

**CITY OF REDONDO BEACH**

Statistical Section  
(Not covered by Independent Auditor's Report)

June 30, 2007

## Overview of the Five Categories Presented in the City's Statistical Section

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CITY OF REDONDO BEACH

NET ASSETS BY COMPONENT

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 132,056,720	\$ 131,553,186	\$ 131,738,853	\$ 131,382,820	\$ 135,153,851
Restricted	24,444,604	18,585,387	32,636,751	29,022,856	34,504,525
Unrestricted	1,138,486	(3,642,292)	(22,641,897)	(15,492,009)	(16,364,199)
Total governmental activities net assets	<u>157,639,810</u>	<u>146,496,281</u>	<u>141,733,707</u>	<u>144,913,667</u>	<u>153,294,177</u>
Business-type activities:					
Invested in capital assets, net of related debt	28,749,590	25,572,316	39,409,701	39,151,202	38,139,435
Restricted	190,050	-	-	-	-
Unrestricted	17,787,346	30,464,219	19,380,216	20,013,129	22,770,297
Total business-type activities net assets	<u>46,726,986</u>	<u>56,036,535</u>	<u>58,789,917</u>	<u>59,164,331</u>	<u>60,909,732</u>
Primary government:					
Invested in capital assets, net of related debt	160,806,310	157,125,502	171,148,554	170,534,022	173,293,286
Restricted	24,634,654	18,585,387	32,636,751	29,022,856	34,504,525
Unrestricted	18,925,832	26,821,927	(3,261,681)	4,521,120	6,406,098
Total primary government net assets	<u>\$ 204,366,796</u>	<u>\$ 202,532,816</u>	<u>\$ 200,523,624</u>	<u>\$ 204,077,998</u>	<u>\$ 214,203,909</u>

NOTE: The City of Redondo Beach has elected to present five years of data since the implementation of GASB 34 in fiscal year 2002/2003.

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

CITY OF REDONDO BEACH

CHANGES IN NET ASSETS

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Government activities:					
General government	\$ 8,246,966	\$ 8,182,895	\$ 10,427,561	\$ 10,638,910	\$ 10,019,467
Public Safety	28,238,180	28,889,848	32,490,257	35,772,948	38,269,521
Housing and community development	12,290,418	11,746,765	11,797,139	11,749,944	12,194,088
Cultural and leisure services	7,693,999	7,673,578	8,204,892	8,812,584	9,499,827
Public works	17,324,480	14,478,369	14,212,509	12,936,637	14,986,259
Interest on long-term debt	2,246,326	1,377,259	1,956,707	2,122,317	1,696,368
Total governmental activities expenses	<u>76,040,369</u>	<u>72,348,714</u>	<u>79,089,065</u>	<u>82,033,340</u>	<u>86,665,530</u>
Business-type activities:					
Harbor Tidelands	4,193,713	4,474,733	5,142,991	4,447,965	4,902,841
Harbor Uplands	3,945,726	4,682,845	4,071,680	4,466,239	4,503,160
Solid Waste	-	2,901,712	3,001,525	3,225,121	3,493,852
Wastewater	-	886,466	1,350,156	2,686,646	2,122,793
Total business-type activities expenses	<u>8,139,439</u>	<u>12,945,756</u>	<u>13,566,352</u>	<u>14,825,971</u>	<u>15,022,646</u>
Total primary government expenses	<u>84,179,808</u>	<u>85,294,470</u>	<u>92,655,417</u>	<u>96,859,311</u>	<u>101,688,176</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for Services:					
General government	705,541	176,191	218,476	4,732,359	6,434,951
Public Safety	1,099,904	1,226,777	1,357,045	1,353,696	1,290,081
Housing and community development	4,288,421	5,233,846	5,091,922	5,425,840	4,989,531
Cultural and leisure services	1,444,730	1,462,232	1,743,838	1,864,303	1,842,631
Public works	4,230,641	1,746,110	1,866,308	1,879,095	1,771,922
Operating grants and contributions	12,610,308	13,548,374	14,385,755	11,403,631	12,366,720
Capital grants and contributions	953,264	507,063	715,672	2,856,548	4,916,505
Total governmental activities program revenues	<u>25,332,809</u>	<u>23,900,593</u>	<u>25,379,016</u>	<u>29,515,472</u>	<u>33,612,341</u>
Business-type activities:					
Charges for services:					
Harbor Tidelands	4,561,567	4,938,355	4,976,742	4,797,346	5,067,315
Harbor Uplands	3,590,837	3,554,528	3,526,424	3,858,007	4,103,636
Solid Waste	-	2,464,184	2,462,684	3,184,481	3,481,133
Wastewater	-	236,675	2,487,868	2,135,108	1,842,479
Operating grants and contributions	1,105	36,362	49,717	73,035	68,841
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>8,153,509</u>	<u>11,230,104</u>	<u>13,503,435</u>	<u>14,047,977</u>	<u>14,563,404</u>
Total primary government program revenues	<u>33,486,318</u>	<u>35,130,697</u>	<u>38,882,451</u>	<u>43,563,449</u>	<u>48,175,745</u>
Net (expense)/revenue					
Governmental activities	(50,707,560)	(48,448,121)	(53,710,049)	(52,517,868)	(53,053,189)
Business-type activities	14,070	(1,715,652)	(62,917)	(777,994)	(459,242)
Total primary government net expense	<u>(50,693,490)</u>	<u>(50,163,773)</u>	<u>(53,772,966)</u>	<u>(53,295,862)</u>	<u>(53,512,431)</u>

CITY OF REDONDO BEACH

CHANGES IN NET ASSETS

Last Five Fiscal Years

(accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities					
Taxes					
Property taxes, levied for general purpose	16,751,767	18,058,184	19,524,448	25,617,618	27,136,137
Transient occupancy taxes	2,257,526	2,439,439	2,648,323	3,354,138	3,738,839
Sales taxes	8,073,176	8,544,764	9,408,574	9,906,235	10,205,436
Franchise taxes	1,321,287	1,842,050	1,761,441	1,767,452	1,685,711
Business licenses taxes	1,278,607	1,302,614	1,323,345	1,376,117	1,289,608
Utility users taxes	6,835,864	6,841,854	7,184,530	7,398,984	7,878,429
Motor vehicle in lieu	3,897,644	2,959,364	5,653,644	453,645	429,612
Investment earnings	3,719,297	1,729,697	2,595,528	3,349,037	4,687,909
Other revenues	926,203	1,248,023	1,980,160	1,340,746	1,626,971
Loss on disposal of capital assets	(121,086)	(12,125)	-	-	-
Transfers	429,460	(5,308,676)	473,040	-	-
Total governmental activities	<u>45,369,745</u>	<u>39,645,188</u>	<u>52,553,033</u>	<u>54,563,972</u>	<u>58,678,652</u>
Business-type activities:					
Investment earnings	770,111	295,611	810,422	839,082	1,439,428
Loss on disposal of capital assets	(18,048)	-	-	-	-
Other revenues	369,246	760,920	1,032,553	204,761	138,877
Transfers	(429,460)	5,308,676	(473,040)	-	-
Total business-type activities	<u>691,849</u>	<u>6,365,207</u>	<u>1,369,935</u>	<u>1,043,843</u>	<u>1,578,305</u>
Total primary government	<u>46,061,594</u>	<u>46,010,395</u>	<u>53,922,968</u>	<u>55,607,815</u>	<u>60,256,957</u>
<b>Change in Net Assets</b>					
Governmental activities	(5,337,815)	(8,802,933)	(1,157,016)	2,046,104	5,625,463
Business-type activities	705,919	4,649,555	1,307,018	265,849	1,119,063
Totally primary government	<u>\$ (4,631,896)</u>	<u>\$ (4,153,378)</u>	<u>\$ 150,002</u>	<u>\$ 2,311,953</u>	<u>\$ 6,744,526</u>

NOTE: The City of Redondo Beach has elected to present five years of data since the implementation of GASB 34 in fiscal year 2002/2003.

