximately equal amounts of RPTTF revenue available for enforceable obligations with each semi-annual distribution. RPTTF funds that remain after the allocation for enforceable obligations are distributed to affected taxing entities. The County's administrative expenses and pass through payments are senior to debt service on the Refunding Bonds.

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[6] Implementation of the portion of H&S 34183(a)(1) restricting deposits to the RPTTF to the basic 1% levy was successfully challenged in Santa Clara County by the City of San Jose (Sacramento County Superior Court Case No. 34-2012-80001190). The case is currently on appeal.

5.3 Unitary Tax Revenues

Most public utility properties are currently assessed as a single unit on a countywide basis (referred to as Unitary values). Unitary tax revenues are distributed by the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (2) if utility tax revenues are insufficient to provide the same amount of revenue as in the previous year, the allocation of taxes is reduced pro-rata County-wide; and (3) any increase in revenue above 2% is allocated in the same proportion as the taxing entity's local secured taxable values are distributed to the local secured taxable values of the County. The actual amount of Unitary revenue allocated to the RPTTF for FY 2013-14 was $46,038 (see also the five-year history presented in Section 5.5 below). Unitary revenue is projected to remain at the amount noted above over the term of the projection.

5.4 Tax Receipts to Tax Levy

Alameda County's present policy is to allocate revenues to the RPTTF based upon 100% of the calculated revenue. Under this policy (Teeter Plan), the RPTTF is held harmless from delinquent taxes and the County retains the prior year redemption payments, plus penalties and interest, when delinquent taxes are collected. As described in Section 4.0, Successor Agency RPTTF funds are also held harmless from appeal related refunds.

Table 5 presents a summary comparison of computed tax levy to actual allocations made by the County Auditor-Controller from FY 2009-10 through FY 2013-14. As shown, the RPTTF for the Successor Agency is allocated 100% of the computed levy consistent with County policy. The revenue projections assume the County will continue to allocate 100% of the calculated RPTTF revenue in the future.

5.5 Historic Tax Revenues

A summary of actual historic Tax Revenues for the period FY 2009-10 through 2013-14 is presented below with additional details provided on Table 6.1. The table reflects historic Tax Revenues after deduction of pass through payments, county administrative costs, the 2011 A and B Bonds, excluded revenues derived from the Alameda Landing Project and payments made pursuant to the Alameda Landing DDA. Table 6.2 provides a summary of post-dissolution allocations of RPTTF to the Successor Agency for payment of approved enforceable obligations and the "residual" RPTTF amount distributed to taxing agencies.

Historic Tax Revenues ($Thousands)	2009-10	2010-11	2011-12	2012-13	2013-14
Assessed Value	$1,773,315	$1,733,073	$1,700,368	$1,720,532	$1,780,180
Base Year Value	(306,633)	(306,633)	(306,633)	(306,633)	(306,633)
Incremental AV	1,466,682	1,426,440	1,393,735	1,413,899	1,473,547
Tax Rate*	1.035%	1.033%	1.015%	1.000%	1.000%
Secured / Unsecured	15,176	14,733	14,151	14,139	14,735
Unitary	40	41	51	58	46
Supplemental / Other	431	116	113	165	471
Subtotal Gross Revenue	15,646	14,890	14,316	14,362	15,253
Less: County Admin**	(123)	(126)	(129)	(160)	(152)
Less: Pass Through**	(2,996)	(2,807)	(2,619)	(2,713)	(3,072)
Net Property Taxes	$12,528	$11,957	$11,569	$11,489	$12,029
Less: 2011 A&B Bonds	-	(546)	(880)	(880)	(880)
Less: Alameda Landing DDA Payments and Exclusions***	-	-	-	(300)	(1,640)
Historic Tax Revenues	$12,528	$11,411	$10,689	$10,309	$9,509

*Weighted average of secured and unsecured tax rates. See Tables 5 for break out. With dissolution of redevelopment, the County no longer includes pre-1989 voter approved over-ride levies in excess of the basic 1% property tax rate as part of RPTTF / former tax increment. FY 2011-12 reflects levies in excess of 1% for half the year prior to the effective date of dissolution. FY 2012-13 & 13-14 reflect only the basic 1% levy.

**Non-subordinate.

***Deduction to exclude revenues generated by the Alameda Landing property and payments made pursuant to the Alameda Landing DDA. FY 2013-14 was the first year that the Alameda Landing Property was reflected on the tax rolls. Prior to FY 2013-14, the property generated no tax revenues. Prior to commencement of payments on the Alameda Landing DDA, former 80% Tax Increment from the Bayport project was committed pursuant to the Bayport DDA, now paid in full (final payment made January 2014).

Historic Tax Revenues declined from FY 2009-10 to 2013-14 because, following dissolution, the County Auditor-Controller began to exclude levies in excess of the basic 1% tax rate from amounts deposited to the RPTTF (see Section 5.1). Payments on the 2011 bonds and the Alameda Landing DDA, which are deducted from Tax Revenues, also commenced during this period.

6.0 NEW DEVELOPMENT AND TRANSFERS OF OWNERSHIP

6.1 New Development

New construction in the Project Area occurring after the January 1, 2014 lien date for the FY 2014-15 assessment roll is summarized below based on information provided by the City of Alameda. Anticipated increases in assessed value from the identified projects are not reflected for purposes of the Table 7.0 to 8.4 revenue projections.

- *Alameda Landing Project [Excluded from Tax Revenues Pledged to Bonds]* – The Alameda Landing Project is a multi-phase mixed use project currently under development on the site of the former U.S. Navy Fleet Industrial Supply Center (FISC) within the BWIP Original Project Area. The project includes the following components:

    - *Retail Component* – 285,000 square feet of retail including the recently completed 140,000 square feet Target store and 17,000 square foot Michaels store, and an additional 128,000 square feet currently under construction that will include a new Safeway grocery store. These square footage figures include a small amount of second story office/commercial space.

    - *Residential Component* – 284 residential units, 17% of which will be affordable units. Construction is currently underway on a 128-unit first phase.

    - *Future Office / Commercial Phase* – existing project entitlements provide for approximately 400,000 square feet of office / commercial space, 15,000 square feet of additional retail space, and an eight-acre waterfront park as a future phase.

  As described in Section 2.5, revenues generated by the Alameda Landing Project are excluded from Tax Revenues available for debt service on the Refunding Bonds.

- *501-555 Willie Stargell Avenue* – Construction of a new Chase Bank, In and Out Burger, and Safeway Fuel center on a vacant 2.3 acre site commenced construction in summer 2014 and is expected to be complete by the end of the year. The project is located in the BWIP Original Project.

- *1600 Park Street* – A new 16,500 square foot Walgreens store and a new 8,000 square foot retail space at 1600 Park Street in the BWIP Original Project Area is currently under construction. Construction of the Walgreens commenced in October 2013 and the store opened in September 2014. Construction on the new retail space commenced in July 2014 and is anticipated to be completed in April 2015.

6.2 Transfers of Ownership

KMA reviewed transfers of ownership activity in the Project Area since the January 1, 2014 lien date for the FY 2014-15 assessment roll utilizing data from the commercial data provider Costar. Based on a review of major transfers of ownership for properties valued at $5 million or above, one transfer of ownership was identified in the Project Area:

- *Marina Village* – This approximately 1.2 million square foot business park property was transferred by Legacy Partners to Brookfield Properties (BSREP Marina Village Owner LLC) as a deed in-lieu of foreclosure on May 8, 2014. Brookfield is reported to have purchased the loan on the property several years ago. Legacy will continue to manage the property on behalf of Brookfield. Brookfield reportedly plans substantial capital improvements. The property is the top taxpayer for 2014-15 with an assessed value of $181.5 million. An estimated $44 million net reduction from pending appeals for the property is reflected in the Table 7.0 to 8.4 revenue projections. After the estimated appeal reduction reflected in the projections, the assessed value of the property would be $137.5 million, approximately $20 million less than the $157 million first mortgage previously in place on the property. Brookfield reportedly obtained a $100 million first mortgage following acquisition of the property.

Changes in assessed value from the above identified transfer of ownership are not reflected for purposes of the Table 7.0 to 8.4 revenue projections.

7.0 REVENUE PROJECTION

The projection of Successor Agency RPTTF revenues is summarized below. Two versions of the projection are presented: a "2% Growth Projection" reflecting the maximum allowable inflationary increase under Proposition 13 (summarized from Tables 7.0 to 7.4) and a "No Growth Projection" that holds assessed values constant over the term of the projection (summarized from Tables 8.0 to 8.4).

Projection of Tax Revenues Available for Debt Service

Fiscal Year	2% Growth ($Thousands)			No Growth ($Thousands)			Notes
	Gross RPTTF	Less: All Deductions	Tax Revenues	Gross RPTTF	Less: All Deductions	Tax Revenues	
2014-15	15,946	(6,194)	9,752	15,946	(6,194)	9,752	
2015-16	15,582	(6,765)	8,817	15,247	(6,603)	8,644	
2016-17	15,910	(6,930)	8,980	15,247	(6,603)	8,644	
2017-18	16,245	(7,098)	9,147	15,247	(6,603)	8,644	
2018-19	16,586	(7,269)	9,317	15,247	(6,603)	8,644	
2019-20	16,935	(7,484)	9,451	15,247	(6,643)	8,604	
2020-21	17,290	(7,695)	9,595	15,247	(6,671)	8,576	
2021-22	17,652	(7,927)	9,725	15,247	(6,697)	8,550	
2022-23	18,022	(8,167)	9,855	15,247	(6,726)	8,521	
2023-24	18,398	(8,418)	9,980	15,247	(6,758)	8,488	
2024-25	18,783	(8,676)	10,107	15,247	(6,788)	8,459	
2025-26	19,175	(7,988)	11,187	15,247	(5,867)	9,379	
2026-27	19,575	(7,390)	12,185	15,247	(5,032)	10,214	
2027-28	19,983	(7,665)	12,318	15,247	(5,065)	10,182	
2028-29	20,399	(7,937)	12,462	15,247	(5,091)	10,156	
2029-30	20,824	(9,492)	11,332	15,247	(6,394)	8,853	
2030-31	21,257	(7,825)	13,431	15,247	(7,372)	7,875	
2031-32	21,698	(8,076)	13,622	15,247	(7,410)	7,837	
2032-33	22,149	(8,523)	13,625	15,247	(5,398)	9,849	Final Debt Service
2033-34	22,608	(8,780)	13,828	15,247	(5,433)	9,814	
2034-35	23,077	(9,054)	14,022	15,247	(5,473)	9,774	
2035-36	23,555	(9,336)	14,218	15,247	(5,507)	9,739	WECIP Time Limit
2036-37	18,233	(8,017)	10,216	11,281	(4,404)	6,877	
2037-38	18,627	(8,252)	10,375	11,281	(4,423)	6,858	
2038-39	19,028	(8,496)	10,532	11,281	(4,447)	6,834	
2039-40	19,438	(8,745)	10,693	11,281	(4,471)	6,810	
2040-41	19,856	(8,998)	10,857	11,281	(4,495)	6,786	
2041-42	20,282	(8,574)	11,708	11,281	(3,828)	7,453	BWIP Orig. Limit
2042-43	6,709	(1,914)	4,795	3,855	(853)	3,002	
2043-44	6,843	(1,971)	4,872	3,855	(853)	3,002	
2044-45	6,979	(2,029)	4,951	3,855	(853)	3,002	
2045-46	7,119	(2,088)	5,031	3,855	(853)	3,002	
2046-47	7,261	(2,149)	5,113	3,855	(853)	3,002	
2047-48	7,406	(2,210)	5,196	3,855	(853)	3,002	
2048-49	3,777	(1,137)	2,641	1,928	(427)	1,501	BWIP Exch. Limit

Tax Revenues presented in the projections represent the amount available for debt service computed as Gross RPTTF for the Project Area Revenue <u>less</u> (1) the County's property tax collection costs and administrative expenses authorized under AB x1 26; (2) contractual and statutory pass through obligations; (3) debt service on the 2011 Series A and B bonds; and (4) amounts either excluded from or deducted from pledged Tax Revenues pursuant to the Alameda Landing DDA (described in Section 2.5). As discussed previously, allocation of revenues to the Successor Agency occurs semi-annually on January 2nd and June 1st to the extent of the enforceable obligations payable from RPTTF funds as reported on approved Recognized Obligation Payment Schedules. Remaining RPTTF revenues in excess of reported enforceable obligations, if any, are distributed as property taxes to identified affected taxing entities on each semi-annual distribution date.

The projections commence with the 2014-15 fiscal year and incorporate the valuation assumptions previously discussed in this report. The projection is separated into Real Property and Personal Property values. The 2% growth scenario assumes future inflationary growth commencing in 2015-16 will be 2% per year. No increase in assessed value has been reflected in the projections based on new development or identified transfers of ownership. Personal Property values are assumed to remain constant. The projections include an estimated reduction in assessed value based on pending assessment appeals as described in Section 4.2.

The projections do not reflect the possible future implementation by the County Auditor-Controller of H&S 34187 which specifies that funds associated with retired enforceable obligations are to be reallocated to taxing agencies as regular property taxes rather than be deposited into the RPTTF for the Successor Agency. Potential implementation of H&S 34187 is not anticipated to have a material effect on the availability of Tax Revenues for debt service (or debt service coverage) because the statute provides for retention of funds by the Successor Agency, with DOF authorization, to the extent needed for payment of enforceable obligations.

The projections assume that existing time and dollar limits on receipt of tax increment for the Project Area, as described in Section 2.1, remain operative. Contrary to this assumption, the California Department of Finance has advised County Auditor-Controllers that pursuant to its interpretation of the Dissolution Statutes, these limits are no longer in force. If the projections were prepared consistent with this Department of Finance interpretation, revenues for all component areas of the Project Area would continue to be fully available until all obligations are paid irrespective of whether the time and dollar limits are reached. Since we understand this matter has not been reviewed by the courts and the advice of the California Department of Finance does not have the force of law, to be prudent and conservative, plan limits continue to be reflected for purposes of the projection.

