

**SUCCESSOR AGENCY TO THE
EMERYVILLE REDEVELOPMENT AGENCY**

**\$95,450,000
TAX ALLOCATION REFUNDING BONDS,
SERIES 2014A**

**\$14,270,000
TAXABLE TAX ALLOCATION REFUNDING BONDS,
SERIES 2014B**

**Alameda County, California
Dated: August 21, 2014
Base CUSIP⁺: 29120R**



**2014 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of March 23, 2015

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* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

Pursuant to an Official Statement dated August 21, 2014, the Successor Agency to the Emeryville Redevelopment Agency (the “Successor Agency”) issued \$95,450,000 Tax Allocation Refunding Bonds, Series 2014A (the “2014A Bonds”), and \$14,270,000 Taxable Tax Allocation Refunding Bonds, Series 2014B (the “2014B Bonds” and, with the 2014A Bonds, the “Bonds”).

The Successor Agency issued the Bonds to: prepay certain outstanding loan agreements entered into by the former Emeryville Redevelopment Agency (the “Former Agency Loans”) and to refund certain outstanding bonds (the “Prior Bonds”) issued by the Emeryville Public Financing Authority (the “Authority”) which bonds are secured by the Former Agency Loans, the proceeds of which were used to finance redevelopment and low and moderate income housing activities within and for the benefit of the Emeryville Redevelopment Project and the Shellmound Park Redevelopment Project (the “Redevelopment Projects”).

The City of Emeryville (the “City”), is located along the east shore of the San Francisco Bay in Alameda County (the “County”), bordered by the City of Berkeley to its north and the City of Oakland to the east and south.

The Bonds are special obligations of the Successor Agency payable from and secured by an irrevocable pledge of, security interest in and lien on Tax Revenues derived from the Redevelopment Projects consisting of property tax revenues deposited in the Redevelopment Property Tax Trust Fund (“RPTTF”), and moneys in certain funds and accounts established under an Indenture of Trust, dated as of August 1, 2014 (the “Indenture”), as further described within the Official Statement. The Bonds and interest thereon are not a debt of the City, County, the State of California (the “State”) or any of their political subdivisions except the Successor Agency, and none of the City, the county, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The Bonds and interest are not payable out of any funds or properties other than those set forth in the Indenture. The Successor Agency has no taxing power.

This Annual Continuing Disclosure Information Statement is being provided pursuant to covenants made by the Successor Agency for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the Successor Agency and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the Successor Agency and by other sources, which are believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement that involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the

delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or any other parties described herein.

This report is of a factual nature without subjective assumptions, opinions, or views and may not be relied upon as advice or recommendation to purchase or sell any product or utilize any particular strategy relating to the issuance of municipal securities or purchase of financial products. Willdan Financial Services and its employees (collectively "Willdan") do not recommend any actions and are not acting as an advisor to any municipal entity, board, officer, agent, employee or obligated person pursuant to Section 15B of the Exchange Act. Prior to acting on any information or material contained in this communication, you should discuss it with appropriate internal or external advisors and experts and only rely upon their advice.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bonds		As of January 31, 2015
Tax Allocation Refunding Bonds, 2014A	Series	\$95,450,000
Taxable Tax Allocation Refunding Bonds, Series 2014B		\$14,270,000

III. FINANCIAL INFORMATION

There will not be separate audited financial statements prepared for the Successor Agency. The activities of the Successor Agency will be reported as a fiduciary trust fund as part of the City's audited financial statements.

The City's audited financial statements for the fiscal year ended June 30, 2014 have been separately filed through the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

IV. OPERATING INFORMATION

A. ASSESSED VALUATION BY LAND USE

The following table sets forth the designated land use in the Redevelopment Projects for fiscal year 2013/14.

