

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 Eight Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| 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 | \$ 134,543,764 | \$ 135,170,376 | \$ 137,743,367 |
| Restricted | 24,444,604 | 18,585,387 | 32,636,751 | 29,022,856 | 34,504,525 | 34,884,364 | 17,828,013 | 16,803,437 |
| Unrestricted | 1,138,486 | (3,642,292) | (22,641,897) | (15,492,009) | (16,364,199) | (14,805,067) | 876,969 | (816,752) |
| 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> | <u>154,623,061</u> | <u>153,875,358</u> | <u>153,730,052</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 | 36,923,208 | 35,414,035 | 35,985,952 |
| Restricted | 190,050 | - | - | - | - | - | - | - |
| Unrestricted | 17,787,346 | 30,464,219 | 19,380,216 | 20,013,129 | 22,770,297 | 25,271,647 | 25,564,850 | 25,550,889 |
| 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> | <u>62,194,855</u> | <u>60,978,885</u> | <u>61,536,841</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 | 171,466,972 | 170,584,411 | 173,729,319 |
| Restricted | 24,634,654 | 18,585,387 | 32,636,751 | 29,022,856 | 34,504,525 | 34,884,364 | 17,828,013 | 16,803,437 |
| Unrestricted | 18,925,832 | 26,821,927 | (3,261,681) | 4,521,120 | 6,406,098 | 10,466,580 | 26,441,819 | 24,734,137 |
| 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> | <u>\$ 216,817,916</u> | <u>\$ 214,854,243</u> | <u>\$ 215,266,893</u> |

NOTE: The City of Redondo Beach has elected to present eight 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 Eight Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | |
|--|--------------|--------------|---------------|---------------|---------------|---------------|--------------|--------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Expenses | | | | | | | | |
| Government activities: | | | | | | | | |
| General government | \$ 8,246,966 | \$ 8,182,895 | \$ 10,427,561 | \$ 10,638,910 | \$ 10,019,467 | \$ 10,234,450 | \$ 9,234,672 | \$ 7,618,055 |
| Public Safety | 28,238,180 | 28,889,848 | 32,490,257 | 35,772,948 | 38,269,521 | 40,835,961 | 42,293,976 | 40,737,832 |
| Housing and community development | 12,290,418 | 11,746,765 | 11,797,139 | 11,749,944 | 12,194,088 | 14,063,015 | 17,696,101 | 16,227,602 |
| Cultural and leisure services | 7,693,999 | 7,673,578 | 8,204,892 | 8,812,584 | 9,499,827 | 10,143,340 | 7,586,649 | 6,543,884 |
| Public works | 17,324,480 | 14,478,369 | 14,212,509 | 12,936,637 | 14,986,259 | 13,601,505 | 12,538,423 | 17,980,811 |
| Interest on long-term debt | 2,246,326 | 1,377,259 | 1,956,707 | 2,122,317 | 1,696,368 | 2,419,799 | 1,747,427 | 1,077,588 |
| Total governmental activities expenses | 76,040,369 | 72,348,714 | 79,089,065 | 82,033,340 | 86,665,530 | 91,298,070 | 91,097,248 | 90,185,772 |
| Business-type activities: | | | | | | | | |
| Harbor Tidelands | 4,193,713 | 4,474,733 | 5,142,991 | 4,447,965 | 4,902,841 | 5,075,571 | 5,360,523 | 5,372,721 |
| Harbor Uplands | 3,945,726 | 4,682,845 | 4,071,680 | 4,466,239 | 4,503,160 | 5,416,019 | 5,288,345 | 4,441,227 |
| Solid Waste | - | 2,901,712 | 3,001,525 | 3,225,121 | 3,493,852 | 3,129,337 | 3,228,498 | 3,364,549 |
| Wastewater | - | 886,466 | 1,350,156 | 2,686,646 | 2,122,793 | 1,853,206 | 2,092,245 | 2,207,319 |
| Total business-type activities expenses | 8,139,439 | 12,945,756 | 13,566,352 | 14,825,971 | 15,022,646 | 15,474,133 | 15,969,611 | 15,385,816 |
| Total primary government expenses | 84,179,808 | 85,294,470 | 92,655,417 | 96,859,311 | 101,688,176 | 106,772,203 | 107,066,859 | 105,571,588 |
| Component Units: | | | | | | | | |
| Program Revenues | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for Services: | | | | | | | | |
| General government | 705,541 | 176,191 | 218,476 | 4,732,359 | 6,434,951 | 6,337,391 | 4,798,599 | 6,804,342 |
| Public Safety | 1,099,904 | 1,226,777 | 1,357,045 | 1,353,696 | 1,290,081 | 1,437,688 | 2,669,185 | 2,097,003 |
| Housing and community development | 4,288,421 | 5,233,846 | 5,091,922 | 5,425,840 | 4,989,531 | 5,186,896 | 4,056,523 | 4,556,546 |
| Cultural and leisure services | 1,444,730 | 1,462,232 | 1,743,838 | 1,864,303 | 1,842,631 | 1,747,849 | 1,219,916 | 1,211,155 |
| Public works | 4,230,641 | 1,746,110 | 1,866,308 | 1,879,095 | 1,771,922 | 1,733,379 | 4,518,076 | 1,923,289 |
| Operating grants and contributions | 12,610,308 | 13,548,374 | 14,385,755 | 11,403,631 | 12,366,720 | 14,480,137 | 9,137,687 | 8,715,661 |
| Capital grants and contributions | 953,264 | 507,063 | 715,672 | 2,856,548 | 4,916,505 | 4,863,545 | 3,486,113 | 6,605,139 |
| Total governmental activities program revenues | 25,332,809 | 23,900,593 | 25,379,016 | 29,515,472 | 33,612,341 | 35,786,885 | 29,886,099 | 31,913,135 |

