

ANNUAL DISCLOSURE REPORT

YEAR ENDING JUNE 30, 2015

CITY OF RIVERSIDE REDEVELOPMENT SUCCESSOR AGENCY

**2007 SERIES C TAX ALLOCATION REVENUE BONDS \$89,205,000 (TAX-EXEMPT)
2007 SERIES D TAX ALLOCATION REVENUE BONDS \$43,875,000 (TAXABLE)**

DATED MARCH 22, 2007

CUSIP NUMBERS:

**SERIES C 769044 CD8 through 769044 DB1
SERIES D 769044 DM7 through 769044 EC8**

Prepared by
City of Riverside

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RIVERSIDE REDEVELOPMENT AGENCY
CONTINUING DISCLOSURE INFORMATION -
2007 TAX ALLOCATION REVENUE BONDS SERIES C and SERIES D

FISCAL YEAR ENDED JUNE 30, 2015

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report.

(a) Attached are the audited financial statements of the City of Riverside Redevelopment Successor Agency for the year ended June 30, 2015.

(b) Other financial or operating information:

(i) The principal amount of the Bonds outstanding at June 30, 2015:

2007 TAX ALLOCATION REVENUE BONDS (SERIES C):	Outstanding	\$86,550,000
2007 TAX ALLOCATION REVENUE BONDS (SERIES D):	Outstanding	\$33,150,000

(ii) The reserve requirement of the 2007 Series C and Series D Tax Allocation Bonds:

The Reserve is funded through a surety bond provided by MBIA.

(iii) The City of Riverside Redevelopment Successor Agency issued the 2014 Subordinate Tax Allocation Refunding Bonds Series A & B during the reporting year. Approximately \$26,302,000 of the issue relates to the Arlington, University Corridor/Sycamore Canyon Merged and Magnolia Center Project Areas. The 2014 refunding bonds are subordinate to the 2007 Series C & D bonds. The required specific information is provided below:

Date of Issue:	October 16, 2014
Amount Issued:	Series A - \$61,250,000; Series B - \$1,730,000 (Taxable)
Payment Term:	Series A – Serial bonds due from 2015 to 2034; Callable from 9/1/20124 Series B – Serial bonds due from 2015 to 2024; non-callable
Bond Rating:	AA- by Standard and Poor at time of Issuance
Insurance:	Issue is not insured. Reserve Requirement is funded by a surety bond.

(iv-vi) Current project area information:

(iv) Assessed value of each project area:	Attachment D
(v) Top ten taxpayers:	Attachment B
(vi) Bond coverage ratio:	Attachment A

(vii) The Cumulative Tax Increment as of June 30, 2015 for the required project areas:

University Corridor/Sycamore Canyon Project Area	\$166,514,221
Arlington Project Area	\$ 3,596,623*

*Amount is revised from prior year reports beginning with 6/30/11.

(viii) The State of California mandated an ERAF transfer as described in the Official Statement under “BOND OWNERS RISKS – State Budget” for fiscal 2008/09. This action was litigated, found unconstitutional, and the 2008/09 transfer was not made. A mandated, revised Supplemental ERAF transfer for fiscal years 2009/10 and 2010/11 was found constitutional. Accordingly, the Agency made a transfer of \$17,061,841 in fiscal year 2009/10 and \$3,509,392 in fiscal year 2010/11. The fiscal year 2011/12 state budget eliminated redevelopment agencies as of February 1, 2012, as a means to divert more local funds to the state. The dissolution legislation provides for sufficient tax increment revenue to continue to be made available to the Redevelopment Successor Agency for paying debt service on outstanding bonds through maturity.

CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the 2007 Tax Allocation Revenue Bonds Series C and Series D, except as previously disclosed and noted below:

1. Delinquency in payment when due of any principal of or interest on the Bonds.
2. Occurrence of any Event of default under and as defined in the Trust Agreement (other than as described in clause (1) above).
3. Amendment to the Series A Indenture, the Series B Indenture or the Disclosure Certificate modifying the rights of the holders of the Bonds.
4. Giving a notice of optional or unscheduled redemption of any Bonds.
5. Defeasance of the Bonds or any portion thereof.
6. Any change in the rating, if any, on the Bonds.

As previously disclosed, Standard and Poor’s, and Moody’s have raised their ratings of the insurer of the bonds, formerly MBIA Insurance Corp., and currently National Public Finance Guarantee Corp. (a subsidiary of MBIA) from A, and Baa1 to AA-, and A3, respectively. Fitch’s rating has remained unchanged at Withdrawn. In addition, Standard and Poor’s has increased its rating on the Series C and Series D bonds from BBB to BBB+, and in September of 2014 from BBB+ to A-.
7. Adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. Any unscheduled draw on either Reserve Account reflecting financial difficulties.
9. Any unscheduled draws on any credit enhancement reflecting financial difficulties.
10. Any change or substitution in the provider of any credit enhancement, or any failure by the credit enhancer to perform on the credit enhancement.