Designated Land Use	Emeryville Project			Shellmound Park Project			Total		
	No. of Parcels	Taxable Value	% of Total	No. of Parcels	Taxable Value	% of Total	No. of Parcels	Taxable Value	% of Total
Commercial	562	\$946,361,286	46.5%	70	\$930,258,600	54.2%	632	\$1,876,619,886	50.0%
Residential	2,342	804,584,614	39.5%	544	417,685,368	24.3%	2,886	1,222,269,982	32.6%
Industrial	36	129,931,352	6.4%	108	153,273,124	8.9%	144	283,204,476	7.5%
Other Secured	174	24,991,740	1.2%	53	52,043,626	3.0%	227	77,035,366	2.1%
Unsecured	438	129,584,541	6.4%	464	164,225,101	9.6%	902	293,809,642	7.8%
Total	3,552	\$2,035,453,533	100.0%	1,239	\$1,717,485,819	100.0%	4,791	\$3,752,939,352	100.0%

Source: Fiscal Consultant.

B. HISTORICAL TAXABLE VALUES AND TAX INCREMENT REVENUES

The following table sets forth the historical taxable values and tax increment revenues for the Redevelopment Projects.

	Fiscal Year				
	2009/10	2010/11	2011/12	2012/13	2013/14
Total Assessed Value	\$3,834,409,597	\$3,817,874,967	\$3,542,729,191	\$3,624,818,274	\$3,752,939,352
Incremental Value	\$3,536,026,337	\$3,519,491,707	\$3,244,346,021	\$3,326,435,014	\$3,454,556,092
Total Annual Increment ⁽¹⁾	\$35,970,238	\$35,731,136	\$32,657,153	\$33,264,406	\$34,545,615
Gross RPTTF Collections ⁽²⁾	\$36,785,995	\$37,697,819	\$33,025,516	\$33,269,852	\$35,377,230
Less: County Admin. Fees	(270,559)	(285,420)	(264,751)	(338,641)	(341,247)
Less: Pass-Throughs	(6,382,700)	(5,368,843)	(5,437,255)	(5,666,150)	(6,114,616)
Tax Revenues	\$30,132,737	\$32,043,555	\$27,323,510	\$27,265,061	\$28,921,367

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

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

Source: Fiscal Consultant.

C. LARGEST TAXPAYERS

The following table shows the ten largest taxpayers in the Redevelopment Projects according to the 2013/14 assessed valuations.

Property Owner	Project Area ⁽¹⁾	Property Use ⁽²⁾	No. of Parcels ⁽³⁾	2013/14 Assessed Value	% of Incremental Value ⁽⁴⁾
Novartis Vaccines and Diagnostics ⁽⁵⁾	E/S	Office/Industrial	22	\$304,430,929	8.81%
Wareham Development ⁽⁶⁾	E/S	Office/Industrial	14	260,233,147	7.53%
Pixar Animation Studios ⁽⁷⁾	S	Commercial	7	257,514,846	7.45%
Madison Marquette ⁽⁸⁾	E/S	Shopping Center	14	215,284,660	6.23%
Emeryville Office LLC	E	Office	4	142,015,120	4.11%
BRE Properties ⁽⁹⁾	E	Residential/Office	5	111,480,364	3.23%
STRS Ohio (the Courtyards)	S	Residential	1	104,333,306	3.02%
Hines REIT Watergate LP	E	Office	2	97,044,474	2.81%
Bay Center Investor LLC	E	Office	3	88,900,000	2.57%
Windsor Metropolitan LP	S	Residential	1	82,836,491	2.40%
Total			73	\$1,664,073,337	48.16%

(1) Emeryville Redevelopment Project shown as "E"; Shellmound Park Redevelopment Project shown as "S".

(2) Based on land use codes in County Assessor database.

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

(4) Based upon reported FY 2013-14 total assessed value of \$3,752,939,352 and incremental assessed value of \$3,454,556,092.

(5) Includes Novartis Vaccines and Diagnostics, Inc., Chiron Corporation, and Cetus Corporation (under same ownership).

(6) Includes the following Wareham Development entities: Emery Station Office II LLC, Emerystation Triangle LLC, Emerystation Triangle II LLC, Emery Station Joint Venture LLC, ES East LLC, Hollis R&D Associates, 1600 63rd Street LLC, Wareham Development Corporation, and Emerystation Associates LLC.

(7) Includes Pixar and ERPM, Inc.