City of Redondo Beach
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Business-type activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| Harbor Tidelands | 4,561,567 | 4,938,355 | 4,976,742 | 4,797,346 | 5,067,315 | 6,084,834 | 5,270,090 | 5,408,349 |
| Harbor Uplands | 3,590,837 | 3,554,528 | 3,526,424 | 3,858,007 | 4,103,636 | 4,400,815 | 4,038,226 | 3,935,048 |
| Solid Waste | - | 2,464,184 | 2,462,684 | 3,184,481 | 3,481,133 | 2,845,736 | 2,992,476 | 3,356,843 |
| Wastewater | - | 236,675 | 2,487,868 | 2,135,108 | 1,842,479 | 1,739,468 | 2,293,090 | 2,437,816 |
| Operating grants and contributions | 1,105 | 36,362 | 49,717 | 73,035 | 68,841 | 70,150 | 162,512 | 17,769 |
| Capital grants and contributions | - | - | - | - | - | - | - | - |
| Total business-type activities program revenues | 8,153,509 | 11,230,104 | 13,503,435 | 14,047,977 | 14,563,404 | 15,141,003 | 14,756,394 | 15,155,825 |
| Total primary government program revenues | 33,486,318 | 35,130,697 | 38,882,451 | 43,563,449 | 48,175,745 | 50,927,888 | 44,642,493 | 47,068,960 |
| Net (expense)/revenue | | | | | | | | |
| Governmental activities | (50,707,560) | (48,448,121) | (53,710,049) | (52,517,868) | (53,053,189) | (55,511,185) | (61,211,149) | (58,272,637) |
| Business-type activities | 14,070 | (1,715,652) | (62,917) | (777,994) | (459,242) | (333,130) | (1,213,217) | (229,991) |
| Total primary government net expense | (50,693,490) | (50,163,773) | (53,772,966) | (53,295,862) | (53,512,431) | (55,844,315) | (62,424,366) | (58,502,628) |
| General Revenues and Other Changes in Net Assets | | | | | | | | |
| Governmental Activities | | | | | | | | |
| Taxes | | | | | | | | |
| Property taxes, levied for general purpose | 16,751,767 | 18,058,184 | 19,524,448 | 25,617,618 | 27,136,137 | 27,311,112 | 28,612,395 | 29,598,821 |
| Transient occupancy taxes | 2,257,526 | 2,439,439 | 2,648,323 | 3,354,138 | 3,738,839 | 3,933,009 | 3,485,290 | 3,204,045 |
| Sales taxes | 8,073,176 | 8,544,764 | 9,408,574 | 9,906,235 | 10,205,436 | 9,635,626 | 9,329,872 | 7,839,179 |
| Franchise taxes | 1,321,287 | 1,842,050 | 1,761,441 | 1,767,452 | 1,685,711 | 1,807,308 | 1,970,548 | 1,673,632 |
| Business licenses taxes | 1,278,607 | 1,302,614 | 1,323,345 | 1,376,117 | 1,289,608 | 1,385,726 | 1,293,056 | 1,256,462 |
| Utility users taxes | 6,835,864 | 6,841,854 | 7,184,530 | 7,398,984 | 7,878,429 | 8,018,564 | 7,848,157 | 8,043,207 |
| Other taxes | - | - | - | - | - | - | - | 11,200 |
| Motor vehicle in lieu | 3,897,644 | 2,959,364 | 5,653,644 | 453,645 | 429,612 | 293,685 | 205,403 | 198,745 |
| Investment earnings | 3,719,297 | 1,729,697 | 2,595,528 | 3,349,037 | 4,687,909 | 4,264,527 | 4,948,736 | 5,118,217 |
| Other revenues | 926,203 | 1,248,023 | 1,980,160 | 1,340,746 | 1,626,971 | 443,706 | 1,599,388 | 1,078,427 |
| Loss on disposal of capital assets | (121,086) | (12,125) | - | - | - | 34,735 | 28,288 | 26,396 |
| Transfers | 429,460 | (5,308,676) | 473,040 | - | - | (146,710) | 1,142,313 | 79,000 |
| Total governmental activities | 45,369,745 | 39,645,188 | 52,553,033 | 54,563,972 | 58,678,652 | 56,981,288 | 60,463,446 | 58,127,331 |

City of Redondo Beach
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | |
|------------------------------------|----------------|----------------|-------------|--------------|--------------|--------------|----------------|------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Business-type activities: | | | | | | | | |
| Investment earnings | 770,111 | 295,611 | 810,422 | 839,082 | 1,439,428 | 1,329,922 | 944,480 | 801,184 |
| Loss on disposal of capital assets | (18,048) | - | - | - | - | - | - | (16,398) |
| Other revenues | 369,246 | 760,920 | 1,032,553 | 204,761 | 138,877 | 141,621 | 195,080 | 176,052 |
| Transfers | (429,460) | 5,308,676 | (473,040) | - | - | 146,710 | (1,142,313) | (79,000) |
| Total business-type activities | 691,849 | 6,365,207 | 1,369,935 | 1,043,843 | 1,578,305 | 1,618,253 | (2,753) | 881,838 |
| Total primary government | 46,061,594 | 46,010,395 | 53,922,968 | 55,607,815 | 60,256,957 | 58,599,541 | 60,460,693 | 59,009,169 |
| Change in Net Assets | | | | | | | | |
| Governmental activities | (5,337,815) | (8,802,933) | (1,157,016) | 2,046,104 | 5,625,463 | 1,470,103 | (747,703) | (145,306) |
| Business-type activities | 705,919 | 4,649,555 | 1,307,018 | 265,849 | 1,119,063 | 1,285,123 | (1,215,970) | 651,847 |
| Totally primary government | \$ (4,631,896) | \$ (4,153,378) | \$ 150,002 | \$ 2,311,953 | \$ 6,744,526 | \$ 2,755,226 | \$ (1,963,673) | \$ 506,541 |

NOTE: The City of Redondo Beach has elected to present eight 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 Eight Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General fund | | | | | | | | |
| Reserved | \$ 1,118,553 | \$ 532,612 | \$ 1,229,239 | \$ 759,733 | \$ 781,710 | \$ 902,881 | \$ 634,743 | \$ 510,223 |
| Unreserved: | | | | | | | | |
| Designated | 11,802,290 | 11,942,979 | 9,144,315 | 9,383,713 | 10,143,013 | 11,363,952 | 9,353,252 | 9,362,210 |
| Undesignated | (83,439) | 3,692 | 1,028,448 | 2,680,196 | 214,115 | 314,926 | 37,327 | 21,644 |
| 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> | <u>12,581,759</u> | <u>10,025,322</u> | <u>9,894,077</u> |
| All other governmental funds | | | | | | | | |
| Reserved | 9,649,967 | 5,770,495 | 3,156,012 | 7,519,312 | 21,109,217 | 21,158,335 | 15,551,248 | 14,901,750 |
| Unreserved, reported in: | | | | | | | | |
| Special revenue funds | 5,486,190 | 5,089,794 | 5,941,612 | 4,485,135 | 8,108,628 | 7,429,282 | 4,494,765 | 5,067,696 |
| Capital projects funds | 630 | 2,284,886 | 2,085,674 | 1,763,987 | 1,581,516 | 1,614,077 | 5,052 | 5,054 |
| Debt service funds | 4,779 | 4,822 | 4,819 | 5,021 | 5,028 | 5,028 | 1,222,686 | 1,165,476 |
| Designated, reported in: | | | | | | | | |
| Special revenue funds | 2,698,080 | 3,010,610 | - | 2,070,751 | 2,948,322 | 3,567,481 | 2,696,956 | 2,240,916 |
| Capital projects funds | 12,304,702 | 8,142,187 | 5,233,040 | 6,250,116 | 6,326,050 | 8,926,207 | 9,891,290 | 2,756,163 |
| Undesignated, reported in: | | | | | | | | |
| Special revenue funds | - | (1,670,397) | 3,215,250 | 218 | (2,831,086) | (2,368,822) | 5,803,471 | 6,140,429 |
| Capital projects funds | - | 4,400,944 | 2,629,467 | 1,424,414 | 4,050,994 | 3,414,086 | 2,317,151 | 2,426,273 |
| Debt service funds | - | (2,620,107) | (3,278,401) | (3,714,945) | (13,958,851) | (12,990,180) | (14,007,225) | (15,428,315) |
| 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> | <u>\$ 30,755,494</u> | <u>\$ 27,975,394</u> | <u>\$ 19,275,442</u> |

