

**Memorandum  
Office of Jenine Windeshausen  
Treasurer-Tax Collector**



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**To:** The Board of the Successor Agency  
to the former Placer County Redevelopment Agency

**From:** Jenine Windeshausen, Treasurer-Tax Collector

**Date:** April 28, 2015

**Subject:** Resolution Approving the Preliminary Official Statement related to the  
Refinancing of Outstanding Successor Agency Bond Obligations

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**Action Requested:**

Adopt a resolution confirming the issuance of refunding bonds, approving preliminary and final official statements and providing for other matters properly relating thereto.

**BACKGROUND:**

In 2006, the Placer County Redevelopment Agency issued bonds to finance improvements in the North Lake Tahoe and North Auburn Redevelopment Areas and to provide financing related to countywide low-income housing. Those bonds are listed below.

<b><u>ISSUE</u></b>	<b><u>Outstanding Balance</u></b>	<b><u>Original Issue</u></b>
2006, Series A - N. Lake Tahoe	\$13,275,000	\$15,765,000
2006, Series B – N. Auburn	\$ 2,940,000	\$ 3,520,000
2006, Series C – Countywide Housing	\$ 5,125,000	\$ 5,865,000

Effective in June of 2011, actions taken by the State of California dissolved all redevelopment agencies in the State and left in place successor agencies to wind up the affairs of the former redevelopment agencies. Since the redevelopment agency dissolution action adopted by the State of California, refunding of outstanding debt is required to be approved by the Successor Agency, by the Oversight Board and then by the Department of Finance (DOF).

On February 3, 2015, your Board considered the refunding of the Successor Agency's outstanding bonds for the purpose of reducing the interest rate, resulting in reduced annual debt service payments. This savings will result in more tax increment for the County and other local agencies because less of the annual tax increment will be needed to cover the annual debt service payments.

Specifically, on February 3, 2015, your Board adopted Resolution No. 215-029 approving the issuance of the 2015 refunding bonds Series A and taxable Series B by

the Successor Agency subject to the Savings Parameters being met.

On February 25, 2015, the Oversight Board adopted Resolution No. 2015-03 (the "OB Resolution"), approving the issuance of the Refunding Bonds by the Successor Agency.

The OB Resolution, together with additional materials, have been submitted to the California Department of Finance (DOF) for its approval of the OB Resolution and the issuance of the Refunding Bonds. Notification of approval by the DOF is currently pending.

In initiating the approval process for the refunding, the February 3<sup>rd</sup> staff report noted that the Official Statement would be brought back to the board for approval at a later date. The attached resolution concerns the approval of the Preliminary and Final Official Statements. The attached resolution provides for:

- Confirming the actions in the SA Resolution which authorized and approved the issuance and sale of the Refunding Bonds.
- Approving the preliminary Official Statement in substantially the form attached, and the same form which is on file with the Clerk of the Board of Supervisors, and further approving the distribution of the preliminary Official Statement by the Successor Agency and the Underwriter.
- Designating the Authorized Officers acting on behalf of the Successor Agency.
- Authorizing and directing the Authorized Officers to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").
- Authorizing and directing the Authorized Officers to execute and deliver the final Official Statement and to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking substantially in the form appended to the final Official Statement.
- Further authorizes and directs the Authorized Officers and any and all other officers of the Successor Agency to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds.

An additional requirement of dissolution legislation is that the financing team include an independent financial advisor and that the advisor generate a report, which has been prepared by Del Rio Advisors, LLC, as financial advisor, and is entitled "Plan of Refunding and Savings Analysis" ("Financial Advisor Work Product") which your Board received on February 3, 2015. The market has remained favorable for the refunding and continues to be consistent with the financial advisor's Plan of Refunding and Savings Analysis.

As stated in the February 3, 2015 staff report, the refunding plan is to sell the bonds in two series: 1) 2015 Series A Tax-Exempt to refund the prior 2006 Series A and 2006 Series B, and 2) 2015 Series B Taxable to refund the prior 2006 Taxable Series C. The

Series A and B bonds will be payable from all of the property tax revenues from all of the Agency's project areas, except to the extent that it is pledged and needed to repay existing California Infrastructure and Economic Development Bank loans. The benefit of this structure is simplicity as well as improving the overall economics of the transaction. Both bonds will be diversified by the debt service coverage strengths of the various project areas, which will allow the project areas with stronger coverage ratios to improve the ratio for those with less substantial coverage. The overall coverage is more than sufficient to hold the rating of the stronger project areas for the benefit of the both bonds.

As authorized by your Board on February 3, 2015, Southwest Securities was selected to be the underwriter through a request for qualifications process. Southwest Securities has strong experience successfully working with former redevelopment agency refinancing transactions.

**FISCAL IMPACT:**

The refunding transaction is being undertaken to achieve interest savings over the remaining term of the original bonds. At today's interest rates, the total transactional savings is anticipated to be approximately \$2,748,200, with a present value savings calculated to be approximately \$1,922,062. Annual savings for the combined transaction is estimated to average about \$125,000 per year for the next 22 years.

Due to the dissolution of the Redevelopment Agency, the average annual savings of approximately \$125,000 will accrue to all the taxing agencies that overlap the County. The County share for the three redevelopment areas averages approximately 24.25% of the total, or roughly \$30,000 of the benefit annually to the County's General Fund property tax revenue. These savings will begin to be realized during the 2015/16 fiscal year.

The savings identified above includes all costs of issuance including the cost of bond/disclosure counsel, financial advisor, fiscal consultant and underwriter's discount. The savings indicated above are estimates and subject to change based on the market on the day the bonds are priced and sold. In any event, final sale of the bonds is contingent upon the savings as approved by the Successor Agency, the Oversight Board and the DOF.

**Attachments:**

1. Resolution confirming the issuance of refunding bonds, approving preliminary and final official statements and providing for other matters properly relating thereto
2. Draft Preliminary Official Statement

**Before the Governing Board of the Successor Agency  
to the Former Placer County Redevelopment Agency**

**In the matter of:**

Adoption of a resolution confirming the issuance of refunding bonds, approving preliminary and final official statements and providing for other matters properly relating thereto

**Resolution. No.** \_\_\_\_\_

**The following Resolution was duly passed by the Governing Board of the Successor Agency to the former Placer County Redevelopment Agency at a regular meeting held on April 27, 2015 by the following vote on roll call:**

**Ayes:**

**Noes:**

**Absent:**

**Signed and approved by me after its passage.**

**Attest:**  
**Clerk of said Board**

\_\_\_\_\_  
**Chair, Successor Agency**

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\_\_\_\_\_  
WHEREAS, the Placer County Redevelopment Agency (the "Former Agency") was a public body, corporate and politic, duly established and authorized to transact business and exercise powers under and pursuant to the provisions of the Community Redevelopment Law of the State of California, constituting Part 1 of Division 24 of the Health and Safety Code of the State (as amended, the "Redevelopment Law");

WHEREAS, Assembly Bill x1 26, effective June 29, 2011, together with AB 1484, effective June 27, 2012 ("AB 1484"), codified Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) of Division 24 of the California Health and Safety Code (as amended from time to time, the "Dissolution Act");

WHEREAS, pursuant to Section 34172(a) of the Dissolution Act, the Former Agency has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to Section 34173 of the Dissolution Act, the Successor Agency to the former Placer County Redevelopment Agency has become the successor entity to the Agency (the "Successor Agency");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency issued, among other bonds, the bonds listed on Exhibit A for the purpose of financing and refinancing redevelopment activities (the "Prior Bonds");

WHEREAS, Section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in Section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, the Successor Agency, pursuant to Resolution No. 215-029 (the "SA Resolution"), adopted on February 3, 2015, approved the issuance by the Successor Agency of the following bonds (the "Refunding Bonds") subject to the Savings Parameters being met:

(a) Successor Agency to the Placer County Redevelopment Agency 2015 Tax Allocation Refunding Bonds, Series A; and

(b) Successor Agency to the Successor Agency to the Placer County Redevelopment Agency 2015 Tax Allocation Refunding Bonds, Taxable Series B;

WHEREAS, the Successor Agency requested that the Oversight Board for the Successor Agency (the "Oversight Board") approve the issuance of the Refunding Bonds by the Successor Agency;

WHEREAS, the Oversight Board, by Resolution No. 2015-03 (the "OB Resolution"), adopted February 25, 2015, approved the issuance of the Refunding Bonds by the Successor Agency, and the OB Resolution, together with additional materials, were submitted to the California Department of Finance for its approval of the OB Resolution and the issuance of the Refunding Bonds;

WHEREAS, the Successor Agency, with the assistance of its disclosure counsel, Jones Hall, A Professional Law Corporation, has prepared a draft of the Official Statement for the Refunding Bonds (the "Official Statement"), which contains, among other things, information regarding the Refunding Bonds, the Former Agency and the Successor Agency, the preliminary form of which is attached;

WHEREAS, the Successor Agency, with the aid of its staff, has reviewed the Official Statement and wishes at this time to approve its use and distribution as in the public interests of the Successor Agency and applicable taxing entities;

NOW, THEREFORE, the Governing Board of the Successor Agency for the Placer County Redevelopment Agency does hereby resolve:

SECTION 1. Incorporation of Recitals.

The Board finds and determines that the above referenced recitals are true and correct and material to this Resolution.

SECTION 2. Board Actions.

The Board hereby approves and authorizes:

1. Confirmation of Approval of Issuance of the Refunding Bonds. The Successor Agency hereby confirms its actions in the SA Resolution authorizing and approving the issuance and sale of the Refunding Bonds.

2. Approval of Official Statement. The Successor Agency hereby approves the preliminary Official Statement in substantially the form hereby attached. Distribution of the preliminary Official Statement by the Successor Agency and the Underwriter is hereby approved, and, prior to the distribution of the preliminary Official Statement, the Chair of the Board of Supervisors, as the Chair and presiding officer of the Successor Agency, the Chief Executive Officer of the County of Placer, as the chief administrative officer of the Successor Agency, the County Counsel, as the general counsel of the Successor Agency, the Auditor-Controller of the County of Placer, as the auditor of the Successor Agency, or the Placer County Treasurer Tax Collector, as the treasurer of the Successor Agency (each, an "Authorized Officer"), each acting alone, are authorized and directed, on behalf of the Successor Agency, to deem the preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same, and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Refunding Bonds, and each Authorized Officer, acting alone, is authorized and directed to execute and deliver the final Official Statement for and on behalf of the Successor Agency, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter a continuing disclosure undertaking substantially in the form appended to the final Official Statement.

3. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in connection with the issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

4. Effective Date. This Resolution shall take effect immediately upon its adoption.

**EXHIBIT A**

**PRIOR BONDS**

\$15,765,000 Placer County Redevelopment Agency (North Lake Tahoe Redevelopment Project) Tax Allocation Bonds, 2006 Series A

\$3,520,000 Placer County Redevelopment Agency (North Auburn Redevelopment Project) Tax Allocation Bonds, 2006 Series B

\$5,865,000 Placer County Redevelopment Agency (Housing Projects) Taxable Tax Allocation Bonds, 2006 Series C

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2015

NEW ISSUE—BOOK-ENTRY

RATING: S&P: “\_”

See “CONCLUDING INFORMATION - Rating”

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the interest on the 2015A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the interest on the 2015 Bonds is exempt from California personal income taxes. Interest on the 2015B Bonds is not intended to be exempt from Federal income taxation. See “TAX MATTERS.”

\$ \_\_\_\_\_ \*

SUCCESSOR AGENCY

TO THE PLACER COUNTY REDEVELOPMENT AGENCY  
2015 SUBORDINATE TAX ALLOCATION REFUNDING  
BONDS, SERIES A

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SUCCESSOR AGENCY

TO THE PLACER COUNTY REDEVELOPMENT AGENCY  
2015 SUBORDINATE TAX ALLOCATION REFUNDING  
BONDS, TAXABLE SERIES B

Dated: Delivery Date

Due: August 1, as shown on the inside front cover

**Purpose of the 2015 Bonds.** The Successor Agency to the Placer County Redevelopment Agency 2015 Subordinate Tax Allocation Refunding Bonds, Series A (the “2015A Bonds”) and the Successor Agency to the Placer County Redevelopment Agency 2015 Subordinate Tax Allocation Refunding Bonds, Taxable Series B (the “2015B Bonds”) and together with the 2015A Bonds, the “2015 Bonds”) are being issued by the Successor Agency to the Placer County Redevelopment Agency (the “Successor Agency”), as successor to the Placer County Redevelopment Agency (the “Former Agency”), to refinance certain outstanding obligations of the Successor Agency. The outstanding obligations of the Successor Agency financed various redevelopment activities in (i) the North Lake Tahoe Redevelopment Project (the “North Lake Tahoe Project Area”), (ii) the North Auburn Redevelopment Project (the “North Auburn Project Area”) and (iii) the Sunset Industrial Redevelopment Project (the “Sunset Industrial Project Area,” together with the North Lake Tahoe Project Area and the North Auburn Project Area, the “Project Areas” and each a “Project Area”) and low and moderate income housing projects in the County of Placer, California (the “County”), as described in this Official Statement.

**Book-Entry.** The 2015 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 2015 Bonds.

**Payments.** Semiannual interest on the 2015 Bonds due February 1 and August 1 of each year, commencing February 1, 2016, and principal on the 2015 Bonds due August 1 of each year, commencing August 1, 2016, will be payable by The Bank of New York Mellon Trust Company, N.A., as Trustee of the 2015 Bonds (the “Trustee”) to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the 2015 Bonds. See “THE 2015 BONDS.”

**Redemption.** The 2015A Bonds are subject to optional redemption prior to maturity. The 2015B Bonds are not subject to redemption prior to maturity. See “THE 2015 BONDS – Redemption.”

**Security for the 2015 Bonds.** The 2015 Bonds are payable from and secured by a pledge of the Tax Revenues (as defined in this Official Statement) to be derived from the Project Areas, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund (as defined in this Official Statement) and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement. See “SECURITY FOR THE 2015 BONDS.”

**Insurance Policy or Reserve Account Surety Bond.** The Successor Agency has applied for a municipal bond insurance policy and a debt service reserve account surety bond or policy and will decide whether to purchase any such municipal bond insurance policy or debt service reserve account surety bond or policy in connection with the pricing of the 2015 Bonds.

**Existing Senior Debt; Future Parity Debt.** The Outstanding Loans (as defined in this Official Statement) in the aggregate outstanding principal amount of \$ \_\_\_\_\_ are outstanding and are payable from property tax revenues generated in the Project Areas on a senior basis to the 2015 Bonds. The Indenture authorizes the Successor Agency to issue additional bonds payable from Tax Revenues on a parity with the 2015 Bonds for refunding purposes only. See “THE 2015 BONDS - Existing Senior Debt; Future Parity Debt.”

**Limited Obligations.** The 2015 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 described in this Official Statement. The principal of and interest on the 2015 Bonds are not a debt of the County, the State of California (the “State”) or

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor will there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful.

any of their political subdivisions except the Successor Agency, and none of the County, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The principal of and interest on the 2015 Bonds are not payable out of any funds or properties other than those set forth in the Indenture (as defined in this Official Statement). Neither the members of the Successor Agency, the Oversight Board of the Successor Agency, the County Board of Supervisors nor any persons executing the 2015 Bonds are liable personally on the 2015 Bonds.

*This cover page of the Official Statement contains information for quick reference only. It is not a complete summary of the 2015 Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Attention is hereby directed to certain risk factors more fully described in this Official Statement. See "RISK FACTORS."*

The 2015 Bonds are offered, when, as and if issued, subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, is also serving as Disclosure Counsel to the Successor Agency. In addition, certain legal matters will be passed upon for the Successor Agency by the County Counsel, as general counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriter by Norton Rose Fullbright US LLP, Underwriter's Counsel. It is anticipated that the 2015 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about \_\_\_\_\_, 2015.

[Southwest Securities' Logo]

The date of this Official Statement is \_\_\_\_\_, 2015.

\*Preliminary, subject to change.

## MATURITY SCHEDULES

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### SUCCESSOR AGENCY TO THE PLACER COUNTY REDEVELOPMENT AGENCY 2015 SUBORDINATE TAX ALLOCATION REFUNDING BONDS, SERIES A

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (Base _____)
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					

\$ \_\_\_\_\_ \*

### SUCCESSOR AGENCY TO THE PLACER COUNTY REDEVELOPMENT AGENCY 2015 SUBORDINATE TAX ALLOCATION REFUNDING BONDS, TAXABLE SERIES B

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† (Base _____)
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					

† Copyright 2015, CUSIP Global Services, and a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the Successor Agency nor the Underwriter assumes any responsibility for the accuracy of the CUSIP data.