8.0 CAVEATS AND LIMITATIONS

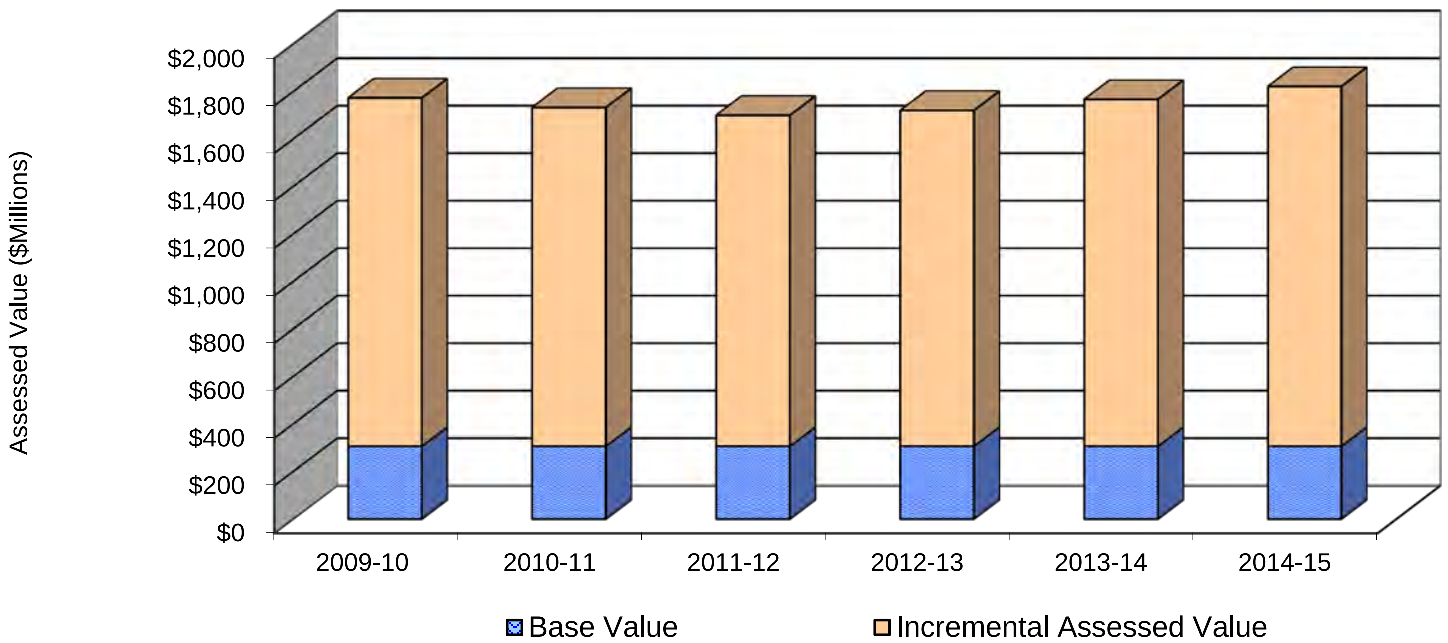
The projections reflect assumptions based on KMA's understanding of the assessment, tax apportionment, and pass through calculation procedures employed by the County. The County procedures are subject to change as a reflection of policy revisions or administrative, regulatory or legislative mandate. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections. Assumptions have also been made that no changes to State legislation are enacted to change or eliminate the allocation of RPTTF revenues. These assumptions are based on existing State policies and are subject to future regulatory or legislative changes.

No assurances are provided by KMA as to the certainty of the projected tax revenues incorporated into this Report and included on Tables 7.0 to 8.4. Actual revenues may be higher or lower than what has been projected and are subject to valuation changes resulting from new developments or transfers of ownership not specifically identified herein, actual resolution of outstanding appeals, future filing of appeals, changes in assessor valuation standards, or the non-payment of taxes due. The accuracy or completeness of assessment appeals identified in the attached tables are based solely upon information provided by the County as of the date of the original review of said data by KMA.

TABLES

Table 1
Historic Assessed Values
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

Assessed Value	**2009-10**	**2010-11**	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**Average Annual % Change 2009-10 to 2014-15**
Secured	1,507,506,933	1,481,263,479	1,470,438,037	1,487,123,249	1,555,164,800	1,696,096,837	2.4%
Utility	25,717,137	30,717,668	10,458,170	10,458,170	10,458,138	7,178,434	-22.5%
Unsecured	240,090,621	221,091,808	219,471,836	222,950,629	214,556,904	193,248,130	-4.2%
Project Area Total	1,773,314,691	1,733,072,955	1,700,368,043	1,720,532,048	1,780,179,842	1,896,523,401	1.4%
Less: Alameda Landing AV	0	0	0	0	(13,036,637)	(74,899,010)	
Total Excluding Alameda Landing	1,773,314,691	1,733,072,955	1,700,368,043	1,720,532,048	1,767,143,205	1,821,624,391	0.5%
Percent change	N/A	-2.3%	-1.9%	1.2%	2.7%	3.1%	



Source: Alameda County Auditor-Controller

Prepared by Keyser Marston Associates, Inc.
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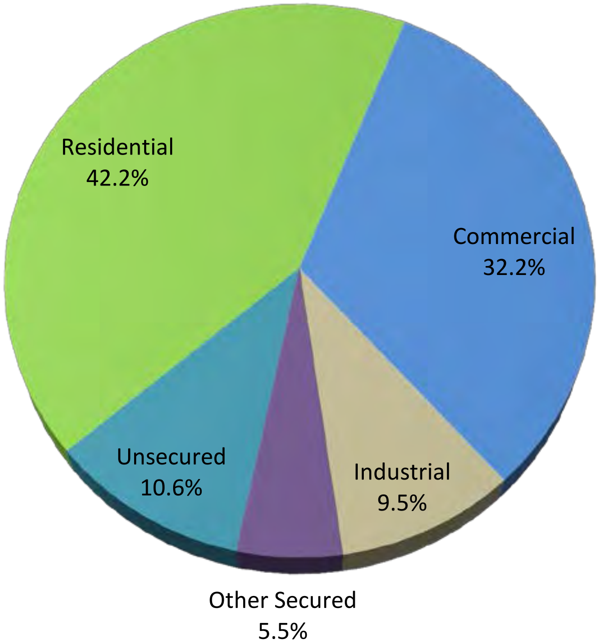
Table 2
Land Uses Composition, FY 2014-15
WECIP/BWIP Merged Project Area, Excluding Alameda Landing Property
City of Alameda Successor Agency

	No. of Parcels[1]	2014-15 Taxable Value	% of Total
Residential			
Condominiums	212	79,562,191	4.4%
Multi-Family	147	68,104,056	3.7%
Single Family	839	468,858,246	25.7%
Miscellaneous	353	151,866,977	8.3%
Subtotal Residential	*1,551*	*$768,391,470*	42.2%
Commercial			
Office	62	239,104,095	13.1%
Retail	255	256,326,346	14.1%
Hotel & Motel	6	28,482,130	1.6%
Miscellaneous	82	62,963,770	3.5%
Subtotal Commercial	*405*	*$586,876,341*	32.2%
Industrial			
Light Industrial	38	116,996,840	6.4%
Warehouse / Distribution	22	40,528,917	2.2%
Heavy Industrial	0	0	0.0%
Miscellaneous	5	14,701,906	0.8%
Subtotal Industrial	*65*	*$172,227,663*	9.5%
Other Secured			
Institutional	40	40,072,275	2.2%
Vacant Land	54	53,630,078	2.9%
Publicly Owned	111	0	0.0%
SBE Assessed	0	7,178,434	0.4%
Subtotal Other Uses	*205*	*$100,880,787*	5.5%
Unsecured	*2,693*	*193,248,130*	*10.6%*
Total - Merged Project	**4,919**	**$1,821,624,391**	**100.0%**



Source: Alameda County Assessor

(1) Includes the number of unsecured assessments.

PREPARED BY KEYSER MARSTON ASSOCIATES, INC.
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Table 3

Ten Largest Assessees 2014-15

WECIP/BWIP Merged Project Area, Excluding Alameda Landing Property [5]

City of Alameda Successor Agency

	Property Owner	Property Use(s)[1]	No. of Parcels[2]	FY 2014-15 Assessed Value Secured	Unsecured	Total	% of Total Value[3]	% of Incremental Value[3]
1	Brookfield Properties[4]	Office, Light Industrial	35	$181,504,705	$0	$181,504,705 [9]	10.0%	12.0%
2	Wind River Systems, Inc.	Office, Land	9	63,555,806	0	63,555,806	3.5%	4.2%
3	CREA Bridgeside LLC	Retail	3	34,780,000	0	34,780,000 [9]	1.9%	2.3%
4	Legacy: Mariner Loop/Alameda II[6]	Office	5	31,987,926	0	31,987,926 [9]	1.8%	2.1%
5	SRM Marina Investors LLC	Marina	10	28,221,094	164,925	28,386,019 [9]	1.6%	1.9%
6	Oakmont Senior Living LLC [7]	Institutional	2	25,563,647	0	25,563,647 [9]	1.4%	1.7%
7	Lennar Homes California Inc.	Land (entitled for 89 homes)	1	17,077,180	0	17,077,180	0.9%	1.1%
8	Extra Space Storage, Inc.[8]	Self Storage	3	16,715,244	79,803	16,795,047	0.9%	1.1%
9	Victoria Marina LLC	Retail	4	15,876,534	0	15,876,534	0.9%	1.0%
10	Bay Ship & Yacht Co.	Shipyard (on unsecured roll)	2	0	14,187,845	14,187,845	0.8%	0.9%
	TOTAL		74	$415,282,136	14,432,573	429,714,709	23.6%	28.4%

Notes:

(1) Based on land use codes in County Assessor database.

(2) Number of secured parcels and / or unsecured assessments.

(3) Based upon reported FY 2014-15 assessed value of $1,821,624,391 and incremental assessed value of $1,514,991,397 for Project Area excluding Alameda Landing.

(4) Owned by BSREP Marina Village Owner LLC a Brookfield Properties limited liability corporation. Identified on the 2014-15 assessment roll as under the ownership of Legacy Partners I Alameda LLC but property was recently acquired by Brookfield following a deed in-lieu of foreclosure by Legacy. The property was acquired by Brookfield through purchase of note prior to foreclosure.

(5) Three properties in the Top 10 for the entire Project Area with combined AV of $74,899,010 are not shown as they are within the excluded Alameda Landing area.

(6) These Legacy properties were not subject to deed in-lieu of foreclosure described in Note 4.

(7) Includes OakmontSL of Alameda LP ETAL and Oakmont Senior Living LLC.

(8) Includes Extra Space Properties Two LLC and Extra Space Storage, Inc.

(9) Property owner has pending assessment appeal filing(s) for FY 13-14. Filing deadline for FY 2014-15 appeals had not yet passed at the time the appeals analysis was prepared. See Section 4.2 of report text for details.

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Table 4.1
Historic Assessment Appeal Resolutions: FY 2008-09 to FY 2013-14
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

			Resolved Appeal Outcomes			**Assessed Valuation: Resolved Appeals ($Millions)**				
Appeal Resolutions 2008-09 to 2013-14	Total No. of Filings	Open Filings	Resolved Filings	Denied or Withdrawn	Stipulated or Reduced	Contested Value	Applicant Opinion of Value	Final Resolved Value	Reduction from Assessor Value	Percent Reduction
FY 2008-09	118	0	118	91	27	$358	$189	$354	$5	1.3%
FY 2009-10	184	0	184	92	92	$657	$366	$592	$65	9.8%
FY 2010-11	103	0	103	42	61	$445	$248	$379	$66	14.8%
FY 2011-12	89	2	87	32	55	$323	$176	$262	$61	18.9%
FY 2012-13	91	63	28	20	8	$68	$39	$66	$2	3.6%
FY 2013-14	78	76	2	0	2	$1	$1	$1	$0	8.1%
Total	663	141	522	277	245	**$1,853**	**$1,019**	**$1,654**	**$199**	10.7%
			100%	53%	47%					

Source: Alameda County Assessment Appeals Database

Table 4.2
Summary of Pending Appeals and Projection of Assessed Value Impact
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

		Assessed Value: Pending Appeals ($Thousands)				
	No. Pending Appeals	Contested Value Represented	Applicant Opinion Represented	Estimate of Resolved Value[1]	Estimated Reduction[1]	%Reduction
I. All Open Appeal Filings						
WECIP Project Area						
Secured - All Open Filings	100	$478,390	$253,784	$368,533	$109,858	23%
Unsecured - All Open Filings	6	$1,731	$281	$1,476	$255	15%
	106	$480,121	$254,065	$370,009	$110,112	23%
BWIP Original Project Area						
Secured - All Open Filings	26	$122,803	$70,871	$105,413	$17,390	14%
Unsecured - All Open Filings	9	$1,054	$173	$843	$211	20%
	35	$123,856	$71,044	$106,256	$17,600	14%
Total Open Appeals	141	$603,977	$325,109	$476,264	$127,713	21%
II. 2013 Appeal Filings *[Basis for Estimated Future Assessed Value Reduction]*						
WECIP Project Area						
Secured - 2013 Filings	52	$251,476	$129,667	$194,769	$56,707	23%
Unsecured - 2013 Filings	2	$299	$175	$259	$40	13%
	54	$251,775	$129,842	$195,028	$56,747	23%
BWIP Original Project Area						
Secured - 2013 Filings	17	$81,203	$49,433	$68,194	$13,009	16%
Unsecured - 2013 Filings	5	$770	$131	$616	$154	20%
	22	$81,974	$49,563	$68,810	$13,163	16%
Total 2013 Appeals	76	$333,748	$179,405	$263,838	$69,910	21%

Note: no open appeals in BWIP Exchange Area

Source: Alameda County Assessment Appeals Database

Notes
(1) See Table 4.3 for detailed analysis and basis for estimated value reduction.