NOTE: The City of Redondo Beach has elected to present eight 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 Eight Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | |
|---|----------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Revenues: | | | | | | | | |
| Taxes | \$ 35,772,421 | \$ 39,678,946 | \$ 47,416,940 | \$ 49,809,201 | \$ 52,569,593 | \$ 53,052,490 | \$ 52,330,017 | \$ 49,946,499 |
| Interdepartmental | - | - | - | 4,298,260 | 6,314,753 | 6,314,750 | 6,655,458 | 6,681,277 |
| Licenses and permits | 1,241,136 | 1,513,226 | 1,713,598 | 2,006,686 | 1,660,339 | 1,306,025 | 1,006,075 | 930,523 |
| Intergovernmental | 15,566,321 | 16,208,575 | 13,322,228 | 14,196,236 | 15,771,721 | 16,660,368 | 13,991,411 | 15,619,990 |
| Charges for services | 7,870,593 | 7,193,850 | 7,738,642 | 8,673,373 | 7,627,197 | 6,814,267 | 6,947,073 | 7,279,164 |
| Use of money and property | 6,638,379 | 2,178,640 | 3,834,831 | 3,458,204 | 5,228,621 | 6,279,652 | 5,680,333 | 4,929,845 |
| Fines and forfeitures | 1,612,480 | 1,069,909 | 942,598 | 889,437 | 1,117,196 | 1,984,683 | 1,845,838 | 1,875,287 |
| Other revenues | 1,551,978 | 784,325 | 697,856 | 760,816 | 787,722 | 559,093 | 1,703,984 | 999,916 |
| Total Revenues | 70,253,308 | 68,627,471 | 75,666,693 | 84,092,213 | 91,077,142 | 92,971,328 | 90,160,189 | 88,262,501 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | 7,858,215 | 8,134,136 | 10,291,155 | 10,531,849 | 9,878,387 | 9,033,018 | 8,693,889 | 7,901,358 |
| Public safety | 27,905,212 | 28,548,022 | 31,357,941 | 35,109,834 | 38,254,942 | 40,909,913 | 42,869,798 | 41,964,634 |
| Housing and community development | 12,272,712 | 11,753,095 | 11,134,350 | 11,341,953 | 11,960,230 | 13,970,479 | 17,569,049 | 16,392,441 |
| Cultural and leisure services | 6,892,592 | 7,565,264 | 7,446,505 | 8,658,356 | 9,120,765 | 9,780,910 | 7,372,691 | 7,427,423 |
| Public works | 9,429,422 | 11,866,239 | 7,404,995 | 9,409,898 | 10,218,116 | 11,046,771 | 9,554,993 | 8,837,700 |
| Capital outlay | 7,987,598 | 1,884,946 | 10,024,176 | 3,356,314 | 5,318,230 | 4,121,712 | 5,683,727 | 11,562,615 |
| Debt service: | | | | | | | | |
| Principal | 394,798 | 395,046 | 420,069 | 1,984,826 | 757,671 | 1,526,811 | 3,448,829 | 2,492,055 |
| Interest | 2,232,047 | 1,389,640 | 1,958,332 | 2,130,871 | 1,698,884 | 2,902,761 | 1,738,532 | 1,069,040 |
| Debt issuance costs | 21,157 | - | - | - | - | - | - | - |
| Total Expenditures | 74,993,753 | 71,536,388 | 80,037,523 | 82,523,901 | 87,207,225 | 93,292,375 | 96,931,508 | 97,647,266 |
| Excess of Revenues Over (Under) Expenditures | (4,740,445) | (2,908,917) | (4,370,830) | 1,568,312 | 3,869,917 | (321,047) | (6,771,319) | (9,384,765) |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfers in | 5,277,409 | 3,548,964 | 3,194,254 | 3,296,665 | 6,611,051 | 11,074,552 | 5,482,661 | 4,390,846 |
| Transfers out | (6,077,949) | (4,194,424) | (6,007,674) | (4,496,995) | (7,853,397) | (6,630,271) | (4,595,668) | (4,426,592) |
| Refunding bonds issued | - | - | - | - | - | 7,645,000 | 700,000 | - |
| Other debts issued | 450,140 | 655,879 | 926,685 | 736,338 | 476,292 | 648,720 | 547,789 | 589,314 |
| Bond premium | - | - | - | - | - | 227,862 | - | - |
| Refunding bonds redeemed | - | - | - | - | - | (7,645,000) | (700,000) | - |
| Total Other Financing Sources (Uses) | (350,400) | 10,419 | (1,886,735) | (463,992) | (766,054) | 5,320,863 | 1,434,782 | 553,568 |
| Net Change in Fund Balances | \$ (5,090,845) | \$ (2,898,498) | \$ (6,257,565) | \$ 1,104,320 | \$ 3,103,863 | \$ 4,999,816 | \$ (5,336,537) | \$ (8,831,197) |
| Debt service as a percentage of noncapital expenditures | 4.11% | 2.63% | 3.52% | 5.48% | 3.09% | 5.23% | 6.03% | 4.32% |

NOTE: The City of Redondo Beach has elected to present eight 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 Ten 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 | |
| 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% |
| 2008 | 10,414,844,031 | 363,370,583 | (75,561,247) | 10,702,653,367 | 371,338,622 | 62,307,947 | (771,134) | 432,875,435 | 0.245% |
| 2009 | 10,967,218,597 | 377,551,863 | (67,013,974) | 11,277,756,486 | 371,987,381 | 64,908,544 | (158,162) | 436,737,763 | 0.244% |
| 2010 | 11,070,789,692 | 362,332,212 | (66,883,744) | 11,366,238,160 | 409,520,646 | 55,988,588 | (866,778) | 464,642,456 | 0.250% |

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 2009-10 Combined Tax Rolls

City of Redondo Beach
Direct and Overlapping Property Tax Rates
(Rate per \$100 of taxable value)
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|-----------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| City basic rate | 0.16617 | 0.16617 | 0.16617 | 0.16617 | 0.16617 | 0.16617 | 0.16617 | 0.16617 | 0.16539 | 0.16539 |
| Redevelopment agency | 1.01167 | 1.00990 | 1.00861 | 1.00755 | 1.00697 | 1.00604 | 1.00541 | 1.00450 | 1.00430 | 1.00430 |
| Overlapping Rates: | | | | | | | | | | |
| Los Angeles County | 0.00131 | 0.00113 | 0.00103 | 0.00099 | 0.00092 | 0.00080 | 0.00066 | 0.00000 | 0.00000 | 0.00000 |
| Flood Control | 0.00156 | 0.00107 | 0.00088 | 0.00047 | 0.00024 | 0.00005 | 0.00005 | 0.00000 | 0.00000 | 0.00000 |
| Metropolitan Water District | 0.00880 | 0.00770 | 0.00670 | 0.00610 | 0.00580 | 0.00520 | 0.00470 | 0.00450 | 0.00430 | 0.00430 |
| Community College | 0.00000 | 0.00000 | 0.00000 | 0.01903 | 0.01656 | 0.01838 | 0.03570 | 0.01647 | 0.01703 | 0.01487 |
| Unified School District | 0.00000 | 0.02370 | 0.00446 | 0.00866 | 0.02765 | 0.03336 | 0.02970 | 0.02844 | 0.04714 | 0.05519 |
| Total Direct Rate | 0.18529 | 0.18449 | 0.18385 | 0.18360 | 0.18176 | 0.18234 | 0.21166 | 0.18715 | 0.18608 | 0.18774 |