On February 18, 2009 the bond insurer MBIA was reinsured by National Public Finance Guarantee Corporation (NPFGC).
11. The release, substitution or sale of property securing repayment of the Bonds (including property leased, mortgaged or pledged as such security).

**FORMER REDEVELOPMENT AGENCY FOR THE CITY OF RIVERSIDE
ANNUAL STATEMENT OF PROJECTED REVENUES & EXPENSES
FOR NON-HOUSING DEBT SERVICE CALCULATION
FISCAL YEAR 2015/2016**

Project Areas	Arlington	Casa Blanca	Eastside	Magnolia Center	Univ. Corr./ Syc. Cyn.	Downtown Airport Hunter Park Northside	La Sierra/ Arlanza	Totals
Gross Tax Increment (TI) Projected Revenues ⁽¹⁾	4,864,465	3,581,361	116,568	3,441,378	12,782,377	20,557,299	19,238,509	64,581,957
Less: Projected 20% Housing Set-Aside	972,893	716,272	23,314	688,276	2,556,475	4,111,460	3,847,702	12,916,391
Projected Superior Pass-Throughs ⁽²⁾	-	-	-	-	-	4,933,752	-	4,933,752
Projected 80% of County Administration Fee	50,007	36,816	1,198	35,377	131,403	211,329	197,772	663,902
Projected TI Available for Bond Debt Service	3,841,565	2,828,273	92,056	2,717,725	10,094,499	11,300,759	15,193,035	46,067,912
Budgeted Non-Housing Bond Debt Service	1,815,748	1,597,534	26,800	1,198,009	2,511,324	4,163,452	3,014,503	14,327,370
Projected Excess TI	2,025,817	1,230,739	65,256	1,519,716	7,583,175	7,137,307	12,178,532	31,740,542
PROJECTED DEBT SERVICE COVERAGE RATIO	2.12	1.77	3.43	2.27	4.02	2.71	5.04	3.22

⁽¹⁾ Tax increment revenues are based on final FY 2015/16 assessed valuation reports provided by the Riverside County Auditor-Controller's Office.

⁽²⁾ Superior pass throughs is based on 30% of the estimated revenue after housing set-aside deduction.

**FORMER REDEVELOPMENT AGENCY FOR THE CITY OF RIVERSIDE
ANNUAL STATEMENT OF PROJECTED REVENUES & EXPENSES
FOR HOUSING DEBT SERVICE CALCULATION
FISCAL YEAR 2015/2016**

Project Areas ⁽¹⁾	Arlington	Casa Blanca	Magnolia Center	Univ. Corr./ Syc. Cyn.	Downtown Airport Hunter Park Northside	Totals
Projected Housing Tax Increment (TI) Revenues ⁽²⁾	972,893	716,272	688,276	2,556,475	4,111,460	9,045,376
Less: Projected of 20% County Administration Fee	12,502	9,204	8,844	32,851	52,832	116,233
Projected TI Available for Bond Debt Service	960,391	707,068	679,432	2,523,624	4,058,628	8,929,143
Budgeted Housing Bond Debt Service	290,691	310,407	165,759	779,969	1,039,758	2,586,584
Projected Excess TI	669,700	396,661	513,673	1,743,655	3,018,870	6,342,559
PROJECTED DEBT SERVICE COVERAGE RATIO	3.30	2.28	4.10	3.24	3.90	3.45

⁽¹⁾ Eastside, Hunter Park/Northside and La Sierra/Arlanza Project Areas are not included in these calculations because no housing bonds have been issued as of this date for these project areas.

⁽²⁾ Tax increment revenues are based on final FY 2015/16 assessed valuation reports provided by the Riverside County Auditor-Controller's Office.