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

CITY OF REDONDO BEACH

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Five Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General fund					
Reserved	\$ 1,118,553	\$ 532,612	\$ 1,229,239	\$ 759,733	\$ 781,710
Unreserved:					
Designated	11,802,290	11,942,979	9,144,315	9,383,713	10,143,013
Undesignated	(83,439)	3,692	1,028,448	2,680,196	214,115
Total general fund	<u>12,837,404</u>	<u>12,479,283</u>	<u>11,402,002</u>	<u>12,823,642</u>	<u>11,138,838</u>
All other governmental funds					
Reserved	9,649,967	5,770,495	3,156,012	7,519,312	21,109,217
Unreserved, reported in:					
Special revenue funds	5,486,190	5,089,794	5,941,612	4,485,135	8,108,628
Capital projects funds	630	2,284,886	2,085,674	1,763,987	1,581,516
Debt service funds	4,779	4,822	4,819	5,021	5,028
Designated	15,002,782	11,152,797	5,233,040	8,320,867	9,274,372
Undesignated	-	110,440	2,566,316	(2,290,313)	(12,738,943)
Total all other governmental funds	<u>\$ 30,144,348</u>	<u>\$ 24,413,234</u>	<u>\$ 18,987,473</u>	<u>\$ 19,804,009</u>	<u>\$ 27,339,818</u>

NOTE: The City of Redondo Beach has elected to present five years of data since the implementation of GASB 34 in fiscal year 2002/2003.

Source: City of Redondo Beach Comprehensive Annual Financial Report, Governmental Fund Financial Statements

CITY OF REDONDO BEACH

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Five Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Revenues:</b>					
Taxes	\$ 35,772,421	\$ 39,678,946	\$ 47,416,940	\$ 49,809,201	\$ 52,569,593
Interdepartmental	-	-	-	4,298,260	6,314,753
Licenses and permits	1,241,136	1,513,226	1,713,598	2,006,686	1,660,339
Intergovernmental	15,566,321	16,208,575	13,322,228	14,196,236	15,771,721
Charges for services	7,870,593	7,193,850	7,738,642	8,673,373	7,627,197
Use of money and property	6,638,379	2,178,640	3,834,831	3,458,204	5,228,621
Fines and forfeitures	1,612,480	1,069,909	942,598	889,437	1,117,196
Other revenues	1,551,978	784,325	697,856	760,816	787,722
Total Revenues	70,253,308	68,627,471	75,666,693	84,092,213	91,077,142
<b>Expenditures:</b>					
Current:					
General government	7,858,215	8,134,136	10,291,155	10,531,849	9,878,387
Public safety	27,905,212	28,548,022	31,357,941	35,109,834	38,254,942
Housing and community development	12,272,712	11,753,095	11,134,350	11,341,953	11,960,230
Cultural and leisure services	6,892,592	7,565,264	7,446,505	8,658,356	9,120,765
Public works	9,429,422	11,866,239	7,404,995	9,409,898	10,218,116
Capital outlay	7,987,598	1,884,946	10,024,176	3,356,314	5,318,230
Debt service:					
Principal	394,798	395,046	420,069	1,984,826	757,671
Interest	2,232,047	1,389,640	1,958,332	2,130,871	1,698,884
Debt issuance costs	21,157	-	-	-	-
Total Expenditures	74,993,753	71,536,388	80,037,523	82,523,901	87,207,225
Excess of Revenues Over (Under) Expenditures	(4,740,445)	(2,908,917)	(4,370,830)	1,568,312	3,869,917
<b>Other Financing Sources (Uses):</b>					
Transfers in	5,277,409	3,548,964	3,194,254	3,296,665	6,611,051
Transfers out	(6,077,949)	(4,194,424)	(6,007,674)	(4,496,995)	(7,853,397)
Other debts issued	450,140	655,879	926,685	736,338	476,292
Total Other Financing Sources (Uses)	(350,400)	10,419	(1,886,735)	(463,992)	(766,054)
Net Change in Fund Balances	\$ (5,090,845)	\$ (2,898,498)	\$ (6,257,565)	\$ 1,104,320	\$ 3,103,863
Debt service as a percentage of noncapital expenditures	4.11%	2.63%	3.52%	5.48%	3.09%

NOTE: The City of Redondo Beach has elected to present five years of data since the implementation of GASB 34 in fiscal year 2002/2003.

Source: City of Redondo Beach Comprehensive Annual Financial Report, Government-Wide Financial Statements

City of Redondo Beach

Assessed Value and Estimated Actual Value of Taxable Property

Last Eight Fiscal Years \*

Fiscal Year Ended June 30	City				Redevelopment				Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Exemptions	Taxable Assessed Value	
2000	\$ 5,262,052,616	\$ 331,387,664	\$ (45,294,211)	\$ 5,548,146,069	\$ 219,585,657	\$ 59,626,162	\$ -	\$ 279,211,819	0.193%
2001	5,897,945,763	312,563,883	(43,819,866)	6,166,689,780	241,493,805	54,167,424	(313,342)	295,347,887	0.191%
2002	6,385,716,954	324,592,746	(37,669,872)	6,672,639,828	246,801,085	57,023,707	(319,608)	303,505,184	0.198%
2003	6,828,949,516	359,752,562	(55,603,784)	7,133,098,294	253,875,110	56,736,856	(325,999)	310,285,967	0.225%
2004	7,506,186,983	361,472,965	(60,856,425)	7,806,803,523	253,975,182	66,824,277	(332,518)	320,466,941	0.222%
2005	7,919,761,315	349,465,981	(43,088,228)	8,226,139,068	277,594,347	59,467,281	-	337,061,628	0.228%
2006	8,791,344,602	347,996,542	(69,771,516)	9,069,569,628	272,239,842	58,002,148	(537,132)	329,704,858	0.273%
2007	9,681,892,573	375,435,811	(47,879,656)	10,009,448,728	347,940,107	55,919,195	(547,874)	403,311,428	0.261%

NOTES: \* The City of Redondo Beach has elected to present only eight years of data for this schedule. Collection of data prior to fiscal year 1999/2000 was not accessible.