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 2009/2010 Tax Rate Table

City of Redondo Beach
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2010 | | 2001 | |
|---|-------------------------|--|------------------------|--|
| | Taxable Assessed Value | Percent of Total City Taxable Assessed Value | Taxable Assessed Value | Percent of Total City Taxable Assessed Value |
| Northrop Gruman Space and Mission (formerly TRW Inc.) | \$ 407,319,360 | 3.44% | \$ 327,864,867 | 5.08% |
| South Bay Center LLC | 196,651,752 | 1.66% | 155,781,295 | 2.41% |
| AES Redondo Beach, LLC | 182,645,733 | 1.54% | 259,721,042 | 4.02% |
| HPT IHG 2 Properties Trust | 42,421,554 | 0.36% | - | |
| MKEG P LLC | 36,802,692 | 0.31% | - | |
| Portofino Partners | 36,394,229 | 0.31% | 27,710,919 | 0.43% |
| AMB AMS Spinnaker LLC | 33,106,692 | 0.28% | - | |
| Target Corporation | 33,075,535 | 0.28% | - | |
| Harbor Cove The Bascom Group | 32,889,461 | 0.28% | - | |
| Star CTL Doolittle Redondo Beach LLC | 32,752,200 | 0.28% | - | |
| Town Park Hotel Corporation | - | | 25,926,896 | 0.40% |
| Space Technology Lab Inc. | - | | 22,145,587 | 0.34% |
| Von's Companies Inc. | - | | 20,775,949 | 0.32% |
| California Water Service Company | - | | 17,776,213 | 0.28% |
| Redondo Shores LLC | - | | 17,266,957 | 0.27% |
| South Bay Associates | - | | 16,220,029 | 0.25% |
| | <u>\$ 1,034,059,208</u> | <u>8.74%</u> | <u>\$ 891,189,754</u> | <u>13.80%</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 2009/2010 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 |
| | | | | | | |
| 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% |
| 2008 | 23,253,318 | 22,214,291 | 95.53% | 646,294 | 22,860,585 | 98.31% |
| 2009 | 24,948,068 | 23,904,011 | 95.82% | 1,156,615 | 25,060,626 | 100.45% |
| 2010 | 25,278,747 | 24,462,121 | 96.77% | 1,204,949 | 25,667,070 | 101.54% |

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 | Revenue | Refunding Revenue | | Capital | Wastewater Revenue | Construction | Capital | | | |
| | Bonds | Bonds | Bonds | Loans | Leases | Bonds | Loans | Leases | | | |
| 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 | 12.78% | 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 | 11.60% | 638 |
| 2007 | 3,010,000 | 8,765,000 | 2,380,000 | 14,067,018 | 919 | 9,715,898 | 4,181,161 | - | 42,119,996 | 10.79% | 624 |
| 2008 | 2,930,000 | - | 10,113,873 | 14,508,927 | 45,219 | 9,523,272 | 3,953,480 | - | 41,074,771 | 9.94% | 609 |
| 2009 | - | - | 9,759,884 | 14,872,887 | 33,169 | 9,325,646 | 3,715,553 | - | 37,707,139 | - | 557 |
| 2010 | - | - | 8,870,895 | 13,840,146 | 20,686 | 9,118,020 | 3,466,920 | - | 35,316,667 | - | 519 |

NOTES: * Personal income data was not available from the California Department of Finance subsequent to fiscal year 2007/2008. 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, 2010

| City Assessed Valuation | | \$ | 11,830,880,616 |
|---|--------------------------|-----------------------------|--|
| Redevelopment Agency Incremental Valuation | | | 430,213,553 |
| Total Assessed Valuation | | \$ | <u>11,400,667,063</u> |
| | Percentage Applicable | Outstanding Debt 6/30/10 | Estimated Share of Overlapping Debt |
| Direct Debt: | | | |
| County Deferral Loans | 100% | 13,407,602 | 13,407,602 |
| Boating & Waterways Construction Loan 89-21-147 | 100% | 2,443,872 | 2,443,872 |
| PFA 2001 Refunding Revenue Bonds | 100% | 2,010,000 | 2,010,000 |
| Boating & Waterways Construction Loan 88-21-84 | 100% | 1,023,048 | 1,023,048 |
| PFA 2008 Refunding Revenue Bonds | 100% | 6,868,895 | 6,868,895 |
| Capital Leases | 100% | 20,399 | 20,399 |
| South Bay Bank Loan | 100% | 1,465,285 | 1,465,285 |
| Wastewater Revenue Bond 2004 Ser A | 100% | 9,118,020 | 9,118,020 |
| Total direct debt | | \$ | <u>36,357,121</u> |
| Overlapping Debt: | | | |
| Redondo Beach Unified School District DS 2000 Ser A | 100% | 10,095,000 | 10,095,000 |
| Redondo Beach Unified School District DS 2000 Ser B | 100% | 5,130,000 | 5,130,000 |
| Redondo Beach Unified School District DS 2000 Ser C | 100% | 8,085,000 | 8,085,000 |
| Redondo Beach Unified School District DS 2000 Ser D | 100% | 9,120,000 | 9,120,000 |
| Redondo Beach Unified School District DS 2000 Ser E | 100% | 13,945,000 | 13,945,000 |
| Redondo Beach Unified School District DS 2008 Ser A | 100% | 74,995,636 | 74,995,636 |
| * Metropolitan Water District | 1.322% | 121,475,156 | 1,606,416 |
| El Camino CCS DS 2002 S-2003A | 14.712% | 6,680,000 | 982,782 |
| El Camino CCD DS 2005 REF BONDS | 14.712% | 29,413,943 | 4,327,467 |
| El Camino CCD DS 2002 SER 2006B | 14.712% | 139,150,000 | 20,472,163 |
| Total overlapping debt | | \$ | <u>418,089,735</u> |
| Total direct and overlapping debt | | | <u>\$ 185,116,585</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 2009/2010 Lien Date Tax Rolls

City of Redondo Beach
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010

| | |
|------------------------------------|--------------------------------|
| Assessed value | \$ 11,830,880,616 |
| Debt Limit (15% of assessed value) | 1,774,632,092 |
| Debt applicable to limit | <u>-</u> |
| Legal debt margin | <u><u>\$ 1,774,632,092</u></u> |

| | Fiscal Year | | | | | | | | | |
|---|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Debt limit | \$ 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 | \$ 1,670,329,320 | \$ 1,757,174,137 | \$ 1,774,632,092 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | 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 | 1,670,329,320 | 1,757,174,137 | 1,774,632,092 |
| 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
Pledged-Revenue Coverage
Last Seven 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 | |
| 2008 | 1,632,533 | 841,186 | 791,347 | 195,000 | 466,813 | 1.20 | |
| 2009 | 2,238,654 | 1,036,836 | 1,201,818 | 200,000 | 476,050 | 1.78 | |
| 2010 | 2,371,716 | 1,106,781 | 1,264,934 | 210,000 | 468,050 | 1.87 | |

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, 2010

| Calendar Year | Population | Personal Income * (in millions) | Per Capita Personal Income * | Unemployment Rate ** |
|--------------------------|-------------------|--|---|---------------------------------|
| 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 | 346,423 | 51,455 | 5.0% |
| 2006 | 67,112 | 369,174 | 55,009 | 4.4% |
| 2007 | 67,495 | 390,296 | 57,826 | 4.7% |
| 2008 | 67,488 | 413,317 | 61,243 | 6.6% |
| 2009 | 67,646 | - | - | 10.8% |
| 2010 | 68,105 | - | - | 11.5% |

NOTES: * Personal income data was not available from the California Department of Finance subsequent to fiscal year 2007/2008. Per Capita Personal Income is based on the County of Los Angeles. Statistics not available subsequent to fiscal year 2007/2008. ** 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

| Employer | 2010 | | 2001 |
|---------------------------------------|-----------|---|-----------|
| | Employees | Percentage of Total City Employment | Employees |
| Northrop Grumman (TRW) | 6,249 | 25.44% | 4,387 |
| Redondo Beach Unified School District | 1,005 | 4.09% | - |
| City of Redondo Beach | 452 | 1.84% | 485 |
| D H L Global Forwarding | 400 | 1.63% | - |
| Nordstrom, Inc. | 375 | 1.53% | 425 |
| The Cheesecake Factory | 300 | 1.22% | 259 |
| United States Post Office | 260 | 1.06% | 245 |
| Von's | 209 | 0.85% | - |
| Crown Plaza (Holiday Inn) | 200 | 0.81% | - |
| Macy's (Robinson's May) | 200 | 0.81% | 335 |
| Douglas Furniture of California, Inc. | - | 0.00% | 310 |
| Web Service Company | - | 0.00% | 300 |
| Imperial Bank | - | 0.00% | 253 |
| Mervyn's | - | 0.00% | 232 |

