NEW ISSUE—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 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. 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.

$37,550,000
SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD
(Contra Costa County, California)
Tax Allocation Refunding Bonds, Series 2014

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

The $37,550,000 Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014 (the "Bonds"), are being issued by the Successor Agency of the Redevelopment Agency of the City of Concord (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 October 1, 2014, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Indenture"), to (a) refund (i) the outstanding City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001, secured, pursuant to a reimbursement agreement, by tax increment revenues from the Central Concord Redevelopment Project (the "Redevelopment Project"), and (ii) the outstanding Redevelopment Agency of the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004, secured by tax increment revenues from the Redevelopment Project, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash 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 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 not subject to redemption prior to maturity.

The Bonds are payable from and secured by the Tax Revenues as defined herein and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement. See "SECURITY FOR THE BONDS" herein.

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 Bonds maturing on March 1 of the years 2020 through 2025, inclusive, with CUSIP numbers 206140 AF2, 206140 AG0, 206140 AH8, 206140 AJ4, 206140 AK1 and 206140 AL9 (collectively, the "Insured Bonds") when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Inured Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.** The scheduled payment of principal of and interest on the Bonds maturing on March 1 of the years 2015 through 2019, inclusive, will not be insured.

The Bonds and interest thereon are not a debt of the City of Concord (the "City"), Contra Costa 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.

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. Certain legal matters will be passed on for the Successor Agency by Mark S. Coon, Esq., the Concord City Attorney, acting as general counsel to the Successor Agency, and for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about October 21, 2014.

STIFEL

Dated: October 1, 2014

$37,550,000
SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF CONCORD
(Contra Costa County, California)
Tax Allocation Refunding Bonds, Series 2014

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

UNINSURED BONDS

CUSIP† Prefix: 206140

Maturity (March 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2015	$4,100,000	4.000%	0.230%	AA3
2016	4,205,000	4.000	0.510	AB1
2017	4,380,000	5.000	0.730	AC9
2018	4,605,000	5.000	1.030	AD7
2019	4,825,000	5.000	1.330	AE5

INSURED BONDS

CUSIP† Prefix: 206140

Maturity (March 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2020	$2,440,000	5.000%	1.650%	AF2
2021	2,560,000	5.000	1.970	AG0
2022	2,690,000	5.000	2.250	AH8
2023	2,825,000	5.000	2.460	AJ4
2024	2,400,000	5.000	2.620	AK1
2025	2,520,000	5.000	2.730	AL9

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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 Central Concord Projects 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 Concord maintains an Internet website, but the information on the website is not incorporated in this Official Statement. The City has no obligation whatsoever with respect to the Bonds or any other obligations of the Successor Agency.

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.

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SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF CONCORD
CONCORD, CALIFORNIA

SUCCESSOR AGENCY*

Tim Grayson, *Chair*
Ron Leone, *Vice Chair*
Edi Birsan, *Board Member*
Daniel C. Helix, *Board Member*
Laura Hoffmeister, *Board Member*

SUCCESSOR AGENCY STAFF*

Valerie J. Barone, *Executive Director*
Scott P. Johnson, *Assistant Executive Director*
Karan Reid, *Treasurer*
Mary Rae Lehman, *Secretary*
Mark S. Coon, *Successor Agency Counsel*

SPECIAL SERVICES

Financial Advisor
Fieldman, Rolapp & Associates, Inc.
Irvine, California

Bond and Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Fiscal Consultant
Keyser Marston Associates
San Francisco, California

Trustee
The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

Verification Agent
Grant Thornton LLP
Minneapolis, Minnesota

* The City Council of the City serves as the Governing Board of the Successor Agency and City staff serves as staff to the Successor Agency.

OFFICIAL STATEMENT

$37,550,000
SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF CONCORD
(Contra Costa County, California)
Tax Allocation Refunding Bonds, Series 2014

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency of the Redevelopment Agency of the City of Concord (the "Successor Agency") of its $37,550,000 Successor Agency of the Redevelopment Agency of the City of Concord (Contra Costa County, California) Tax Allocation Refunding Bonds, Series 2014 (the "Bonds").

Authority and Purpose

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

The Successor Agency is issuing the Bonds to (a) refund (i) the City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001, currently outstanding in the principal amount of $5,230,000 (the "2001 Authority Bonds"), secured, pursuant to a reimbursement agreement (the "2001 Reimbursement Agreement"), by tax increment revenues from the Central Concord Redevelopment Project (the "Central Concord Project"), and (ii) the Redevelopment Agency of the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004, currently outstanding in the principal amount of $40,925,000 (the "2004 Former Agency Bonds"), secured by tax increment revenues from the Central Concord Project, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash funding a debt service reserve fund for the Bonds, and (c) provide for the costs of issuing the Bonds.

The City, the County, the Former Agency and the Successor Agency

City and County. The City of Concord (the "City") is located in north central Contra Costa County (the "County"), approximately 29 miles northeast of San Francisco, and is the largest and most populous of the County's 19 cities. The County is one of nine counties comprising the economic-geographic unit known as the San Francisco Bay Area. The City was incorporated in 1905 and operates as a general law city. The City has a Council-Manager form of government. Five council members, including a mayor, are elected at large. For certain information with respect to the City, see APPENDIX F—CITY OF CONCORD SUPPLEMENTAL INFORMATION.

Former Agency. The Redevelopment Agency of the City of Concord (the "Former Agency") was a redevelopment agency 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 Former Agency was activated on March 12, 1973, by Ordinance No. 923 of the City Council of the City and the City Council of the City declared itself to be 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 California Health and Safety Code, 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 of 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 public entity and 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.

Project Areas

Central Concord Project. The Former Agency adopted a redevelopment plan (the "Redevelopment Plan") for the Central Concord Project in 1974. The Central Concord Project consists of approximately 1,083 acres or approximately 5% of the area of the City. The Project Area is zoned for mixed land uses with commercial, industrial and residential uses. The total assessed valuation of taxable property in the Central Concord Project in fiscal year 2014-15 is over $1.77 billion, and the corresponding incremental assessed valuation is approximately $1.43 billion. See "THE CENTRAL CONCORD PROJECT" for a description of amendments of the Redevelopment Plan and related limitations and for information on land use, assessed valuation and property ownership within the Central Concord Project.

Reuse Project. The Concord Community Reuse Redevelopment Project (the "Reuse Project") was adopted by ordinance of the City Council of the City on April 26, 2011. The Reuse Project consists of all areas within the boundaries of the inland portion of the former Concord Naval Weapons Station base area and certain parcels adjacent to the Base Area commonly known as the City-owned portion of the Diablo Creek Golf Course, the Coast Guard Property and the North Concord BART Station Property. No bonds have been issued for the Reuse Project. The Bonds are not secured by any tax revenues generated in the Reuse 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 (a) 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 (b) 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 a pledge of the Tax Revenues and 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 Contra Costa 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 Central Concord 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 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 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 on each January 2 and June 1 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 Reuse Project, less the Senior Reimbursement Agreement (hereinafter defined), all Statutory Pass-Through Amounts, and all amounts required to be paid to other taxing entities pursuant to the Pass-Through Agreement. 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, subordinate to pass-through obligations, 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. ***Tax Revenues include and are limited to property tax revenues generated in the Central Concord Project.***

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 the principal and interest on the Bonds maturing on March 1 of the years 2020 through 2025, inclusive (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by Build America Mutual Assurance Company ("BAM") simultaneously with the issuance of the Bonds. See "MUNICIPAL BOND INSURANCE." The Bonds maturing on March 1 of the years 2015, through 2019, inclusive (the "Uninsured Bonds"), will not be covered by the Municipal Bond Insurance Policy.

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 both the Insured Bonds and the Uninsured 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 and interest from Tax Revenues and other funds specifically pledged therefor under the Indenture. The principal of and interest on 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 thereon. The principal of and interest on the Bonds 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.

Debt Service Reserve Account

The Successor Agency will establish a debt service reserve account (the "Reserve Account") in an amount equal to the initial "Reserve Requirement," as defined in the Indenture. See "SECURITY FOR THE BONDS—Reserve Account."

Parity Debt

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

Professionals Involved in the Offering

Fieldman, Rolapp & Associates, Inc., Irvine, California, has served as financial advisor to the Successor Agency (the "Financial Advisor") 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.

The Bank of New York Mellon Trust Company, N.A., San Francisco, California, will act as Trustee with respect to the Bonds.

Grant Thornton LLP, Minneapolis, Minnesota, (the "Verification Agent"), will act as verification agent 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. Mark Coon, Esq., the City Attorney, will render certain opinions on behalf of the Successor Agency as general counsel to the Successor Agency. Certain matters will be passed on for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, Underwriter's Counsel and the Verification Agent 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 Secretary, Successor Agency of the Redevelopment Agency of the City of Concord, 1950 Parkside Drive Concord, CA 94519-3517.

REFUNDING PLAN

Refunding of the 2001 Authority Bonds

Pursuant to an escrow agreement (the "2001 Authority Bonds Escrow Agreement"), by and among the City of Concord Joint Powers Financing Authority (the "Authority"), the Successor Agency and MUFG Union Bank, N.A., as escrow bank (the "2001 Authority Bonds Escrow Bank"), the Successor Agency will deliver a portion of the proceeds of the Bonds, along with other available amounts, to the 2001 Authority Bonds Escrow Bank for deposit in an escrow fund established under the 2001 Authority Bonds Escrow Agreement (the "2001 Authority Bonds Escrow Fund"), in amounts sufficient to redeem all outstanding 2001 Authority Bonds on November 3, 2014, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date. The 2001 Authority Bonds Escrow Bank will hold amounts deposited in the 2001 Authority Bonds Escrow Fund in cash, uninvested.

Sufficiency of the deposits in the 2001 Authority Bonds Escrow Fund will be verified by the Verification Agent. See "VERIFICATION OF MATHEMATICAL ACCURACY." Assuming the accuracy of the Verification Agent's computations, as a result of the deposit of the funds into the 2001 Authority Bonds Escrow Fund and application of funds as provided in the 2001 Authority Bonds Escrow Agreement, the Authority's obligations with respect to the 2001 Authority Bonds, and therefore, the Successor Agency's obligations with respect to the reimbursement agreement securing the Bonds, will be discharged.

The amounts held and invested by the 2001 Authority Bonds Escrow Bank in the 2001 Authority Bonds Escrow Fund are pledged solely to the payment of amounts due and payable by the Authority with respect to the 2001 Authority Bonds. The funds deposited in the 2001 Authority Bonds Escrow Fund will not be available for the payment of debt service with respect to the Bonds.

Refunding of the 2004 Former Agency Bonds

Pursuant to an escrow agreement (the "2004 Former Agency Bonds Escrow Agreement"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "2004 Former Agency Bonds Escrow Bank"), the Successor Agency will deliver a portion of the proceeds of the Bonds, along with other available amounts, to the 2004 Former Agency Bonds Escrow Bank for deposit in an escrow fund established under the 2004 Former Agency Bonds Escrow Agreement (the "2004 Former Agency Bonds Escrow Fund"), in amounts sufficient to redeem all outstanding 2004 Former Agency Bonds on November 3, 2014, at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to such date. The 2004 Former Agency Bonds Escrow Bank will hold amounts deposited in the 2004 Former Agency Bonds Escrow Fund in cash, uninvested.

Sufficiency of the deposits in the 2004 Former Agency Bonds Escrow Fund will be verified by the Verification Agent. See "VERIFICATION OF MATHEMATICAL ACCURACY." Assuming the accuracy of the Verification Agent's computations, as a result of the deposit of the funds into the 2004 Former Agency Bonds Escrow Fund and application of funds as provided in the 2004 Former Agency Bonds Escrow Agreement, the Authority's obligations with respect to the 2004 Former Agency Bonds, and therefore, the Successor Agency's obligations with respect to the reimbursement agreement securing the Bonds, will be discharged.

The amounts held and invested by the 2004 Former Agency Bonds Escrow Bank in the 2004 Former Agency Bonds Escrow Fund are pledged solely to the payment of amounts due and payable by the Authority with respect to the 2004 Former Agency Bonds. The funds deposited in the 2004 Former Agency Bonds Escrow Fund 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.

Sources:	
Principal Amount of Bonds	$37,550,000.00
Plus: Original Issue Premium	4,943,614.55
Plus: Available Funds	
2001 Authority Bonds	741,675.00
2004 Former Agency Bonds	4,217,567.68
Total Sources	$47,452,857.23
Uses:	
Escrow Funds	
2001 Authority Bonds	$ 5,275,738.99
2004 Former Agency Bonds	41,580,335.71
Costs of Issuance(1)	596,782.53
Total Uses	$47,452,857.23

(1) Costs of Issuance include the Underwriter's discount, fees and expenses of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Fiscal Consultant, the Trustee, the City and 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 the 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 March 1	Principal	Interest	Total
2015	$4,100,000	$ 647,995.83	$ 4,747,995.83
2016	4,205,000	1,630,450.00	5,835,450.00
2017	4,380,000	1,462,250.00	5,842,250.00
2018	4,605,000	1,243,250.00	5,848,250.00
2019	4,825,000	1,013,000.00	5,838,000.00
2020	2,440,000	771,750.00	3,211,750.00
2021	2,560,000	649,750.00	3,209,750.00
2022	2,690,000	521,750.00	3,211,750.00
2023	2,825,000	387,250.00	3,212,250.00
2024	2,400,000	246,000.00	2,646,000.00
2025	2,520,000	126,000.00	2,646,000.00
Total	$37,550,000	$8,699,445.83	$46,249,445.83

THE BONDS

Authority for Issuance

The issuance of the Bonds and the Indenture were authorized by the Successor Agency pursuant to Resolution No. 14-755S, adopted on June 24, 2014 (the "Successor Agency Resolution"), and approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 14-23, adopted on June 30, 2014 (the "Oversight Board Resolution").

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF on July 1, 2014. On August 25, 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 their delivery (the "Closing

Date") and mature on March 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 Record Date preceding the Interest Payment Date.

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. See APPENDIX C—BOOK-ENTRY ONLY SYSTEM.

No Redemption

The Bonds are not subject to optional redemption prior to maturity.

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. 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 for each of the Combined Project Area, taxes levied upon taxable property in the Central Concord 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 applicable Redevelopment Plan that added territory to the Central Concord Project, as applicable, 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 Central Concord 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 applicable Redevelopment Plan that added territory to the Central Concord 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. Potential implementation of section 34187 of the Dissolution Act 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.

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).

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 of 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 California Health and Safety Code, including *inter alia* California 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 Central Concord Project consisting 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, the Sinking Account, and the Redemption Account) without preference or priority for number, dated date, sale date, date of execution or date of delivery. The Bonds and any Parity Debt 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 and any Parity Debt 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 is 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 Reuse Project, less the Senior Reimbursement Agreement, all Statutory Pass-Through Amounts, and all amounts required to be paid to other taxing entities pursuant to the Pass-Through Agreement. 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, subordinate to pass-through obligations, 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 each of the Central Concord 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 Central Concord 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 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 of 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 fourth Business Day preceding each Interest Payment Date, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee 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 any 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 In-

terest Payment Date upon all of the Outstanding Bonds and any Parity Debt. 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 any Parity Debt as it becomes due and payable.

Principal Account. On or before the fourth Business Day preceding January 1 and March 1 in each year beginning March 1, 2015, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the principal becoming due and payable on the Outstanding Bonds and any Parity Debt on the next March 1 or September 1, as applicable, or, if principal is due and payable only on March 1 of such year, then the Successor Agency will transfer to the Trustee on or before January 1 of such year 50% of the principal amount due on the following March 1 and shall transfer on or before March 1 of such year the remaining 50% of the principal amount due on March 1 of such year. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next March 1 or September 1, as applicable, on all of the Outstanding Bonds and any Parity Debt. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any 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.

Redemption Account. On or before the Business Day preceding any date on which Bonds are to be redeemed pursuant to the optional redemption provisions of the Indenture, the Trustee will withdraw from the Debt Service Fund any amount transferred by the Successor Agency for deposit in the Redemption Account, such amount being the amount required to pay the principal of the Bonds to be redeemed on such date. All moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed pursuant to an optional redemption on the date set for such redemption. Interest due on Bonds to be redeemed on the date set for redemption will, if applicable, be paid from funds available therefor in the Interest Account.

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 $3,755,000.

Definition of Reserve Requirement. The Indenture defines "Reserve Requirement" to mean, as of any date of calculation, an amount equal to the lesser of (i) 10% of the original principal amount of the Bonds and any Parity Debt; (ii) 125% of the average Annual Debt Service for the current or any future Bond Year; or (iii) Maximum Annual Debt Service for the current or any future Bond Year.

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 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.

Not fewer than 90 days prior to each January 2, commencing January 2, 2015, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the County Auditor-Controller which shall include the following and all of which shall be made with respect to the January payment, if sufficient: (i) all scheduled interest payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, (ii) all scheduled principal and mandatory sinking fund redemption payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, and (iii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture (including any amounts required due to a draw on the Reserve Account). If amounts are insufficient for the January submission, the Successor Agency will submit an Oversight Board-approved Recognized Obligation Payment Schedule to the DOF and to the County Auditor-Controller for such deficiency 90 days prior to June 1.

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.

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	4/4/12	4/13/12	4/15/12	Yes
ROPS II	Jul-Dec 2012	4/4/12	4/13/12	4/27/12	Yes
ROPS III	Jan-Jun 2013	8/2/12	9/4/12	9/4/12	Yes
ROPS 2013-14A	Jul-Dec 2013	2/28/13	3/1/13	3/1/13	Yes
ROPS 2013-14B	Jan-Jun 2014	9/16/13	9/19/13	10/1/13	Yes
ROPS 2014-15A	Jul-Dec 2014	2/24/14	2/27/14	3/1/14	Yes
ROPS 2014-15B	Jan-Jun 2015	9/22/14	10/1/14	10/1/14	Yes

To date, the 2001 Reimbursement Agreement and the 2004 Former Agency Bonds have been included in, and approved under, each ROPS submission.

Senior Payment Obligations

County Library Agreement (Parcels I, II, III, IV). The Redevelopment Law authorized the Former Agency to enter into negotiated pass-through agreements with taxing agencies whose territory was located within the Central Concord Project to alleviate the financial burden or detriment caused by the Central Concord Project. There is one negotiated pass-through agreement affecting the Central Concord Project Area.

The Successor Agency has a 1993 contractual pass-through agreement requiring a payment to the County Library. Payments were originally set at a base amount of $166,000 which is annually adjusted by the greater of the percentage increase in the Consumer Price Index or the percentage increase in salaries for County library professional staff. The agreement provides for re-negotiation of payment amounts if staffing, hours of operation, or expenditures on materials at the County Library located in the City of Concord ("Library") are either increased or reduced. A reduction to the annual payment amounts occurred commencing in FY 2009-10 in conjunction with a reduction in the level of service at the Library funded by the County. The Fiscal Consultant's revenue projections reflect the reported payment amount for fiscal year 2014-15 inflated to future years based on an assumed 3% annual rate of increase based on the annualized rate of adjustment over the five years from fiscal year 2009-10 to fiscal year 2014-15 of 3.19%. Although there is a potential for upward adjustment of payment amounts in conjunction with a future increase in the level of service at the Library, subject to mutual agreement between the County and Successor Agency, no such adjustment is assumed in the projections made by the Fiscal Consultant. Payment amounts have been allocated in the projections made by the Fiscal Consultant between component areas of the Central Concord Project based upon gross revenue. The agreement may be unilaterally terminated in the event the Successor Agency requests a reduction in payments along with a corresponding reduction in level of service at the Library and does not reach a mutual agreement with the County regarding reduced payments following six months of good faith negotiations. These payments are made on a senior basis to debt service on the Bonds.

There is no explicit cap on payments under the library agreement. Increases in payment beyond the basic escalation factors under the agreement are subject to mutual agreement between the County and Successor Agency. Contractual pass through payments are also limited to no more than 100% of the taxing agencies normal share of property taxes. The County and County Library have a combined percentage share of 16% of property taxes. Based on $14.4 million projected gross revenue for Parcels I to IV for fiscal year 2015-16, that 16% share translates to an effective cap on payments of approximately $2.3 million per year. However, current payments are much less than that ($160k).

AB 1290 Statutory Pass-Throughs (all component parcels). Statutory pass-through payments under AB 1290 (set forth under sections 33607.7 and 33607.5 of the Redevelopment law) are required for each of the component parcels that comprise the Central Concord Project. Statutory pass-through payments for Parcels I to IV were triggered by adoption of Ordinance 02-10 to eliminate the debt incurrence time limitation for Parcels I to IV of the Central Concord Project as allowed under legislation enacted by SB 211. The statutory pass-through obligations for Parcels I to IV commenced in fiscal year 2004-05, which is the first year following the fiscal year in which the original January 1, 2004, debt incurrence time limit would have taken effect. Parcel V was adopted after implementation of AB 1290 in 1994 and has been subject to statutory pass-through payments since adoption. The County Library continues to receive contractual pass-through payments for Parcels I to IV. All taxing agencies for Parcel V and all taxing agencies for Parcels I to IV other than the County Library are eligible to receive their allocation of the resulting statutory pass-through. These payments are made on a senior basis to debt service on the Bonds.

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 Dissolution Act 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 1.31% of gross RPTTF revenues. The Fiscal Consultant's projections assume that the County administrative costs will continue to be charged at approximately 1.3% of gross revenue in subsequent fiscal years. These payments are made on a senior basis to debt service on the Bonds.

2010 Reimbursement Agreement. In 2010, the Authority issued private placement lease revenue bonds in a total principal amount $5,073,000. The bonds are secured by lease payments from the City. Proceeds were used to partially refinance a portion of the City's 1993 Lease Revenue Bonds and 1999 Judgment Obligation Bonds. The original 1993 bonds were used to finance a police facility in the Central Concord Project and payments by the City were reimbursed by the Former Agency. In conjunction with the 2010 refunding, the Former Agency amended its September 1, 1993, reimbursement agreement with the City to also provide for reimbursement of an allocable share of payments on the 2010 Refunding Lease (the "Senior Reimbursement Agreement"). The Successor Agency's obligations under the Senior Reimbursement Agreement are senior to the Bonds. To date, the Senior Reimbursement Agreement has been included in, and approved under, each ROPs submission.

Subordinate Contractual Obligations

EQR/Legacy Partners (2000) Disposition and Development Agreement. The Successor Agency entered into a disposition and development agreement pertaining to development of a 259-unit luxury residential project in the Central Concord Project in 2001. The disposition and development agreement was amended and restated in June 2010. Pursuant to the amended and restated disposition and development agreement , the Successor Agency is obligated to make annual payments of former tax increment revenue generated by the apartment project. Payments continue until the 2027 tax increment receipt time limit for Parcel I. The obligation is an unsecured contractual commitment subordinate to the Bonds.

Fry's Rehabilitation Loan Agreement. The Successor Agency has an obligation to annually disburse funds to Fry's Electronics store pursuant to a 2002 loan agreement. Payments are not funded from the

Tax Revenues. Disbursements are contingent upon receipt of the necessary funds from the City pursuant to a separate agreement. Disbursements occur annually over a 15 year period. Fry's obligation to repay the loan is subject to being forgiven under specified conditions.

Help Loan. The Successor Agency borrowed approximately $1.2 million from the California Housing Finance Agency (CalHFA). Approximately $900,000 has been repaid to date. Funds sufficient to pay the remaining amount of the loan in full were allocated to the Successor Agency with the June 2014 installment of RPTTF funds. The Successor Agency will apply the allocated funds to retire the obligation by the end of 2014.

Housing Fund Deferral. The Successor Agency owes approximately $9.5 million to the City in its capacity as Housing Successor. The obligation relates to deferral of deposits to the housing set-aside fund of the former redevelopment agency prior to dissolution. Repayment is subordinate to the Bonds.

None of the subordinate obligations described above are reflected in the Fiscal Consultant's revenue projections.

Other Obligations

The Successor Agency has various other obligations, not secured by a pledge of the Tax Revenues which are not described in this Official Statement and are not included in any way in the projections of Tax Revenues in this Official Statement. All payment obligations of the Successor Agency must be listed on the Successor Agency's Recognized Obligation Payment Schedule for the six month period during which such payments are made.

MUNICIPAL BOND INSURANCE

Municipal Bond Insurance Policy

Concurrently with the issuance of the 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 June 30, 2014 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $477.8 million, $17.9 million and $459.9 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: (a) initiating a civil action against the taxpayer, (b) 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, (c) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (d) 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 Central Concord 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 1.31% of gross tax increment within the Central Concord 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 1.3%. 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 Central Concord 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 Central Concord 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."

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 $795,083 of unitary tax revenue to the Central Concord Project for fiscal year 2013-14. The Fiscal Consultant estimates $795,000 of unitary revenues will be allocated to the Successor Agency from the Central Concord Project in fiscal year 2014-15. For purposes of the Fiscal Consultant's projection of tax increment available to pay debt service on the Bonds, the Fiscal Consultant assumed that the amount of unitary revenue allocated for fiscal year 2013-14 will continue to be allocated to the Central Concord 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 ten prior fiscal years and the adjustment factor for fiscal year 2014-15.

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 November 30 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 CENTRAL CONCORD PROJECT—Assessment Appeals" for information regarding historical and pending appeals of assessed valuations by property owners in the Central Concord 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 Central Concord Project, see "THE CENTRAL CONCORD 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 (including the Tax Revenues) or the Successor Agency's ability to expend revenues.

SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD

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 of 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 the 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 that were maintained by the applicable former redevelopment agency. 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 August 7, 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 of it by the DOF.

THE CENTRAL CONCORD PROJECT

The Central Concord Project was established in 1974 and is comprised of five separate subareas: Parcel I, II, III, IV, and V. Parcels II and III were added by a 1976 amendment, Parcel IV was added in 1979 and Parcel V was added in 2006.

Parcel I represents the original boundaries of the Central Concord Project as adopted in 1974. Parcel I includes all of the downtown area from Route 24 east to Clayton Road near Fifth Avenue. Parcel I includes both the Todos Santos Town Center district and In Town Mixed Use district. The Todos Santos Town Center area includes the Todos Santos Plaza, the Concord BART station and the pedestrian oriented portion of downtown extending from Pacheco Street to the BART station. The district has a strong pedestrian orientation, and a small town flavor provided by historical and cultural assets.

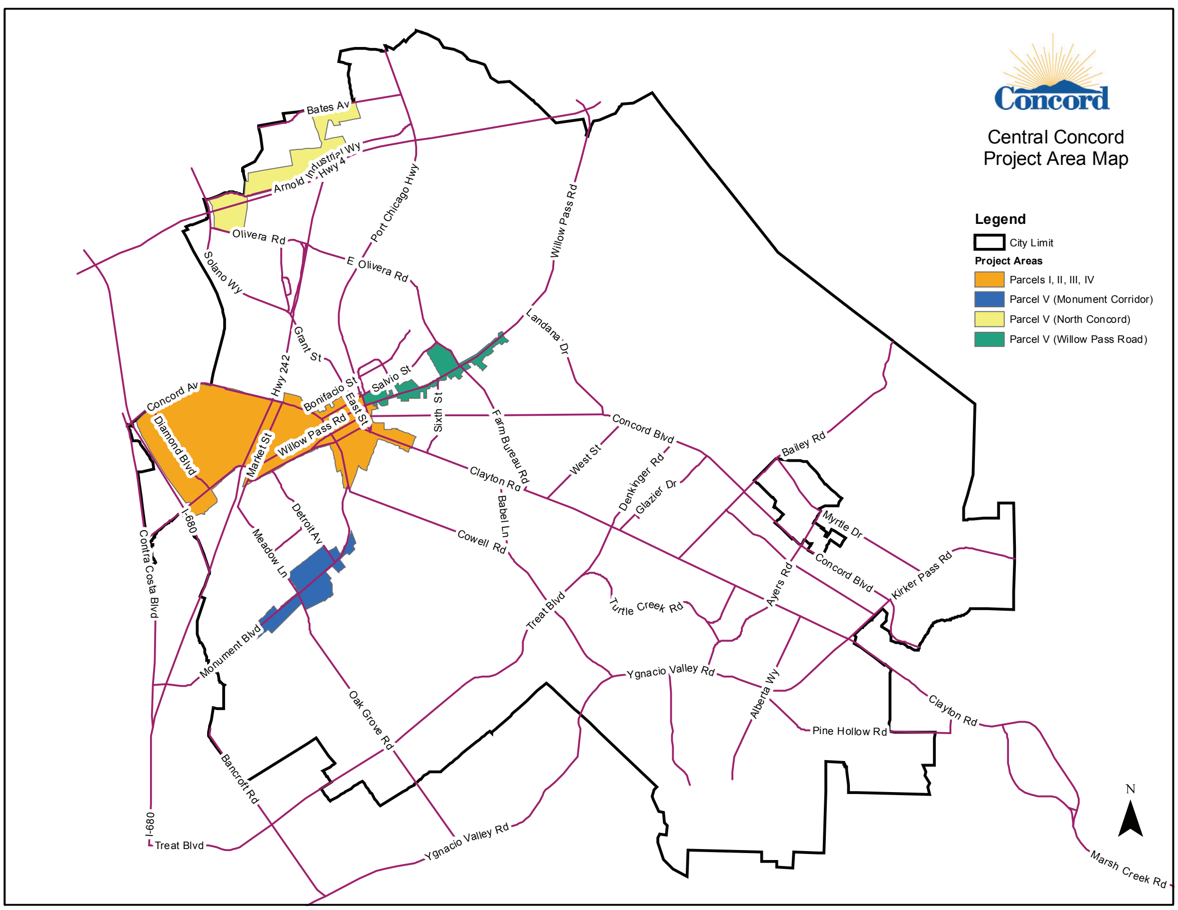
Parcel II is located on the eastern boundary of Parcel 1 along Willow Pass Road and is part of the Todos Santos Town Center.

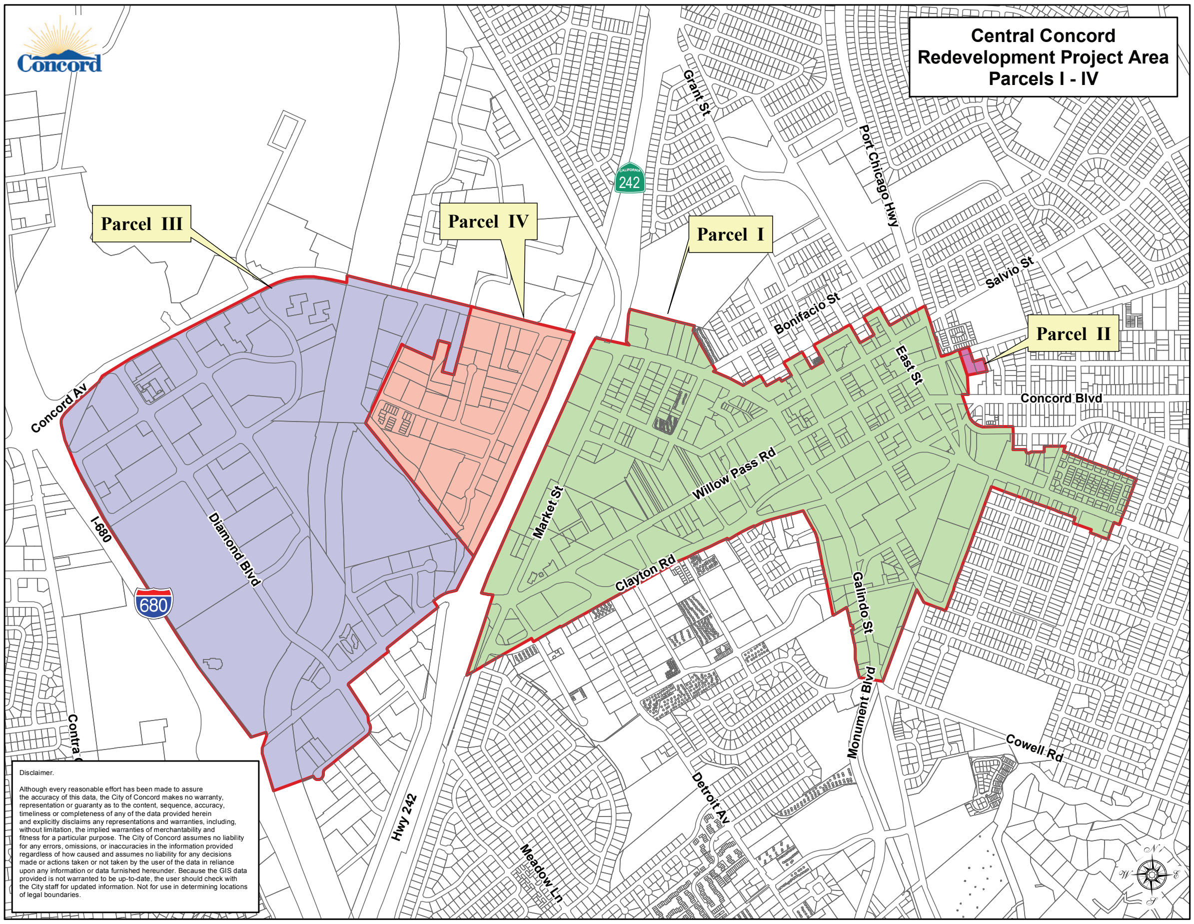
Parcel III is located on the west side of Route 24 generally bounded by Willow Pass Road, Interstate 680, and Concord Avenue. Parcel III is part of the Campus Business District. The existing uses in this district are mixed-use campus business and industrial uses of mixed heights and densities.

Parcel IV is located along the west side of route 24 bounded by Concord Avenue to the North and Parcel 3 to the South and West. Parcel IV is also part of the Campus Business District.

Parcel V is comprised of three non-contiguous component areas: Monument Corridor, Willow Pass Road, and North Concord.

The following maps show the Central Concord Project, identifying the subareas:





Redevelopment Plan

Redevelopment Plan Limitations. The Redevelopment Plan for the Central Concord Project established certain limitations with respect to the collection of tax increment revenues and indebtedness. Since then, the Redevelopment Plans has been amended a number of times.

The City Council of the City approved and adopted the Redevelopment Plan by Ordinance No. 991, adopted by the City Council of the City on November 25, 1974. Subsequently, the City Council amended the Redevelopment Plan by Ordinance No. 1060, adopted on November 22, 1976, Ordinance No. 1156, adopted July 9, 1979, Ordinance No. 83-11, adopted on May 2, 1983, Ordinance No. 85-31, adopted on June 24,1985, Ordinance No. 88-24, adopted on September 13, 1988, Ordinance No. 94-16, adopted on November 22, 1994, Ordinance No. 94-19, adopted on November 22, 1994, Ordinance No. 99-16, adopted on December 7, 1999, Ordinance No. 01-8, adopted on June 5, 2001, Ordinance No. 02-10, adopted on November 26, 2002, Ordinance No. 03-8, adopted on January 6, 2004, Ordinance No. 05-3 adopted on May 3, 2005, Ordinance No. 06-9, adopted on September 5, 2006, and Ordinance No. 06-12, adopted on October 24, 2006. These measures had the effect of establishing and amending various development policies and standards applicable to the Central Concord Project.

AB 1290. In 1993, the California Legislature enacted AB 1290 which contained several significant changes in the Redevelopment Law. Among the changes made by AB 1290 was a provision that limits the period of time for incurring and repaying loans, advances and indebtedness payable from tax increment revenues. Pursuant to Ordinance No. 94-19, adopted by the City Council on November 22, 1994, the Redevelopment Plan was amended to contain tax increment limitations which are in compliance with AB 1290, as subsequently amended.

SB 211. On November 26, 2002, pursuant to SB 211, the City Council adopted Ordinance No. 02-10, which amended the Redevelopment Plan to eliminate the time limit for incurring debt, with the practical effect that the time limit on the Former Agency's ability to establish or incur debt to be repaid from tax increment allocated to the Former Agency pursuant to the redevelopment plan is the same date through which the redevelopment plan is effective. SB 211 also requires agencies that eliminate the time limit for incurring debt to begin sharing tax increment revenues, pursuant to a formula established by state law, with other taxing entities beginning in the year following the original debt limitation (January 1, 2004), and to the extent that revenues are not already shared by a pre-existing tax sharing agreement. As a result, starting in fiscal year 2004-05, the Former Agency began sharing 25% of tax revenues generated in Parcels I-IV of the Central Concord Project as a result of increases in the assessed valuation above the fiscal year 2003-04 assessed valuation.

SB 1045. Pursuant to SB 1045 in connection with the adoption of statutes requiring an ERAF shift for fiscal year 2003-04, the State Legislature authorized the Former Agency to amend its redevelopment plans to extend by one year the time limit of the effectiveness of the plan and the time limit to repay indebtedness and receive tax increment. The Former Agency extended the Central Concord Project time limit for Parcels I-IV, as permitted by SB 1045, pursuant to Ordinance No. 03-08, adopted on January 6, 2004.

SB 1096. Pursuant to Senate Bill 1096 ("SB 1096") in connection with the adoption of statutes requiring an ERAF shift for fiscal years 2004-05 and 2005-06, the State Legislature authorized amendments of redevelopment plans to extend by one year for each ERAF shift the time limit of the effectiveness of the plan and the time limit to repay indebtedness and receive tax increment. Pursuant to Ordinance No. 06-9, which was adopted by the City Council on September 5, 2006, the City Council amended the Redevelopment Plan to extend the effectiveness of the Redevelopment Plan for Parcels I-IV and to extend the time limit for repay indebtedness and receive tax increment funds.