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: HdL Coren & Cone, Los Angeles County Auditor-Controller/Tax Division 2006-07 Combined Tax Rolls

**City of Redondo Beach**

**Direct and Overlapping Property Tax Rates  
(Rate per \$100 of taxable value)**

**Last Ten Fiscal Years**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City basic rate	0.16617	0.16617	0.16617	0.16617	0.16617	0.16617	0.16617	0.16617	0.16617	0.16617
Redevelopment agency	1.01268	1.01230	1.01209	1.01167	1.00990	1.00861	1.00755	1.00697	1.00604	1.00541
Overlapping Rates:										
Los Angeles County	0.00158	0.00145	0.00142	0.00131	0.00113	0.00103	0.00099	0.00092	0.00080	0.00066
Flood Control	0.00220	0.00195	0.00176	0.00156	0.00107	0.00088	0.00047	0.00024	0.00005	0.00005
Metropolitan Water District	0.00890	0.00890	0.00890	0.00880	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470
Community College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01903	0.01656	0.01838	0.03570
Unified School District	0.00000	0.00000	0.00000	0.00000	0.02370	0.00446	0.00866	0.02765	0.03336	0.02970
Total Direct Rate	0.22777	0.22406	0.22351	0.18529	0.18449	0.18385	0.18360	0.18176	0.18234	0.21166

Notes: General fund tax rates are representative and based upon the direct and overlapping rates for the largest general fund tax rate area (TRA) by net taxable value.

Total Direct Rate is the weighted average of all individual direct rates applied by the City of Redondo Beach.

RDA rate is based on the largest RDA tax rate area(TRA) and includes only rate(s) from indebtedness adopted prior to 1969 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage to assessed property values for the payment of any voter approved bonds.

Source: HdL Coren & Cone, Los Angeles County Assessor 2006/2007 Tax Rate Table

**CITY OF REDONDO BEACH**

**PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2007</u>		<u>1998</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
TRW Inc.	\$213,285,574	2.05%	\$301,824,605	5.71%
Northrop Grumman Space & Mission	201,846,450	1.94%	-	
South Bay Center LLC	184,560,727	1.77%	-	
HPT IHG 2 Properties Trust	49,480,200	0.48%	-	
MKEG P LLC	34,680,000	0.33%	-	
Portofino Partners	33,648,449	0.32%	24,781,037	0.47%
Target Corporation	33,096,499	0.32%	-	
Harbor Cove Limited	30,992,475	0.30%	-	
Avalon California Value LLC	25,194,933	0.24%	-	
Haagen Redondo LLC	24,660,566	0.24%	-	
Galleria At South Bay	-		136,120,488	2.57%
Holliday Inns Inc.	-		26,750,742	0.51%
Telogy Inc.	-		18,437,773	0.35%
Redondo Shores LLC	-		16,055,310	0.30%
Space Technology Lab Inc.	-		15,790,000	0.30%
South Bay Associates	-		15,309,770	0.29%
Electro Rent Corporation	-		14,310,530	0.27%
Allen H. Ginsburg Trust	-		13,866,882	0.26%
	<u>\$831,445,873</u>	<u>7.98%</u>	<u>\$583,247,137</u>	<u>11.03%</u>

NOTE: The amounts shown above include assessed value date for both the City and the Redevelopment Agency.

Source: HdL Coren & Cone, Los Angeles County Assessor 2006/2007 Combined Tax Rolls

CITY OF REDONDO BEACH

PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years *	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 11,524,351	\$ 11,169,883	96.92%	\$ -	\$ 11,169,883	96.92%
1999	11,859,905	11,482,994	96.82%	-	11,482,994	96.82%
2000	12,493,704	12,079,105	96.68%	-	12,079,105	96.68%
2001	13,470,937	13,044,194	96.83%	-	13,044,194	96.83%
2002	14,444,954	14,001,063	96.93%	458,721	14,459,784	100.10%
2003	15,320,666	14,886,490	97.17%	477,197	15,363,687	100.28%
2004	16,229,288	15,968,858	98.40%	506,977	16,475,835	101.52%
2005	19,327,612	18,856,789	97.56%	459,220	19,316,009	99.94%
2006	19,954,589	19,442,404	97.43%	455,758	19,898,162	99.72%
2007	21,893,557	21,130,547	96.51%	477,535	21,608,082	98.70%

NOTE: \* Data prior to fiscal year 2001/2002 was not accessible from the County of Los Angeles Auditor-Controller.

Source: County of Los Angeles Auditor-Controller

CITY OF REDONDO BEACH

RATIOS OF OUTSTANDING DEBT BY TYPE  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Percentage of Personal Income *	Per Capita
	Tax Allocation Bonds	Revenue Bonds	Refunding Revenue Bonds	Loans	Capital Leases	Wastewater Revenue Bonds	Construction Loans	Capital Leases			
1998	\$ 3,125,000	\$ 10,165,000	\$ -	\$ 8,060,175	\$ 80,549	\$ -	\$ 5,812,661	\$ 14,263	\$ 27,257,648	10.75%	\$ 415
1999	3,000,000	10,045,000	-	10,621,474	35,362	-	5,656,522	69,305	29,427,663	11.15%	441
2000	2,865,000	9,920,000	-	10,965,311	9,675	-	5,491,933	49,017	29,300,936	10.50%	433
2001	7,545,000	9,785,000	-	11,358,367	4,047	-	5,332,062	34,837	34,059,313	11.56%	527
2002	4,570,000	9,640,000	2,965,000	11,754,103	57,068	-	5,157,329	19,495	34,162,995	11.31%	540
2003	4,480,000	9,485,000	2,840,000	12,179,445	50,105	-	4,994,952	2,896	34,032,398	10.93%	511
2004	4,385,000	9,325,000	2,730,000	12,805,278	36,364	10,263,776	4,607,531	-	44,152,949	13.42%	664
2005	4,285,000	9,150,000	2,615,000	13,701,886	26,295	10,086,150	4,399,037	-	44,263,368	-	657
2006	3,085,000	8,965,000	2,500,000	13,953,397	12,961	9,903,524	4,399,037	-	42,818,919	-	638
2007	3,010,000	8,765,000	2,380,000	14,067,018	919	9,715,898	4,181,161	-	42,119,996	-	624

NOTES: \* Personal income data was not available from the California Department of Finance subsequent to fiscal year 2003/2004. Percentages reflected are calculated using personal income of the County of Los Angeles.