\* Preliminary; Subject to change.

**SUCCESSOR AGENCY TO THE  
PLACER COUNTY REDEVELOPMENT AGENCY  
PLACER, CALIFORNIA**

**BOARD OF SUPERVISORS/SUCCESSOR AGENCY BOARD**

Kirk Uhler, *Chair*  
Robert Weygandt, *Vice Chair/Member*  
Jack Duran, *Supervisor/Member*  
Jim Holmes, *Supervisor/Member*  
Jennifer Montgomery, *Supervisor/Member*

**COUNTY/SUCCESSOR AGENCY STAFF**

David Boesch, *Chief Executive Officer*  
Holly Heinzen, *Chief Assistant County Executive Officer*  
Andrew Heath, *Deputy County Executive Director*  
Gerald O. Carden, *County Counsel*  
Jenine Windeshausen, *Treasurer-Tax Collector*  
Ann Holman, *Clerk of the Board*

**SPECIAL SERVICES**

**Municipal Advisor**

Del Rio Advisors, LLC  
Modesto, California

**Bond and Disclosure Counsel**

Jones Hall, A Professional Law Corporation  
San Francisco, California

**Fiscal Consultant**

Fraser & Associates  
Roseville, California

**Trustee**

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

**Verification Agent**

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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 2015 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.

**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 2015 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Project Areas since the date of this Official Statement.

**Use of this Official Statement.** This Official Statement is submitted in connection with the sale of the 2015 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 2015 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 2015 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 2015 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 2015 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 SUCCESSOR AGENCY 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 County maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

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**OFFICIAL STATEMENT**

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**SUCCESSOR AGENCY TO THE PLACER  
COUNTY REDEVELOPMENT AGENCY  
2015 SUBORDINATE TAX ALLOCATION  
REFUNDING BONDS, SERIES A**

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**SUCCESSOR AGENCY TO THE PLACER  
COUNTY REDEVELOPMENT AGENCY  
2015 SUBORDINATE TAX ALLOCATION  
REFUNDING BONDS, TAXABLE SERIES B**

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Placer County Redevelopment Agency (the "**Successor Agency**") of the Successor Agency to the Placer County Redevelopment Agency 2015 Subordinate Tax Allocation Refunding Bonds, Series A (the "**2015A Bonds**") and the Successor Agency to the Placer County Redevelopment Agency 2015 Subordinate Tax Allocation Refunding Bonds, Taxable Series B (the "**2015B Bonds**" and together with the 2015A Bonds, the "**2015 Bonds**").

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description and guide to, and is qualified by, the more complete and detailed information contained in the entire Official Statement including the cover page and the appendices, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2015 Bonds to potential investors is made only by means of the entire Official Statement.*

**Authority and Use of Proceeds**

**2015A Bonds.** The Successor Agency is issuing the 2015A Bonds pursuant to authority granted by the Constitution of the State of California (the "**State**"), Section 34177.5(a)(1) of the Health and Safety Code of the State, Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "**Refunding Law**") and an Indenture of Trust, dated as of August 1, 2015 (the "**Original Indenture**") by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**"). See "THE 2015 BONDS – Authority for Issuance."

The Successor Agency is issuing the 2015A Bonds in order to redeem and defease all or a portion of the following two outstanding series of bonds of the former Placer County Redevelopment Agency (the "**Former Agency**"):

- (i) all of the Placer County Redevelopment Agency North Lake Tahoe Redevelopment Project Tax Allocation Bonds, 2006 Series A, which were issued in the initial principal amount of \$15,765,000 (the "**2006 Series A Bonds**"), and currently outstanding in the principal amount of \$12,160,000; and
- (ii) a portion of the Placer County Redevelopment Agency North Auburn Redevelopment Project Tax Allocation Bonds, 2006 Series B, which were issued in the

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\* Preliminary; Subject to change.

initial principal amount of \$3,520,000 (the "**2006 Series B Bonds**"), and currently outstanding in the principal amount of \$2,695,000.

The remaining proceeds of the 2015A Bonds will be used to establish a debt service reserve account and pay the costs of issuing the 2015A Bonds.

**2015B Bonds.** The Successor Agency is issuing the 2015 Bonds pursuant to authority granted by the Constitution of the State, Section 34177.5(a)(1) of the Health and Safety Code of the State, the Refunding Law and the Original Indenture, as supplemented by a First Supplement to Indenture of Trust, dated as of August 1, 2015 (the "**First Supplement**") by and between the Successor Agency and the Trustee. The Original Indenture as supplemented by the First Supplement is referred to in this Official Statement as the "**Indenture.**" See "THE 2015 BONDS – Authority for Issuance."

The Successor Agency is issuing the 2015B Bonds in order to redeem and defease all or a portion of the following two outstanding series of bonds of the Former Agency:

(i) all of the Former Agency's Placer County Redevelopment Agency Housing Projects (Multiple Project Areas) Taxable Tax Allocation Bonds, 2006 Series C (Federally Taxable), which were issued in the initial principal amount of \$5,865,000 (the "**2006 Series C Bonds**"), and currently outstanding in the principal amount of \$5,440,000; and

(ii) the remaining portion of the Series 2006 Series B Bonds.

The remaining proceeds of the 2015B Bonds will be used to establish a debt service reserve account and to pay the costs of issuing the 2015B Bonds.

The 2006 Series A Bonds, the 2006 Series B Bonds and the 2006 Series C Bonds are referred to collectively in this Official Statement as, the "**Outstanding Prior Bonds.**"

### **The County and the Successor Agency**

**The County.** The County of Placer (the "**County**") encompasses approximately 1,500 square miles and is located approximately 80 miles northeast of San Francisco. The County is bordered by the State of Nevada on the east, Nevada County on the north, Yuba and Sutter Counties on the west and by Sacramento and El Dorado Counties on the south. The County is included in the four county Sacramento Metropolitan Statistical Area. There are six incorporated cities in the County, of which four, Auburn, Lincoln, Rocklin and Roseville, have populations of 10,000 or more, with Auburn being the County seat. The County is governed by a five-member Board of Supervisors elected by district with four-year alternating terms.

See "APPENDIX G – SUPPLEMENTAL INFORMATION – COUNTY OF PLACER." The 2015 Bonds are not an obligation of the County.

**Former Agency.** The Successor Agency is the successor entity to the Former Agency, which was dissolved under the Dissolution Act (described below). The Former Agency was a redevelopment agency with all of the powers vested in such entities under the California Community Redevelopment Law (the "**Redevelopment Law**"). The Board of Supervisors of the County (the "**Board of Supervisors**") was the legislative body of the Former Agency and is the governing board of the Successor Agency.

**Dissolution Act.** On June 29, 2011, Assembly Bill No. 26 (“**AB X1 26**”) was enacted, together with a companion bill, Assembly Bill No. 27 (“**AB X1 27**”). The provisions of AB X1 26 provided for the dissolution of all redevelopment agencies statewide as of February 1, 2012. The provisions of AB X1 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 (Cal. Dec. 29, 2011), challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 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 X1 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 of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 (“**AB 1484**”), enacted as Chapter 26, Statutes of 2012. The provisions of Part 1.85 are referred to in this Official Statement as the “**Dissolution Act.**” The Redevelopment Law and the Dissolution Act are sometimes referred collectively in this Official Statement as the “**Law.**”

**Successor Agency.** Pursuant to Section 34173 of the Dissolution Act, the County made an election to act as the successor agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public and legal entity from the County, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the County nor will the assets of the Former Agency become assets of the County.

### **The Redevelopment Plans and the Project Areas**

**Redevelopment Plans.** The Board of Supervisors of the County established the North Lake Tahoe Redevelopment Project (the “**North Lake Tahoe Project Area**”) and approved the Redevelopment Plan for the North Lake Tahoe Redevelopment Project (the “**Original North Lake Tahoe Redevelopment Plan**”) and as amended from time to time, the “**North Lake Tahoe Redevelopment Plan**”) pursuant to Ordinance No. 4753-B, adopted on July 16, 1996. The Original North Lake Tahoe Redevelopment Plan has been amended once since adoption. See “THE PROJECT AREAS – The Redevelopment Plans” for more information about the North Lake Tahoe Redevelopment Plan.

The Board of Supervisors of the County established the North Auburn Redevelopment Project (the “**North Auburn Project Area**”) and approved the Redevelopment Plan for the North Auburn Redevelopment Project (the “**Original North Auburn Redevelopment Plan**”) and as amended from time to time, the “**North Auburn Redevelopment Plan**”) pursuant to Ordinance No. 4832-B, adopted on June 24, 1997. The Original North Auburn Redevelopment Plan has been amended once since adoption. See “THE PROJECT AREAS – The Redevelopment Plans” for more information about the North Auburn Redevelopment Plan.

The Board of Supervisors of the County established the Sunset Industrial Redevelopment Project (the “**Sunset Industrial Project Area**”) and together with the North Lake Tahoe Project Area and the North Auburn Project Area, the “**Project Areas**” and each a,

"Project Area") and approved the Redevelopment Plan for the Sunset Industrial Redevelopment Project (the "**Original Sunset Industrial Redevelopment Plan**" and as amended from time to time, the "**Sunset Industrial Redevelopment Plan**") pursuant to Ordinance No. 4835-B, adopted on June 24, 1997. The Original Sunset Industrial Redevelopment Plan has been amended once since adoption. The North Lake Tahoe Redevelopment Plan, the North Auburn Redevelopment Plan and the Sunset Industrial Redevelopment Plan are referred to collectively in this Official Statement as, the "**Redevelopment Plans.**" See "THE PROJECT AREAS – The Redevelopment Plans" for more information about the Sunset Industrial Redevelopment Plan.

**Project Areas.** The North Lake Tahoe Project Area is composed of approximately 1,731 acres of land (or approximately 0.18 percent of land within the County) and is largely used for residential and commercial purposes.

The North Auburn Project Area is composed of approximately 2,734 acres of land (or approximately 0.28 percent of land within the County) and is largely used for commercial, residential and industrial purposes, with some commercial and professional office uses.

The Sunset Industrial Project Area consists of approximately 2,580 acres of land (or 0.27 percent of land within the County) and is largely used for light and heavy industrial purposes and includes vacant land.

See "THE PROJECT AREAS - Project Description."

### **Tax Allocation Financing**

Prior to the enactment of AB X1 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues, and the Placer County Auditor-Controller (the "**County-Auditor Controller**") apportioned tax increment revenue to all redevelopment agencies as described in the Redevelopment Law. 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 dropped 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**

Section 34177.5(a)(1) authorizes the issuance of refunding bonds to provide debt service savings, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance.

The Dissolution Act authorizes each successor agency to issue refunding bonds secured by a pledge of, and lien on, the revenues that were pledged to the bond or other indebtedness being refunded as well as from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (defined below) established by the county auditor-controller for the successor agency by the Dissolution Act. See "SECURITY FOR THE 2015 BONDS."

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

### **Security for the 2015 Bonds**

The 2015 Bonds are payable only from Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and moneys in certain funds and accounts held by the Trustee under the Indenture, as described in this Official Statement. See "Limited Obligation" below.

The Dissolution Act requires the County Auditor-Controller to annually determine the amount of property taxes that would have been allocated to the Former Agency from the Project Areas had the Former Agency not been dissolved pursuant to the operation of AB X1 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 (the "**Redevelopment Property Tax Trust Fund**") 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 dissolved Former Agency, with the same lien priority and legal effect as if such bonds had been issued prior to the effective date of AB X1 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 2015 BONDS – Recognized Obligation Payment Schedules").

The Dissolution Act further provides that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the 2015 Bonds, are taxes allocated to the successor agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Under the Dissolution Act, property tax revenues are allocated to the Successor Agency on a semi-annual basis (on 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 State Department of Finance (the "**DOF**"). The County Auditor-Controller distributes 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 2015 BONDS – Recognized Obligation Payment Schedules."

In accordance with the Dissolution Act, the term "**Tax Revenues**" is defined under the Indenture as all moneys deposited in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act, *excluding* (i) for each Outstanding Loan (as defined below), (A) the amount pledged under the [applicable] Outstanding Loan Agreement (as defined below) to make payments on such Outstanding Loan, but only to the extent required to make such payments and (B) if there is no pledge under the Outstanding Loan Agreement, the amount payable under the Outstanding Loan Agreement, and (ii) amounts payable pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law,

except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the Bonds (see "SECURITY FOR THE 2015 BONDS - Statutory Pass-Through Payments"). For purposes of illustrating the scope of the exclusion set forth in clause (i) of the preceding sentence, if the amounts pledged for repayment of an Outstanding Loan under an Outstanding Loan Agreement are tax increment revenues from a specific Project Area, then the amount excluded by clause (i) is only the tax increment from such Project Area that is actually used to make payments on such Outstanding Loan; clause (i) does not exclude either (A) tax increment revenue from such Project Area that is not used to make payments on such Outstanding Loan or (B) tax increment revenue from other Project Areas of the Successor Agency that are not pledged for repayment of such Outstanding Loan but that, under the Dissolution Act, might otherwise be available to pay make payments on such Outstanding Loan if the pledged revenues are not sufficient to make the payments.

The Successor Agency's statutory pass-through obligations are discussed in "SECURITY FOR THE 2015 BONDS."

#### **Existing Senior Debt; Future Parity Debt**

**Existing Senior Debt.** When the 2015 Bonds are issued, the Successor Agency will remain obligated pursuant to the following loans (each an "**Outstanding Loan**" and collectively, the "**Outstanding Loans**"):

(i) a loan secured by a pledge of tax increment revenues generated in the North Lake Tahoe Project Area in the original principal amount of \$312,000 by the California Infrastructure and Economic Development Bank ("**CIEDB**") pursuant to a Tax Allocation Loan Agreement, dated as of March 1, 2005, by and between the Former Agency and CIEDB, and currently outstanding in the principal amount of \$\_\_\_\_\_;

(ii) a loan secured by a pledge of tax increment revenues generated in the North Auburn Project Area in the original principal amount of \$1,500,000 by CIEDB pursuant to a Tax Allocation Loan Agreement, dated as of July 1, 2006, by and between the Former Agency and CIEDB, and currently outstanding in the principal amount of \$\_\_\_\_\_; and

(iii) a loan secured by a pledge of tax increment revenues generated in the North Lake Tahoe Project Area in the original principal amount of \$600,000 by CIEDB pursuant to a Tax Allocation Loan Agreement, dated as of September 1, 2007, by and between the Former Agency and CIEDB, and currently outstanding in the principal amount of \$\_\_\_\_\_.

Debt service on the Outstanding Loans is payable from property tax revenues generated in the applicable Project Areas on a senior basis to the 2015 Bonds.

The tax allocation loan agreements pursuant to which the Outstanding Loans were made are referred to in this Official Statement as the "**Outstanding Loan Agreements**" and each an "**Outstanding Loan Agreement**."

**Future Parity Debt.** The Indenture authorizes the Successor Agency to issue additional bonds and other indebtedness payable from Tax Revenues on a parity with the 2015 Bonds for refunding purposes only. See "THE 2015 BONDS - Future Parity Debt."

The Successor Agency may not issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the 2015 Bonds and any Parity Debt.

### **Limited Obligation**

The 2015 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, including all of the Tax Revenues in the Redevelopment Retirement Obligation Fund and moneys in certain funds and accounts established under the Indenture. The principal of and interest on the 2015 Bonds are not a debt of the County, the State or any of their political subdivisions except the Successor Agency, and none of the County, the State nor any of their political subdivisions except the Successor Agency are liable thereon. The principal of and interest on the 2015 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 Board of Supervisors of the County or any person executing the 2015 Bonds is liable personally on the 2015 Bonds by reason of their issuance.

### **Debt Service Reserve Account**

A portion of the proceeds of the 2015 Bonds will fund a deposit of \$\_\_\_\_\_ to satisfy the "Reserve Requirement," as defined in the Indenture; in the alternative, the Reserve Requirement may be met with the deposit of a debt service reserve account surety bond or policy. See "SECURITY FOR THE 2015 BONDS – Debt Service Reserve Account."

### **Application for Bond Insurance and Reserve Account Surety Bond**

The Successor Agency has made application for bond insurance for the 2015 Bonds and for a reserve account surety bond. Should the Successor Agency select a bond insurer and/or reserve account surety provider, then the Successor Agency will release such information prior to the offering of the 2015 Bonds, and the Official Statement, including the summary of legal documents included in Appendix A, will be revised to reflect the terms of the commitment to issue such policies.