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Table 4.3

Detail of Projected Assessed Value Impacts from Pending Appeals

WECIP/BWIP Merged Project Area

City of Alameda Successor Agency

					Assessed Value: Pending Appeals ($Thousands)					
	Appeal No.	Assessee	APN (secured appeals)	Roll Year	Contested Value Represented	Applicant Opinion Represented	Projected Resolved Value	Estimated Reduction	% reduction	Assumption for Estimated Assessed Value Impact
I. Secured Roll Appeals: WECIP Project Area										
1	2011-4703	POPE PATRICIA M (GOODYEAR-LESSEE)	74-1334-48	2011	$1,897	$1,100	$1,897	$0	0%	withdrawn in 2009
2	2012-997	SRM MARINA INVESTORS LLC	74-1334-12-4	2012	$3,720	$3,000	$3,720	$0	0%	assessor value (same as 2010 stipulation)
3	2012-998	SRM MARINA INVESTORS LLC	74-1334-18	2012	$670	$500	$670	$0	0%	assessor value (same as 2011 stipulation)
4	2012-999	SRM MARINA INVESTORS, LLC	74-1334-74	2012	$3,292	$2,600	$2,634	$658	20%	reduced to 80% of contested value
5	2012-1000	SRM MARINA INVESTORS, LLC	74-1334-77-1	2012	$11,053	$8,800	$8,842	$2,211	20%	reduced to 80% of contested value
6	2012-1001	SRM MARINA INVESTORS, LLC	74-1340-28	2012	$580	$460	$464	$116	20%	reduced to 80% of contested value
7	2012-1002	SRM MARINA INVESTORS, LLC	74-1340-32	2012	$1,315	$1,000	$1,052	$263	20%	reduced to 80% of contested value
8	2012-1003	SRM MARINA INVESTORS, LLC	74-1340-59	2012	$5,870	$4,700	$4,700	$1,170	20%	reduced to applicant opinion of value
9	2012-2275	KESSLER, RANDALL	74-1334-19-1	2012	$2,189	$1,500	$1,751	$438	20%	reduced to 80% of contested value
10	2012-3519	PACIFIC MARINA HOSPITALITY, INC	74-1340-29	2012	$5,307	$3,184	$5,307	$0	0%	withdrawn in 2012
11	2012-4232	POPE, PATRICIA M (GOODYEAR-LESSEE)	74-1334-48	2012	$1,935	$1,300	$1,935	$0	0%	withdrawn in 2009
12	2012-5631	WESTWOOD FINANCIAL CORPORATION	74-1334-32-1	2012	$3,467	$2,600	$1,750	$1,717	50%	reduced to 2010 stipulated value
13	2012-5632	WESTWOOD FINANCIAL CORPORATION	74-1334-34-5	2012	$7,391	$5,544	$5,913	$1,478	20%	reduced to 80% of contested value
14	2012-5633	WESTWOOD FINANCIAL CORPORATION	74-1334-35-5	2012	$2,340	$1,749	$1,872	$468	20%	reduced to 80% of contested value
15	2012-5634	WESTWOOD FINANCIAL CORPORATION	74-1334-37-1	2012	$2,279	$1,709	$1,823	$456	20%	reduced to 80% of contested value
16	2012-5701	LEGACY PARTNERS MARINER LOOP / ALAMEDA II	74-1334-67	2012	$8,704	$3,500	$5,300	$3,404	39%	reduced to 2011 stipulated value
17	2012-5702	LEGACY PARTNERS	74-1334-53	2012	$10,934	$5,470	$8,975	$1,959	18%	reduced to 2011 stipulated value
18	2012-5704	LEGACY PARTNERS	74-1334-55	2012	$566	$280	$566	$0	0%	withdrawn in 2011
19	2012-5705	LEGACY PARTNERS	74-1334-56	2012	$12,969	$6,490	$10,750	$2,219	17%	reduced to 2011 stipulated value
20	2012-5707	LEGACY PARTNERS	74-1334-58	2012	$65	$33	$65	$0	0%	withdrawn in 2011
21	2012-5708	LEGACY PARTNERS	74-1334-59	2012	$13,262	$6,600	$9,870	$3,392	26%	reduced to 2011 stipulated value
22	2012-5710	LEGACY PARTNERS	74-1334-61	2012	$207	$103	$207	$0	0%	withdrawn in 2011
23	2012-5711	LEGACY PARTNERS	74-1334-63	2012	$4,026	$2,010	$3,225	$801	20%	reduced to 2011 stipulated value
24	2012-5712	LEGACY PARTNERS	74-1334-64	2012	$8,203	$4,100	$7,125	$1,078	13%	reduced to 2011 stipulated value
25	2012-5714	LEGACY PARTNERS	74-1334-66	2012	$33	$16	$33	$0	0%	withdrawn in 2011
26	2012-5715	LEGACY PARTNERS	74-1340-23	2012	$3,808	$1,900	$2,140	$1,668	44%	reduced to 2011 stipulated value
27	2012-5716	LEGACY PARTNERS	74-1340-24	2012	$4,026	$2,016	$2,440	$1,586	39%	reduced to 2011 stipulated value
28	2012-5717	LEGACY PARTNERS	74-1340-25	2012	$5,005	$2,500	$3,240	$1,765	35%	reduced to 2011 stipulated value
29	2012-5718	LEGACY PARTNERS	74-1340-26	2012	$7,616	$3,805	$6,285	$1,331	17%	reduced to 2011 stipulated value
30	2012-5719	LEGACY PARTNERS	74-1340-27	2012	$6,854	$3,430	$4,390	$2,464	36%	reduced to 2011 stipulated value
31	2012-5720	LEGACY PARTNERS	74-1341-106	2012	$6,093	$3,040	$4,030	$2,063	34%	reduced to 2011 stipulated value
32	2012-5721	LEGACY PARTNERS	74-1341-107	2012	$5,114	$2,560	$3,085	$2,029	40%	reduced to 2011 stipulated value
33	2012-5722	LEGACY PARTNERS	74-1341-108	2012	$3,699	$1,840	$2,335	$1,364	37%	reduced to 2011 stipulated value
34	2012-5723	LEGACY PARTNERS	74-1341-109	2012	$4,570	$768	$2,715	$1,855	41%	reduced to 2011 stipulated value
35	2012-5724	LEGACY PARTNERS	74-1343-1	2012	$7,398	$3,700	$7,398	$0	0%	withdrawn in 2011
36	2012-5725	LEGACY PARTNERS	74-1343-2	2012	$6,854	$3,428	$6,580	$274	4%	reduced to 2011 stipulated value
37	2012-5726	LEGACY PARTNERS	74-1343-3	2012	$3,264	$1,630	$2,120	$1,144	35%	reduced to 2011 stipulated value
38	2012-5727	LEGACY PARTNERS	74-1343-4	2012	$4,243	$2,122	$2,535	$1,708	40%	reduced to 2011 stipulated value
39	2012-5728	LEGACY PARTNERS	74-1343-8	2012	$7,725	$3,860	$7,460	$265	3%	reduced to 2011 stipulated value
40	2012-5729	LEGACY PARTNERS	74-1343-9	2012	$5,222	$2,610	$3,230	$1,992	38%	reduced to 2011 stipulated value

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Table 4.3

Detail of Projected Assessed Value Impacts from Pending Appeals

WECIP/BWIP Merged Project Area

City of Alameda Successor Agency

					Assessed Value: Pending Appeals ($Thousands)					
	Appeal No.	Assessee	APN (secured appeals)	Roll Year	Contested Value Represented	Applicant Opinion Represented	Projected Resolved Value	Estimated Reduction	% reduction	Assumption for Estimated Assessed Value Impact
41	2012-5730	LEGACY PARTNERS	74-1344-127	2012	$7,942	$3,970	$5,500	$2,442	31%	reduced to 2011 stipulated value
42	2012-5731	LEGACY PARTNERS	74-1344-128	2012	$4,896	$2,450	$2,600	$2,296	47%	reduced to 2011 stipulated value
43	2012-5732	LEGACY PARTNERS	74-1344-21	2012	$6,963	$3,480	$4,700	$2,263	33%	reduced to 2011 stipulated value
44	2012-5733	LEGACY PARTNERS	74-1344-88	2012	$3,917	$1,950	$2,600	$1,317	34%	reduced to 2011 stipulated value
45	2012-5734	LEGACY PARTNERS	74-1344-89-2	2012	$2,938	$1,465	$1,965	$973	33%	reduced to 2011 stipulated value
46	2012-5735	LEGACY PARTNERS	74-1334-23	2012	$2,738	$1,370	$2,738	$0	0%	withdrawn in 2011
47	2012-5736	LEGACY PARTNERS	74-1334-24	2012	$3,106	$1,555	$2,580	$526	17%	reduced to 2011 stipulated value
48	2012-5737	LEGACY PARTNERS	74-1334-73	2012	$653	$320	$653	$0	0%	withdrawn in 2011
49	2013-1451	KESSLER, RANDALL E	74-1334-19-1	2013	$2,233	$1,500	$1,786	$447	20%	reduced to 80% of contested value
50	2013-1585	SRM MARINA INVESTORS LLC	74-1334-12-4	2013	$3,720	$1,500	$3,720	$0	0%	assessor value (same as 2010 stipulation)
51	2013-1586	SRM MARINA INVESTORS LLC	74-1334-18	2013	$650	$325	$650	$0	0%	assessor value (below 2011 stipulation)
52	2013-1587	SRM MARINA INVESTORS LLC	74-1334-74	2013	$3,292	$1,600	$3,220	$72	2%	reduced to 2011 stipulated value
53	2013-1588	SRM MARINA INVESTORS LLC	74-1334-77-1	2013	$11,053	$5,500	$10,755	$298	3%	reduced to 2011 stipulated value
54	2013-1589	SRM MARINA INVESTORS LLC	74-1340-28	2013	$550	$275	$550	$0	0%	assessor value (below 2011 stipulated value)
55	2013-1590	SRM MARINA INVESTORS LLC	74-1340-32	2013	$1,180	$590	$1,180	$0	0%	assessor value (below 2011 stipulated value)
56	2013-1591	SRM MARINA INVESTORS LLC	74-1340-59	2013	$5,870	$2,900	$5,740	$130	2%	reduced to 2011 stipulated value
57	2013-1728	EDUCATION MANAGEMENT CORPORATION	74-1344-87	2013	$6,954	$3,477	$5,600	$1,354	19%	reduced to 2012 stipulated value
58	2013-3099	SAVE MART	74-1334-33-5	2013	$10,600	$5,500	$8,000	$2,600	25%	reduced to 2011 stipulated value
59	2013-3207	WESTWOOD FINANCIAL CORPORATION	74-1334-32-1	2013	$3,536	$2,600	$1,750	$1,786	51%	reduced to 2010 stipulated value
60	2013-3208	WESTWOOD FINANCIAL CORPORATION	74-1334-35-5	2013	$2,387	$1,800	$1,910	$477	20%	reduced to 80% of contested value
61	2013-3209	WESTWOOD FINANCIAL CORPORATION	74-1334-34-5	2013	$7,539	$5,600	$6,031	$1,508	20%	reduced to 80% of contested value
62	2013-3210	WESTWOOD FINANCIAL CORPORATION	74-1334-37-1	2013	$2,324	$1,725	$1,860	$465	20%	reduced to 80% of contested value
63	2013-3453	LEGACY PARTNERS MARINER LOOP / ALAMEDA II	74-1334-67	2013	$8,878	$4,438	$5,300	$3,578	40%	reduced to 2011 stipulated value
64	2013-3454	LEGACY PARTNERS	74-1334-53	2013	$11,153	$5,577	$8,975	$2,178	20%	reduced to 2011 stipulated value
65	2013-3456	LEGACY PARTNERS	74-1334-55	2013	$577	$289	$577	$0	0%	withdrawn in 2011
66	2013-3457	LEGACY PARTNERS	74-1334-56	2013	$13,228	$6,614	$10,750	$2,478	19%	reduced to 2011 stipulated value
67	2013-3459	LEGACY PARTNERS	74-1334-58	2013	$67	$33	$67	$0	0%	withdrawn in 2011
68	2013-3460	LEGACY PARTNERS	74-1334-59	2013	$13,528	$6,764	$9,870	$3,658	27%	reduced to 2011 stipulated value
69	2013-3462	LEGACY PARTNERS	74-1334-61	2013	$211	$105	$211	$0	0%	withdrawn in 2011
70	2013-3463	LEGACY PARTNERS	74-1334-63	2013	$4,106	$2,053	$3,225	$881	21%	reduced to 2011 stipulated value
71	2013-3464	LEGACY PARTNERS	74-1334-64	2013	$8,367	$4,184	$7,125	$1,242	15%	reduced to 2011 stipulated value
72	2013-3466	LEGACY PARTNERS	74-1334-66	2013	$33	$17	$33	$0	0%	withdrawn in 2011
73	2013-3467	LEGACY PARTNERS	74-1340-24	2013	$4,106	$2,053	$2,440	$1,666	41%	reduced to 2011 stipulated value
74	2013-3468	LEGACY PARTNERS	74-1340-25	2013	$5,105	$2,553	$3,240	$1,865	37%	reduced to 2011 stipulated value
75	2013-3469	LEGACY PARTNERS	74-1340-26	2013	$7,768	$3,884	$6,285	$1,483	19%	reduced to 2011 stipulated value
76	2013-3470	LEGACY PARTNERS	74-1340-27	2013	$6,991	$3,496	$4,390	$2,601	37%	reduced to 2011 stipulated value
77	2013-3471	LEGACY PARTNERS	74-1341-106	2013	$6,214	$3,107	$4,030	$2,184	35%	reduced to 2011 stipulated value
78	2013-3472	LEGACY PARTNERS	74-1341-107	2013	$5,216	$2,608	$3,085	$2,131	41%	reduced to 2011 stipulated value
79	2013-3473	LEGACY PARTNERS	74-1341-108	2013	$3,773	$1,887	$2,335	$1,438	38%	reduced to 2011 stipulated value
80	2013-3474	LEGACY PARTNERS	74-1341-109	2013	$4,661	$2,331	$2,715	$1,946	42%	reduced to 2011 stipulated value
81	2013-3475	LEGACY PARTNERS	74-1343-1	2013	$7,546	$3,773	$7,546	$0	0%	withdrawn in 2011
82	2013-3476	LEGACY PARTNERS	74-1343-2	2013	$6,991	$3,496	$6,580	$411	6%	reduced to 2011 stipulated value

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Table 4.3
Detail of Projected Assessed Value Impacts from Pending Appeals
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

	Appeal No.	Assessee	APN (secured appeals)	Roll Year	Assessed Value: Pending Appeals ($Thousands) Contested Value Represented	Applicant Opinion Represented	Projected Resolved Value	Estimated Reduction	% reduction	Assumption for Estimated Assessed Value Impact
83	2013-3477	LEGACY PARTNERS	74-1343-3	2013	$3,329	$1,664	$2,120	$1,209	36%	reduced to 2011 stipulated value
84	2013-3478	LEGACY PARTNERS	74-1343-4	2013	$4,328	$2,164	$2,535	$1,793	41%	reduced to 2011 stipulated value
85	2013-3479	LEGACY PARTNERS	74-1343-8	2013	$7,879	$3,939	$7,460	$419	5%	reduced to 2011 stipulated value
86	2013-3480	LEGACY PARTNERS	74-1343-9	2013	$5,327	$2,663	$3,230	$2,097	39%	reduced to 2011 stipulated value
87	2013-3481	LEGACY PARTNERS	74-1344-127	2013	$8,101	$4,050	$5,500	$2,601	32%	reduced to 2011 stipulated value
88	2013-3482	LEGACY PARTNERS	74-1344-128	2013	$4,994	$2,496	$2,600	$2,394	48%	reduced to 2011 stipulated value
89	2013-3483	LEGACY PARTNERS	74-1344-21	2013	$7,102	$3,551	$4,700	$2,402	34%	reduced to 2011 stipulated value
90	2013-3484	LEGACY PARTNERS	74-1344-88	2013	$3,995	$1,997	$2,600	$1,395	35%	reduced to 2011 stipulated value
91	2013-3485	LEGACY PARTNERS	74-1344-89-2	2013	$2,996	$1,498	$1,965	$1,031	34%	reduced to 2011 stipulated value
92	2013-3486	LEGACY PARTNERS	74-1334-10	2013	$12,784	$6,392	$11,125	$1,659	13%	reduced to 2010 stipulated value
93	2013-3488	LEGACY PARTNERS	74-1334-15-4	2013	$2,994	$1,497	$2,760	$234	8%	reduced to 2010 stipulated value
94	2013-3489	LEGACY PARTNERS	74-1334-23	2013	$2,793	$1,397	$2,793	$0	0%	withdrawn in 2011
95	2013-3490	LEGACY PARTNERS	74-1334-24	2013	$3,168	$1,584	$2,580	$588	19%	reduced to 2011 stipulated value
96	2013-3491	LEGACY PARTNERS	74-1334-73	2013	$666	$333	$666	$0	0%	withdrawn in 2011
97	2013-3492	LEGACY PARTNERS	74-1334-8	2013	$44	$22	$44	$0	0%	withdrawn in 2009
98	2013-3493	LEGACY PARTNERS	74-1334-9	2013	$533	$266	$533	$0	0%	withdrawn in 2010
99	2013-3746	GROVE MEDICAL EQUPMENT, LLC	74-1344-19	2013	$35	$0	$28	$7	20%	reduced to 80% of contested value
100	2013-93021	FIRST 5 ALAMEDA COUNTY	74-1340-23	2013	$0	$0	$0	$0	0%	no net reduction represented
		WECIP Secured Roll Appeals		100	$478,390	$253,784	$368,533	$109,858	23%	
		WECIP 2013 Secured Appeals		52	$251,476	$129,667	$194,769	$56,707	23%	