Source: Note 8 of the Notes to Financial Statements  
California Department of Finance

CITY OF REDONDO BEACH

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
June 30, 2007

City Assessed Valuation		\$ 10,412,760,156	
Redevelopment Agency Incremental Valuation		590,620,180	
Total Assessed Valuation		<u>\$ 9,822,139,976</u>	
	Percentage	Outstanding	Estimated
	Applicable	Debt 6/30/07	Share of
			Overlapping
			Debt
Direct Debt:			
Redondo Beach South Bay Deferral Loans	100%	\$ 12,371,127	\$ 12,371,127
Redondo Beach Capital Leases	100%	919	919
Redondo Beach South Bay Bank Loan	100%	1,582,270	1,582,270
Redondo Beach Unified School District 2000 Ser A	100%	10,815,000	10,815,000
Redondo Beach Unified School District 2000 Ser B	100%	5,500,000	5,500,000
Redondo Beach Unified School District 2000 Ser C	100%	8,635,000	8,635,000
Redondo Beach Unified School District 2000 Ser D	100%	9,745,000	9,745,000
Redondo Beach Unified School District 2000 Ser E	100%	14,810,000	14,810,000
Total direct debt		<u>\$ 63,459,316</u>	<u>\$ 63,459,316</u>
Overlapping Debt:			
L.A. County Flood Control Storm Drain D.S. #4	1.237%	\$ 370,000	\$ 4,577
* West Basin Mwd 1111	1.339%	165,681,509	2,218,860
El Camino CCS DS 2002 S-2003A	15.154%	11,030,000	1,671,532
El Camino CCD DS 2005 REF BONDS	15.154%	32,002,525	4,849,795
El Camino CCD DS 2002 SER 2006B	15.154%	150,000,000	22,731,621
Total overlapping debt		<u>\$ 359,084,034</u>	<u>\$ 31,476,385</u>
Total direct and overlapping debt			<u>\$ 94,935,701</u>

NOTE: \* This fund is a portion of a larger agency and is responsible for debt in areas outside the city.

Source: HdL Coren & Cone, Los Angeles County Assessor and Auditor Combined 2006/2007 Lien Date Tax Rolls

CITY OF REDONDO BEACH

LEGAL DEBT MARGIN INFORMATION  
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$10,412,760,156
Debt Limit (15% of assessed value)	1,561,914,023
Debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 1,561,914,023</u>

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$ 793,141,778	\$ 818,632,106	\$ 874,103,683	\$ 968,970,186	\$ 1,046,421,752	\$ 1,116,507,639	\$ 1,219,090,570	\$ 1,284,480,104	\$ 1,409,891,173	\$ 1,561,914,023
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	793,141,778	818,632,106	874,103,683	968,970,186	1,046,421,752	1,116,507,639	1,219,090,570	1,284,480,104	1,409,891,173	1,561,914,023
Total net debt applicable to the limit as a percentage of debt limit	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>

Source: County of Los Angeles Auditor-Controller

CITY OF REDONDO BEACH

PLEGDED-REVENUE COVERAGE

Last Four Fiscal Years

Fiscal Year Ended June 30,	Wastewater Revenue Bonds					Coverage
	Wastewater Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2004	\$ 5,919,446	\$ 664,166	\$ 5,255,280	\$ -	\$ -	0%
2005*	2,258,072	723,265	1,534,806	180,000	462,798	2.39
2006*	1,739,414	783,193	956,221	185,000	478,063	1.44
2007	1,609,643	798,094	811,549	190,000	472,513	1.22

NOTE: \* Calculation of coverage was revised to reflect the proper coverage calculation under the bond covenant. The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004.

CITY OF REDONDO BEACH

DEMOGRAPHIC AND ECONOMIC STATISTICS

June 30, 2007

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<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income *</u> (in millions)	<u>Per Capita Personal Income *</u>	<u>Unemployment Rate **</u>
1998	65,755	\$ 253,516	\$ 38,555	5.8%
1999	66,786	263,987	39,527	5.1%
2000	67,638	279,050	41,256	5.1%
2001	64,658	294,508	45,549	5.2%
2002	63,261	302,123	47,758	6.7%
2003	66,545	311,285	46,778	6.9%
2004	66,545	329,048	49,447	6.3%
2005	67,325	-	-	5.0%
2006	67,112	-	-	4.4%
2007	67,495	-	-	4.7%

NOTES: \* Personal income data was not available from the California Department of Finance subsequent to fiscal year 2003/2004. Per Capita Personal Income is based on the County of Los Angeles. Statistics not available subsequent to fiscal year 2003/2004. \*\* Unemployment rate is based on the metropolitan area of Los Angeles-Long Beach-Santa Ana, CA.

Source: California Department of Finance, Demographic Research Unit  
 California Department of Finance, Economic Research Unit  
 U.S. Department of Labor

**CITY OF REDONDO BEACH**

**PRINCIPAL EMPLOYERS**

**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2007</u>		<u>1998 *</u>
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>
Northrop Grumman (TRW)	5,422	15.59%	5,402
Redondo Beach Unified School District	1,100	3.16%	-
Beach Cities Health District	620	1.78%	-
City of Redondo Beach	496	1.43%	453
Nordstrom, Inc.	429	1.23%	455
Crown Plaza (Holiday Inn)	339	0.97%	250
Macy's (Robinson's May)	288	0.83%	345
The Cheesecake Factory	261	0.75%	-
D H L Global Forwarding	244	0.70%	-
United States Post Office	233	0.67%	240
Web Service Company	-	0.00%	350
Douglas Furniture of California, Inc.	-	0.00%	308
Imperial Bank	-	0.00%	253
South Bay Adult School	-	0.00%	230

NOTES: \* Total City employment data was not available for fiscal year 1997/1998.

Source: City of Redondo Beach

**CITY OF REDONDO BEACH**

**FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

Function	Full-time Employees									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	53	56	56	64.5	60	60	59	56	56	59
Public Safety										
Police										
Officers	105	105	106	109	109	108	107	105	105	105
Civilians	53	53	54	57	57	57	58	57	57	58
Fire										
Firefighters and Officers	68	68	68	68	68	69	68	65	65	64
Civilians	5	5	5	6	5	5	6	5	5	6
Public Works	42	42	42	88	88	108	105	102	102	104
Cultural and Leisure Services	67	69	69	50	50	63	61	59	58	57
Housing & Community Development	41	39	40	46	44	45	44	33	33	34
Harbor, Business, & Transit	19	22	22	4.5	4	4	5	7	7	9
TOTAL	<u>453</u>	<u>459</u>	<u>462</u>	<u>493</u>	<u>485</u>	<u>519</u>	<u>513</u>	<u>489</u>	<u>488</u>	<u>496</u>