### **Professionals Involved in the Offering**

Fraser & Associates 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 2015 Bonds as described in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the "Fiscal Consultant's Report" and is attached as Appendix H.

Del Rio Advisors, LLC has acted as municipal advisor to the Successor Agency (the "Municipal Advisor").

\_\_\_\_\_ is acting as Verification Agent with respect to the proposed refunding of the Prior Bonds.

The Bank of New York Mellon Trust Company, N.A., San Francisco, California, will act as Trustee with respect to the 2015 Bonds.

Southwest Securities (the "**Underwriter**"), is underwriting the 2015 Bonds.

All proceedings in connection with the issuance of the 2015 Bonds are subject to the approval of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the Successor Agency. Jones Hall is also acting as Disclosure Counsel. The County Counsel, as general counsel to the Successor Agency, will render certain opinions on behalf of the Successor Agency. Certain legal matters will be passed on for the Underwriter by Norton Rose Fullbright US LLP, Los Angeles, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor and Underwriter's Counsel is contingent upon the sale and delivery of the 2015 Bonds.*

#### **Further Information**

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2015 Bonds, the Indenture, the Successor Agency, the Former Agency, the Redevelopment Plans, the Project Areas and the County 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 2015 Bonds, the Indenture, the Redevelopment Plans, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency and the County are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the 2015 Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings given to such terms as set forth in the Indenture.

During the period of the offering of the 2015 Bonds, copies of the draft forms of all documents are available from the Underwriter or the County Clerk of the Board, County of Placer, 175 Fulweiler Ave, Auburn, California 95603.

## REFUNDING PLAN

### Redemption of Outstanding Prior Bonds

#### **Redemption of all 2006 Series A Bonds and Portion of 2006 Series B Bonds.**

Pursuant to the Escrow Deposit and Trust Agreement (the "**Escrow Agreement**"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow agent (in such capacity, the "**Escrow Bank**"), the Successor Agency will deliver a portion of the proceeds of the 2015A Bonds, along with other available amounts, to the Escrow Bank for deposit in a subaccount (the "**Tax-Exempt Bonds Escrow Subaccount**") of an escrow fund established under the Escrow Agreement (the "**Escrow Fund**").

The Escrow Bank will hold amounts in the Tax-Exempt Bonds Escrow Subaccount uninvested. From the moneys on deposit in the Tax-Exempt Bonds Escrow Subaccount, the Escrow Bank will pay, on or about August 1, 2015, the outstanding principal amount of all of the 2006 Series A Bonds, the outstanding principal amount of a portion of the 2006 Series B Bonds and the accrued interest thereon to the redemption date.

Pursuant to the 2006 Series A Bonds Indenture and the 2006 Series B Bonds Indenture (as such terms are defined below), all of the outstanding 2006 Series A Bonds and a portion of the outstanding 2006 Series B Bonds, respectively, will be deemed to have been defeased upon deposit with the trustees of such bonds or other fiduciary, in trust, of money which, together with the available amounts then on deposit in the funds and accounts established pursuant to the 2006 Series A Bonds Indenture and the 2006 Series B Bonds Indenture is fully sufficient to pay all of the outstanding 2006 Series A Bonds and a portion of the outstanding 2006 Series B Bonds, including all principal, interest and redemption premiums thereon.

*The amounts held by the Escrow Bank in the Tax-Exempt Bonds Escrow Subaccount are pledged solely to the amounts due and payable by the Successor Agency under (i) the Indenture of Trust dated as of August 1, 2006, between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee for the 2006 Series A Bonds (the "**2006 Series A Bonds Indenture**") and (ii) the Indenture of Trust dated as of August 1, 2006, between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee for the 2006 Series B Bonds (the "**2006 Series B Bonds Indenture**"). The funds deposited in the Tax-Exempt Bonds Escrow Subaccount will not be available for the payment of debt service with respect to the 2015 Bonds.*

#### **Redemption of all 2006 Series C Bonds and Remaining 2006 Series B Bonds.**

Pursuant to the Escrow Agreement, the Successor Agency will deliver a portion of the proceeds of the 2015B Bonds, along with other available amounts, to the Escrow Bank for deposit in a subaccount (the "**Taxable Bonds Escrow Subaccount**") of the Escrow Fund.

The Escrow Bank will hold amounts in the Taxable Bonds Escrow Subaccount uninvested. From the moneys on deposit in the Taxable Bonds Escrow Subaccount, the Escrow Bank will pay, on or about August 1, 2015, the outstanding principal amount of all of the 2006 Series C Bonds, the outstanding principal amount of the remaining portion of the 2006 Series B Bonds and the accrued interest thereon to the redemption date.

Pursuant to the 2006 Series C Bonds Indenture (as such term is defined below) and the 2006 Series B Bonds Indenture (as such terms are defined below), all of the outstanding 2006 Series C Bonds and the remaining portion of the 2006 Series B Bonds, respectively, will be

deemed to have been defeased upon deposit with the trustee thereof or other fiduciary, in trust, of money which, together with the available amounts then on deposit in the funds and accounts established pursuant to the 2006 Series C Bonds Indenture and the 2006 Series B Bonds Indenture is fully sufficient to pay the outstanding 2006 Series C Bonds and the remaining portion of the 2006 Series B Bonds, including all principal, interest and redemption premiums thereon.

*The amounts held by the Escrow Bank in the Taxable Bonds Escrow Subaccount are pledged solely to the amounts due and payable by the Successor Agency under (i) the Indenture of Trust dated as of August 1, 2006, between the Former Agency and The Bank of New York Mellon Trust Company, N.A., as trustee for the 2006 Series C Bonds (the "**2006 Series C Bonds Indenture**") and together with the 2006 Series A Bonds Indenture and the 2006 Series B Bonds Indenture, the "**Prior Indentures**") and the (ii) the 2006 Series B Bonds Indenture. The funds deposited in the Taxable Bonds Escrow Subaccount will not be available for the payment of debt service with respect to the 2015 Bonds.*

### **Verification of Mathematical Accuracy**

The sufficiency of the deposits in the Escrow Fund and the subaccounts therein for those purposes will be verified by \_\_\_\_\_ (the "**Verification Agent**"). Assuming the accuracy of the Verification Agent's computations, as a result of the deposit and application of funds as provided in the Escrow Fund, the Successor Agency's obligations under the Prior Indentures will be discharged.

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.

**Estimated Sources and Uses of Funds**

The estimated sources and uses of funds are summarized below.

	<u>2015A Bonds</u> Amount	<u>2015B Bonds</u> Amount
<b>Sources:</b>		
Principal Amount		
<i>Plus:</i> Original Issue Premium		
<i>Plus:</i> 2006 Series A Bonds- Available Funds		
<i>Plus:</i> 2006 Series B Bonds- Available Funds		
<i>Plus:</i> 2006 Series C Bonds- Available Funds		
<i>Less:</i> Underwriter's Discount		
<b>Total Sources</b>		
<b>Uses:</b>		
Redeem 2006 Series A Bonds		
Redeem 2006 Series B Bonds		
Redeem 2006 Series C Bonds		
Reserve Account		
Costs of Issuance Fund <sup>(1)</sup>		
<b>Total Uses</b>		

(1) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Fiscal Consultant, Municipal Advisor, Trustee, [premium for bond insurance and a reserve account surety bond, if any,] Successor Agency administrative staff, County Counsel as general counsel to the Successor Agency, printing expenses, rating fee and other costs related to the issuance of the 2015 Bonds.

**Debt Service Schedule**

The following table shows the annual debt service schedule for the 2015 Bonds, assuming no optional redemption of the 2015A Bonds.

Bond Year Ending August 1	2015A Bonds Principal	2015A Bonds Interest	2015B Bonds Principal	2015B Bonds Interest	Total Debt Service
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
<b>Total</b>					

## THE 2015 BONDS

### Authority for Issuance

The issuance of the 2015 Bonds and the execution and delivery of the Indenture were authorized by the Successor Agency pursuant to Resolution No. 2015-029 adopted on February 3, 2015 (the "**Resolution**"), and approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 2015-03 adopted on February 3, 2015 (the "**Oversight Board Resolution**").

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF.

On \_\_\_\_\_, 2015, 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 2015 Bonds is approved by the DOF. See "APPENDIX F – STATE DEPARTMENT OF FINANCE APPROVAL LETTER."

Section 34177.5(f) 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 2015 Bonds

The 2015 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 2015 Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the "**Closing Date**") and mature on August 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the 2015 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 February 1 and August 1 in each year (each an, "**Interest Payment Date**"), commencing on February 1, 2016, 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 2015 Bonds, by wire transfer to an account in the United States which will be designated in written instructions by such Owner to the Trustee on or before the Record Date preceding the applicable Interest Payment Date. "**Record Date**" as defined in the Indenture 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) day is a Business Day.

One fully-registered bond will be issued for each maturity of the 2015 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX C – BOOK-ENTRY ONLY SYSTEM."

## Redemption

**Optional Redemption.** The 2015A Bonds maturing on or before August 1, 2025 are not subject to optional redemption prior to maturity. The 2015A Bonds maturing on and after August 1, 2026, are subject to redemption, at the option of the Successor Agency on any date on or after August 1, 2025, as a whole or in part, by such maturities as shall be determined by the Successor Agency, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the 2015A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The 2015B Bonds are not subject to redemption prior to their stated maturity.

**Notice of Redemption.** The Trustee on behalf and at the expense of the Successor Agency shall mail (by first class mail, postage prepaid) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) to the Owners of any 2015A Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and to the Information Services; but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such 2015A Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall state that such redemption is conditioned upon the timely delivery of the redemption price by the Successor Agency to the Trustee for deposit in the Redemption Account, shall designate the CUSIP number of the 2015A Bonds to be redeemed, shall state the individual number of each 2015A Bond to be redeemed or shall state that all 2015A Bonds between two stated numbers (both inclusive) or all of the 2015A Bonds Outstanding are to be redeemed, and shall require that such 2015A Bonds be then surrendered at the Principal Corporate Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such 2015A Bonds will not accrue from and after the redemption date.

The Successor Agency has the right to rescind any notice of the optional redemption of 2015A Bonds by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2015A Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The Successor Agency and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Upon the payment of the redemption price of 2015A Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2015A Bonds being redeemed with the proceeds of such check or other transfer.

**Partial Redemption of 2015A Bonds.** In the event only a portion of any 2015A Bond is called for redemption, then upon surrender of such 2015A Bond the Successor Agency shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Successor Agency, a new 2015A Bond or 2015A Bonds of the same interest rate and maturity, of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2015A Bond to be redeemed.

**Effect of Redemption.** From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the 2015A Bonds so called for redemption shall have been duly deposited with the Trustee, such 2015A Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

**Manner of Redemption.** Whenever any 2015A Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof to the extent 2015A Bonds are no longer held in book-entry form. In the event of redemption by lot of 2015A Bonds, the Trustee shall assign to each 2015A Bond then Outstanding a distinctive number for each \$5,000 of the principal amount of each such Bond. The 2015A Bonds to be redeemed shall be the 2015A Bonds to which were assigned numbers so selected, but only so much of the principal amount of each such 2015A Bond of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. All 2015A Bonds redeemed or purchased pursuant to the Indenture shall be cancelled and destroyed.

#### **Existing Senior Debt; Future Parity Debt**

**Existing Senior Debt.** Following the issuance of the 2015 Bonds and the defeasance of the Outstanding Prior Bonds, the Outstanding Loans will remain outstanding and will be payable from property tax revenues generated in the Project Areas on a senior basis to the 2015 Bonds. See "INTRODUCTION – Existing Senior Debt; Future Parity Debt."

**Future Parity Debt.** The Indenture authorizes the Successor Agency to issue or incur additional bonds, loans, notes, advances or indebtedness payable from Tax Revenues on a parity basis with the 2015 Bonds for refunding purposes only (such additional bonds, loans, notes, advances or indebtedness hereinafter referred to as, "**Parity Debt**"), so long as such Parity Debt is issued in compliance with the refunding provisions of the Dissolution Act.

**Subordinate Debt.** The Indenture permits the Successor Agency to issue or incur bonds, notes, loans, advances or other indebtedness that are either: (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues; or (b) secured by a pledge of or lien upon the Tax Revenues that is subordinate to (i) the pledge of and lien upon the Tax Revenues hereunder for the security of the 2015 Bonds, (ii) the Successor Agency's obligation to pay Policy Costs to an issuer of a municipal bond debt service reserve insurance policy pursuant to the Indenture and (iii) the Successor Agency's obligation to reimburse the provider of a letter of credit, surety bond or similar instrument for the debt service reserve account for any Parity Debt.

The Successor Agency may not issue additional bonds or incur additional obligations that are payable from moneys deposited in the Redevelopment Property Tax Trust Fund on a senior basis to the 2015 Bonds and any Parity Debt.

## 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 X1 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 X1 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 2015 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 2015 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 Plans, taxes levied upon taxable property in the Project Areas 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 Redevelopment Plans, or the respective effective dates of ordinances approving amendments to the applicable Redevelopment Plan that added territory to the applicable Project Area, if any, 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 Project Areas 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 applicable Project Area, if any (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 Redevelopment 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 2015 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.

## SECURITY FOR THE 2015 BONDS

The County Auditor-Controller will deposit property tax revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Dissolution Act, including *inter alia* Health and Safety Code sections 34183 and 34170.5(b). The 2015 Bonds are payable from and secured by the Tax Revenues to be derived from the Project Areas, including all of the Tax Revenues in the Redevelopment Obligation Retirement Fund and moneys in certain funds and accounts established under the Indenture as described below.

### Pledge Under the Indenture

Pursuant to Section 34177.5(g) of the Dissolution Act, except as required to compensate or indemnify the Trustee, the 2015 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 and all of the moneys in the Debt Service Fund, the Interest Account, the Principal Account and the Reserve Account, 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 2015 Bonds.

In consideration of the acceptance of the 2015 Bonds by those who shall hold the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Owners from time to time of the 2015 Bonds, and the covenants and agreements set forth in the Indenture 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 2015 Bonds without preference, priority or distinction as to security or otherwise of any of the 2015 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

**Definition.** "Tax Revenues" is defined under the Indenture as all moneys deposited in the Redevelopment Property Tax Trust Fund, as provided in paragraph (2) of subdivision (a) of Section 34183 of the Dissolution Act, *excluding* (i) for each Outstanding Loan (as defined above), (A) the amount pledged under the applicable Outstanding Loan Agreement (as defined above) to make payments on such Outstanding Loan, but only to the extent required to make such payments and (B) if there is no pledge under the Outstanding Loan Agreement, the amount payable under the Outstanding Loan Agreement, and (ii) amounts payable pursuant to Sections 33607.5 and 33607.7 of the Redevelopment Law, except and to the extent that any amounts so payable are payable on a basis subordinate to the payment of the 2015 Bonds (see and "INTRODUCTION – Security for the 2015 Bonds" and "SECURITY FOR THE 2015 BONDS – Statutory Pass-Through Payments").

**Housing Set-Aside.** Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in the Project Areas 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 eliminates the characterization of certain tax increment revenues as Housing Set-Aside. As a result, and because the Successor Agency has no obligations that will be payable from Housing Set-Aside after the issuance of the 2015 Bonds, the former Housing Set-Aside is available to pay debt service on the 2015 Bonds; the projection of Tax Revenues prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE PROJECT AREAS – Projected Tax Revenues and Estimated Debt Service Coverage," assumes the availability of the former Housing Set-Aside for this purpose.

### **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 in the Indenture to hold and maintain the Redevelopment Obligation Retirement Fund as long as any of the 2015 Bonds are Outstanding.

**Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund.** The Indenture provides that the Successor Agency will 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 with respect to a Bond Year in excess of the amount required to pay debt service on the 2015 Bonds and any Parity Debt, and except as may be provided to the contrary in any Outstanding Loan Agreement or Parity Debt Instrument, will be released from the pledge and lien under the Indenture and will be applied in accordance with the Law, including but not limited to the payment of any amounts due and owing to the United States of America pursuant to the Indenture. Prior to the payment in full of the principal of and interest and premium, if any, on the 2015 Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency will 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.** The Trustee will create and hold the Interest Account, the Principal Account, the Reserve Account and the Redemption Account within the Debt Service Fund. 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 fourth (4th) 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 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. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the 2015 Bonds and any Parity Debt as it shall become due and payable.

**Principal Account.** On or before the fourth (4th) Business Day preceding August 1 in each year beginning August 1, 2016, 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, including the aggregate principal amount of the Term Bonds required to be redeemed pursuant to a Supplemental Indenture, on the next August 1. 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 August 1 on all of the Outstanding Bonds. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the 2015 Bonds and any Parity Debt, including the aggregate principal amount of the Term Bonds required to be redeemed pursuant to a Supplemental Indenture, as it shall become due and payable.