As amended by Ordinance 06-12, the Redevelopment Plan includes the following limits:

TABLE 1
CENTRAL CONCORD PROJECT
Redevelopment Plan Limits

	Parcel I	Parcels II and III	Parcel IV	Parcel V
Adoption Date	11/25/74	11/22/76	7/9/79	10/24/06
Final Date to Repay Debt	11/24/27	11/21/29	7/8/32	10/24/51
Cumulative Revenue Limit	$2,500,000,000			No Limit
Bonded Indebtedness Limit	No Limit	$90,000,000		$90,000,000

Based on tax increment receipt records of the Successor Agency, a total of $368.4 million has been received through fiscal year 2013-14 for Parcels I-IV which the Fiscal Consultant has applied toward the $2.5 billion cumulative revenue limit for the Central Concord Project (Parcels I-IV only). Based upon the growth assumptions incorporated into the Fiscal Consultant's projections, $534 million or approximately 21% of the $2.5 billion limit is projected to be collected through the March 1, 2025, final maturity of the Bonds. For the $2.5 billion tax increment revenue limit to be reached prior to the March 1, 2025, final debt service payment on the Bonds, it is estimated that assessed values for Parcels I to IV would need to grow at a future annual rate in excess of approximately 50% per year.

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

Land Use

The Central Concord Project is comprised primarily of the City's Central Business District and consists of approximately 1,083 acres. The Central Concord Project is zoned for mixed land uses with commercial, industrial and residential uses.

Designated land use in the Central Concord Project for fiscal year 2014-15 is set forth in the following table.

TABLE 2
CENTRAL CONCORD PROJECT
Land Use
Fiscal Year 2014-15

Land Use	No. of Parcels	Taxable Value	% of Total
Commercial	428	$1,172,182,713	66.1%
Residential	430	286,078,620	16.1
Industrial	87	101,510,573	5.7
Other Secured	143	54,901,491	3.1
Unsecured	959	157,944,215	8.9
Total	2,047	$1,772,617,612	100.0%

Source: Fiscal Consultant.

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.

Historical Assessed Values

The following table sets forth the assessed value history of the Central Concord Project.

TABLE 3
CENTRAL CONCORD PROJECT
Historical Assessed Values
Fiscal Years 2009-10 through 2014-15

Fiscal Year	Assessed Value	% Annual Change
2005-06	$1,347,181,924	—
2006-07	1,490,126,390	10.6%
2007-08	1,819,494,204	22.1%
2008-09	1,928,971,785	6.0%
2009-10	1,993,649,908	3.4%
2010-11	1,919,564,703	-3.7%
2011-12	1,866,713,729	-2.8%
2012-13	1,691,398,703	-9.4%
2013-14	1,703,210,304	0.7%
2014-15	1,772,617,612	4.1%

Source: Fiscal Consultant

Historical Taxable Values and Tax Increment Revenues

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

TABLE 4
CENTRAL CONCORD PROJECT
Historical Taxable Values and Tax Revenues
Fiscal Years 2008-09 through 2013-14

	2009-10	2010-11	2011-12	2012-13	2013-14
Total Assessed Value	$1,993,649,908	$1,919,564,703	$1,866,713,729	$1,691,398,703	$1,703,210,304
Incremental Value	1,654,064,090	1,579,978,885	1,527,127,911	1,351,812,885	1,363,624,486
Total Annual Increment (1)	16,740,125	15,952,543	15,335,412	13,518,129	13,636,245
Gross RPTTF Collections (2)	17,848,717	16,897,662	16,078,378	14,255,442	13,962,490
Less: County Admin. Fees	(187,690)	(175,720)	(160,724)	(207,208)	(189,485)
Less: Pass-Throughs	(1,160,646)	(995,872)	(943,449)	(517,719)	(386,590)
Less: Senior Reimbursement	(677,302)	(623,387)	(625,287)	(620,875)	(578,412)
Tax Revenues	$15,823,079	$15,102,683	$14,348,918	$12,909,640	$12,808,003

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.

Largest Taxpayers

The ten largest taxpayers in the Central Concord Project according to the 2014-15 assessed valuations are shown below.

TABLE 5
CENTRAL CONCORD 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	Chevron (4)	Office	10	$114,228,375	6.4%	8.0%
2	Sierra Pacific Properties (5)	Office	7	112,530,321	6.3	7.9
3	Swift Real Estate Partners (6)	Office	11	95,014,734	5.4	6.6
4	DWF III Concord Tech LLC	Office	2	94,859,935	5.4	6.6
5	GSG Residential Park Central	Apartments	2	76,276,729	4.3	5.3
6	Willows Center Concord	Shopping Center	2	61,910,929	3.5	4.3
7	Behringer Harvard Renaissance (7)	Apartments/Land	4	49,299,491	2.8	3.4
8	Concord Airport Plaza Associates (8)	Office	5	42,973,656	2.4	3.0
9	Lowes HIW Inc. (9)	Retail/Land	5	39,577,538	2.2	2.8
10	Sutter Square Associates	Office	1	21,847,000	1.2	1.5
			49	$708,518,708	40.0%	49.4%

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 $1,772,617,612 and incremental assessed value of $1,433,031,794.
(4) Includes Chevron USA Inc., Chevron Products Company, Chevron Federal Credit Union, Chevron Corporation, Chevron Information Tech Co., and Chevron Services Company.
(5) Includes Sierra Pacific Properties, Inc. and SEECON Financial and Construction Company.
(6) Includes SFG Owner A LLC, SFG Owner C LLC, SFG Owner D&B LLC, Concord Center Investors LLC.
(7) Includes Behringer Harvard Renaissance II and Common Area Tract 8870.
(8) Includes Brandywine Realty Trust and Common Area Tract 113PM18
(9) Assessment appeal pending for FY 2013-14.

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

The following taxpayers each represent 5% or more of the assessed value in the Central Concord Project.

- *Chevron*. This Fortune top 10 company owns and operates a 600,000 square foot office campus in the City. A variety of operations are housed at the City campus including financial services, business and real estate services, corporate audit services, facilities management, information technology, operations downstream (refining & marketing, service stations, etc.), credit & receivables and corporate treasury. Approximately 1,000 employees are based at this campus.

- *Sierra Pacific Properties*. This developer owns and operates institutional grade office buildings, business parks, shopping centers and multi-family residential communities, located primarily in the

County and in Solano County. Sierra Pacific Properties owns and operates more than 800,000 square feet of Class A multi-tenant office buildings in the Central Concord Project. Its buildings have an approximately 90 percent combined occupancy rate.

- *Swift Real Estate Partners.* This independent and vertically integrated real estate investment firm is an owner and property manager of Swift Plaza, a more than 1 million square foot office development comprising four buildings (former Bank of America Technology Center) in downtown Concord. Swift currently owns two buildings totaling approximately 500,000 square feet. The remaining two buildings are managed by Swift but are owned by DWF III Concord Tech LLC as explained in the following paragraph. Swift has invested millions of dollars to reposition the Swift Plaza from a single user to a multi-tenant office project. Swift has achieved recent leasing successes with new leases to major regional office users such as Asset Mark, AIG and AM Trust. Swift also owns One Concord Center, an approximately 360,000 square foot office building in the City.

- *DWF III Concord Tech LLC*. This privately owned real estate investment firm with offices in San Francisco and Boston owns two class A office buildings located in Swift Plaza totaling approximately 600,000 square feet near the downtown Concord BART station. The main tenant is Bank of America. DWF has acquired more than 30 million square feet of commercial space throughout the United States.

New Development and Transfers of Ownership; Removal of Properties from Tax Roll

New Development. New construction in the Central Concord 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 in the Fiscal Consultant's projection of Tax Revenues.

- **New Building at Willows Shopping Center** – A new tenant in the Willows Shopping Center, Ulta Beauty, will be housed in a new 10,000 square foot space currently under construction. Existing improvements were demolished to make way for the new tenants.

- **Audi Concord Showroom Expansion** – The Audi dealership in the City completed an expansion of its show room and service area in May 2014. The dealership is located at 1300 Concord Avenue.

Transfers of Ownership. The Fiscal Consultant reviewed transfers of ownership activity in the Central Concord Project since the January 1, 2014, lien date for the fiscal year 2014-15 assessment roll utilizing data from the commercial data provider Costar. Below is a summary of major identified transfers of ownership in the Central Concord Project inclusive of transactions for properties valued at $5 million or above. These transfers are not included in projections of Tax Revenues.

- **Hilton Concord (Interstate Concord LLC)** – A transfer of ownership occurred with respect to this 329 room hotel on January 3, 2014. The sale price is identified as $29.2 million, $7.4 million more than the fiscal year 2014-15 assessed value for the property of $21.8 million. Interstate Concord LLC retains an ownership stake and will continue to operate the hotel. The transaction brought in a new investor, Waramaug Hospitality.

- **BMW and Mini Dealerships –** The auto dealerships were sold in April 2014 for an undisclosed price to Sojitz Automotive Real Estate Holdings, Inc. The dealerships are located at 1945 to 1967 Market Street in Concord. The fiscal year 2014-15 assessed value of the properties is $17 million.

- **Retail Center at 1280 Willow Pass Road –** This approximately 74,000 square foot retail center sold in March 2014 for an undisclosed price. The fiscal year 2014-15 assessed value of the property is $19.65 million.

- **Civic Executive Park –** This office property is located at 1465 – 1485 Civic. The property was sold in March 2014 for an undisclosed price. The two buildings total approximately 64,000 square feet (of approximately 175,000 total square feet in the office park). The fiscal year 2014-15 assessed value of the two buildings that were part of this transaction totals $5.7 million of Tax Revenues.

The Fiscal Consultant's projections of Tax Revenues do not include changes in assessed value attributable to these transfers.

Removal of Properties from the Tax Roll. The Successor Agency anticipates that one property will be removed from the tax rolls. The property is a 96 unit affordable senior housing project located at 2020 Grant Street. The fiscal year 2014-15 taxable assessed value is $13.7 million. Removal of this property from the tax rolls is assumed for purposes of the Fiscal Consultant's projections.

Assessment Appeals

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

Resolved Appeals. In fiscal years 2008-09 through 2013-14, property owners in the Central Concord Project filed 394 assessment appeals. Of these appeals, 383 have been resolved, as shown in the following table. Of the 383 resolved appeals, 246 were either withdrawn or denied. In the resolved appeals, property owners had requested an aggregate reduction in assessed value of $1.54 billion. Upon resolution, aggregate assessed value was reduced by $362 million.

TABLE 6
CENTRAL CONCORD 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	79	79	73	6	$ 172	$ 60	$ 145	$ 27	15.6
2009-10	63	63	33	30	814	527	756	58	7.2
2010-11	74	74	31	43	995	596	879	116	11.6
2011-12	85	85	52	33	889	456	754	135	15.2
2012-13	58	58	37	21	418	198	395	23	5.5
2013-14	35	24	20	4	176	86	172	3	2.0
TOTAL	394	383	246	137	$3,463	$1,923	$3,101	$362	10.5

Source: Fiscal Consultant.

Pending Appeals. There are currently 11 appeals pending in the Central Concord Project. Based on the historical results of appeals filed in fiscal years 2008-09 through 2013-14, the Fiscal Consultant has assumed, for purposes of forecasting future Concord Tax Revenues, that the fiscal year 2014-15 assessed valuation in the Central Concord Project will be reduced by $4,011,000. *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
CENTRAL CONCORD 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
11	$83.862	$27.853	$79.851	$4.011	5%

Source: Fiscal Consultant.

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

Projection of Tax Revenues

The following table sets forth the 2014-15 assessed values and projected revenues by parcel component in the Central Concord Project.

TABLE 8
CENTRAL CONCORD PROJECT
2014-15 Assessed Values and Projected Revenues by Parcel Component
(dollars in thousands)

Parcel	I	II & III	IV	V	Total
Secured Value	$795,635	$491,458	$58,919	$267,022	$1,613,033
Unsecured Value	66,543	65,796	3,693	23,552	159,584
Total Assessed Value	862,178	557,254	62,611	290,574	1,772,618
Base Year	(53,431)	(44,888)	(8,119)	(233,148)	(339,586)
Incremental Value	$808,747	$512,366	$54,493	$57,426	$1,433,032
Gross RPTTF at 1% of Incremental Value	$8,087	$5,124	$545	$574	$14,330
Unitary Revenues (2)	795	—	—	—	795
Less County Admin Expense (3)	(115)	(67)	(7)	(7)	(196)
Less Library Agreement (4)	(98)	(56)	(6)	—	(160)
Less Statutory Pass Throughs (5)	(432)	(57)	(18)	(115)	(622)
Net RPTTF Revenue	$8,237	$4,944	$514	$452	$14,1476
% of Total Net RPTTF Revenue	58%	35%	4%	3%	100%

Source: Fiscal Consultant.
(1) Contra Costa County Auditor calculates incremental value separately for Parcels IV and V but combines Parcels I, II and III for purposes of calculating incremental value.
(2) Since a break out of unitary revenue by component area was not available, for purposes of projections, all unitary revenue was included as Parcel I revenue.
(3) Projected at 1.3% of gross RPTTF based on actual expenses for FY13-14 which was 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue.
(5) Amounts reflect current County Auditor -Controller practices for computation of pass-throughs.

The following table shows the projected valuation of taxable property and the projected tax revenues from the Central Concord Project assuming no growth in the total assessed valuation. Tax revenues presented for the individual Parcels of the Central Concord Project are net of (1) the County's property tax collection costs and administrative expenses authorized under the Dissolution Act; and (2) pass-through obligations. See APPENDIX G—FISCAL CONSULTANT'S REPORT for a more detailed analysis of the tax revenues for each such Parcel. 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 or post-January 1, 2014 transfers. Personal Property values are assumed to remain constant. The projections include an adjustment for pending appeals. The following table also sets forth the estimated debt service and coverage ratio for the Bonds assuming no growth in total assessed valuation of property within the Central Concord Project. There can be no assurance that such projected Tax Revenues will be obtained. Such estimate assumes issuance of the Bonds and the refunding and defeasance of the 2001 Authority Bonds and the 2004

Former Agency Bonds. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "RISK FACTORS."

TABLE 9
CENTRAL CONCORD PROJECT
Projection of Tax Revenues for Debt Service
(dollars in thousands)

(1) Year Ending 6/30	(2)(3) Parcel I Tax Revenues	(2)(3) Parcels II & III Tax Revenues	(2)(3) Parcel IV Tax Revenues	(2)(3) Parcel V Tax Revenues	Total Central Concord Project Revenues	Less: Senior Reimbursement. Agreement	Total Concord Project Tax Revenues	(4) Debt Service	(5) Debt Service Coverage
2015	$8,237	$4,943	$514	$452	$14,146	(576)	$13,570	$5,563	2.44x
2016	8,144	4,922	514	452	14,032	(578)	13,454	5,751	2.34x
2017	8,144	4,922	514	452	14,032	(578)	13,454	5,733	2.35x
2018	8,144	4,922	514	452	14,032	(576)	13,456	5,733	2.35x
2019	8,144	4,922	514	452	14,032	(578)	13,454	5,717	2.35x
2020	8,144	4,922	514	452	14,032	—	14,032	3,151	4.45x
2021	8,144	4,922	514	452	14,032	—	14,032	3,146	4.46x
2022	8,144	4,922	514	452	14,032	—	14,032	3,145	4.46x
2023	8,144	4,922	514	452	14,032	—	14,032	3,142	4.47x
2024	8,144	4,922	514	452	14,032	—	14,032	2,586	5.43x
2025	8,144	4,922	514	452	14,032	—	14,032	2,583	5.43x

Source: Fiscal Consultant for revenues, Stifel Nicolaus & Co. Inc. for estimated debt service and coverage.

(1) Revenues presented on a fiscal year basis; debt service is presented for the calendar year beginning in such fiscal year.

(2) Tax Revenues derived from Table 8.0 of the Fiscal Consultant's Report. Reflects estimated reduction in FY2015-16 for pending appeals.

(3) Assumes a reduction in assessed values due to successful appeals in FY15-16 and no growth or reductions in value thereafter. Drop off in revenues reflect varying plan life of the various Parcel components.

(4) Estimated 2014 Bonds debt service based on market conditions for an uninsured "A" credit plus a cushion for changes in interest rates.

(5) Debt service coverage calculated based on Tax Revenues divided by 2014 Bonds debt service.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the investment quality of 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 "SECURITY FOR THE BONDS – 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 "SECURITY FOR THE BONDS— Recognized Obligation Payment Schedules."

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 "SECURITY FOR THE BONDS – Recognized Obligation Payment Schedules."

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 of 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 Central Concord Project and the current rate or rates at which property in the Central Concord Project is taxed. The reduction of taxable values of property in the Central Concord Project caused by economic factors beyond the Successor Agency's control, such as relocation out of the Central Concord 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 Central Concord Project. see "THE CENTRAL CONCORD 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 property 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 Central Concord Project. The general economy of the Central Concord 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 Central Concord 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 Central Concord Project, the owners of property within the Central Concord 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 Central Concord 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 10 taxable property owners in the Central Concord Project represent approximately 40.0% of the total fiscal year 2014-15 taxable value and 49.4% 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 Central Concord Project. Although the bankruptcy, termination of operations or departure from the Central Concord Project by one of the largest property owners from the Central Concord 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 2014-15, 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 Central Concord 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 Central Concord 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 Central Concord Project 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 Central Concord 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 Central Concord 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 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 Central Concord 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 Central Concord 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 Central Concord 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 Central Concord 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 Central Concord 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, the Central Concord Project would be at risk to damage due to the small size of the City and the general lack of variegated topography. Flooding in the 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

AB 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State's budget acts for its fiscal years 2011-12 and 2012-13, respectively, as efforts to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets previously held by redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (then projected savings of $1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including Tax Revenues.

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 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 Revenues 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

Federal tax law contains a number of requirements and restrictions which apply to the 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 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 Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 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

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 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 Bonds.

Ownership of the 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 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public. The Issue Price of the 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 Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a 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 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 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a 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 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 Bonds. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 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 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 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 Bonds. If an audit is commenced, under current procedures the Service may treat the Successor Agency as a taxpayer and the 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 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 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 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 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 Bonds is exempt from personal income taxation imposed by the State.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the 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 Bonds is set forth in APPENDIX B—FORM OF OPINION OF BOND COUNSEL—Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will examine the arithmetical accuracy of certain computations included in the schedules provided by the Successor Agency relating to the refunding of the 2001 Authority Bonds and the 2004 Former Agency 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

The Bonds are being purchased by Stifel Nicolaus & Company, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $42,346,465.25 (being the principal amount of the Bonds of $37,550,000.00, less an Underwriter's discount of $147,149.30, and plus an original issue premium of $4,943,614.55). The Underwriter will purchase all of the Bonds if any are purchased.

The Underwriter may offer and sell Bonds to certain dealers and others at a price lower than the offering prices stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by 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 form of Bond Counsel's final approving opinion with respect to the Bonds are attached hereto in APPENDIX B—FORM OF OPINION OF BOND COUNSEL. In addition, certain legal matters will be passed on by Quint & Thimmig LLP, as Disclosure Counsel, and by Jones Hall, A Professional Law Corporation, as Underwriter's Counsel. Certain legal matters will be passed on for the Successor Agency by Mark S. Coon, Esq., the City Attorney, as Counsel for the Successor Agency.

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 Former Agency previously entered into a disclosure undertaking under the Rule in connection with the 2004 Former Agency Bonds. During the past five years, the Former Agency/Successor Agency has, in some instances, failed to comply fully with such undertaking. In particular, the annual report for fiscal year 2009-10 was filed 18 days late, tax collection data was not filed for any of the past five years and the appeals data that was filed for the past five years was less comprehensive than what was included in the official statement for the 2004 Former Agency Bonds. Also, the Former Agency was late in filing material event notices for the Ambac Assurance Corporation rating downgrades in July 2009 and November 2010.

The Successor Agency has established procedures to ensure compliance with future continuing disclosure obligations and undertakings.

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 CONCORD 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 Lance, Soll & Lunghard, LLP (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 Central Concord 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 OF THE
REDEVELOPMENT AGENCY OF THE
CITY OF CONCORD

By /s/ Valerie J. Barone
Valerie J. Barone
Executive Director

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture, dated as of October 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.

"*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 amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

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

"*Bonds*" means the Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014.

"*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 Concord, California.

"*Closing Date*" means the date on which the Bonds are delivered by the Successor Agency to the Original Purchaser.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) 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, 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 Contra Costa 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.

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

"*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.

"*Former Agency*" means the former Redevelopment Agency of the City of Concord.

"*Indenture*" means the Indenture of Trust 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 hereunder.

"*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.

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

"*Original Purchaser*" means Stifel Nicolaus & Company, Incorporated, 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.

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

"*Pass-Through Agreement*" means that certain Agreement, dated December 7, 1993, by and between the Former Agency and the County requiring payments to the County Library.

"*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>U.S. Export-Import Bank</u> (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 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 Successor Agency's Statement of Investment Policy.

"*Plan Limits*" means the limitations contained or incorporated in the Redevelopment 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 Redevelopment Plan, and (c) the period of time for establishing or repaying indebtedness.

"*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 400 South Hope Street, Suite 400, Los Angeles, CA 90071, 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 Plan*" means the Redevelopment Plan for the Central Concord Project Area, adopted and approved as the official Redevelopment Plan for the Redevelopment Project by Ordinance No. 991, adopted by the City Council of the City on November 25, 1974, as amended by Ordinance No. 1060, adopted on November 22, 1976, as amended by Ordinance No. 1156, adopted July 9, 1979, as amended by Ordinance No. 83-11, adopted on May 2, 1983, as amended by Ordinance No. 85-31, adopted on June 24,1985, as amended by Ordinance No. 88-24, adopted on September 13, 1988, as amended by Ordinance No. 94-16, adopted on November 22, 1994, as amended by Ordinance No. 94-19, adopted on November 22, 1994, as amended by Ordinance No. 99-16, adopted on December 7, 1999, as amended by Ordinance No. 01-8, adopted on June 5, 2001, as amended by Ordinance No. 02-10, adopted on November 26, 2002, and as amended by Ordinance No. 03-8, adopted on January 6, 2004, as amended by Ordinance No. 05-3 adopted on May 3, 2005, as amended by Ordinance No. 06-9, adopted on September 5, 2006, and as amended by Ordinance No. 06-12, adopted on October 24, 2006, together with any amendments thereof at any time duly authorized pursuant to the Redevelopment Law.

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

"*Refunding Bond Law*" means, collectively, the provisions of section 34177.5 of the California Health and Safety Code 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.

"*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 or 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.

"*Reuse Project*" means the Concord Community Reuse Redevelopment Project (the "Reuse Project") which was adopted by ordinance of the City Council of the City on April 26, 2011.

"*S&P*" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, 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.

"*Senior Reimbursement Agreement*" means the Reimbursement Agreement, dated as of September 1993, as amended as of June 1, 2010, by and between the Former Agency and the City, providing for the reimbursement by the Former Agency for lease payments to be made by the City under that certain Lease Agreement, dated as of June 1, 2010, by and between the City of Concord Joint Powers Financing Authority and the City.

"*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 of the Redevelopment Agency of the City of Concord, as successor to the former Redevelopment Agency of the City of Concord, a public entity 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 hereunder.

"*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 Reuse Project, less the Senior Reimbursement Agreement, less all Statutory Pass-Through Amounts and all amounts required to be paid to other taxing entities pursuant to the Pass-Through Agreement. 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 The Bank of New York Mellon Trust Company, N.A., as trustee hereunder, or any successor thereto appointed as trustee hereunder in accordance with the provisions of Article VI.

"*2001 Bonds*" means the City of Concord Joint Powers Financing Authority Lease Revenue Bonds (Concord Avenue Parking Structure), Series 2001, secured, pursuant to a reimbursement agreement, by tax increment revenues from the Redevelopment Project, originally issued in the principal amount of $9,580,000, of which $5,230,000 principal amount remains outstanding.

"*2001 Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and among the City of Concord Joint Powers Financing Authority, the City, Successor Agency and the 2001 Escrow Bank, pursuant to which provision will be made for the defeasance and redemption of the 2001 Bonds in full on October 24, 2014, at the price of 100% of the principal amount thereof, plus accrued interest.

"*2001 Escrow Bank*" means MUFG Union Bank, N.A., as escrow bank under the 2001 Escrow Agreement, or any successor thereto appointed as escrow bank thereunder.

"*2001 Escrow Fund*" means the escrow fund held by the 2001 Escrow Bank under and pursuant to the 2001 Escrow Agreement.

"*2004 Bonds*" means the Redevelopment Agency of the City of Concord (Central Concord Redevelopment Project) Tax Allocation Refunding Bonds, Series 2004, secured by tax increment revenues from the Redevelopment Project, originally issued in the principal amount of $72,310,000, of which $40,925,000 principal amount remains outstanding.

"*2004 Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and between the Successor Agency and the 2004 Escrow Bank, pursuant to which provision will be made for the defeasance and redemption of the 2004 Bonds in full on October 24, 2014, at the price of 100% of the principal amount thereof, plus accrued interest.

"*2004 Escrow Bank*" means The Bank of New York Mellon Trust Company, N.A., as escrow bank under the 2004 Escrow Agreement, or any successor thereto appointed as escrow bank thereunder.

"*2004 Escrow Fund*" means the escrow fund held by the 2004 Escrow Bank under and pursuant to the 2004 Escrow Agreement.

"*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 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;

(d) 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.

(e) 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 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. 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, withdraw from the Reserve Account an amount equal to any such deficiency and will notify the Successor Agency of any such withdrawal. Promptly upon receipt of any such notice, the Successor Agency will withdraw from the Redevelopment Obligation Retirement Fund and transfer to the Trustee for deposit in the Reserve Account an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. If there is not sufficient moneys in the Redevelopment Obligation Retirement Fund to transfer an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account, the Successor Agency will have an obligation to continue making transfers of Tax Revenues into the Debt Service Fund, as such revenues become available, and thereafter, as moneys become available in the Debt Service Fund, the Trustee will make transfers to the Reserve Account until there is an amount sufficient to maintain the Reserve Requirement on deposit in the Reserve Account. No such transfer and deposit need be made to the Reserve Account (or any subaccount therein) so long as there is on deposit therein a sum at least equal to the Reserve Requirement. Subject to the Indenture all money in the Reserve Account will be used and withdrawn by the Trustee solely for the purpose of making transfers to the Interest Account, and the Principal Account (and subaccounts therein, as the case may be), in such order of priority, in the event of any deficiency at any time in any of such accounts or for the retirement of all the Bonds then Outstanding, except that so long as the Successor Agency is not in default under the Indenture, any amount in the Reserve Account in excess of the Reserve Requirement will be withdrawn from the Reserve Account semiannually on or before the 5th Business Day preceding March 1 and September 1 by the Trustee and deposited in the Interest Account. All amounts in the Reserve Account on the 5th Business Day preceding the final Interest Payment Date will be withdrawn from the Reserve Account and will be transferred either (i) to the Interest Account and the Principal Account, in such order, to the extent required to make the deposits then required to be made or, (ii) if the Successor Agency shall have caused to be deposited with the Trustee an amount sufficient to make the deposits required by the Indenture, then at the Written Request of the Successor Agency such amount shall be transferred as directed by the Successor Agency.

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.

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 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 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 and the Principal Account, and excluding any other moneys required to pay the principal of or interest, on the 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.
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> **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.
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> **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.

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 Series A 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.

Not fewer than 90 days prior to each January 2, commencing January 2, 2015, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller which shall include the following: (i) all scheduled interest payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, (ii) all scheduled principal payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, and (iii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture.

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 attached hereto as Exhibit C and hereby made a part of the Indenture.

Compliance with Plan Limit. Unless it is determined that the Plan Limit no longer 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 on the outstanding Bonds and any Parity Debt, 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 on the outstanding Bonds and any Parity Debt, 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 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.

*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 or interest 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 interest 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
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> *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 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 and interest, 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 and interest) 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.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Successor Agency of the Redevelopment Agency of the City of Concord
1950 Parkside Drive
Concord, California 94519

OPINION: $37,550,000 Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency of the Redevelopment Agency of the City of Concord, as successor to the former Redevelopment Agency of the City of Concord (the "Successor Agency"), of $37,550,000 Successor Agency of the Redevelopment Agency of the City of Concord, Tax Allocation Refunding Bonds, Series 2014 (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 June 24, 2014, and an indenture of trust, dated as of October 1, 2014, by and between the Successor Agency and The Bank of New York Mellon Trust Company, 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.

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 OF THE REDEVELOPMENT AGENCY OF THE CITY OF CONCORD (the "Successor Agency") in connection with the issuance of $37,550,000 aggregate principal amount of Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014 (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of October 1, 2014 (the "Indenture"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, 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 the Successor Agency 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 financial statements shall be filed 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) Largest Property Taxpayers, by Assessed Value;
(iv) Appeals of top ten taxpayers that were pending or resolved during the preceding fiscal year (but only if readily available from the County); and
(v) Debt Service Coverage (no projected debt service coverage is required).

(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.

(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 OF THE
REDEVELOPMENT AGENCY OF THE CITY OF
CONCORD, as Dissemination Agent

By ____
Name ______________________________________
Title _______________________________________

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	Successor Agency of the Redevelopment Agency of the City of Concord
Names of Issues:	Successor Agency of the Redevelopment Agency of the City of Concord Tax Allocation Refunding Bonds, Series 2014
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: ____________________

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY OF
CONCORD, Dissemination Agent

By ____
Authorized Officer

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APPENDIX E

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

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Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members of the City Council
City of Concord, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Concord, California, (the City) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the Salvio Grant Land Joint Venture, reported as an Investment in Joint Venture, an asset of the City's Governmental Activities, which represents the following percentages of assets, net position and revenues as of and for the fiscal year ended June 30, 2013:

Opinion Unit	Assets	Net Position	Revenues
Governmental Activities	0.27%	0.29%	0.22%

The Investment in Joint Venture as discussed in Note 17 was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Investment in Joint Venture, is based solely on the report of the other auditors. 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.

2151 River Plaza Drive, Suite 308 Sacramento, CA 95833 Tel: 916.570.1880 Fax: 916.570.1875 www.vtdcpa.com

FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE • SACRAMENTO

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 entity'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 entity'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, based on our audit and the report of other auditors, 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 of the City, as of June 30, 2013, and the respective changes in financial position, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Concord Housing Special Revenue Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34,* GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* effective July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress information on pages 4-17 and 83–84 respectively, 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 and other auditors 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. The transmittal letter, introductory section, combining and individual non-major fund financial statements, statistical section and the Municipal Debt Continuing Disclosure report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above and the report of the other auditors, the combining and individual non-major fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical section and the Municipal Debt Continuing Disclosure report 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 14, 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 City's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Sacramento, California
February 14, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Concord issues its financial statements in the format prescribed by the provisions of Government Accounting Standards Board Statement 34 *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"* (GASB 34). GASB 34 requires the City to provide this overview of its financial activities for the fiscal year, which should be read in conjunction with the accompanying Transmittal Letter and Basic Financial Statements.

FISCAL 2013 FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

Government-Wide

- The City's total net position was $800 million at June 30, 2013 compared to $822 million at June 30, 2012, as restated, down $22 million from the prior year. Of this total, $729 million was governmental activities net position and $71 million was business-type activities net position.
- Government-wide governmental revenues include program revenues of $27 million and general revenues of $70 million for a total of $97 million, a decrease of $5 million from the prior year's total.
- Total government-wide governmental activities expenses were $113 million, an increase of $4 million from the prior year.
- Government-wide business-type activities revenues were $21 million while expenses were $26 million.

Fund Level

- Governmental Fund balances increased $5 million in fiscal 2013 to $67 million.
- Excluding the $8 million in revenue received by the former redevelopment agency in prior year, Governmental Fund revenues increased by $8 million
- Governmental Fund expenditures decreased to $93 million in fiscal 2013, down $9 million from the prior year.
- Excluding prior year former redevelopment agency expenses of $9 million, Governmental Fund expenditures stayed constant at $93 million.
- General Fund revenues of $80 million in fiscal 2013reflected an increase of $6 million from the prior year.
- General Fund expenditures of $72 million reflected an increase of $2 million when compared to the prior year.
- The net transfers out reflected in the General Fund totaled $2 million out for fiscal 2013 compared with net transfers of $9 million out for fiscal 2012.
- General Fund balance of $20 million at June 30, 2013 increased $7 million from fiscal 2012.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This Comprehensive Annual Financial Report is in five parts:

1. Introductory section, which includes the Transmittal Letter and general information;
2. Management's Discussion and Analysis (this part);
3. The Basic Financial Statements, which include the Government-Wide and the Fund financial statements, along with the Notes to these financial statements;
4. Supplemental Information for Non-Major Governmental Funds and Internal Service Funds; and
5. Statistical information and other schedules.

THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements comprise the Government-Wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-Wide Financial Statements provide a longer-term view of the City's activities as a whole, and comprise the Statement of Net position and the Statement of Activities. The Statement of Net position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net position for the year.

All of the City's activities are grouped into Governmental Activities and Business-Type Activities, as explained below. All the amounts in the Statement of Net position and the Statement of Activities are separated into Governmental Activities and Business-Type Activities in order to provide a summary of these two activities of the City as a whole.

The Fund Financial Statements report the City's operations in more detail than the Government-Wide Statements and focus primarily on the short-term activities of the City's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the City and are presented individually, while the activities of Non-Major Funds are presented in summary, with subordinate schedules presenting the detail for each of these other funds. Major Funds are explained below.

The fiduciary statements provide financial information about the activities of the Concord Retirement System Pension Trust Fund and the Redevelopment Successor Agency (RSA), for which the City acts solely as agent.

The Government-Wide Financial Statements

The Statement of Net position and the Statement of Activities present information about the following:

- **Governmental Activities**-All of the City's basic services are considered to be Governmental Activities, including General Government; Public Safety; Public Works; Community and Economic Development; and Parks and Recreation Services. These services are supported by general City revenues such as taxes, and by specific program revenues such as developer fees.

- The City's Governmental Activities include the activities of two separate legal entities: the Mt. Diablo Health Care District and the City of Concord Joint Powers Financing Authority. The City is financially accountable for these entities.

- **Business-Type Activities**- The City's two enterprise activities, the sewer and the golf course, are reported here. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use

Government-Wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called Major Funds. The concept of major funds and the determination of which funds are major funds were established by GASB 34 and replace the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-Major Funds summarized and presented in a single column. Subordinate schedules present the detail of these Non-Major Funds. Major Funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of City's activities.

In the City's case, Concord Housing Fund and the General Projects Fund are the only Major Governmental Funds in addition to the General Fund.

Fund Financial Statements include Governmental, Proprietary and Agency Funds as discussed below.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Proprietary Fund Financial Statements are prepared on the full accrual basis, as in the past, and include all their assets and liabilities, current and long-term.

Since the City's Internal Service Funds provide goods and services only to the City's Governmental and Business-Type Activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City Funds. These revenues are eliminated in the Government-Wide Financial Statements and any related profits or losses are returned to the Activities that created them, along with any residual net position of the Internal Service Funds.

Comparisons of Budget and Actual financial information are presented only for the General Fund, as required by GASB 34.

Fiduciary Fund Statements

The City's fiduciary fund activities are reported in the separate Statement of Fiduciary Net position and Statement of Changes in Net position. Fiduciary funds include the Pension Trust Fund and the Successor Agency Private Purpose Trust Fund (SAPPTF).These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations.

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

The analyses presented below focus on the net position (Table 1) and changes in net position (Table 2) of the City as a whole. The information summarizes the Citywide Statement of Net Position and Statements of Activities stated more fully in the Financial Section of this report. The City corrected an error effective July 1, 2012 that resulted in a restatement of the beginning balance of fiscal year 2013. All balances as of June 30, 2012 in this analysis include the restated balances.

Table 1: Citywide Net Position
As of June 30, 2013 and 2012 (Dollars in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Cash and Investments	$68.4	$65.7	$28.0	$32.1	$96.4	$97.8
Other Assets	61.1	63.0	2.9	2.8	64.0	65.8
Capital Assets	657.6	672.3	77.3	77.9	734.9	750.2
Total Assets	**787.1**	**801.0**	**108.2**	**112.8**	**895.3**	**913.8**
Long-Term Debt Outstanding	24.3	26.2	21.6	22.0	45.9	48.2
Other Liabilities	33.4	28.8	15.5	14.4	48.9	43.2
Total Liabilities	**57.7**	**55.0**	**37.1**	**36.4**	**94.8**	**91.4**
Net Position:						
Net Investment in Capital Assets	635.0	651.5	54.9	56.1	689.9	707.6
Restricted	63.1	72.9			63.1	72.9
Unrestricted	31.3	21.6	16.2	20.3	47.5	41.9
Total Net Position	**$729.4**	**$746.0**	**$71.1**	**$76.4**	**$800.5**	**$822.4**

Table 2: Citywide Changes in Net Position
For the Years Ended June 30, 2013 and 2012 (Dollars in Millions)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
EXPENSES						
General Government	$17.2	$13.1			$17.2	$13.1
Public Safety	46.4	43.4			46.4	43.4
Public Works	33.6	32.0			33.6	32.0
Community and Economic Development	8.7	10.6			8.7	10.6
Parks and Recreation Services	6.0	7.0			6.0	7.0
Interest on Long-Term Debt	1.3	3.3			1.3	3.3
Sewer			$24.9	$23.2	24.9	23.2
Golf Course			1.3	1.3	1.3	1.3
Total Expenses	**113.2**	**109.4**	**26.2**	**24.5**	**139.4**	**133.9**
REVENUES						
Program Revenues:						
Charges for Services	14.2	15.3	20.8	20.7	35.0	36.0
Operating Contributions and Grants	8.3	7.9			8.3	7.9
Capital Grants	4.0	6.6		0.0	4.0	6.6
Total Program Revenues	26.5	29.8	20.8	20.7	47.3	50.5
General Revenues:						
Taxes:						
Property Taxes	15.0	19.4			15.0	19.4
Sales Taxes	36.4	33.9			36.4	33.9
Other Taxes	10.5	9.6			10.5	9.6
Motor Vehicle in Lieu	7.7	8.1			7.7	8.1
Investment Earnings	0.1	0.6	0.1	0.3	0.2	0.9
Misc. Revenues and Transfers	0.4	0.0	0.0	0.0	0.4	0.0
Total General Revenues	70.1	71.6	0.1	0.3	70.2	71.9
Total Revenues	**96.6**	**101.4**	**20.9**	**21.0**	**117.5**	**122.4**
Change in Net Position before Transfers	(16.6)	(8.0)	(5.3)	(3.4)	(21.9)	(11.5)
Extraordinary Item (Note 18)	0.0	20.3	0.0	0.0	0.0	20.3
Restatement of Fund Equity (Note 18)	0.0	17.8	0.0	0.0	0.0	17.8
Change in Net Position	**(16.6)**	**30.1**	**(5.3)**	**(3.4)**	**(21.9)**	**26.6**
Beginning Net Position, as restated	**746.0**	**715.9**	**76.4**	**79.8**	**822.4**	**795.7**
Ending Net Position	**$729.4**	**$746.0**	**$71.1**	**$76.4**	**$800.5**	**$822.4**

The analyses below focus on the net position and changes in net position of the City's Governmental Activities (Table 3, 4 and 5) and Business-Type Activities (Table 6 and 7) presented in the Citywide Statement of Net position and Statement of Activities that follow.