Source: City of Redondo Beach

CITY OF REDONDO BEACH

OPERATING INDICATORS BY FUNCTION  
Last Ten Fiscal Years

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police										
Physical arrests	4,242	4,159	3,863	3,719	3,135	2,955	3,235	3,229	3,402	- *
Traffic citations issued	12,929	12,086	11,264	12,270	12,070	9,774	7,419	7,532	9,683	- *
Fire										
Number of runs - rescues	3,022	3,041	3,211	3,151	3,445	3,212	3,351	3,386	3,551	- *
Number of runs - structures & other	1,063	1,205	1,642	1,777	1,261	1,173	1,075	868	1,087	- *
Public Works										
Street rehabilitation (miles)	- *	2.2	-	3.2	9.3	17.1	17.8	13.3	3.2	3.7
Culture and Leisure Services										
Library										
Number of items borrowed	741,604	742,410	714,408	733,184	798,022	830,950	845,496	845,569	852,750	844,947
Number of visitors	448,490	468,111	449,907	435,826	441,974	454,114	436,714	438,310	439,060	445,056
Recreation and Community Services										
Admissions - Seaside Lagoon	Closed	86,720	100,941	99,236	98,352	101,584	81,487	86,562	90,966	82,071
Number of facility rentals - Seaside Lagoon	Closed	466	445	444	506	468	558	579	409	382
Housing & Community Development										
Number of permits issued	3,425	4,287	4,534	4,575	3,508	3,871	4,591	4,544	3,763	3,951
Number of plan checks issued	1,380	1,598	1,568	889	1,133	2,848	1,950	1,667	1,566	1,296
Number of inspections	9,952	9,290	15,659	16,680	14,131	14,161	16,817	20,236	19,378	19,916
Number of real estate reports	1,361	1,349	1,273	1,240	1,308	1,367	1,370	1,342	1,051	883
Number of bus boardings - Transit	- *	- *	- *	- *	90,746	98,934	94,087	70,458	169,519	298,206
Revenue miles - Transit	- *	- *	- *	- *	179,926	183,491	172,358	122,814	232,692	416,435

NOTE: \* Data not available.

Source: City of Redondo Beach - Financial Services Department

CITY OF REDONDO BEACH

CAPITAL ASSET STATISTICS BY FUNCTION  
Last Ten Fiscal Years

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-station	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	3	3	3	3	3	3	3	3	3
Public Works										
Streets (miles)	127	127	127	127	127	127	127	127	127	127
Streetlights	5117	5117	5117	5117	5117	5120	5120	1892 *	1892*	1892*
Street Traffic Controllers	84	84	84	84	84	84	84	84	84	84
Sanitary sewers (miles)	150	150	150	150	150	150	150	150	112	112
Culture and Leisure Services										
Parks	15	15	15	15	15	15	15	15	15	15
Parkettes	13	13	13	13	13	13	13	13	13	13
Total Park Acreage	93.06	93.06	93.06	93.06	93.06	143.26	143.26	143.26	143.3	143.26
Boat Slips	1509	1509	1509	1509	1509	1509	1509	1509	1509	1509
Harbor acreage:										
Total water area (exclusive of the pier)	107	107	107	107	107	107	107	107	107	107
Total land area	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5	52.5
Libraries	2	2	2	2	2	2	2	2	2	2
Community Centers	5	5	5	5	5	5	5	5	5	5

NOTE: \* Methodology modification in fiscal year 2004/2005 to reflect city-owned street lights only.

Source: City of Redondo Beach

**City of Redondo Beach**  
**Certification of Continuing Disclosure**  
**Redondo Beach Public Financing Authority 1996 Revenue Bonds**  
**(South Bay Center Redevelopment Project)**  
**June 30, 2007**

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This Certification of Continuing Disclosure is provided by the Redevelopment Agency of the City of Redondo Beach and the Redondo Beach Public Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated July 30, 1996 executed and delivered by the Redevelopment Agency and the Public Financing Authority and the Dissemination Agent in connection with the issuance of \$10,330,000 Revenue Bonds, South Bay Center Redevelopment Project Bonds ("the Bonds"). The Bonds were issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 (commencing with Section 6584) of the Act, and an Indenture of Trust dated as of July 1, 1996 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (i) acquire the Redevelopment Agency's South Bay Center Redevelopment Project 1996 Tax Allocation Bonds in order to finance certain redevelopment activities with respect to the South Bay Center Redevelopment Project of the Redevelopment Agency, and (ii) to provide new moneys for public capital improvements financeable by the Financing Authority under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code.

This Certification is made pursuant to the requirements of Section 3(a) of the Continuing Disclosure Certificate with respect to the 2006-07 fiscal year.

The Redevelopment Agency and the Public Financing Authority hereby report the following:

1. The audited financial statements of the Redevelopment Agency and the Public Financing Authority for the fiscal year ended June 30, 2007 comprise the book in which this report is included. As such, they contain the amount of all Redevelopment Agency debt outstanding secured by a pledge of tax revenues.
2. During the fiscal year ended June 30, 2007, neither the Redevelopment Agency nor the Public Financing Authority has issued any parity or subordinate debt.
3. During the fiscal year ended June 30, 2007, neither the Redevelopment Agency nor the Public Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;
  - f. Adverse tax opinions or events affecting the tax-exempt status of the security;
  - g. Modifications to rights of security holders;
  - h. Bond calls;
  - i. Defeasances;
  - j. Release, substitution, or sale of property securing repayment of the securities; or
  - k. Rating changes.
4. The South Bay Center Redevelopment Plan stipulates the Project Area will not receive more than a cumulative limit of \$65,000,000 in gross tax increment over its life. According to the records of the Los Angeles County Auditor Controller, as of June 30, 2007 the Agency had been apportioned \$33,530,000 in gross tax increment.

By projecting the current tax increment levels using only a two percent inflationary growth rate, the tax increment limit is reached in the 22nd year of the bond issue repayment period.

City of Redondo Beach  
Redondo Beach Redevelopment Agency  
South Bay Center Redevelopment Project  
Historical Project Area Valuations  
June 30, 2007

	Base Year 1983-84	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<u>Secured *</u>											
Land	\$ 9,772,776	\$ 28,693,338	\$ 19,866,964	\$ 20,235,089	\$ 20,644,626	\$ 21,057,511	\$ 26,361,887	\$ 26,567,906	\$ 26,977,212	\$ 27,424,247	\$ 51,658,838
Impts	16,977,265	138,861,474	142,947,954	145,564,611	163,181,451	166,968,861	167,560,188	159,503,456	162,122,684	164,634,061	178,831,940
Pers Prop	-	413,470	374,001	422,955	423,564	385,673	396,224	597,793	572,459	1,617	1,514
Exemptions	-	-	-	-	-	-	-	-	-	-	-
Total Secured	26,750,041	167,968,282	163,188,919	166,222,655	184,249,641	188,412,045	194,318,299	186,669,155	189,672,355	192,059,925	230,492,292
<u>Unsecured</u>											
Land	-	-	-	-	-	-	-	-	-	-	-
Impts	3,023,006	10,194,053	14,184,525	11,364,512	13,993,159	11,511,489	12,123,607	13,074,302	12,287,632	12,261,701	11,408,416
Pers Prop	1,848,954	9,741,936	9,830,690	10,204,833	10,676,604	13,198,111	14,215,089	13,786,344	13,128,156	13,217,135	12,577,271
Exemptions	-	-	-	-	-	-	-	-	-	-	-
Total Unsecured	4,871,960	19,935,989	24,015,215	21,569,345	24,669,763	24,709,600	26,338,696	26,860,646	25,415,788	25,478,836	23,985,687
GRAND TOTAL	31,622,001	187,904,271	187,204,134	187,792,000	208,919,404	213,121,645	220,656,995	213,529,801	215,088,143	217,538,761	254,477,979
Incremental Value:		156,282,270	155,582,133	156,169,999	177,297,403	181,499,644	189,034,994	181,907,800	183,466,142	185,916,760	222,855,978
Incremental Value Change:		11,636,227	(700,137)	587,866	21,127,404	4,202,241	7,535,350	(7,127,194)	1,558,342	2,450,618	36,939,218
% Change:		8.04%	-0.45%	0.38%	13.53%	2.37%	4.15%	-3.77%	0.86%	1.34%	19.87%

NOTE: Secured values include state assessed non-unitary utility property.