Source: HdL Coren & Cone

City of Redondo Beach
Full-Time City Government Employees by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|---------------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Government | 64.5 | 60 | 60 | 59 | 56 | 56 | 59 | 60 | 58 | 52 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 109 | 109 | 108 | 107 | 105 | 105 | 105 | 105 | 105 | 99 |
| Civilians | 57 | 57 | 57 | 58 | 57 | 57 | 58 | 58 | 59 | 58 |
| Fire | | | | | | | | | | |
| Firefighters and Officers | 68 | 68 | 69 | 68 | 65 | 65 | 64 | 64 | 63 | 60 |
| Civilians | 6 | 5 | 5 | 6 | 5 | 5 | 6 | 6 | 5 | 5 |
| Public Works | 88 | 88 | 108 | 105 | 102 | 102 | 104 | 105 | 105 | 106 |
| Cultural and Leisure Services | 50 | 50 | 63 | 61 | 59 | 58 | 57 | 54 | 45 | 40 |
| Housing & Community Development | 46 | 44 | 45 | 44 | 33 | 33 | 34 | 35 | 38 | 30 |
| Harbor, Business, & Transit | 4.5 | 4 | 4 | 5 | 7 | 7 | 9 | 9 | 9 | 8 |
| TOTAL | 493 | 485 | 519 | 513 | 489 | 488 | 496 | 496 | 487 | 458 |

Source: City of Redondo Beach

City of Redondo Beach
Operating Indicators by Function
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|------------|------------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Physical arrests | 3,719 | 3,135 | 2,955 | 3,235 | 3,229 | 3,402 | 3,923 | 2,702 | 2,641 | - * |
| Traffic citations issued | 12,270 | 12,070 | 9,774 | 7,419 | 7,532 | 9,683 | 12,339 | 10,955 | 10,786 | - * |
| Fire | | | | | | | | | | |
| Number of runs - rescues | 3,151 | 3,445 | 3,212 | 3,351 | 3,386 | 3,551 | 3,779 | 3,932 | 3,942 | - * |
| Number of runs - structures & other | 1,777 | 1,261 | 1,173 | 1,075 | 868 | 1,087 | 1,672 | 1,676 | 1,495 | - * |
| Public Works | | | | | | | | | | |
| Street rehabilitation (miles) | 3.2 | 9.3 | 17.1 | 17.8 | 13.3 | 3.2 | 3.7 | 2.3 | 4.6 | 1.9 |
| Culture and Leisure Services | | | | | | | | | | |
| Library | | | | | | | | | | |
| Number of items borrowed | 733,184 | 798,022 | 830,950 | 845,496 | 845,569 | 852,750 | 844,947 | 831,354 | 858,934 | 809,968 |
| Number of visitors | 435,826 | 441,974 | 454,114 | 436,714 | 438,310 | 439,060 | 445,056 | 446,346 | 436,347 ** | 398,583 ** |
| Recreation and Community Services | | | | | | | | | | |
| Admissions - Seaside Lagoon | 99,236 | 98,352 | 101,584 | 81,487 | 86,562 | 90,966 | 82,071 | 76,578 | 82,921 | 63,056 |
| Number of facility rentals - Seaside Lagoon | 444 | 506 | 468 | 558 | 579 | 409 | 382 | 395 | 415 | 416 |
| Housing & Community Development | | | | | | | | | | |
| Number of permits issued | 4,575 | 3,508 | 3,871 | 4,591 | 4,544 | 3,763 | 3,951 | 3,270 | 1,952 | 2,257 |
| Number of plan checks issued | 889 | 1,133 | 2,848 | 1,950 | 1,667 | 1,566 | 1,296 | 1,101 | 898 | 990 |
| Number of inspections | 16,680 | 14,131 | 14,161 | 16,817 | 20,236 | 19,378 | 19,916 | 17,634 | 12,755 | 8,605 |
| Number of real estate reports | 1,240 | 1,308 | 1,367 | 1,370 | 1,342 | 1,051 | 883 | 630 | 577 | 769 |
| Number of bus boardings - Transit | - * | 90,746 | 98,934 | 94,087 | 70,458 | 169,519 | 298,206 | 365,701 | 393,534 | 404,983 |
| Revenue miles - Transit | - * | 179,926 | 183,491 | 172,358 | 122,814 | 232,692 | 416,435 | 487,203 | 452,467 | 472,604 |

NOTE: * Data not available.

** The number of visitors decreased significantly due to the closure for construction at the North Branch Library for 5 months in fiscal year 2008-09 and then for all of fiscal year 2009-10.

Source: City of Redondo Beach - Financial Services Department

City of Redondo Beach
Capital Asset Statistics by Function
Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| 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 | 3 | 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 | 5120 | 5120 | 1892 * | 1892* | 1892* | 1892* | 1892* | 1892* |
| Street Traffic Controllers | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 | 84 |
| Sanitary sewers (miles) | 150 | 150 | 150 | 150 | 150 | 112 | 112 | 112 | 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 | 143.26 | 143.26 | 143.26 | 143.26 | 143.26 | 143.26 | 143.26 | 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 2008 Revenue Bonds
(South Bay Center Redevelopment Project)
June 30, 2010

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 February 13, 2008 executed and delivered by the Redevelopment Agency and the Public Financing Authority and the Dissemination Agent in connection with the issuance of \$7,645,000 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 February 1, 2008 between the Financing Authority and US Bank. The proceeds of the Bonds were issued to provide funds to (i) refund the Authority's Redondo Beach Public Financing Authority 1996 Revenue Bonds (South Bay Center Redevelopment Project), originally issued in the principal amount of \$10,330,000 of which \$8,550,000 remained outstanding, (ii) fund a reserve fund for the Bonds, and (iii) pay the 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 2009-10 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, 2010 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, 2010, neither the Redevelopment Agency nor the Public Financing Authority has issued any parity or subordinate debt.
3. During the fiscal year ended June 30, 2010, 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, 2010 the Agency had been apportioned \$40,725,661 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 final 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, 2010

| | Base Year 1983-84 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|---------------------------|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Secured * | | | | | | | | | | | |
| Land | \$ 9,772,776 | \$ 20,644,626 | \$ 21,057,511 | \$ 26,361,887 | \$ 26,567,906 | \$ 26,977,212 | \$ 27,424,247 | \$ 51,658,838 | \$ 52,688,442 | \$ 53,742,204 | \$ 56,292,008 |
| Impts | 16,977,265 | 163,181,451 | 166,968,861 | 167,560,188 | 159,503,456 | 162,122,684 | 164,634,061 | 178,831,940 | 182,405,613 | 185,761,187 | 202,649,015 |
| Pers Prop | - | 423,564 | 385,673 | 396,224 | 597,793 | 572,459 | 1,617 | 1,514 | - | - | - |
| Exemptions | - | - | - | - | - | - | - | - | - | - | - |
| Total Secured | 26,750,041 | 184,249,641 | 188,412,045 | 194,318,299 | 186,669,155 | 189,672,355 | 192,059,925 | 230,492,292 | 235,094,055 | 239,503,391 | 258,941,023 |
| Unsecured | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| Impts | 3,023,006 | 13,993,159 | 11,511,489 | 12,123,607 | 13,074,302 | 12,287,632 | 12,261,701 | 11,408,416 | 13,236,695 | 13,336,333 | 12,530,739 |
| Pers Prop | 1,848,954 | 10,676,604 | 13,198,111 | 14,215,089 | 13,786,344 | 13,128,156 | 13,217,135 | 12,577,271 | 13,515,052 | 14,189,166 | 12,550,901 |
| Exemptions | - | - | - | - | - | - | - | - | - | - | (50,000) |
| Total Unsecured | 4,871,960 | 24,669,763 | 24,709,600 | 26,338,696 | 26,860,646 | 25,415,788 | 25,478,836 | 23,985,687 | 26,751,747 | 27,525,499 | 25,031,640 |
| GRAND TOTAL | 31,622,001 | <u>208,919,404</u> | <u>213,121,645</u> | <u>220,656,995</u> | <u>213,529,801</u> | <u>215,088,143</u> | <u>217,538,761</u> | <u>254,477,979</u> | <u>261,845,802</u> | <u>267,028,890</u> | <u>283,972,663</u> |
| Incremental Value: | | 177,297,403 | 181,499,644 | 189,034,994 | 181,907,800 | 183,466,142 | 185,916,760 | 222,855,978 | 230,223,801 | 235,406,889 | 252,350,662 |
| Incremental Value Change: | | 21,127,404 | 4,202,241 | 7,535,350 | (7,127,194) | 1,558,342 | 2,450,618 | 36,939,218 | 7,367,823 | 5,183,088 | 16,943,773 |
| % Change: | | 13.53% | 2.37% | 4.15% | -3.77% | 0.86% | 1.34% | 19.87% | 3.31% | 2.25% | 7.20% |

