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ANNUAL REPORT

*For 2016-17 Fiscal Year
With Data for the 2017-18 Fiscal Year*

**Tax Allocation Refunding Bonds Series, 2017A
Tax Allocation Refunding Bonds Series, 2017B**

*Successor Agency to the
Contra Costa County Redevelopment Agency*

*Base Cusip No. 212263**

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February 2018

Introduction

In August 2017, the Successor Agency to the Contra Costa County Redevelopment Agency (Agency) issued its Tax Allocation Refunding Bonds, Series 2017A and Series 2017B (Series 2017 Bonds). The Agency pledged all moneys deposited in the Redevelopment Property Tax Trust Fund (RPTTF as described below) which consists of a portion of the former tax increment revenues generated from the Contra Costa Centre Project Area, the North Richmond Redevelopment Project Area, the Bay Point Redevelopment Project Area, the Rodeo Redevelopment Project Area, and the Montalvin Manor Redevelopment Project Area (together, the Project Areas or the Combined Project Areas) to repayment of the Series 2017 Bonds. The Series 2017 Bonds refunded a series of loans made by the County of Contra Costa Public Financing Authority, and thereby refunded the following Authority bonds:

- 1999 Tax Allocation Revenue Bonds;
- 2003 Tax Allocation Revenue Bonds Series A;
- 2007 Tax Allocation Revenue Bonds, Series A / Series A-T; and
- 2007 Tax Allocation Revenue Bonds, Subordinate Series B.

Capitalized term used in this Annual Report and not otherwise defined shall have the meanings given to such terms as set forth in the Official Statement dated August 2, 2017 (Official Statement), related to the Series 2017 Bonds.

In connection with the issuance of the Series 2017 Bonds, the Agency executed and delivered a Continuing Disclosure Certificate for the benefit of the holders and beneficial owners of the Series 2017 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The Continuing Disclosure Certificate for the Series 2017 Bonds requires the Agency to file an Annual Report based on the then applicable rules and electronic format prescribed by the MSRB. The Annual Report is required to be filed by March 31 of each year.

The Annual Report is required to contain or incorporate by reference the following financial information:

1. Aggregate assessed values, incremental values, and projected Tax Revenues for the Project Areas;
2. Assessed values for the Ten Largest Property Taxpayers in the Project Areas substantially in the form of Table 8 of the Official Statement;
3. Information about each resolved and / or open appeal of assessed values in the Project Areas that exceeds 5 percent of the aggregate assessed value of the Project Areas substantially in the form of Table 9 of the Official Statement;

4. Outstanding principal amount, debt service schedule, and debt service coverage ratios for the Series 2017 Bonds, and any outstanding Parity Debt secured by Tax Revenues; and
5. The balance in the Reserve Account, if a municipal debt service reserve insurance policy is not deposited into the Reserve Account. BAM issued a debt service reserve insurance policy for the Series 2017 Bonds in August 2017.

The Annual Report is also required to contain the audited financial statements of the Agency prepared in accordance with generally accepted accounting principles.

The activities of the Agency are reported as a fiduciary trust fund as part of the County's Comprehensive Annual Financial Report, which is in accordance with guidance issued by the California Department of Finance (DOF) as of December 20, 2013. The Agency financial statements are reported in the audited financial statements under "Successor Agency Private-Purpose Trust Fund". This fund reports the assets, liabilities and activities of the Successor Agency.

The required information for the Agency's 2016-17 fiscal year was included in the in the Official Statement and is incorporated by reference.

This Annual Report includes data on 2017-18 assessed values and tax increment revenues.

Section B – Redevelopment Dissolution Act

In December 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al., v. Matosantos, et al.* The Court upheld the right of the state of California to dissolve redevelopment agencies pursuant to the Dissolution Act. Based on modified time lines approved by the Court, all redevelopment agencies, including the Contra Costa County Redevelopment Agency, were dissolved effective February 1, 2012. The County of Contra Costa (County) has assumed the role of Successor Agency and is charged with winding down the affairs of the former Contra Costa County Redevelopment Agency (Original Agency) and to make payments due on enforceable obligations, as defined in the Dissolution Act.

Under the Dissolution Act, tax increment is no longer deemed to flow directly to the Successor Agency. Rather, all funds are considered property taxes. The requirement to deposit a portion of the tax increment into a low and moderate income housing fund is no longer required.

The County Auditor-Controller is required to determine the amount of property taxes that would have been allocated to each redevelopment agency had such agencies not been dissolved. All former tax increment monies go into a RPTTF) which is held and

controlled by the County Auditor-Controller. References in this report to tax increment indicate property taxes that are deposited to the RPTTF.