Source: HdL Coren & Cone

City of Redondo Beach  
Redondo Beach Redevelopment Agency  
South Bay Center Redevelopment Project  
Revenue vs. Levy Analysis  
June 30, 2007

	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Original Charge Secured Value	\$ 167,968,282	\$ 163,188,919	\$ 166,222,655	\$ 184,249,641	\$ 188,412,045	\$ 194,318,299	\$ 186,669,155	\$ 189,672,355	\$ 192,059,925	\$ 230,492,292
Adjustments to Original Charge	(3,019,843)	(1,393,785)	(608,600)	(1,694,392)	(2,895,608)	(5,284,757)	-	-	50,417,882	-
Base Year Secured Value	<u>(26,750,041)</u>	<u>(26,750,040)</u>	<u>(26,750,040)</u>							
Incremental Secured Value	138,198,398	135,045,093	138,864,014	155,805,208	158,766,396	162,283,501	159,919,114	162,922,314	215,727,767	203,742,252
Tax Rate	<u>0.0101268</u>	<u>0.0101230</u>	<u>0.0101209</u>	<u>0.0101167</u>	<u>0.0100990</u>	<u>0.0100861</u>	<u>0.0100755</u>	<u>0.0100697</u>	<u>0.0100604</u>	<u>0.0100542</u>
Adjusted Levy	1,399,509	1,367,067	1,405,425	1,576,228	1,603,383	1,636,814	1,611,271	1,640,576	2,170,316	2,048,455
Unitary Revenue	<u>32,284</u>	<u>32,649</u>	<u>32,405</u>	<u>30,921</u>	<u>31,743</u>	<u>30,672</u>	<u>29,747</u>	<u>31,324</u>	<u>27,782</u>	<u>27,587</u>
Total Secured/Unitary Levy	<u>1,431,793</u>	<u>1,399,716</u>	<u>1,437,830</u>	<u>1,607,149</u>	<u>1,635,126</u>	<u>1,667,487</u>	<u>1,641,018</u>	<u>1,671,899</u>	<u>2,198,098</u>	<u>2,076,043</u>
Original Charge Unsecured Value	19,935,989	24,015,215	21,569,345	24,669,763	24,709,600	26,338,696	26,860,646	25,415,788	25,478,836	23,985,683
Adjustments to Original Charge	4,455,945	1,095,889	3,338,312	(121,215)	15,159,459	329,075	77,266,839	2,878,283	200,319	848,749
Base Year Unsecured Value	<u>(4,871,960)</u>	<u>(4,871,959)</u>	<u>(4,871,959)</u>							
Incremental Unsecured Value	19,519,974	20,239,144	20,035,697	19,676,588	34,997,099	21,795,811	99,255,525	23,422,111	20,807,196	19,962,473
Tax Rate	<u>0.0101250</u>	<u>0.0101268</u>	<u>0.0101230</u>	<u>0.0101209</u>	<u>0.0101167</u>	<u>0.0100990</u>	<u>0.0100861</u>	<u>0.0100755</u>	<u>0.0100697</u>	<u>0.0100604</u>
Unsecured Adjusted Levy	<u>197,639</u>	<u>204,958</u>	<u>202,822</u>	<u>199,144</u>	<u>354,054</u>	<u>220,116</u>	<u>1,001,105</u>	<u>235,990</u>	<u>209,522</u>	<u>200,831</u>
Net Total Revenue	<u>1,629,431</u>	<u>1,604,674</u>	<u>1,640,652</u>	<u>1,806,294</u>	<u>1,989,180</u>	<u>1,887,603</u>	<u>2,642,124</u>	<u>1,907,890</u>	<u>2,407,620</u>	<u>2,276,874</u>
Remittance to Agency										
Secured/Unitary Remitted	1,432,133	1,399,681	1,443,608	1,606,406	1,634,614	1,666,575	1,640,962	1,667,891	2,197,703	2,075,997
Unsecured Remitted	192,376	198,255	203,739	195,626	346,157	215,664	220,615	230,164	207,367	183,272
HOX Payments	-	-	-	1	(71)	-	-	-	-	-
Total Remittance to Agency:	<u>1,624,509</u>	<u>1,597,937</u>	<u>1,647,347</u>	<u>1,802,034</u>	<u>1,980,700</u>	<u>1,882,239</u>	<u>1,861,577</u>	<u>1,898,055</u>	<u>2,405,070</u>	<u>2,259,268</u>
% of Collection to Levy	99.70%	99.58%	100.41%	99.76%	99.57%	99.72%	70.46%	99.48%	99.89%	99.23%
Grand Total Revenue:										
Secured and Unsecured Revenue	1,624,509	1,597,937	1,647,347	1,802,034	1,980,700	1,882,239	1,861,577	1,898,055	2,405,070	2,259,268
SB 813 Supplemental Payments	(839)	234	(11)	(51,655)	(4,777)	(14,273)	-	-	(17,379)	117,362
Redemptions/Open Roll Corrections	19,097	14,245	6,918	3,582	(44,345)	(41,247)	4,262	2,225	(5,534)	4,532
Taxpayer Refunds	(67,676)	(4,733)	(6,286)	(3,563)	4,059	(16,469)	(60,249)	(42)	(23,253)	5
Deferral Payments/Adjustments	-	-	-	-	-	-	-	129,927	(46,423)	(355,390)
Total Paid to Agency:	<u>1,575,091</u>	<u>1,607,683</u>	<u>1,647,968</u>	<u>1,750,398</u>	<u>1,935,637</u>	<u>1,810,249</u>	<u>1,805,590</u>	<u>2,030,165</u>	<u>2,312,481</u>	<u>2,025,778</u>
SB 2557 Charges (1)	(36,006)	(32,784)	(32,466)	(35,351)	(35,433)	(34,894)	(34,524)	(31,324)	(28,308)	(29,423)
Housing Set Aside	(315,018)	(321,537)	(329,594)	(350,080)	(387,127)	(362,050)	(354,655)	(406,033)	(517,064)	(405,156)
Tax Sharing Payments	(752,685)	(675,608)	(444,012)	(756,957)	(623,314)	(773,832)	(772,023)	(813,388)	(1,011,111)	(716,814)
Negative Balance from Prior Year	<u>(22,006)</u>	<u>-</u>	<u>(222)</u>	<u>-</u>						
Net Grand Total Revenue:	<u>\$ 449,376</u>	<u>\$ 577,754</u>	<u>\$ 841,674</u>	<u>\$ 608,010</u>	<u>\$ 889,762</u>	<u>\$ 639,473</u>	<u>\$ 644,388</u>	<u>\$ 779,420</u>	<u>\$ 755,998</u>	<u>\$ 874,385</u>