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, 2010

| | <u>2000-01</u> | <u>2001-02</u> | <u>2002-03</u> | <u>2003-04</u> | <u>2004-05</u> | <u>2005-06</u> | <u>2006-07</u> | <u>2007-08</u> | <u>2008-09</u> | <u>2009-10</u> |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Original Charge Secured Value | \$ 184,249,641 | \$ 188,412,045 | \$ 194,318,299 | \$ 186,669,155 | \$ 189,672,355 | \$ 192,059,925 | \$ 230,492,292 | \$ 235,094,055 | \$ 239,503,391 | \$ 258,941,015 |
| Adjustments to Original Charge | (1,694,392) | (2,895,608) | (5,284,757) | - | - | 50,417,882 | - | - | - | (2,894,618) |
| Base Year Secured Value | <u>(26,750,041)</u> | <u>(26,750,041)</u> | <u>(26,750,041)</u> | <u>(26,750,041)</u> | <u>(26,750,041)</u> | <u>(26,750,040)</u> | <u>(26,750,040)</u> | <u>(26,750,041)</u> | <u>(26,750,041)</u> | <u>(26,750,041)</u> |
| Incremental Secured Value | 155,805,208 | 158,766,396 | 162,283,501 | 159,919,114 | 162,922,314 | 215,727,767 | 203,742,252 | 208,344,014 | 212,753,350 | 229,296,356 |
| Tax Rate | <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> | <u>0.0100450</u> | <u>0.0100430</u> | <u>0.0100430</u> |
| Adjusted Levy | 1,576,228 | 1,603,383 | 1,636,814 | 1,611,271 | 1,640,576 | 2,170,316 | 2,048,455 | 2,092,816 | 2,136,682 | 2,302,823 |
| Unitary Revenue | <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> | <u>28,887</u> | <u>31,263</u> | <u>30,311</u> |
| Total Secured/Unitary Levy | <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> | <u>2,121,703</u> | <u>2,167,945</u> | <u>2,333,134</u> |
| Original Charge Unsecured Value | 24,669,763 | 24,709,600 | 26,338,696 | 26,860,646 | 25,415,788 | 25,478,836 | 23,985,683 | 26,751,747 | 27,525,499 | 25,031,637 |
| Adjustments to Original Charge | (121,215) | 15,159,459 | 329,075 | 77,266,839 | 2,878,283 | 200,319 | 848,749 | 2,200,114 | 549,859 | 2,168,472 |
| Base Year Unsecured Value | <u>(4,871,960)</u> | <u>(4,871,960)</u> | <u>(4,871,960)</u> | <u>(4,871,960)</u> | <u>(4,871,960)</u> | <u>(4,871,959)</u> | <u>(4,871,959)</u> | <u>(4,871,960)</u> | <u>(4,871,960)</u> | <u>(4,871,960)</u> |
| Incremental Unsecured Value | 19,676,588 | 34,997,099 | 21,795,811 | 99,255,525 | 23,422,111 | 20,807,196 | 19,962,473 | 24,079,901 | 23,203,398 | 22,328,149 |
| Tax Rate | <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> | <u>0.0100450</u> | <u>0.0100430</u> |
| Unsecured Adjusted Levy | <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> | <u>242,103</u> | <u>233,078</u> | <u>224,242</u> |
| Net Total Revenue | <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> | <u>2,363,806</u> | <u>2,401,023</u> | <u>2,557,376</u> |
| Remittance to Agency | | | | | | | | | | |
| Secured/Unitary Remitted | 1,606,406 | 1,634,614 | 1,666,575 | 1,640,962 | 1,667,891 | 2,197,703 | 2,075,997 | 2,122,507 | 2,167,741 | 2,333,113 |
| Unsecured Remitted | 195,626 | 346,157 | 215,664 | 220,615 | 230,164 | 207,367 | 183,272 | 239,176 | 224,182 | 219,123 |
| HOX Payments | <u>1</u> | <u>(71)</u> | <u>-</u> |
| Total Remittance to Agency: | <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> | <u>2,361,683</u> | <u>2,391,923</u> | <u>2,552,236</u> |
| % of Collection to Levy | 99.76% | 99.57% | 99.72% | 70.46% | 99.48% | 99.89% | 99.23% | 99.91% | 99.62% | 99.80% |
| Grand Total Revenue: | | | | | | | | | | |
| Secured and Unsecured Revenue | 1,802,034 | 1,980,700 | 1,882,239 | 1,861,577 | 1,898,055 | 2,405,070 | 2,259,268 | 2,361,683 | 2,391,923 | 2,552,236 |
| SB 813 Supplemental Payments | (51,655) | (4,777) | (14,273) | - | - | (17,379) | 117,362 | (2,883) | 177,804 | (51,122) |
| Redemptions/Open Roll Corrections | 3,582 | (44,345) | (41,247) | 4,262 | 2,225 | (5,534) | 4,532 | 12,925 | 1,325 | 36 |
| Taxpayer Refunds | (3,563) | 4,059 | (16,469) | (60,249) | (42) | (23,253) | 5 | (86) | (628) | (83,212) |
| Deferral Payments/Adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>129,927</u> | <u>(46,423)</u> | <u>(355,390)</u> | <u>(186,859)</u> | <u>(122,005)</u> | <u>(155,747)</u> |
| Total Paid to Agency: | <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> | <u>2,184,780</u> | <u>2,448,419</u> | <u>2,262,190</u> |
| SB 2557 Charges (1) | (35,351) | (35,433) | (34,894) | (34,524) | (31,324) | (28,308) | (29,423) | (31,971) | (31,959) | (38,139) |
| Housing Set Aside | (350,080) | (387,127) | (362,050) | (354,655) | (406,033) | (517,064) | (405,156) | (436,956) | (489,684) | (452,438) |
| Tax Sharing Payments | (756,957) | (623,314) | (773,832) | (772,023) | (813,388) | (1,011,111) | (716,814) | (880,699) | (1,103,678) | (1,140,974) |
| Negative Balance from Prior Year | <u>-</u> |
| Net Grand Total Revenue: | <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> | <u>\$ 835,154</u> | <u>\$ 823,098</u> | <u>\$ 630,639</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, 2010