Governmental Activities

Table 3: Governmental Net Position
As of June 30, 2013 and 2012 (Dollars in Millions)

	Governmental Activities	
	2013	2012
Cash and Investments	$68.4	$65.7
Other Assets	61.1	63.0
Capital Assets, net	657.6	672.3
Total Assets	**787.1**	**801.0**
Long-Term Debt Outstanding	24.3	26.2
Other Liabilities	33.4	28.8
Total Liabilities	**57.7**	**55.0**
Net Position:		
Net investment in Capital Assets	635.0	651.5
Restricted	63.1	72.9
Unrestricted	31.3	21.6
Total Net Position	**$729.4**	**$746.0**

The City's net position from Governmental Activities decreased $16.6 million, or -2%, to $729.4 million in 2013. The Governmental Net position decreased primarily from the depreciation of capital assets, especially infrastructure.

- Cash and investments increased $2.7 million, or 4%, to $68.4 million due to an increase in cash received from other governments related to grants.

- Capital assets, net of depreciation, decreased $14.7 million. This decrease is primarily due to depreciation. For more information see Note 7.

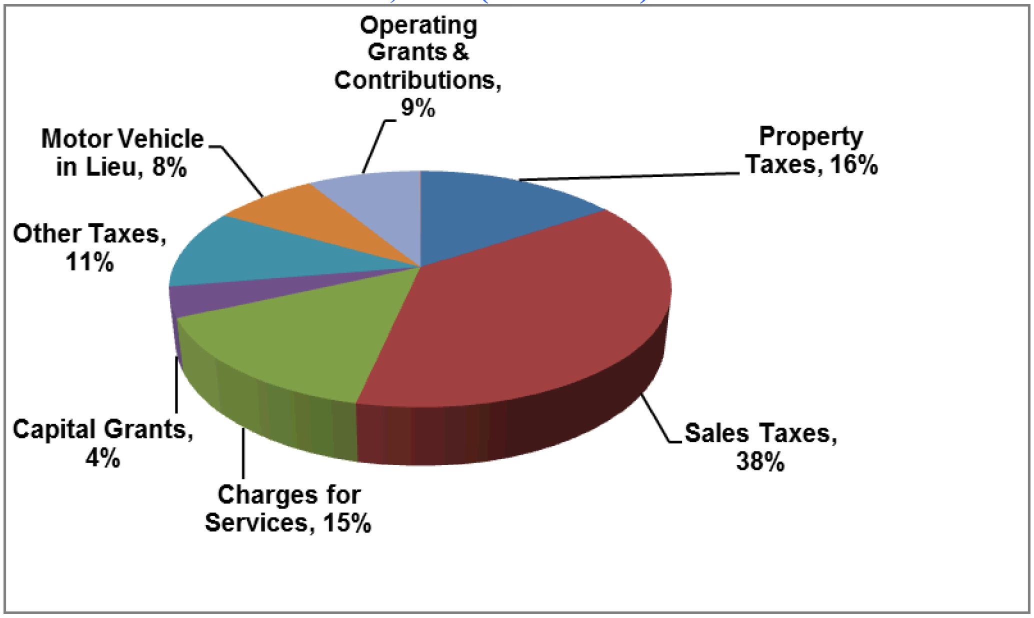
- Long-term debt decreased $1.9 million. This decrease is primarily due to the scheduled pay down of outstanding debt. See Note 8 for more information on long-term debt.

- Net investment in capital assets decreased $16.5 million.

- Restricted net position decreased $9.8 million primarily due to decrease in restrictions for capital projects and debt service.

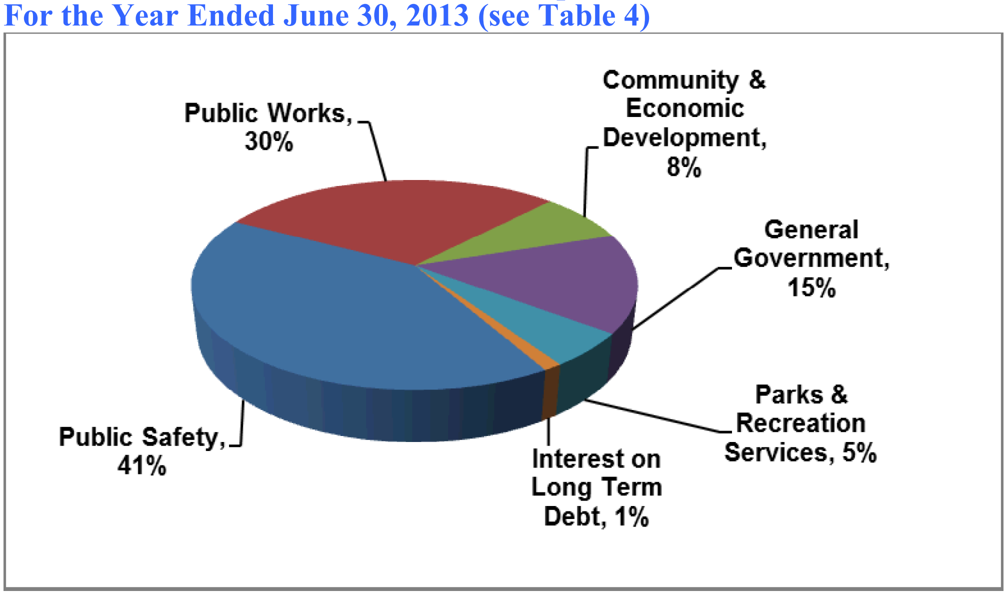
- Unrestricted net position reflects the resources that can be used to finance day-to-day operations. Unrestricted net position increased $9.7 million from the prior fiscal year to $31.3 million at June 30, 2013.

Governmental Activities - Sources of Revenues
For the Year Ended June 30, 2013 (see Table 4)



As the Sources of Revenues Chart above shows, 16%,or $15.0 million, of the City's fiscal 2013 governmental activities revenue came from property taxes,38%, or $36.4 million came from sales taxes, and 15%, or $14.2 million, came from charges for service. The remaining 31% came primarily from three sources–operating grants& contributions, motor vehicle in lieu, and other taxes.

Governmental Activities - Functional Expenses
For the Year Ended June 30, 2013 (see Table 4)



The Functional Expenses Chart above includes only current year expenses, which are discussed in detail below. Public Safety accounted for $46.4 million or 41% of expenses, while Public Works accounted for $33.6 million or 30% of expenses, followed by General Government which accounted for $17.2 million or 15% of expenses. The remaining 14% was spread among Community and Economic Development; Parks and Recreation Services; and interest expense.

The expenses reflected above do not include capital outlay, which is added to the City's capital assets on the Government-Wide Financial Statements. In 2013, the City's capital assets declined a net of $14.7 million, as discussed above. The details of the changes in capital assets are discussed in Note 7.

The Statement of Activities presents program revenues and expenses and general revenues in detail. These are elements in the Changes in Governmental Net position summarized below:

Table 4: Changes in Governmental Net Position For the Years Ended June 30, 2013 and 2012(Dollars in Millions)

	Governmental Activities 2013	2012
EXPENSES		
General Government	$17.2	$13.1
Public Safety	46.4	43.4
Public Works	33.6	32.0
Community & Economic Development	8.7	10.6
Parks & Recreation Services	6.0	7.0
Interest on Long-Term Debt	1.3	3.3
Total Expenses	**113.2**	**109.4**
REVENUES		
Program Revenues:		
Charges for Services	14.2	15.3
Operating Contributions and Grants	8.3	7.9
Capital Grants	4.0	6.6
Total Program Revenues	26.5	29.8
General Revenues:		
Taxes:		
Property Taxes	15.0	19.4
Sales Taxes	36.4	33.9
Other Taxes	10.5	9.6
Motor Vehicle in Lieu	7.7	8.1
Investment Earnings	0.1	0.6
Miscellaneous Revenues	0.4	0.0
Total General Revenues	70.1	71.6
Total Revenues	**96.6**	**101.4**
Change in Net Position before Transfers	(16.6)	(8.0)
Extraordinary Item	0.0	20.3
Restatement of Fund Equity (Note 18)	0.0	17.8
Change in Net Position	**($16.6)**	**$30.1**

Total governmental expenses were $113.2 million in fiscal 2013, reflecting a $3.8 million increase from the prior year. Decreases in Community & Economic Development ($1.9 million) and Interest on Long Term Debt ($2.0 million) were offset by increases in General Government ($4.1 million)and Public Safety ($3.0 million).

Total governmental revenues decreased $4.8 million to $96.6 million in fiscal 2013. The decrease is primarily the result of a $4.4 million decrease in property tax revenue, resulting from the dissolution of the former redevelopment agency, and a $2.6 million decrease in capital grants. These decreases were partially offset by increases in sales tax revenue of $2.5 million.

Governmental Activities

Table 5 presents the net expense of each of the City's programs. Net expense is defined as total program cost offset by revenues generated by those specific activities. In the City's case, the net expenses of several programs varied significantly from the total expense above. The City's program revenues include charges for services such as developer fees, plan check fees, building inspection fees, recreation fees, police fees, traffic fines and operating or capital grants.

Table 5: Governmental Activities Net Program Expense As of June 30, 2013 and 2012(Dollars in Millions)

	Net (Expense) Revenue from Services	
	2013	2012
General Government	($15.7)	($11.5)
Public Safety	(44.3)	(41.4)
Public Works	(19.7)	(12.8)
Community & Economic Development	(3.9)	(8.9)
Parks & Recreation Services	(1.8)	(1.7)
Interest on Long-Term Debt	(1.3)	(3.3)
Total	**($86.7)**	**($79.6)**

Business-Type Activities

The net position of Business-Type Activities decreased to $71.1 million in fiscal 2013,down $5.3 million from $76.4 million in the prior year. Business-Type activities include the Sewer Fund and the Golf Course Fund with net position of $69.5 million and $1.7 million, respectively.

Table 6: Business-Type Activities Net Position As of June 30, 2013 and 2012(Dollars in Millions)

	Business-Type Activities	
	2013	2012
Cash and Investments	$28.0	$32.1
Other Assets	2.9	2.8
Capital Assets	77.3	77.9
Total Assets	**108.2**	**112.8**
Long-Term Debt Outstanding	21.6	22.0
Other Liabilities	15.5	14.4
Total Liabilities	**37.1**	**36.4**
Net Position:		
Net investment in Capital Assets	54.9	56.1
Unrestricted	16.2	20.3
Total Net Position	**$71.1**	**$76.4**

Table 7: Changes in Business-Type Activities Net Position As of June 30, 2013 and 2012(Dollars in Millions)

	Business-Type Activities	
	2013	2012
Net Revenues from Business-Type Activities:		
Sewer Fund	($5.5)	($3.8)
Golf Course Fund	0.1	0.1
General Revenues:		
Investment Earnings	0.1	0.3
Other	0.0	0.0
Total	**($5.3)**	**($3.4)**

The Sewer Fund generated service fee revenues of $19.4 in fiscal 2013, reflecting a $0.1 million increase over the prior year. Operating expenses increased by $1.4 million, or 6%, to $23.6 million. As a result, the Sewer Fund experienced a $5.5 million operating loss for the year attributable to the City's support of capital projects for sewage treatment at the Central Contra Costa Sanitary District. The Golf Course Fund realized a nominal gain in fiscal year 2013.

THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

At June 30, 2013, the City's governmental funds reported combined fund balances of $66.7 million, a $5.4 million increase when compared with last year's restated combined fund balance of $61.3 million. General fund balance increased $7.0 million and General Projects fund balance increased by $0.5 million. The Concord Housing fund balance remained flat while Other Governmental fund balance decreased $2.0 million.

Governmental fund revenues decreased $0.4 million this year to $98.0 million from $98.4 million in the prior year. General Fund revenues increased $6.3 million, or 8%. General Project revenues increased $3.4 million. Other Governmental fund revenues decreased $1.6 million.

Governmental expenditures decreased $8.8million this year to $93.3 million from $102.1 million in the prior year. Excluding prior year's Former Redevelopment Agency expenditures, Governmental expenditures increased $0.4 million. General Fund expenditures increased $2.1 million to $71.6 million. General Project expenditures decreased $4.3 million. Other Governmental fund expenditures increased $2.4 million. Other Financing Sources (Uses) are primarily comprised of transfers among the various funds in the City. During fiscal 2013, the General Fund received transfers in of approximately $0.5 million to reimburse operating costs and transferred out $2.4 million to fund capital projects and debt service.

Proprietary Funds

Enterprise fund net position decreased to $71.1 million in fiscal 2013, down $5.3 million from $76.4 million in the prior year. Enterprise operating revenues were $20.8 million this year, up $0.1 million from last year. Enterprise Fund operating expenses were $24.9 million in fiscal 2013, up $1.4 million from $23.5 million in the prior year.
Internal service fund net position decreased to $39.0 million in fiscal 2013, down $6.7 million from $45.7 million in the prior year. This decrease is primarily due to a $2.7 million decrease in the Net OPEB Asset and a $2.9 million increase in claims payable.

ANALYSES OF MAJOR GOVERNMENTAL FUNDS

General Fund

General Fund revenues totaled $80.5 million, reflecting an increase of $6.3 million, or 8%, over the prior fiscal year, due primarily to a $2.5 million increase in Sales Taxes and a $4.9 million increase in Miscellaneous Revenues, including a $0.8 million refund from Contra Costa County for Property Tax Fees and $0.9 million for the City's Low and Moderate Income Housing Fund balance. General Fund operating expenditures increased $2.1 million primarily due to an increase in General Government expenditures of $2.6 million.

Table 8: Changes in General Fund As of June 30, 2013 and 2012 (Dollars in Millions)

	General Fund Revenues and Expenditures	
	2013	2012
REVENUES		
Taxes:		
Property Taxes	$11.2	$11.4
In Lieu Property Taxes - VLF	7.7	8.1
Sales Taxes	19.7	18.2
Measure Q Sales Taxes	10.6	10.0
In Lieu Sales Taxes	6.1	5.7
Other Taxes	10.5	9.4
Licenses and Permits	1.5	1.3
Intergovernmental	0.7	0.4
Charges for Services	5.3	7.6
Investment Earnings	0.6	0.4
Miscellaneous Revenues	6.6	1.7
Total Revenues	**80.5**	**74.2**
EXPENDITURES		
General Government	$15.0	$12.3
Public Safety	42.0	41.9
Public Works	5.6	5.8
Community and Economic Development	5.1	4.7
Parks and Recreation Services	3.8	4.7
Interest on Long-Term Debt	0.1	0.1
Total Expenditures	**71.6**	**69.5**
Excess (Deficiency) of Revenues Over Expenditures	**8.9**	**4.7**
OTHER FINANCING SOURCES (USES)		
Transfers In	0.5	2.9
Transfers Out	(2.4)	(12.0)
Total Other Financing Sources (Uses)	**(1.9)**	**(9.1)**
Net Change in Fund Balance	**7.0**	**(4.4)**
Fund Balance at Beginning of Year, as restated	**12.6**	**17.0**
Ending Fund Balance	**$19.6**	**$12.6**

At June 30, 2013, the General Fund balance totaled $19.6 million compared to $12.6 million in the prior year. The increase of $7.0 million in fund balance was primarily due to an increase in revenue of $6.3 million. In the prior year fiscal year, the general fund transferred of $11.4 million in land held for redevelopment to the now-former redevelopment agency. Fiscal year 2013 only saw transfers out of $2.4 million. This year's ending fund balance consisted of $2.0 million categorized as nonspendable; $1.1 million was assigned; and $16.5 million was unassigned. Refer to Note 9 for more information.

Concord Housing Fund

The Concord Housing Fund tracks accounts for the activities related to the assets assumed by the City of Concord as the Housing Successor to the housing activities of the former Redevelopment Agency. The Total Fund Balance as of June 30, 2013 was $28.8 million, a slight decrease over last year's fund balance of $29.0 million. Total revenues were $0.1 million and total expenditures were $0.2 million in fiscal 2013.

General Projects Fund

This fund tracks capital project costs that are reimbursable from grants. The fund's revenues were $6.3 million in fiscal 2013, an increase of $3.4 million compared to $2.9 million in fiscal 2012. Fund expenditures were $7.3 million in fiscal 2013 compared to $11.7 million in fiscal 2012.

The fund had a deficit balance at year end of $0.4 million compared to a deficit of $0.9 million in fiscal 2012 primarily due to the increase in grant reimbursements.

Other Governmental Funds

These funds are not presented separately in the Basic Financial Statements, but are individually presented as Supplemental Information.

ANALYSES OF MAJOR PROPRIETARY FUNDS

Sewer Fund

Net position of the Sewer Fund at fiscal year-end was $69.5 million, a decrease of$5.5 million compared to $74.9 million at June 30, 2012. Net investment in capital assets was $53.4 million and unrestricted net position was $16.0 million at June 30, 2013.

Golf Course Fund

Golf Course revenues and expenditures remained flat in fiscal 2013.Net position increased slightly to $1.7 million from $1.5 million.

CAPITAL ASSETS

GASB 34 requires the City to record all its capital assets, including infrastructure, in its financial statements. Infrastructure includes roads, bridges, signals, storm drains and other similar assets.

In accordance with GASB 34, in fiscal 2002, the City recorded the cost of all its infrastructure assets and computed the amount of accumulated depreciation for these assets based on their original acquisition dates. At the end of fiscal 2013, the cost of infrastructure and other capital assets recorded on the City's financial statements was as shown in Table 9 below:

Table 9: Capital Assets
For the Years Ended June 30, 2013 and 2012 (Dollars in Millions)

	Balance at June 30, 2013	Balance at June 30, 2012
Governmental Activities		
Land	$15.1	$15.1
Construction in Progress	12.0	10.5
Ground Improvements	17.0	16.4
Buildings and Improvements	75.1	74.7
Machinery and Equipment	12.3	11.5
Vehicles	8.6	8.6
Streets	429.7	426.6
Sidewalks	48.9	47.3
Storm Drains/Catch Basins	443.3	443.3
Street Lights	5.8	4.3
Traffic Signals	26.4	26.2
Less: Accumulated Depreciation	(436.5)	(412.2)
Governmental Activities Capital Assets, Net	**$657.7**	**$672.3**
Business-Type Activities		
Land	$0.4	$0.4
Construction in Progress	5.1	1.3
Buildings and Improvements	8.7	8.7
Machinery and Equipment	0.2	0.2
Sewer Lines	209.5	209.5
Less: Accumulated Depreciation	(146.7)	(142.2)
Business-Type Activities Capital Assets, Net	**$77.2**	**$77.9**

The principal additions to governmental capital assets in fiscal 2013 were street infrastructure. Business-Type construction in progress increased by $3.8 million due to on-going sewer projects. Total Net Business-Type capital assets decreased by $0.7 because of depreciation. The City depreciates all its capital assets over their estimated useful lives, as required by GASB 34. The purpose of depreciation is to spread the cost of a capital asset over the years of its useful life so that an allocable portion of the cost of the asset is borne by all users. Further detail on capital assets, current year additions, construction in progress and depreciation can be found in Note 7.

DEBT ADMINISTRATION

The City made all scheduled debt service payments. Each of the City's debt issues is discussed in detail in Note 8 to the Financial Statements. In September 2013, the City issued Wastewater Revenue Refunding Bonds to provide for a refunding of the 2004 Wastewater System Certificates of Participation. Refer to Note 19 for more detailed information. At June 30, 2013, the City's debt was comprised of the following issues:

Table 10: Outstanding Debt
As of June 30, 2013 and 2012 (Dollars in Millions)

	June 30, 2013	June 30, 2012	Net Change
Governmental Activities Debt:			
Revenue Bonds:			
1995 Lease Revenue Bonds, 6.33 - 8.24%, due 8/1/20	2.9	3.4	(0.5)
Police Facility Revenue Bonds, 2.70 - 5.25%, due 8/1/13	0.5	1.0	(0.5)
Parking Garage Revenue Bonds, 4.0 - 5.13%, due 3/1/23	5.7	6.1	(0.4)
Refunding Lease Agreement			
3.3%, due 9/1/19	3.8	4.3	(0.5)
Lease Purchase Agreement			
4.75%, due 6/30/27	8.0	8.3	(0.3)
Notes Payable:			
CHFA, 3.00%, due 03/01/14	1.4	1.4	0.0
Capital Lease:			
Key Government Finance, 4.65%, due 09/15/12	0.0	0.0	0.0
Cisco VOIP Equipment, 3.95%, due 7/9/14	0.2	0.3	(0.1)
Hubb Systems Mobile Computers, 4.75%, due 7/9/14	0.0	0.2	(0.2)
Motorola Safety Radio, 3.03%, due 12/1/16	0.7	0.9	(0.2)
NetApp Capital Solutions Software, 3.44%, due 04/01/16	0.3	0.3	0.0
Color Hybrid Multi-Function Printers, 5.5%, due 11/1/18	0.1	0.1	0.0
Motorola Safety Radio, 3.55%, due 8/1/18	0.3	0.0	0.3
Key Government Finance, 4.59%, due 02/25/17	0.1	0.0	0.1
US Bank 000 4.76%, due 10/15/17	0.2	0.0	0.2
US Bank 001 4.76%, due 11/1/18	0.1	0.0	0.1
Total Governmental Activities Debt	**$24.3**	**$26.3**	**($2.0)**
Business-Type Activities Debt:			
Enterprise Long Term Debt:			
2012 - Wastewater Revenue Refunding Bonds, 1.50-4.00%, due 02/01/29	$9.8	$0.0	$9.8
2004 Certificates of Participation, Wastewater System Improvements, 2.00 - 4.63%, due 2/1/29	$0.0	$9.7	($9.7)
2007 Certificates of Participation, Wastewater System Improvements, 3.75 - 4.50%, due 2/1/32	10.7	11.1	(0.4)
ABAG 41 Certificates of Participation, Diablo Creek Golf Course, 4.00 - 5.00%, due 8/1/18	1.2	1.3	(0.1)
Total Business-Type Activities Debt	**$21.7**	**$22.1**	**($0.4)**

Both Total Governmental Activities Debt and Business-Type Activities Debt decreased slightly over prior year because of the scheduled pay down of outstanding debt.

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in detail in the accompanying Transmittal Letter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this Report should be directed to the Finance Department, at 1950 Parkside Drive, Concord, CA 94519-2578.

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. 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.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, 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 is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the ―modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities 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 or Business-type Activities column, 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, Mt. Diablo Health Care District, City of Concord Joint Powers Financing Authority, and Concord Sanitary Sewer Services, Inc., which are legally separate but are component units of the City because they are controlled by the City, which are financially accountable for the component units' activities.

CITY OF CONCORD
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 4)	$ 66,702,591	$ 27,576,569	$ 94,279,160
Cash with Fiscal Agents (Note 4)	1,674,471	405,944	2,080,415
Receivables (Net of Allowances for Uncollectibles):			
Accounts	6,775,126	145,777	6,920,903
Due from Other Governments	5,887,671		5,887,671
Interest	452,748	2,273	455,021
Loans and Notes (Note 6)	34,382,676		34,382,676
Due from Successor Agency (Note 8)	9,232,000		9,232,000
Inventories	20,645		20,645
Prepaid Items and Other Assets	1,645	35,511	37,156
Internal Balances (Note 5)	(2,776,352)	2,776,352	-
Investment in Joint Venture (Note 17)	2,129,711		2,129,711
Net OPEB Asset (Note 14)	5,028,652		5,028,652
Capital Assets (Note 7):			
Land and Construction In Progress	27,119,691	5,485,728	32,605,419
Depreciable Capital Assets, Net of Accumulated Depreciation	630,504,315	71,759,925	702,264,240
Total Assets	787,135,590	108,188,079	895,323,669
LIABILITIES			
Accounts, Deposits and Contracts Payable	3,712,404	14,968,459	18,680,863
Accrued Liabilities	2,961,136	27,490	2,988,626
Interest Payable	212,288	320,075	532,363
Refundable Deposits	3,926,925		3,926,925
Unearned Revenue	555,614		555,614
Net Pension Obligation (Note 11)	5,356,062		5,356,062
Compensated Absences (Note 8)			
Due in One Year	2,289,257	42,129	2,331,386
Due in More Than One Year	1,794,481	53,334	1,847,815
Claims Payable (Note 16):			
Due in One Year	3,246,644		3,246,644
Due in More Than One Year	9,393,508		9,393,508
Long-Term Debt (Note 8):			
Due in One Year	3,978,332	1,045,000	5,023,332
Due in More Than One Year	20,298,484	20,599,591	40,898,075
Total Liabilities	57,725,135	37,056,078	94,781,213
NET POSITION (Note 9)			
Net Investment in Capital Assets	$634,988,057	54,902,054	689,890,111
Restricted for:			
Capital Projects	12,536,427		12,536,427
Debt Service	2,396,176		2,396,176
Community Development Projects	48,144,325		48,144,325
Total Restricted Net Position	63,076,928	-	63,076,928
Unrestricted Net Position	31,345,470	16,229,947	47,575,417
Total Net Position	$ 729,410,455	$ 71,132,001	$ 800,542,456

See accompanying notes to financial statements.

CITY OF CONCORD
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government	$ 17,203,231	$ 1,528,975			$ (15,674,256)		$ (15,674,256)
Public Safety	46,357,766	1,255,763	$ 814,754		(44,287,249)		(44,287,249)
Public Works	33,607,422	5,675,622	4,385,846	$ 3,884,422	(19,661,532)		(19,661,532)
Community and Economic Development	8,677,518	3,226,130	1,366,980	136,620	(3,947,788)		(3,947,788)
Parks & Recreation Services	6,045,819	2,531,616	1,714,216		(1,799,987)		(1,799,987)
Interest on Long-Term Debt	1,282,725				(1,282,725)		(1,282,725)
Total Governmental Activities	113,174,481	14,218,106	8,281,796	4,021,042	(86,653,537)		(86,653,537)
Business-Type Activities:							
Sewer	24,908,709	19,420,225		33,945		$ (5,454,539)	(5,454,539)
Golf Course	1,308,344	1,381,788				73,444	73,444
Total Business-Type Activities	26,217,053	20,802,013	-	33,945	-	(5,381,095)	(5,381,095)
Total	$ 139,391,534	$ 35,020,119	$ 8,281,796	$ 4,054,987	(86,653,537)	(5,381,095)	(92,034,632)
General Revenues:							
Taxes							
Property Taxes					15,017,785		15,017,785
Sales Taxes					36,423,806		36,423,806
Motor Vehicle In Lieu, Unrestricted					7,682,740		7,682,740
Transient Occupancy Taxes					1,832,615		1,832,615
Business License Taxes					3,365,317		3,365,317
Other Taxes					5,269,956		5,269,956
Investment Earnings					109,003	73,758	182,761
Miscellaneous Revenues					357,827	38,549	396,376
Total General Revenues					70,059,049	112,307	70,171,356
Change in Net Position					(16,594,488)	(5,268,788)	(21,863,276)
Net Position - Beginning (as restated)					746,004,943	76,400,789	822,405,732
Net Position - Ending					$ 729,410,455	$ 71,132,001	$ 800,542,456

See accompanying notes to financial statements.

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal . Individual non-major funds may be found in the Supplemental section.

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are property taxes, sales taxes, unrestricted revenues from the State, charges for services, and interest income. Expenditures are made for public safety, most street work and other services not required to be accounted for in another fund.

Concord Housing – The Concord Housing Fund accounts for the activities related to the assets assumed by the City of Concord as the Housing Successor to the housing activities of the former Redevelopment Agency of the City of Concord.

General Projects Fund - This capital projects fund accounts for all general capital improvement projects not funded from proprietary funds.

CITY OF CONCORD
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2013

	General	Concord Housing	General Projects	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Investments (Note 4)	$ 24,695,367	$ 668,098	$ 1,478,355	$ 17,782,287	$ 44,624,107
Cash with Fiscal Agents (Note 4)			4,120	1,670,351	1,674,471
Receivables (Net of Allowances for Uncollectible):					
Accounts	5,126,029	3,208	263,608	1,368,653	6,761,498
Due from Other Governments	3,382,504		1,913,365	591,802	5,887,671
Interest	452,748				452,748
Due from Other Funds (Note 5)	2,514,787				2,514,787
Loans and Notes (Note 6)		31,615,073		2,767,603	34,382,676
Inventories	20,645				20,645
Prepaid Items and Other Assets			1,645		1,645
Advances to Other Funds (Note 5)	2,023,121	3,000,000		318,000	5,341,121
Total Assets	$ 38,215,201	$ 35,286,379	$ 3,661,093	$ 24,498,696	$ 101,661,369
LIABILITIES:					
Accounts, Deposits and Contracts Payable	$ 3,132,263	$ 10,170	$ 328,562	$ 30,363	$ 3,501,358
Accrued Liabilities	2,424,588			475,777	2,900,365
Due to Other Funds (Note 5)				86,606	86,606
Refundable Deposits	3,926,925				3,926,925
Deferred Revenue	555,614	6,430,482	3,572,357	3,825,696	14,384,149
Advances from Other Funds (Note 5)	8,550,000		117,000	1,450,473	10,117,473
Total Liabilities	18,589,390	6,440,652	4,017,919	5,868,915	34,916,876
FUND BALANCES:					
Fund Balances: (Note 9)					
Nonspendable	2,043,766				2,043,766
Restricted		28,845,727		18,309,015	47,154,742
Assigned	1,082,256			594,718	1,676,974
Unassigned	16,499,789		(356,826)	(273,952)	15,869,011
TOTAL FUND BALANCES	19,625,811	28,845,727	(356,826)	18,629,781	66,744,493
Total Liabilities and Fund Balances	$ 38,215,201	$ 35,286,379	$ 3,661,093	$ 24,498,696	$ 101,661,369

See accompanying notes to financial statements.

CITY OF CONCORD
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

TOTAL FUND BALANCES -- TOTAL GOVERNMENTAL FUNDS	$	66,744,493
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.		630,184,197
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION		
Internal Service Funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance, to individual Governmental Funds. The net position and liabilities of the Internal Service Funds are therefore included in Governmental Activities in the Statement of Net Position.		39,004,659
INVESTMENT IN PARTNERSHIP		
Long term investments are not current financial resources and therefore are not reported in the Governmental Funds.		2,129,711
ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES		
Revenues which are deferred in the Governmental Funds because they are not available currently are taken into revenue in the Statement of Activities.		13,828,535
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:		
Long-Term Debt		(22,382,454)
Interest Payable		(178,684)
Compensated Absences		(3,795,940)
Reimbursement agreement due from Successor Agency		9,232,000
Net Pension Obligation		(5,356,062)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$	729,410,455

See accompanying notes to financial statements.

CITY OF CONCORD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	General	Concord Housing	General Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes					
Property	$ 11,178,462			$ 3,839,323	$ 15,017,785
In Lieu Property Tax - VLF	7,682,740				7,682,740
Sales	19,667,518				19,667,518
Measure Q	10,640,725				10,640,725
Sales Tax In Lieu	6,115,563				6,115,563
Transient Occupancy	1,832,615				1,832,615
Franchises	5,269,956				5,269,956
Business License	3,365,317				3,365,317
Licenses and Permits	1,494,008			101,955	1,595,963
Intergovernmental	664,823		$ 6,264,776	5,448,781	12,378,380
Charges for Services	5,254,807			6,876	5,261,683
Fines, Forfeitures and Penalties	640,065		50,973		691,038
Parks and Recreation	2,685,527				2,685,527
Use of Money and Property	1,141,885	$ 60,597	2,932	114,355	1,319,769
Special Assessment Collections				163,596	163,596
Other	2,832,605	53,027	26,774	1,429,857	4,342,263
Total Revenues	80,466,616	113,624	6,345,455	11,104,743	98,030,438
EXPENDITURES					
Current:					
General Government	14,955,958		29,545		14,985,503
Public Safety	41,998,811		647,920	57,800	42,704,531
Public Works	5,554,707		427,403	5,365,705	11,347,815
Community and Economic Development	5,145,952	247,826	1,440,054	1,163,117	7,996,949
Parks & Recreation Services	3,804,647		873,188	716,130	5,393,965
Capital Outlay			3,901,505	3,555,141	7,456,646
Debt Service:					
Principal				2,077,019	2,077,019
Interest and Fiscal Charges	150,250			1,179,060	1,329,310
Total Expenditures	71,610,325	247,826	7,319,615	14,113,972	93,291,738
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,856,291	(134,202)	(974,160)	(3,009,229)	4,738,700
OTHER FINANCING SOURCES (USES)					
Transfers In (Note 5)	499,904		1,513,010	1,895,146	3,908,060
Transfers (Out) (Note 5)	(2,357,422)		(13,508)	(869,945)	(3,240,875)
Total Other Financing Sources (Uses)	(1,857,518)	-	1,499,502	1,025,201	667,185
NET CHANGES IN FUND BALANCES	6,998,773	(134,202)	525,342	(1,984,028)	5,405,885
FUND BALANCES (DEFICIT) AT BEGINNING OF YEAR (as restated)	12,627,038	28,979,929	(882,168)	20,613,809	61,338,608
FUND BALANCES (DEFICIT) AT END OF YEAR	$ 19,625,811	$ 28,845,727	$ (356,826)	$ 18,629,781	$ 66,744,493

See accompanying notes to financial statements.

CITY OF CONCORD
RECONCILIATION OF THE
NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS
TO THE
STATEMENT OF ACTIVITIES
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	$	5,405,885
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.		
The capital outlay and other expenditures are therefore added back to fund balance		7,740,275
Depreciation expense is deducted from the fund balance (Depreciation expense is net of internal service fund depreciation of $3,000,991 which has already been allocated to serviced funds.)		(22,124,108)
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		2,077,024
Reimbursement agreement from Successor Agency		(900,000)
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):		
Long-Term Compensated Absences		(131,842)
Pension costs		(910,219)
Deferred Revenue		(1,349,957)
Interest Payable		113,333
Investment in Partnership		210,335
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY		
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with governmental activities, because they service those activities.		
Change in Net Position - All Internal Service Funds, less contributions from Governmental Funds		(6,725,214)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	(16,594,488)

See accompanying notes to financial statements.

CITY OF CONCORD
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
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES:				
Taxes				
Property	$ 12,031,379	$ 10,580,054	$ 11,178,462	$ 598,408
In Lieu Property Tax VLF	8,295,849	8,295,849	7,682,740	(613,109)
Sales	18,081,433	19,237,134	19,667,518	430,384
Measure Q	9,447,000	10,347,000	10,640,725	293,725
Sales Tax In Lieu	6,213,085	6,213,085	6,115,563	(97,522)
Transient Occupancy	1,400,000	1,400,000	1,832,615	432,615
Franchises	5,113,000	5,148,000	5,269,956	121,956
Business License	3,172,660	3,172,660	3,365,317	192,657
Licenses and Permits	1,217,272	1,557,272	1,494,008	(63,264)
Intergovernmental	200,000	200,000	664,823	464,823
Charges for Services	4,720,668	4,878,168	5,254,807	376,639
Fines, Forfeitures and Penalties	830,000	680,000	640,065	(39,935)
Parks and Recreation	2,645,675	2,562,175	2,685,527	123,352
Use of Money and Property	653,242	653,242	1,141,885	488,643
Other	363,430	2,558,561	2,832,605	274,044
Total Revenues	74,384,693	77,483,200	80,466,616	2,983,416
EXPENDITURES:				
Current:				
General Government:				
Council	341,358	341,358	365,966	(24,608)
Manager	2,324,501	2,382,203	2,084,014	298,189
Attorney	1,075,645	1,114,472	938,435	176,037
Human Resources	1,201,704	1,595,312	1,364,242	231,070
Finance	9,714,095	10,096,725	10,203,301	(106,576)
Total General Government	14,657,303	15,530,070	14,955,958	574,112
Public Safety	41,505,669	41,456,037	41,998,811	(542,774)
Public Works	5,512,841	5,579,553	5,554,707	24,846
Community and Economic Development	4,423,303	4,847,062	5,145,952	(298,890)
Parks & Recreation Services	4,143,914	4,146,103	3,804,647	341,456
Debt Service:				
Interest and Fiscal Charges			150,250	(150,250)
Total Expenditures	70,243,030	71,558,825	71,610,325	(51,500)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,141,663	5,924,375	8,856,291	2,931,916
OTHER FINANCING SOURCES (USES)				
Transfers In	936,921	786,921	499,904	(287,017)
Transfers (Out)	(1,681,137)	(3,142,619)	(2,357,422)	785,197
Total Other Financing Sources (Uses)	(744,216)	(2,355,698)	(1,857,518)	498,180
NET CHANGE IN FUND BALANCE	$ 3,397,447	$ 3,568,677	6,998,773	$ 3,430,096
FUND BALANCE AT BEGINNING OF YEAR			12,627,038	
FUND BALANCE AT END OF YEAR			$ 19,625,811	

See accompanying notes to financial statements.