Source: HdL Coren & Cone

City of Redondo Beach  
Redondo Beach Redevelopment Agency  
South Bay Center Redevelopment Project  
Top Ten Taxable Property Owners  
June 30, 2007

	Secured			Unsecured			Total		
	Value	Parcels	Percent of Secured Actual Value	Value	Parcels	Percent of Unsecured Actual Value	Value	Percent of Total Value	Use Code
1. South Bay Center LLC	\$ 184,560,727	3	90.59%	\$ -	0	0.00%	\$ 184,560,727	82.82%	Commercial
2. Home Depot USA	18,490,641	1	9.08%	1,850,377	1	9.68%	20,341,018	9.13%	Commercial
3. South Bay Associates	12,741,460	5	6.25%	-	0	0.00%	12,741,460	5.72%	Commercial
4. MDS Realty I LLC	10,608,000	1	5.21%	-	0	0.00%	10,608,000	4.76%	Commercial
5. Walgreen Company	4,079,748	7	2.00%	-	0	0.00%	4,079,748	1.83%	Commercial
6. American Multi-Cinema Inc.	-	0	0.00%	3,396,035	2	17.77%	3,396,035	1.52%	Unsecured
7. Nordstrom Inc.	-	0	0.00%	2,681,889	1	14.03%	2,681,889	1.20%	Unsecured
8. Victoria's Secret Stores LLC	-	0	0.00%	896,702	1	4.69%	896,702	0.40%	Unsecured
9. GAP Inc & Subs	-	0	0.00%	876,453	3	4.59%	876,453	0.39%	Unsecured
10. Mervyns LLC	-	0	0.00%	773,907	1	4.05%	773,907	0.35%	Unsecured
	\$230,480,576	17	113.12%	\$10,475,363	9	54.81%	\$240,955,939	108.12%	
Project Area Incremental Value:	<u>\$203,742,251</u>			<u>\$19,113,727</u>			<u>\$222,855,978</u>		

Source: HdL Coren & Cone

City of Redondo Beach  
 Redondo Beach Redevelopment Agency  
 South Bay Center Redevelopment Project  
 Recent Appeals History

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<u>Owner</u>	<u>APN</u>	<u>Appeal Type</u>	<u>Appeal Status</u>	<u>Original Value</u>	<u>Updated or Owner's Opinion Value</u>	<u>Proposed Change</u>	<u>Proposed % Change</u>
<b>Currently Pending Appeals</b>							
May Department Stores (2005-06)	4082-018-004	Overvalued Construction	Pending	25,520,000	9,800,000	(15,720,000)	-61.60%
Federated Department Stores (2006-07)	4082-018-004	Overvalued Purchase	Pending	25,520,000	7,427,470	(18,092,530)	-70.90%
Nordstrom Incorporated (2006-07)	4082-018-005	Overvalued Purchase	Pending	20,660,058	8,000,000	(12,660,058)	-61.28%
Nordstrom Incorporated (2006-07)	4082-018-010	Overvalued Purchase	Pending	138,380,669	126,000,000	(12,380,669)	-8.95%

**Most Recently Resolved Appeals Among Owners with Pending Appeals**

None				-	-	-	0.00%
				-	-	-	0.00%
				-	-	-	0.00%
				-	-	-	0.00%
				-	-	-	0.00%

Source: HdL Coren & Cone

**City of Redondo Beach**  
**Certification of Continuing Disclosure**  
**Redondo Beach Public Financing Authority 2001 Refunding Revenue Bonds**  
**(Harbor Center Redevelopment Project)**  
**June 30, 2007**

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This Certification of Continuing Disclosure is provided by the Redevelopment Agency of the City of Redondo Beach and the Redondo Beach Public Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated October 29, 2001 executed and delivered by the Redevelopment Agency and the Public Financing Authority and the Dissemination Agent in connection with the issuance of \$2,965,500 Refunding Revenue Bonds, Redondo Pier Reconstruction Refinancing Project Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of November 1, 2001 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to fund a loan by the Public Financing Authority to the Redevelopment Agency pursuant to a loan agreement dated as of November 1, 2001. The proceeds of the loan were to provide funds to (i) provide funds to refinance certain redevelopment activities of the Agency within or of benefit to the Harbor Center Redevelopment Project Area and, in particular, to refund the Redevelopment Agency's outstanding Tax Allocation and Revenue Bonds issued in 1993, and (ii) pay costs of issuance of the Bonds.

This Certification is made pursuant to the requirements of Section 3(a) of the Continuing Disclosure Certificate with respect to the 2006-07 fiscal year.

The Redevelopment Agency and the Public Financing Authority hereby report the following:

1. The audited financial statements of the Redevelopment Agency and the Public Financing Authority, 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, for the fiscal year ended June 30, 2007 comprise the book in which this report is included. As such, they contain the amount of all Redevelopment Agency debt outstanding secured by a pledge of tax revenues.
2. During the fiscal year ended June 30, 2007, neither the Redevelopment Agency nor the Public Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;
  - f. Adverse tax opinions or events affecting the tax-exempt status of the security;
  - g. Modifications to rights of security holders;
  - h. Contingent or unscheduled bond calls;
  - i. Defeasances;
  - j. Resale, substitution, or sale of property securing repayment of the securities; or
  - k. Rating changes

City of Redondo Beach  
Redondo Beach Redevelopment Agency  
Harbor Center Redevelopment Project Area  
Historical Project Area Valuations  
June 30, 2007

	Base Year 1991-92	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
<i>Secured *</i>											
Land	\$ 1,762,312	\$ 11,437,699	\$ 11,437,699	\$ 11,437,699	\$ 12,524,632	\$ 12,775,124	\$ 13,030,625	\$ 13,291,236	\$ 13,539,383	\$ 15,760,494	\$ 17,414,372
Impts	911,370	15,778,686	16,075,675	16,356,339	18,639,194	19,011,977	19,392,215	19,780,058	20,149,351	31,833,956	37,955,766
Pers Prop	6,660	-	-	-	-	-	-	-	-	-	-
Exemptions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Secured</b>	<b>2,680,342</b>	<b>27,216,385</b>	<b>27,513,374</b>	<b>27,794,038</b>	<b>31,163,826</b>	<b>31,787,101</b>	<b>32,422,840</b>	<b>33,071,294</b>	<b>33,688,734</b>	<b>47,594,450</b>	<b>55,370,138</b>
<i>Unsecured</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Impts	69,280	40,069	-	12,782	660,316	854,727	972,053	1,009,249	1,182,097	1,407,295	1,524,897
Pers Prop	57,280	89,960	180,534	94,584	3,104,179	4,226,265	4,169,949	3,492,740	3,532,307	3,765,198	4,551,493
Exemptions	-	-	-	-	-	-	-	-	-	-	-
<b>Total Unsecured</b>	<b>126,560</b>	<b>130,029</b>	<b>180,534</b>	<b>107,366</b>	<b>3,764,495</b>	<b>5,080,992</b>	<b>5,142,002</b>	<b>4,501,989</b>	<b>4,714,404</b>	<b>5,172,493</b>	<b>6,076,390</b>
<b>GRAND TOTAL</b>	<b>\$ 2,806,902</b>	<b>\$ 27,346,414</b>	<b>\$ 27,693,908</b>	<b>\$ 27,901,404</b>	<b>\$ 34,928,321</b>	<b>\$ 36,868,093</b>	<b>\$ 37,564,842</b>	<b>\$ 37,573,283</b>	<b>\$ 38,403,138</b>	<b>\$ 52,766,943</b>	<b>\$ 61,446,528</b>
						<b>Incremental Value</b>	<b>\$ 34,757,940</b>	<b>\$ 34,766,381</b>	<b>\$ 35,596,236</b>	<b>\$ 49,960,041</b>	<b>\$ 58,639,626</b>