Reserve Account. Within the Debt Service Fund there will be established a separate account known as the "Reserve Account" solely as security for payments on the 2015 Bonds payable by the Successor Agency pursuant to the Indenture, which will be held by the Trustee in trust for the benefit of the Owners of the 2015 Bonds. The Reserve Requirement for the 2015 Bonds may be satisfied by the delivery of a debt service reserve account surety bond or policy to the Trustee on the Closing Date.

Redemption Account. On or before the Business Day preceding any date on which 2015A Bonds or any Parity Debt are to be redeemed pursuant to the optional redemption provisions of the Indenture, the Trustee shall 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 and premium, if any, on the 2015A Bonds to be redeemed on such date pursuant to the Indenture and similar provisions in one or more Supplemental Indentures. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the 2015A Bonds or any Parity Debt to be redeemed pursuant to Section 2.03(a) and similar provisions in one or more Supplemental Indentures on the date set for such redemption. Interest due on 2015 Bonds or any Parity Debt to be redeemed on the date set for redemption shall, if applicable, be paid from funds available therefor in the Interest Account.

#### **Debt Service Reserve Account**

***Definition of Reserve Requirement.*** The Indenture defines "**Reserve Requirement**" to mean \$\_\_\_\_\_. The Reserve Requirement for the 2015 Bonds may be satisfied by the delivery of a debt service reserve account surety bond or policy on the Closing Date with respect to the 2015 Bonds.

***Use of Moneys in the Reserve Account.*** Amounts 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 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 2015 Bonds then Outstanding. In the event the Reserve Requirement for the 2015 Bonds is satisfied by the delivery of a debt service reserve account surety bond or policy on the Closing Date, the Successor Agency will not be obligated to replace any such policy or to fund the Reserve Account with cash if, at any time that the 2015 Bonds are Outstanding, amounts are not available under such policy.

## Limited Obligation

The 2015 Bonds are not a debt of the County, the State or any of their political subdivisions except the Successor Agency, and none of the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The 2015 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 personally liable for the payment of the principal of or interest on the 2015 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.

## Recognized Obligation Payment Schedules

**Submission of Recognized Obligation Payment Schedule.** Not less than 90 days prior to each January 2 and June 1 (or such other date specified in the Law as amended after the date of this Official Statement), 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.

**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 below under "SECURITY FOR THE 2015 BONDS - Statutory Pass-Through Payments") and no later than each January 2 and June 1, to each local successor agency and school entity, to the extent applicable, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

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

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

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

**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.

**Relevant Covenant by the Successor Agency.** The Successor Agency covenants in the Indenture to comply with all of the requirements of the Law. Pursuant to Section 34177 of the Redevelopment Law, not less than 90 days prior to each January 2 and June 1, the Successor Agency will submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule.

The Successor Agency further covenants in the Indenture to take all actions required under the Law to include in a Recognized Obligation Payment Schedule for each Semiannual Period payments due on the Outstanding Loans, as applicable, all Policy Costs and debt service on the 2015 Bonds and any Parity Debt that does not constitute 2015 Bonds, so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund on each January 2 and June 1 amounts required to enable the Successor Agency to pay timely payments on the Outstanding Loans, all Policy Costs and the principal of, and interest on, the 2015 Bonds and any Parity Debt coming due with respect the applicable Semiannual Period, including inclusion on the applicable Recognized Obligation Payment Schedule of (a) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedules attached to the Indenture and hereby made a part hereof or as such Schedule may be hereafter amended and (b) the amounts of debt service set forth in the Recognized Obligation Debt Service Schedule attached to any Supplemental Indenture or as such Schedule may be amended after the date of the

Indenture, and the inclusion of any amount required to be deposited in the Reserve Account, in order to maintain in the Reserve Account the amount of the Reserve Requirement. Such actions shall further include, without limitation, placing on the periodic Recognized Obligation Payment Schedules for approval by the Oversight Board and the DOF, the amounts to be held by the Successor Agency as a reserve until the next Semiannual 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 for the next payment due in the following Semiannual Period. Notwithstanding anything to the contrary in the Indenture, the Successor Agency will include in the Recognized Obligation Payment Schedule for the January 2 distribution, (i) the annual principal and interest payment amount on the Outstanding Loans, (ii) interest on the 2015 Bonds and other Parity Debt coming due on February 1, (iii) 50% of the principal payment on the 2015 Bonds coming due on August 1 and (iv) all Policy Costs due in the applicable Semiannual Period. The Recognized Obligation Debt Service Schedule shall not be amended except by Supplemental Indenture entered into pursuant to the Indenture.

The Successor Agency further covenants that it will, on or before May 1 and December 1 of each year, file a Notice of Insufficiency with the County Auditor-Controller if the amount of Tax Revenues available to the Successor Agency from the Redevelopment Property Tax Trust Fund on the upcoming July 1 or January 2, as applicable, is insufficient to pay debt service on the 2015 Bonds, to pay debt service on any Parity Debt and to deposit into the Reserve Account an amount required in order to maintain in the Reserve Account the amount of the Reserve Requirement.

The DOF has indicated that it plans to introduce legislation to the California Legislature in 2015 intended to amend the Dissolution Act to change the process and timing of submission of Recognized Obligation Payment Schedules for approval to the Oversight Board and the DOF. In the event the provisions set forth in the Dissolution Act as of the Closing Date of the 2015 Bonds that relate to the filing of Recognized Obligation Payment Schedules are amended or modified in any manner, the Successor Agency further agrees to take all such actions as are necessary to comply with such amended or modified provisions so as to ensure the timely payment of debt service on the 2015 Bonds and, if the timing of distributions of the Redevelopment Property Tax Trust Fund is changed, the receipt of (i) not less than one of half of debt service due during each Bond Year on all Outstanding Bonds prior to February 1 of such Bond Year, and (ii) the remainder of debt service due during such Bond Year on all Outstanding Bonds prior to the next succeeding August 1.

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 2015 Bonds. See "RISK FACTORS."

***History of Submission of the Recognized Obligation Payment Schedules.*** The Successor Agency has procedures in place to ensure full and timely compliance with the above-described covenant. Under the direction of the Placer County Treasurer-Tax Collector, the Successor Agency has submitted its Recognized Obligation Payment Schedules on a timely basis with some exceptions, as described below.

	<u>Funding Period</u>	<u>ROPS Approved by Oversight Board</u>	<u>Approved ROPS Submitted to DOF</u>	<u>Deadline to Submit ROPS to DOF</u>	<u>ROPS Submitted On Time?</u>
ROPS I	1/1/12-6/30/12	N/A <sup>(1)</sup>	4/6/12	4/15/12	Yes
ROPS II	7/1/12-12/31/12	N/A <sup>(1)</sup>	5/24/12	5/15/12	No
ROPS III	1/1/13-6/30/13	8/14/12	8/22/12	9/4/12	Yes
ROPS 2013-14A	7/1/13-12/31/13	2/20/13	2/20/13	3/1/13	Yes
ROPS 2013-14B	1/1/14-6/30/14	8/27/13	9/6/13	10/1/13	Yes
ROPS 2014-15A	7/1/14-12/31/14	2/26/14	3/3/14	3/1/14	No
ROPS 2014-15B	1/1/15-6/30/15	9/3/14	9/30/14	10/3/14	Yes
ROPS 2015-16A	7/1/15-12/31/15	2/25/15	3/4/15	3/3/15	No

(1) Successor Agency was unable to locate dates respective ROPS were approved by Oversight Board.

In addition, there are strong incentives for the Successor Agency to submit Recognized Obligation Payment Schedules on time. If the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board and the DOF at least 90 days prior to each January 2 and June 1, then the Successor Agency will be subject to a \$10,000 per day civil penalty for every day the schedule is late. Additionally, if the Successor Agency does not submit a Recognized Obligation Payment Schedule to the Oversight Board and the DOF at least 80-days prior to each January 2 and June 1, then the Successor Agency's administrative cost allowance may be reduced by up to 25%. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications for the 2015 Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedules."

### **No Negotiated Pass-Through Agreements**

The Redevelopment Law authorized the Former Agency to enter into negotiated pass-through agreements with taxing agencies whose territory was located within the Project Areas to alleviate the financial burden or detriment caused by the Redevelopment Project. The Redevelopment Law as amended by ABx1 26 and AB 1484 requires that the County calculate and pay the tax sharing obligations of the former redevelopment agencies as part of the process of allocating revenue from the Redevelopment Property Tax Trust Fund each January 2 and June 1. The legislation requires that the calculations be done in the same manner as prior to January 1, 2011. The Former Agency did not enter into any pass-through agreements.

### **Section 33676 Payments**

**General.** Pursuant to former Health and Safety Code Section 33676, taxing entities were permitted to elect to receive, in addition to the taxes allocated to them pursuant to Health and Safety Code Section 33670(a), the amount of taxes that would otherwise be allocated to the Former Agency pursuant to Health and Safety Code Section 33670(b) attributable to (i) any increase in the taxing entity's tax rate and (ii) in certain circumstances, the annual inflation adjustment in the assessed valuation of the secured property within a project area.

In *Santa Ana Unified School District v. Orange County Development Agency*, the State Court of Appeal clarified that payments to school districts pursuant to Section 33676 are mandatory notwithstanding the failure of any such school district to elect to receive such payments. In addition, pursuant to former Health and Safety Code Section 33676(b), local education agencies that were basic aid districts or offices at the time the ordinance adopting a redevelopment plan was adopted and received no state funding, other than pursuant to Section 6 of Article IX of the State Constitution, pursuant to Section 2558, 42238, or 84751, as

appropriate, of the Education Code, are entitled to receive their share of the growth in assessed value due to inflation pursuant to Section 33676(b) of the Health and Safety Code.

**Effect of Section 33676.** Any payments under Section 33676 reduce the amount of tax increment allocated to the Successor Agency and, therefore, the amount of Tax Revenues.

**Relevance to the Project Areas.** With respect to each Project Area, the Placer County Superintendent of Schools is receiving payments pursuant to Section 33676. No other payments consisting of tax revenues from the Project Areas are being made to taxing entities pursuant to Section 33676. See "APPENDIX H - FISCAL CONSULTANT'S REPORT" for further information.

### **Statutory Pass-Through Payments**

**General.** In certain circumstances, Sections 33607.5 and 33607.7 of the Redevelopment Law require redevelopment agencies and successor agencies to make statutory pass-through payments to taxing agencies whose territory is located within a redevelopment project area, to alleviate the financial burden or detriment caused by the redevelopment project.

Generally speaking, the County Auditor-Controller is required to deduct from the Successor Agency's Redevelopment Property Tax Trust Fund to pay to the affected taxing agencies percentages of tax increment generated in a project area as follows:

Tier 1: throughout the period that the Successor Agency is eligible to receive property tax revenues from a project area, 25% of revenues in excess of revenues generated in such project area from the date the redevelopment plan for such project area was adopted, for post-1994 plans, and as of the initial redevelopment plan amendment that triggered the pass-through requirement, for pre-1994 plans with such amendments, all computed as though housing set-aside is still in effect; plus,

Tier 2: for the 11th year of the receipt of tax increment and thereafter, 21% of revenues in excess of revenues based on assessed values in the project area for the 10th year of statutory pass-through payments; plus,

Tier 3: for the 31st year of the receipt of tax increment and thereafter, 14% of revenues in excess of revenues based on assessed values in the project area for the 30th year of statutory pass-through payments.

**Statutory Pass-Through Obligations in the Project Areas.** In 1993, the State Legislature enacted Assembly Bill 1290 ("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. Under AB 1290, redevelopment agencies were required to commence making pass-through payments under Section 33607.7 of the Redevelopment Law to certain taxing entities with respect to project areas formed on or before 1993, upon amendment of the related redevelopment plans to extend the time during which the redevelopment agency could incur debt, extend the last day the redevelopment agency could incur debt with respect to such project areas, to extend the life of the redevelopment plan or to increase the tax increment limit.

Under AB 1290, statutory pass-through payments were required to commence in the first year following the year in which the first of the revised limits would otherwise have gone into

effect. With respect to project areas formed or territory added to existing project areas after 1993, AB 1290 required redevelopment agencies to commence making pass-through payments under 33607.7 of the Redevelopment Law upon formation of such project areas.

As each of the Project Areas was formed after 1993, the Former Agency was required to commence making statutory pass-through payments with respect to each Project Area upon formation.

***No Subordination of Statutory Pass-Through Payments.*** Statutory pass-through payments are payable on a senior basis to debt service on bonds under the Dissolution Act, unless the pass-through payments have been subordinated. The Redevelopment Law, as amended by the Dissolution Act, allows statutory pass-through payments to be subordinated to debt service on the Successor Agency's bonds. **However, the Successor Agency did not seek or obtain the consent from any taxing entities to subordinate their right to receive statutory payments to the payment of debt service on the 2015 Bonds.**

See "APPENDIX H – FISCAL CONSULTANT'S REPORT" for information about the Former Agency's statutory pass-through obligations and the County's payment practices with regard to statutory pass-through payments.

## PROPERTY TAXATION IN CALIFORNIA

### Property Tax Collection Procedures

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

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

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

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

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

**Supplemental Assessments.** California Revenue and Taxation Code Section 75.70 (Chapter 498 of the Statutes of 1983) 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 increase 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. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes.

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. 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. To the extent such Supplemental Assessments occur within the Project Areas, Tax Revenues may increase.

**Property Tax Administrative Costs.** In 1990, the State Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to recover charges 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, in an amount equal to the fiscal year 1989-90 property tax administration costs, as adjusted annually.

SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. The portions of the reimbursement amount that are allocated to each taxing entity within the County are based on the percentage of the total assessed value in the County that each taxing entity's assessed value represents. Based on the County SB 2557 charge to the Successor Agency for fiscal year 2012-13 for the Project Areas, the Fiscal Consultant estimates that the SB 2557 charge for fiscal year 2014-15 will be 0.03% of gross tax increment revenues.

In addition, Sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the cost of administering the provisions of the Dissolution Act, as well as the foregoing SB 2557/SB 1559 amounts, to be deducted from property tax revenues before monies are deposited into the Redevelopment Property Tax Trust Fund.

The County's administrative charge relating to the dissolution of the Former Agency was \$249,517 for the June 1, 2014 and \$210,989 January 2, 2015 for the distributions from the Redevelopment Property Tax Trust Fund.

**Recognized Obligation Payment Schedule.** See "SECURITY FOR THE 2015 BONDS – Recognized Obligation Payment Schedules" and "RISK FACTORS – Recognized Obligation Payment Schedules."

### **Rate of Collections**

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**") with respect to secured property taxes. Consequently, secured property tax revenues in the Project Areas 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 or redemption payments. However, the County adjusts secured property tax revenues in the Project Areas for roll corrections, such as refunds of property taxes due to successfully

appealed assessments. The County could elect to terminate the Teeter Plan and, in such event, the amount of the levy of secured property tax revenue that could be allocated to the Successor Agency would depend upon the actual collections of the secured taxes within the Project Areas. Substantial delinquencies in the payment of property taxes could impair the timely receipt by the Successor Agency of Tax Revenues. The County has not adopted the Teeter Plan with respect to unsecured property taxes and therefore, unsecured property tax revenues in the Project Areas reflect actual collections on a county-wide basis and roll corrections.

### **Unitary Property**

Legislation enacted in 1986 and 1987 provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization (“SBE”), other than railroads. Prior to fiscal year 1988-89, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area.

Assembly Bill (“AB”) 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated 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. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

AB 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the SBE. 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; therefore, the respective base year value of each Project Area has been reduced by the amount of utility value that existed originally in the base year.

### **Article XIII A of the State Constitution**

Article XIII A 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 XIII A 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 XIII A 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 XIII A (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 XIII A 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 XIII A. Proposition 58 amended Article XIII A to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIII A, 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 XIII A may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIII A to permit the State 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 State Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the State Legislature to implement Article XIII A 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 SBE announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Through fiscal year 2010-11 there were six occasions when the inflation factor was less than 2%. Until fiscal year 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels; however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was -0.237% and this resulted in reductions to the adjusted base year value of parcels. The table below reflects the inflation adjustment factors for the current fiscal year, the 9 prior fiscal years and the adjustment factor for fiscal year 2015-16.

**Historical Inflation Adjustment Factors**

<u>Fiscal Year</u>	<u>Inflation Adj. Factor</u>
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
2015-16	1.998

**Appropriations Limitation - Article XIII B**

Article XIII B 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 XIII B, 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 (other than 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 State 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 SBE, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board

(the "Appeals Board"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application which has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within four 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 PROJECT AREAS - Appeals of Assessed Values; Proposition 8 Reductions" for information regarding historical and pending appeals of assessed valuations by property owners in the Project Areas.