The money in the RPTTF is used as follows:

1. Allocate to the County property tax administrative fees and other costs needed to implement the Dissolution Act.
2. Pay all pass-through payments to the taxing entities. All pass-through payments are subordinate to bond debt service except those made pursuant to former Section 33676.
3. Pay obligations required per the Recognized Obligation Payment Schedule (ROPS), including debt service on the bonds.
4. Pay the administrative allowance, which goes to the Successor Agency to cover the costs of winding down the affairs of the Original Agency.
5. Distribute the balance to the taxing entities pursuant to Section 34183 and 34188 of the Dissolution Act.

Financial and Operating Data

This section of the Report includes the financial and operating data required to be disclosed as part of the Annual Report.

Aggregate Assessed Values / Incremental Values

The attached Table 1 shows the historical taxable values of the Project Areas since 2008-09. Taxable values have increased from \$2.1 billion in 2008-09 to \$2.4 billion in 2017-18. The total percentage change was 11.94 percent over the period. The average annual percentage change in values was 1.26 percent.

Top Ten Assesseees

The Top Ten Assesseees in the Project Areas as of 2017-18 is summarized on the attached Table 2. The taxable value for the Top Ten Assesseees represents 34.89 percent of the total value of the Project Area and 42.89 percent of the incremental value as of 2017-18.

Assessment Appeals

The Agency has obtained information on recently resolved and open appeals in the Project Area. That data shows there were no recently resolved or open appeals that exceeded 5 percent of the aggregate assessed value of the Project Area. There are some minor open appeals, as shown in the table on the following page.

	FY 17-18	Applicant	Potential
Owner	Roll Value	Value Opinion	Value Reduction
Colonial Energy	\$4,580,774	\$4,058,706	\$522,068
Pacific Wag	5,629,918	3,859,975	1,769,943
Inspirity Support Services	335,534	0	335,534
Total	10,546,226	7,918,681	2,627,545

Projected Tax Increment Revenues / Tax Revenues

A projection of tax increment revenues is shown on the attached Table 3. Real property shown on the table consists of locally reported secured and unsecured land and improvement values. The other property category includes personal property and state assessed values. The assessed values shown on Table 3 for 2017-18 are the actual values used to calculate tax increment by the County Auditor-Controller. Future values have been estimated based on a 2 percent factor beginning in 2018-19. Table 3 also shows an estimate for unitary revenue based on the estimates provided by the County Auditor-Controller.

Total tax increment has been reduced for the following allocations to show Tax Revenues:

- Former Section 33676: The language in this section of the CRL was in effect from approximately 1985 through 1993 and allowed taxing entities to elect to receive that portion of the tax increment from the 2 percent inflation factor.
- Property Tax Administration Fees: State law allows counties to charge taxing entities, including redevelopment agencies, for the cost of administering the property tax collection system. In addition, the Dissolution Act allows counties to recover their costs in implementing the Dissolution Act.
- Housing Obligations: Reflects the payment of \$100,000 per year under the Coggins Square Revocable Grant Agreement through 2028-29.

The projections also show those obligations that are subordinate to debt service.

Tax Revenues, Debt Service Schedule and Coverage

Table 4 provides information on Tax Revenues, the debt service schedule for the Series 2017 Bonds and debt service coverage. As shown on Table 4, Tax Revenues provided coverage at 346 percent of debt service for 2017-18 and are projected to provide coverage at 298 percent of debt service in 2018-19 and future fiscal years, assuming no growth. Table 4 also shows coverage assuming the growth of Tax Revenues based on the assumptions from Table 3.

There is a total of \$72,625,000 in principal outstanding for the Series 2017 Bonds.

Table 1
 Contra Costa County Successor Agency
 Combined Project Areas

HISTORICAL TAXABLE VALUE

Fiscal Year	Locally-Assessed Secured Value	Unsecured Value	State-Assessed Value	Total Taxable Value	Percentage Change	Total Incremental Value (1)
2017-18	\$2,313,365,724	\$91,421,207	\$128,610	\$2,404,915,541	4.48%	\$1,955,971,655
2016-17	2,208,372,764	93,263,304	128,610	2,301,764,678	3.29%	1,852,820,792
2015-16	2,137,067,523	89,536,555	1,740,610	2,228,344,688	10.39%	1,779,400,802
2014-15	1,930,751,719	86,194,322	1,740,610	2,018,686,651	6.62%	1,569,742,765
2013-14	1,796,453,342	95,079,923	1,871,492	1,893,404,757	5.57%	1,444,460,871
2012-13	1,705,895,231	84,278,975	3,308,132	1,793,482,338	-2.22%	1,344,538,452
2011-12	1,747,706,553	83,242,875	3,308,132	1,834,257,560	-1.32%	1,385,313,674
2010-11	1,767,767,000	87,638,104	3,308,132	1,858,713,236	-1.82%	1,409,769,350
2009-10	1,793,987,322	95,494,534	3,650,955	1,893,132,811	-11.88%	1,444,188,925
2008-09	2,042,182,867	102,496,344	3,650,955	2,148,330,166	0.28%	1,699,386,280
Total Percentage Change					11.94%	
Average Percentage Change					1.26%	

(1) Taxable Value above base year value of \$448,943,886.