NOTE: \* Secured values include state assessed non-unitary utility property.

Source: HdL Coren & Cone

Redondo Beach Redevelopment Agency  
Harbor Center Redevelopment Project  
TOP TEN TAXABLE PROPERTY OWNERS  
June 30, 2007

	Secured			Unsecured			Total		Use Code
	Value	Parcels	% Secured Assessed Value	Value	Parcels	% Unsecured Assessed Value	Value	% Total Assessed Value	
1. HPT IHG 2 Properties Trust	\$49,480,200	1	89.36%	\$ -	0	0.00%	\$49,480,200	80.53%	Commercial
2. Redondo Beach Hotel Associates	5,889,938	1	10.64%	-	0	0.00%	5,889,938	9.59%	Commercial
3. Intercontinental Hotel Group	-	0	0.00%	5,139,826	1	84.59%	5,139,826	8.36%	Unsecured
4. Muscle Improvement Inc.	-	0	0.00%	355,205	7	5.85%	355,205	0.58%	Unsecured
5. Out Sell Consulting Inc.	-	0	0.00%	223,245	1	3.67%	223,245	0.36%	Unsecured
6. Pawnee Leasing Corporation	-	0	0.00%	104,251	1	1.72%	104,251	0.17%	Unsecured
7. Lodgenet Entertainment Corp.	-	0	0.00%	68,233	1	1.12%	68,233	0.11%	Unsecured
8. Financial Pacific Leasing LLC	-	0	0.00%	67,175	1	1.11%	67,175	0.11%	Unsecured
9. Avantage Group Inc.	-	0	0.00%	42,000	1	0.69%	42,000	0.07%	Unsecured
10. Standard Parking Corporation	-	0	0.00%	25,917	2	0.43%	25,917	0.04%	Unsecured
	\$55,370,138	2	100.00%	\$6,025,852	15	99.17%	\$61,395,990	99.92%	
Project Area Assessed Value:	<u>\$55,370,138</u>			<u>\$6,076,390</u>			<u>\$61,446,528</u>		

Source: HdL Coren & Cone

**City of Redondo Beach**  
**Certification of Continuing Disclosure**  
**Redondo Beach Public Financing Authority 2004 Series A Revenue Bonds**  
**(Wastewater System Financing Project)**  
**June 30, 2007**

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This Certification of Continuing Disclosure is provided by the City of Redondo Beach ("the City") and the Redondo Beach Public Financing Authority through US Bank, as Dissemination Agent pursuant to a Continuing Disclosure Certificate dated May 27, 2004 executed and delivered by the City of Redondo Beach and the Public Financing Authority and the Dissemination Agent in connection with the issuance of \$10,335,000 Series A Revenue Bonds, City of Redondo Beach Wastewater System Financing Project Bonds ("the Bonds"). The Bonds were issued pursuant to an Indenture of Trust dated as of May 1, 2004 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (a) finance the Improvements and related facilities which constitute part of the Wastewater Enterprise of the City, (b) fund capitalized interest on the Bonds through November 1, 2004, (c) fund a reserve fund for the Bonds, and (d) pay the cost of issuance for the Bonds.

This Certification is made pursuant to the requirements of Section 3(a) of the Continuing Disclosure Certificate with respect to the 2006-07 fiscal year.

The City and the Public Financing Authority hereby report the following:

1. The audited financial statements of the City, 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, for the fiscal year ended June 30, 2007 comprise the book in which this report is included.
2. During the fiscal year ended June 30, 2007, neither the City nor the Public Financing Authority has given or caused to be given notice of the occurrence of any of the following events:
  - a. Principal and interest payment delinquencies;
  - b. Non-payment related defaults;
  - c. Unscheduled draws on debt service reserves reflecting financial difficulties;
  - d. Unscheduled draws on credit enhancements reflecting financial difficulties;
  - e. Substitution of credit or liquidity providers, or their failure to perform;
  - f. Adverse tax opinions or events affecting the tax-exempt status of the security;
  - g. Modifications to rights of security holders;
  - h. Contingent or unscheduled bond calls;
  - i. Defeasances;
  - j. Resale, substitution, or sale of property securing repayment of the securities; or
  - k. Rating changes

**CITY OF REDONDO BEACH**

**SEWER RATES PER MONTH**  
**Last Four Fiscal Years**

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	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Use Classification</b>				
Each single family dwelling unit	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Each unit in a 2-3 unit condo structure	5.00	5.00	5.00	5.00
Each unit in a 2-3 unit apartment structure	3.89	3.89	3.89	3.89
Each unit in a 4 or more unit condo structure	3.89	3.89	3.89	3.89
Each unit in a 4 or more unit apartment structure	2.68	2.68	2.68	2.68
Commercial/Industrial/Institutional parcels	.043 *	.043 *	.043 *	.043 *

NOTE: The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004.

\* Per 100 cubic feet of average monthly water usage. 100 cubic feet of water is equal to 748 gallons, average monthly water usage is established based on the latest actual annual water usage record available to the City. On an annual basis, the city will recalculate the monthly charge by using the latest available annual water usage record of each non-residential user at the same \$.043 per 100 cubic feet rate to set a new monthly rate. Any water proven to be used for boilers, cooling towers or similar devices that will not be discharged into the sewer system may be deducted from the annual water usage record for rate calculation purposes.

Source: City of Redondo Beach

CITY OF REDONDO BEACH

SEWER CONNECTIONS BY TYPE OF CUSTOMER  
Last Four Fiscal Years

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Type of Customer	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Residential	13,039	13,211	13,211	13,211
Industrial	78	74	74	74
Commercial	575	510	510	510
Institutional	71	64	64	64
Mixed use	44	44	44	44
Total	<u>13,807</u>	<u>13,903</u>	<u>13,903</u>	<u>13,903</u>

NOTE: The Redondo Beach Public Financing Authority issued the Wastewater System Financing Project Revenue Bonds in fiscal year 2003/2004.

Source: City of Redondo Beach

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