### **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 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 XIII A 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 XIII A.

See "THE PROJECT AREAS - Appeals of Assessed Values; Proposition 8 Reductions" for information regarding recent history of Proposition 8 reductions in the Project Areas.

### **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 XIIC and XIID 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 XIIC of the State Constitution by adding an expansive definition for the term "tax," which previously was not defined under the State Constitution.

Tax Revenues securing the 2015 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 XIII A, Article XIII B, Article XIIC and Article XIID and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency's ability to expend revenues.

## THE SUCCESSOR AGENCY

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 County became the Successor Agency to the Former Agency. Subdivision (g) of Section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the County, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the County nor will the assets of the Former Agency become assets of the County.

The Successor Agency is governed by the Board of Supervisors of the County. County staff serves as staff to the Successor Agency.

### **Successor Agency Powers**

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

### **Status of Compliance with Dissolution Act**

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

The Successor Agency has completed the due diligence process and received its Finding of Completion on March 21, 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 satisfy 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 DOF approved the Successor Agency's Long Range Property Management Plan on May 19, 2014.

## THE PROJECT AREAS

This Official Statement includes information regarding the Project Areas on an aggregate basis because the payment of debt service on the 2015 Bonds is secured by a pledge and lien on Tax Revenues from all three Project Areas. However, due to the unique characteristics of each Project Area and their respective redevelopment plan limits, in some instances this Official Statement also includes information regarding the Project Areas on an individual basis. The Fiscal Consultant's Report includes information regarding the Project Areas on an individual basis and attention is hereby directed thereto in instances in this Official Statement where information regarding the Project Areas is presented on an aggregate basis. See "APPENDIX H – FISCAL CONSULTANT'S REPORT."

### Project Description

**North Lake Tahoe Project Area.** The North Lake Tahoe Project Area consists of approximately 1,731 acres and is located to the north and east of Lake Tahoe. It includes three sub-areas: Tahoe City, Kings Beach and the Tahoe Gateway areas. In general, Highway 89 from Squaw Valley Resort and Highway 267 from Truckee lead into the North Lake Tahoe Project Area. Highway 28 runs through the area along the northern border of Lake Tahoe. The North Lake Tahoe Project Area is largely developed for residential and commercial uses.

**North Auburn Project Area.** The North Auburn Project Area consists of approximately 2,734 acres. It includes two sub-areas: the Highway 49/North Auburn area and the Bowman area. The Highway 49/North Auburn area makes up most of the North Auburn Project Area, consisting a total 2,474 acres. The remaining 260 acres make up the Bowman area. The neighboring thoroughfares are Highway 49 and Interstate 80. The North Auburn Project Area is largely developed for commercial and residential land uses and includes open space.

**Sunset Industrial Project Area.** The Sunset Industrial Project Area consists of approximately 2,580 acres, and is adjacent to Highway 65 and Industrial Avenue. Thunder Valley Casino borders to the north of the Sunset Industrial Project Area. It is largely developed for industrial uses and includes vacant land.

### Land Use

The following tables summarize the current land use in each of the Project Areas by the number of parcels and by assessed value for fiscal year 2014-15. The assessed values shown have been reduced to reflect non-homeowner exemptions.

As shown in the table below, the majority of the land within the North Lake Tahoe Project Area (approximately 74.78% in terms of assessed valuation) is currently used for residential purposes.

**TABLE 1a**  
**SUCCESSOR AGENCY TO THE**  
**PLACER COUNTY REDEVELOPMENT AGENCY**  
**North Lake Tahoe Project Area**  
**Land Use by Assessed Value**  
**Fiscal Year 2014-15**

Category	No. of Parcels	Taxable Value	% of Total FY 2014-15 Assessed Value
Residential	2,370	\$773,748,783	74.78%
Commercial	212	169,223,988	16.36
Industrial	43	19,553,809	1.89
Vacant Land	447	24,994,028	2.42
Other	88	14,879,241	1.44
<b>Total Secured</b>	<b>3,160</b>	<b>1,002,399,849</b>	<b>96.88</b>
Unsecured/State Assessed		32,275,010	3.12
<b>Grand Total</b>		<b>\$1,034,674,859</b>	<b>100.00%</b>

Source: *Fraser & Associates.*

As shown in the table below, the plurality of the land within the North Auburn Project Area (approximately 46.05% in terms of assessed valuation) is currently used for commercial purposes.

**TABLE 1b**  
**SUCCESSOR AGENCY TO THE**  
**PLACER COUNTY REDEVELOPMENT AGENCY**  
**North Auburn Project Area**  
**Land Use by Assessed Value**  
**Fiscal Year 2014-15**

Category	No. of Parcels	Taxable Value	% of Total FY 2014-15 Assessed Value
Residential	225	\$50,276,686	17.32%
Commercial	132	133,675,102	46.05
Industrial	30	34,427,372	11.86
Vacant Land	99	29,783,884	10.26
Other	25	3,057,939	1.05
<b>Total Secured</b>	<b>551</b>	<b>251,220,983</b>	<b>86.53</b>
Unsecured/State Assessed		39,091,081	13.47
<b>Grand Total</b>		<b>\$290,312,064</b>	<b>100.00%</b>

Source: *Fraser & Associates.*

As shown in the table below, the majority of the land within the Sunset Industrial Project Area (approximately 64.92% in terms of assessed valuation), is currently used for industrial purposes.

**TABLE 1c  
SUCCESSOR AGENCY TO THE  
PLACER COUNTY REDEVELOPMENT AGENCY  
Sunset Industrial Project Area  
Land Use by Assessed Value  
Fiscal Year 2014-15**

Category	No. of Parcels	Taxable Value	% of Total FY 2014-15 Assessed Value
Commercial	10	\$16,172,912	4.73%
Industrial	135	221,964,409	64.92
Vacant Land	79	41,548,027	12.15
Other	7	13,818,803	4.04
<b>Total Secured</b>	<b>231</b>	<b>293,504,151</b>	<b>85.84</b>
Unsecured/State Assessed		48,413,972	14.16
<b>Grand Total</b>		<b>\$341,918,123</b>	<b>100.00%</b>

Source: *Fraser & Associates.*

### The Redevelopment Plans

**North Lake Tahoe Project Area.** The Original North Lake Tahoe Redevelopment Plan was adopted and approved as the redevelopment plan for the North Lake Tahoe Project Area by Ordinance No. 4753-B, adopted by the Board of Supervisors of the County on July 16, 1996. The Original North Lake Tahoe Redevelopment Plan has been amended once since adoption as described below.

SB 1045; SB 1096; SB 1045 Amendment. Pursuant to Senate Bill 1045 ("**SB 1045**") in connection with the adoption of statutes requiring an Educational Revenue Augmentation Fund ("**ERAF**") shift for fiscal year 2003-04, the State Legislature authorized the Board of Supervisors of the County to amend the Redevelopment Plan 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. In addition, 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 SB 1045, the Original North Lake Tahoe Redevelopment Plan was amended pursuant to Ordinance No. 5278-B, adopted by the Board of Supervisors of the County on December 16, 2003. Pursuant to Ordinance No. 5278-B, the Original North Lake Tahoe Redevelopment Plan was amended to extend by one year (i) the time limit of the effectiveness of the Original North Lake Tahoe Redevelopment Plan to July 16, 2027 and (ii) the time limit to repay indebtedness and receive tax increment from the North Lake Tahoe Project Area to July 16, 2042.

The Board of Supervisors of the County did not amend the North Lake Tahoe Redevelopment Plan pursuant to SB 1096.

North Lake Tahoe Redevelopment Plan Limits. As amended, the North Lake Tahoe Redevelopment Plan includes the following limits:

<u>Limitation</u>	<u>Detail</u>
Final Date to Incur Debt:	July 16, 2016
Plan Life:	July 16, 2027
Final Date to Collect Tax Increment and Repay Debt:	July 16, 2042

See APPENDIX H - "FISCAL CONSULTANT'S REPORT" for further description of the North Lake Tahoe Redevelopment Plan and related amendment.

**North Auburn Redevelopment Plan.** The Original North Auburn Redevelopment Plan was adopted and approved as the redevelopment plan for the North Auburn Project Area by Ordinance No. 4832-B, adopted by the Board of Supervisors of the County on June 24, 1997. The Original North Auburn Redevelopment Plan has been amended once since adoption as described below.

SB 1045; SB 1096; SB 1045 Amendment. Pursuant to SB 1045, the Original North Auburn Redevelopment Plan was amended pursuant to Ordinance No. 5278-B, adopted by the Board of Supervisors of the County on December 16, 2003. Pursuant to Ordinance No. 5278-B, the Original North Lake Tahoe Redevelopment Plan was amended to extend by one year (i) the time limit of the effectiveness of the Original North Auburn Redevelopment Plan to June 24, 2028 and the time limit to repay indebtedness and receive tax increment from the North Auburn Project Area to June 24, 2043.

The Board of Supervisors of the County did not amend the North Auburn Redevelopment Plan pursuant to SB 1096.

North Auburn Redevelopment Plan Limits. As amended, the North Auburn Redevelopment Plan includes the following limits:

<u>Limitation</u>	<u>Detail</u>
Final Date to Incur Debt:	June 24, 2017
Plan Life:	June 24, 2028
Final Date to Collect Tax Increment and Repay Debt:	June 24, 2043

See APPENDIX H - "FISCAL CONSULTANT'S REPORT" for further description of the North Auburn Redevelopment Plan and related amendment.

**Sunset Industrial Redevelopment Plan.** The Original Sunset Industrial Redevelopment Plan was adopted and approved as the redevelopment plan for the Sunset Industrial Project Area by Ordinance No. 4835-B, adopted by the Board of Supervisors of the County on June 24, 1997. The Original Sunset Industrial Redevelopment Plan has been amended once since adoption as described below.

SB 1045; SB 1096; SB 1045 Amendment. Pursuant to SB 1045, the Original Sunset Industrial Redevelopment Plan was amended pursuant to Ordinance No. 5278-B, adopted by

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the Board of Supervisors of the County on December 16, 2003. Pursuant to Ordinance No. 5278-B, the Original Sunset Industrial Redevelopment Plan was amended to extend by one year (i) the time limit of the effectiveness of the Original Sunset Industrial Redevelopment Plan to June 24, 2028 and (ii) the time limit to repay indebtedness and receive tax increment from the Sunset Industrial Project Area to June 24, 2043.

The Board of Supervisors of the County did not amend the Sunset Industrial Redevelopment Plan pursuant to SB 1096.

Sunset Industrial Redevelopment Plan Limits. As amended, the Sunset Industrial Redevelopment Plan includes the following limits:

<u>Limitation</u>	<u>Detail</u>
Final Date to Incur Debt:	June 24, 2017
Plan Life:	June 24, 2028
Final Date to Collect Tax Increment and Repay Debt:	June 24, 2043

See APPENDIX H - "FISCAL CONSULTANT'S REPORT" for further description of the Sunset Industrial Redevelopment Plan and related amendment.

**DOF Approach to Plan Limits.** The DOF has expressed the opinion that the tax increment limits within former redevelopment plans that had not been reached prior to redevelopment dissolution are inconsistent with the purpose and intent of the Dissolution Act and, therefore, should no longer apply. The DOF has indicated that it plans to introduce legislation to the State Legislature in calendar year 2015 intended to clarify that such tax increment limits do not apply for the purpose of paying obligations of redevelopment agencies and their respective successor agencies that have been determined to be enforceable by the DOF. Until any such proposed legislation is adopted by the State Legislature, the DOF's opinion has no force of law and therefore, it is possible that the tax increment limits contained in the Redevelopment Plans will be applied by the County Auditor-Controller. However, as shown in the tables above, because the 2015 Bonds are refunding bonds and do not constitute the incurrence of new debt by the Successor Agency and have a final maturity date of February 1, 2037, if the County Auditor-Controller were to apply tax increment limits contained in the Redevelopment Plans it is unlike such applicable will have any effect on the availability of tax increment revenues from the Project Areas to pay debt service on the 2015 Bonds.

**AB 26.** Pursuant to Assembly Bill 26 4x, the State Legislature authorized amendments of redevelopment plans in connection with the payment of Supplemental Educational Revenue Augmentation Fund ("SERAF") shifts for fiscal years 2009-10 and 2010-11.

The Former Agency made a SERAF payment of \$3,193,331 in fiscal year 2009-10 and a SERAF payment of \$657,451 in fiscal year 2010-11, but did not adopt any related amendments to the Redevelopment Plans. [The Former Agency did not borrow from its Low and Moderate Income Housing Fund to make the SERAF payments.] **[Successor Agency to confirm]**

**Historical and Estimated Assessed Values and Tax Revenues**

The table below show the historical secured, unsecured and state-assessed values for the Project Areas on an aggregate basis for fiscal years 2005-06 to fiscal year 2014-15 based upon the County Auditor-Controller's equalized rolls.

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**TABLE 2**  
**SUCCESSOR AGENCY TO THE**  
**PLACER COUNTY REDEVELOPMENT AGENCY**  
**Project Areas**  
**Historical Assessed Values FY 2005-06 - FY 2014-15**

FY	Secured Assessed Value	Unsecured Assessed Value	State-Assessed Value	Total Taxable Value	% Change
2005-06	\$1,263,785,230	\$128,299,313	\$1,402,082	\$1,393,486,625	-
2006-07	1,404,923,580	135,804,189	1,369,423	1,542,097,192	11%
2007-08	1,504,841,175	139,169,637	1,218,416	1,645,229,228	7
2008-09	1,573,446,696	144,421,013	1,218,416	1,719,086,125	4
2009-10	1,630,345,900	132,985,230	1,995,372	1,765,326,502	3
2010-11	1,535,561,896	114,348,421	1,995,372	1,651,905,689	-6
2011-12	1,529,360,349	113,260,126	2,346,372	1,644,966,847	-0.4
2012-13	1,492,353,577	117,706,543	2,162,570	1,612,222,690	-2
2013-14	1,522,801,757	117,494,003	3,509,059	1,643,804,819	2
2014-15	1,547,124,983	116,271,004	3,509,059	1,666,905,046	1

*Source: County Assessor; Fraser & Associates*

As shown in the table above, total assessed values within the Project Areas have increased on an aggregate basis by approximately \$273.4 million or 19.62% since fiscal year 2005-06. With exception of fiscal years 2010-11 through 2012-13, total assessed values within the Project Areas have increased on an aggregate basis by an average of 2.01% each fiscal year since fiscal year 2005-06. See discussion immediately following Table 4 of this Official Statement for information regarding decreases in total assessed values in fiscal years 2010-11 through 2012-13.

The table below shows estimated Tax Revenues for fiscal year 2014-15 generated within each of the Project Areas and the respective base year values for such Project Areas. Based on such estimates, Tax Revenues from the North Lake Tahoe Project Area account for 67% of total estimated Tax Revenues for fiscal year 2014-15.