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Table 4.3
Detail of Projected Assessed Value Impacts from Pending Appeals
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

					Assessed Value: Pending Appeals ($Thousands)					
	Appeal No.	Assessee	APN (secured appeals)	Roll Year	Contested Value Represented	Applicant Opinion Represented	Projected Resolved Value	Estimated Reduction	% reduction	Assumption for Estimated Assessed Value Impact
II. Unsecured Roll Appeals: WECIP Project Area										
1	2011-3964	COMCAST OF ALAMEDA INC.	0	2011	$186	$19	$186	$0	0%	withdrawn in 2008 &9
2	2012-4052	EAST BAY QUICK SERVICES INC DBA: QUIZNOS	0	2012	$105	$35	$105	$0	0%	Denied in 2011
3	2012-4593	COMCAST OF ALAMEDA INC.	0	2012	$67	$52	$67	$0	0%	withdrawn in 2008 &9
4	2012-6197	NETOPIA INC	0	2012	$1,073	$0	$859	$215	20%	reduced to 80% of contested value
5	2013-452	SWIERKOWSKI, STEFAN PETER	0	2013	$194	$175	$175	$19	10%	reduced to applicant opinion of value
6	2013-1655	GROVE MEDICAL EQUIPMENT, LLC	0	2013	$105	$0	$84	$21	20%	reduced to 80% of contested value
		WECIP Unsecured Roll Appeals		6	$1,731	$281	$1,476	$255	15%	
		WECIP 2013 Unsecured Appeals		2	$299	$175	$259	$40	13%	
III. Secured Roll Appeals: BWIP Original Project Area										
1	2012-3546	CREA BRIDGESIDE LLC		2012	$13,970	$6,985	$13,500	$470	3%	stipulated value in 2011
2	2012-4358	CVS/LONGS DRUG STORES #9128		2012	$4,655	$3,100	$4,655	$0	0%	Denied in 2011
3	2012-5683	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2012	$5,705	$2,850	$5,705	$0	0%	withdrawn in 2011
4	2012-5684	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2012	$6,142	$3,065	$6,142	$0	0%	withdrawn in 2011
5	2012-5685	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2012	$4,794	$2,400	$3,600	$1,194	25%	reduced to 2011 stipulated value
6	2012-5686	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2012	$5,875	$2,940	$3,250	$2,625	45%	reduced to 2011 stipulated value
7	2012-5919	JULIE'S COFFEE & TEA GARDEN		2012	$153	$33	$122	$31	20%	reduced to 80% of contested value
8	2012-5919	JULIE'S COFFEE & TEA GARDEN		2012	$153	$33	$122	$31	20%	reduced to 80% of contested value
9	2012-5919	JULIE'S COFFEE & TEA GARDEN		2012	$153	$33	$122	$31	20%	reduced to 80% of contested value
10	2013-21	YU, NORMAN K		2013	$680	$510	$544	$136	20%	reduced to 80% of contested value
11	2013-272	NG, BEN TR		2013	$2,332	$1,399	$2,332	$0	0%	withdrawn in 2012
12	2013-1015	YANG, ESTHER M		2013	$1,700	$510	$1,700	$0	0%	withdrawn in 2012
13	2013-1079	OIL CHANGERS		2013	$954	$572	$763	$191	20%	reduced to 80% of contested value
14	2013-1488	MUI, LUKE P		2013	$520	$485	$475	$45	9%	reduced to 2012 stipulated value
15	2013-1677	SIU, VICTOR		2013	$861	$500	$575	$286	33%	reduced to 2010 stipulated value

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Table 4.3
Detail of Projected Assessed Value Impacts from Pending Appeals
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

					Assessed Value: Pending Appeals ($Thousands)					
	Appeal No.	Assessee	APN (secured appeals)	Roll Year	Contested Value Represented	Applicant Opinion Represented	Projected Resolved Value	Estimated Reduction	% reduction	Assumption for Estimated Assessed Value Impact
16	2013-1689	LEE, LINLI		2013	$4,988	$2,400	$1,650	$3,338	67%	reduced to 2010 stipulated value
17	2013-1940	CREA BRIDGESIDE LLC		2013	$14,800	$7,400	$13,500	$1,300	9%	stipulated value in 2011
18	2013-1941	WACKEEN HOLDINGS LLC C/O NOB HILL PROP ACCTN		2013	$4,450	$2,225	$4,450	$0	0%	withdrawn in 2012
19	2013-2774	PARK, DANIEL H		2013	$774	$250	$759	$15	2%	reduced to 2012 stipulated value
20	2013-2786	DO, CHIEN C & HUOT L		2013	$1,741	$1,000	$1,393	$348	20%	reduced to 80% of contested value
21	2013-2918	HARMAN & ASSOCIATES		2013	$1,100	$1,000	$1,020	$80	7%	2013 stipulated value
22	2013-2927	OAKMONTSL OF ALAMEDA LP		2013	$23,340	$19,700	$20,100	$3,240	14%	reduced to 2010 stipulated value
23	2013-3449	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2013	$5,819	$2,909	$5,819	$0	0%	withdrawn in 2011
24	2013-3450	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2013	$6,264	$3,132	$6,264	$0	0%	withdrawn in 2011
25	2013-3451	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2013	$4,889	$2,445	$3,600	$1,289	26%	reduced to 2011 stipulated value
26	2013-3452	LEGACY PARTNERS MARINER LOOP / ALAMEDA II		2013	$5,993	$2,996	$3,250	$2,743	46%	reduced to 2011 stipulated value
		BWIP Secured Roll Appeals		26	$122,803	$70,871	$105,413	$17,390	14%	
		BWIP 2013 Secured Appeals		17	$81,203	$49,433	$68,194	$13,009	16%	
IV. Unsecured Roll Appeals: BWIP Original Project Area										
1	2012-2438	WILLIAM R. PEDDER A PROFESSIONAL CORP		2012	$29	$3	$23	$6	20%	reduced to 80% of contested value
2	2012-5280	YUME		2012	$101	$6	$81	$20	20%	reduced to 80% of contested value
3	2012-5620	SORTWELL INC		2012	$0	$2,100	$0	$0	0%	no net reduction represented
4	2012-5919	JULIE'S COFFEE & TEA GARDEN		2012	$153	$33	$122	$31	20%	reduced to 80% of contested value
5	2013-180	SOUND WATERSHED		2013	$36	$7	$29	$7	20%	reduced to 80% of contested value
6	2013-1448	PS EATERY		2013	$168	$90	$135	$34	20%	reduced to 80% of contested value
7	2013-1467	RED TIE PRINTING INC		2013	$385	$19	$308	$77	20%	reduced to 80% of contested value
8	2013-1526	TERRY A MITCHELL INSURANCE AGENCY		2013	$74	$12	$59	$15	20%	reduced to 80% of contested value
9	2013-2622	DBA GRAND ST BAIT/TACKL BOAT		2013	$107	$2	$85	$21	20%	reduced to 80% of contested value
		BWIP Unsecured Roll Appeals		9	$1,054	$173	$843	$211	20%	Contested value total excludes Sortwell Inc.
		BWIP 2013 Unsecured Appeals		5	$770	$131	$616	$154	20%	
		All Secured and Unsecured Appeals		141	$603,977	$325,109	$476,264	$127,713	21%	
		All Secured and Unsecured 2013 Appeals		76	$333,748	$179,405	$263,838	$69,910	21%	

Source: Alameda County Assessment Appeals Database

Table 5

Receipts to Levy Analysis for Regular Secured and Unsecured Taxes

WECIP/BWIP Merged Project Area

City of Alameda Successor Agency

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value					
Project Area Assessed Value					
Secured & SBE Utility	$1,533,224,070	$1,511,981,147	$1,480,896,207	$1,497,581,419	$1,565,622,938
Unsecured	240,090,621	221,091,808	219,471,836	222,950,629	214,556,904
Total	1,773,314,691	1,733,072,955	1,700,368,043	1,720,532,048	1,780,179,842
Less: Base Year Value					
Secured	230,937,980	230,937,980	230,937,980	230,937,980	230,937,980
Unsecured	75,695,014	75,695,014	75,695,014	75,695,014	75,695,014
Total	306,632,994	306,632,994	306,632,994	306,632,994	306,632,994
Incremental Value					
Secured	1,302,286,090	1,281,043,167	1,249,958,227	1,266,643,439	1,334,684,958
Unsecured	164,395,607	145,396,794	143,776,822	147,255,615	138,861,890
Total	1,466,681,697	1,426,439,961	1,393,735,049	1,413,899,054	1,473,546,848
Secured Tax Rate (1)	1.0348%	1.0326%	1.0153%	1.0000%	1.0000%
Unsecured Tax Rate (1)	1.0339%	1.0348%	1.0163%	1.0000%	1.0000%
II. Computed Levy (secured and unsecured taxes only)	15,175,743	14,732,618	14,151,405	14,138,991	14,735,468
III. Taxes Allocated (2) (secured and unsecured taxes only)	15,175,743	14,732,618	14,151,404	14,138,990	14,735,467
IV. Variance From Computed Levy	$0	$0	($1)	($1)	($1)
% Collections	**100%**	**100%**	**100%**	**100%**	**100%**

(1) With dissolution of redevelopment, the County no longer includes pre-1989 voter approved over-ride levies in excess of the basic 1% property tax rate as part of RPTTF / former tax increment. FY 2011-12 reflects levies in excess of 1% for half the year prior to the effective date of dissolution. FY 2012-13 & 13-14 reflect only the basic 1% levy.

(2) Amounts do not include unitary taxes, supplemental taxes, prior year adjustments, or interest earnings. Amounts are prior to deduction of pass through payments and County administrative expenses.

Source: Alameda County Auditor-Controller.

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Table 6.1

Successor Agency Historic Tax Revenues

WECIP/BWIP Merged Project Area

City of Alameda Successor Agency

		2009-10	2010-11	2011-12	2012-13	2013-14
1	**Project Area Historic Net Tax Increment / RPTTF Revenue**					
	Gross Collections					
	Regular Secured / Unsecured (from Table 5)	15,175,743	14,732,618	14,151,404	14,138,990	14,735,467
	Unitary	40,058	41,399	51,148	57,623	46,038
	Supplemental and Other [1]	430,611	116,453	113,415	164,925	471,353
	Subtotal Gross Collections	15,646,412	14,890,470	14,315,967	14,361,538	15,252,859
	Less: County Admin Expenses [2]	(123,144)	(126,475)	(128,803)	(160,006)	(151,745)
	Less: Pass Throughs [3]	(2,995,650)	(2,806,940)	(2,618,647)	(2,712,579)	(3,071,948)
	Project Area Historic Net Tax Increment / RPTTF	12,527,618	11,957,055	11,568,517	11,488,953	12,029,166
	Percent change	N/A	-5%	-3%	-1%	5%
	Less: 2011 A and B Bonds	0	(546,292)	(879,763)	(879,763)	(879,763)
	Less: Alameda Landing DDA Payments and Exclusions[4]	0	0	0	(300,000)	(1,640,000)
2	**Historic Tax Revenues**	**12,527,618**	**11,410,763**	**10,688,755**	**10,309,191**	**9,509,403**
	Percent change	N/A	-9%	-6%	-4%	-8%

(1) Includes prior year adjustments and pooled interest earnings. Interest earnings allocated by Project Area based on gross RPTTF.

(2) Reflects KMA allocation of post-dissolution admin expense amount between the Merged Project and APIP Project based upon gross revenue.

(3) Pass through amounts for FY 2009-10 and FY 2010-11 are per Agency calculations and amounts for FY 2011-12 forward are based on County records.

(4) Deduction reflects exclusion of revenues generated by the Alameda Landing property and payments made pursuant to the Alameda Landing DDA. FY 2013-14 was the first year that the Alameda Landing Property was reflected on the tax rolls. Prior to FY 2013-14, the property generated no tax revenues. Prior to commencement of payments on the Alameda Landing DDA, former 80% Tax Increment from the Bayport project was committed pursuant to the Bayport DDA, now paid in full (final payment made January 2014).

Sources: Alameda County Auditor-Controller and Successor Agency.

Table 6.2

Successor Agency Historic Property Tax Allocations

City of Alameda Successor Agency

		2009-10	2010-11	2011-12	2012-13	2013-14
1	**Historic Property Tax Allocations**					
	WECIP/BWIP Net Property Tax After Pass Through (Table 6.1)	12,527,618	11,957,055	11,568,517	11,488,953	12,029,166
	APIP Net Property Tax after Pass Through *[Not Pledged to Bonds]*	252,835	203,551	224,034	250,648	282,209
	Total Net Property Tax After Pass Through	12,780,453	12,160,606	11,792,551	11,739,602	12,311,375
2	**Post-Dissolution Allocations of RPTTF Revenue**					
a.	To Successor Agency Based on Approved ROPS					
	January allocations [ROPS I, III, 13-14B]			7,133,171	5,878,327	2,831,297
	June allocations [ROPS II, 13-14A, 14-15A]			4,659,380	5,861,274	5,245,135
	Total for Obligations on Approved ROPS			11,792,551	11,739,601	8,076,432
b.	"Residual" allocated to taxing agencies			-	-	4,234,943

Sources: Alameda County Auditor-Controller and Successor Agency.