Attachment B

FY 2014/15 Top Ten Taxpayers

Project Area: University Corridor/Sycamore Canyon

Taxpayer	Description	AV for FYE 2015
1. State Street Bank & Trust Co	Industrial	\$84,999,998
2. Edgemont Community Svc Dist.	Industrial	\$60,202,798
3. Riverside Sycamore	Industrial	\$52,344,810
4. Sycamore Canyon & Sierra	Industrial	\$51,500,000
5. Pepsi/Bottling Company	Industrial	\$50,720,518
6. HSRE-PEP Riverside LLC	Commercial	\$45,701,095
7. GECMC 2006-C1 Iowa Road LP	Residential	\$42,130,587
8. Pancal Sycamore Canyon	Institutional	\$40,647,285
9. University Village Towers	Residential	\$39,385,773
10. Space Center Sycamore Canyon	Industrial	\$33,504,565

Project Area: Downtown/Airport/Hunter Park/Northside (merged)

Taxpayer	Description	AV for FYE 2015
1. Riverside Healthcare Systems	Commercial	\$142,088,084
2. ROHR	Industrial	\$97,904,027
3. Sterling Riverside 2	Residential	\$52,909,462
4. Carbonlite Industries LLC	Unsecured	\$48,302,480
5. Prologis Targeted U.S. Logistic	Industrial	\$45,372,000
6. Citrus Towers	Commercial	\$43,679,463
7. NNN Mission Square	Commercial	\$38,852,725
8. Koll Per Riverside	Industrial	\$37,925,590
9. Historic Mission Inn	Commercial	\$28,293,543
10. Troy Coolidge	Commercial	\$26,488,555

Project Area: La Sierra/Arlanza

Taxpayer	Description	AV for FYE 2015
1. Tyler Mall Ltd Partnership	Commercial	\$195,438,624
2. La Sierra University	Residential	\$116,298,187
3. Advanced Group 13 107	Residential	\$96,578,500
4. Stremicks Heritage Foods LLC	Unsecured	\$38,108,143
5. Riverside Waterstone	Residential	\$33,387,884
6. Davenport Riverwalk Partners	Commercial	\$32,239,576
7. GRAE La Sierra	Commercial	\$30,560,509
8. Cambria Heritage 55	Commercial	\$27,926,212
9. J C Penney Company, Inc.	Commercial	\$27,489,670
10. Paseos at Magnolia	Commercial	\$25,548,372

FY 2014/15 Top Ten Taxpayers

Project Area: Arlington

Taxpayer	Description	AV for FYE 2015
1. 3100 Van Buren Apts Investment	Residential	\$38,571,549
2. Riverside Properties	Commercial	\$34,154,981
3. Kienle& Kienle Investment	Commercial	\$27,279,113
4. WalMart	Discount Store/Center	\$16,182,812
5. Lowes	Home Improvement Store./Center	\$15,733,940
6. Aanesson Stonewood Apartments	Multi-Family Residential	\$14,312,740
7. Sheun Tan	Unsecured	\$13,970,000
8. 5700 Van Buren	Commercial	\$13,576,354
9. Davidson Enterprises	Commercial	\$12,121,927
10. San Bernardino Company	Residential	\$11,579,700

Project Area: Casa Blanca

Taxpayer	Description	AV for FYE 2015
1. Carpenter Company	Unsecured	\$40,089,775
2. Home Depot USA	Retail – Home Improvement	\$17,261,500
3. Nineway	Industrial	\$9,745,142
4. M. Hebbard MacArthur	Commercial	\$9,203,141
5. Arlington Heights Citrus	Industrial	\$7,638,049
6. Malcom A Smith	Commercial	\$7,530,593
7. Atomic Investment Inc	Commercial	\$6,185,055
8. Muirlands Investments	Commercial	\$5,315,611
9. Dabney Properties	Commercial	\$5,001,268
10. Corona College Heights	Unsecured	\$4,930,781

Project Area: Magnolia Center

Taxpayer	Description	AV for FYE 2015
1. Vestar Riverside Plaza LLC	Commercial	\$91,990,427
2. Riverside Clinic Inv IV	Commercial	\$38,660,802
3. Magnolia Town Center Assoc	Commercial	\$23,585,327
4. Sears Roebuck & Company	Commercial	\$16,026,997
5. WPI Arcal	Commercial	\$14,099,135
6. Cole La Riverside California LP	Recreational	\$14,021,200
7. Y OPCO	Commercial	\$12,500,000
8. Community Convalescent Center	Commercial	\$11,547,565
9. B H Central	Commercial	\$10,203,410
10. Riverside National Banking	Commercial	\$7,604,853

Attachment D – Assessed Value of Project Areas For FY 2014/15

Arlington	\$ 928,198,179
Casa Blanca	\$ 352,030,382
Downtown / Airport / Hunter Park / Northside*	\$2,854,655,314
La Sierra / Arlanza	\$3,947,632,241
Magnolia Center	\$ 653,973,903
University Corridor / Sycamore Canyon	\$1,324,830,423

*The Downtown/Airport and Hunter Park/Northside Project areas have merged, the assessed valuation is the total for the new merged Project area.