| | Secured | | | Unsecured | | | Total | | Use Code |
|-----------------------------------|----------------------|-----------|---------------------------------|---------------------|----------|-----------------------------------|----------------------|------------------------|------------|
| | Value | Parcels | Percent of Secured Actual Value | Value | Parcels | Percent of Unsecured Actual Value | Value | Percent of Total Value | |
| 1. South Bay Associates SPE LLC | \$ 195,857,315 | 3 | 75.64% | \$ 794,437 | 1 | 3.17% | \$ 196,651,752 | 69.25% | Commercial |
| 2. KHS South Bay LLC | 23,974,590 | 1 | 9.26% | - | 0 | 0.00% | 23,974,590 | 8.44% | Commercial |
| 3. Home Depot USA Inc. | 19,622,414 | 1 | 7.58% | 353,622 | 1 | 1.41% | 19,976,036 | 7.03% | Commercial |
| 4. South Bay Associates SPE LLC | 9,988,265 | 4 | 3.86% | - | 0 | 0.00% | 9,988,265 | 3.52% | Commercial |
| 5. Nordstrom Inc. | - | 0 | 0.00% | 6,549,367 | 1 | 26.16% | 6,549,367 | 2.31% | Unsecured |
| 6. Outparcel Naperville LLC (2) | 5,656,412 | 1 | 2.18% | - | 0 | 0.00% | 5,656,412 | 1.99% | Commercial |
| 7. Walgreen | 3,837,991 | 7 | 1.48% | - | 0 | 0.00% | 3,837,991 | 1.35% | Commercial |
| 8. Macy's Department Stores Inc. | - | 0 | 0.00% | 2,543,455 | 1 | 10.16% | 2,543,455 | 0.90% | Unsecured |
| 9. American Multi-Cinema Inc. | - | 0 | 0.00% | 1,279,949 | 1 | 5.11% | 1,279,949 | 0.45% | Unsecured |
| 10. California Pizza Kitchen Inc. | - | 0 | 0.00% | 845,251 | 1 | 3.38% | 845,251 | 0.30% | Unsecured |
| | <u>\$258,936,987</u> | <u>17</u> | <u>100.00%</u> | <u>\$12,366,081</u> | <u>6</u> | <u>49.40%</u> | <u>\$271,303,068</u> | <u>95.54%</u> | |
| Project Area Incremental Value: | <u>\$258,941,023</u> | | | <u>\$25,031,640</u> | | | <u>\$283,972,663</u> | | |

Source: HdL Coren & Cone

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

| <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> |
|---|--------------|--------------------|----------------------|-----------------------|---|----------------------------|------------------------------|
| Currently Pending Appeals | | | | | | | |
| FY 2006-07 | | | | | | | |
| Federated Dept. Stores South Bay Center LLC | 4082-018-004 | Secured | Pending | 25,520,000 | 7,427,470 | (18,092,530) | -70.90% |
| Gap Inc. & Subs | u | Unsecured | Pending | 486,484 | - | (486,484) | -100.00% |
| Gap Inc. & Subs | u | Unsecured | Pending | 146,980 | 66,916 | (80,064) | -54.47% |
| Gap Inc. & Subs | u | Unsecured | Pending | 242,989 | 114,058 | (128,931) | -53.06% |
| Godiva Chocolatier, Inc. | u | Unsecured | Pending | 15,080 | 6,407 | (8,673) | -57.51% |
| Macy's Department Stores, Inc. dba Macy's | u | Unsecured | Pending | 548,189 | 273,000 | (275,189) | -50.20% |
| | | | | <u>26,959,722</u> | <u>7,887,851</u> | | |
| FY 2007-08 | | | | | | | |
| South Bay Center Spe LLC - Macy's Inc. | 4082-018-004 | Secured | Pending | 26,030,400 | 7,427,470 | (18,602,930) | -71.47% |
| Macy's Aka Federated Retail Holdings, Inc. | u | Unsecured | Pending | 1,753,214 | 876,607 | (876,607) | -50.00% |
| | | | | <u>27,783,614</u> | <u>8,304,077</u> | | |
| FY 2008-09 | | | | | | | |
| Home Depot USA, Inc. | 4082-019-042 | Secured | Pending | 19,237,661 | 19,237,661 | - | 0.00% |
| Guess? Retail Inc. #5622 | u | Unsecured | Pending | 231,957 | 115,000 | (116,957) | -50.42% |
| Express LLC #917 | u | Unsecured | Pending | 203,812 | 102,000 | (101,812) | -49.95% |
| South Bay Center Spe LLC - Macy's Inc. | 4082-018-004 | Secured | Pending | 26,551,008 | 7,427,470 | (19,123,538) | -72.03% |
| South Bay Associates Spe LLC | 4082-019-030 | Secured | Pending | 3,200,519 | 401,000 | (2,799,519) | -87.47% |
| South Bay Associates Spe LLC | 4082-019-031 | Secured | Pending | 1,905,225 | 301,000 | (1,604,225) | -84.20% |
| South Bay Associates Spe LLC | 4082-019-032 | Secured | Pending | 3,463,787 | 2,600,000 | (863,787) | -24.94% |
| South Bay Associates Spe LLC | 4082-019-033 | Secured | Pending | 48,355 | 40,000 | (8,355) | -17.28% |
| South Bay Associates Spe LLC | 4082-019-043 | Secured | Pending | 4,638,322 | 301,000 | (4,337,322) | -93.51% |
| | | | | <u>59,480,646</u> | <u>30,525,131</u> | | |

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

| <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> |
|---|--------------|--------------------|----------------------|-----------------------|---|----------------------------|------------------------------|
| Currently Pending Appeals | | | | | | | |
| FY 2009-10 | | | | | | | |
| Nordstrom Incorporated | 4082-018-005 | Secured | Pending | 21,924,618 | 9,000,000 | (12,924,618) | -58.95% |
| Nordstrom Incorporated | 4082-018-010 | Secured | Pending | 146,850,670 | 142,000,000 | (4,850,670) | -3.30% |
| Macy's Department Stores Inc. | u | Unsecured | Pending | 2,543,455 | 1,681,900 | (861,555) | -33.87% |
| Guess? Retail Inc. #5622 | u | Unsecured | Pending | 220,219 | 110,000 | (110,219) | -50.05% |
| Express LLC #917 | u | Unsecured | Pending | 189,542 | 100,000 | (89,542) | -47.24% |
| South Bay Center Spe LLC - Macys Inc. | 4082-018-004 | Secured | Pending | 27,082,027 | 8,027,470 | (19,054,557) | -70.36% |
| American Multi-Cinema Inc. | u | Unsecured | Pending | 1,279,949 | 504,421 | (775,528) | -60.59% |
| Galleria at South Bay Spe LLC | 4082-018-010 | Secured | Pending | 146,850,670 | 124,000,000 | (22,850,670) | -15.56% |
| Macy's Department Stores, Inc. dba Macy's | u | Unsecured | Pending | 1,053,337 | - | (1,053,337) | -100.00% |
| | | | | <u>347,994,487</u> | <u>285,423,791</u> | | |