Source: Contra Costa County Auditor-Controller Office

Table 2
Contra Costa County Successor Agency
Combined Project Areas

TEN MAJOR PROPERTY TAX ASSESSEES

<u>Assessee</u>	<u>Project Area</u>	<u>Parcels</u>	<u>Type of Use</u>	<u>Secured</u>	<u>Unsecured</u>	<u>2017-18 Taxable Value (1)</u>	<u>%of Total Value (2)</u>	<u>%of Inc Value (2)</u>
1) Avalon Bay Communities (3)	Centre	7	Residential	177,498,823	0	177,498,823	7.38%	9.07%
2) CSAA Inter-Insurance Bureau	Centre	1	Commercial	130,260,997	8,744,295	139,005,292	5.78%	7.11%
3) MLM Treat Towers Property	Centre	2	Commercial	125,733,318	0	125,733,318	5.23%	6.43%
4) Park Regency	Centre	6	Residential	95,864,166	0	95,864,166	3.99%	4.90%
5) DWF V 2999 Oak LLC	Centre	2	Commercial	75,353,470	0	75,353,470	3.13%	3.85%
6) 55 OAKWC Owner	Centre	2	Commercial	67,946,081	0	67,946,081	2.83%	3.47%
7) Thomas D Wilson	Centre	1	Commercial	51,185,600	0	51,185,600	2.13%	2.62%
8) Ashford Walnut Creek LP	Centre	1	Commercial	42,622,000	3,799,932	46,421,932	1.93%	2.37%
9) LP Catalyst Holdings	Bay Point	4	Industrial	33,142,717	0	33,142,717	1.38%	1.69%
10) Hoffman Holdings LP	Centre	1	Commercial	26,767,660	43,072	26,810,732	1.11%	1.37%
Total Valuation (4)				826,374,832	12,587,299	838,962,131	34.89%	42.89%

(1) Based on ownership of locally-assessed secured and unsecured property.

(2) Based on 2017-18 combined Project Area taxable value of \$2,404,915,541 and incremental value of \$1,955,971,655.

(3) Site of Transit Oriented Development which is subject to a long term ground lease with the San Francisco BART District, which is shown on the tax rolls as the underlying property owner.

(4) None of the Top Ten have outstanding appeals.

Source: Records of Contra Costa County

Table 3
Contra Costa County Successor Agency
Combined Project Areas

TAX INCREMENT PROJECTIONS - GROWTH

(000' s Omitted)

Fiscal Year	Real (1) Property	Ownership Changes New (2) Development	Other (3) Property	Total Value	Value Over Base Of 448,944	Tax (4) Increment	Unitary (5) Tax Revenue	Total Tax Increment	Senior Obligations			Tax Revenue	AB 1290 (9) Tax Sharing	Negotiated Taxing (10) Entity Share	Developer Payments	Net Tax Increment Revenue
									33676 (6) Adjustment	Property Tax Admin (7) Fees	(8) Housing Obligations					
2017 - 2018	\$2,345,771	NA	\$59,145	\$2,404,916	\$1,955,972	\$19,560	\$116	\$19,676	\$1,664	\$155	\$100	\$17,758	\$898	\$1,297	\$1,355	\$14,208
2018 - 2019	2,392,001	0	59,145	2,451,146	2,002,202	20,022	116	20,138	1,745	158	100	18,135	990	1,330	1,362	14,452
2019 - 2020	2,439,841	0	59,145	2,498,986	2,050,042	20,500	116	20,617	1,828	162	100	18,526	1,093	1,366	1,369	14,698
2020 - 2021	2,488,638	0	59,145	2,547,783	2,098,839	20,988	116	21,105	1,913	166	100	18,926	1,203	1,402	1,377	14,945
2021 - 2022	2,538,411	0	59,145	2,597,556	2,148,612	21,486	116	21,602	2,000	170	100	19,333	1,315	1,438	1,384	15,196
2022 - 2023	2,589,179	0	59,145	2,648,324	2,199,380	21,994	116	22,110	2,088	174	100	19,749	1,429	1,476	1,392	15,452
2023 - 2024	2,640,963	0	59,145	2,700,107	2,251,163	22,512	116	22,628	2,178	178	100	20,172	1,554	1,514	1,400	15,705
2024 - 2025	2,693,782	0	59,145	2,752,927	2,303,983	23,040	116	23,156	2,269	182	100	20,605	1,681	1,553	1,408	15,962
2025 - 2026	2,747,658	0	59,145	2,806,802	2,357,858	23,579	116	23,695	2,363	186	100	21,046	1,811	1,593	1,416	16,225
2026 - 2027	2,802,611	0	59,145	2,861,755	2,412,811	24,128	116	24,244	2,458	191	100	21,495	1,944	1,633	1,424	16,494
2027 - 2028	2,858,663	0	59,145	2,917,808	2,468,864	24,689	116	24,805	2,556	195	100	21,954	2,079	1,675	1,433	16,767
2028 - 2029	2,915,836	0	59,145	2,974,981	2,526,037	25,260	116	25,377	2,655	200	0	22,522	2,217	1,717	1,441	17,146
2029 - 2030	2,974,153	0	59,145	3,033,298	2,584,354	25,844	116	25,960	2,756	204	0	22,999	2,358	1,760	1,450	17,431
2030 - 2031	3,033,636	0	59,145	3,092,781	2,643,837	26,438	116	26,555	2,860	209	0	23,486	2,502	1,804	1,459	17,721
2031 - 2032	3,094,309	0	59,145	3,153,453	2,704,509	27,045	116	27,161	2,965	214	0	23,983	2,648	1,849	1,468	18,017
2032 - 2033	3,156,195	0	59,145	3,215,339	2,766,396	27,664	116	27,780	3,073	218	0	24,489	2,798	1,894	1,478	18,319
2033 - 2034	3,219,319	0	59,145	3,278,463	2,829,520	28,295	116	28,411	3,182	223	0	25,006	2,950	1,941	1,487	18,627
2034 - 2035	3,283,705	0	59,145	3,342,850	2,893,906	28,939	116	29,055	3,294	228	0	25,533	3,106	1,989	1,497	18,941
2035 - 2036	3,349,379	0	59,145	3,408,524	2,959,580	29,596	116	29,712	3,408	234	0	26,070	3,269	2,037	1,507	19,257
2036 - 2037	3,416,367	0	59,145	3,475,511	3,026,568	30,266	116	30,382	3,525	239	0	26,618	3,435	2,087	1,517	19,580