**TABLE 3**  
**SUCCESSOR AGENCY TO THE**  
**PLACER COUNTY REDEVELOPMENT AGENCY**  
**Project Areas**  
**Estimated FY 2014-15 Tax Revenues**

	North Lake Tahoe Project Area	North Auburn Project Area	Sunset Industrial Project Area
Total Taxable Value	\$1,034,674,859	\$290,312,064	\$341,918,123
Base Year Value	387,979,910	137,120,000	166,345,685
Incremental Taxable Value	646,694,949	153,192,064	175,572,438
Base Year as % of Total Value	37%	47%	49%
FY 2014-15 Tax Revenues	4,636,329	1,112,288	1,308,622
% of Total Tax Revenues	67%	16%	19%

*Source: County Assessor; Fraser & Associates*

The table below shows the historical assessed valuations for the Project Areas on an aggregate basis for fiscal years 2009-10 to 2014-15 based upon the County Auditor-Controller's equalized rolls. The table below also calculates available Tax Revenues from the Project Areas on an aggregate basis for each of the past four fiscal years and an estimate for fiscal year 2014-15. **[Municipal Advisor to provide debt service on Outstanding Loans for fiscal years 2009-10 through 2013-14]**

**TABLE 4**  
**SUCCESSOR AGENCY TO THE**  
**PLACER COUNTY REDEVELOPMENT AGENCY**  
**Project Areas**  
**Historical and Estimated Tax Revenues**

Category	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
<b>Taxable Values</b>						
Secured	\$1,630,345,900	\$1,535,561,896	\$1,529,360,349	\$1,492,353,577	\$1,522,801,757	\$1,547,124,983
SBE	1,995,372	1,995,372	2,346,372	2,162,570	3,509,059	3,509,059
Unsecured	132,985,230	114,348,421	113,260,126	117,706,543	117,494,003	116,271,004
Total	1,765,326,502	1,651,905,689	1,644,966,847	1,612,222,690	1,643,804,819	1,666,905,046
Percent Change	3%	-6%	-0.4	-2%	2%	1%
Base Year Value	691,445,595	691,445,595	691,445,595	691,445,595	691,445,595	691,445,595
Incremental Value	1,073,880,907	960,460,094	953,521,252	920,777,095	952,359,224	975,459,451
Tax Increment <sup>(1)</sup>	10,419,273	9,313,987	9,031,234	9,122,511	9,496,987	9,813,238
Supplemental Taxes	207,712	56,118	(10,599)	21,872	118,690	
Total Tax Increment	10,626,985	9,370,105	9,020,635	9,144,383	9,615,677	9,813,238
<b>Adjustments to Tax Revenue:</b>						
Property Tax Administration Fees	150,961	160,158	234,800	316,526	261,153	269,769
<b>Liens on Tax Increment:</b>						
Statutory Pass-Through <sup>(2)</sup>	2,806,515	2,460,512	2,277,392	2,311,810	2,417,447	2,486,230
Outstanding Loans <sup>(3)</sup>	[ ]	[ ]	[ ]	[ ]	[ ]	133,559
<b>Tax Revenue</b>	<b>[\$7,669,509]</b>	<b>[\$6,749,435]</b>	<b>[\$6,508,443]</b>	<b>[\$6,516,047]</b>	<b>[\$6,937,077]</b>	<b>\$6,923,680</b>

(1) Reflects actual receipts based on the records of the Successor Agency, including unitary tax increment revenues.  
(2) Represents statutory pass-through payments pursuant to Sections 33707.5 and 33676 of the Redevelopment Law.  
(3) Represents debt service on the Outstanding Loans in fiscal year 2014-15.  
Source: County Assessor; Fraser & Associates

Total assessed values within the Project Areas have decreased on an aggregate basis by approximately \$98.4 million, or 5.6% since fiscal year 2009-10. The Fiscal Consultant reports that such decrease was due primarily to a net decrease in total assessed values within the Project Areas during fiscal years 2009-10 through 2012-13 on an aggregate basis of approximately \$136 million, offset primarily by a net increase in total assessed values within the Project Areas on an aggregate basis of approximately \$54.7 million during fiscal years 2012-13 through 2014-15.

In particular, the Fiscal Consultant reports that the net decrease in total assessed values within the Project Areas during fiscal years 2009-10 through 2012-13 on an aggregate basis of approximately \$136 million was due primarily to (i) reductions of assessed values of residential property within the North Tahoe Project Area and the North Auburn Project Area in such fiscal years pursuant to Proposition 8 (which reduced assessed values within the Project Areas on an

aggregate basis by approximately \$60.1 million), (ii) reductions of assessed values of non-residential property within the Project Areas in such fiscal years pursuant to Proposition 8 (which reduced assessed values within the Project Areas on an aggregate basis by approximately \$85.8 million) and (iii) reductions of assessed values resulting from property sales within the Sunset Industrial Project Area in such fiscal years below assessed values on the then current tax roll (which further reduced assessed values within the Project Areas on an aggregate basis by approximately \$16.6 million). Such decreases were offset by increases in assessed values in such fiscal years resulting from sales of property within the North Tahoe Project Area and the North Auburn Project Area at prices above assessed values reflected on the then current tax rolls (which added assessed values within the Project Areas on an aggregate basis of approximately \$26.4 million).

The Fiscal Consultant reports that the net increase in total assessed values within the Project Areas during fiscal years 2012-13 through 2014-15 on an aggregate basis of approximately \$54.7 million was due primarily to (i) reductions of assessed values of residential property within the North Tahoe Project Area in such fiscal years pursuant to Proposition 8 (which reduced total assessed values within the Project Areas on an aggregate basis by approximately \$23.5 million), (ii) reductions of assessed values of non-residential property within the North Tahoe Project Area and the Sunset Industrial Project Area in such fiscal years pursuant to Proposition 8 (which reduced total assessed values within the Project Areas on an aggregate basis by approximately \$6.1 million), (iii) restoration of assessed values of residential properties within the North Tahoe Project Area and the North Auburn Project Area previously reduced pursuant to Proposition 8 (which added approximately \$14 million in assessed value to the Project Areas on an aggregate basis), (iv) restoration of assessed values of non-residential properties within the Project Areas previously reduced pursuant to Proposition 8 (which added approximately \$15.3 million in assessed value to the Project Areas on an aggregate basis) and (v) sales of property within the Project Areas above assessed values on the then current tax rolls (which added approximately \$55 million in assessed value to the Project Areas on an aggregate basis).

See "APPENDIX H - FISCAL CONSULTANT'S REPORT" and "THE PROJECT AREAS - Appeals of Assessed Values; Proposition 8 Reductions" for further discussion regarding historical assessed values within the Project Areas and information regarding historical and pending appeals of assessed valuations by property owners in the Project Areas, respectively.

### **Unitary Property**

As the result of the enactment of Assembly Bill 2890 (Chapter 1457, Statutes of 1986) and Assembly Bill 454 (Chapter 921, Statutes of 1987), a portion of the County-wide unitary values assigned to public utilities is allocated to the Project Areas. Any substantial reduction in the values of public utility properties, either because of deregulation of a utility industry or for any other reason, will have an adverse impact on the amount of tax increment revenues. However, any such impact with respect to utility properties within the Project Areas will be lessened because the impact will be spread on a County-wide basis.

The amount of unitary revenues to be allocated to the Successor Agency from the Project Areas for fiscal year 2014-15 is estimated to be \$58,643.

The Fiscal Consultant assumes that allocations of unitary revenues will remain constant for purposes of projecting tax increment available to pay debt service on the 2015 Bonds.

## Major Taxable Property Owners

The following table lists the 10 largest payers of property taxes in the Project Areas for fiscal year 2014-15. The aggregate secured assessed valuation of the top 10 property taxpayers accounted for 4.54% of the secured assessed valuation of the Project Areas on an aggregate basis and 7.59% of the incremental assessed value of the Project Areas on an aggregate basis for fiscal year 2014-15.

**TABLE 5  
SUCCESSOR AGENCY TO THE  
PLACER COUNTY REDEVELOPMENT AGENCY  
Project Areas  
Largest Fiscal Year 2014-15 Local Property Taxpayers**

Property Owner	Type of Use	Project Area	Secured Assessed Value	% of Secured Assessed Value	% of Incremental Value
Ace Hardware Corporation	Industrial	Sunset Industrial Project Area	\$46,568,447	3.01%	4.77%
CP 3500 Cincinnati LLC	Industrial	Sunset Industrial Project Area	15,904,268	1.03	1.63
Target Corporation	Commercial	North Auburn Project Area	15,121,819	0.98	1.55
United Auburn Indian Community	Commercial	Sunset Industrial Project Area	13,360,726	0.86	1.37
Piazza Joseph TR	Residential	North Tahoe Project Area	13,059,020	0.86	1.34
Safeway, Inc.	Commercial	North Tahoe Project Area	13,000,180	0.84	1.33
John L. Sullivan Family Limited Partnership	Vacant Land	Sunset Industrial Project Area	12,397,831	0.80	1.27
Ultrapower-Rocklin	Utility	Sunset Industrial Project Area	10,943,379	0.71	1.12
Walmart Real Estate Business Trust	Commercial	North Auburn Project Area	10,451,234	0.68	1.07
Hillandale Enterprises LLC	Commercial	North Auburn Project Area	10,147,611	0.66	1.04
Total Valuation			160,954,515	4.54%	7.18%

**Total Fiscal Year 2014-15 Secured AV: \$1,547,124,983**

**Total Fiscal Year 2014-15 Incremental AV: \$975,459,451**

*Source: County Assessor; Fraser & Associates*

## New Development

New development continues to occur within the Project Areas; however, no additional value has been included by the Fiscal Consultant in the projections for new construction.

## Tax Rates

Tax rates will vary from area to area within the State, as well as within a community and a redevelopment project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of \$1.00 per \$100 of taxable value and any over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition XIII.

Section 34183(a)(1) of the Dissolution Act requires the County Auditor-Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal of and interest on any bonded indebtedness for the acquisition or improvement of real property

to the taxing entity levying the tax rate. As a result, the tax increment revenues being deposited into the Redevelopment Property Tax Trust Fund include only revenues derived from the general 1% levy and includes no revenues derived from over-ride tax rates that had been included in tax increment revenues prior to the dissolution of redevelopment agencies. The Fiscal Consultant's projections of tax increment available to pay debt service on the 2015 Bonds are based only on revenue derived from the general levy tax rate.

**Teeter Plan**

As previously indicated, the County has adopted the Teeter Plan with respect to secured property taxes only. See "PROPERTY TAXATION IN CALIFORNIA – Rate of Collections" for a discussion of the Teeter Plan as adopted and applied by the County.

The following table provides data regarding collections by the County under the Teeter Plan within the Project Areas on an aggregate basis for fiscal years 2009-10 through 2013-14.

**TABLE 6  
SUCCESSOR AGENCY TO THE  
PLACER COUNTY REDEVELOPMENT AGENCY  
Project Areas  
Collections By County Under Teeter Plan**

Fiscal Year	Levy per County	Tax Increment Collected Less Supplementals <sup>(1)</sup>	% of Levy Collected	Supplementals	Total Tax Increment Collected <sup>(2)</sup>	% of Levy Collected
2013-14	\$9,573,190	\$9,496,987	99.20%	\$118,690	\$9,615,677	100.44%
2012-13	9,208,072	9,122,511	99.07	21,872	9,144,383	99.31
2011-12	9,579,712	9,031,234	94.27	(10,599)	9,020,635	94.16
2010-11	9,637,645	9,313,987	96.64	56,118	9,370,105	97.22
2009-10	10,772,707	10,419,273	96.72	207,712	10,626,985	98.65
Average Receipts to Levy			97.16%			97.96%

(1) Levy reported by County Assessor.

(2) Inclusive of property tax administrative fees of County Assessor and tax increment required to make pass-through payments.

Source: County Assessor; Fraser & Associates

The Fiscal Consultant reports that the levy by the County under the Teeter Plan within the Project Areas on an aggregate basis for fiscal years 2009-10 through 2013-14 exceeds related collections because unsecured property tax revenues within the Project Areas reflect actual collections on a county-wide basis and roll corrections.

**Appeals of Assessed Values; Proposition 8 Reductions**

Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper

assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion.

Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Appeals may also be filed under Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property shall be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIII A of the State 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. Significant reductions have taken place in some counties due to declining real estate values. Reductions made under this code section may be initiated by the County Assessor or requested by the property owner. After a roll reduction is granted under this 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 it may exceed the maximum annual inflationary growth rate allowed on other properties under Article XIII A 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 XIII A. See "PROPERTY TAXATION IN CALIFORNIA" above.

***History of Assessed Value Appeals; Projection of Future Impact of Pending Appeals.*** The Fiscal Consultant reviewed assessment appeals data from the County for fiscal years 2010-11 through 2013-14 and the first nine months of fiscal year 2014-15, to determine the potential impact that pending appeals may have on the projected Tax Revenues from the Project Areas on an aggregate basis. According to the Fiscal Consultant, a total of 164 appeals were resolved during such period. Of the 164 appeals that were resolved during such period, 58 appeals or 35% of resolved appeals resulted in reductions in assessed value of the Project Areas on an aggregate basis totaling approximately \$16.32 million; representing a total reduction in assessed value of the Project Areas on an aggregate basis of 10%. The Fiscal Consultant further reports that of the 164 appeals that were resolved during such period, 26 appeals relate to fiscal year 2014-15 assessed value which resulted in reductions in assessed value of the Project Areas on an aggregate basis of approximately \$5.3 million but not reflected on the 2014-15 tax roll.

As of \_\_\_\_\_, 2015, there were appeals pending with respect to property within the Project Areas with a total assessed value of approximately \$30.6 million. The Fiscal Consultant notes that, assuming an 10% reduction in assessed value (based on actual reductions of assessed value during fiscal years 2011-12 through 2013-14 and the first nine months of fiscal year 2014-15), the Successor Agency can expect to experience a further reduction in assessed

value of the Project Areas on an aggregate basis of approximately \$3.1 million thereby resulting in a reduction in Tax Revenues from all Project Areas on an aggregate basis of approximately \$31,000. Any successful appeals will also result in refunds of property taxes previously paid by property owners, which in some cases could include refunds for multiple fiscal years. The projections of Tax Revenues prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE PROJECT AREAS – Projected Available Net Tax Increment and Estimated Debt Service Coverage" take into account reductions in assessed value related to pending appeals assuming a 10% reduction in assessed value and that such reductions would be reflected in equal amounts on the fiscal year 2015-16 tax rolls. See "APPENDIX H - FISCAL CONSULTANT'S REPORT" for further information regarding pending assessment appeals.

**Proposition 8 Reductions.** As discussed in "PROPERTY TAXATION IN CALIFORNIA – Proposition 8" above, Proposition 8 allows a temporary reduction in assessed value when the current market value of a property is less than the current assessed value as of the lien date.

The Fiscal Consultant reviewed data regarding Proposition 8 reductions for residential and non-residential properties in the Project Areas for fiscal years 2009-10 through 2014-15. The following table summarizes reductions and increases in assessed value for residential and non-residential properties in the Project Areas for fiscal years 2009-10 through 2014-15 tax rolls.

**TABLE 7  
SUCCESSOR AGENCY TO THE  
FORMER MILPITAS REDEVELOPMENT AGENCY  
Project Areas  
Proposition 8 Reductions and Increases**

	<i>Residential Properties</i>	<i>Non-Residential Properties</i>	<i>Total</i>
<b><i>Declines - 2009-10 through 2012-13</i></b>			
Number of Parcel Declines	186	187	373
Percentage of all Parcels			
Total Value Decline	\$23,232,366	\$85,766,024	\$108,998,390
<b><i>Declines - 2012-13 through 2014-15</i></b>			
Number of Parcel Declines	215	94	309
Percentage of all Parcels			
Total Value Decline	\$23,445,128	\$6,109,862	\$29,554,990
<b><i>Increases - 2012-13 to 2014-15</i></b>			
Number of Parcel Increases	157	59	216
Percentage of all Parcels			
Total Value Increase	\$13,987,659	\$15,339,675	\$29,327,334

Source: County Assessor; Fraser & Associates

As shown in the table above, the assessed values of 186 residential parcels (including single and multifamily parcels) in the Project Areas were reduced under Proposition 8 during

fiscal years 2009-10 through fiscal year 2012-13, resulting in a total reduction in assessed values of residential parcels within the Project Areas on an aggregate basis of approximately \$23.2 million. In addition, the assessed values of 187 non-residential parcels in the Project Areas were reduced under Proposition 8 during fiscal years 2009-10 through fiscal year 2012-13, resulting in a total reduction in assessed values of non-residential parcels within the Project Areas on an aggregate basis of approximately \$85.8 million.

As further shown in the table above, the assessed values of 215 residential parcels (including single and multifamily parcels) in the Project Areas were reduced under Proposition 8 during fiscal years 2012-13 through fiscal year 2014-15, resulting in a total reduction in assessed values of residential parcels within the Project Areas on an aggregate basis of approximately \$23.5 million. In addition, the assessed values of 94 non-residential parcels in the Project Areas were reduced under Proposition 8 during fiscal years 2012-13 through fiscal year 2014-15, resulting in a total reduction in assessed values of non-residential parcels within the Project Areas on an aggregate basis of approximately \$6.1 million.

The Fiscal Consultant further reports that Proposition 8 reductions were triggered because assessed values of properties within the Project Areas exceeded their then current market values as was the case in many areas of the State.

The Fiscal Consultant further reports that in fiscal years 2012-13 through 2014-15, the County partially reversed prior Proposition 8 reductions for 157 residential parcels and 59 non-residential parcels within the Project Areas, resulting in an increase in assessed values within the Project Areas on an aggregate basis of approximately \$29.3 million.

The Fiscal Consultant also reviewed sales data for the Project Areas for calendar year 2014 to determine the likelihood of future Proposition 8 reductions. Based on its review, the Fiscal Consultant reports that sale prices of property within the Project Areas exceeded assessed values by approximately 31% in calendar year 2014. The Fiscal Consultant notes that as sale prices of property within the Project Areas in calendar year 2014 exceeded assessed values by a substantial margin and the County has begun to reverse the prior residential Proposition 8 reductions, the Fiscal Consultant has assumed that there would be no further Proposition 8 reductions in fiscal year 2015-16 or future fiscal years for purposes of projections of Tax Revenues. See "THE PROJECT AREAS – Projected Available Net Tax Increment and Estimated Debt Service Coverage."