Table 7.0
Projected Tax Revenues - 2% Growth
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

GROWTH AT 2% PER YEAR

Fiscal Year	Gross RPTTF Revenue (*$Thousands*) WECIP	BWIP Original	BWIP Exchange	Merged Project Total	Less: County Administrative Expense	Less: Pass Through Payments	Less: Excluded Alameda Landing RPTTF[1]	Less: Alameda Landing DDA Payments From Bayport 80% TI [1]	Less: 2011 A & B Bond Debt Service	MERGED PROJECT TAX REVENUES
	Table 7.1	Table 7.2	Table 7.3		*$Thousands*	*$Thousands*	*$Thousands*	*$Thousands*	*$Thousands*	*$Thousands*
2014-15	$4,533	$7,558	$3,855	$15,946	($164)	($3,314)	($477)	($1,359)	($880)	$9,752
2015-16	4,044	7,606	3,932	15,582	(160)	(3,349)	(486)	(1,890)	(880)	8,817
2016-17	4,112	7,787	4,011	15,910	(164)	(3,465)	(495)	(1,926)	(880)	8,980
2017-18	4,182	7,972	4,091	16,245	(167)	(3,584)	(505)	(1,963)	(880)	9,147
2018-19	4,253	8,160	4,173	16,586	(171)	(3,704)	(514)	(2,000)	(880)	9,317
2019-20	4,326	8,353	4,256	16,935	(174)	(3,827)	(524)	(2,039)	(920)	9,451
2020-21	4,400	8,549	4,341	17,290	(178)	(3,958)	(534)	(2,078)	(948)	9,595
2021-22	4,476	8,749	4,428	17,652	(182)	(4,111)	(543)	(2,118)	(974)	9,725
2022-23	4,553	8,953	4,516	18,022	(186)	(4,267)	(553)	(2,158)	(1,003)	9,855
2023-24	4,631	9,161	4,606	18,398	(190)	(4,431)	(563)	(2,200)	(1,035)	9,980
2024-25	4,712	9,373	4,698	18,783	(193)	(4,603)	(573)	(2,242)	(1,065)	10,107
2025-26	4,793	9,589	4,792	19,175	(198)	(4,778)	(583)	(1,332)	(1,098)	11,187
2026-27	4,877	9,810	4,888	19,575	(202)	(4,957)	(593)	(511)	(1,128)	12,185
2027-28	4,962	10,035	4,986	19,983	(206)	(5,139)	(604)	(554)	(1,163)	12,318
2028-29	5,049	10,265	5,085	20,399	(210)	(5,325)	(614)	(595)	(1,193)	12,462
2029-30	5,137	10,499	5,187	20,824	(214)	(5,514)	(625)	(1,910)	(1,228)	11,332
2030-31	5,228	10,738	5,291	21,257	(219)	(5,708)	(637)	0	(1,262)	13,431
2031-32	5,320	10,982	5,396	21,698	(223)	(5,905)	(648)	0	(1,300)	13,622
2032-33	5,414	11,231	5,504	22,149	(228)	(6,106)	(660)	0	(1,529)	13,625
2033-34	5,510	11,484	5,614	22,608	(233)	(6,311)	(672)	0	(1,564)	13,828
2034-35	5,607	11,743	5,726	23,077	(238)	(6,528)	(684)	0	(1,604)	14,022
2035-36	5,707	12,007	5,841	23,555	(243)	(6,759)	(696)	0	(1,639)	14,218
2036-37	0	12,276	5,958	18,233	(188)	(6,544)	(709)	0	(577)	10,216
2037-38	0	12,550	6,077	18,627	(192)	(6,743)	(721)	0	(595)	10,375
2038-39	0	12,830	6,198	19,028	(196)	(6,947)	(734)	0	(619)	10,532
2039-40	0	13,116	6,322	19,438	(200)	(7,154)	(748)	0	(644)	10,693
2040-41	0	13,407	6,448	19,856	(205)	(7,365)	(761)	0	(667)	10,857
2041-42	0	13,704	6,577	20,282	(209)	(7,591)	(774)	0	0	11,708
2042-43	0	0	6,709	6,709	(69)	(1,775)	(70)	0	0	4,795
2043-44	0	0	6,843	6,843	(70)	(1,829)	(71)	0	0	4,872
2044-45	0	0	6,979	6,979	(72)	(1,885)	(72)	0	0	4,951
2045-46	0	0	7,119	7,119	(73)	(1,941)	(74)	0	0	5,031
2046-47	0	0	7,261	7,261	(75)	(1,999)	(75)	0	0	5,113
2047-48	0	0	7,406	7,406	(76)	(2,058)	(76)	0	0	5,196
2048-49	0	0	3,777	3,777	(39)	(1,059)	(39)	0	0	2,641

(1) See description of this obligation in Report text Section 2.5 and supporting detail on Table 7.4. Deductions reflect a) exclusion of non-pledged RPTTF generated by the Alameda Landing Project and b) payments from "80% Tax Increment" generated by the Bayport Project net of that portion which is available to pay an allocable share of debt service on the Refunding Bonds in proportion to the proceeds of the prior bonds used for Bayport infrastructure.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.1
Projection of RPTTF Revenues - 2% Growth
WECIP Project Area
City of Alameda Successor Agency ***Page 1 of 3*** **GROWTH AT 2% PER YEAR**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
I.	**Real Property Assessed Value**	$391,129	391,129	342,244	349,089	356,071	363,192	370,456	377,865	385,422	393,131
	Prop 13 Inflationary Growth (1)	0	7,823	6,845	6,982	7,121	7,264	7,409	7,557	7,708	7,863
	Estimated Appeal Reduction	0	(56,707)	0	0	0	0	0	0	0	0
	Total Real Property	391,129	342,244	349,089	356,071	363,192	370,456	377,865	385,422	393,131	400,994
II.	**Personal Property Assessed Value**	72,258	72,258	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
	Estimated Appeal Reduction	0	(40)	0	0	0	0	0	0	0	0
	Total Personal Property	72,258	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
III.	**Total Assessed Value**	463,386	414,462	421,307	428,289	435,410	442,674	450,083	457,640	465,349	473,211
	Less Base Value	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)
	Incremental Value	449,624	400,700	407,545	414,526	421,648	428,912	436,321	443,878	451,586	459,449
IV.	**Gross RPTTF at 1% of Incr Value**	4,496	4,007	4,075	4,145	4,216	4,289	4,363	4,439	4,516	4,594
	SBE Unitary Revenue	37	37	37	37	37	37	37	37	37	37
	Subtotal Gross Tax Increment	4,533	4,044	4,112	4,182	4,253	4,326	4,400	4,476	4,553	4,631
V.	**Less: County Admin & Pass Through**										
	County Admin Expense (2)	47	42	42	43	44	45	45	46	47	48
	Statutory Pass Through (H&S 33607.5)	31	0	0	0	0	0	5	20	35	56
	Total Co. Admin and Pass Throughs	78	42	42	43	44	45	50	66	82	104
VI.	**WECIP Net RPTTF Revenue**	4,455	4,002	4,070	4,139	4,210	4,282	4,350	4,410	4,471	4,528

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.1
Projection of RPTTF Revenues - 2% Growth
WECIP Project Area
City of Alameda Successor Agency ***Page 2 of 3*** **GROWTH AT 2% PER YEAR**
$Thousands

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
I.	**Real Property Assessed Value**	400,994	409,013	417,194	425,538	434,048	442,729	451,584	460,616	469,828
	Prop 13 Inflationary Growth [(1)]	8,020	8,180	8,344	8,511	8,681	8,855	9,032	9,212	9,397
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Real Property	409,013	417,194	425,538	434,048	442,729	451,584	460,616	469,828	479,224
II.	**Personal Property Assessed Value**	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Personal Property	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
III.	**Total Assessed Value**	481,231	489,411	497,755	506,266	514,947	523,802	532,833	542,046	551,442
	Less Base Value	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)
	Incremental Value	467,469	475,649	483,993	492,504	501,185	510,039	519,071	528,283	537,680
IV.	**Gross RPTTF at 1% of Incr Value**	4,675	4,756	4,840	4,925	5,012	5,100	5,191	5,283	5,377
	SBE Unitary Revenue	37	37	37	37	37	37	37	37	37
	Subtotal Gross Tax Increment	4,712	4,793	4,877	4,962	5,049	5,137	5,228	5,320	5,414
V.	**Less: County Admin & Pass Through**									
	County Admin Expense [(2)]	49	49	50	51	52	53	54	55	56
	Statutory Pass Through (H&S 33607.5)	81	107	133	160	187	215	244	273	303
	Total Co. Admin and Pass Throughs	130	156	183	211	239	268	298	328	358
VI.	**WECIP Net RPTTF Revenue**	4,582	4,637	4,693	4,751	4,809	4,869	4,930	4,992	5,055

Notes:
[(1)] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[(2)] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.1
Projection of RPTTF Revenues - 2% Growth
WECIP Project Area
City of Alameda Successor Agency ***Page 3 of 3***

GROWTH AT 2% PER YEAR

$Thousands

		TI Receipt 7/5/2036		
		2033-34	2034-35	2035-36
I.	**Real Property Assessed Value**	479,224	488,809	498,585
	Prop 13 Inflationary Growth [1]	9,584	9,776	9,972
	Estimated Appeal Reduction	0	0	0
	Total Real Property	488,809	498,585	508,557
II.	**Personal Property Assessed Value**	72,218	72,218	72,218
	Estimated Appeal Reduction	0	0	0
	Total Personal Property	72,218	72,218	72,218
III.	**Total Assessed Value**	561,027	570,803	580,775
	Less Base Value	(13,762)	(13,762)	(13,762)
	Incremental Value	547,264	557,041	567,012
IV.	**Gross RPTTF at 1% of Incr Value**	5,473	5,570	5,670
	SBE Unitary Revenue	37	37	37
	Subtotal Gross Tax Increment	5,510	5,607	5,707
V.	**Less: County Admin & Pass Through**			
	County Admin Expense [2]	57	58	59
	Statutory Pass Through (H&S 33607.5)	333	371	410
	Total Co. Admin and Pass Throughs	390	429	469
VI.	**WECIP Net RPTTF Revenue**	5,120	5,179	5,238

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; WECIP; 11/17/2014; dd

Table 7.2
Projection of RPTTF Revenues - 2% Growth
BWIP Original Project Area
City of Alameda Successor Agency ***Page 1 of 3*** **GROWTH AT 2% PER YEAR**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
I.	**Real Property Assessed Value**	$900,590	900,590	905,592	923,704	942,178	961,022	980,242	999,847	1,019,844	1,040,241
	Prop 13 Inflationary Growth [1]	0	18,012	18,112	18,474	18,844	19,220	19,605	19,997	20,397	20,805
	Estimated Appeal Reduction	0	(13,009)	0	0	0	0	0	0	0	0
	Total Real Property	900,590	905,592	923,704	942,178	961,022	980,242	999,847	1,019,844	1,040,241	1,061,046
II.	**Personal Property Assessed Value**	145,825	145,825	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
	Estimated Appeal Reduction	0	(154)	0	0	0	0	0	0	0	0
	Total Personal Property	145,825	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
III.	**Total Assessed Value**	1,046,414	1,051,263	1,069,375	1,087,849	1,106,692	1,125,913	1,145,518	1,165,515	1,185,912	1,206,716
	Less Base Value	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)
	Incremental Value	754,755	759,603	777,715	796,189	815,033	834,253	853,858	873,855	894,252	915,057
IV.	**Gross RPTTF at 1% of Incr Value**	7,548	7,596	7,777	7,962	8,150	8,343	8,539	8,739	8,943	9,151
	SBE Unitary Revenue	10	10	10	10	10	10	10	10	10	10
	Subtotal Gross Tax Increment	7,558	7,606	7,787	7,972	8,160	8,353	8,549	8,749	8,953	9,161
V.	**Less: County Admin & Pass Throughs**										
	County Admin Expense [2]	78	78	80	82	84	86	88	90	92	94
	H&S 33676 Payments	517	548	580	612	645	679	713	748	783	820
	County Pass Through Agreement	973	977	997	1,018	1,040	1,061	1,084	1,106	1,130	1,153
	AUSD Pass Through Agreement	789	790	807	824	842	859	878	896	915	934
	EBRPD Pass Through Agreement	16	16	16	16	17	17	17	18	18	19
	County Super. of Schools PT Agmt	6	6	6	6	6	6	6	6	6	7
	Peralta CC Pass Through Agreement	33	33	34	35	36	36	37	38	39	40
	Statutory Pass Through (H&S 33607.5)	178	183	204	225	246	268	290	323	356	390
	Total Co. Admin and Pass Throughs	2,589	2,632	2,724	2,818	2,915	3,013	3,113	3,225	3,339	3,455
VI.	**BWIP Original Area Net RPTTF Revenue**	4,968	4,974	5,063	5,153	5,246	5,340	5,436	5,524	5,614	5,705

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Original; 11/17/2014; dd

Table 7.2
Projection of RPTTF Revenues - 2% Growth
BWIP Original Project Area
City of Alameda Successor Agency **GROWTH AT 2% PER YEAR**
$Thousands

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
I.	**Real Property Assessed Value**	1,061,046	1,082,267	1,103,912	1,125,990	1,148,510	1,171,480	1,194,910	1,218,808	1,243,184
	Prop 13 Inflationary Growth [1]	21,221	21,645	22,078	22,520	22,970	23,430	23,898	24,376	24,864
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Real Property	1,082,267	1,103,912	1,125,990	1,148,510	1,171,480	1,194,910	1,218,808	1,243,184	1,268,048
II.	**Personal Property Assessed Value**	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Personal Property	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
III.	**Total Assessed Value**	1,227,937	1,249,583	1,271,661	1,294,181	1,317,151	1,340,580	1,364,479	1,388,855	1,413,719
	Less Base Value	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)
	Incremental Value	936,278	957,923	980,001	1,002,521	1,025,491	1,048,921	1,072,819	1,097,195	1,122,059
IV.	**Gross RPTTF at 1% of Incr Value**	9,363	9,579	9,800	10,025	10,255	10,489	10,728	10,972	11,221
	SBE Unitary Revenue	10	10	10	10	10	10	10	10	10
	Subtotal Gross Tax Increment	9,373	9,589	9,810	10,035	10,265	10,499	10,738	10,982	11,231
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense [2]	97	99	101	103	106	108	111	113	116
	H&S 33676 Payments	857	894	933	972	1,012	1,053	1,095	1,138	1,181
	County Pass Through Agreement	1,177	1,202	1,227	1,252	1,279	1,305	1,332	1,360	1,388
	AUSD Pass Through Agreement	954	974	994	1,015	1,036	1,058	1,080	1,103	1,126
	EBRPD Pass Through Agreement	19	19	20	20	21	21	21	22	22
	County Super. of Schools PT Agmt	7	7	7	7	7	7	8	8	8
	Peralta CC Pass Through Agreement	40	41	42	43	44	45	46	47	48
	Statutory Pass Through (H&S 33607.5)	424	459	495	532	569	608	646	686	727
	Total Co. Admin and Pass Throughs	3,574	3,696	3,819	3,945	4,074	4,205	4,339	4,476	4,615
VI.	**BWIP Original Area Net RPTTF Revenue**	5,798	5,894	5,991	6,090	6,191	6,294	6,399	6,506	6,616

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Original; 11/17/2014; dd

Table 7.2
Projection of RPTTF Revenues - 2% Growth
BWIP Original Project Area
City of Alameda Successor Agency ***Page 3 of 3*** **GROWTH AT 2% PER YEAR**
$Thousands