(8) Includes the following Madison Marquette entities: Madison Manhattan Village LLC and Madison Bay Street LLC.

(9) Includes BRE Properties, Inc. and BRE-FMCA LLC.

Source: Fiscal Consultant.

D. DEBT SERVICE COVERAGE

The following table shows debt service coverage with the Prior Bonds ⁽¹⁾ for fiscal year 2013/14.

Year Ending	Total Tax Revenues ⁽²⁾	Debt Service							Total Debt Service	Debt Service Coverage
		Series 2014A	Series 2014B	Series 1995	1998 Series B & C	2001 Series A & B	2002 Series A	2004 Series A		
2014	\$28,921,367	⁽³⁾	⁽³⁾	\$1,040,060	\$4,615,488	\$1,859,082	\$1,813,475	\$5,452,825	\$14,780,929	1.96

(1) Includes the Authority's Revenue Bonds, Series 1995 (Housing Increment Loan); Revenue Bonds, 1998 Series B (Emeryville Redevelopment, Shellmound Park Redevelopment and Housing Projects – Tax Exempt); Revenue Bonds, 1998 Series C (Emeryville Redevelopment and Housing Projects – Taxable); Revenue Bonds, 2001 Series A (Emeryville Redevelopment and Shellmound Park Redevelopment Projects – Tax Exempt); Revenue Bonds, 2001 Series B (Housing Projects – Taxable); Revenue Bonds, 2002 Series A (Emeryville Redevelopment Project); and the Revenue Bonds, 2004 Series A (Emeryville Redevelopment, Shellmound Park Redevelopment and Housing Projects).

(2) Debt Service is presented in Bond Year format.

(3) Debt Service on the 2014A and 2014B Bonds commences fiscal year 2014/15.

V. RATINGS

The scheduled payment of principal and interest for certain maturities of the Bonds are guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (“AGM”). The 2014A Bonds maturing on September 1 of the years 2022 through 2034, inclusive, and the 2014B Bonds maturing on September 1 of the years 2022 through 2026, inclusive, and 2031 are insured by a financial guaranty insurance policy with AGM. The 2014A and the 2014B Bonds maturing on September 1 of the years 2015 through 2021, inclusive, are **not** covered by the insurance policy issued by AGM.

- On November 13, 2014, Kroll Bond Rating Agency assigned an insurance financial strength rating of ‘AA+’ to AGM.

Information from the rating agencies regarding the ratings actions may be obtained from such rating agencies.

VI. REDEVELOPMENT AGENCY DISSOLUTION

On December 29, 2011, the California Supreme Court upheld ABx1 26, which dissolves all redevelopment agencies (“RDA”) in California, effective February 1, 2012. Each successor agency is responsible for drafting a Recognized Obligation Payment Schedule (“ROPS”) delineating the enforceable obligations of the former RDA payable through June 30, 2012 and their source of payment, and then additional ROPS every six months thereafter. ROPS are subject to the approval of the local oversight board, County Auditor-Controller, and Department of Finance. The Successor Agency’s schedule can be accessed by the link below.

<http://www.ci.emeryville.ca.us/379/Redevelopment-Agency-Financial-Reports>

VII. OCCURRENCE OF LISTED EVENTS

As amended, the Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, ***irrespective of any determination as to whether such event may or may not be deemed material.*** The Successor Agency has no knowledge that any of the events listed below have occurred or have not been previously reported during the fiscal year ended June 30, 2014.

1. Principal and interest payment delinquencies on the Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or 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 Bonds.
6. Defeasances.
7. Tender offers.
8. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the Successor Agency.
9. Ratings changes.

As amended, the Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, ***if deemed material.*** The Successor Agency has no knowledge that any of the events listed below have occurred or have not been previously reported during the fiscal year ended June 30, 2014.

10. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the Successor Agency or the dissolution of the Successor Agency.
11. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
12. Non-payment related defaults.
13. Modifications to the rights of Holders.
14. Optional, contingent or unscheduled bond calls, prepayment or redemptions other than defeasances.
15. Release, substitution or sale of property securing repayment of the Bonds.