See "APPENDIX H - FISCAL CONSULTANT'S REPORT" for further information regarding Proposition 8 reductions and increases.

### **Projected Tax Revenues and Estimated Debt Service Coverage**

The Fiscal Consultant prepared projections of Tax Revenues for the Project Areas on an aggregate and they are shown in Tables 8 and 9 below. The projections in Table 8 reflect the inflation factor of 1.998% for fiscal year 2015-16 and assume 0% inflationary assessed value growth in fiscal year 2016-17 and each fiscal year thereafter. Other assumptions made by the Fiscal Consultant in calculating the projected Tax Revenues are described in the Fiscal Consultant's Report. See "APPENDIX H – FISCAL CONSULTANT'S REPORT." Housing Set-Aside is not shown as a separate category of revenues because the former Housing Set-Aside is included in Tax Revenues. See "SECURITY FOR THE 2015 BONDS - Housing Set-Aside."

The Fiscal Consultant has also prepared projections of Tax Revenues for the Project Areas that reflect the inflation factor of 1.998% for fiscal year 2015-16 and assume 2% annual real property assessed value growth beginning in fiscal year 2016-17. These projection are shown in the Fiscal Consultant's Report. See "APPENDIX H – Fiscal Consultant's Report" for such projections.

**TABLE 8**  
**SUCCESSOR AGENCY TO THE**  
**PLACER COUNTY REDEVELOPMENT AGENCY**  
**Project Areas**  
**Projection of Incremental Value and Tax Revenues**  
**(000's Omitted)**

Fiscal Year	Gross Tax Increment <sup>(1)</sup>	Plus Unitary Revenue <sup>(3)</sup>	Less Admin. Fees <sup>(4)</sup>	Less Pass-Through Payments <sup>(5)</sup>	Less	
					Outstanding Loan Payments <sup>(6)</sup>	Tax Revenues
2014-15	\$9,755	\$59	\$270	\$2,486	\$134	\$6,924
2015-16	9,945 <sup>(2)</sup>	59	275	2,555	132	7,041
2016-17	9,945	59	275	2,555	132	7,041
2017-18	9,945	59	275	2,555	132	7,042
2018-19	9,945	59	275	2,555	132	7,042
2019-20	9,945	59	275	2,555	132	7,042
2020-21	9,945	59	275	2,555	131	7,042
2021-22	9,945	59	275	2,555	131	7,042
2022-23	9,945	59	275	2,555	131	7,043
2023-24	9,945	59	275	2,555	131	7,043
2024-25	9,945	59	275	2,555	130	7,043
2025-26	9,945	59	275	2,555	130	7,044
2026-27	9,945	59	275	2,555	130	7,044
2027-28	9,945	59	275	2,555	129	7,044
2028-29	9,945	59	275	2,555	129	7,044
2029-30	9,945	59	275	2,555	129	7,045
2030-31	9,945	59	275	2,555	128	7,045
2031-32	9,945	59	275	2,555	128	7,045
2032-33	9,945	59	275	2,555	128	7,046
2033-34	9,945	59	275	2,555	127	7,046
2034-35	9,945	59	275	2,555	111	7,063
2035-36	9,945	59	275	2,555	33	7,140
<b>Total</b>	<b>\$218,600</b>	<b>\$1,298</b>	<b>\$6,045</b>	<b>\$56,141</b>	<b>\$2,750</b>	<b>\$154,951</b>

(1) Calculated as 1% of assessed values of all Project Areas on an aggregate basis less aggregate base year assessed value for the Project Areas of \$691,445,595.

(2) Net of estimated reductions in assessed values within the Project Areas of approximately \$30.6 million in fiscal year 2015-16 as a result of pending appeals as further described in "THE PROJECT AREAS - Appeals of Assessed Values; Proposition 8 Reductions."

(3) Estimated based on actual unitary revenues for fiscal year 2013-14 and assuming no further increases.

(4) Estimated based on 2.77% of total tax increment, which is the percent such fee represented in fiscal year 2013-14.

(5) Represents statutory pass-through payments payable pursuant to AB 1290 with respect to the Project Areas.

(6) Represents debt service on the Outstanding Loans.

Source: Fraser & Associates

**TABLE 9  
SUCCESSOR AGENCY TO THE  
PLACER COUNTY REDEVELOPMENT AGENCY  
Project Areas  
Estimated Debt Service Coverage  
(000's Omitted)**

Fiscal Year	Tax Revenues	Debt Service 2015 Bonds <sup>(1)</sup>	Debt Service Coverage on 2015 Bonds
2014-15	\$6,924		
2015-16	7,041		
2016-17	7,041		
2017-18	7,042		
2018-19	7,042		
2019-20	7,042		
2020-21	7,042		
2021-22	7,042		
2022-23	7,043		
2023-24	7,043		
2024-25	7,043		
2025-26	7,044		
2026-27	7,044		
2027-28	7,044		
2028-29	7,044		
2029-30	7,045		
2030-31	7,045		
2031-32	7,045		
2032-33	7,046		
2033-34	7,046		
2034-35	7,063		
2035-36	7,140		
<b>Total</b>	<b>\$218,600</b>		

(1) [Represents bond year debt service.]  
Source: Fraser & Associates; Southwest Securities, Inc.

## RISK FACTORS

*The following information should be considered by prospective investors in evaluating the 2015 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 2015 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 2015 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 Schedules**

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 2015 Bonds and to pay other enforceable obligations. 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 2015 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 as more fully described in the section of this Official Statement entitled, "SECURITY FOR THE 2015 BONDS - Recognized Obligation Payment Schedules."

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 2015 BONDS - Recognized Obligation Payment Schedules."

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment

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

### **Challenges to Dissolution Act**

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

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

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora's constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora's takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the 2015 Bonds.

## **Reduction in Taxable Value**

Tax increment revenue available to pay principal of and interest on the 2015 Bonds are determined by the amount of incremental taxable value in the Project Areas and the current rate or rates at which property in the Project Areas is taxed. The reduction of taxable values of property in the Project Areas caused by economic factors beyond the Successor Agency's control, such as relocation out of the Project Areas 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 2015 Bonds. Such reduction of tax increment available to pay debt service on the 2015 Bonds could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the 2015 Bonds.

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIII A of the State Constitution," Article XIII A 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 2015 Bonds could reduce tax increment available to pay debt service on the 2015 Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the Redevelopment Property Tax Trust Fund, the State electorate or State 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 California Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or State Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the 2015 Bonds and adversely affect the source of repayment and security of the 2015 Bonds.

## **Risks to Real Estate Market**

The Successor Agency's ability to make payments on the 2015 Bonds will be dependent upon the economic strength of the Project Areas. The general economy of the Project Areas 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 Project Areas 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 any Project Area, the owners of property within such Project Area 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 Project Areas. See "THE PROJECT AREAS - Projected Available Net Tax Increment and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2015 Bonds.

### **Reduction in Inflationary Rate**

As described in greater detail below, Article XIII A 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 XIII A 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%. The Successor Agency is unable to predict if any further adjustments to the full cash value base of real property within the Project Areas, whether an increase or a reduction, will be realized in the future.

### **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 Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Successor Agency to repay the 2015 Bonds.

Although delinquencies in the payment of property taxes by the owners of land in the Project Areas, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes as described below, could have an adverse effect on the Successor Agency's ability to make timely payments on the 2015 Bonds, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by net tax increment. See "THE PROJECT AREAS - Projected Available Net Tax Increment and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2015 Bonds. **[Confirm]**

### **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 2015 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. Such delay would increase the possibility of delinquent tax installments with respect to unsecured property taxes (and therefore, not subject to the Teeter Plan) 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 2015 Bonds.

## **Estimated Revenues**

In estimating that net tax increment will be sufficient to pay debt service on the 2015 Bonds, the Successor Agency and Fiscal Consultant have made certain assumptions with regard to present and future assessed valuation in the Project Areas, 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 2015 Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of, premium (if any) and interest on the 2015 Bonds.

See "THE PROJECT AREAS – Projected Tax Revenues and Estimated Debt Service Coverage" above.

## **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 Project Areas. 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 Project Areas 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 Project Areas 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 Project Areas 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 County, like most regions in the State, is located in an area of seismic activity and therefore, could be subject to potentially destructive earthquakes. In particular, the County is traversed by a series of northwest trending-faults that are related to the Sierra Nevada uplift. Although western and eastern parts of the County are located in a seismically active region, no known faults actually go through any of the cities or towns within the County. However, the Bear Mountain and Melones faults are situated approximately three to four miles west and east from Auburn, respectively. Earthquakes along these faults have the potential for damaging buildings in Auburn, especially the unreinforced structures in the older part of Auburn and homes built before 1960 without adequate anchorage of framing and foundations. Other

active and potentially active faults are present in the Bay Area and may produce earthquakes that could affect the County.

The occurrence of severe seismic activity in the County could result in substantial damage to property located in the Project Areas, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction of assessed valuations could result in a reduction of Tax Revenues.

**Flood.** The County encompasses multiple rivers, streams, creeks and associated watersheds many of which reside in areas designated by the by the Federal Emergency Management Agency (“**FEMA**”) as Special Flood Hazard Areas. Special Flood Hazard Areas are areas within the 100-year flood boundary as mapped by FEMA. The Special Flood Hazard Areas within the County or areas otherwise prone to flooding include areas surrounding Blackwood Creek, Ward Creek, Burton Reek, Lake Forest Creek and Truckee River. Communities in the County located in a portion of the Special Flood Hazard Areas include Kings Auburn, Lincoln, Loomis and Rocklin.

The occurrence of severe flooding in the County could result in substantial damage to property located in the Project Areas, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction of assessed valuations could result in a reduction of Tax Revenues.

**Wildfire.** The County encompasses approximately 550,000 acres of forested land stretching from Auburn to Lake Tahoe, including parts of two national forests and 60 percent of Lake Tahoe’s west shore. Since 2001, the County has experienced six major wildfires that burned more than 55,000 acres, including important upland watersheds.

The occurrence of any wildfires within the Project Areas could lead to successful appeals for reduction of assessed values of such property. Such a reduction of assessed valuations could result in a reduction of Tax Revenues.

### **Changes in the Law**

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the State Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the 2015 Bonds.

### **Loss of Tax-Exemption**

As discussed under the caption “TAX MATTERS,” interest on the 2015A Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2015A 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 2015A 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 2015A 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 2015 Bonds, or, if a secondary market exists, that the 2015 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

### 2015A Bonds

**General.** In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2015A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. The opinions set forth in this paragraph are subject to the condition that the Successor Agency comply with all requirements of the Internal Revenue Code of 1986 (the "Tax Code") that must be satisfied subsequent to the issuance of the 2015A Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The Successor Agency has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the 2015A Bonds.

**California Tax Status.** In the opinion of Bond Counsel, interest on the 2015A Bonds is exempt from California personal income taxes.

**Tax Treatment of Original Issue Discount and Premium.** If the initial offering price to the public (excluding bond houses and brokers) at which a 2015A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each 2015A Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2015A Bonds on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2015A Bond to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2015A Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2015A Bonds who purchase the 2015A Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2015A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2015A Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such 2015A Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2015A Bond (said term being the shorter of the 2015A Bond's maturity date or its

call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2015A Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2015A Bond is amortized each year over the term to maturity of the 2015A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2015A Bond premium is not deductible for federal income tax purposes. Owners of Premium 2015A Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2015A Bonds.

***Form of Bond Counsel Opinions.*** At the time of issuance of the 2015A Bonds, Bond Counsel expects to deliver an opinion for the 2015A Bonds in substantially the form set forth in Appendix B.

Owners of the 2015A Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2015A Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2015A Bonds other than as expressly described above.

#### **2015B Bonds**

The interest on the 2015B Bonds is not intended by the Successor Agency to be excluded from gross income for federal income tax purposes. However, in the opinion of Bond Counsel, interest on the 2015B Bonds is exempt from California personal income taxes. The proposed form of opinion of Bond Counsel with respect to the 2015B Bonds to be delivered on the date of issuance of the 2015B Bonds is set forth in Appendix B.

Owners of the 2015B Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2015B Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the 2015B Bonds other than as expressly described above.

#### **MUNICIPAL ADVISOR**

The Successor Agency has retained Del Rio Advisors, LLC of Modesto, California, as municipal advisor (the "**Municipal Advisor**") in connection with the offering of the 2015 Bonds and the preparation of this Official Statement. The Municipal Advisor assisted in the preparation and review of this Official Statement. All financial and other information presented in this Official Statement has been provided by the Successor Agency from its records, except for information expressly attributed to other sources. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the Successor Agency or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The fee of the Municipal Advisor is contingent upon the successful closing of the 2015 Bonds.

## CONCLUDING INFORMATION

### Underwriting

The 2015 Bonds are being purchased by Southwest Securities, Inc. (the “**Underwriter**”). The Underwriter has agreed to purchase the 2015 Bonds at a price of \$\_\_\_\_\_ (being the aggregate principal amount of the 2015 Bonds plus an aggregate original issue premium of \$\_\_\_\_\_ and less an aggregate Underwriter’s discount of \$\_\_\_\_\_). The Underwriter will purchase all of the 2015 Bonds if any are purchased.

The Underwriter may offer and sell 2015 Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering price may be changed from time to time by the Underwriter.

### Legal Opinion

The final approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the 2015 Bonds.

A copy of the proposed form of Bond Counsel’s final approving opinion with respect to the 2015 Bonds is attached hereto as Appendix B.

In addition, certain legal matters will be passed on by Jones Hall as Disclosure Counsel, and by Norton Rose Fullbright US LLP, Los Angeles, California, as Underwriter’s Counsel.

Certain legal matters will be passed on for the Successor Agency by the County Counsel, as General Counsel for the Successor Agency.

*Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriter’s Counsel is contingent upon the sale and delivery of the 2015 Bonds.*

### Litigation

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or threatened, restraining or enjoining the execution or delivery of the 2015 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 or seeking to restrain or enjoin the repayment of the 2015 Bonds or which, in any manner, questions the right of the Successor Agency to use the Tax Revenues for repayment of the 2015 Bonds or affects in any manner the right or ability of the Successor Agency to collect or pledge the Tax Revenues. See, however, “RISK FACTORS - Challenges to Dissolution Act.”

### Rating

Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. (“**S&P**”), has assigned its rating of “\_\_\_” to the 2015 Bonds. The rating reflects only the view of S&P as to the credit quality of the 2015 Bonds, and explanation of the significance of the ratings may be obtained from S&P.

The rating issued reflects only the view of S&P, and any explanation of the significance of such rating should be obtained from S&P. There is no assurance that such rating will be retained for any given period of time or that it 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 any rating obtained may have an adverse effect on the market price of the 2015 Bonds.

### **Continuing Disclosure**

The Successor Agency will covenant for the benefit of owners of the 2015 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 30th), commencing not later than March 31, 2016 with the report for the 2014-15 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 SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. 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 County and certain related entities, including the Former Agency previously entered into certain disclosure undertakings under the Rule in connection with the issuance of long-term obligations. [The County has not failed to comply with an undertaking under the Rule in the past five years in any material respect, except as follows:

- The County's annual financial reports were timely, but not properly filed in a number of instances.
- Various event notices, including rating changes relating to bond insurers and a notice of redemption, were not timely filed.

The County has made filings to correct all known instances of non-compliance during the last five years. The County has also designated a single member within the Treasurer-Tax Collector's Office with the responsibility of ensuring timely and complete filings, which will assist the County in complying with existing and future obligations under the Rule.] **[To be confirmed]**

### **Audited Financial Statements**

The County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014 (the "**County CAFR**") is attached as Appendix E. The County CAFR includes the Successor Agency's audited financial statements for the fiscal year ended June 30, 2014. The Successor Agency's audited financial statements were audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, a public accounting firm (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 2015 BONDS - Limited Obligation," the 2015 Bonds are payable from and secured by a pledge of Tax Revenues and the 2015 Bonds are not a debt of the County. The County CAFR is 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, 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 2015 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 Chief Administrative Officer has been duly authorized by the Successor Agency.