TI Receipt 6/18/2042

	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
I. Real Property Assessed Value	1,268,048	1,293,409	1,319,277	1,345,663	1,372,576	1,400,027	1,428,028	1,456,589	1,485,720
Prop 13 Inflationary Growth [1]	25,361	25,868	26,386	26,913	27,452	28,001	28,561	29,132	29,714
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
Total Real Property	1,293,409	1,319,277	1,345,663	1,372,576	1,400,027	1,428,028	1,456,589	1,485,720	1,515,435
II. Personal Property Assessed Value	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
Total Personal Property	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
III. Total Assessed Value	1,439,079	1,464,948	1,491,333	1,518,246	1,545,698	1,573,698	1,602,259	1,631,391	1,661,105
Less Base Value	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)
Incremental Value	1,147,420	1,173,288	1,199,674	1,226,587	1,254,038	1,282,039	1,310,599	1,339,731	1,369,446
IV. Gross RPTTF at 1% of Incr Value	11,474	11,733	11,997	12,266	12,540	12,820	13,106	13,397	13,694
SBE Unitary Revenue	10	10	10	10	10	10	10	10	10
Subtotal Gross Tax Increment	11,484	11,743	12,007	12,276	12,550	12,830	13,116	13,407	13,704
V. Less: County Admin & Pass Throughs									
County Admin Expense [2]	118	121	124	126	129	132	135	138	141
H&S 33676 Payments	1,225	1,270	1,316	1,363	1,411	1,460	1,510	1,561	1,613
County Pass Through Agreement	1,417	1,446	1,476	1,507	1,538	1,570	1,602	1,636	1,669
AUSD Pass Through Agreement	1,149	1,173	1,197	1,222	1,248	1,273	1,300	1,327	1,354
EBRPD Pass Through Agreement	23	23	24	24	25	25	26	26	27
County Super. of Schools PT Agmt	8	8	8	9	9	9	9	9	10
Peralta CC Pass Through Agreement	49	50	51	52	53	54	55	56	57
Statutory Pass Through (H&S 33607.5)	768	810	853	897	941	987	1,034	1,081	1,139
Total Co. Admin and Pass Throughs	4,757	4,902	5,050	5,200	5,354	5,511	5,671	5,834	6,010
VI. BWIP Original Area Net RPTTF Revenue	6,727	6,841	6,957	7,075	7,196	7,319	7,445	7,573	7,694

Notes:

[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.

[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.3
Projection of RPTTF Revenues - 2% Growth
BWIP Exchange Area
City of Alameda Successor Agency ***Page 1 of 4*** **GROWTH AT 2% PER YEAR**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
I.	**Real Property Assessed Value**	$385,079	385,079	392,780	400,636	408,648	416,821	425,158	433,661	442,334	451,181
	Prop 13 Inflationary Growth [1]	0	7,702	7,856	8,013	8,173	8,336	8,503	8,673	8,847	9,024
	Total Real Property	385,079	392,780	400,636	408,648	416,821	425,158	433,661	442,334	451,181	460,204
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	386,723	394,425	402,280	410,293	418,466	426,802	435,305	443,979	452,825	461,849
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	385,512	393,213	401,069	409,082	417,255	425,591	434,094	442,767	451,614	460,638
IV.	**Gross RPTTF at 1% of Incr Value**	3,855	3,932	4,011	4,091	4,173	4,256	4,341	4,428	4,516	4,606
	SBE Unitary Revenue	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	3,855	3,932	4,011	4,091	4,173	4,256	4,341	4,428	4,516	4,606
V.	**Less: County Admin & Pass Throughs**										
	County Admin Expense [2]	40	41	41	42	43	44	45	46	47	47
	Statutory Pass Through (H&S 33607.5)	771	796	821	847	874	901	928	956	985	1,014
	Total Co. Admin and Pass Throughs	811	836	863	889	917	944	973	1,002	1,031	1,061
VI.	**BWIP Exchange Net RPTTF Revenue**	3,044	3,096	3,148	3,201	3,256	3,311	3,368	3,426	3,485	3,545

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.3
Projection of RPTTF Revenues - 2% Growth
BWIP Exchange Area
City of Alameda Successor Agency *Page 2 of 4* **GROWTH AT 2% PER YEAR**
$Thousands

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
I.	**Real Property Assessed Value**	460,204	469,409	478,797	488,373	498,140	508,103	518,265	528,630	539,203
	Prop 13 Inflationary Growth [1]	9,204	9,388	9,576	9,767	9,963	10,162	10,365	10,573	10,784
	Total Real Property	469,409	478,797	488,373	498,140	508,103	518,265	528,630	539,203	549,987
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	471,053	480,441	490,017	499,785	509,747	519,909	530,275	540,847	551,631
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	469,842	479,230	488,806	498,573	508,536	518,698	529,064	539,636	550,420
IV.	**Gross RPTTF at 1% of Incr Value**	4,698	4,792	4,888	4,986	5,085	5,187	5,291	5,396	5,504
	SBE Unitary Revenue	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	4,698	4,792	4,888	4,986	5,085	5,187	5,291	5,396	5,504
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense [2]	48	49	50	51	52	53	54	56	57
	Statutory Pass Through (H&S 33607.5)	1,044	1,074	1,105	1,137	1,169	1,202	1,235	1,270	1,304
	Total Co. Admin and Pass Throughs	1,092	1,124	1,155	1,188	1,221	1,255	1,290	1,325	1,361
VI.	**BWIP Exchange Net RPTTF Revenue**	3,606	3,669	3,733	3,798	3,864	3,932	4,001	4,071	4,143

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.3
Projection of RPTTF Revenues - 2% Growth
BWIP Exchange Area
City of Alameda Successor Agency ***Page 3 of 4*** **GROWTH AT 2% PER YEAR**
$Thousands

		2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
I.	**Real Property Assessed Value**	549,987	560,987	572,206	583,651	595,324	607,230	619,375	631,762	644,397
	Prop 13 Inflationary Growth [1]	11,000	11,220	11,444	11,673	11,906	12,145	12,387	12,635	12,888
	Total Real Property	560,987	572,206	583,651	595,324	607,230	619,375	631,762	644,397	657,285
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	562,631	573,851	585,295	596,968	608,874	621,019	633,407	646,042	658,930
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	561,420	572,640	584,084	595,757	607,663	619,808	632,195	644,831	657,719
IV.	**Gross RPTTF at 1% of Incr Value**	5,614	5,726	5,841	5,958	6,077	6,198	6,322	6,448	6,577
	SBE Unitary Revenue	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	5,614	5,726	5,841	5,958	6,077	6,198	6,322	6,448	6,577
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense [2]	58	59	60	61	63	64	65	66	68
	Statutory Pass Through (H&S 33607.5)	1,340	1,376	1,423	1,470	1,518	1,568	1,618	1,669	1,722
	Total Co. Admin and Pass Throughs	1,398	1,435	1,483	1,531	1,581	1,632	1,683	1,736	1,789
VI.	**BWIP Exchange Net RPTTF Revenue**	4,216	4,291	4,358	4,426	4,496	4,567	4,639	4,713	4,788

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.3
Projection of RPTTF Revenues - 2% Growth
BWIP Exchange Area
City of Alameda Successor Agency

GROWTH AT 2% PER YEAR

$Thousands

	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	TI Receipt 4/1/2049 (1/2 year TI) 2048-49
I. Real Property Assessed Value	657,285	670,431	683,840	697,516	711,467	725,696	740,210
Prop 13 Inflationary Growth [1]	13,146	13,409	13,677	13,950	14,229	14,514	14,804
Total Real Property	670,431	683,840	697,516	711,467	725,696	740,210	755,014
II. Personal Property Assessed Value	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III. Total Assessed Value	672,075	685,484	699,161	713,111	727,341	741,854	756,659
Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
Incremental Value	670,864	684,273	697,950	711,900	726,129	740,643	755,447
IV. Gross RPTTF at 1% of Incr Value	6,709	6,843	6,979	7,119	7,261	7,406	3,777
SBE Unitary Revenue	0	0	0	0	0	0	0
Subtotal Gross Tax Increment	6,709	6,843	6,979	7,119	7,261	7,406	3,777
V. Less: County Admin & Pass Throughs							
County Admin Expense [2]	69	70	72	73	75	76	39
Statutory Pass Through (H&S 33607.5)	1,775	1,829	1,885	1,941	1,999	2,058	1,059
Total Co. Admin and Pass Throughs	1,844	1,900	1,957	2,015	2,074	2,134	1,098
VI. BWIP Exchange Net RPTTF Revenue	4,865	4,943	5,023	5,104	5,187	5,272	2,679

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 7.4
Alameda Landing DDA Obligation
Based on 2% Growth in AVs
City of Alameda Successor Agency ***Page 1 of 3*** **GROWTH AT 2% PER YEAR**
$Thousands

	FY 13-14	Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
I. Non-Pledged Alameda Landing TI													
a. Alameda Landing Assessed Value													
Real Property AV @ 2% Growth[1]		$71,655	71,655	73,088	74,550	76,041	77,561	79,113	80,695	82,309	83,955	85,634	87,347
Personal Property AV at 0% growth		3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244
Total Assessed Value		74,899	76,332	77,794	79,285	80,806	82,357	83,939	85,553	87,199	88,878	90,591	92,338
b. Gross RPTTF at 1% of Incr Value		749	763	778	793	808	824	839	856	872	889	906	923
c. Less: County Admin [2]		(8)	(8)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(10)
d. Less: Pass Throughs		(264)	(269)	(275)	(280)	(286)	(291)	(297)	(304)	(310)	(317)	(324)	(331)
Excluded Alameda Landing Net RPTTF [not pledged to Bonds]		477	486	495	505	514	524	534	543	553	563	573	583
II. DDA Payments from Bayport "80% TI"													
a. Exchange Area Gross RPTTF[3]		3,855	3,932	4,011	4,091	4,173	4,256	4,341	4,428	4,516	4,606	4,698	4,792
Less: Pass Through & Co. Admin[3]		(811)	(836)	(863)	(889)	(917)	(944)	(973)	(1,002)	(1,031)	(1,061)	(1,092)	(1,124)
Less: Former 20% Housing		(771)	(786)	(802)	(818)	(835)	(851)	(868)	(886)	(903)	(921)	(940)	(958)
Exchange Area 80% TI		2,273	2,309	2,346	2,383	2,421	2,460	2,500	2,540	2,582	2,624	2,667	2,710
b. Bayport share of BWIP Exch. @98.6%		2,242	2,277	2,313	2,350	2,387	2,426	2,465	2,505	2,545	2,587	2,629	2,672
Less: amount above $35.5 Million		0	0	0	0	0	0	0	0	0	0	0	0
Less: Share of Refunding Debt [4]		(883)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(1,341)
DDA Payments from Bayport "80% TI"[5]		1,359	1,890	1,926	1,963	2,000	2,039	2,078	2,118	2,158	2,200	2,242	1,332
III. Alameda DDA Payments													
a. From Excluded Alameda Landing RPTTF		477	486	495	505	514	524	534	543	553	563	573	583
Less: former Housing		(94)	(96)	(98)	(100)	(102)	(104)	(106)	(108)	(110)	(112)	(114)	(116)
Less: amount above $35.5 Million		0	0	0	0	0	0	0	0	0	0	0	0
Payment from Alameda Landing "80% TI"		383	390	397	405	412	420	428	436	443	451	459	467
b. From Bayport 80% Tax Increment		1,359	1,890	1,926	1,963	2,000	2,039	2,078	2,118	2,158	2,200	2,242	1,332
c. Total Payments		1,742	2,280	2,323	2,368	2,413	2,459	2,506	2,553	2,601	2,650	2,701	1,798
Cumulative ($Millions)	*$1.9 M*	*$3.7 M*	*$6.0 M*	*$8.3 M*	*$10.7 M*	*$13.1 M*	*$15.5 M*	*$18.0 M*	*$20.6 M*	*$23.2 M*	*$25.8 M*	*$28.5 M*	*$30.3 M*

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.
(3) Amounts are from Table 7.3
(4) Reflects 68.11% of debt service on refunding of 2003C bonds based on % of original proceeds used for Bayport Project. Debt service on refunding of 2003C bonds per Piper Jaffray 10-20-2014 estimate (wrap scenario).
(5) Bayport "80% TI" is committed pursuant to Alameda Landing DDA until obligation of up to $35.5 million is paid in full.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
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Table 7.4
Alameda Landing DDA Obligation
Based on 2% Growth in AVs
City of Alameda Successor Agency **GROWTH AT 2% PER YEAR**
$Thousands

	FY 13-14	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
I. Non-Pledged Alameda Landing TI												
a. Alameda Landing Assessed Value												
Real Property AV @ 2% Growth(1)		89,094	90,876	92,693	94,547	96,438	98,367	100,334	102,341	104,388	106,475	108,605
Personal Property AV at 0% growth		3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244
Total Assessed Value		94,120	95,937	97,791	99,682	101,611	103,578	105,585	107,632	109,719	111,849	114,021
b. Gross RPTTF at 1% of Incr Value		941	959	978	997	1,016	1,036	1,056	1,076	1,097	1,118	1,140
c. Less: County Admin (2)		(10)	(10)	(10)	(10)	(10)	(11)	(11)	(11)	(11)	(12)	(12)
d. Less: Pass Throughs		(338)	(346)	(353)	(361)	(369)	(377)	(385)	(394)	(402)	(411)	(420)
Excluded Alameda Landing Net RPTTF [not pledged to Bonds]		593	604	614	625	637	648	660	672	684	696	709
II. DDA Payments from Bayport "80% TI"												
a. Exchange Area Gross RPTTF(3)		4,888	4,986	5,085	5,187	*Maximum potential obligation amount of $35.5 Million paid in full.*						
Less: Pass Through & Co. Admin(3)		(1,155)	(1,188)	(1,221)	(1,255)							
Less: Former 20% Housing		(978)	(997)	(1,017)	(1,037)							
Exchange Area 80% TI		2,755	2,801	2,847	2,894							
b. Bayport share of BWIP Exch. @98.6%		2,716	2,761	2,807	2,854							
Less: amount above $35.5 Million		0	0	0	0							
Less: Share of Refunding Debt (4)		(2,206)	(2,208)	(2,212)	(944)							
DDA Payments from Bayport "80% TI"(5)		511	554	595	1,910							
III. Alameda DDA Payments												
a. From Excluded Alameda Landing RPTTF		593	604	614	625							
Less: former Housing		(118)	(121)	(123)	(125)							
Less: amount above $35.5 Million		0	0	0	(351)							
Payment from Alameda Landing "80% TI"		475	483	491	149							
b. From Bayport 80% Tax Increment		511	554	595	1,910							
c. Total Payments		985	1,036	1,087	2,059							
Cumulative ($Millions)	*$1.9 M*	*$31.3 M*	*$32.4 M*	*$33.4 M*	*$35.5 M*	*paid in full*						

Notes:

(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.