CITY OF CONCORD
CONCORD HOUSING 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
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES:				
Use of Money and Property	$ 292,754	$ 292,754	$ 60,597	$ (232,157)
Other			53,027	53,027
Total Revenues	292,754	292,754	113,624	(179,130)
EXPENDITURES:				
Current:				
Community and Economic Development	122,972	122,972	247,826	(124,854)
Total Expenditures	122,972	122,972	247,826	(124,854)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	169,782	169,782	(134,202)	(303,984)
NET CHANGE IN FUND BALANCE	$ 169,782	$ 169,782	(134,202)	$ (303,984)
FUND BALANCE AT BEGINNING OF YEAR			28,979,929	
FUND BALANCE AT END OF YEAR			$ 28,845,727	

See accompanying notes to financial statements.

PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of *major funds* extends to Proprietary Funds. GASB 34 does not provide for the disclosure of budget vs. actual comparisons regarding proprietary funds. The City reports the Sewer Enterprise Fund as a major fund:

Sewer Fund. To account for activities associated with sewage transmission and treatment.

The City reports the Golf Course Fund as a non-major fund.

Golf Course Fund. To account for activities associated with the development, operation and maintenance of the Diablo Creek Golf Course.

See accompanying notes to financial statements.

CITY OF CONCORD
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental
	Sewer	Non-Major Enterprise/ Golf Course	Totals	Activities - Internal Service Funds
ASSETS:				
Current Assets:				
Cash and Investments (Note 4)	$ 27,255,103	$ 321,466	$ 27,576,569	$ 22,078,484
Cash with Fiscal Agents (Note 4)	152,913	253,031	405,944	
Accounts Receivable	3,981	141,796	145,777	13,628
Interest Receivable	2,273		2,273	
Prepaid Items		8,500	8,500	
Total Current Assets	27,414,270	724,793	28,139,063	22,092,112
Non-Current Assets:				
Advances to Other Funds (Note 5)	3,550,000		3,550,000	2,000,000
Debt Issue Costs (Net of Amortization)		27,011	27,011	
Net OPEB Asset (Note 14)				5,028,652
Capital Assets (Note 7):				
Land	334,839	60,344	395,183	
Construction In Progress	5,090,545		5,090,545	1,909,487
Buildings and Improvements	2,824,944	5,876,042	8,700,986	42,619,511
Machinery and Equipment	112,189	136,177	248,366	20,864,563
Sewer Collection System	209,485,479		209,485,479	
Less: Accumulated Depreciation	(143,484,874)	(3,190,032)	(146,674,906)	(37,953,752)
Net Capital Assets	74,363,122	2,882,531	77,245,653	27,439,809
Total Non-Current Assets	77,913,122	2,909,542	80,822,664	34,468,461
Total Assets	105,327,392	3,634,335	108,961,727	56,560,573
LIABILITIES:				
Current Liabilities (Payable from Current Assets):				
Accounts and Contracts Payable	14,964,157	4,302	14,968,459	211,046
Accrued Liabilities	27,490		27,490	60,771
Due To Other Funds (Note 5)				2,428,181
Compensated Absences Payable (Note 8)	42,129		42,129	104,409
Bond Interest Payable	296,202	23,873	320,075	33,604
Capital Lease Payable (Note 8)				493,478
Certificates of Participation (Note 8)	875,000	170,000	1,045,000	
Claims Payable (Note 16)				3,246,644
Total Current Liabilities	16,204,978	198,175	16,403,153	6,578,133
Noncurrent Liabilities:				
Compensated Absences Payable (Note 8)	53,334		53,334	183,389
Advance from Other Funds (Note 5)		773,648	773,648	
Capital Lease Payable (Note 8)				1,400,884
Certificates of Participation (Note 8)	19,609,591	990,000	20,599,591	
Claims Payable (Note 16)				9,393,508
Total Noncurrent Liabilities	19,662,925	1,763,648	21,426,573	10,977,781
Total Liabilities	35,867,903	1,961,823	37,829,726	17,555,914
NET POSITION: (Note 9):				
Net investment in Capital Assets	53,429,416	1,472,638	54,902,054	25,511,843
Unrestricted	16,030,073	199,874	16,229,947	13,492,816
Total Net Position	$ 69,459,489	$ 1,672,512	$ 71,132,001	$ 39,004,659

See accompanying notes to financial statements.

CITY OF CONCORD
PROPRIETARY FUNDS
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Non-Major Enterprise/ Golf Course	Totals	
OPERATING REVENUES				
Service Fees	$ 19,413,123		$ 19,413,123	
Charges for Services				$ 17,424,515
Golf Course Fees and Charges		$ 1,346,790	1,346,790	
Other	7,102	34,998	42,100	3,485
Total Operating Revenues	19,420,225	1,381,788	20,802,013	17,428,000
OPERATING EXPENSES				
Operating and Maintenance	19,396,021	1,087,700	20,483,721	16,285,343
Cost of Sales and Services				39,882
Depreciation and Amortization	4,272,101	161,331	4,433,432	3,000,991
Claims and Judgments				4,749,001
Total Operating Expenses	23,668,122	1,249,031	24,917,153	24,075,217
Operating Income (Loss)	(4,247,897)	132,757	(4,115,140)	(6,647,217)
NON-OPERATING REVENUES (EXPENSES):				
Investment Income	72,599	1,159	73,758	139,191
Interest Expense	(943,251)	(59,313)	(1,002,564)	(66,750)
Gain (Loss) from Disposition of Capital Assets				66,759
Other	(297,336)	75,000	(222,336)	
Total Non-Operating Revenues (Expenses)	(1,167,988)	16,846	(1,151,142)	139,200
Income (Loss) Before Contributions and Transfers	(5,415,885)	149,603	(5,266,282)	(6,508,017)
Contributions	33,945		33,945	413,537
Transfer In (Note 5)		43,549	43,549	230,000
Transfer Out (Note 5)	(80,000)		(80,000)	(860,734)
Changes in Net Position	(5,461,940)	193,152	(5,268,788)	(6,725,214)
Total Net Position - Beginning	74,921,429	1,479,360	76,400,789	45,729,873
Total Net Position - Ending	$ 69,459,489	$ 1,672,512	$ 71,132,001	$ 39,004,659

See accompanying notes to financial statements.

CITY OF CONCORD
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Sewer	Non-Major Enterprise/ Golf Course	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 19,422,236	$ 1,361,308	$ 20,783,544	$ 17,471,216
Payments to Suppliers	(18,572,898)	(1,088,011)	(19,660,909)	(12,349,260)
Payments to Employees	(9,987)		(9,987)	805
Claims paid				(2,121,390)
Net Cash Provided by (Used for) Operating Activities	839,351	273,297	1,112,648	3,001,371
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Borrowings of Advances From/To Other Funds		(12,074)	(12,074)	1,124,810
Transfers In		43,549	43,549	230,000
Transfers (Out)	(80,000)		(80,000)	(860,734)
Cash Flows Provided by (Used for) Non-Capital Financing Activities	(80,000)	31,475	(48,525)	494,076
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(3,733,399)	(1)	(3,733,400)	(2,461,803)
Principal Paid on Debt, Bond Maturities	(265,409)	(160,000)	(425,409)	98,154
Interest and Fiscal Charges Paid	(1,014,194)	(62,480)	(1,076,674)	(63,999)
Cash Flows Provided by (Used for) Capital and Related Financing Activities	(5,013,002)	(222,481)	(5,235,483)	(2,427,648)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	73,639	1,159	74,798	139,192
Cash Flows Provided by (Used for) Investing Activities	73,639	1,159	74,798	139,192
Net Increase (Decrease) in Cash and Cash Equivalents	(4,180,012)	83,450	(4,096,562)	1,206,991
Cash and Investments at Beginning of Period	$31,588,028	$491,047	32,079,075	20,871,493
Cash and Investments at End of Period	$ 27,408,016	$ 574,497	$ 27,982,513	$ 22,078,484
NON-CASH TRANSACTIONS:				
Inception of capital lease				$ 752,403
Contributions and Transfers of Capital Assets, Net	$ 33,945	$ -	$ 33,945	$ 151,443
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	$ (4,247,897)	$ 132,757	$ (4,115,140)	$ (6,647,217)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Other Non-Operating Revenue	(297,336)	75,000	(222,336)	
Depreciation and Amortization	4,272,101	161,331	4,433,432	3,000,991
Change in Assets and Liabilities:				
Receivables, Net	2,011	(95,480)	(93,469)	43,219
Prepaid Expenses				97,874
Net OPEB Asset				2,726,867
Accounts Payable	1,116,988	(311)	1,116,677	167,971
Accrued Liabilities	(6,516)		(6,516)	(6,442)
Self Insurance Claims Payable				3,618,108
Net Cash Provided by (Used for) Operating Activities	$ 839,351	$ 273,297	$ 1,112,648	$ 3,001,371

See accompanying notes to financial statements.

FIDUCIARY FUNDS

Fiduciary Funds – 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 City-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

CITY OF CONCORD
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	City of Concord Retirement System Pension Trust	Successor Agency Private Purpose Trust Fund
ASSETS:		
Cash and Investments (Note 4)		
Money Market Funds	$ 607,157	
Corporate Debt Instruments	9,715,273	
California Local Agency Investment Fund	1,325,051	
Federal Agencies	5,250,004	
Municipal Bonds	665,029	
Pooled Investments	4,825,861	$ 3,749,573
Common Stock	8,998,716	
Foreign Stock	810,276	
Mutual Funds	5,442,346	
Cash with Fiscal Agents (Note 4)		3,300,117
Total Cash and Investments	37,639,713	7,049,690
Receivables (Net of Allowances for Uncollectibles):		
Interest	805	380
Notes and Loans Receivable (Note 20)		704,370
Prepaid Items		217,137
Land Held for Redevelopment		11,416,332
Capital Assets, Not Being Depreciated (Note 20)		485,155
Capital Assets, Being Depreciated (net) (Note 20)		1,531,784
Total Assets	37,640,518	21,404,848
LIABILITIES:		
Accounts Payable		1,077
Interest Payable		1,245,047
Long-Term Debt (Note 20):		
Due in One Year		5,080,000
Due in More Than One Year		61,552,806
Total Liabilities	-	67,878,930
NET POSITION:		
Net position held in trust for pension benefits and other purposes (as restated)	37,640,518	(46,474,082)
Total Net Position	$ 37,640,518	$ (46,474,082)

See accompanying notes to financial statements.

CITY OF CONCORD
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	City of Concord Retirement System Pension Trust	Successor Agency Private Purpose Trust Fund
ADDITIONS		
Contributions	$ 1,045,782	
Property Taxes, Net of Pass Through Payments		$ 8,573,064
Other Income		115,184
Investment Income	2,434,160	93,174
Total Additions	3,479,942	8,781,422
DEDUCTIONS		
Retirement and Other Benefits	5,474,198	
Management Expenses	184,742	
Community Planning and Economic Development		6,293,010
Amount remitted to the County Auditor-Controller		9,230,817
Depreciation		81,825
Interest expense		3,229,527
Total Deductions	5,658,940	18,835,179
NET CHANGES IN NET POSITION	(2,178,998)	(10,053,757)
Net Position Beginning of Year (as restated)	$39,819,516	(36,420,325)
Net Position End of Year	$ 37,640,518	$ (46,474,082)

See accompanying notes to financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Concord was incorporated in 1905 and operates under the Council-Manager form of government. The City provides the following services: public safety (police services and building inspection), highways and streets, sewer collection, recreation services, public improvements, planning and zoning, redevelopment and general administration services.

The financial statements and accounting policies of the City of Concord conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements.

The City's component units which are described below are all blended.

The **City of Concord Joint Powers Financing Authority** is a joint powers authority organized by the City of Concord and the former Concord Redevelopment Agency under the laws of the State of California. The Authority was organized to provide financial assistance to the City by financing real and personal properties and improvements for the benefit of the residents of the City and surrounding areas. Administrative and related normal business expenses incurred in the day-to-day operations of the Authority are provided by the City. Such expenses are insignificant to the Authority's operations. The Authority obtains financing for City and the former Agency sponsored projects using leases signed by the City or former Agency as collateral. The amounts of the leases are calculated to provide sufficient resources to repay the debt incurred to finance the projects.

The **Mt. Diablo Health Care District** is a local health care district organized under Local Hospital District Law, as set forth in the Health and Safety Code of the State of California and is governed by the City's Council.

Concord Sanitary Sewer Services, Inc. was formed to finance the acquisition, construction and improvement of sewer facilities in the City of Concord. The facilities were constructed in accordance with the City's specifications on City property leased back to the City for a rental sufficient to meet the debt service obligations of the underlying bonds. The lease agreement expired in fiscal year 2001-2002 and all bonds were fully paid and retired, at which time title to the sewer facilities transferred to the City and remaining surplus funds were distributed to the City. Concord Sanitary Sewer Services, Inc. is currently inactive.

The **City of Concord Retirement System** is governed by the City's Retirement System Ordinance, Article II, Chapter 8 of the City of Concord Municipal Code, and is used to account for contributions and investment income restricted to pay retirement and death benefits of general and police employees. The Plan's benefit provisions are frozen and retirement and death benefit payments are restricted to eligible employees who retired or left the City of Concord eligible for a pension prior to June 28, 1999. Contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Retirement Board established by the above ordinance.

Financial statements for the City of Concord Joint Powers Financing Authority and the Mt. Diablo Health Care District can be obtained from the City of Concord, 1950 Parkside Drive, Concord, California 94519.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its 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. 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 fund *operating* revenues, such as charges for 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. *Operating* expenses result from the cost of providing those services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as *nonoperating* revenues and expenses. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Major Funds

The City's major governmental and enterprise funds are identified and presented separately in the fund financial statements. All other governmental and enterprise funds, called non-major funds, are combined and reported in single columns.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources for this Fund are property taxes, sales taxes, unrestricted revenues from the State, charges for services and interest income. Expenditures are made for public safety, public works and other services not required to be accounted for in another fund.

Concord Housing – The Concord Housing special revenue fund accounts for the activities related to the assets assumed by the City of Concord as the Housing Successor to the housing activities of the former Redevelopment Agency of the City of Concord.

General Projects Fund – This capital projects fund accounts for all general capital improvement projects not funded from proprietary funds.

The City reported the following enterprise fund as a major fund in the accompanying financial statements:

Sewer Fund - To account for activities associated with sewage collection, transmission and treatment.

The City also reports the following fund types:

Internal Service Funds – These funds account for workers' compensation costs, non-reimbursable portion of insurance claims, post-retirement health care benefits, City facilities' maintenance expenses, maintenance and replacement costs of City licensed vehicles, motorized equipment, technology equipment and office equipment; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds - Fiduciary Funds account for assets held by the City as trustee agent for other governmental units, private organizations or individuals. The City of Concord Retirement System Pension Trust Fund**,** accounts for accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. The Successor Agency to the Redevelopment Agency of the City of Concord is reported in a Private-purpose Trust Fund that is used to account for the activities of the Successor Agency. The financial activities of these funds are excluded from the City-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

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.

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 collected within sixty days after year-end, except for sales tax revenue which has a 90 day period of availability. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, sales tax, grants entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual include intergovernmental revenues, interest and charges for services.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain 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.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay and other employee amounts which are recognized as expenditures to the extent they have matured, and principal and interest on general long-term debt which is recognized when due. Financial resources usually are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Such amounts thus are not current liabilities of the debt service fund, as their settlement will not require expenditure of existing fund assets.

Inventory and Prepaid Items

Inventories are valued at cost (on the first-in, first-out basis). Inventories of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure in the General Fund at the time individual inventory items are consumed. Reported General Fund inventories are equally offset by amounts included in Non-Spendable Fund Balance which indicates that they do not constitute available spendable resources even though they are a component of net position.

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items in governmental funds are equally offset by amounts included in Non-Spendable Fund Balance which indicates that they do not constitute available spendable resources even though they are a component of net position.

Property Taxes and Special Assessment Revenue

The County of Contra Costa levies, bills and collects property taxes for 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.

Secured property tax is due in two installments, on November 1 and February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent on August 31.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

In governmental funds, Compensated Absences (unpaid vacation and sick leave) are recorded as expenditures in the year paid, as it is the City's policy to liquidate any unpaid vacation or sick leave at June 30 from future resources rather than currently available expendable resources. The City's liability for Compensated Absences is determined annually. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liabilities; the long term portion is recorded in the Statement of Net Position.

Compensated Absences are included in accrued liabilities. 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. Compensated Absences are accounted for by Proprietary funds as expenditures in the year earned. The changes in Compensated Absences of governmental and business-type activities are summarized in Note 8.

Capital Assets

All capital assets 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. The City's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

The City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems in the government-wide financial statements.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over 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 of capital assets in service 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 and capitalization thresholds listed below to capital assets.

	Useful Lives	Capitalization Threshold
Ground improvements	25-33 Years	$ 100,000
Buildings and improvements	25-33 Years	100,000
Machinery and equipment	5-10 Years	7,500
Vehicles	5-10 Years	7,500
Streets	30 Years	100,000
Sidewalks	50 Years	100,000
Storm drains/catch basins	100 Years	100,000
Traffic signals	30 Years	100,000
Sewer lines	40-50 Years	100,000

Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position and Fund Balances

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

Net Position is the excess of all the City's assets over all its liabilities. Net Position is divided into three captions, and is 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 are 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.

Unrestricted describes the portion of Net Position which are not restricted as to use.

The City's fund balances are classified 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:

Nonspendable represents balances set aside to indicate items 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 of the City Council which may be altered only by formal action of the City Council. This category may include encumbrances.

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 Council or its designee and may be changed at the discretion of the City Council or its designee. The City has not delegated the authority to assign. This category may include encumbrances and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds have not been restricted or committed.

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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Minimum Fund Balance Policy

To address financial uncertainties, the City's policy is to maintain General Fund reserves and contingencies to total not less than 15% of General Fund operating expenditures. Given the effects of the recent recession, reserves have been used significantly in the past four years. In accordance with the foresight of the City Council, the original requirement of 30% reserves and contingencies has been temporarily reduced to 15% with the admonition that a return to 30% as soon as possible is desired.

In addition to the General Fund reserves identified above, a separate Measure Q designated reserve has been established to provide more time for the City to address its on-going structural budget deficit. As stated earlier, Measure Q is a temporary sales tax measure which sunsets in March 2016. Measure Q revenues in excess of those needed to maintain a 15% General Fund reserve are allocated to the designated Measure Q reserve, to be utilized after the temporary sales tax measure sunsets. As of June 30, 2013, the designated Measure Q Reserves totaled $10.0 million, approximately 14% of General Fund Operating Expenditures.

As of June 30, 2013, the General Fund fund balance, excluding non-spendable assets, totaled $17.6 million, representing 25% of actual General Fund Operating Expenditures.

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 date 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 - BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of separate resolutions for the City.
4. The City Manager is authorized to transfer budgeted amounts from one program, department or account to another within the same fund. All transfers of appropriations affecting Personnel Service type accounts require the Director of Human Resources and City Manager approval. Expenditures may not legally exceed budgeted appropriations at the fund level without City Council approval.
5. The City is required to adopt an annual operating budget on or before June 30 for all funds. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various funds. The City Council may amend the budget during the fiscal year.
6. All governmental fund type annual operating budgets are adopted on a basis consistent with generally accepted accounting principles.
7. The City also adopts budgets for its Capital Projects, which are based on the project life rather than a fiscal year. Therefore, capital project budgets may span several fiscal years. Project appropriations transfers of $20,000 or more require City Council approval.
8. All governmental fund type annual operating budgets are adopted on a basis consistent with generally accepted accounting principles except for capital outlay expenditures for Special Revenue Funds which are budgeted on a project time frame rather than on an annual basis, in conjunction with #7 above.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

Appropriation Lapses

Unexpended appropriations lapse at year end unless budgeted on a project basis.

NOTE 3 – RESTATEMENTS

The City has determined that certain transactions were recorded incorrectly in a prior year.

Effective August 9, 2012, the City accepted the Mt Diablo Health Care District as a component unit and classified it as a special revenue fund in its accounting system. The change in the composition of the entity resulted in a restatement of beginning fund balance/net position attributable to the year ended June 30, 2012.

Effective July 1, 2012, the City recorded a correction of an error to properly reclassify a long term investment in a partnership and remove the investment from the Concord Housing Fund. This investment is long term in nature and is not available as a current resource in accordance with GASB 34. The adjustment resulted in a restatement of beginning fund balance/net position attributable to the year ended June 30, 2012.

NOTE 3 – RESTATEMENTS OF FUND EQUITY (CONTINUED)

Effective July 1, 2012, the City recorded a correction of an error to properly record cash with fiscal agent, debt, receivables, payables, and capital assets in the Governmental Funds and Governmental Activities financial statements related to long-term debt legally determined to be City debt and not debt of the former Redevelopment Agency. The adjustment resulted in a restatement of beginning fund balance/net position attributable to the year ended June 30, 2012.

	Government-Wide Financial Statements	Fund Financial Statements		
		Governmental Funds		Fiduciary Funds
	Governmental Activities	Concord Housing Fund	Other Governmental Funds	Successor Agency Private Purpose Trust Fund
Net position/Fund balance, June 30, 2012, as previously reported	$ 728,158,392	$ 30,899,305	$ 19,481,982	$ (18,767,695)
Restatements:				
Recognition of the Mt Diablo Health Care District as a blended component unit in a special revenue fund	193,921		193,921	
Reclassification of Long Term Investment in Partnership		(1,919,376)		
Reclassification of capital assets, net of accumulated depreciation, of Successor Agency to Governmental Activities	16,714,724			(16,714,724)
Reclassification of debt of Successor Agency to Governmental Activities	(10,132,000)			10,132,000
Recognition of reimbursement receivable/payable related to the debt to the general government debt	10,132,000			(10,132,000)
Recognition of cash with fiscal agent from Successor Agency to the Governmental Activities	937,906		937,906	(937,906)
Total Restatements:	17,846,551	(1,919,376)	1,131,827	(17,652,630)
Net position/Fund balance, June 30, 2012, as restated	$ 746,004,943	$ 28,979,929	$ 20,613,809	$ (36,420,325)

NOTE 4 - CASH AND INVESTMENTS

The City's dependence on 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 so that it can be safely invested at maximum yields. Individual funds are able to make expenditures at any time during the year.

Policies

All investments are carried at fair value and as a general rule investment income is allocated among funds on the basis of average monthly cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

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.

Cash and investments are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

Classification

Cash and investments are classified in the financial statements as shown below at :

City:	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total
Cash and investments in City pool	$ 44,624,107	$ 27,576,569	$ 22,078,484	$ 8,575,434	$ 102,854,594
Cash and investments with fiscal agents	1,674,471	405,944		36,113,969	38,194,384
Total cash and investments	$ 46,298,578	$ 27,982,513	$ 22,078,484	$ 44,689,403	$ 141,048,978

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the City's Investment Policy

The City of Concord operates its investment activities under the prudent man rule. This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and is allowable under current statutes of the State of California. The City is authorized to invest in the following types of instruments, and the table also identifies certain provisions of the California Government Code, or the City's investment policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio		Maximum Investment In One Issuer
U.S. Treasury Bills, Bonds and Notes	5 years	None	None		None
Obligations issued by United States Government Agencies	5 years	None	20%		None
State obligations- CA & Others	5 years	Third Highest Rating Category	20%		None
Bankers Acceptance	180 days	Top rating category	30%		5%
Commercial Paper	270 days	Top rating category	25%	(A)	5%
Negotiable Certificates of Deposit	5 years	Third Highest Rating Category	30%		5
Medium Term Corporate Notes	5 years	Third Highest Rating Category	30%	(A)	5
Money Market Mutual Funds	N/A	Top rating category	20%		None
California Local Agency Investment Fund (LAIF)	N/A	None	None		$50 Mil/account
Time Certificates of Deposit	5 years	Satisfactory	None		10%
Shares of Beneficial Interest Issued by a Joint Powers Authority (local government investment pool such as CAMP)	N/A	Pursuant to Government Code Section 6509.7	None		None

(A) Total combined corporate debt (Commercial Paper and Medium Term Notes) may not exceed 30% of the cost value of the portfolio.

Under the City's Investment Policy, investments not described above are ineligible investments. In addition, the City may not invest any funds in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages in accordance with the California Government Code. Any security that derives its value from another asset or index is prohibited. In addition, the City may not invest any funds in any security that could result in zero interest accrual if held to maturity.

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by Debt Agreements

The City 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 reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. 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
Federal Agency Securities	5 years	Top rating category
State of California Local Agency Investment Fund	None	None
Commercial Paper	270 days	Top rating category
Negotiable Certificate of Deposits	180 days	Top rating category
Bank Deposits	None	FDIC insured
U.S. Government Treasury Obligations	None	None
State/Local Obligations	None	Top rating category
Federal Securities	None	Top rating category
Corporate Notes	None	Top rating category
Repurchase Agreements	1 year	Top rating category
Money Market Mutual Funds	None	Top rating category
Investment Agreements	None	Top rating category

Retirement System Authorized Investments

The System's investment policy authorizes the System to invest in financial instruments in three broad investment categories: equity, fixed income, and real estate. These financial instruments can include, but are not limited to, corporate bonds, commercial paper, U.S. government securities, common and preferred stock, real estate investment trusts, and mutual funds. Fixed income investments may include bonds and commercial paper in order to provide added flexibility in managing the fixed income portfolio.

The asset allocation ranges for the system are as follows:

		Allocation Ranges	
	Target Mix	Minimum	Maximum
Large/Medium Cap Domestic Equity	30%	20%	45%
International Equity	7.5	2	15
Small Cap Equity	7.5	2	15
Domestic Real Estate	0	0	10
Domestic Fixed Income	50	40	60
Cash	5	0	20

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways 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 coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's and Retirement System'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 or earliest call date:

City and Fiscal Agents:

	Remaining Maturity (in Months)				
	12 months or Less	13 to 24 Months	25 to 36 Months	37 to 60 Months	Total
Investment Type:					
U.S. Government Agencies	$ 2,471,158	$ 2,345,019	$ 11,189,727	$ 7,065,078	$ 23,070,982
U.S. Treasury Notes		6,479,319	2,926,976	397,900	9,804,195
U.S. Treasury Bills	415,798				415,798
Medium Term Corporate Notes	947,930	2,382,540	5,574,283	5,697,354	14,602,107
LAIF	44,423,811				44,423,811
CAMP	2,326,215				2,326,215
Certificates of Deposit		1,218,573			1,218,573
Held by bond trustee:					
U.S. Government Agencies	965,400				965,400
U.S. Treasury Notes	26,581				26,581
U.S. Treasury Bills	432,520				432,520
Money Market Mutual Funds				3,807,295	3,807,295
Total	$ 52,009,413	$ 12,425,451	$ 19,690,986	$ 16,967,627	101,093,477
Cash deposits with banks and on hand					2,315,788
Total Cash and Investments					$ 103,409,265

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

Retirement Trust Funds:

	Remaining Maturity (in Months)					
	12 months or Less	13 to 24 Months	25 to 36 Months	37 to 60 Months	Over 60 Months	Total
Investment Type:						
Money Market Mutual Funds	$ 607,159					$ 607,159
Medium Term Corporate Notes	153,995	$ 369,579	$ 805,132	$ 2,231,936	$ 5,304,445	8,865,087
LAIF	1,325,051					1,325,051
Federal Agency Securities	400,140		4,849,864			5,250,004
Municipal Bonds					665,029	665,029
Foreign Bonds			154,324	377,830	318,031	850,185
Pooled Investments	4,201,660					4,201,660
Pooled Cash	624,201					624,201
Total	$ 7,312,206	$ 369,579	$ 5,809,320	$ 2,609,766	$ 6,287,505	22,388,376
Non-Maturing Investments:						
Common Stock						8,998,716
Foreign Stock						810,276
Mutual Funds						5,442,345
Total Cash and Investments						$ 37,639,713

The City and the Retirement System are participants in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and 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.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of for each investment type as provided by Standard & Poor's for the City's investments and Moody's for the Retirement System.

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

City and Fiscal Agents:

Investment Type	AAA / AAm	AA+ / AA / AA-	Total
U.S. Government Agencies	$ 23,070,988	$ 965,394	$ 24,036,382
Medium Term Corporate Notes	$ 4,602,064	10,000,043	14,602,107
Certificates of Deposit		1,218,573	1,218,573
Total	$ 27,673,052	$ 12,184,010	39,857,062
Exempt from rating:			
U.S. Treasury Notes			9,830,776
Not rated:			
Cash on Hand			2,315,788
U.S. Treasury Bills			848,318
LAIF			44,423,811
CAMP			2,326,215
Money Market Funds			
(U.S. Securities)			3,807,295
Total Investments			$ 103,409,265

Retirement Trust Funds:

Investment Type	AAA / Aaam	AA+/AA/AA-	A+/A/A-	Baa1 / Baa2 / Baa3	Total
Pooled Investments		$ 2,271,532	$ 920,876		$ 3,192,408
Medium Term Corporate Notes	$ 967,501	652,075	2,985,890	$ 3,496,905	8,102,371
U.S. Government Agencies	3,057,264				3,057,264
Municipal Bonds		476,373	188,656		665,029
Foreign Bonds		72,796	618,397	-	691,193
Total	$ 4,024,765	$ 3,472,776	$ 4,713,819	$ 3,496,905	15,708,265
Exempt from rating:					
Pooled Investments					838,905
Not rated:					
Pooled Investments					170,347
Money Market Mutual Funds					607,159
U.S. Government Agencies					2,192,740
LAIF					1,325,051
Common Stock					8,998,716
Foreign Stock					810,276
Medium Term Corporate Notes					762,716
Foreign Bonds					158,992
Mutual Funds					5,442,345
Pooled Cash					624,201
Total Investments					$ 37,639,713

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U. S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total Entity-wide investments are as follows at June 30, 2013:

City and Fiscal Agents:

Fund	Issuer	Type of Investment	Amount
Entity Wide:			
	Federal Home Loan Bank	US Government Agencies	$ 6,722,480
	Federal Farm Credit Bureau	US Government Agencies	7,014,519
	Federal National Mortgage Corporation	US Government Agencies	5,237,240

NOTE 5 - INTERFUND TRANSACTIONS

Internal Balances

Internal balances represent the net interfund receivables and payable remaining after the elimination of all such balances within governmental and business–type activities.

Current Interfund Balances

Current Interfund balances arise out of short term cash flow needs and are due from one fund to another, all of which are expected to be repaid in the normal course of business. At the interfund balances are as follows:

Due to Other Funds	Due From Other Funds	Amount
Post Retirement Healthcare Benefits		
Internal Service Fund	General Fund	$ 2,428,181
Non-major governmental funds		
Assessment Districts		
Debt Service Fund	General Fund	86,606
		$ 2,514,787

NOTE 5 - INTERFUND TRANSACTIONS (CONTINUED)

Long-Term Interfund Advances

At the funds below had made the following advances:

Fund Receiving Advance	Fund Making Advance	Amount of Advance	
General Fund	Concord Housing Fund	$ 3,000,000	(a)
	Sewer Enterprise Fund	3,000,000	(a)
	Sewer Enterprise Fund	550,000	(a)
	Worker's Compensation Internal Service Fund	2,000,000	(b)
General Projects Fund	General Fund	117,000	(c)
Non-major governmental funds			
Maintenance Districts			
Special Revenue Fund	Traffic System Management Special Revenue Fund	318,000	(d)
Special Developers			
Capital Projects Fund	General Fund	1,132,473	(e)
Non-major enterprise fund			
Golf Course Enterprise Fund	General Fund	773,648	(f)
		$ 10,891,121	

(a) This **General Fund** advance was made during fiscal year 2009-2010 to fund the retirement of $8.2 million of the 1995 Lease Revenue Bonds. The advance bears interest at the LAIF rate plus 0.5% to be paid on a quarterly basis. As a result of this nonrecurring long-term advance, the City is no longer obligated to pay 8.24% interest on the retired bonds. The General Fund will repay these advances annually starting no later than fiscal year 2014-2015, with a final payment expected in fiscal year 2030 and will pay approximately $1.9 million in interest over the life of the repayment.

(b) This **General Fund** advance was made during the fiscal year 2009-2010 to fund the retirement of $8.2 million of the 1995 Lease Revenue Bonds. The advance will be repaid in installments starting no later than fiscal year 2014-15 and bears no interest.

(c) The **General Reimbursable Projects Fund** advance will be repaid in 2015 with sale proceeds of undeveloped land.

(d) The **Maintenance Districts Fund** advance will be repaid in 6 annual payments beginning in fiscal year 2012 and bears interest from 3.5 - 5%.

(e) The **Special Developers Fund** advance will be repaid in installments starting in fiscal year 2013 and bears interest of 3% as described in the City's Capital Improvement Program 10 year plan.

(f) The **Golf Enterprise Fund** advance was made during fiscal years 2007 and 2013 and will be factored into the next 10 year budget plan and repaid as business improves within the regional golf market.

NOTE 5 - INTERFUND TRANSACTIONS (CONTINUED)

Transfers between funds

With Council approval, resources may be transferred from one City fund to another without a requirement for repayment. Transfers between funds during the fiscal year ended were as follows:

Fund Receiving Transfers	Fund Making Transfers	Purpose	Amount Transferred
General Fund	Mt Diablo Health Care District Special Revenue Fund	To Fund Operating Costs	$ 35,970
General Fund	Traffic System Management Special Revenue Fund	To Fund Operating Costs	10,500
General Fund	Storm Water Management Special Revenue Fund	To Fund Operating Costs	439,926
General Fund	General Projects Capital Project Fund	To Fund Capital Projects	13,508
General Projects Fund	General Fund	To Fund Capital Projects	1,235,682
General Projects Fund	Building Maintenance Internal Service Fund	To Fund Capital Projects	184,062
General Projects Fund	Intergovernmental Capital Projects Fund	To Fund Capital Projects	71,320
General Projects Fund	Storm Water Management Special Revenue Fund	To Fund Capital Projects	21,946
Special Revenue Fund:			
Housing and Community Services Fund	General Fund	To Fund Lead Based Grant	979
Capital Projects Funds:			
Special Developers Fund	Intergovernmental Capital Projects Fund	To Fund Capital Projects	19,705
Intergovernmental Fund	Special Developers Capital Projects Fund	To Fund Capital Projects	6,536
Debt Service Funds:			
ABAG	General Fund	To Fund Debt Service	568
Energy Lease	General Fund	To Fund Debt Service	244,612
Energy Lease	Building Maintenance Internal Service Fund	To Fund Debt Service	151,294
Energy Lease	Maintenance Districts Special Revenue Fund	To Fund Debt Service	264,042
Refunding Lease Agreement	Risk Management/Liability Internal Service Fund	To Fund Debt Service	425,378
Performing Arts Revenue Bonds Fund	General Fund	To Fund Debt Service	782,032
Enterprise Funds:			
Non-major Golf Fund	General Fund	To Fund Workers Compensation Costs	43,549
Internal Service Funds:			
Risk Management/Liability Fund	Workers' Compensation Fund	To Fund Workers Compensation Costs	100,000
Information Technology Replacement Fund	General Fund	To Fund Anticipated Costs Per Budget	50,000
Information Technology Replacement Fund	Sewer Proprietary Fund	To Fund Anticipated Costs Per Budget	80,000
		Total Transfers	$ 4,181,609

NOTE 6 – LOANS AND NOTES RECEIVABLE

The City and former Redevelopment Agency (the Agency) engaged in programs designed to encourage business enterprises or construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to businesses, home-owners or developers who agree to spend these funds in accordance with the City's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset by deferred revenue. With the dissolution of the Redevelopment Agency, the City agreed to become the Successor Agency and oversee the dissolution. The Successor Agency subsequently assigned the City assets of the Low and Moderate Income Housing Fund to the City, including the loans and notes. They are not expected to be collected during fiscal year 2013. These loans and notes were comprised of the following at :

Concord Housing Fund	
Downtown Revitalization and	
Low and Moderate Income Housing Rehabilitation	$ 16,684,917
Successor Agency Loan	9,495,937
Virginia Lane	2,814,834
Lakeside Apartments	2,619,385
Total Concord Housing Fund	31,615,073
Non-major Governmental Funds	
Housing Conservation	1,297,377
Housing Assistance	50,000
Virginia Lane	458,788
Lakeside Apartments	343,438
Detroit Avenue Apartments	618,000
Total Non-major Governmental Funds	2,767,603
Total loans and notes receivable	$ 34,382,676

Downtown Revitalization and Low and Moderate Income Housing Rehabilitation

Low and no interest loans were made by the former Redevelopment Agency to provide businesses assistance for rehabilitating buildings in the downtown area and to businesses or individuals for the rehabilitation of housing within the City of Concord owned and/or occupied by persons of low and moderate income. Included in these loans, is one loan amounting to $13,484 which was made to a current employee.