**SUCCESSOR AGENCY TO THE PLACER  
COUNTY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_  
Chief Administrative Officer

**APPENDIX A**

**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**

## 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 2015 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2015 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2015 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 2015 Bonds. The 2015 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 2015 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 Successor 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](http://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 2015 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 2015 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 2015 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 2015 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 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 2015 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 SUCCESSOR AGENCY CONTINUING DISCLOSURE CERTIFICATE

\$ \_\_\_\_\_  
SUCCESSOR AGENCY TO THE PLACER  
COUNTY REDEVELOPMENT AGENCY  
2015 SUBORDINATE TAX ALLOCATION  
REFUNDING BONDS, SERIES A

\$ \_\_\_\_\_  
SUCCESSOR AGENCY TO THE PLACER  
COUNTY REDEVELOPMENT AGENCY  
2015 SUBORDINATE TAX ALLOCATION  
REFUNDING BONDS, TAXABLE SERIES B

This CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the SUCCESSOR AGENCY TO THE PLACER COUNTY REDEVELOPMENT AGENCY (the "**Successor Agency**") in connection with the execution and delivery of the bonds captioned above (collectively, the "**Bonds**"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of \_\_\_\_\_, 2015, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by a First Supplement to Indenture of Trust, dated as of \_\_\_\_\_, 2015, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (as so supplemented, the "**Indenture**").

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

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

"*Annual Report Date*" means the date that is nine months after the end of the Successor Agency's fiscal year (currently March 31 based on the Successor Agency's fiscal year end of June 30).

"*Dissemination Agent*" means, initially, \_\_\_\_\_, 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.

"*Listed Events*" means any of the events listed in Section 5(a) 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 that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

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"Official Statement" means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

"Participating Underwriter" means \_\_\_\_\_, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

### Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2016, with the report for the 2014-15 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by 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 Annual Report Date, if not available by that date. 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). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) The Successor Agency's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities

from time to time by the Governmental Accounting Standards Board. If the Successor Agency's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

- (i) Principal amount of Bonds outstanding as of June 30 of the most recently-completed fiscal year.
- (ii) Balance in the Reserve Account and a statement of the Reserve Requirement as of June 30 of the most recently-completed fiscal year.
- (iii) Information for the most recently-completed fiscal year of the type included in Tables 4, 5, 6a, 6b and 6c (if and to the extent the information for Tables 6a, 6b and 6c is available from the County of Placer) of the Official Statement.
- (iv) Notice if, during the most recently-completed fiscal year, the Parkway Plaza Project Area reached its cumulative tax increment limit.
- (v) Information for the most recently-completed fiscal year of the type included in the tables in the Official Statement entitled "Largest Fiscal Year 2014-15 Local Property Taxpayers,"
- (vi) A calculation of debt service coverage for the most recently completed fiscal year provided by Tax Revenues with respect to debt service on the Bonds and any outstanding Parity Debt.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Successor Agency shall provide such further material 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.

(d) 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 the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, 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.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an 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, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format

as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Successor Agency.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the 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 legal 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. 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be \_\_\_\_\_. Any Dissemination Agent may resign by providing 30 days' written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

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. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds 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 its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and 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. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, 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 they 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) 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 no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: \_\_\_\_\_, 2015

**SUCCESSOR AGENCY TO THE PLACER  
COUNTY REDEVELOPMENT AGENCY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

AGREED AND ACCEPTED:

\_\_\_\_\_  
AS DISSEMINATION AGENT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Successor Agency to the Placer County Redevelopment Agency

Name of Issue: \$\_\_\_\_\_ Successor Agency to the Placer County Redevelopment Agency 2015 Subordinate Tax Allocation Refunding Bonds, Series A, and \$\_\_\_\_\_ Successor Agency to the Placer County Redevelopment Agency 2015 Subordinate Tax Allocation Refunding Bonds, Taxable Series B

Date of Issuance: \_\_\_\_\_, 2015

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Indenture of Trust, dated as of \_\_\_\_\_, 2015, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee, as supplemented by the First Supplement to Indenture of Trust, dated as of \_\_\_\_\_, 2015, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee. The Successor Agency anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_

DISSEMINATION AGENT:

\_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**APPENDIX E**  
**SUCCESSOR AGENCY FINANCIAL STATEMENTS**  
**THROUGH JUNE 30, 2014**

**APPENDIX F**

**STATE DEPARTMENT OF FINANCE APPROVAL LETTER**

## APPENDIX G

### SUPPLEMENTAL INFORMATION - COUNTY OF PLACER

*The following information concerning the County of Placer and surrounding areas is included only for the purpose of supplying general information regarding the community. The 2015 Bonds are not a debt of the County, the State or any of its political subdivisions, and none of the County, the State nor any of its political subdivisions is liable therefor.*

#### General

**The County of Placer.** Placer County (the "County") is located in Northern California about 150 miles northeast of San Francisco. The County covers an estimated area of 1,500 square miles, is bordered by the State of Nevada on the east, Nevada County on the north, Yuba and Sutter Counties on the west and by Sacramento and El Dorado Counties on the south. The County is included (along with Sacramento County and El Dorado County) in the three-county Sacramento Metropolitan Statistical Area. There are six incorporated cities in the County, of which four (Auburn, Lincoln, Rocklin and Roseville) have populations of 10,000 or more, with Auburn being the County seat.

#### Municipal Government

The County was incorporated in 1851 and operates under a board of supervisors form of government. The County Executive Officer is the chief administrative officer of the County. Appointed by the Board, the County Executive is responsible to the Board of Supervisors for the proper and efficient administration of the affairs of the County as prescribed in the County Charter and by formal action of the Board. The County also has a Municipal Advisory Council which consists of a group of residents from the local community who advise the Board of Supervisors on concerns.

#### Topography and Climate

The County offers a great variety of elevations and terrain. From a minimum of 40 feet above sea level in the southwestern corner of the County near Roseville, the land rises to an elevation of 9,000 feet at the summit of the Sierra Nevada Mountains, near the County's northeastern boundary. The western portion of the County, an area of rolling foothills, provides the site for several large industrial areas and a major railroad marshaling and switching yard. To the northeast, the terrain becomes more mountainous, advancing from orchard land to high elevation timberland. The eastern side of the County, particularly the area surrounding Lake Tahoe, provides a setting for high-altitude winter sports and summer recreational activities. Over much of its length, the County is bounded by the American and Bear Rivers.

The climate in the lower elevations is generally characterized by warm summers and mild winters. The higher elevations experience the extremes of winter typical of such climates. In the more populated areas, monthly averages of daily extreme temperatures range from 39 degrees Fahrenheit minimum to 52 degrees Fahrenheit maximum in January, and 58 degrees Fahrenheit and 90 degrees Fahrenheit in July. The average annual rainfall is 36 inches, with an average annual snowfall of 216 inches in the Lake Tahoe area. Approximately 90% of average annual rainfall occurs in the six-month period extending from November to April.

## Population

Population estimates of the past five years for the County and the State are shown in the following table.

### COUNTY OF PLACER AND STATE OF CALIFORNIA Population Estimates- Calendar Years 2010 through 2014

Calendar Year	County of Placer	State of California
2010	347,133	37,223,900
2011	351,463	37,427,946
2012	355,450	37,668,804
2013	360,802	37,984,138
2014	366,115	38,340,074

*Source: California State Department of Finance, as of January 1.*

## Employment and Industry

The unemployment rate in the Sacramento-Arden-Arcade-Roseville MSA was 6.2% in December 2014, down from a revised 6.7% in November 2014, and below the year-ago estimate of 7.5%. This compares with an unadjusted unemployment rate of 6.7% for California and 5.4% for the nation during the same period. The unemployment rate was 6.2% in El Dorado County, 5.2% in Placer County, 6.2% in Sacramento County, and 8.2% in Yolo County.

The following table shows civilian labor force and wage and salary employment data for the County by industry type for the past five calendar years. Data for calendar year 2014 is not yet available.

**PLACER COUNTY**  
**Civilian Labor Force, Employment and Unemployment**  
**(Annual Averages)**

	2009	2010	2011	2012	2013
Civilian Labor Force <sup>(1)</sup>	179,800	177,400	178,500	180,100	179,200
Employment	161,100	157,100	159,400	163,200	165,600
Unemployment	18,700	20,300	19,200	16,800	13,600
Unemployment Rate	10.4%	11.4%	10.7%	9.3%	7.6%
Wage and Salary Employment: <sup>(2)</sup>					
Agriculture	300	300	400	300	400
Mining, Logging and Construction	100	100	0	0	0
Construction	9,200	8,400	8,100	8,600	9,700
Manufacturing	7,000	6,600	6,600	6,300	6,200
Wholesale Trade	4,000	3,700	3,700	4,100	4,100
Retail Trade	19,000	19,300	19,800	20,500	21,400
Trans., Warehousing and Utilities	3,000	3,000	2,800	2,900	3,100
Information	2,500	2,500	2,300	2,300	2,200
Financial Activities	10,000	9,700	9,700	10,300	11,200
Professional and Business Services	12,800	13,000	13,300	13,900	15,000
Educational and Health Services	18,100	19,100	20,200	21,400	23,000
Leisure and Hospitality	18,000	18,100	18,500	19,000	20,000
Other Services	4,700	4,500	4,700	5,100	5,500
Federal Government	700	800	700	700	700
State Government	800	800	800	700	800
Local Government	17,200	17,300	16,700	17,200	17,700
Total, All Industries <sup>(3)</sup>	127,400	127,200	128,300	133,300	141,000

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

## Largest Employers

The following tables list some of the largest employers located within the County.

### PLACER COUNTY Largest Employers - 2015- Listed Alphabetically

Employer Name	Location	Industry
Adventist Health	Roseville	Health Services
Alpine Meadows	Alpine Meadows	Resorts
At&t	Auburn	Telephone Companies
C-Tech Systems Inc	Roseville	Computers-Service & Repair
Composite Engineering Inc	Roseville	Engineers-Professional
Educational Media Foundation	Rocklin	Radio Stations & Broadcasting Companies
Kaiser Roseville Medical Ctr	Roseville	Hospitals
Northstar-At-Tahoe Resort	Truckee	Resorts
Oracle	Rocklin	Computer Software-Manufacturers
Placer County Fire Dept	Auburn	County Government-Fire Protection
Placer County Food Stamps	Auburn	County Government-Social/Human Resources
Placer County of Education	Auburn	Schools
Placer County Sheriff	Auburn	Sheriff
Progressive Technology	Rocklin	Machine Shops (Mfrs)
Resort At Squaw Creek-San Fran	Alpine Meadows	Hotels & Motels
Ritz-Carlton-Lake Tahoe	Truckee	Hotels & Motels
Roseville Golfand-Sun Splash	Roseville	Water Parks
Roseville Toyota & Scion	Roseville	Automobile Dealers-New Cars
Sheriff's Training	Auburn	Sheriff
Sutter Roseville Medical Ctr	Roseville	Hospitals
Tami Saner & Assoc	Roseville	Real Estate
Thunder Valley Casino & Resort	Lincoln	Casinos
Unfi Western Region Div	Rocklin	Food Products (Whls)
Union Pacific Railroad Co	Roseville	Railroads
Walmart Supercenter	Roseville	Department Stores

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2015 1st Edition.

## Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the County, the State and the United States for the period 2009 through 2013. Data is not yet available for calendar year 2014.

**COUNTY OF PLACER,  
STATE OF CALIFORNIA AND UNITED STATES  
Effective Buying Income  
Calendar Years 2009 Through 2013**

Year and Area	Total Effective Buying Income (000s omitted)	Median Household Effective Buying Income
2009 County of Placer	\$ 9,911,191	\$59,331
California	844,823,319	49,736
United States	6,571,536,768	43,252
2010 County of Placer	\$ 9,455,123	\$56,109
California	801,393,028	47,177
United States	6,365,020,076	41,368
2011 County of Placer	\$ 9,797,178	\$55,993
California	814,578,458	47,062
United States	6,438,704,664	41,253
2012 County of Placer	\$ 9,955,120	\$55,173
California	864,088,828	47,307
United States	6,737,867,730	41,358
2013 County of Placer	\$ 9,811,843	\$56,393
California	858,676,636	48,340
United States	6,982,757,379	43,715

Source: The Nielsen Company (US) Inc.

**Commercial Activity**

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, data for 2009 and after is not comparable to that of prior years. A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2013 in the County were reported to be \$5,678,212,000, a 10.32% increase over the total taxable sales of \$5,147,136,000 reported during the first three quarters of calendar year 2012. Annual figures for calendar years 2013 and 2014 are not yet available.

**COUNTY OF PLACER  
Taxable Retail Sales  
Number of Permits and Valuation of Taxable Transactions  
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2008	5,841	5,009,849	12,104	6,634,810
2009 <sup>(1)</sup>	7,819	4,453,186	11,135	5,796,644
2010 <sup>(1)</sup>	8,110	4,678,785	11,439	6,017,542
2011 <sup>(1)</sup>	7,803	5,112,781	11,120	6,568,195
2012 <sup>(1)</sup>	8,272	5,613,981	11,621	7,065,597

(1) Data not comparable to prior years. "Retail" category now includes "Food Services."  
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

## Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the County.

### PLACER COUNTY Total Building Permit Valuations (Valuations in Thousands)\*

Permit Valuation	2009	2010	2011	2012	2013
New Single-family	\$257,838.2	\$272,263.0	\$230,831.8	\$431,611.6	\$378,286.0
New Multi-family	25,595.7	11,385.1	6,549.5	11,368.0	7,078.5
Res. Alterations/Additions	41,270.3	50,586.8	62,155.8	35,481.3	50,358.2
<b>Total Residential</b>	<b>324,704.2</b>	<b>\$334,234.9</b>	<b>\$299,537.1</b>	<b>\$478,460.9</b>	<b>\$435,722.7</b>
New Commercial	\$ 7,200.2	\$ 5,551.8	\$ 7,014.3	\$ 44,303.0	\$ 70,876.0
New Industrial	0.0	0.0	860.0	164.0	1,092.0
New Other	29,275.1	29,303.2	12,112.3	414.5	25,673.5
Com. Alterations/Additions	77,101.0	73,789.4	88,639.9	55,512.0	73,037.0
<b>Total Nonresidential</b>	<b>\$113,576.3</b>	<b>\$108,644.4</b>	<b>\$108,626.5</b>	<b>\$100,393.5</b>	<b>\$170,678.5</b>
<b>New Dwelling Units</b>					
Single Family	1,056	1,090	802	1,209	1,249
Multiple Family	259	79	28	111	227
<b>TOTAL</b>	<b>1,315</b>	<b>1,169</b>	<b>830</b>	<b>1,320</b>	<b>1,476</b>

\* Subtotals may be slightly off due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

## Transportation

The County's transportation network is an integral part of its development. Centrally located in the State, the area is the hub of several major highways. Interstate 80 runs through the County, connecting San Francisco to New York. Highway 65 runs north from I-80 to Lincoln and Marysville. Interstate 5, which is west of the County, runs north to Seattle and south to Los Angeles.

Union Pacific Railroad bought Southern Pacific in 1996 and the J.R. Davis Yard, located in Roseville, is the largest rail facility on the West Coast. Union Pacific owns and operates track in 23 states, primarily west of the Mississippi River. Amtrak provides passenger service daily to San Francisco and San Jose, and the California Zephyr connects the County to the Midwest and Chicago.

Greyhound operates a station in Roseville, providing interstate destination services. Greyhound also operates throughout the County, with bus depots or regularly scheduled stops in most of the communities along major highways and roads.

Sacramento International Airport is located 17 miles west of Roseville via I-80 and I-5. Served by ten major carriers and several commuter airlines, as well as air freight carriers, Metro handles passenger flights to over 140 cities with more than 130 scheduled departures per day and 4.3 million passengers annually. Auburn Municipal Airport serves charter and private aircraft for coastal, state and transcontinental flights. Executive air service is available as well. Auburn Municipal has an elevation of 1,520 feet and an east/west runway 3,100 feet in length. Lincoln Municipal Airport is located nine miles north of Roseville and offers fueling and maintenance services to private aircraft. Lincoln Municipal has an elevation of 119 feet and a 6,000 foot runway. Corporate aviation and fixed based operations from Lincoln Municipal provide daily service to the San Francisco Bay area.

Several trucking companies serve the County, ranging from interstate lines to local haulers, and transporting a wide variety of goods. United Parcel Service, with a distribution center in Rocklin, offers freight transportation services as well.

The Port of Sacramento is located approximately 38 miles from the City of Roseville. The Port handles ocean-going freighters via San Francisco Bay. Warehouses and conveyor systems are equipped with vacuum dust collectors, permitting rapid loading of ordinary dusty commodities without environmental pollution. A \$46 million expansion project will accommodate the majority of the bulk cargo vessels, as well as general container cargo vessels.

**APPENDIX H**  
**FISCAL CONSULTANT'S REPORT**