(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

(3) Amounts are from Table 7.3

(4) Reflects 68.11% of debt service on refunding of 2003C bonds based on % of original proceeds used for Bayport Project. Debt service on refunding of 2003C bonds per Piper Jaffray 10-20-2014 estimate (wrap scenario).

(5) Bayport "80% TI" is committed pursuant to Alameda Landing DDA until obligation of up to $35.5 million is paid in full.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
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Table 7.4
Alameda Landing DDA Obligation
Based on 2% Growth in AVs
City of Alameda Successor Agency — — **GROWTH AT 2% PER YEAR**

$Thousands	BWIP Orginal TI Receipt 6/18/2042					BWIP Exchange TI Receipt 4/1/2049						
	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49
I. Non-Pledged Alameda Landing TI												
a. Alameda Landing Assessed Value												
Real Property AV @ 2% Growth[1]	110,777	112,992	115,252	117,557	119,908	9,402	9,590	9,781	9,977	10,177	10,380	10,588
Personal Property AV at 0% growth	3,244	3,244	3,244	3,244	3,244	0	0	0	0	0	0	0
Total Assessed Value	116,237	118,496	120,802	123,153	125,551	9,590	9,781	9,977	10,177	10,380	10,588	10,799
b. Gross RPTTF at 1% of Incr Value	1,162	1,185	1,208	1,232	1,256	96	98	100	102	104	106	54
c. Less: County Admin [2]	(12)	(12)	(12)	(13)	(13)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
d. Less: Pass Throughs	(429)	(438)	(448)	(458)	(468)	(25)	(26)	(26)	(27)	(28)	(29)	(15)
Excluded Alameda Landing Net RPTTF [not pledged to Bonds]	721	734	748	761	774	70	71	72	74	75	76	39
II. DDA Payments from Bayport "80% TI"												
a. Exchange Area Gross RPTTF[3]												
Less: Pass Through & Co. Admin[3]												
Less: Former 20% Housing												
Exchange Area 80% TI												
b. Bayport share of BWIP Exch. @98.6%												
Less: amount above $35.5 Million												
Less: Share of Refunding Debt [4]												
DDA Payments from Bayport "80% TI"[5]												
III. Alameda DDA Payments												
a. From Excluded Alameda Landing RPTTF												
Less: former Housing												
Less: amount above $35.5 Million												
Payment from Alameda Landing "80% TI"												
b. From Bayport 80% Tax Increment												
c. Total Payments												

	FY 13-14
Cumulative ($Millions)	*$1.9 M*

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.
(3) Amounts are from Table 7.3
(4) Reflects 68.11% of debt service on refunding of 2003C bonds based on % of original proceeds used for Bayport Project. Debt service on refunding of 2003C bonds per Piper Jaffray 10-20-2014 estimate (wrap scenario).
(5) Bayport "80% TI" is committed pursuant to Alameda Landing DDA until obligation of up to $35.5 million is paid in full.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
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Table 8.0
Projected Tax Revenues - No Growth
WECIP/BWIP Merged Project Area
City of Alameda Successor Agency

NO GROWTH PROJECTION

Fiscal Year	Gross RPTTF Revenue (*$Thousands*) WECIP	BWIP Original	BWIP Exchange	Merged Project Total	Less: County Administrative Expense	Less: Pass Through Payments	Less: Excluded Alameda Landing RPTTF(1)	Less: Alameda Landing DDA Payments From Bayport 80% TI (1)	Less: 2011 A & B Bond Debt Service	MERGED PROJECT TAX REVENUES
	Table 8.1	Table 8.2	Table 8.3		*$Thousands*	*$Thousands*	*$Thousands*	*$Thousands*	*$Thousands*	*$Thousands*
2014-15	$4,533	$7,558	$3,855	$15,946	($164)	($3,314)	($477)	($1,359)	($880)	$9,752
2015-16	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644
2016-17	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644
2017-18	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644
2018-19	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(880)	8,644
2019-20	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(920)	8,604
2020-21	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(948)	8,576
2021-22	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(974)	8,550
2022-23	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(1,003)	8,521
2023-24	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(1,035)	8,488
2024-25	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,854)	(1,065)	8,459
2025-26	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(901)	(1,098)	9,379
2026-27	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(36)	(1,128)	10,214
2027-28	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(34)	(1,163)	10,182
2028-29	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(30)	(1,193)	10,156
2029-30	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(1,298)	(1,228)	8,853
2030-31	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(2,242)	(1,262)	7,875
2031-32	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	(2,242)	(1,300)	7,837
2032-33	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	0	(1,529)	9,849
2033-34	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	0	(1,564)	9,814
2034-35	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	0	(1,604)	9,774
2035-36	3,966	7,426	3,855	15,247	(157)	(3,235)	(477)	0	(1,639)	9,739
2036-37	0	7,426	3,855	11,281	(116)	(3,235)	(477)	0	(577)	6,877
2037-38	0	7,426	3,855	11,281	(116)	(3,235)	(477)	0	(595)	6,858
2038-39	0	7,426	3,855	11,281	(116)	(3,235)	(477)	0	(619)	6,834
2039-40	0	7,426	3,855	11,281	(116)	(3,235)	(477)	0	(644)	6,810
2040-41	0	7,426	3,855	11,281	(116)	(3,235)	(477)	0	(667)	6,786
2041-42	0	7,426	3,855	11,281	(116)	(3,235)	(477)	0	0	7,453
2042-43	0	0	3,855	3,855	(40)	(771)	(43)	0	0	3,002
2043-44	0	0	3,855	3,855	(40)	(771)	(43)	0	0	3,002
2044-45	0	0	3,855	3,855	(40)	(771)	(43)	0	0	3,002
2045-46	0	0	3,855	3,855	(40)	(771)	(43)	0	0	3,002
2046-47	0	0	3,855	3,855	(40)	(771)	(43)	0	0	3,002
2047-48	0	0	3,855	3,855	(40)	(771)	(43)	0	0	3,002
2048-49	0	0	1,928	1,928	(20)	(386)	(21)	0	0	1,501

(1) See description of this obligation in Report text Section 2.5 and supporting detail on Table 8.4. Deductions reflect a) exclusion of non-pledged RPTTF generated by the Alameda Landing Project and b) payments from "80% Tax Increment" generated by the Bayport Project net of that portion which is available to pay an allocable share of debt service on the Refunding Bonds in proportion to the proceeds of the prior bonds used for Bayport infrastructure.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 8.1
Projection of RPTTF Revenues - No Growth
WECIP Project Area
City of Alameda Successor Agency ***Page 1 of 3*** **NO GROWTH PROJECTION**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
I.	**Real Property Assessed Value**	$391,129	391,129	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422
	Prop 13 Inflationary Growth [1]		*No growth projection*								
	Estimated Appeal Reduction	0	(56,707)	0	0	0	0	0	0	0	0
	Total Real Property	391,129	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422
II.	**Personal Property Assessed Value**	72,258	72,258	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
	Estimated Appeal Reduction	0	(40)	0	0	0	0	0	0	0	0
	Total Personal Property	72,258	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
III.	**Total Assessed Value**	463,386	406,639	406,639	406,639	406,639	406,639	406,639	406,639	406,639	406,639
	Less Base Value	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)
	Incremental Value	449,624	392,877	392,877	392,877	392,877	392,877	392,877	392,877	392,877	392,877
IV.	**Gross RPTTF at 1% of Incr Value**	4,496	3,929	3,929	3,929	3,929	3,929	3,929	3,929	3,929	3,929
	SBE Unitary Revenue	37	37	37	37	37	37	37	37	37	37
	Subtotal Gross Tax Increment	4,533	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966
V.	**Less: County Admin & Pass Through**										
	County Admin Expense [2]	47	41	41	41	41	41	41	41	41	41
	Statutory Pass Through (H&S 33607.5)	31	0	0	0	0	0	0	0	0	0
	Total Co. Admin and Pass Throughs	78	41	41	41	41	41	41	41	41	41
VI.	**WECIP Net RPTTF Revenue**	4,455	3,925	3,925	3,925	3,925	3,925	3,925	3,925	3,925	3,925

Notes:
(1) No Growth Projection.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 8.1
Projection of RPTTF Revenues - No Growth
WECIP Project Area
City of Alameda Successor Agency ***Page 2 of 3*** **NO GROWTH PROJECTION**
$Thousands

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
I.	**Real Property Assessed Value**	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422
	Prop 13 Inflationary Growth [1]									
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Real Property	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422	334,422
II.	**Personal Property Assessed Value**	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Personal Property	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218	72,218
III.	**Total Assessed Value**	406,639	406,639	406,639	406,639	406,639	406,639	406,639	406,639	406,639
	Less Base Value	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)	(13,762)
	Incremental Value	392,877	392,877	392,877	392,877	392,877	392,877	392,877	392,877	392,877
IV.	**Gross RPTTF at 1% of Incr Value**	3,929	3,929	3,929	3,929	3,929	3,929	3,929	3,929	3,929
	SBE Unitary Revenue	37	37	37	37	37	37	37	37	37
	Subtotal Gross Tax Increment	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966	3,966
V.	**Less: County Admin & Pass Through**									
	County Admin Expense [2]	41	41	41	41	41	41	41	41	41
	Statutory Pass Through (H&S 33607.5)	0	0	0	0	0	0	0	0	0
	Total Co. Admin and Pass Throughs	41	41	41	41	41	41	41	41	41
VI.	**WECIP Net RPTTF Revenue**	3,925	3,925	3,925	3,925	3,925	3,925	3,925	3,925	3,925

Notes:
[1] No Growth Projection.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 8.1
Projection of RPTTF Revenues - No Growth
WECIP Project Area
City of Alameda Successor Agency ***Page 3 of 3*** **NO GROWTH PROJECTION**
$Thousands

		TI Receipt 7/5/2036		
		2033-34	2034-35	2035-36
I.	**Real Property Assessed Value**	334,422	334,422	334,422
	Prop 13 Inflationary Growth [1]			
	Estimated Appeal Reduction	0	0	0
	Total Real Property	334,422	334,422	334,422
II.	**Personal Property Assessed Value**	72,218	72,218	72,218
	Estimated Appeal Reduction	0	0	0
	Total Personal Property	72,218	72,218	72,218
III.	**Total Assessed Value**	406,639	406,639	406,639
	Less Base Value	(13,762)	(13,762)	(13,762)
	Incremental Value	392,877	392,877	392,877
IV.	**Gross RPTTF at 1% of Incr Value**	3,929	3,929	3,929
	SBE Unitary Revenue	37	37	37
	Subtotal Gross Tax Increment	3,966	3,966	3,966
V.	**Less: County Admin & Pass Through**			
	County Admin Expense [2]	41	41	41
	Statutory Pass Through (H&S 33607.5)	0	0	0
	Total Co. Admin and Pass Throughs	41	41	41
VI.	**WECIP Net RPTTF Revenue**	3,925	3,925	3,925

Notes:
[1] No Growth Projection.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; WECIP NG; 11/17/2014; dd

Table 8.2
Projection of RPTTF Revenues - No Growth
BWIP Original Project Area
City of Alameda Successor Agency *Page 1 of 3* **NO GROWTH PROJECTION**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
I.	**Real Property Assessed Value**	$900,590	900,590	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581
	Prop 13 Inflationary Growth [1]	0	*No growth projection*								
	Estimated Appeal Reduction	0	(13,009)	0	0	0	0	0	0	0	0
	Total Real Property	900,590	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581
II.	**Personal Property Assessed Value**	145,825	145,825	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
	Estimated Appeal Reduction	0	(154)	0	0	0	0	0	0	0	0
	Total Personal Property	145,825	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
III.	**Total Assessed Value**	1,046,414	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251
	Less Base Value	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)
	Incremental Value	754,755	741,592	741,592	741,592	741,592	741,592	741,592	741,592	741,592	741,592
IV.	**Gross RPTTF at 1% of Incr Value**	7,548	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416
	SBE Unitary Revenue	10	10	10	10	10	10	10	10	10	10
	Subtotal Gross Tax Increment	7,558	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426
V.	**Less: County Admin & Pass Throughs**										
	County Admin Expense [2]	78	76	76	76	76	76	76	76	76	76
	H&S 33676 Payments	517	517	517	517	517	517	517	517	517	517
	County Pass Through Agreement	973	956	956	956	956	956	956	956	956	956
	AUSD Pass Through Agreement	789	774	774	774	774	774	774	774	774	774
	EBRPD Pass Through Agreement	16	15	15	15	15	15	15	15	15	15
	County Super. of Schools PT Agmt	6	5	5	5	5	5	5	5	5	5
	Peralta CC Pass Through Agreement	33	33	33	33	33	33	33	33	33	33
	Statutory Pass Through (H&S 33607.5)	178	163	163	163	163	163	163	163	163	163
	Total Co. Admin and Pass Throughs	2,589	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
VI.	**BWIP Original Area Net RPTTF Revenue**	4,968	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886

Notes:
[1] No Growth Projection.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Original NG; 11/17/2014; dd

Table 8.2
Projection of RPTTF Revenues - No Growth
BWIP Original Project Area
City of Alameda Successor Agency **NO GROWTH PROJECTION**
$Thousands

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
I.	**Real Property Assessed Value**	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581
	Prop 13 Inflationary Growth [1]									
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Real Property	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581
II.	**Personal Property Assessed Value**	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Personal Property	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
III.	**Total Assessed Value**	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251
	Less Base Value	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)
	Incremental Value	741,592	741,592	741,592	741,592	741,592	741,592	741,592	741,592	741,592
IV.	**Gross RPTTF at 1% of Incr Value**	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416
	SBE Unitary Revenue	10	10	10	10	10	10	10	10	10
	Subtotal Gross Tax Increment	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense [2]	76	76	76	76	76	76	76	76	76
	H&S 33676 Payments	517	517	517	517	517	517	517	517	517
	County Pass Through Agreement	956	956	956	956	956	956	956	956	956
	AUSD Pass Through Agreement	774	774	774	774	774	774	774	774	774
	EBRPD Pass Through Agreement	15	15	15	15	15	15	15	15	15
	County Super. of Schools PT Agmt	5	5	5	5	5	5	5	5	5
	Peralta CC Pass Through Agreement	33	33	33	33	33	33	33	33	33
	Statutory Pass Through (H&S 33607.5)	163	163	163	163	163	163	163	163	163
	Total Co. Admin and Pass Throughs	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
VI.	**BWIP Original Area Net RPTTF Revenue**	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886

Notes:
[1] No Growth Projection.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Original NG; 11/17/2014; dd

Table 8.2
Projection of RPTTF Revenues - No Growth
BWIP Original Project Area
City of Alameda Successor Agency ***Page 3 of 3*** **NO GROWTH PROJECTION**
$Thousands