Non-housing assets of the former Redevelopment Agency including the Concord Residential Club Loan were assumed by a Successor Agency as discussed in Note 20. The former Redevelopment Agency's portion of this loan totaled $530,150, and is recorded in the Successor Agency Trust Fund. At June 30, 2013 the loan receivable balance was $16,684,917.

Successor Agency Loan

Beginning in 1986, the former Redevelopment Agency General Capital Projects Fund had been required by the State to set aside 20% of property tax increments for low and moderate income housing. However, under a transition rule, the Agency's General Capital Projects Fund has been allowed to use these set-asides for current capital projects as long as it had a written plan for repaying these amounts to the Concord Housing Special Revenue Fund. Pursuant to Health and Safety Code Section 33334.6, the former Redevelopment Agency was permitted to set aside less than 20% of the tax increment that it received to the extent that it spent the tax increment revenue for the Agency’s debt incurred prior to 1986 or for Agency projects approved prior to 1986, as long as it had a written plan for repaying these amounts to the Concord Housing Special Revenue Fund.

NOTE 6 – LOANS AND NOTES RECEIVABLE (CONTINUED)

With the dissolution of the former Redevelopment Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the above advance and has recorded a loan payable to the Concord Housing Fund. These loans had previously been reported as interfund advances. However, with the transfer of the associated liabilities to the Successor Agency, repayment of the loans is subject to the provisions of Health and Safety Code Section 34176 and Assembly Bill 1484. The advance does not bear interest and at June 30, 2013 the loan receivable balance was $9,495,937.

Virginia Lane

In June 1999, the City and the former Redevelopment Agency entered into a $1,984,200 loan agreement with Virginia Lane Limited Partnership for the rehabilitation of Golden Glen and Maplewood Apartments. An additional loan of $450,000 was made in fiscal year 2007 which brought the loan total to $2,434,200. Of the $450,000, $100,000 was funded by Community Development Block Grant funds and $350,000 was funded by California Housing Finance Agency funds. The outstanding balance of the loan bears interest at a rate of 3% per annum. The repayments on the loan shall be made from residual receipts. The City expects the loan to be repaid on March 2, 2061. At June 30, 2013 the loan receivable balance was $3,273,622.

Lakeside Apartments

The City and the Agency entered into a $3,433,945 loan agreement with Lakeside Apartments, L.P. for the acquisition and rehabilitation of Lakeside apartments. An additional loan of $283,000 was made in fiscal year 2007 which brought the loan total to $3,716,945. Of the $283,000, $110,000 was funded by Community Development Block Grants, $93,000 was funded by Redevelopment Agency, and $80,000 was funded by California State EAGR funds. The outstanding balance of the loan bears interest at a rate of 1% per annum. The City expects the loan to be repaid on November 5, 2058. At June 30, 2013 the loan receivable balance was $2,962,823.

Housing Conservation

This program involves loans made to rehabilitate housing within the City of Concord which are funded by Community Development Block Grant and former Redevelopment Agency monies. The loans bear interest ranging from 0-3% with due dates varying from October 2014 through the sale or transfer of the property. At June 30, 2013 the loan receivable balance was $1,297,377.

Housing Assistance

This program provides housing assistance to Concord residents through a variety of housing programs. These loans bear no interest and principal payment is due upon sale or transfer of the property. At June 30, 2013 the loan receivable balance was $50,000.

Detroit Avenue Apartments

The City entered into a $600,000 loan agreement with Standard Housing Company for the acquisition and rehabilitation of a ten-unit apartment complex. The outstanding balance of the loan bears interest at a rate of 3% per annum. The loan was funded by California Housing Finance Agency funds. The payment of interest commenced on July 1, 2005 and is due monthly in the amount of $1,500. The City expects the loan to be repaid on April 30, 2014. At June 30, 2013 the loan receivable balance was $618,000.

NOTE 7 - CAPITAL ASSETS

Capital asset transactions and balances comprise the following at June 30, 2013:

	Balance at June 30, 2012 (as Restated)	Additions	Retirements	Transfers	Balance at June 30, 2013
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 15,149,712				$ 15,149,712
Construction in progress	10,467,899	$ 2,668,247		$ (1,166,167)	11,969,979
Total capital assets not being depreciated	25,617,611	2,668,247	-	(1,166,167)	27,119,691
Capital assets being depreciated:					
Ground improvements	16,383,402			588,323	16,971,725
Buildings and improvements	74,710,156			435,094	75,145,250
Machinery and equipment	11,492,910	778,892			12,271,802
Vehicles	8,613,076	577,910	$ (741,057)	142,750	8,592,679
Streets	426,607,400	3,114,886			429,722,286
Sidewalks	47,317,028	1,532,067			48,849,095
Storm drain/catch basins	443,308,069				443,308,069
Street lights	4,256,233	1,510,481			5,766,714
Traffic signals	26,179,719	237,796			26,417,515
Total capital assets being depreciated	1,058,867,993	7,752,032	(741,057)	1,166,167	1,067,045,135
Less accumulated depreciation for:					
Ground improvements	(8,684,940)	(417,571)			(9,102,511)
Buildings and improvements	(32,969,351)	(2,143,712)			(35,113,063)
Machinery and equipment	(8,887,928)	(1,165,546)			(10,053,474)
Vehicles	(7,166,490)	(687,697)	741,057		(7,113,130)
Streets	(225,128,983)	(14,272,161)			(239,401,144)
Sidewalks	(20,543,480)	(961,661)			(21,505,141)
Storm drain/catch basins	(91,743,897)	(4,433,081)			(96,176,978)
Street lights	(16,642,765)	(876,621)			(17,519,386)
Traffic signals	(388,944)	(167,049)			(555,993)
Total accumulated depreciation	(412,156,778)	(25,125,099)	741,057	-	(436,540,820)
Governmental activities capital assets, net	$ 672,328,826	$ (14,704,820)	$ -	$ -	$ 657,624,006

	Balance at June 30, 2012	Additions	Retirements	Transfers	Balance at June 30, 2013
Business-Type Activities					
Capital assets note being depreciated:					
Land	$ 395,182				$ 395,182
Construction in progress	1,323,200	$ 3,767,346			5,090,546
Total capital assets not being depreciated	1,718,382	3,767,346	-	-	5,485,728
Capital assets being depreciated:					
Buildings and improvements	8,700,986				8,700,986
Machinery and equipment	248,366				248,366
Sewer lines	209,485,479				209,485,479
Total capital assets being depreciated	218,434,831	-	-	-	218,434,831
Less accumulated depreciation for:					
Buildings and improvements	(5,098,622)	(237,377)			(5,335,999)
Machinery and equipment	(242,169)	(954)			(243,123)
Sewer lines	(136,906,083)	(4,189,701)			(141,095,784)
Total accumulated depreciation	(142,246,874)	(4,428,032)	-	-	(146,674,906)
Business-type activities capital assets, net	$ 77,906,339	$ (660,686)	$ -	$ -	$ 77,245,653

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Depreciation Allocation – Governmental Activities

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program was as follows:

Governmental Activities		
General Government	$	1,131,731
Public Works		20,831,046
Parks and Recreation Services		161,331
Internal Service Fund		3,000,991
Total	$	25,125,099

Business-Type Activities		
Sewer	$	4,272,101
Golf Course		155,931
Total	$	4,428,032

NOTE 8 - LONG-TERM DEBT

Description and Activity

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

The City's governmental activities long-term debt is recorded only in the government-wide financial statements. This debt will be repaid only out of governmental funds but is not accounted for in these funds because this debt does not require an appropriation or expenditure in this accounting period.

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred by proprietary fund types are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method.

The City's debt issues and compensated absence transactions are summarized on the next page and discussed in detail thereafter.

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Current Year Transactions and Balances

	Repayment Source	June 30, 2012 (as restated)	Additions	Retirements	June 30, 2013	Current Portion
Governmental Activities Debt:						
Revenue Bonds:						
1995 Performing Arts Lease Revenue Bonds, 6.33-8.24% due 08/01/20	a	$ 3,440,000		$ 520,000	$ 2,920,000	$ 480,000
Police Facilities Revenue Bonds, 2.70-5.25% due 08/01/13	b	950,000		465,000	485,000	485,000
Parking Garage Revenue Bonds, 4.0-5.13% due 3/01/23	b	6,115,000		435,000	5,680,000	450,000
Refunding Lease Agreement 3.3% due 09/01/19	b	4,272,000		389,000	3,883,000	398,500
Lease Purchase Agreement 4.75% due 06/30/27	d	8,310,101		268,019	8,042,082	300,345
Notes Payable:						
CHFA 3% due 03/01/14	e	1,372,377			1,372,377	1,372,377
Capital Lease:						
Key Government Finance 4.65% due 09/15/12	f	20,011		20,011		
Motorola Safety Radio 3.03%, due 12/01/16	f	912,968		171,859	741,109	177,066
Cisco VOP Equipment 3.95% due 07/09/14	f	264,738		84,751	179,987	88,199
Hubb Systems Mobile Digital Computers 4.75% due 04/01/13	f	167,453		167,453		
Color Hybrid Multi-Function Printer Equipment 5.5% due 11//01/16	f	89,161		24,927	64,234	26,446
NetApp Capital Solutions Software are 3.55% due 04/01/15	f	341,877		80,982	260,895	83,904
Motorola Safety Radio 3.55% due 08/1/18	f		$ 380,702	60,088	320,614	48,883
Key Government Finance 4.59% due 2/25/17	f		33,551	7,372	26,179	6,129
US Bank 000 4.76% due 10/15/17	f		273,082	35,595	237,487	49,931
US Bank 001 4.76% due 5/2/18	f		65,068	1,216	63,852	11,552
Compensated Absences	c	3,951,707	2,983,146	2,851,115	4,083,738	2,289,257
Total Governmental Activities Debt		$ 30,207,393	$ 3,735,549	$ 5,582,388	$ 28,360,554	$ 6,267,589
Business-Type Activities Debt:						
2012 - Wastewater Revenue Refunding Bonds 1.50-4.00% due 02/01/29	g		$ 10,080,000	$ 475,000	$ 9,605,000	$ 490,000
Plus premium on refunding bonds			218,915	24,324	194,591	
2004 Certificates of Participation - Wastewater System Improvement 2.0-4.63% due 02/01/29	g	$ 9,695,000		9,695,000		
2007 Certificates of Participation - Wastewater System Improvement 3.75-4.5% due 02/01/32	g	11,055,000		370,000	10,685,000	385,000
ABAG 41Certificates of Participation - Diablo Creek Golf Course 4.0-5.0% due 08/01/18	h	1,320,000		160,000	1,160,000	170,000
Compensated Absences	c	105,450	63,826	73,813	95,463	42,129
Total Business-Type Activities Debt		$ 22,175,450	$ 10,362,741	$ 10,798,137	$ 21,740,054	$ 1,087,129

Repayments on the above debt are made from the following sources:

a. Lease revenues received by Live Nation and from general & operating revenues.
b. Lease revenues received by the Successor Agency and from general & operating revenues.
c. General Fund revenues.
d. Savings from the energy efficiency improvements.
e. Notes payable received by the Housing and Community Services Special Revenue Fund. Included is $950,000 in principal and the remaining balance is interest.
f. Operating revenues available for lease payment in the Information Technology Replacement Internal Service Fund.
g. Operating revenues received by the Sewer Enterprise Fund.
h. General and operating revenues available for lease payment in the ABAG Debt Service Fund and Golf Course Enterprise Fund.

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Debt Service Requirements

Debt service and capitalized lease requirements are shown below for all long-term debt:

For the Year Ending June 30,	Governmental Activities Principal	Governmental Activities Interest	Business-Type Activities Principal	Business-Type Activities Interest
2014	$ 3,978,332	$ 1,099,208	$ 1,045,000	$ 764,099
2015	2,649,593	970,871	1,080,000	730,409
2016	2,167,324	852,975	1,110,000	697,966
2017	2,129,557	747,485	1,140,000	665,346
2018	1,953,862	642,242	1,195,000	618,621
2019-2023	8,260,938	1,825,334	5,715,000	2,468,031
2024-2028	3,137,210	311,124	6,435,000	1,500,344
2029-2032			3,730,000	365,950
Total requirements	24,276,816	6,449,239	21,450,000	7,810,766
Plus unamortized premium	-	-	194,591	
Total	24,276,816	6,449,239	21,644,591	7,810,766

The City's bond indentures contain significant limitations and restrictions regarding annual debt service requirements, maintenance of and flow of monies through various restricted accounts and minimum revenue bond coverage. City management believes the City is in compliance with all such indenture requirements.

Revenue Bonds

On August 1, 1995, the City of Concord Joint Powers Financing Authority issued Lease Revenue Bonds in the principal amount of $18,700,000, bearing interest at rates ranging from 6.33% to 8.24% due August 1, 2020. The Bonds are collateralized by revenue received from the City by the Authority under the Concord Pavilion lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to repay the Concord Performing Arts Center Authority's 1973 Revenue Bonds, due in 1999, and partially finance the renovation and expansion of Concord Pavilion which is leased by the City from the Authority.

On September 21, 2009, the City issued a tender offer for the 1995 Performing Arts Lease Revenue Bonds for up to $8.5 million. As a result the City purchased $8.235 million of the bonds at an 8% premium and made a payment to retire that portion of the bonds. As a result of this transaction, the City has lowered its interest liability from 8.24% to bondholders to LAIF plus 0.5% interest to the Concord Housing Fund and the Sewer Enterprise Fund of the City. As of June 30, 2013, the principal balance outstanding was $2,920,000.

On September 9, 1993 the City of Concord Joint Powers Financing Authority issued the 1993 Lease Revenue Bonds in the principal amount of $9,700,000, bearing interest at rates ranging from 2.7% to 5.25%, due August 1, 2013. The Bonds are collateralized by revenue received from the City by the Authority under the lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to finance a portion of the Police Facilities Project leased by the City from the former Redevelopment Agency. The former Redevelopment Agency had agreed to reimburse the City for these lease payments. On June 24, 2010 the City entered into a Refunding Lease Agreement and the proceeds were used to retire $3,520,000 of the bonds. As of June 30, 2013, the principal balance outstanding was $485,000.

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On April 4, 2001, the City of Concord Joint Powers Financing Authority issued Lease Revenue Bonds in the principal amount of $9,580,000, bearing interest at rates ranging from 4.0% to 5.13% due March 1, 2023. The Bonds are collateralized by revenue received from the City by the Authority under the Civic Center and Corporation Yard lease agreement and by the Authority's interest in the site and facilities lease. Proceeds from the Bonds were used to finance the design and construction, and to equip and landscape a new three-level, 432-space parking structure which is leased by the City from the Authority. The former Redevelopment Agency agreed to reimburse the City for these lease payments. The reimbursement agreement was approved by the State of California Department of Finance as part of their Other Funds and Accounts Due Diligence Review, dated June 11, 2013, in reference to the Redevelopment Agency dissolution. As of June 30, 2013, the principal balance outstanding was $5,680,000.

On September 18, 2012, the City issued Wastewater Revenue Refunding Bonds, Series 2012 in the original principal amount of $10,080,000 at interest rates that range from 1.50% to 4.00% to provide for a refunding of the City's outstanding 2004 Certificates of Participation Wastewater System Improvement Bonds. Principal payments are due annually on February 1, with interest payments payable semi-annually on August 1 and February 1 through February 1, 2029. Repayment of these bonds is from a pledge of revenue from the Sewer Enterprise Fund. As of June 30, 2013, the principal balance outstanding was $9,605,000.

The net proceeds of $9,992,336 (after issuance costs of $306,578, plus premium of $218,914) were used to advance refund the 2004 Certificates of Participation Wastewater System Improvement bonds with a total principal amount of $10,080,000 and interest rates between 1.5% to 4.00%.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the City's liabilities.

The advance refunding was done in order to reduce debt interest payments. The refunding decreased the City's total debt service payments by approximately $1,400,000. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and the new bonds) of approximately $306,000.

Certificates of Participation

On July 1, 1998, the City issued $3,560,000 of Certificates of Participation (COPs) to fund Diablo Creek Golf Course improvements and to defease $810,000 of outstanding ABAG 41 Certificates of Participation. Proceeds from the COPs were placed in an irrevocable trust to provide for the future debt service payments on the defeased COPs. The defeased COPs were called December 1, 1998. The COPs bear interest at 4.0% - 5.0% and are due August 1, 2018. Principal payments are due annually on August 1. Interest payments are due semi-annually on February 1 and August 1. As of June 30, 2013, the principal balance outstanding was $1,160,000.

On October 18, 2007, the City of Concord Joint Powers Financing Authority issued Certificates of Participation (COPs) in the principal amount of $12,820,000, bearing interest rates ranging from 3.75% to 4.50%. Proceeds from the COPs were used to fund the next phase of the wastewater system improvement project to install pipelines from the Concord pump station to the intersection of Meridian Park Boulevard and Galaxy Way. Principal is payable annually on February 1 and interest is payable semi-annually February 1 and August 1 through 2032. As of June 30, 2013, the principal balance outstanding was $10,685,000.

NOTE 8 - LONG-TERM DEBT (CONTINUED)

Under related installment agreements, the City remits installments to the Authority which are used to repay debt service on the 2007 COPS. The City has pledged Wastewater System Net Revenues defined as gross revenues less operating and maintenance expenses, to be used to make required installments. The pledge of future Net Revenues ends upon repayment of the $32,301,605 million in remaining debt service on the COPS which is scheduled to occur in 2033. As disclosed in the originating offering documents, projected net revenues are expected to provide coverage over debt service of 3.40 over the life of the bonds. For fiscal year Wastewater System Revenues including operating revenues and non-operating interest earnings amounted to $19,492,824 and maintenance and operating costs amounted to $19,396,021. Payments made to the Central Contra Costa Sanitary District for the City of Concord's share of district capital projects are treated as expenses in the Sewer Enterprise Fund since the related capital assets are not owned by the City. In recognition of the capital nature of these expenses, the covenants expressly exclude these payments from the calculation of maintenance and operating costs for coverage purposes. In fiscal year 2013 these costs totaled $3,616,771. Adjusted net revenues available for debt service amounted to $3,713,574, which represented coverage of 2.16 of the $1,720,000 in debt service on the COPS.

Refunding Lease Agreement

On June 24, 2010, the City and the former Redevelopment Agency entered into a Refunding Lease Agreement in the amount of $5,075,000. The proceeds from the Agreement were used to retire a portion of the outstanding 1993 Lease Revenue Bonds and to fully repay the 1999 Judgment Obligation Bonds. The Agreement bears interest at 3.6% and is due semi-annually on March 1 and September 1. Principal payments are due annually on September 1 until September 1, 2019. As of June 30, 2013, the principal balance outstanding was $3,883,000.

Lease Purchase Agreement

On January 25, 2011, the City entered into a lease purchase agreement with Chevron Energy Service Company in the amount of $8,434,970. The proceeds from the agreement are used reduce citywide utility costs by making energy efficiency improvements. The agreement bears interest at 4.75% and is due semi-annually on June 1 and December 1. Principal payments are due semi-annually on June 1 and December 1 until December 1, 2026.
As of June 30, 2013, the principal balance outstanding was $8,042,082.

Notes Payable

The City entered into two loan agreements with California Housing Finance Agency (CHFA); $1,000,000 was used for a loan to Lakeside apartments (see Note 6), and $1,600,000 is to be used for the Detroit Avenue Apartments loan (see Note 6) and a Multifamily Acquisition and Rehabilitation Loan Program. During the fiscal year ending June 30, 2011, the City paid off the Lakeside portion of the note. As of June 30, 2007, the City had drawn down $600,000 for the Detroit Avenue Apartment loan, and $350,000 for the Virginia Lane projects; the remaining $650,000 will not be drawn down. The CHFA funds bear interest at a 3.0% simple rate and all payments of principal and interest are deferred for a ten year period. This loan is expected to be repaid in full by March 31, 2014. As of June 30, 2013, the principal balance outstanding was $1,372,377.

Capital Leases

On November 30, 2010, the City entered into a lease agreement in the amount of $1,279,294 for the purchase of radio subscriber units for the Police Department. The City agreed to pay the lease in annual payments for $250,609 for seven years. Since the lease is in essence a financing agreement, the cost of the equipment and the amount of the lease has been included in the City's financial statements. As of June 30, 2013, the principal balance outstanding on the lease was $741,109.

NOTE 8 - LONG-TERM DEBT (CONTINUED)

On July 13, 2010, the City entered into a lease agreement in the amount of $441,698 for the purchase of Voice over internet protocol (VOIP) equipment. The lease bears interest at 3.95% and is due annually on July 9 annually. The principal payment is due annually on July 9 until July 9, 2014. As of June 30, 2013, the principal balance outstanding on the lease was $179,987.

On September 30, 2010, the City entered into a lease agreement in the amount of $127,566 for hybrid color multi-function printer equipment. The lease bears interest at 5.5% monthly and the City agreed to pay the lease in monthly payments of $2,462 for 5 years. As of June 30, 2013, the principal balance outstanding on the lease was $64,234.

On June 30, 2012, the City entered into a lease agreement in the amount of $421,283 for network attached storage equipment. The lease bears interest at 3.55% quarterly and the City agreed to pay the lease in quarterly payments for $23,473 for 5 years. As of June 30, 2013, the principal balance outstanding on the lease was $260,895.

On July 24, 2012, the City entered into a lease agreement in the amount of $380,702 with Motorola Solutions, Incorporated, for the purchase of radio equipment. The City agreed to pay the lease in annual payments for $75,688 for seven years. Since the lease is in essence a financing agreement, the cost of the equipment and the amount of the lease has been included in the City's financial statements. As of June 30, 2013, the principal debt outstanding on the lease was $320,614.

On January 25, 2013, the City entered into a lease agreement in the amount of $33,551 with Key Government Finance, Incorporated, to acquire equipment for network upgrades. The City agreed to pay the lease in annual payments for $7,372, for five years. Since the leases are in essence a financing agreement, the cost of the equipment and the amount of the lease has been included in the City's financial statements. As of June 30, 2013, the principal debt outstanding on the lease was $26,179.

On September 28, 2012, the City entered into a lease agreement in the amount of $273,082 with US Bank, to acquire equipment for network upgrades. The City agreed to pay the lease in monthly payments of $5,103, for five years. Since the leases are in essence a financing agreement, the cost of the equipment and the amount of the lease has been included in the City's financial statements. As of June 30, 2013, the principal debt outstanding on the lease was $237,487.

On May 2, 2013, the City entered into a lease agreement in the amount of $63,852 with US Bank, to acquire equipment for network upgrades. The City agreed to pay the lease in monthly payments of $1,216, for five years. Since the leases are in essence a financing agreement, the cost of the equipment and the amount of the lease has been included in the City's financial statements. As of June 30, 2013, the principal debt outstanding on the lease was $63,852.

NOTE 9 – FUND BALANCES

Detailed classifications of the City's Fund Balances, as of June 30, 2013, are below:

	Major Funds			Other	
Fund Balance Classifications	General Fund	Concord Housing	General Projects	Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Advance	$ 2,023,121				$ 2,023,121
Inventories	20,645				20,645
Total Nonspendable Fund Balance	2,043,766	-	-	-	2,043,766
Restricted for:					
Debt service				$ 2,397,142	2,397,142
Housing		$ 28,835,464		3,250,496	32,085,960
Health Care District				362,842	362,842
Transportation				4,817,854	4,817,854
Development services				7,480,681	7,480,681
Total Restricted Fund Balances	-	28,835,464	-	18,309,015	47,144,479
Assigned:					
Capital projects	1,082,256	-	-	594,718	1,676,974
Total Assigned Fund Balances	1,082,256	-	-	594,718	1,676,974
Unassigned:					
General fund	16,499,789				16,499,789
Other governmental fund deficit residuals			$ (356,826)	(273,952)	(630,778)
Total Unassigned Fund Balances	16,499,789	-	(356,826)	(273,952)	15,869,011
Total Fund Balances	$ 19,625,811	$ 28,835,464	$ (356,826)	$ 18,629,781	$ 66,734,230

NOTE 9 – FUND BALANCES (CONTINUED)

Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end.

Encumbrances outstanding as of June 30, 2013, were as listed below:

	Amount
Governmental Funds:	
General Fund	$ 1,096,052
General Projects Capital Projects Fund	1,278,138
Non-Major Governmental Funds:	
State Gas Tax Special Revenue Fund	106,192
Maintenance District Special Revenue Fund	34,629
Traffic System Management Special Revenue Fund	142
Housing and Community Services Special Revenue Fund	77,102
Storm Water Management Special Revenue Fund	20,117
Special Developers Capital Projects Fund	32,360
Inter Governmental Capital Projects Fund	143,204
Total Non-Major Governmental Funds	413,746
Total	$ 2,787,936

NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Appropriations

General Fund expenditures for the year ended June 30, 2013, exceeded the appropriations in the following functions.

	Final Budget	Actual	Variance
General Government (Council)	$ 341,358	$ 365,966	$ (24,608)
General Government (Finance)	10,096,725	10,203,301	(106,576)
Public Safety	41,456,037	41,998,811	(542,774)
Community and Economic Development	4,847,062	5,145,952	(298,890)
Interest and Fiscal Charges	-	150,250	(150,250)

The excess expenditures were covered by residual balances within the fund.

NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Concord Housing Fund expenditures for the year ended June 30, 2013, exceeded the appropriations in the following function.

	Final Budget	Actual	Variance
Community and Economic Development	$ 122,972	$ 247,826	$ (124,854)

The excess expenditures were covered by residual balances within the fund.

Non-Major Governmental Fund's expenditures for the year ended June 30, 2013, exceeded the appropriations in the following funds.

	Final Budget	Actual	Variance
Housing Assistance Program	$ -	$ 181	$ (181)
Police Facilities Revenue Bonds	510,669	511,102	(433)
ABAG	-	565	(565)
Assessment Districts	-	8,479	(8,479)
Energy Lease	654,920	659,713	(4,793)

The excess expenditures were covered by residual balances within the fund.

Deficit Fund Equity

As of June 30, 2013, the following funds had deficit fund equity:

Governmental Activities	
General Projects Fund	$ 356,826
Non-Major Governmental Fund	
Assessments District Fund	966
Internal Service Fund	
Risk Management Fund	2,013,891
Fiduciary Activities	
Successor Agency Private Purpose Trust Fund	46,474,082

The General Projects Fund had deficit fund balance of $356,826 which is expected to be eliminated by future revenue.

The Assessment Districts Debt Service Fund had deficit fund balance of $966 which is expected to be eliminated by future revenue.

The Risk Management Internal Service Fund had deficit net position of $2,013,891 which is expected to be eliminated by future revenue.

The Successor Agency Private Purpose Trust Fund had deficit net position of $46,474,082 which is expected to continue until the debt service obligations are satisfied from future property tax allocations.

NOTE 11 - CITY OF CONCORD RETIREMENT SYSTEM PLAN

Plan Description and Provisions

The Retirement System is a closed plan and is a single employer defined benefit pension plan covering all full-time employees of the City retired prior to June 28, 1999 or who left the employment of the City eligible for a pension. Participants are divided into two primary groups for coverage: general employees and police employees. Membership in the Retirement System comprised the following at :

Retirees and beneficiaries currently receiving benefits	232
Vested terminated employees	54
Total participants	286

On July 1, 1994, the City converted to the Public Employees Retirement System (PERS) as described in Note 13.

Eligibility, administration, actuarial interest rates and certain other tasks are the responsibility of the Retirement Board. The Retirement Board consists of ten members, selected as follows: the Mayor, City Manager, City Attorney, Director of Human Resources, Director of Finance and one representative from each of the five employee organizations.

During the year ended June 30, 1999, $56,300,000 was transferred from the Retirement System to PERS to purchase prior years' service credit for its active vested employees.

The Retirement System provides retirement and death benefits for general and police employees as well as disability benefits for police employees. General employees are eligible for retirement benefits at age 55, provided the employee has completed 20 years of service or has accumulated contributions in excess of $500 and was employed before June 30, 1990 or has completed 5 years of service and was terminated after July 1, 1990. Sworn police employees are eligible for retirement at age 50, provided the employee has completed 20 years of service or has accumulated contributions exceeding $500. Retirement benefits are determined based on the employee's length of service, highest one-year compensation upon retirement, and age at retirement.

Funding Status and Progress

The actuarial accrued liability was determined as part of an actuarial valuation at June 30, 2012. Significant actuarial assumptions used in determining the actuarial accrued liability include: (a) a rate of return on the investment of present and future assets of 6.5% per year compounded annually, (b) inflation rate of 3.0% (c) annual post-retirement increases at 5.5% per year. Required contributions are determined using the entry age normal actuarial cost method and are made on a level dollar basis. The plan is amortized using the CalPERS Mortality Table on a 23 year closed basis.

Audited annual financial statements and ten-year trend information are available from City of Concord, 1950 Parkside Drive, Concord, California 94519.

Contribution Requirements and Contributions Made

Prior to June 21, 1993, contributions were made to the Retirement System by both the City and the employee participants. City contributions were actuarially determined annually to provide the Retirement System with assets sufficient to pay basic benefits not provided for by employees' contributions. All general employees were required to contribute 6%, and all police employees were required to contribute 8% of their base salary (decreased by a Social Security allowance) to the Retirement System. The City is funding the Unfunded Actuarial Accrued Liability with an additional 1% contribution of eligible employee salaries.

NOTE 11 - CITY OF CONCORD RETIREMENT SYSTEM PLAN (CONTINUED)

The City contributed 4% to 8% of this percentage on behalf of general employees, depending upon job classification, and all of the contribution for sworn police employees.

The City maintains a program of death and disability benefits financed wholly by employer premium payments under a group term life insurance policy and group long-term disability insurance policy.

Generally accepted accounting principles permit contributions to be treated as Pension assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended , the City has calculated and recorded the Net Pension Obligation, representing the difference between the ARC and contributions, as presented below:

Fiscal Year	Annual Pension Cost	Actual Employer Contribution	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
June 30, 2011	$ 1,748,164	$ 287,623	16%	$ 3,564,816
June 30, 2012	1,744,637	863,610	50%	4,445,843
June 30, 2013	1,956,000	1,045,781	53%	5,356,062

The City's Net Pension Obligation (NPO) is recorded in the Statement of Net Position and is calculated as follows:

Annual required contribution (ARC)	$ 2,045,000
Interest on Net Pension Obligation	289,000
Adjustment to annual required contribution	(378,000)
Annual Pension Cost	1,956,000
Contributions made:	
Contributions	1,045,781
Total contributions	1,045,781
Change in Net Pension Obligation	910,219
Net Pension Obligation at June 30, 2012	4,445,843
Net Pension Obligation at June 30, 2013	$ 5,356,062

NOTE 11 - CITY OF CONCORD RETIREMENT SYSTEM PLAN (CONTINUED)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due and an indication of whether all required contributions have been made. Assumptions used to compile data presented below are the same as those described above. The actuarial value of the Plan's assets was determined to be its fair value. Additional trend information can be found in the Required Supplementary Information section of the financial statements.

Schedule of funding status is as follows (in thousands):

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage AAL Funded	Unfunded (Overfunded) AAL	Annual Covered Payroll	Unfunded (Overfunded) AAL Covered Payroll
June 30, 2012	$ 39,820,000	$ 63,895,000	62.32%	$ 24,075,000	*N/A	*N/A

*Plan was closed in 1993; therefore, there is no covered payroll

NOTE 12 - CITY OF CONCORD EARLY RETIREMENT PLANS

Plan Description and Provisions

On September 1, 2009 the City adopted a sole employer defined benefit plan to provide supplemental retirement benefit payments to eligible employees in addition to the benefit payments the employees will receive from the California Public Employees Retirement System (CalPERS).

The City joined Public Agency Retirement Services (PARS) and participates in two plans, the Supplementary Retirement Plan and the Excess Benefit Plan. The Excess Benefit Plan consists of the highly compensated members and the Supplementary Plan includes all other eligible employees. To be eligible to participate in the plan the employee must have been classified as a Miscellaneous or Safety employee of the City as of June 1, 2009, be at least 50 years of age as of September 1, 2009, have completed as least 5 years of employment with the City as of September 1, 2009, have terminated employment with the City on or before August 31, 2009, have applied for benefits under this plan and must have concurrently retired under CalPERS on or before September 1, 2009 and remains in retired status under CalPERS. A member is considered fully vested upon meeting the eligibility requirements listed above. Benefits payments are based on seven percent of an employee's annual base pay as of June 1, 2009.

As of , there were 65 members participating in these plans.

Audited annual financial statements and ten-year trend information are available from City of Concord, 1950 Parkside Drive, Concord, California 94519.

Contribution Requirements

The City established a plan within the PARS Trust. The cost of funding the Plan including management fees is roughly equivalent to one year of an employee's salary for each participating employee. The City has been funding the Plan over a period of 5 years, choosing to buy annuities to fund the Plan, self fund, or use some combination of both. The City is using general fund salary savings to fund the Plan. At this time, staff proposes to assume a 5-year funding schedule with the first year being self-funded.

NOTE 13 - PENSION PLAN

CalPERS Safety and Miscellaneous Employees Pension Plans

On June 21, 1993, the City joined the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee retirement system which acts as a common investment and administrative agent for participating member employers.

The City joined PERS on a prospective basis and participates in two plans, the Safety (Police) Employees Plan and the Miscellaneous Employees Plan. All qualified permanent and probationary employees are eligible to participate. 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 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.

Audited annual financial statements and ten-year trend information are available from CalPERS at P.O. Box 942709, Sacramento, California 94229-2709.

The Plans' provisions and benefits in effect at , 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%	2-2.7%
Required employee contribution rates	9%	7-8%
Required employer contribution rates	31.10%	24.11%
Actuarially required contributions	$ 6,768,964	$ 4,858,447

The City's policy and labor contracts require the City to pay all PERS contributions for sworn safety employees (Police) and 4%-8% for miscellaneous employees.

NOTE 13 - PENSION PLAN (CONTINUED)

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 City 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. The City does not have a net pension obligation since it pays these actuarially required contributions monthly. Annual Pension Costs, representing the payment of all contributions required by CALPERS, for the year ended June 30, 2013 were as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
Safety Plan		
June 30, 2011	$ 5,689,172	100%
June 30, 2012	6,525,699	100%
June 30, 2013	6,768,964	100%
Miscellaneous Plan		
June 30, 2011	$ 3,863,366	100%
June 30, 2012	4,096,666	100%
June 30, 2013	4,858,447	100%

CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.5% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service and range from 3.55% to 14.45%. 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 rolling thirty year basis. Investment gains and losses are accumulated as they are realized and approximately seven percent of the net balance is amortized annually.

The schedule of funding progress presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The Plans' actuarial value (which differs from market value) and funding progress over the most recently available actuarial valuation date of June 30:

Safety Plan

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2011	$ 166,921,000	$ 121,947,000	$ 44,974,000	73.1%	$ 17,031,000	264.1%

Miscellaneous Plan

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2011	$ 163,036,000	$ 123,455,000	$ 39,581,000	75.7%	$ 17,127,000	231.1%

NOTE 13 - PENSION PLAN (CONTINUED)

Additional information can be found in the Required Supplementary Information section of the financial statements.

During the fiscal year ended June 30, 1999, the City transferred $56,300,000 from the Concord Retirement System to PERS to purchase prior years' service credit for its active vested employees.

NOTE 14 – OTHER POST-EMPLOYMENT HEATH CARE BENEFITS

Substantially all full-time City employees and their eligible dependents are eligible for post-retirement health care benefits under single employer CalPERS sponsored health plans currently funded during the employees active service. During fiscal year 2008, the City implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). Required disclosures are presented below.

By Council resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. A summary of eligibility and retiree contribution requirements are shown below by bargaining unit:

The City pays health insurance premiums up to $595, $1,190, $1,547 for a retiree, couple, and family, respectively.

As of , approximately 389 participants were receiving benefits.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 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) 7.25% investment rate of return including 3% inflation, (b) 3.25% projected annual salary increase, and (c) 4.5% health care costs inflation increases. 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. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 29 year closed amortization period.

In accordance with the City's budget, the annual required contribution (ARC) is to be funded throughout the year as a percentage of payroll. Concurrent with implementing Statement No. 45, the City Council passed a resolution to participate the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administrated by CalPERS, and is managed by an appointed board not under the control of City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, California 94229-2709.

NOTE 14 – OTHER POST-EMPLOYMENT HEATH CARE BENEFITS (CONTINUED)

Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended , the City contributed $3,254,171 to the Plan which represented 9.7% of $33.3 million of covered payroll. As a result, the City has recorded the Net OPEB Asset, representing the difference between the ARC, the amortization of the Net OPEB Asset and actual contributions, as presented below:

Annual required contribution (ARC)	$ 4,635,000
Interest on Net OPEB asset	(663,000)
Adjustment to annual required contribution	822,000
Other adjustment to the OPEB cost	1,187,038
Annual OPEB Cost	5,981,038
Contributions made:	
City portions of current year premiums paid	3,254,171
Total contributions	3,254,171
Change in Net OPEB Asset	(2,726,867)
Net OPEB Asset at June 30, 2012	7,755,519
Net OPEB Asset at June 30, 2013	$ 5,028,652

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2013, amounted to $62,217,000 and was partially funded as $18,655,000 in assets had been transferred into CERBT as of that date and reduced the unfunded actuarial accrued liability to $43,562,000.