Most Recently Resolved Appeals Among Owners with Pending Appeals

| <u>Owner</u> | <u>APN</u> | <u>Appeal Type</u> | <u>Appeal Status</u> | <u>Original Value</u> | <u>Board Value</u> | <u>Change</u> | <u>% Change</u> |
|------------------------|--------------|--------------------|----------------------|-----------------------|--------------------|---------------|-----------------|
| FY 2006-07 | | | | | | | |
| Nordstrom Incorporated | 4082-018-005 | Secured | Allowed | 20,660,058 | 19,190,000 | (1,470,058) | -7.12% |
| Nordstrom Incorporated | 4082-018-010 | Secured | Allowed | 138,380,669 | 138,380,669 | - | 0.00% |
| FY 2007-08 | | | | | | | |
| Nordstrom Incorporated | 4082-018-005 | Secured | Allowed | 21,073,259 | 19,110,000 | (1,963,259) | -9.32% |
| Nordstrom Incorporated | 4082-018-010 | Secured | Allowed | 141,148,281 | 141,148,281 | - | 0.00% |
| FY 2008-09 | | | | | | | |
| Nordstrom Incorporated | 4082-018-005 | Secured | Allowed | 21,494,724 | 19,030,000 | (2,464,724) | -11.47% |
| Nordstrom Incorporated | 4082-018-010 | Secured | Allowed | 143,971,246 | 143,971,246 | - | 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, 2010

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 2009-10 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, 2010 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, 2010, 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, 2010

| | Base Year | | | | | | | | | | |
|------------------------|---------------------|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1991-92 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
| <i>Secured *</i> | | | | | | | | | | | |
| Land | \$ 1,762,312 | \$ 12,524,632 | \$ 12,775,124 | \$ 13,030,625 | \$ 13,291,236 | \$ 13,539,383 | \$ 15,760,494 | \$ 17,414,372 | \$ 17,762,659 | \$ 18,117,912 | \$ 18,480,269 |
| Impts | 911,370 | 18,639,194 | 19,011,977 | 19,392,215 | 19,780,058 | 20,149,351 | 31,833,956 | 37,955,766 | 38,714,881 | 29,757,900 | 30,353,057 |
| Pers Prop | 6,660 | - | - | - | - | - | - | - | - | - | - |
| Exemptions | - | - | - | - | - | - | - | - | (212,304) | (158,162) | (161,326) |
| Total Secured | 2,680,342 | 31,163,826 | 31,787,101 | 32,422,840 | 33,071,294 | 33,688,734 | 47,594,450 | 55,370,138 | 56,265,236 | 47,717,650 | 48,672,000 |
| <i>Unsecured</i> | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| Impts | 69,280 | 660,316 | 854,727 | 972,053 | 1,009,249 | 1,182,097 | 1,407,295 | 1,524,897 | 1,221,918 | 1,094,975 | 924,435 |
| Pers Prop | 57,280 | 3,104,179 | 4,226,265 | 4,169,949 | 3,492,740 | 3,532,307 | 3,765,198 | 4,551,493 | 4,165,208 | 3,320,987 | 3,038,241 |
| Exemptions | - | - | - | - | - | - | - | - | - | - | - |
| Total Unsecured | 126,560 | 3,764,495 | 5,080,992 | 5,142,002 | 4,501,989 | 4,714,404 | 5,172,493 | 6,076,390 | 5,387,126 | 4,415,962 | 3,962,676 |
| GRAND TOTAL | \$ 2,806,902 | \$ 34,928,321 | \$ 36,868,093 | \$ 37,564,842 | \$ 37,573,283 | \$ 38,403,138 | \$ 52,766,943 | \$ 61,446,528 | \$ 61,652,362 | \$ 52,133,612 | \$ 52,634,676 |
| | | Incremental Value \$ 34,757,940 \$ 34,766,381 \$ 35,596,236 \$ 49,960,041 \$ 58,639,626 \$ 58,845,460 \$ 49,326,710 \$ 49,827,774 | | | | | | | | | |

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

Source: HdL Coren & Cone

City of Redondo Beach
Redondo Beach Redevelopment Agency
Harbor Center Redevelopment Project
Top Ten Taxable Property Owners
June 30, 2010

| | 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 | \$ 42,421,554 | 1 | 87.16% | \$ - | 0 | 0.00% | \$ 42,421,554 | 80.60% | Commercial |
| 2. Redondo Beach Hotel Associates | 6,250,446 | 1 | 12.84% | - | 0 | 0.00% | 6,250,446 | 11.88% | Commercial |
| 3. Intercontinental Hotel Group | - | 0 | 0.00% | 3,400,060 | 1 | 85.80% | 3,400,060 | 6.46% | Unsecured |
| 4. Muscle Improvement Redondo Beach Inc. | - | 0 | 0.00% | 277,529 | 6 | 7.00% | 277,529 | 0.53% | Unsecured |
| 5. Financial Pacific Leasing LLC | - | 0 | 0.00% | 69,144 | 1 | 1.74% | 69,144 | 0.13% | Unsecured |
| 6. Greystone Equipment Finance | - | 0 | 0.00% | 47,305 | 1 | 1.19% | 47,305 | 0.09% | Unsecured |
| 7. Avantage Group Inc. | - | 0 | 0.00% | 42,000 | 1 | 1.06% | 42,000 | 0.08% | Unsecured |
| 8. Art Shoppe Inc. | - | 0 | 0.00% | 30,844 | 1 | 0.78% | 30,844 | 0.06% | Unsecured |
| 9. Lodgenet Entertainment Corp. | - | 0 | 0.00% | 28,794 | 1 | 0.73% | 28,794 | 0.05% | Unsecured |
| 10. Golds Gym of Redondo Beach | - | 0 | 0.00% | 26,649 | 1 | 0.67% | 26,649 | 0.05% | Unsecured |
| | \$48,672,000 | 2 | 100.00% | \$3,922,325 | 13 | 98.98% | \$52,594,325 | 99.92% | |
| Project Area Assessed Value: | <u>\$48,672,000</u> | | | <u>\$3,962,676</u> | | | <u>\$52,634,676</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, 2010

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 2009-10 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, 2010 comprise the book in which this report is included.
2. During the fiscal year ended June 30, 2010, 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 uncheduled 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 Seven Fiscal Years

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---------|---------|---------|---------|---------|---------|---------|
| Use Classification | | | | | | | |
| Each single family dwelling unit | \$ 5.00 | \$ 5.00 | \$ 5.00 | \$ 5.00 | \$ 5.00 | \$ 7.00 | \$ 7.12 |
| Each unit in a 2-3 unit condo structure | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 7.00 | 7.12 |
| Each unit in a 2-3 unit apartment structure | 3.89 | 3.89 | 3.89 | 3.89 | 3.89 | 5.45 | 5.55 |
| Each unit in a 4 or more unit condo structure | 3.89 | 3.89 | 3.89 | 3.89 | 3.89 | 5.45 | 5.55 |
| Each unit in a 4 or more unit apartment structure | 2.68 | 2.68 | 2.68 | 2.68 | 2.68 | 3.75 | 3.82 |
| Commercial/Industrial/Institutional parcels | 0.43 | 0.43 | 0.43 | 0.43 | 0.43 | 0.60 | 0.61 * |

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 \$.61 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 Seven Fiscal Years

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Type of Customer | | | | | | | |
| Residential | 13,039 | 13,211 | 13,211 | 13,211 | 13,108 | 13,102 | 13,107 |
| Industrial | 78 | 74 | 74 | 74 | 68 | 66 | 61 |
| Commercial | 575 | 510 | 510 | 510 | 451 | 464 | 462 |
| Institutional | 71 | 64 | 64 | 64 | 62 | 89 | 61 |
| Mixed use | 44 | 44 | 44 | 44 | 42 | 43 | 43 |
| Total | 13,807 | 13,903 | 13,903 | 13,903 | 13,731 | 13,764 | 13,734 |

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

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Members of the City Council
of the City of Redondo Beach
Redondo Beach, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redondo Beach, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Honorable Mayor and Members of the City Council
of the City of Redondo Beach
Redondo Beach, California
Page 2

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
Irvine, California
December 10, 2010