TI Receipt 6/18/2042

		2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
I.	**Real Property Assessed Value**	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581
	Prop 13 Inflationary Growth [1]									
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Real Property	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581	887,581
II.	**Personal Property Assessed Value**	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0
	Total Personal Property	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671	145,671
III.	**Total Assessed Value**	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251	1,033,251
	Less Base Value	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)	(291,660)
	Incremental Value	741,592	741,592	741,592	741,592	741,592	741,592	741,592	741,592	741,592
IV.	**Gross RPTTF at 1% of Incr Value**	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416	7,416
	SBE Unitary Revenue	10	10	10	10	10	10	10	10	10
	Subtotal Gross Tax Increment	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426	7,426
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense [2]	76	76	76	76	76	76	76	76	76
	H&S 33676 Payments	517	517	517	517	517	517	517	517	517
	County Pass Through Agreement	956	956	956	956	956	956	956	956	956
	AUSD Pass Through Agreement	774	774	774	774	774	774	774	774	774
	EBRPD Pass Through Agreement	15	15	15	15	15	15	15	15	15
	County Super. of Schools PT Agmt	5	5	5	5	5	5	5	5	5
	Peralta CC Pass Through Agreement	33	33	33	33	33	33	33	33	33
	Statutory Pass Through (H&S 33607.5)	163	163	163	163	163	163	163	163	163
	Total Co. Admin and Pass Throughs	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540	2,540
VI.	**BWIP Original Area Net RPTTF Revenue**	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886

Notes:
[1] No Growth Projection.
[2] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Original NG; 11/17/2014; dd

Table 8.3
Projection of RPTTF Revenues - No Growth
BWIP Exchange Area
City of Alameda Successor Agency ***Page 1 of 4*** **NO GROWTH PROJECTION**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
I.	**Real Property Assessed Value**	$385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079
	Prop 13 Inflationary Growth (1)		No Growth Projection								
	Total Real Property	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512
IV.	**Gross RPTTF at 1% of Incr Value**	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
	SBE Unitary Revenue	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
V.	**Less: County Admin & Pass Throughs**										
	County Admin Expense (2)	40	40	40	40	40	40	40	40	40	40
	Statutory Pass Through (H&S 33607.5)	771	771	771	771	771	771	771	771	771	771
	Total Co. Admin and Pass Throughs	811	811	811	811	811	811	811	811	811	811
VI.	**BWIP Exchange Net RPTTF Revenue**	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044

Notes:
(1) No Growth Projection.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Exchange NG; 11/17/2014; dd

Table 8.3
Projection of RPTTF Revenues - No Growth
BWIP Exchange Area
City of Alameda Successor Agency *Page 2 of 4* **NO GROWTH PROJECTION**
$Thousands

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33
I.	**Real Property Assessed Value**	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079
	Prop 13 Inflationary Growth (1)									
	Total Real Property	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512
IV.	**Gross RPTTF at 1% of Incr Value**	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
	SBE Unitary Revenue	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense (2)	40	40	40	40	40	40	40	40	40
	Statutory Pass Through (H&S 33607.5)	771	771	771	771	771	771	771	771	771
	Total Co. Admin and Pass Throughs	811	811	811	811	811	811	811	811	811
VI.	**BWIP Exchange Net RPTTF Revenue**	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044

Notes:
(1) No Growth Projection.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Exchange NG; 11/17/2014; dd

Table 8.3
Projection of RPTTF Revenues - No Growth
BWIP Exchange Area
City of Alameda Successor Agency ***Page 3 of 4*** **NO GROWTH PROJECTION**
$Thousands

		2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42
I.	**Real Property Assessed Value**	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079
	Prop 13 Inflationary Growth [(1)]									
	Total Real Property	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079	385,079
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723	386,723
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512	385,512
IV.	**Gross RPTTF at 1% of Incr Value**	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
	SBE Unitary Revenue	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
V.	**Less: County Admin & Pass Throughs**									
	County Admin Expense [(2)]	40	40	40	40	40	40	40	40	40
	Statutory Pass Through (H&S 33607.5)	771	771	771	771	771	771	771	771	771
	Total Co. Admin and Pass Throughs	811	811	811	811	811	811	811	811	811
VI.	**BWIP Exchange Net RPTTF Revenue**	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044	3,044

Notes:
[(1)] No Growth Projection.
[(2)] Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Exchange NG; 11/17/2014; dd

Table 8.3
Projection of RPTTF Revenues - No Growth
BWIP Exchange Area
City of Alameda Successor Agency ***Page 4 of 4*** **NO GROWTH PROJECTION**
$Thousands

		2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	TI Receipt 4/1/2049 (1/2 year TI) 2048-49
I.	**Real Property Assessed Value**	385,079	385,079	385,079	385,079	385,079	385,079	385,079
	Prop 13 Inflationary Growth (1)							
	Total Real Property	385,079	385,079	385,079	385,079	385,079	385,079	385,079
II.	**Personal Property Assessed Value**	1,644	1,644	1,644	1,644	1,644	1,644	1,644
III.	**Total Assessed Value**	386,723	386,723	386,723	386,723	386,723	386,723	386,723
	Less Base Value	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)	(1,211)
	Incremental Value	385,512	385,512	385,512	385,512	385,512	385,512	385,512
IV.	**Gross RPTTF at 1% of Incr Value**	3,855	3,855	3,855	3,855	3,855	3,855	1,928
	SBE Unitary Revenue	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	3,855	3,855	3,855	3,855	3,855	3,855	1,928
V.	**Less: County Admin & Pass Throughs**							
	County Admin Expense (2)	40	40	40	40	40	40	20
	Statutory Pass Through (H&S 33607.5)	771	771	771	771	771	771	386
	Total Co. Admin and Pass Throughs	811	811	811	811	811	811	405
VI.	**BWIP Exchange Net RPTTF Revenue**	3,044	3,044	3,044	3,044	3,044	3,044	1,522

Notes:
(1) No Growth Projection.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\10\10004\046\Alameda FCR Proj 11-17-2014; BWIP Exchange NG; 11/17/2014; dd

Table 8.4
Alameda Landing DDA Obligation
Based on 0% Growth in AVs
City of Alameda Successor Agency ***Page 1 of 3*** **NO GROWTH PROJECTION**
$Thousands

		Reported AV 2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
I. Non-Pledged Alameda Landing TI													
a. Alameda Landing Assessed Value													
Real Property AV @ 0% Growth(1)		$71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655
Personal Property AV at 0% growth		3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244
Total Assessed Value		74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899
b. Gross RPTTF at 1% of Incr Value		749	749	749	749	749	749	749	749	749	749	749	749
c. Less: County Admin (2)		(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
d. Less: Pass Throughs		(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)
Excluded Alameda Landing Net RPTTF [not pledged to Bonds]		477	477	477	477	477	477	477	477	477	477	477	477
II. DDA Payments from Bayport "80% TI"													
a. Exchange Area Gross RPTTF(3)		3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855	3,855
Less: Pass Through & Co. Admin(3)		(811)	(811)	(811)	(811)	(811)	(811)	(811)	(811)	(811)	(811)	(811)	(811)
Less: Former 20% Housing		(771)	(771)	(771)	(771)	(771)	(771)	(771)	(771)	(771)	(771)	(771)	(771)
Exchange Area 80% TI		2,273	2,273	2,273	2,273	2,273	2,273	2,273	2,273	2,273	2,273	2,273	2,273
b. Bayport share of BWIP Exch. @98.6%		2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242	2,242
Less: amount above $35.5 Million		0	0	0	0	0	0	0	0	0	0	0	0
Less: Share of Refunding Debt (4)		(883)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(387)	(1,341)
DDA Payments from Bayport "80% TI"(5)		1,359	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	901
III. Total Alameda DDA Payments													
a. Excluded Alameda Landing RPTTF		477	477	477	477	477	477	477	477	477	477	477	477
Less: former Housing		(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)
Less: amount above $35.5 Million		0	0	0	0	0	0	0	0	0	0	0	0
Payment from Alameda Landing "80% TI"		383	383	383	383	383	383	383	383	383	383	383	383
b. From Bayport 80% Tax Increment		1,359	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	1,854	901
c. Total Payments		1,742	2,237	2,237	2,237	2,237	2,237	2,237	2,237	2,237	2,237	2,237	1,284
	FY 13-14												
Cumulative ($Millions)	*$1.9 M*	*$3.7 M*	*$5.9 M*	*$8.2 M*	*$10.4 M*	*$12.6 M*	*$14.9 M*	*$17.1 M*	*$19.3 M*	*$21.6 M*	*$23.8 M*	*$26.1 M*	*$27.3 M*

Notes:

(1) No Growth Projection.

(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.

(3) Amounts are from Table 8.3

(4) Reflects 68.11% of debt service on refunding of 2003C bonds based on % of original proceeds used for Bayport Project. Debt service on refunding of 2003C bonds per Piper Jaffray 10-20-2014 estimate (wrap scenario).

(5) Bayport "80% TI" is committed pursuant to Alameda Landing DDA. Maximum potential obligation is $35.5 million.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 8.4
Alameda Landing DDA Obligation
Based on 0% Growth in AVs
City of Alameda Successor Agency ***Page 2 of 3*** **NO GROWTH PROJECTION**
$Thousands

		2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
I. Non-Pledged Alameda Landing TI												
a. Alameda Landing Assessed Value												
Real Property AV @ 0% Growth(1)		71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655	71,655
Personal Property AV at 0% growth		3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244
Total Assessed Value		74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899
b. Gross RPTTF at 1% of Incr Value		749	749	749	749	749	749	749	749	749	749	749
c. Less: County Admin (2)		(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
d. Less: Pass Throughs		(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)	(264)
Excluded Alameda Landing Net RPTTF [not pledged to Bonds]		477	477	477	477	477	477	477	477	477	477	477
II. DDA Payments from Bayport "80% TI"												
a. Exchange Area Gross RPTTF(3)		3,855	3,855	3,855	3,855	3,855	3,855	*Maximum potential obligation*				
Less: Pass Through & Co. Admin(3)		(811)	(811)	(811)	(811)	(811)	(811)	*amount of $35.5 Million paid in full.*				
Less: Former 20% Housing		(771)	(771)	(771)	(771)	(771)	(771)					
Exchange Area 80% TI		2,273	2,273	2,273	2,273	2,273	2,273					
b. Bayport share of BWIP Exch. @98.6%		2,242	2,242	2,242	2,242	2,242	2,242					
Less: amount above $35.5 Million		0	0	0	0	0	0					
Less: Share of Refunding Debt (4)		(2,206)	(2,208)	(2,212)	(944)	0	0					
DDA Payments from Bayport "80% TI"(5)		36	34	30	1,298	2,242	2,242					
III. Total Alameda DDA Payments												
a. Excluded Alameda Landing RPTTF		477	477	477	477	477	477					
Less: former Housing		(94)	(94)	(94)	(94)	(94)	(94)					
Less: amount above $35.5 Million		0	0	0	0	0	(13)					
Payment from Alameda Landing "80% TI"		383	383	383	383	383	370					
b. From Bayport 80% Tax Increment		36	34	30	1,298	2,242	2,242					
c. Total Payments		419	417	412	1,680	2,624	2,612					
	FY 13-14											
Cumulative ($Millions)	*$1.9 M*	*$27.8 M*	*$28.2 M*	*$28.6 M*	*$30.3 M*	*$32.9 M*	*$35.5 M*	*paid in full*				

Notes:
(1) No Growth Projection.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.
(3) Amounts are from Table 8.3
(4) Reflects 68.11% of debt service on refunding of 2003C bonds based on % of original proceeds used for Bayport Project. Debt service on refunding of 2003C bonds per Piper Jaffray 10-20-2014 estimate (wrap scenario).
(5) Bayport "80% TI" is committed pursuant to Alameda Landing DDA. Maximum potential obligation is $35.5 million.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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Table 8.4
Alameda Landing DDA Obligation
Based on 0% Growth in AVs
City of Alameda Successor Agency ***Page 3 of 3*** **NO GROWTH PROJECTION**

$Thousands					BWIP Orginal TI Receipt 6/18/2042							BWIP Exchange TI Receipt 4/1/2049
	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49
I. Non-Pledged Alameda Landing TI												
a. Alameda Landing Assessed Value												
Real Property AV @ 0% Growth[1]	71,655	71,655	71,655	71,655	71,655	5,400	5,400	5,400	5,400	5,400	5,400	5,400
Personal Property AV at 0% growth	3,244	3,244	3,244	3,244	3,244	0	0	0	0	0	0	0
Total Assessed Value	74,899	74,899	74,899	74,899	74,899	5,400	5,400	5,400	5,400	5,400	5,400	5,400
b. Gross RPTTF at 1% of Incr Value	749	749	749	749	749	54	54	54	54	54	54	27
c. Less: County Admin [2]	(8)	(8)	(8)	(8)	(8)	(1)	(1)	(1)	(1)	(1)	(1)	(0)
d. Less: Pass Throughs	(264)	(264)	(264)	(264)	(264)	(11)	(11)	(11)	(11)	(11)	(11)	(5)
Excluded Alameda Landing Net RPTTF [not pledged to Bonds]	477	477	477	477	477	43	43	43	43	43	43	21
II. DDA Payments from Bayport "80% TI"												
a. Exchange Area Gross RPTTF[3]												
Less: Pass Through & Co. Admin[3]												
Less: Former 20% Housing												
Exchange Area 80% TI												
b. Bayport share of BWIP Exch. @98.6%												
Less: amount above $35.5 Million												
Less: Share of Refunding Debt [4]												
DDA Payments from Bayport "80% TI"[5]												
III. Total Alameda DDA Payments												
a. Excluded Alameda Landing RPTTF												
Less: former Housing												
Less: amount above $35.5 Million												
Payment from Alameda Landing "80% TI"												
b. From Bayport 80% Tax Increment												
c. Total Payments												

	FY 13-14
Cumulative ($Millions)	*$1.9 M*

Notes:
(1) No Growth Projection.
(2) Projected at 1.03% of gross RPTTF based on actual for FY 2013-14.
(3) Amounts are from Table 8.3
(4) Reflects 68.11% of debt service on refunding of 2003C bonds based on % of original proceeds used for Bayport Project. Debt service on refunding of 2003C bonds per Piper Jaffray 10-20-2014 estimate (wrap scenario).
(5) Bayport "80% TI" is committed pursuant to Alameda Landing DDA. Maximum potential obligation is $35.5 million.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

CALIFORNIA

ENDORSEMENT TO

MUNICIPAL BOND INSURANCE POLICY

NO.

This Policy is not covered by the California Insurance Guaranty Association established pursuant to Article 15.2 of Chapter 1 of Part 2 of Division 1 of the California Law.

Nothing herein shall be construed to waive, alter, reduce or amend coverage in any other section of the Policy. If found contrary to the Policy language, the terms of this Endorsement supersede the Policy language

IN WITNESS WHEREOF, BUILDAMERICA MUTUAL ASSURANCE COMPANY has caused this policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By

____

Authorized Officer