The Plan's annual OPEB cost and actual contributions for fiscal year ended June 30, 2013 is set forth below:

Fiscal Year	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
June 30, 2011	$ 3,917,386	$ 4,671,001	119%	$ 8,598,003
June 30, 2012	4,038,504	3,196,020	79%	7,755,519
June 30, 2013	5,981,038	3,254,171	54%	5,028,652

NOTE 14 – OTHER POST-EMPLOYMENT HEATH CARE BENEFITS (CONTINUED)

The Schedule of Funding Progress presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Data as of June 30, 2013 from the actuarial study is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentages of Covered Payroll [(B-A)/C]
June 30, 2013	$ 18,655,000	$ 62,217,000	$ 43,562,000	29.98%	$ 32,192,000	135%

Additional information can be found in the Required Supplementary Information section of the financial statements.

NOTE 15 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457 and 401K. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distribution may be made only at termination, retirement, death or in an emergency as defined by the Plans.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust 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 City control, they have been excluded from these financial statements.

NOTE 16 – RISK MANAGEMENT AND INSURANCE

Insurance Risk Pool

In July 2003, the City joined the California State Association of Counties - Excess Insurance Authority (CSAC-EIA), a joint powers authority. CSAC-EIA provides coverage against the following types of loss risks, including commercial insurance coverage, under the terms of a joint-powers agreement with the City and several other cities and governmental agencies as follows:

Type of Coverage (Deductible)	Coverage Limits
General Liability ($500,000)	$25,000,000
Workers' Compensation ($500,000)	Statutory
All Risk Property ($10,000 per occurrence)	$600,000,000
Property Flood Risk ($25,000 per occurrence)	$415,000,000
Earthquake (5% with a $100,000 minimum)	$50,000,000

NOTE 16 – RISK MANAGEMENT AND INSURANCE (CONTINUED)

CSAC-EIA was established for the purpose of creating a risk management pool for all California public entities. CSAC-EIA is governed by a Board of Directors consisting of representatives of its member public entities.

The City's deposits with CSAC-EIA are in accordance with formulas established by CSAC-EIA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for CSAC-EIA are available from CSAC-EIA at 75 Iron Point Circle, Folsom, CA 95630.

The City is self-insured for auto physical damage claims.

For the years ended June 30, 2013, 2012 and 2011, the amount of settlements did not exceed insurance coverage.

Uninsured Claims Payable

The City provides for the uninsured portion of claims and judgments in its Risk Management (general liability and auto physical damage) and Workers' Compensation Internal Service Funds. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

The City's liability for uninsured claims is limited to worker's compensation, general liability and auto physical damage claims, as discussed above, which are reported at their present value using expected future investment yield assumptions ranging from 3% percent. In addition, the general liability claims are based on an eighty percent confidence level. The undiscounted worker's compensation claims totaled $1,812,849 and undiscounted general liability claims totaled $1,433,795 at June 30, 2013.

The change in the claims liabilities, including claims incurred but not reported are based on independent actuarial studies and were computed as follows for the years ended June 30:

	Workers Compensation Internal Service Fund	Risk Management/ Liability Internal Service Fund	Total 2013	Total 2012
Beginning balance	$ 7,538,000	$ 1,484,044	$ 9,022,044	$ 8,953,925
Liability for current fiscal year claims	764,893		764,893	280,332
Change in liability for prior fiscal year claims and claims incurred but not reported (IBNR)	1,930,000	5,672,216	7,602,216	1,531,945
Claims paid	(1,912,893)	(2,836,108)	(4,749,001)	(1,744,158)
Ending balance	$ 8,320,000	$ 4,320,152	$ 12,640,152	$ 9,022,044
Current portion	$ 1,812,849	$ 1,433,795	$ 3,246,644	$ 2,491,329

Health Care

The City provides its employees with a choice of five different medical insurance plans through CalPERS. The City pays the premium up to $1,657 per month per employee. The City also provides its employees with Dental Insurance paying premiums up to $193 per month per employee. The City also provides long-term disability and life insurance to its employees.

NOTE 17 – JOINT VENTURE

Salvio Grant Land Joint Venture

The Salvio Grant Land Joint Venture was formed in 1985 as an equal partnership by the former Redevelopment Agency and a local non-profit corporation to lease certain land for low-income/elderly housing. The Heritage Building was constructed on that land by Plaza Towers Associates, which leases the land from the Partnership under a lease which terminates in 2040.

The Joint Venture financial statements for its fiscal year ended December 31, 2012 reported revenue of $210,335 and no debt obligations. The City's equity in the partnership at June 30, 2013 was $2,129,711. Financial statements for the Partnership can be obtained from the City of Concord, 1950 Parkside Drive, Concord, California 94519.

NOTE 18 – COMMITMENTS AND CONTINGENCIES

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no additional pending litigation, which is likely to have material adverse effect on the financial position of the City.

The City participates in several Federal and State grant programs. These programs have been audited through the fiscal year ended . 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.

NOTE 19 – SUBSEQUENT EVENT

On July 9, 2013 the Concord City Council approved changing the name of the Mt Diablo Health Care District to the ―Concord/ Pleasant Hill Health Care District".

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES

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 actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

ABx1 26 and AB1484 created the regulatory authority, the Successor Agency Oversight Board, under the direction of the State Controller and Department of Finance (DOF), to review former Agency's asset transfer, obligation payments and wind down activities. ABx1 26 specifically directs the State Controller to review the activities of all redevelopment agencies to determine whether an asset transfer between an 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 or, on or after February 1, 2012, to the Successor Agency.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Fund were distributed to a Housing Successor; and all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City elected to become the Housing Successor and retain the housing assets. On February 1, 2012, certain housing assets were transferred to the City's Concord Housing Fund, a special revenue fund.

The activities of the Housing Successor are reported in the Concord Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012 the Redevelopment Agency'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 in April 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one City 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 the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

The following notes provide more information regarding assets and liabilities of the Successor Agency.

Loans Receivable

The Successor Agency assumed the non-housing loans receivable of the former Redevelopment Agency as of February 1, 2012. The former Redevelopment Agency engaged in programs designed to encourage construction of, or improvement to, low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the former Agency's terms. The balances of the notes receivable arising from the non-housing programs at June 30, 2013 are set forth below:

Concord Residential Club

Low and no interest loans were made by the former Redevelopment Agency to provide businesses assistance for rehabilitating buildings in the downtown area and to businesses or individuals for the rehabilitation of housing within the City of Concord owned and/or occupied by persons of low and moderate income. As of June 30, 2013 the loan balance was $543,950.

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

California Automotive Retailing Group Development Agreement

In July 2009, the Agency entered into a $250,000 interest free loan agreement with California Automotive Retailing Group to rehabilitate and improve an existing automotive dealership site at 1330 Concord Avenue. Monthly payments of $2,083 for 120 months started on October 1, 2009. The Successor Agency expects the loan to be repaid on September 1, 2019. As of June 30, 2013 the loan balance was $160,420.

Fry's Electronics Development Agreement

The former Redevelopment Agency entered into a $3,900,000 loan agreement with Fry's Electronics to provide assistance with rehabilitation of the building and surrounding site improvements. The substance of the agreement is that Fry's will be paid a portion of future sales tax revenues produced by the development. These payments are conditioned on the generation of annual sales tax revenues by the development of at least $500,000 per year, adjusted annually for inflation, and the Agency is not required to use any other resources to pay these amounts. Beginning with the year that the sales tax collections first exceed the threshold, the Agency has agreed to pay Fry's compound interest of 7% on the loan principal balance not yet disbursed to Fry's, however the calculation of this annual interest due is limited to the lesser of the actual calculation or the principal amount of the loan disbursed to Fry's in that year. The loan will be forgiven after ten calendar years as long as the building remains operated by Fry's Electronics. In addition, the Agency has entered into an agreement with the City under which the City has agreed to annually reimburse the Agency for any amounts that it has paid to Fry's, but that reimbursement is subordinated to the City's other obligations. During fiscal year 2013, sales tax collections did not meet the threshold; therefore the former Redevelopment Agency and the Successor Agency did not disburse any funds to Fry's in accordance with the terms of the agreement. At , the remaining portion of sales tax revenues subject to reimbursement was $3.9 million plus interest at 7%. The agreement terminates in 2019, regardless of whether the entire loan amount has been disbursed, and is not carried on the financial statements.

Land Held for Redevelopment

As of , the Successor Agency held the following properties for resale or redevelopment, totaling $11,416,332:

a) During fiscal year 2009 the Agency purchased six parcels of land located in the downtown area to assist in implementing the Agency's Strategic Plan.

b) A parcel of land held by the Agency was purchased in fiscal year 2007 which will be held for resale for future development projects.

c) A parcel of land held by the Agency was purchased in fiscal year 2004 which is to be sold in the future for redevelopment projects.

d) A parcel of land was purchased in fiscal year 2002 which is to be sold in the future for the Town Center Project.

e) One property purchased in fiscal year 2001 which is to be sold for the purpose of constructing a new hotel in downtown Concord.

f) During the year ended June 30, 1999, the Agency purchased a parcel which is to be sold in the future for development projects.

g) Five properties purchased from 1982-1987 which are being held for resale for future development projects.

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

Pooled Investments

As of , the Successor Agency held assets within the City investment pool totaling $3,749,573.

Cash with Fiscal Agents

As of , the Successor Agency held assets with fiscal agents totaling $3,300,117.

Capital Assets

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 2012.

All capital assets 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. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over 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 of capital assets in service 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 Successor Agency has assigned 25-33 years for the useful lives of buildings and structures.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital Asset Additions, Retirements and Balances

	Balance at June 30, 2012 (as Restated)	Additions	Deletions	Balance at June 30, 2013
Successor Agency				
Capital assets not being depreciated:				
Land	$ 448,293			$ 448,293
Construction in progress	36,862			36,862
Total capital assets not being depreciated	485,155	-	-	485,155
Capital assets being depreciated:				
Buildings and structures	2,259,347			2,259,347
Less: depreciation	(1,211,161)	$ (67,781)		(1,278,942)
Streets	231,824	68,695		300,519
Less: depreciation	-	(8,872)		(8,872)
Sidewalks	227,377			227,377
Less: depreciation	-	(4,547)		(4,547)
Lights	-	37,527		37,527
Less: depreciation	-	(625)		(625)
Total capital assets being depreciated	1,507,387	24,397	-	1,531,784
Successor Agency Capital assets, net	$ 1,992,542	$ 24,397	$ -	$ 2,016,939

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

Long-Term Debt

The Successor Agency assumed the long-term debt of the former Redevelopment Agency as of February 2012.

Current Year Transactions and Balances

The Successor Agency's debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Principal Amount	Balance as of June 30, 2012 (as Restated)	Retirements	Balance as of June 30, 2013	Current Portion
2004 Tax Allocation Refunding Bonds					
3.9-5.05%, due 07/01/2025	$ 72,310,000	$ 53,370,000	$ 3,985,000	$ 49,385,000	$ 4,145,000
Less deferred amount on refunding		(1,776,158)	(296,027)	(1,480,131)	
Total Tax Allocation Bonds		51,593,842	3,688,973	47,904,869	4,145,000
Reimbursement Agreement:					
City of Concord, 3.60%, due 09/01/2019	$ 3,116,000	3,067,000		3,067,000	
Reimbursement Agreement:					
City of Concord, 2.70-5.25%, due 03/01/2023	$ 19,280,000	7,065,000	900,000	6,165,000	935,000
Loan Payable:					
Housing Successor Loan Due 06/30/2019	$ 9,495,937	9,495,937		9,495,937	
Total Successor Agency		$ 71,221,779	$ 4,588,973	$ 66,632,806	$ 5,080,000

Tax Allocation Bonds (TABs) Outstanding

Tax Allocation Bonds were issued in 2004 by the former Redevelopment Agency to defease and retire the 1988 Current Interest Term Bonds, 1993 Senior Current Interest Term Bonds, and the 1993 Subordinate Term Bonds. Interest payments on the 2004 TABs are payable semi-annually on January 1 and July 1. The 2004 TABs are special obligations of the Agency and are secured by the Agency's tax increment revenues. With the dissolution of the Redevelopment Agency 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 Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. The TABs are secured by a surety bond issued by AMBAC Assurance which declared bankruptcy in November 2010. The Successor Agency has not obtained a replacement surety as of June 30, 2013.

The pledge of future tax increment revenues ends upon repayment of the $69,493,551 (principal and interest) in remaining debt service on the Agency's Tax Allocation Bonds which is scheduled to occur in 2026. As disclosed in the originating offering documents, pledged future tax increment revenues are expected to provide coverage over debt service of 1.63 over the life of the long term debt. For fiscal year 2013 RPTTF amounted to $8,573,064 which represented coverage of 1.86 over the $4,588,973 in debt service.

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

Reimbursement Agreements- Police Facilities and Parking Garage Revenue Bonds

The City of Concord Public Financing Authority constructed police facilities and a three-level, 432-space parking structure, which are leased from the City. Revenues from these leases totaled $900,000 in fiscal year 2013. The Concord Joint Powers Financing Authority loaned the City $19,280,000 to construct these facilities, with reimbursement agreement in place between the former Redevelopment Agency and the City. With the dissolution of the Redevelopment Agency 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 repayment under the reimbursement agreement. In addition, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations.

As of June 30, 2013 the total amount payable on the reimbursement agreement was $6,615,000.

Reimbursement Agreements- Refunding Lease Agreement

On June 24, 2010 the former Redevelopment Agency entered into a Refunding Lease Agreement in the amount of $5,073,000. The proceeds from the Agreement were used to retire a portion of the outstanding 1993 Lease Revenue Bonds and to fully repay the 1999 Judgment Obligation Bonds. The Agreement bears interest at 3.6% and is due semi-annually on March 1 and September 1. Principal payments are due annually on September 1 until September 1, 2019. As of June 30, 2013 the total amount payable on the reimbursement agreement was $3,607,000.

Housing Successor Loan Payable

Beginning in 1986, the former Redevelopment Agency's General Capital Projects Fund has been required by the State to set aside 20% of property tax increments for low and moderate income housing. However, under a transition rule, pursuant to Health and Safety Code Section 33334.6, the former Redevelopment Agency was permitted to set aside less than 20% of the tax increment that it received to the extent that it spent the tax increment revenue for the Agency’s debt incurred prior to 1986 or for Agency projects approved prior to 1986, as long as it had a written plan for repaying these amounts to the Concord Housing Special Revenue Fund. The Agency's General Capital Projects Fund has been allowed to use these set-asides for current capital projects as long as it had a written plan for repaying these amounts to the Low and Moderate Income Housing Special Revenue Fund. At June 30, 2013 the amount due that Fund under the repayment plan totaled $9,495,937. The advance does not bear interest.

The above loan had previously been reported as an interfund advance within the Redevelopment Agency, but with the transfer of the former Redevelopment Agency's liabilities to the Successor Agency, the advance is now reported as long-term debt of the Successor Agency. This loan was originally required to be repaid by June 30, 2019; however repayment is now subject to the provisions of Health and Safety Code Section 34176 and cannot begin prior to fiscal year 2014 based on the repayment requirements in the Health and Safety Code. This loan has been approved by the Department of Finance on the Recognized Obligation Payment Schedule.

NOTE 20 – REDEVELOPMENT SUCCESSOR AGENCY ACTIVITIES (CONTINUED)

Debt Service Requirements

Annual debt service requirements are shown below for long-term debt except the Housing Successor Loan Payable because the ultimate repayment terms cannot be determined at this time as discussed above:

For the Year Ending June 30,	Principal	Interest
2014	$ 5,080,000	$ 2,604,770
2015	5,258,000	2,390,344
2016	5,472,500	2,162,192
2017	5,706,500	1,915,427
2018	5,970,000	1,652,928
2019-2023	31,860,937	4,543,044
2024-2026	8,765,000	674,761
Total	68,112,937	$ 15,943,466
Reconciliation of long-term debt:		
Less unamortized deferred amount on refunding	(1,480,131)	
	$ 66,632,806	

Commitments and Contingencies

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. The City expects such amounts, if any, to be immaterial.

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time.

On January 11, 2013 the Successor Agency remitted $8,579,587 to the Contra Costa County Auditor-Controller's office in compliance with the asset review of the Low and Moderate Income Housing Fund assets.

On June 14, 2013 the Successor Agency remitted $651,230 to the Contra Costa County Auditor-Controller's office in compliance with the asset review of the All Other Funds assets.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

The tables below shows a three-year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial liability as a percentage of the annual covered payroll for the City's retirement and OPEB plans as of the valuation dates.

CalPERS Safety and Miscellaneous Employees Pension Plans

Safety Plan

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2009	$ 138,664,961	$ 106,195,024	$ 32,469,937	76.6%	$ 17,453,149	186.0%
June 30, 2010	152,020,183	113,789,847	38,230,336	74.9%	17,036,194	224.4%
June 30, 2011	166,921,000	121,947,000	44,974,000	73.1%	17,031,000	264.1%

Miscellaneous Plan

	Actuarial					
Valuation Date	Entry Age Accrued Liability	Value of Asset	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
June 30, 2009	$ 142,753,938	$ 113,571,126	$ 29,182,812	79.6%	$ 23,623,292	123.5%
June 30, 2010	153,962,951	118,689,771	35,273,180	77.1%	18,023,583	195.7%
June 30, 2011	163,036,000	123,455,000	39,581,000	75.7%	17,127,000	231.1%

City of Concord Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded Actuarial Liability as Percentages of Covered Payroll [(B-A)/C]
June 30, 2010	$ 15,418,000	$ 49,254,000	$ 33,836,000	31.30%	$ 30,830,000	110%
June 30, 2011	18,332,000	53,678,000	35,346,000	34.15%	33,358,000	106%
June 30, 2013	18,655,000	62,217,000	43,562,000	29.98%	32,192,000	135%

City of Concord Retirement System

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Percentage AAL Funded	Unfunded (Overfunded) AAL	Annual Covered Payroll	Unfunded (Overfunded) AAL Covered Payroll
June 30, 2007	$ 51,199,000	$ 83,912,000	61.02%	$ 32,713,000	*N/A	*N/A
June 30, 2010	43,596,000	65,271,000	66.79%	21,675,000	*N/A	*N/A
June 30, 2012	39,820,000	63,895,000	62.32%	24,075,000	*N/A	*N/A

*Plan was closed in 1993; therefore, there is no covered payroll

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Notes to the Required Supplementary Information

Note 1 This information is intended to help users assess the City's Public Safety and Miscellaneous Retirement Plans, the City's OPEB plan and the City's Retirement System's status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due and make comparisons with other employees.

Note 2 The information presented related to the City's Public Safety and Miscellaneous Retirement Plans, the City's OPEB plan and the City's Retirement System's only.

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APPENDIX F

CITY OF CONCORD SUPPLEMENTAL INFORMATION

The following information concerning the City of Concord 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 of Concord (the "City") is located in north central Contra Costa County (the "County"), approximately 29 miles northeast of San Francisco. It is the largest and most populous of the County's 19 cities and covers 31.13 square miles.

The County is one of nine counties comprising the economic-geographic unit known as the San Francisco Bay Area. The county seat is Martinez. The name is Spanish for "opposite coast". The County occupies the northern portion of the East Bay region and is primarily suburban.

Over the last 20 years, the City has become a major job center in the County and it is the County's strongest retail location. The City offers the amenities that many businesses require for success: business-friendly government policies, outstanding Class A office space values, numerous industrial parks and excellent transportation combined with favorable home prices, an educated workforce and a dynamic retail environment to create ideal conditions for business to expand and make the City a premier business location.

Organization

The City was incorporated on February 9, 1905 under the general laws of the State. The City Council members are elected for overlapping four-year terms. The policies of the City Council are carried out by the appointed City Manager.

Population

The table below summarizes population of the City and the County for the past five years.

POPULATION
City of Concord and Contra Costa County

Year	City of Concord	Contra Costa County
2010	122,067	1,049,025
2011	122,599	1,056,306
2012	123,344	1,066,597
2013	123,993	1,076,429
2014	124,656	1,087,008

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2014, with 2010 Census Benchmark. Sacramento, California, May 2014.

Employment

The following table summarizes the historical numbers of workers by industry in Contra Costa County for the last five years:

CONTRA COSTA COUNTY
Labor Force and Industry Employment
Annual Averages by Industry

	2009	2010	2011	2012	2013[1]
Total, All Industries	326,600	317,200	318,100	326,600	336,100
Total Farm	800	700	800	800	1,000
Total Nonfarm	325,900	316,500	317,300	325,800	335,100
Goods Producing	39,900	36,600	35,200	37,100	37,400
Manufacturing	18,700	18,300	17,400	17,400	15,800
Service Providing	286,000	279,900	282,000	288,700	297,800
Trade, Transportation & Utilities	57,300	55,900	56,500	57,400	58,100
Information	10,400	9,600	9,000	8,400	8,500
Financial Activities	25,700	25,300	24,800	25,300	25,300
Professional & Business Services	45,900	43,800	45,900	48,000	51,300
Educational & Health Services	52,900	53,000	53,500	55,700	58,700
Leisure & Hospitality	31,200	31,300	32,300	33,500	35,700
Other Services	11,700	11,800	12,400	12,400	12,100
Government	51,300	49,200	47,800	47,900	48,100

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 Contra Costa County, the State and the United States for the past five years:

CONTRA COSTA COUNTY, CALIFORNIA, AND UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate (1)
2009	Contra Costa County	525,100	471,700	53,400	10.2%
	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	Contra Costa County	524,200	465,900	58,300	11.1%
	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	Contra Costa County	529,200	474,300	54,800	10.4%
	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	Contra Costa County	535,700	487,800	48,000	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	Contra Costa County	438,900	499,100	39,800	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 CONCORD
2013 Principal Employers

Employer	Employees (Range)
John Muir Health Physical Rhb	1,000-4,999
Chevron	1,000
Bank of America	1,000
Wells Fargo	1,000
Macy's	500-999
Benchmark Electronics Inc	250-499
Central Contra Costa Transit	250-499
Concord Hotel LLC	250-499
Contra Costa Water District	250-499
Costco	250-499
Fry's Electronics	250-499
Jenkins Insurance	250-499
John Wagner Assoc Inc	250-499
Loma Vista Adult Ctr	250-499
Sears	250-499
US Post Office	250-499
Waterworld California	250-499

Source: City of Concord 2013 Comprehensive Annual Financial Report.

CONTRA COSTA COUNTY
2014 Major Employers

Company	Location	Industry
AAA Northern Ca Nevada & Utah	Walnut Creek	Automobile Clubs
BART	Richmond	Transit Lines
Bayer Health Care Phrmctcls	Richmond	Laboratories-Pharmaceutical (Mfrs)
Bio-Rad Laboratories Inc	Hercules	Biological Products (Mfrs)
Chevron Corp	San Ramon	Oil Refiners (Mfrs)
Chevron Global Downstream LLC	San Ramon	Marketing Programs & Services
Concord Naval Weapons Station	Concord	Federal Government-National Security
Contra-Costa Regional Med Ctr	Martinez	Hospitals
Department of Veterans Affairs	Martinez	Clinics
Doctors Medical Ctr	San Pablo	Hospitals
John Muir Health Physical Rhb	Concord	Physical Therapists
John Muir Medical Ctr	Concord	Hospitals
John Muir Medical Ctr	Walnut Creek	Hospitals
Kaiser	Martinez	Clinics
Kaiser Permanente	Antioch	Hospitals
Kaiser Permanente	Walnut Creek	Hospitals
La Raza Market	Richmond	Grocers-Retail
Muirlab	Walnut Creek	Laboratories-Medical
Richmond City Offices	Richmond	Government Offices-City, Village & Twp
San Ramon Regional Medical Ctr	San Ramon	Hospitals
Shell Oil Products	Martinez	Oil & Gas Producers
St Marys College	Moraga	Schools-Universities & Colleges Academic
Sutter Delta Medical Ctr	Antioch	Hospitals
Tesoro Golden Eagle Refinery	Pacheco	Oil Refiners (Mfrs)
VA Outpatient Clinic	Martinez	Surgical Centers

Source: California Employment Development Department. Data retrieved June 24, 2014.

Construction Activity

The following tables reflects the five-year history of building permit valuation for the City and the County:

CITY OF CONCORD
Building Permits and Valuation
(Dollars in Thousands)

	2008	2009	2010	2011	2012
Permit Valuation:					
New Single-family	$ 15,372	$ 15,799	$ 0	$ 1,085	$ 2,440
New Multi-family	0	0	0	0	0
Res. Alterations/Additions	25,316	18,792	19,537	19,089	19,684
Total Residential	40,689	34,591	19,537	20,174	22,125
Total Nonresidential	31,794	41,143	35,879	28,739	15,661
Total All Building	$ 72,484	$ 75,734	$ 55,427	$ 48,913	$ 37,787
New Dwelling Units:					
Single Family	54	58	0	2	8
Multiple Family	0	0	0	0	0
Total	54	58	2	2	8

CONTRA COSTA COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2008	2009	2010	2011	2012
Permit Valuation:					
New Single-family	$ 300,088	$ 300,363	$ 237,485	$ 211,417	$ 340,255
New Multi-family	132,824	34,119	106,555	47,304	54,884
Res. Alterations/Additions	229,023	170,149	209,044	233,174	179,471
Total Residential	661,936	504,632	553,057	491,895	574,612
Total Nonresidential	459,932	314,301	285,417	254,902	214,602
Total All Building	$ 1,121,869	$ 818,933	$ 838,475	$ 746,797	$ 789,214
New Dwelling Units:					
Single Family	985	1,038	809	718	1,188
Multiple Family	909	163	890	355	949
Total	1,894	1,201	1699	1,073	2,137

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
CONTA COSTA COUNTY
(dollars in thousands)

	2008
Retail Stores	
Apparel Stores	$ 528,456
General Merchandise	1,753,124
Food Stores	594,275
Eating and Drinking	1,134,412
Household Group	471,620
Building Material Group	747,773
Automotive Group	1,406,932
Service Stations	1,514,897
All Other Retail Stores	1,332,819
Retail Stores Totals	9,484,307
Business & Personal Services	533,701
All Other Outlets	3,289,673
Total All Outlets(2)	13,307,681

	2009 (1)	2010 (1)	2011 (1)	2012 (1)(3)
Retail and Food Services				
Motor Vehicles and Parts Dealers	$ 1,184,803	$ 1,234,844	$ 1,372,234	$ 1,650,526
Furniture and Home Furnishings Stores	225,331	227,432	240,863	260,102
Electronics and Appliance Stores	385,742	356,124	357,941	371,588
Bldg Mtrl. and Garden Equip. and Supplies	711,475	718,405	739,836	791,073
Food and Beverage Stores	657,337	673,326	692,641	725,277
Health and Personal Care Stores	264,279	264,011	277,662	293,030
Gasoline Stations	1,151,058	1,312,703	1,522,725	1,587,047
Clothing and Clothing Accessories Stores	642,813	663,243	702,573	773,210
Sporting Goods, Hobby, Book and Music Stores	314,924	304,491	303,397	302,051
General Merchandise Stores	1,380,111	1,406,756	1,443,317	1,505,629
Miscellaneous Store Retailers	397,297	382,048	396,831	420,581
Nonstore Retailers	47,224	46,613	50,078	87,720
Food Services and Drinking Places	1,111,182	1,126,398	1,200,318	1,294,601
Total Retail and Food Services	8,473,578	8,716,393	9,300,418	10,062,437
All Other Outlets	3,409,471	3,237,454	3,499,439	3,934,812
Totals All Outlets(2)	$ 11,883,049	$ 11,953,846	$ 12,799,857	$ 13,997,249

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 and the nation for the years 2008 through 2012.

CITY OF CONCORD, CONTRA COSTA 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 Concord	$ 2,841,428	$ 53,073
	Contra Costa County	30,737,690	61,903
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2009	City of Concord	$ 2,935,685	$ 55,490
	Contra Costa County	31,197,703	64,213
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	City of Concord	$ 2,774,285	$ 51,707
	Contra Costa County	30,049,698	61,031
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of Concord	$ 2,792,595	$ 51,078
	Contra Costa County	30,416,350	60,777
	California	814,578,457	47,062
	United States	6,438,704,663	41,253
2012	City of Concord	$ 3,017,230	$ 50,147
	Contra Costa County	33,604,875	61,167
	California	664,088,827	47,307
	United States	6,737,867,730	41,358

Source: The Nielsen Company (US), Inc.

APPENDIX G

FISCAL CONSULTANT'S REPORT

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KEYSER MARSTON ASSOCIATES

FISCAL CONSULTANT REPORT
CENTRAL CONCORD
REDEVELOPMENT PROJECT

Prepared for:

SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY
OF THE CITY OF CONCORD

Prepared by:

Keyser Marston Associates, Inc.

September 15, 2014

Table of Contents

1.0 INTRODUCTION

Keyser Marston Associates, Inc. (KMA) has been retained as Fiscal Consultant to the Successor Agency for the Redevelopment Agency of the City of Concord (Successor Agency) to prepare a review of assessed values and a projection of Tax Revenues for the Successor Agency's Central Concord Redevelopment Project Area ("Project Area"). The Successor Agency is proposing to issue Refunding Bonds to refund outstanding 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 as defined in the Indenture to include all property taxes allocated to the RPTTF for the Successor Agency for the Project Area after deduction of 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); and (3) payments on the Senior Reimbursement Agreement (described in Section 2.4).

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 Central Concord Redevelopment Project Area was established in 1974 and is comprised of five separate subareas: Parcel I, II, III, IV, and V. Parcel I represents the original boundaries of the Project Area as adopted in 1974. Parcels II and III were added by a 1976 amendment and Parcel IV was added in 1979. In 2006, a final addition of territory to the Project Area occurred with the addition of Parcel V comprised of three non-contiguous component areas: Monument Corridor, Willow Pass Road, and North Concord. In total, the Project Area encompasses approximately 1,083 acres.

2.1 Redevelopment Plan Limits

The Redevelopment Plan contains time and dollar limitations on collection of revenue for repayment of debt[1] as summarized in the table below. The Project Area has a $2.5 billion limit on the cumulative amount of revenue that may be received from Parcels I through IV (Parcel V is not subject to the limit). Parcels II, III, and IV have a $90 million limit on bonded indebtedness outstanding at any one time and Parcel V has a separate $90 million bonded indebtedness limit.

	Parcel I	Parcels II and III	Parcel IV	Parcel V
Adoption Date	11/25/1974	11/22/1976	7/9/1979	10/24/2006
Time Limit to Repay Debt	11/24/2027	11/21/2029	7/8/2032	10/24/2051
Cumulative Revenue Limit	$2,500,000,000 *[limit applies to Parcel I, II, III, IV only]*			No Limit
Bonded Indebtedness Limit	No limit	$90,000,000 *[for Parcel II, III, and IV projects]*		$90,000,000 *[for Parcel V projects]*

Parcels II and III were added to the Project Area at the same time and have the same time and financial limits; therefore, these areas are aggregated here and throughout this Report.

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 $368.4 million has been received through FY 2013-14 toward the $2.5 billion cumulative revenue limit for the Project Area[2]. Based upon the growth

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[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] Includes revenue received from Parcel V, although not subject to the cumulative limit, because Agency and County records did not separately track revenue from Parcel V.

assumptions incorporated into the projection, $534 million or approximately 21% of the $2.5 billion limit is projected to be collected through the March 1, 2025 final maturity date for the proposed Refunding Bonds[3]. For the $2.5 billion tax increment revenue limit to be reached prior to the March 1, 2025 final debt service payment on the Refunding Bonds, it is estimated that assessed values for Parcels I to IV would need to grow at a future annual rate in excess of approximately 50% per year.

2.3 Senior Pass Through Obligations

The following summarizes KMA's review of the Successor Agency's pass through obligations.

a. County Library Agreement [Parcels I, II, III, IV]

The Successor Agency has a 1993 contractual pass through agreement requiring a payment to the County Library. Payments were originally set at a base amount of $166,000 which is annually adjusted by the greater of the percentage increase in the Consumer Price Index or the percentage increase in salaries for County library professional staff. The agreement provides for re-negotiation of payment amounts if staffing, hours of operation, or expenditures on materials at the County Library located in the City of Concord ("Library") are either increased or reduced. A reduction to the annual payment amounts occurred commencing in FY 2009-10 in conjunction with a reduction in the level of service at the Library funded by the County. The Table 7.0 to 8.4 revenue projections reflect the reported payment amount for FY 2014-15 inflated to future years based on an assumed 3% annual rate of increase based on the annualized rate of adjustment over the five years from FY 2009-10 to FY 2014-15 of 3.19%. Although there is a potential for upward adjustment of payment amounts in conjunction with a future increase in the level of service at the Library, subject to mutual agreement between the County and Successor Agency, no such adjustment is assumed. Payment amounts have been allocated between component areas of the Project Area based upon gross revenue. The agreement may be unilaterally terminated in the event the Successor Agency requests a reduction in payments along with a corresponding reduction in level of service at the Library and does not reach a mutual agreement with the County regarding reduced payments following six months of good faith negotiations. Pass through payments to the County Library are senior to debt service on the Refunding Bonds.

b. AB 1290 Statutory Pass Throughs [all component 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 Parcels that comprise the Project Area. Statutory pass through payments for Parcels I to IV were triggered by adoption of Ordinance 02-10 to eliminate the debt incurrence time limitation for the Project Area as

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[3] This analysis assumes all gross RPTTF revenue from Parcels I through IV is counted toward the dollar limits on receipt of tax increment including monies redistributed to taxing agencies as "residual".

allowed under legislation enacted by SB 211. The statutory pass through obligations for Parcels I to IV commenced in FY 2004-05, which is the first year following the fiscal year in which the original January 1, 2004 debt incurrence time limit would have taken effect. Parcel V was adopted after implementation of AB 1290 in 1994 and has been subject to statutory pass through payments since adoption. The County Library continues to receive contractual pass through payments for Parcels I to IV. All taxing agencies for Parcel V and all taxing agencies for Parcels I to IV other than the County Library are eligible to receive their allocation of the resulting statutory pass through. Payments are senior to debt service on the Refunding Bonds.

c. County Administrative Fees [all component areas]

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 1.31% 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 1.3% of gross revenue in subsequent fiscal years. Charges are senior to debt service on the Refunding Bonds.

2.4 Senior Reimbursement Agreement – 2010 Refunding Lease

In 2010, the Concord Joint Powers Financing Authority issued private placement lease revenue bonds in a total principal amount $5,073,000. The bonds are secured by lease payments from the City of Concord. Proceeds were used to partially refinance a portion of the City's 1993 Lease Revenue Bonds and 1999 Judgment Obligation Bonds. Proceeds of the original 1993 Lease Revenue Bonds were used to fund construction of a police facility in the Project Area. Payments by the City on the 1993 bonds were reimbursed by the former Redevelopment Agency pursuant to a September 1, 1993 Reimbursement Agreement with the City of Concord which was amended in conjunction with the 2010 refunding to also provide for reimbursement of an allocable share of payments on the 2010 Refunding Lease (the "Senior Reimbursement Agreement"). Payments pursuant to the Senior Reimbursement Agreement are senior to the Refunding Bonds; accordingly, debt service is deducted from Tax Revenues for purposes of the Table 7.0 to 8.4 projections. Debt service is approximately $576,000 annually with the final payment due September 1, 2019.

2.5 Subordinate Contractual Obligations

The following is a summary of KMA's review of the Successor Agency's subordinate contractual obligations including Disposition and Development Agreements (DDAs) and Loan Agreements.

a. EQR/Legacy Partners (2000) Disposition and Development Agreement

The Successor Agency entered into a Disposition and Development Agreement pertaining to development of a 259-unit luxury residential project in the Project Area in 2001. The DDA was amended and restated in June 2010. Pursuant to the Amended and Restated DDA, the Successor Agency is obligated to make annual payments of former tax increment revenue generated by the apartment project. Payments continue until the 2027 tax increment receipt time limit for Parcel I. The obligation is an unsecured contractual commitment subordinate to the Refunding Bonds.

b. Fry's Rehabilitation Loan Agreement

The Successor Agency has an obligation to annually disburse funds to Fry's Electronics store pursuant to a 2002 loan agreement. Payments are not funded from the Tax Revenues of the Successor Agency. Disbursements are contingent upon receipt of the necessary funds from the City of Concord pursuant to a separate agreement. Disbursements occur annually over a 15 year period. Fry's obligation to repay the loan is subject to being forgiven under specified conditions.

c. Help Loan

The Successor Agency borrowed approximately $1.2 million from the California Housing Finance Agency (CalHFA). Approximately $900,000 has been repaid to date. Funds sufficient to pay the remaining amount of the loan in full were allocated to the Successor Agency with the June 2014 installment of RPTTF funds. The Successor Agency plans to apply the allocated funds to retire the obligation by the end of 2014.

d. Housing Fund Deferral

The Successor Agency owes approximately $9.5 million to the City of Concord in its capacity as Housing Successor. The obligation relates to deferral of deposits to the housing set-aside fund of the former redevelopment agency prior to dissolution. Repayment is subordinate to the Refunding Bonds.

The subordinate obligations described above are not reflected in the Table 7.0 to 8.4 revenue projections. Obligations to be refinanced with proceeds of the Refunding Bonds are not included in the above summary.

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. The Project Area is comprised of ten individual TRAs.