- (1) Prior Year Real Property increased by 2 percent per year.
The value in 2017-18 reduced for resolved and open appeals.
- (2) No new development or changes of ownership included in the projections.
- (3) Includes the value of secured and unsecured personal property, and state-assessed railroad and non-unitary property.
- (4) Based on the application of 1% tax rate to incremental taxable value.
- (5) As reported by the County Auditor-Controller.
- (6) Allocations to the taxing entities pursuant to former CRL Section 33676.
- (7) Per SB 2557, reflects Project Area share of Contra Costa County's property tax administrative costs.
- (8) Housing set-aside no longer required under Dissolution Act. The amounts shown are payments due under development agreements.
- (9) Required payments per Section 33607.7 of the CRL.
- (10) Reflects tax sharing payments required from the various Project Areas.

Table 4
 Contra Costa County Successor Agency
 Combined Project Areas

PROJECTED DEBT SERVICE COVERAGE

Fiscal Year (1)	Tax Revenue (2)	Series 2017 Bond Debt Service (3)	Debt Service Coverage (4)	Fiscal Year 2017-18 Debt Service Coverage (5)
2017 - 2018	\$17,757,597	\$5,127,867	346%	346%
2018 - 2019	18,134,793	5,962,488	304%	298%
2019 - 2020	18,526,329	5,962,113	311%	298%
2020 - 2021	18,925,697	5,958,388	318%	298%
2021 - 2022	19,333,051	5,960,988	324%	298%
2022 - 2023	19,748,553	5,959,325	331%	298%
2023 - 2024	20,172,365	5,962,950	338%	298%
2024 - 2025	20,604,652	5,956,100	346%	298%
2025 - 2026	21,045,586	5,956,250	353%	298%
2026 - 2027	21,495,339	5,958,250	361%	298%
2027 - 2028	21,954,086	5,956,250	369%	298%
2028 - 2029	22,522,008	5,960,000	378%	298%
2029 - 2030	22,999,289	5,958,750	386%	298%
2030 - 2031	23,486,116	5,957,250	394%	298%
2031 - 2032	23,982,679	5,960,000	402%	298%
2032 - 2033	24,489,173	5,956,250	411%	298%
2033 - 2034	25,005,797	5,960,750	420%	298%
2034 - 2035	25,532,754	5,957,500	429%	298%
2035 - 2036	26,070,249	3,281,250	795%	541%

(1) Tax Revenues are presented for the Fiscal Year ending June 30; debt service is presented for the calendar year.

(2) Based on estimated 2 percent assessed value growth as shown on Table 4.

(3) Reflects aggregate debt service on both the Series 2017 A and B Bonds.

(4) Calculated by dividing annual Tax Revenues by annual debt service.

(5) Calculated by dividing estimated 2017-18 Tax Revenues by annual debt service.