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 as follows:

2014-15 Assessed Value	Parcel I	Parcels II and III	Parcel IV	Parcel V	Project Area Total	
Secured	$796,736,211	$491,996,697	$58,918,628	$267,021,861	$1,614,673,397	91%
Unsecured	65,441,816	65,257,388	3,692,718	23,552,293	157,944,215	9%
Total AV	862,178,027	557,254,085	62,611,346	290,574,154	1,772,617,612	100%
Base AV	(53,431,404)	(44,887,620)	(8,118,528)	(233,148,266)	(339,585,818)	19%
Increment	808,746,623	512,366,465	54,492,818	57,425,888	1,433,031,794	81%
%Total	56%	36%	4%	4%	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.

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.

[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.

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. Further detail is provided on Table 1, attached.

Historic Project Area Assessed Values		
	Assessed Value	%change
2009-10	1,993,649,908	
2010-11	1,919,564,703	-3.7%
2011-12	1,866,713,729	-2.8%
2012-13	1,691,398,703	-9.4%
2013-14	1,703,210,304	0.7%
2014-15	1,772,617,612	4.1%
5-Year Annualized % Change		-2.3%

Aggregate values for the Project Area declined overall during the period from 2009-10 to 2014-15, as a result of reductions in assessed values in FY 2010-11, 2011-12 and 2012-13 during the recent recession. Factors contributing to the decline in assessed value during this period are summarized in the table below. Downward adjustments to assessed value under Proposition 8 made by the Assessor represented about $176 million or 58% of the $302 million total decline in assessed value (see Section 3.4 for additional information about Proposition 8). Transfers of ownership of several large properties were responsible for another $135 million decrease in assessed values.

Contributing Factors to Decline in Project Area Assessed Value: FY 2009-10 to FY 2012-13	Affected Parcels	Net Impact to Assessed Value
Prop 8 Downward AV Adjustments by Assessor for Temporary Market Decline	238	($175,851,594)
Sale of B of A offices (1.1 million SF) to Swift Real Estate Partners	6	(86,792,895)
One Concord Cntr (360k SF) foreclosure / re-sale to Swift Real Estate Partners	7	(21,624,287)
Galaxy One and Two Offices: foreclosure and re-sale	2	(26,326,600)
All other secured and unsecured roll changes (net)		8,344,171
Total Net Decrease in Project Area AV: 2009-10 to 2012-13		($302,251,205)

In FY 2013-14 and 2014-15, Project Area assessed values began to recover, increasing by 0.7% and 4.1%, respectively, over the two years for a total increase of approximately $81 million. The recovery in assessed values over the past two years was driven in large part by two major property sales in the Project Area:

- Sale by Swift Real Estate Partners of a 600,000 square foot portion of its recently acquired office property to Divco West which resulted in a $53.3 million net increase to assessed value; and
- Sale by EQR/Legacy Partners of a 259-unit luxury apartment building to GSG Residential Park Central which resulted in a $22.6 million net increase to assessed value.

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 Contra Costa County Assessor reflects downward adjustments to assessed values affecting 250 parcels representing approximately 23% of the parcels in the Project Area. Information regarding maximum assessed values under Proposition 13 for the affected parcels could not be provided by the Assessor's Office; however, KMA was able to estimate the maximum values under Proposition 13 for 88% of the properties by assessed value[5]. The aggregate net reduction to assessed value under Proposition 8 reflected on the 2014-15 roll is estimated to be at least $217.8 million based on the 88% of properties for which the assessed value reduction under Proposition 8 could be estimated. Approximately 92% of the estimated reduction applies to commercial properties.

Prop 8 Temporary Reductions in Assessed Value FY 2014-15	Affected Parcels	2014-15 Assessed Value With Prop 8 Adjustment For Temporary Market Decline	Maximum Assessed Value Under Prop 13*	Net Reduction Due to Temporary Market Decline
Prop 8 AV Reduction Estimated	125	$520,968,252	$738,724,696	$217,756,444
Prop 8 AV Reduction Not Estimated	125	$69,696,471	Not Estimated	Not Estimated
All Properties w/ Prop 8 Reduction	250	$590,664,723		

*estimated by KMA where possible based on prior year assessment roll information and reported Prop 13 inflation factors.

The table on the following page shows the number of assessor's parcels in the Project Area subject to a reduction in assessed value under Proposition 8 for the current and five prior fiscal years. The number of Proposition 8 reductions increased each year from 2009-10 through FY 2013-14 and then declined in FY 2014-15.

[5] Estimates were based on a review of prior year assessment roll information to identify the most recent year in which assessed values for the individual parcel reflected the full value permitted under Proposition 13. Land and improvement values were then inflated to FY 2014-15 by applying reported Proposition 13 inflation factors and compared to reported current year land and improvement assessed values to estimate the net reduction under Proposition 8. This approach could not be applied to those properties impacted by Proposition 8 reductions in each of the roll years reviewed (since 2008) or in each roll year since the most recent change of ownership for that property occurred.

Number of Assessor's Parcels Subject to Reduction in Assessed Value Under Proposition 8	
2009-10	236
2010-11	257
2011-12	297
2012-13	332
2013-14	346
2014-15	250

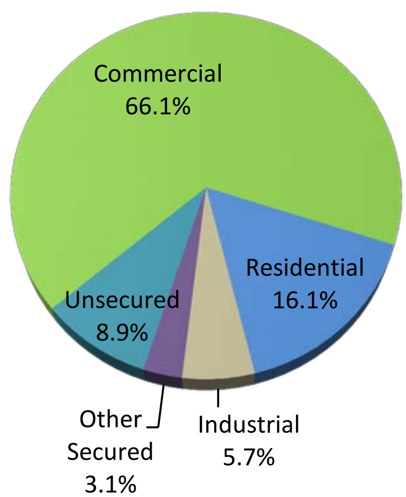
3.5 Values by Property Use

A distribution of 2014-15 taxable assessed values by County Assessor-designated land use for the Project Area is summarized below with additional detailed land use categories presented on attached Table 2. The analysis is based upon the County Assessor's land use classification system for the secured roll (the Contra Costa County Assessor does not assign a land use code for the unsecured roll.) Commercial properties account for 66.1% of aggregate 2014-15 taxable value; residential uses account for approximately 16.1%; industrial properties account for 5.7%; and unsecured assessments and other secured uses account for the remaining 12.0% of taxable value.

FY 2014-15 Values by Land Use

	No. of Parcels*	Taxable Value	% of Total
Commercial	428	$1,172,182,713	66.1%
Residential	430	286,078,620	16.1%
Industrial	87	101,510,573	5.7%
Other Secured	143	54,901,491	3.1%
Unsecured	959	157,944,215	8.9%
Total	2,047	1,772,617,612	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 in the Project Area 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, Project Area component parcel, 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, Chevron includes six separate entities which are aggregated for purposes of the analysis of top taxpayers (see notes to Table 3 for details).

Top 10 Taxpayers for Project Area FY 2014-15		Number of Parcels	Assessed Value For FY 2014-15 Secured	Unsecured	Total	% of Total AV**	% of AV Incr.**
1	Chevron	10	$108,477,204	$5,751,171	$114,228,375	6.4%	8.0%
2	Sierra Pacific Properties	7	112,503,041	27,280	112,530,321	6.3%	7.9%
3	Swift Real Estate Partners	11	95,014,734	-	95,014,734	5.4%	6.6%
4	DWF III Concord Tech LLC	2	94,859,935	-	94,859,935	5.4%	6.6%
5	GSG Residential Park Central	2	76,276,729	-	76,276,729	4.3%	5.3%
6	Willows Center Concord	2	61,910,929	-	61,910,929	3.5%	4.3%
7	Behringer Harvard Renaissance	4	49,299,491	-	49,299,491	2.8%	3.4%
8	Concord Airport Plaza Assoc.	5	42,971,568	2,088	42,973,656	2.4%	3.0%
9	Lowes HIW Inc.*	5	39,577,538	-	39,577,538	2.2%	2.8%
10	Sutter Square Associates	1	21,847,000	-	21,847,000	1.2%	1.5%
Total Top 10 Taxpayers		49	702,738,169	5,780,539	708,518,708	40.0%	49.4%

*Taxpayer has a pending assessment appeal filing for FY 13-14. Filing deadline for FY 2014-15 appeals has not yet passed. See Section 4.2 for details.
**Percentages calculated based on FY 2014-15 total assessed value of $1,772,617,612 and incremental assessed value of $1,433,031,794.

The ten largest taxpayers for FY 2014-15 represent 40.0% of total Project Area assessed value and 49.4% of incremental assessed value as shown above.

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 November 30. 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. Contra Costa 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 Contra Costa 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 Contra Costa 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[6]. Appeals information for FY 2014-15 was not yet available as the November 30th 2014 filing deadline has not yet passed.

[6] Appeals data was provided to KMA on June 2nd 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 383 resolved appeal filings in the Project Area for fiscal years 2008-09 through 2013-14. As shown below, 36% of resolved appeal filings were reduced or stipulated, while 64% 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	Stipulated or Reduced	Denied or Withdrawn
2008-09	79	-	79	6	73
2009-10	63	-	63	30	33
2010-11	74	-	74	43	31
2011-12	85	-	85	33	52
2012-13	58	-	58	21	37
2013-14	35	11	24	4	20
Total	**394**	**11**	**383**	**137**	**246**
% of Total			100%	36%	64%

Resolved appeals in the Project Area during FY 2008-09 to 2013-14 had an aggregate contested value of $3.5 billion and resulted in an assessed value reduction of $362 million which represents an average net reduction of 10.5%.

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	79	$172	$60	$145	$27	15.6%
2009-10	63	814	527	756	58	7.2%
2010-11	74	995	596	879	116	11.6%
2011-12	85	889	456	754	135	15.2%
2012-13	58	418	198	395	23	5.5%
2013-14	24	176	86	172	3	2.0%
Total	383	$3,463	$1,923	$3,101	$362	10.5%

Appeal activity in the Project Area was elevated during the recent recession for fiscal years 2009-10 through 2011-12. Reductions in assessed values from successful appeals peaked in 2010-11 and 2011-12. Appeal activity subsequently declined in 2012-13 with the reductions in assessed values from successful appeals declining nearly six fold from 2011-12 to 2012-13. Appeal activity continued to decline in FY 2013-14 reflective of further improvement in the local economy and real estate market as well as Proposition 8 reductions in assessed values already reflected by the Assessor on the FY 2013-14 roll, which mitigates further appeal filings.

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.

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. Eight (8) of the eleven (11) 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 77% of the contested value was used (this 23% reduction was based on 137 appeal filings that were either stipulated or reduced from 2008-09 to 2013-14). Assessed value reductions for three (3) of eleven (11) pending appeals were estimated in this way.

Estimated Reduction in Assessed Valuation from Pending FY 2013-14 Appeals

There are 11 pending appeals in the Project Area for FY 2013-14 with an aggregate contested value of $84 million. As shown below, if all of the open appeals were stipulated to the values estimated by KMA, the resulting reduction to assessed value is projected to be $4 million. The majority of appeals are Proposition 8 filings relating to temporary declines in market value. Although Proposition 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.

Projected Assessed Value Reduction from FY 2013-14 Pending Appeals

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)	%Reduction from Contested Value
Prop 8 Filings*	9	$77	$25	$74	($3)	3.9%
Other Appeals**	2	$6	$3	$5	($1)	15.0%
Total Pending Appeals	11	$84	$28	$80	($4)	4.8%

* Prop 8 appeals relate to temporary declines in market value and are subject to restoration as market valuations increase.

** The other appeal filings pertain to business personal property / fixture valuation.

The analysis of the 11 open assessment appeal filings results in a projected reduction in the contested value of 4.8% which represents a greater percentage reduction than was granted with respect to the 24 appeals resolved to date for FY 2013-14. The estimated percentage reduction in assessed value from pending appeals is below the historic average reduction of 10.5% due to the assumption that 8 of 11 pending appeals will be denied or withdrawn based upon parcel-specific history of appeal resolutions for the properties.

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). Only one member of the top 10 taxpayers list, Lowe's HIW, Inc., has pending appeal filings for FY 2013-14. Appeals by Lowe's HIW, Inc. represent five (5) of the 11 total pending appeals for FY 2013-14. No reduction in assessed value is anticipated to be granted based on Lowe's HIW, Inc's prior year history of withdrawing its appeals.

Pending Appeal Filings by the Top 10 Property Owners for FY 2013-14	No. of Pending Appeals for 2013-14	Contested Assessed Value ($Millions)	Applicant Opinion of Value ($Millions)	Estimated Resolved Value ($Millions)	Estimated Net Reduction in Assessed Value ($Millions)
Lowes HIW Inc.	5	$43	$3	$43	$0

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 two debt service override levies approved by voters prior to 1989 for East Bay Regional Park and the Contra Costa Water District. Commencing with dissolution, the Contra Costa 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[7]. 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 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.

[7] 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 $795,083 (see also the five-year history is presented in Section 5.5 below). Unitary revenue is projected to stabilize at the amounts noted above over the term of the projection.

5.4 Tax Receipts to Tax Levy

Contra Costa 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. The table presents historic net tax increment or RPTTF revenues after deduction of pass through payments and county administrative costs and historic pledged Tax Revenues after additionally deducting debt service on the Senior Reimbursement Agreement described in Section 2.4. Table 6 also includes a summary of the 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	$1,993,650	$1,919,565	$1,866,714	$1,691,399	$1,703,210
Base Year Value	(339,586)	(339,586)	(339,586)	(339,586)	(339,586)
Incremental AV	1,654,064	1,579,979	1,527,128	1,351,813	1,363,624
Tax Rate*	1.012%	1.010%	1.004%	1.000%	1.000%
Secured / Unsecured	16,740	15,953	15,335	13,518	13,636
Unitary	794	783	771	757	795
Supplemental / Other	315	162	(29)	(20)	(469)
Subtotal Gross Revenue	17,849	16,898	16,078	14,255	13,962
Less: County Admin**	(188)	(176)	(161)	(207)	(189)
Less: Pass Through**	(1,161)	(996)	(943)	(518)	(387)
Net Tax Incr. / RPTTF Revenue	**$16,500**	**$15,726**	**$14,974**	**$13,531**	**$13,386**
Less: Senior Reimb. Agreement	($677)	($623)	($625)	($621)	($578)
Historic Tax Revenues	**$15,823**	**$15,103**	**$14,349**	**$12,910**	**$12,808**

*Weighted average inclusive of Contra Costa Water Levy applicable to land AV only. See Table 5 for detail.

**Non-subordinate.

The decline in property taxes allocations from FY 2009-10 to 2012-13 was principally driven by the following two factors:

a. Declines in assessed values over the period (see Section 3.3 for a description of factors contributing to this decline); and

b. 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).

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 Concord. Anticipated increases in assessed value from the identified projects are not reflected for purposes of the Table 7.0 to 8.4 revenue projections.

- *New Tenant at Willows Shopping Center* – Addition of a new tenant to the Willows Shopping Center: Ulta Beauty. Ulta Beauty will be housed in a new 10,000 square foot space currently under construction. Existing improvements were demolished to make way for the new tenants.

- *Audi Concord Showroom Expansion* – The Audi dealership in Concord completed an expansion of its show room and service area in May 2014. The dealership is located at 1300 Concord Avenue.

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. Below is a summary of major identified transfers of ownership in the Project Area inclusive of transactions for properties valued at $5 million or above.

- *Hilton Concord (Interstate Concord LLC)* – A transfer of ownership occurred with respect to this 329 room hotel on January 3rd 2014. The sale price is identified as $29.2 million, $7.4 million more than the FY 2014-15 assessed value for the property of $21.8 million. Interstate Concord LLC retains an ownership stake and will continue to operate the hotel. The transaction brought in a new investor, Waramaug Hospitality.

- *BMW and Mini Dealerships* – The dealerships were sold in April 2014 for an undisclosed price to Sojitz Automotive Real Estate Holdings, Inc. The dealerships are located at 1945 to 1967 Market Street in Concord. The FY 2014-15 assessed value of the properties is $17.0 million.

- *Retail Center at 1280 Willow Pass Road* – This approximately 74,000 square foot retail center sold in March 2014 for an undisclosed price. The 2014-15 assessed value is $19.65 million.

- *Civic Executive Park* – Two buildings within this office complex located at 1465 – 1485 Civic sold in March 2014 for an undisclosed price to Prosper Holdings. The two buildings total approximately 64,000 square feet (of approximately 175,000 total square feet in the office park). The 2014-15 assessed value for the two buildings that were part of this transaction totals $5.7 million.

Changes in assessed value from the above identified transfer of ownership activity are not reflected for purposes of the Table 7.0 to 8.4 revenue projections.

6.3 Removal of Properties from the Tax Roll

The Successor Agency anticipates one property will be removed from the tax rolls. The property is a 96-unit affordable senior housing project located at 2020 Grant Street which is anticipated to be transferred to a non-profit organization eligible for an exemption from property taxes within the next several months. The FY 2014-15 taxable assessed value is $13.7 million. Removal of this property from the tax rolls is assumed for purposes of the Table 7.0 to 8.4 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

	2% Growth Projection ($Thousands)			No Growth Projection ($Thousands)			
Fiscal Year	RPTTF after Pass Through	Senior Debt	Tax Revenues	RPTTF after Pass Through	Senior Debt	Tax Revenues	Notes
2014-15	$14,146	$576	$13,570	$14,146	$576	$13,570	
2015-16	14,243	578	13,665	14,032	578	13,454	
2016-17	14,446	578	13,868	14,032	578	13,454	
2017-18	14,654	576	14,077	14,032	576	13,456	
2018-19	14,865	578	14,287	14,032	578	13,454	
2019-20	15,081	0	15,081	14,032	0	14,032	
2020-21	15,300	0	15,300	14,032	0	14,032	
2021-22	15,525	0	15,525	14,032	0	14,032	
2022-23	15,753	0	15,753	14,032	0	14,032	
2023-24	15,986	0	15,986	14,032	0	14,032	
2024-25	16,224	0	16,224	14,032	0	14,032	Final Bond Pmt 3/1/25
2025-26	16,467	0	16,467	14,032	0	14,032	
2026-27	16,714	0	16,714	14,032	0	14,032	Parcel I Time Limit
2027-28	7,247	0	7,247	5,790	0	5,790	
2028-29	7,374	0	7,374	5,790	0	5,790	Parcel II/III Time Limit
2029-30	1,576	0	1,576	890	0	890	
2030-31	1,629	0	1,629	890	0	890	
2031-32	1,683	0	1,683	890	0	890	Parcel IV Time Limit
2032-33	1,174	0	1,174	452	0	452	
2033-34	1,222	0	1,222	452	0	452	
2034-35	1,270	0	1,270	452	0	452	
2035-36	1,320	0	1,320	452	0	452	
2036-37	1,362	0	1,362	452	0	452	
2037-38	1,406	0	1,406	452	0	452	
2038-39	1,450	0	1,450	452	0	452	
2039-40	1,495	0	1,495	452	0	452	
2040-41	1,541	0	1,541	452	0	452	
2041-42	1,587	0	1,587	452	0	452	
2042-43	1,635	0	1,635	452	0	452	
2043-44	1,684	0	1,684	452	0	452	
2044-45	1,733	0	1,733	452	0	452	
2045-46	1,784	0	1,784	452	0	452	
2046-47	1,836	0	1,836	452	0	452	
2047-48	1,888	0	1,888	452	0	452	
2048-49	1,942	0	1,942	452	0	452	
2049-50	1,997	0	1,997	452	0	452	
2050-51	2,053	0	2,053	452	0	452	Parcel V Time Limit

Tax Revenues presented in the projections on the prior page represent the amount available for debt service computed as Gross RPTTF Revenue less (1) the County's property tax collection costs and administrative expenses authorized under AB x1 26; (2) contractual and statutory pass through obligations; and (3) payments on the Senior Reimbursement Agreement (described in Section 2.4). 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. Anticipated removal of one property from the tax roll is reflected. 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 potential 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. The question as to continued applicability of plan limits is not likely to be material for purposes of the Refunding Bonds because none of the time or financial limits are projected to be reached prior to the final debt service payment due March 1, 2025.

8.0 CAVEATS AND LIMITATIONS

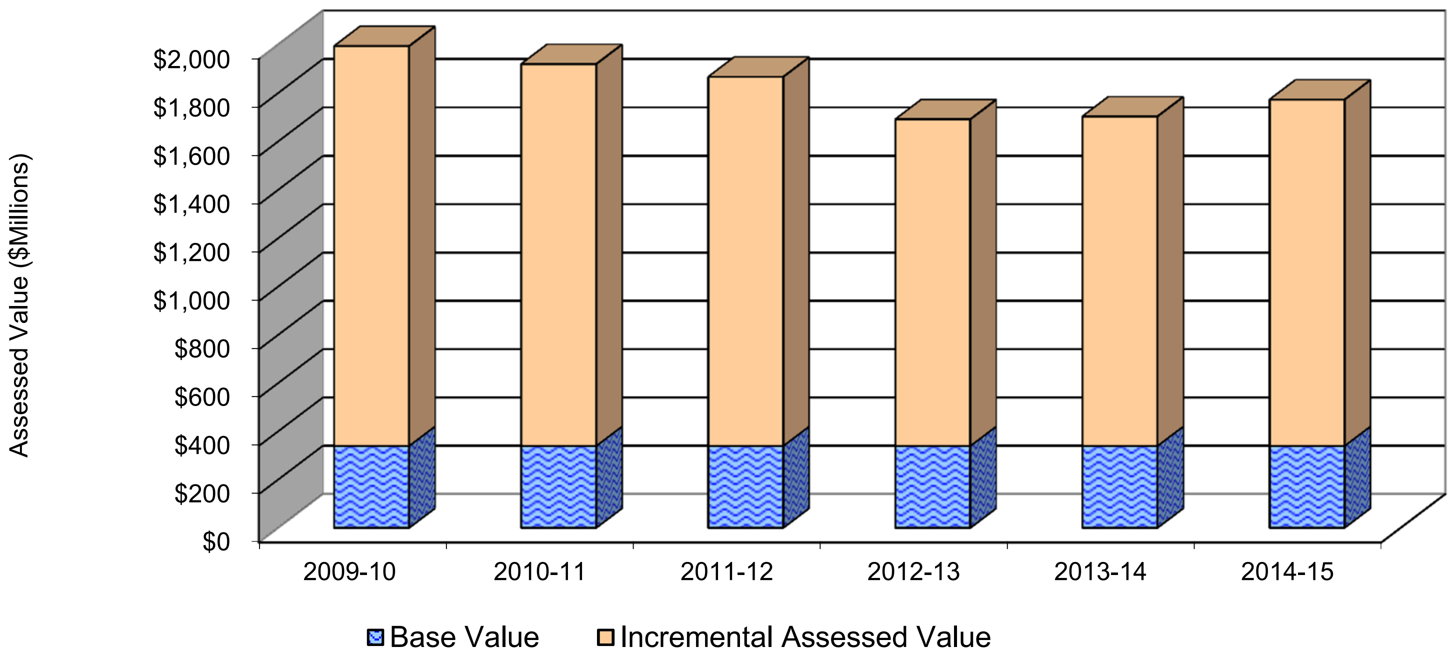
The projections reflect assumptions based on KMA's understanding of the assessment, tax apportionment, and pass through calculation procedures employed by the County. The County procedures are subject to change as a reflection of policy revisions or administrative, regulatory or legislative mandate. 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 Project Area Assessed Values
Central Concord Redevelopment Project
Concord 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	1,802,475,024	1,745,741,029	1,698,764,061	1,520,608,867	1,546,808,862	1,614,673,397	-2.2%
Utility	0	0	0	0	0	0	N/A
Unsecured	191,174,884	173,823,674	167,949,668	170,789,836	156,401,442	157,944,215	-3.7%
Total	1,993,649,908	1,919,564,703	1,866,713,729	1,691,398,703	1,703,210,304	1,772,617,612	-2.3%
Percent change from prior year		-3.7%	-2.8%	-9.4%	0.7%	4.1%	



Source: Contra Costa County Auditor-Controller.

Prepared by Keyser Marston Associates, Inc.
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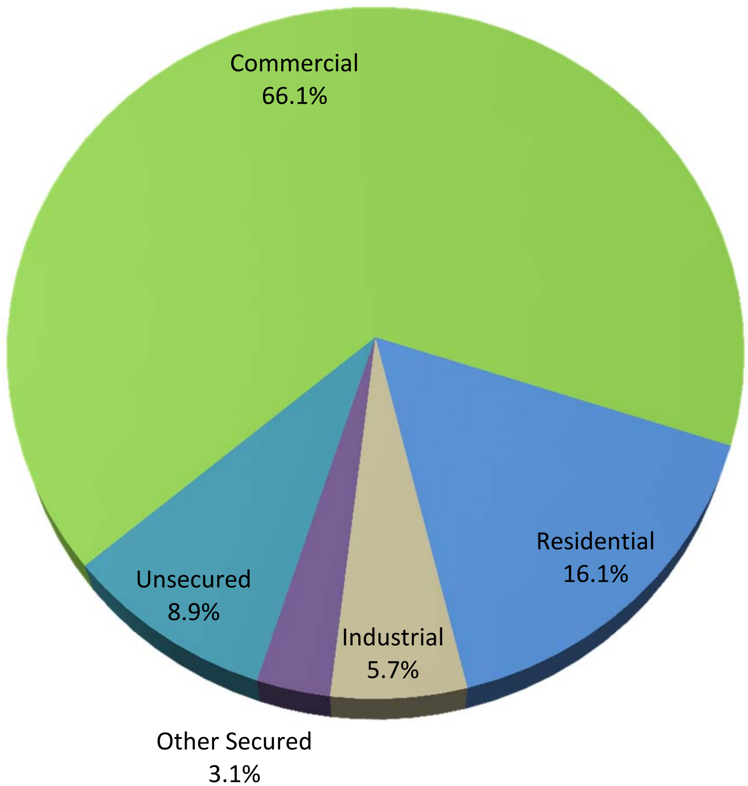
Table 2
Land Use Composition, FY 2014-15
Central Concord Redevelopment Project
Concord Successor Agency

	No. of Parcels(1)	2014-15 Taxable Value	% of Total
Commercial			
Office	111	642,822,576	36.3%
Retail / Service	259	453,595,134	25.6%
Hotel & Motel	7	37,771,949	2.1%
Land	37	27,381,052	1.5%
Miscellaneous	14	10,612,002	0.6%
Subtotal Commercial	*428*	*$1,172,182,713*	66.1%
Residential			
Multi-family	59	190,977,890	10.8%
Single Family	158	58,743,347	3.3%
Condos	157	26,309,581	1.5%
Land and Miscellaneous	56	10,047,802	0.6%
Subtotal Residential	*430*	*$286,078,620*	16.1%
Industrial			
Light Industrial	49	58,497,181	3.3%
Industrial Park	16	26,446,301	1.5%
Miscellaneous Industrial	12	14,134,403	0.8%
Land	10	2,432,688	0.1%
Subtotal Industrial	*87*	*$101,510,573*	5.7%
Other Secured			
Institutional	93	22,026,310	1.2%
Parking	25	32,752,152	1.8%
Common area / Misc.	25	123,029	0.0%
Subtotal Other Secured	*143*	*$54,901,491*	3.1%
Unsecured Assessments	959	*$157,944,215*	8.9%
Project Area Total	**2,047**	**$1,772,617,612**	**100.0%**



Source: Contra Costa County Assessor

(1) Includes the number of unsecured assessments.

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Table 3
Ten Largest Assessees 2014-15
Central Concord Redevelopment Project
Concord Successor Agency

	Property Owner	Property Use(s)[1]	Primary Component Parcels	No. of Parcels[2]	FY 2014-15 Assessed Value Secured	Unsecured	Total	% of Total Value[3]	% of Incremental Value [3]
1	Chevron[4]	Office	Parcel II/III	10	$108,477,204	$5,751,171	$114,228,375	6.4%	8.0%
2	Sierra Pacific Properties[5]	Office	Parcel I & II/III	7	112,503,041	27,280	112,530,321	6.3%	7.9%
3	Swift Real Estate Partners[6]	Office	Parcel I	11	95,014,734	0	95,014,734	5.4%	6.6%
4	DWF III Concord Tech LLC	Office	Parcel I	2	94,859,935	0	94,859,935	5.4%	6.6%
5	GSG Residential Park Central	Apartments	Parcel I	2	76,276,729	0	76,276,729	4.3%	5.3%
6	Willows Center Concord	Shopping Center	Parcel II/III	2	61,910,929	0	61,910,929	3.5%	4.3%
7	Behringer Harvard Renaissance[7]	Apartments, land	Parcel I	4	49,299,491	0	49,299,491	2.8%	3.4%
8	Concord Airport Plaza Assoc.[8]	Office	Parcel II/III	5	42,971,568	2,088	42,973,656	2.4%	3.0%
9	Lowes HIW Inc.[9]	Retail, land	Parcel V	5	39,577,538	0	39,577,538	2.2%	2.8%
10	Sutter Square Associates	Office	Parcel I	1	21,847,000	0	21,847,000	1.2%	1.5%
	TOTAL			49	$702,738,169	$5,780,539	$708,518,708	40.0%	49.4%

Notes:

(1) Based on land use codes in County Assessor database. Excludes uses representing a minor percentage of overall AV. Assessor database also identifies parking as a separate use in conjunction with several of the office properties.

(2) Number of secured parcels and / or unsecured assessments.

(3) Based upon reported FY 2014-15 total assessed value of $1,772,617,612 and incremental assessed value of $1,433,031,794.

(4) Includes Chevron USA Inc., Chevron Products Company, Chevron Federal Credit Union, Chevron Corporation, Chevron Information Tech Co., and Chevron Services Company.

(5) Includes Sierra Pacific Properties, Inc. and SEECON Financial and Construction Company.

(6) Includes SFG Owner A LLC, SFG Owner C LLC, and Concord Center Investors LLC.

(7) Includes Behringer Harvard Renaissance II and Common Area Tract 8870.

(8) Includes Brandywine Realty Trust and Common Area Tract 113PM18.

(9) Pending assessment appeal for FY 2013-14. November 30, 2014 appeal filing deadline for FY 2014-15 roll has not yet passed.

Table 4.1
Historic Assessment Appeal Resolutions: FY 2008-09 to FY 2013-14
Central Concord Redevelopment Project
Concord Successor Agency

			Resolved Appeal Outcomes			**Assessed Valuation: Resolved Appeals ($Millions)**				
Assessment Appeals	Total No. of Filings	Open Filings	Resolved Filings	Stipulated or Reduced	Denied or Withdrawn	Contested Value	Applicant Opinion of Value	Final Resolved Value	Reduction from Assessor Value	Percent Reduction
FY 2008-09	79	0	79	6	73	$172	$60	$145	$27	15.6%
FY 2009-10	63	0	63	30	33	814	527	756	58	7.2%
FY 2010-11	74	0	74	43	31	995	596	879	116	11.6%
FY 2011-12	85	0	85	33	52	889	456	754	135	15.2%
FY 2012-13	58	0	58	21	37	418	198	395	23	5.5%
FY 2013-14	35	11	24	4	20	176	86	172	3	2.0%
Total	394	11	383	137	246	**$3,463**	**$1,923**	**$3,101**	**$362**	10.5%
			100%	36%	64%					

Source: Contra Costa County Assessment Appeals Database

Table 4.2
Estimated Assessed Value Impact from Pending 2013 Appeal Filings [(1)]
Central Concord Redevelopment Project
Concord Successor Agency

	No. of Appeals	Assessed Value ($Thousands) Contested Value Represented	Applicant Opinion Represented	Estimated Resolved Value[(2)]	Estimated Reduction in Value[(2)]	Estimated Percent Reduction
Pending Appeal Filings [see Table 4.3 for details]						
Parcel I Secured Roll Appeals	2	$10,470	$8,400	$9,780	$690	7%
Parcel III Secured Roll Appeals	3	28,262	15,000	24,941	3,321	12%
Parcel V Secured Roll Appeals	5	42,904	3,340	42,904	0	0%
Parcel V Unsecured Roll Appeals	1	2,226	1,113	2,226	0	0%
Total Pending Appeals	11	$83,862	$27,853	$79,851	$4,011	5%

Source: Contra Costa County Assessment Appeals Database

Notes
(1) Appeals information for 2014-15 is not yet available as property owners have until November 30, 2014 to file an assessment appeal.
(2) 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 Impact from Pending Appeals
Central Concord Redevelopment Project
Concord Successor Agency

	Appeal No.	Assessee	APN / Account	Roll Year	Contested Value Represented	Applicant Opinion Represented	Projected Resolved Value	Estimated Reduction	% reduction	Assumption for Estimated Assessed Value Impact
					Assessed Value: Pending Appeals ($Thousands)					
Parcel I: Secured Roll Appeals										
1	20132183	LEHMER INVESTMENT C	126-030-036-1	2013	$5,880	$4,500	$5,880	$0	0%	Denied in 2011
2	20131887	GROBE, MARY M	126-281-043-3	2013	4,590	3,900	3,900	690	15%	reduced to applicant opinion of value
	Parcel I Subtotal			2	10,470	8,400	9,780	690	7%	
Parcel III: Secured Roll Appeals										
3	20132375	WATERWORLD	126-310-011-5	2013	$4,137	$2,000	$3,185	$952	23%	reduced to 77% of contested value
4	20132376	WATERWORLD	126-310-011-5	2013	10,300	6,000	7,931	2,369	23%	reduced to 77% of contested value
5	20132329	HD DEVELOPMENT	126-310-012-3	2013	13,825	7,000	13,825	0	0%	Withdrawn in 2012
	Parcel III Subtotal			3	28,262	15,000	24,941	3,321	12%	
Parcel V: Secured Roll Appeals										
6	20131663	LOWES HIW INC	159-090-047-6	2013	$528	$100	$528	$0	0%	Withdrawn in 2012
7	20131662	LOWES HIW INC	159-090-045-0	2013	32,648	2,315	32,648	0	0%	Withdrawn in 2012
8	20131665	LOWES HIW INC	159-090-046-8	2013	1,127	100	1,127	0	0%	Withdrawn in 2012
9	20131664	LOWES HIW INC	159-090-048-4	2013	5,336	500	5,336	0	0%	Withdrawn in 2012
10	20131666	LOWES HIW INC	159-090-049-2	2013	3,265	325	3,265	0	0%	Withdrawn in 2012
	Parcel V Secured			5	42,904	3,340	42,904	0	0%	
Parcel V: Unsecured Roll Appeals										
11	20131508	DA MCCOSKER CONST.	083860-0005	2013	$2,226	$1,113	$2,226	$0	0%	Withdrawn in 2012
Total: All Pending Appeals:				11	$83,862	$27,853	$79,851	$4,011	5%	

Source: Contra County Assessment Appeals Database

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Table 5

Receipts to Levy Analysis for Regular Secured and Unsecured Taxes

Central Concord Redevelopment Project

Concord Successor Agency

	2009-10	2010-11	2011-12	2012-13	2013-14
I. Reported Assessed Value					
Project Area Assessed Value	1,993,649,908	1,919,564,703	1,866,713,729	1,691,398,703	1,703,210,304
Less: Base Year Value	(339,585,818)	(339,585,818)	(339,585,818)	(339,585,818)	(339,585,818)
Incremental Assessed Value	1,654,064,090	1,579,978,885	1,527,127,911	1,351,812,885	1,363,624,486
Incremental AV of Land only [(1)]	434,281,055	408,888,645	399,909,036	N/A	N/A
Tax Rate applicable to all AV [(2)]	1.0108%	1.0084%	1.00355%	1.0000%	1.0000%
Plus: water levy applicable to Land only[(2)]	0.0048%	0.0049%	0.00255%	N/A	N/A
II. Computed Levy (secured and unsecured taxes only)	16,740,125	15,952,543	15,335,690	13,518,129	13,636,245
III. Taxes Allocated [(3)] (secured and unsecured taxes only)	16,740,125	15,952,543	15,335,412	13,518,129	13,636,245
IV. Variance From Computed Levy	$0	$0	($278)	$0	$0
% Collections	**100%**	**100%**	**100%**	**100%**	**100%**

(1) The water over-ride levy is computed based on the incremental assessed value for land only (excludes improvements and personal property values).

(2) 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.

(3) 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: Contra Costa County Auditor-Controller.

Table 6
Successor Agency Historic Tax Revenues
Central Concord Redevelopment Project
Concord Successor Agency

		2009-10	2010-11	2011-12	2012-13	2013-14
1	**Successor Agency Historic Tax Increment / RPTTF Allocations**					
	Gross Collections					
	Regular Secured / Unsecured [1]	$16,740,125	$15,952,543	$15,335,412	$13,518,129	$13,636,245
	Unitary	793,902	783,178	771,474	757,145	795,083
	Supplemental and Other	314,690	161,942	(28,508)	(19,832)	(468,838)
	Subtotal Gross Collections	17,848,717	16,897,662	16,078,378	14,255,442	13,962,490
	Less: County Admin Expenses	(187,690)	(175,720)	(160,724)	(207,208)	(189,485)
	Less: Pass Throughs	(1,160,646)	(995,872)	(943,449)	(517,719)	(386,590)
	Net Tax Increment / RPTTF after Pass Throughs	**16,500,381**	**15,726,070**	**14,974,205**	**13,530,515**	**13,386,415**
	Percent change		-5%	-5%	-10%	-1%
2	**Less: Senior Reimbursement Agreement**	(677,302)	(623,387)	(625,287)	(620,875)	(578,412)
3	**Historic Tax Revenues**	**15,823,079**	**15,102,683**	**14,348,918**	**12,909,640**	**12,808,003**
4	**Post-Dissolution Allocations of Net RPTTF after Pass Through**					
a.	To Successor Agency Based on Approved ROPS [2]					
	January allocations [ROPS I, III, 13-14B]			8,264,796	5,980,492	6,057,289
	June allocations [ROPS II, 13-14A, 14-15A]			3,500,174	2,592,572	2,008,709
	Total for Obligations on Approved ROPS			11,764,970	8,573,064	8,065,998
b.	"Residual" allocated to taxing agencies			3,209,235	4,957,451	5,320,417

Notes
[1] See Table 5 for a computation of the regular secured and unsecured taxes based upon reported incremental assessed values.
[2] Represents the portion of Net Tax Increment / RPTTF after Pass Throughs that was used for payment of obligations (including the Senior Reimbursement Agreement).

Source: Contra Costa County Auditor-Controller

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Table 7.0
Projected Tax Revenues - 2% Growth
Central Concord Redevelopment Project
Concord Successor Agency **GROWTH AT 2% PER YEAR**
$Thousands

Fiscal Year	Projected Net RPTTF Revenue After Pass Throughs: Parcel I	Parcels II & III	Parcel IV	Parcel V	Total	Less: Senior Debt [1]	TAX REVENUES
	Table 7.1	Table 7.2	Table 7.3	Table 7.4	*$Thousands*	*$Thousands*	*$Thousands*
2014-15	$8,237	$4,943	$514	$452	$14,146	$576	$13,570
2015-16	8,244	4,983	523	493	14,243	578	13,665
2016-17	8,343	5,045	530	527	14,446	578	13,868
2017-18	8,445	5,109	538	562	14,654	576	14,077
2018-19	8,548	5,174	546	597	14,865	578	14,287
2019-20	8,654	5,240	554	634	15,081	0	15,081
2020-21	8,761	5,307	562	670	15,300	0	15,300
2021-22	8,871	5,375	570	708	15,525	0	15,525
2022-23	8,983	5,445	579	746	15,753	0	15,753
2023-24	9,097	5,517	587	785	15,986	0	15,986
2024-25	9,214	5,589	596	825	16,224	0	16,224
2025-26	9,332	5,664	605	866	16,467	0	16,467
2026-27	9,453	5,739	614	907	16,714	0	16,714
2027-28	0	5,688	609	950	7,247	0	7,247
2028-29	0	5,763	618	993	7,374	0	7,374
2029-30	0	0	539	1,037	1,576	0	1,576
2030-31	0	0	547	1,082	1,629	0	1,629
2031-32	0	0	555	1,127	1,683	0	1,683
2032-33	0	0	0	1,174	1,174	0	1,174
2033-34	0	0	0	1,222	1,222	0	1,222
2034-35	0	0	0	1,270	1,270	0	1,270
2035-36	0	0	0	1,320	1,320	0	1,320
2036-37	0	0	0	1,362	1,362	0	1,362
2037-38	0	0	0	1,406	1,406	0	1,406
2038-39	0	0	0	1,450	1,450	0	1,450
2039-40	0	0	0	1,495	1,495	0	1,495
2040-41	0	0	0	1,541	1,541	0	1,541
2041-42	0	0	0	1,587	1,587	0	1,587
2042-43	0	0	0	1,635	1,635	0	1,635
2043-44	0	0	0	1,684	1,684	0	1,684
2044-45	0	0	0	1,733	1,733	0	1,733
2045-46	0	0	0	1,784	1,784	0	1,784
2046-47	0	0	0	1,836	1,836	0	1,836
2047-48	0	0	0	1,888	1,888	0	1,888
2048-49	0	0	0	1,942	1,942	0	1,942
2049-50	0	0	0	1,997	1,997	0	1,997
2050-51	0	0	0	2,053	2,053	0	2,053

Final debt service payment: 3/1/2025

(1) Reflects payments on the Senior Reimbursement Agreement described in Section 2.4.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Summary; 9/15/2014; dd

Table 7.1
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCEL I
Concord Successor Agency *Page 1 of 2* **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	$795,635	795,635	797,120	813,062	829,323	845,910	862,828	880,084	897,686	915,640
Prop 13 Inflationary Growth [(1)]	0	15,913	15,942	16,261	16,586	16,918	17,257	17,602	17,954	18,313
Removal of property from tax roll	0	(13,738)	0	0	0	0	0	0	0	0
Estimated Appeal Reduction	0	(690)	0	0	0	0	0	0	0	0
Total Real Property	795,635	797,120	813,062	829,323	845,910	862,828	880,084	897,686	915,640	933,953
II. Personal Property Assessed Value	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Personal Property	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543
III. Total Assessed Value	862,178	863,663	879,605	895,866	912,453	929,371	946,628	964,229	982,183	1,000,496
Less Base Value	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)
Incremental Value	808,747	810,231	826,174	842,435	859,021	875,940	893,196	910,798	928,752	947,064
IV. Gross RPTTF at 1% of Incr Value	8,087	8,102	8,262	8,424	8,590	8,759	8,932	9,108	9,288	9,471
SBE Unitary Revenue [(2)]	795	795	795	795	795	795	795	795	795	795
Subtotal Gross Tax Increment	8,882	8,897	9,057	9,219	9,385	9,554	9,727	9,903	10,083	10,266
V. Less: County Admin & Pass Through										
County Admin Expense [(3)]	115	116	118	120	122	124	126	129	131	133
Library Agreement[(4)]	98	100	103	106	109	113	116	119	123	127
Statutory Pass Through (H&S 33607.5)[(5)]	432	438	492	548	605	664	723	784	845	908
Total Co. Admin and Pass Throughs	646	654	713	775	837	901	966	1,032	1,099	1,168
VII. Parcel I Net RPTTF Revenue	8,237	8,244	8,343	8,445	8,548	8,654	8,761	8,871	8,983	9,097

Notes:

(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.

(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.

(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.

(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 is projected for future years assuming 3% annual increases. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.

(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel I; 9/15/2014; dd

Table 7.1
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCEL I
Concord Successor Agency ***Page 2 of 2*** **GROWTH AT 2% PER YEAR**
$Thousands

		TI Receipt 11/24/2027		
		2024-25	2025-26	2026-27
I.	**Real Property Assessed Value**	933,953	952,632	971,684
	Prop 13 Inflationary Growth [1]	18,679	19,053	19,434
	Removal of property from tax roll	0	0	0
	Estimated Appeal Reduction	0	0	0
	Total Real Property	952,632	971,684	991,118
II.	**Personal Property Assessed Value**	66,543	66,543	66,543
	Estimated Appeal Reduction	0	0	0
	Total Personal Property	66,543	66,543	66,543
III.	**Total Assessed Value**	1,019,175	1,038,227	1,057,661
	Less Base Value	(53,431)	(53,431)	(53,431)
	Incremental Value	965,743	984,796	1,004,230
IV.	**Gross RPTTF at 1% of Incr Value**	9,657	9,848	10,042
	SBE Unitary Revenue [2]	795	795	795
	Subtotal Gross Tax Increment	10,452	10,643	10,837
V.	**Less: County Admin & Pass Through**			
	County Admin Expense [3]	136	138	141
	Library Agreement[4]	130	134	138
	Statutory Pass Through (H&S 33607.5)[5]	973	1,038	1,105
	Total Co. Admin and Pass Throughs	1,239	1,311	1,384
VII.	**Parcel I Net RPTTF Revenue**	9,214	9,332	9,453

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 is projected for future years assuming 3% annual increases. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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 7.2
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCELS II & III
Concord Successor Agency ***Page 1 of 2*** **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**	$491,458	491,458	497,966	507,925	518,084	528,445	539,014	549,795	560,790	572,006
	Prop 13 Inflationary Growth (1)	0	9,829	9,959	10,159	10,362	10,569	10,780	10,996	11,216	11,440
	Estimated Appeal Reduction	0	(3,321)	0	0	0	0	0	0	0	0
	Total Real Property	491,458	497,966	507,925	518,084	528,445	539,014	549,795	560,790	572,006	583,446
II.	**Personal Property Assessed Value**	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Personal Property	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796
III.	**Total Assessed Value**	557,254	563,762	573,722	583,880	594,242	604,811	615,591	626,587	637,803	649,243
	Less Base Value	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)
	Incremental Value	512,366	518,875	528,834	538,992	549,354	559,923	570,703	581,699	592,915	604,355
IV.	**Gross RPTTF at 1% of Incr Value**	5,124	5,189	5,288	5,390	5,494	5,599	5,707	5,817	5,929	6,044
	SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	5,124	5,189	5,288	5,390	5,494	5,599	5,707	5,817	5,929	6,044
V.	**Less: County Admin & Pass Through**										
	County Admin Expense (3)	67	67	69	70	71	73	74	76	77	79
	Library Agreement(4)	56	59	60	62	64	66	68	70	72	75
	Statutory Pass Through (H&S 33607.5)(5)	57	80	114	149	184	221	258	296	334	374
	Total Co. Admin and Pass Throughs	180	206	243	281	320	360	400	442	484	527
VI.	**Parcel II/III Net RPTTF Revenue**	4,943	4,983	5,045	5,109	5,174	5,240	5,307	5,375	5,445	5,517

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 is projected for future years assuming 3% annual increases. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
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Table 7.2
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCELS II & III
Concord Successor Agency *Page 2 of 2* **GROWTH AT 2% PER YEAR**
$Thousands

		TI Receipt 11/21/2029				
		2024-25	2025-26	2026-27	2027-28	2028-29
I.	**Real Property Assessed Value**	583,446	595,115	607,018	619,158	631,541
	Prop 13 Inflationary Growth [1]	11,669	11,902	12,140	12,383	12,631
	Estimated Appeal Reduction	0	0	0	0	0
	Total Real Property	595,115	607,018	619,158	631,541	644,172
II.	**Personal Property Assessed Value**	65,796	65,796	65,796	65,796	65,796
	Estimated Appeal Reduction	0	0	0	0	0
	Total Personal Property	65,796	65,796	65,796	65,796	65,796
III.	**Total Assessed Value**	660,912	672,814	684,954	697,337	709,968
	Less Base Value	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)
	Incremental Value	616,024	627,926	640,067	652,450	665,081
IV.	**Gross RPTTF at 1% of Incr Value**	6,160	6,279	6,401	6,524	6,651
	SBE Unitary Revenue [2]	0	0	0	0	0
	Subtotal Gross Tax Increment	6,160	6,279	6,401	6,524	6,651
V.	**Less: County Admin & Pass Through**					
	County Admin Expense [3]	80	82	83	85	86
	Library Agreement[4]	77	79	82	212	218
	Statutory Pass Through (H&S 33607.5)[5]	414	455	497	539	583
	Total Co. Admin and Pass Throughs	571	616	661	836	888
VI.	**Parcel II/III Net RPTTF Revenue**	5,589	5,664	5,739	5,688	5,763

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
[3] Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
[4] Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 is projected for future years assuming 3% annual increases. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
[5] Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Central Concord Project: PARCEL IV
Concord Successor Agency *Page 1 of 2* **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	$58,919	58,919	60,097	61,299	62,525	63,775	65,051	66,352	67,679	69,033
Prop 13 Inflationary Growth (1)	0	1,178	1,202	1,226	1,250	1,276	1,301	1,327	1,354	1,381
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Real Property	58,919	60,097	61,299	62,525	63,775	65,051	66,352	67,679	69,033	70,413
II. Personal Property Assessed Value	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Personal Property	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
III. Total Assessed Value	62,611	63,790	64,992	66,218	67,468	68,744	70,045	71,372	72,725	74,106
Less Base Value	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)
Incremental Value	54,493	55,671	56,873	58,099	59,350	60,625	61,926	63,253	64,607	65,987
IV. Gross RPTTF at 1% of Incr Value	545	557	569	581	593	606	619	633	646	660
SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
Subtotal Gross Tax Increment	545	557	569	581	593	606	619	633	646	660
V. Less: County Admin & Pass Through										
County Admin Expense (3)	7	7	7	8	8	8	8	8	8	9
Library Agreement(4)	6	6	6	7	7	7	7	8	8	8
Statutory Pass Through (H&S 33607.5)(5)	18	20	25	29	33	38	42	47	51	56
Total Co. Admin and Pass Throughs	31	34	38	43	48	53	57	62	68	73
VI. Parcel IV Net RPTTF Revenue	514	523	530	538	546	554	562	570	579	587

Notes:

(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.

(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.

(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.

(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 is projected for future years assuming 3% annual increases. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.

(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Central Concord Project: PARCEL IV
Concord Successor Agency ***Page 2 of 2*** **GROWTH AT 2% PER YEAR**
$Thousands

TI Receipt 7/8/2032

		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
I.	**Real Property Assessed Value**	70,413	71,821	73,258	74,723	76,218	77,742	79,297	80,883
	Prop 13 Inflationary Growth [(1)]	1,408	1,436	1,465	1,494	1,524	1,555	1,586	1,618
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0
	Total Real Property	71,821	73,258	74,723	76,218	77,742	79,297	80,883	82,500
II.	**Personal Property Assessed Value**	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0
	Total Personal Property	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
III.	**Total Assessed Value**	75,514	76,951	78,416	79,910	81,435	82,989	84,575	86,193
	Less Base Value	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)
	Incremental Value	67,396	68,832	70,297	71,792	73,316	74,871	76,457	78,074
IV.	**Gross RPTTF at 1% of Incr Value**	674	688	703	718	733	749	765	781
	SBE Unitary Revenue [(2)]	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	674	688	703	718	733	749	765	781
V.	**Less: County Admin & Pass Through**								
	County Admin Expense [(3)]	9	9	9	9	10	10	10	10
	Library Agreement[(4)]	8	9	9	23	24	113	115	118
	Statutory Pass Through (H&S 33607.5)[(5)]	61	66	71	76	81	87	92	98
	Total Co. Admin and Pass Throughs	78	83	89	109	115	209	217	226
VI.	**Parcel IV Net RPTTF Revenue**	596	605	614	609	618	539	547	555

Notes:

(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.

(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.

(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.

(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 is projected for future years assuming 3% annual increases. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.

(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCEL V
Concord 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	$263,208	263,208	268,472	273,842	279,319	284,905	290,603	296,415	302,343	308,390
Prop 13 Inflationary Growth (1)	0	5,264	5,369	5,477	5,586	5,698	5,812	5,928	6,047	6,168
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Real Property	263,208	268,472	273,842	279,319	284,905	290,603	296,415	302,343	308,390	314,558
II. Personal Property Assessed Value	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III. Total Assessed Value	290,574	295,838	301,208	306,685	312,271	317,969	323,781	329,709	335,756	341,924
Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
Incremental Value	57,426	62,690	68,059	73,536	79,123	84,821	90,633	96,561	102,608	108,776
IV. Gross RPTTF at 1% of Incr Value	574	627	681	735	791	848	906	966	1,026	1,088
SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
Subtotal Gross Tax Increment	574	627	681	735	791	848	906	966	1,026	1,088
V. Less: County Admin & Pass Through										
County Admin Expense (3)	7	8	9	10	10	11	12	13	13	14
Statutory Pass Through (H&S 33607.5)(4)	115	125	144	164	183	204	224	245	266	288
Total Co. Admin and Pass Throughs	122	134	153	173	194	215	236	258	280	302
VI. Parcel V Net RPTTF Revenue	452	493	527	562	597	634	670	708	746	785

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCEL V
Concord 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	2033-34
I.	**Real Property Assessed Value**	314,558	320,849	327,266	333,812	340,488	347,297	354,243	361,328	368,555	375,926
	Prop 13 Inflationary Growth (1)	6,291	6,417	6,545	6,676	6,810	6,946	7,085	7,227	7,371	7,519
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Real Property	320,849	327,266	333,812	340,488	347,297	354,243	361,328	368,555	375,926	383,444
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	348,215	354,632	361,178	367,854	374,664	381,610	388,694	395,921	403,292	410,811
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	115,067	121,484	128,029	134,706	141,515	148,461	155,546	162,773	170,144	177,662
IV.	**Gross RPTTF at 1% of Incr Value**	1,151	1,215	1,280	1,347	1,415	1,485	1,555	1,628	1,701	1,777
	SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	1,151	1,215	1,280	1,347	1,415	1,485	1,555	1,628	1,701	1,777
V.	**Less: County Admin & Pass Through**										
	County Admin Expense (3)	15	16	17	18	18	19	20	21	22	23
	Statutory Pass Through (H&S 33607.5)(4)	310	333	356	380	404	429	454	479	505	532
	Total Co. Admin and Pass Throughs	325	349	373	397	422	448	474	500	527	555
VI.	**Parcel V Net RPTTF Revenue**	825	866	907	950	993	1,037	1,082	1,127	1,174	1,222

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCEL V
Concord Successor Agency *Page 3 of 4* **GROWTH AT 2% PER YEAR**
$Thousands

		2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44
I.	**Real Property Assessed Value**	383,444	391,113	398,936	406,914	415,053	423,354	431,821	440,457	449,266	458,252
	Prop 13 Inflationary Growth (1)	7,669	7,822	7,979	8,138	8,301	8,467	8,636	8,809	8,985	9,165
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Real Property	391,113	398,936	406,914	415,053	423,354	431,821	440,457	449,266	458,252	467,417
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	418,479	426,302	434,280	442,419	450,720	459,187	467,823	476,632	485,618	494,783
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	185,331	193,153	201,132	209,270	217,571	226,039	234,675	243,484	252,469	261,634
IV.	**Gross RPTTF at 1% of Incr Value**	1,853	1,932	2,011	2,093	2,176	2,260	2,347	2,435	2,525	2,616
	SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	1,853	1,932	2,011	2,093	2,176	2,260	2,347	2,435	2,525	2,616
V.	**Less: County Admin & Pass Through**										
	County Admin Expense (3)	24	25	26	27	28	29	31	32	33	34
	Statutory Pass Through (H&S 33607.5)(4)	559	586	623	660	698	736	776	816	857	899
	Total Co. Admin and Pass Throughs	583	612	649	687	726	766	806	847	890	933
VI.	**Parcel V Net RPTTF Revenue**	1,270	1,320	1,362	1,406	1,450	1,495	1,541	1,587	1,635	1,684

Notes:
(1) Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Projection of RPTTF Revenues - 2% Growth
Central Concord Project: PARCEL V
Concord Successor Agency *Page 4 of 4* **GROWTH AT 2% PER YEAR**
$Thousands

TI Receipt 10/24/2051

		2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
I.	**Real Property Assessed Value**	467,417	476,765	486,300	496,026	505,947	516,066	526,387
	Prop 13 Inflationary Growth [1]	9,348	9,535	9,726	9,921	10,119	10,321	10,528
	Estimated Appeal Reduction	0	0	0	0	0	0	0
	Total Real Property	476,765	486,300	496,026	505,947	516,066	526,387	536,915
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	504,131	513,666	523,392	533,313	543,432	553,753	564,281
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	270,983	280,518	290,244	300,165	310,284	320,605	331,133
IV.	**Gross RPTTF at 1% of Incr Value**	2,710	2,805	2,902	3,002	3,103	3,206	3,311
	SBE Unitary Revenue [2]	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	2,710	2,805	2,902	3,002	3,103	3,206	3,311
V.	**Less: County Admin & Pass Through**							
	County Admin Expense [3]	35	36	38	39	40	42	43
	Statutory Pass Through (H&S 33607.5)[4]	941	985	1,029	1,074	1,120	1,167	1,215
	Total Co. Admin and Pass Throughs	976	1,021	1,067	1,113	1,161	1,209	1,258
VI.	**Parcel V Net RPTTF Revenue**	1,733	1,784	1,836	1,888	1,942	1,997	2,053

Notes:
[1] Based upon 2% maximum prop 13 inflationary growth factor for 2015-16 forward.
[2] Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
[3] Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
[4] Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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 8.0
Projected Tax Revenues - No Growth
Central Concord Redevelopment Project
Concord Successor Agency **NO GROWTH PROJECTION**
$Thousands

Fiscal Year	Projected Net RPTTF Revenue After Pass Throughs					Less:	TAX	
	Parcel I	**Parcels II & III**	**Parcel IV**	**Parcel V**	**Total**	**Senior Debt (1)**	**REVENUES**	
	Table 7.1	Table 7.2	Table 7.3	Table 7.4	*$Thousands*	*$Thousands*	*$Thousands*	
2014-15	$8,237	$4,943	$514	$452	$14,146	$576	$13,570	
2015-16	8,144	4,922	514	452	14,032	578	13,454	
2016-17	8,144	4,922	514	452	14,032	578	13,454	
2017-18	8,144	4,922	514	452	14,032	576	13,456	
2018-19	8,144	4,922	514	452	14,032	578	13,454	
2019-20	8,144	4,922	514	452	14,032	0	14,032	
2020-21	8,144	4,922	514	452	14,032	0	14,032	
2021-22	8,144	4,922	514	452	14,032	0	14,032	
2022-23	8,144	4,922	514	452	14,032	0	14,032	
2023-24	8,144	4,922	514	452	14,032	0	14,032	
2024-25	8,144	4,922	514	452	14,032	0	14,032	Final debt service payment: 3/1/2025
2025-26	8,144	4,922	514	452	14,032	0	14,032	
2026-27	8,144	4,922	514	452	14,032	0	14,032	
2027-28	0	4,834	505	452	5,790	0	5,790	
2028-29	0	4,834	505	452	5,790	0	5,790	
2029-30	0	0	438	452	890	0	890	
2030-31	0	0	438	452	890	0	890	
2031-32	0	0	438	452	890	0	890	
2032-33	0	0	0	452	452	0	452	
2033-34	0	0	0	452	452	0	452	
2034-35	0	0	0	452	452	0	452	
2035-36	0	0	0	452	452	0	452	
2036-37	0	0	0	452	452	0	452	
2037-38	0	0	0	452	452	0	452	
2038-39	0	0	0	452	452	0	452	
2039-40	0	0	0	452	452	0	452	
2040-41	0	0	0	452	452	0	452	
2041-42	0	0	0	452	452	0	452	
2042-43	0	0	0	452	452	0	452	
2043-44	0	0	0	452	452	0	452	
2044-45	0	0	0	452	452	0	452	
2045-46	0	0	0	452	452	0	452	
2046-47	0	0	0	452	452	0	452	
2047-48	0	0	0	452	452	0	452	
2048-49	0	0	0	452	452	0	452	
2049-50	0	0	0	452	452	0	452	
2050-51	0	0	0	452	452	0	452	

(1) Reflects payments on the Senior Reimbursement Agreement described in Section 2.4.

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
Central Concord Project: PARCEL I
Concord Successor Agency *Page 1 of 2* **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	$795,635	795,635	781,207	781,207	781,207	781,207	781,207	781,207	781,207	781,207
Prop 13 Inflationary Growth [1]	*no growth projection*									
Removal of property from tax roll	0	(13,738)	0	0	0	0	0	0	0	0
Estimated Appeal Reduction	0	(690)	0	0	0	0	0	0	0	0
Total Real Property	795,635	781,207	781,207	781,207	781,207	781,207	781,207	781,207	781,207	781,207
II. Personal Property Assessed Value	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Personal Property	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543	66,543
III. Total Assessed Value	862,178	847,750	847,750	847,750	847,750	847,750	847,750	847,750	847,750	847,750
Less Base Value	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)	(53,431)
Incremental Value	808,747	794,319	794,319	794,319	794,319	794,319	794,319	794,319	794,319	794,319
IV. Gross RPTTF at 1% of Incr Value	8,087	7,943	7,943	7,943	7,943	7,943	7,943	7,943	7,943	7,943
SBE Unitary Revenue [2]	795	795	795	795	795	795	795	795	795	795
Subtotal Gross Tax Increment	8,882	8,738	8,738	8,738	8,738	8,738	8,738	8,738	8,738	8,738
V. Less: County Admin & Pass Through										
County Admin Expense [3]	115	114	114	114	114	114	114	114	114	114
Library Agreement[4]	98	97	97	97	97	97	97	97	97	97
Statutory Pass Through (H&S 33607.5)[5]	432	383	383	383	383	383	383	383	383	383
Total Co. Admin and Pass Throughs	646	594	594	594	594	594	594	594	594	594
VII. Parcel I Net RPTTF Revenue	8,237	8,144	8,144	8,144	8,144	8,144	8,144	8,144	8,144	8,144

Notes:

(1) Prop 13 increases are not reflected for the no growth projection.

(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.

(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.

(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 held constant for no growth projection. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.

(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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
Central Concord Project: PARCEL I
Concord Successor Agency *Page 2 of 2* **NO GROWTH PROJECTION**
$Thousands

		2024-25	2025-26	TI Receipt 11/24/2027 2026-27
I.	**Real Property Assessed Value**	781,207	781,207	781,207
	Prop 13 Inflationary Growth [1]			
	Removal of property from tax roll	0	0	0
	Estimated Appeal Reduction	0	0	0
	Total Real Property	781,207	781,207	781,207
II.	**Personal Property Assessed Value**	66,543	66,543	66,543
	Estimated Appeal Reduction	0	0	0
	Total Personal Property	66,543	66,543	66,543
III.	**Total Assessed Value**	847,750	847,750	847,750
	Less Base Value	(53,431)	(53,431)	(53,431)
	Incremental Value	794,319	794,319	794,319
IV.	**Gross RPTTF at 1% of Incr Value**	7,943	7,943	7,943
	SBE Unitary Revenue [2]	795	795	795
	Subtotal Gross Tax Increment	8,738	8,738	8,738
V.	**Less: County Admin & Pass Through**			
	County Admin Expense [3]	114	114	114
	Library Agreement[4]	97	97	97
	Statutory Pass Through (H&S 33607.5)[5]	383	383	383
	Total Co. Admin and Pass Throughs	594	594	594
VII.	**Parcel I Net RPTTF Revenue**	8,144	8,144	8,144

Notes:
(1) Prop 13 increases are not reflected for the no growth projection.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 held constant for no growth projection. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel I NG; 9/15/2014; dd

Table 8.2
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCELS II & III
Concord Successor Agency ***Page 1 of 2*** **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	$491,458	491,458	488,137	488,137	488,137	488,137	488,137	488,137	488,137	488,137
Prop 13 Inflationary Growth (1)	*no growth projection*									
Estimated Appeal Reduction	0	(3,321)	0	0	0	0	0	0	0	0
Total Real Property	491,458	488,137	488,137	488,137	488,137	488,137	488,137	488,137	488,137	488,137
II. Personal Property Assessed Value	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Personal Property	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796	65,796
III. Total Assessed Value	557,254	553,933	553,933	553,933	553,933	553,933	553,933	553,933	553,933	553,933
Less Base Value	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)
Incremental Value	512,366	509,045	509,045	509,045	509,045	509,045	509,045	509,045	509,045	509,045
IV. Gross RPTTF at 1% of Incr Value	5,124	5,090	5,090	5,090	5,090	5,090	5,090	5,090	5,090	5,090
SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
Subtotal Gross Tax Increment	5,124	5,090	5,090	5,090	5,090	5,090	5,090	5,090	5,090	5,090
V. Less: County Admin & Pass Through										
County Admin Expense (3)	67	66	66	66	66	66	66	66	66	66
Library Agreement(4)	56	57	57	57	57	57	57	57	57	57
Statutory Pass Through (H&S 33607.5)(5)	57	46	46	46	46	46	46	46	46	46
Total Co. Admin and Pass Throughs	180	169	169	169	169	169	169	169	169	169
VI. Parcel II/III Net RPTTF Revenue	4,943	4,922	4,922	4,922	4,922	4,922	4,922	4,922	4,922	4,922

Notes:
(1) Prop 13 increases are not reflected for the no growth projection.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 held constant for no growth projection. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel II III NG; 9/15/2014; dd

Table 8.2
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCELS II & III
Concord Successor Agency ***Page 2 of 2*** **NO GROWTH PROJECTION**
$Thousands

		TI Receipt 11/21/2029				
		2024-25	2025-26	2026-27	2027-28	2028-29
I.	**Real Property Assessed Value**	488,137	488,137	488,137	488,137	488,137
	Prop 13 Inflationary Growth (1)					
	Estimated Appeal Reduction	0	0	0	0	0
	Total Real Property	488,137	488,137	488,137	488,137	488,137
II.	**Personal Property Assessed Value**	65,796	65,796	65,796	65,796	65,796
	Estimated Appeal Reduction	0	0	0	0	0
	Total Personal Property	65,796	65,796	65,796	65,796	65,796
III.	**Total Assessed Value**	553,933	553,933	553,933	553,933	553,933
	Less Base Value	(44,888)	(44,888)	(44,888)	(44,888)	(44,888)
	Incremental Value	509,045	509,045	509,045	509,045	509,045
IV.	**Gross RPTTF at 1% of Incr Value**	5,090	5,090	5,090	5,090	5,090
	SBE Unitary Revenue (2)	0	0	0	0	0
	Subtotal Gross Tax Increment	5,090	5,090	5,090	5,090	5,090
V.	**Less: County Admin & Pass Through**					
	County Admin Expense (3)	66	66	66	66	66
	Library Agreement(4)	57	57	57	145	145
	Statutory Pass Through (H&S 33607.5)(5)	46	46	46	46	46
	Total Co. Admin and Pass Throughs	169	169	169	257	257
VI.	**Parcel II/III Net RPTTF Revenue**	4,922	4,922	4,922	4,834	4,834

Notes:
(1) Prop 13 increases are not reflected for the no growth projection.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 held constant for no growth projection. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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 8.3
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCEL IV
Concord Successor Agency ***Page 1 of 2*** **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	$58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919
Prop 13 Inflationary Growth (1)	*no growth projection*									
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Real Property	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919
II. Personal Property Assessed Value	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
Total Personal Property	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
III. Total Assessed Value	62,611	62,611	62,611	62,611	62,611	62,611	62,611	62,611	62,611	62,611
Less Base Value	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)
Incremental Value	54,493	54,493	54,493	54,493	54,493	54,493	54,493	54,493	54,493	54,493
IV. Gross RPTTF at 1% of Incr Value	545	545	545	545	545	545	545	545	545	545
SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
Subtotal Gross Tax Increment	545	545	545	545	545	545	545	545	545	545
V. Less: County Admin & Pass Through										
County Admin Expense (3)	7	7	7	7	7	7	7	7	7	7
Library Agreement(4)	6	6	6	6	6	6	6	6	6	6
Statutory Pass Through (H&S 33607.5)(5)	18	18	18	18	18	18	18	18	18	18
Total Co. Admin and Pass Throughs	31	31	31	31	31	31	31	31	31	31
VI. Parcel IV Net RPTTF Revenue	514	514	514	514	514	514	514	514	514	514

Notes:
(1) Prop 13 increases are not reflected for the no growth projection.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 held constant for no growth projection. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.
(5) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel IV NG; 9/15/2014; dd

Table 8.3
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCEL IV
Concord Successor Agency ***Page 2 of 2*** **NO GROWTH PROJECTION**
$Thousands

		TI Receipt 7/8/2032							
		2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
I.	**Real Property Assessed Value**	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919
	Prop 13 Inflationary Growth [1]								
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0
	Total Real Property	58,919	58,919	58,919	58,919	58,919	58,919	58,919	58,919
II.	**Personal Property Assessed Value**	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0
	Total Personal Property	3,693	3,693	3,693	3,693	3,693	3,693	3,693	3,693
III.	**Total Assessed Value**	62,611	62,611	62,611	62,611	62,611	62,611	62,611	62,611
	Less Base Value	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)	(8,119)
	Incremental Value	54,493	54,493	54,493	54,493	54,493	54,493	54,493	54,493
IV.	**Gross RPTTF at 1% of Incr Value**	545	545	545	545	545	545	545	545
	SBE Unitary Revenue [2]	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	545	545	545	545	545	545	545	545
V.	**Less: County Admin & Pass Through**								
	County Admin Expense [3]	7	7	7	7	7	7	7	7
	Library Agreement[4]	6	6	6	16	16	82	82	82
	Statutory Pass Through (H&S 33607.5)[5]	18	18	18	18	18	18	18	18
	Total Co. Admin and Pass Throughs	31	31	31	40	40	107	107	107
VI.	**Parcel IV Net RPTTF Revenue**	514	514	514	505	505	438	438	438

Notes:

[1] Prop 13 increases are not reflected for the no growth projection.

[2] Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.

[3] Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.

[4] Projected payments are allocated by component area based on gross revenue. Reported payment amount for FY 14-15 held constant for no growth projection. After time limits for Parcel I, II, and III, payments from the remaining Parcel IV have been limited based upon 100% of the County and County Library share of property tax.

[5] Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel IV NG; 9/15/2014; dd

Table 8.4
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCEL V
Concord 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**	$263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208
	Prop 13 Inflationary Growth [1]	*no growth projection*									
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Real Property	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426
IV.	**Gross RPTTF at 1% of Incr Value**	574	574	574	574	574	574	574	574	574	574
	SBE Unitary Revenue [2]	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	574	574	574	574	574	574	574	574	574	574
V.	**Less: County Admin & Pass Through**										
	County Admin Expense [3]	7	7	7	7	7	7	7	7	7	7
	Statutory Pass Through (H&S 33607.5) [4]	115	115	115	115	115	115	115	115	115	115
	Total Co. Admin and Pass Throughs	122	122	122	122	122	122	122	122	122	122
VI.	**Parcel V Net RPTTF Revenue**	452	452	452	452	452	452	452	452	452	452

Notes:
[1] Prop 13 increases are not reflected for the no growth projection.
[2] Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
[3] Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
[4] Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel V NG; 9/15/2014; dd

Table 8.4
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCEL V
Concord 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	2033-34
I.	**Real Property Assessed Value**	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208
	Prop 13 Inflationary Growth [1]										
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Real Property	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426
IV.	**Gross RPTTF at 1% of Incr Value**	574	574	574	574	574	574	574	574	574	574
	SBE Unitary Revenue [2]	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	574	574	574	574	574	574	574	574	574	574
V.	**Less: County Admin & Pass Through**										
	County Admin Expense [3]	7	7	7	7	7	7	7	7	7	7
	Statutory Pass Through (H&S 33607.5)[4]	115	115	115	115	115	115	115	115	115	115
	Total Co. Admin and Pass Throughs	122	122	122	122	122	122	122	122	122	122
VI.	**Parcel V Net RPTTF Revenue**	452	452	452	452	452	452	452	452	452	452

Notes:
[1] Prop 13 increases are not reflected for the no growth projection.
[2] Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
[3] Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
[4] Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel V NG; 9/15/2014; dd

Table 8.4
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCEL V
Concord Successor Agency ***Page 3 of 4*** **NO GROWTH PROJECTION**
$Thousands

		2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44
I.	**Real Property Assessed Value**	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208
	Prop 13 Inflationary Growth (1)										
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Real Property	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208	263,208
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574	290,574
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426	57,426
IV.	**Gross RPTTF at 1% of Incr Value**	574	574	574	574	574	574	574	574	574	574
	SBE Unitary Revenue (2)	0	0	0	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	574	574	574	574	574	574	574	574	574	574
V.	**Less: County Admin & Pass Through**										
	County Admin Expense (3)	7	7	7	7	7	7	7	7	7	7
	Statutory Pass Through (H&S 33607.5)(4)	115	115	115	115	115	115	115	115	115	115
	Total Co. Admin and Pass Throughs	122	122	122	122	122	122	122	122	122	122
VI.	**Parcel V Net RPTTF Revenue**	452	452	452	452	452	452	452	452	452	452

Notes:
(1) Prop 13 increases are not reflected for the no growth projection.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.
Prepared by Keyser Marston Associates, Inc.
\\Sf-fs2\wp\11\11268\015\Concord FCR TI Proj 9-15-2014; Parcel V NG; 9/15/2014; dd

Table 8.4
Projection of RPTTF Revenues - No Growth
Central Concord Project: PARCEL V
Concord Successor Agency ***Page 4 of 4*** **NO GROWTH PROJECTION**
$Thousands

		TI Receipt 10/24/2051						
		2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51
I.	**Real Property Assessed Value**	263,208	263,208	263,208	263,208	263,208	263,208	263,208
	Prop 13 Inflationary Growth (1)							
	Estimated Appeal Reduction	0	0	0	0	0	0	0
	Total Real Property	263,208	263,208	263,208	263,208	263,208	263,208	263,208
II.	**Personal Property Assessed Value**	27,366	27,366	27,366	27,366	27,366	27,366	27,366
	Estimated Appeal Reduction	0	0	0	0	0	0	0
	Total Personal Property	27,366	27,366	27,366	27,366	27,366	27,366	27,366
III.	**Total Assessed Value**	290,574	290,574	290,574	290,574	290,574	290,574	290,574
	Less Base Value	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)	(233,148)
	Incremental Value	57,426	57,426	57,426	57,426	57,426	57,426	57,426
IV.	**Gross RPTTF at 1% of Incr Value**	574	574	574	574	574	574	574
	SBE Unitary Revenue (2)	0	0	0	0	0	0	0
	Subtotal Gross Tax Increment	574	574	574	574	574	574	574
V.	**Less: County Admin & Pass Through**							
	County Admin Expense (3)	7	7	7	7	7	7	7
	Statutory Pass Through (H&S 33607.5)(4)	115	115	115	115	115	115	115
	Total Co. Admin and Pass Throughs	122	122	122	122	122	122	122
VI.	**Parcel V Net RPTTF Revenue**	452	452	452	452	452	452	452

Notes:
(1) Prop 13 increases are not reflected for the no growth projection.
(2) Since a break out of unitary revenue by component area was not available, for purposes of the projections, all unitary revenue was included with the Parcel I projection which has the earliest tax increment receipt time limit.
(3) Projected at 1.3% of gross RPTTF based on actual for FY 2013-14 which equates to 1.31% of gross RPTTF.
(4) Projected amounts reflect current County Auditor-Controller practices for computation of pass throughs.

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

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