

**NOTICE OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
SUCCESSOR AGENCY TO THE INDUSTRY
URBAN-DEVELOPMENT AGENCY**

NOTICE is hereby given that pursuant to Section 54956 of the California Government Code, Chairman Tim Spohn hereby calls a special meeting of the Board of Directors of the Successor Agency to the Industry Urban-Development Agency to be convened in the City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744, on Thursday, January 22, 2015 at 8:30 a.m., for the purpose of discussing the following business:

1. Call to Order
2. Flag Salute
3. Roll Call
4. Public Comments
5. **BOARD MATTERS**
 - 5.1 Consideration of the minutes of the November 5, 2014 special meeting of the Successor Agency to the Industry Urban-Development Agency.

RECOMMENDED ACTION: Approve the minutes.
 - 5.2 Consideration of the minutes of the November 20, 2014 special meeting of the Successor Agency to the Industry Urban-Development Agency.

RECOMMENDED ACTION: Approve the minutes.
 - 5.3 Consideration of the Annual Audited Financial Statements for the Fiscal Year Ended June 30, 2014 for the Successor Agency.

RECOMMENDED ACTION: Approve, receive, and file the Financial Statements.
 - 5.4 Consideration of the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters for the Fiscal Year Ended June 30, 2014 for the Successor Agency.

RECOMMENDED ACTION: Approve, receive, and file the Auditor's Report.
 - 5.5 Consideration of the Auditor's Communications with the Board of Directors of the Successor Agency for the Fiscal Year Ended June 30, 2014.

RECOMMENDED ACTION: Approve, receive, and file the Auditor's Communications.

- 5.6 Consideration of the Continuing Annual Disclosure Report for the Successor Agency.

RECOMMENDED ACTION: Approve, receive, and file the Report.

- 5.7 Consideration of award of Contract No. GCD-0382, Baker Parkway Slope Landscape Maintenance to Marina Landscape Maintenance, Inc., in the amount of \$445,290.00, as identified in Line Item No. 1124/276 of the Recognized Obligation Payment Schedule.

RECOMMENDED ACTION: Award the contract to Marina Landscape Maintenance, Inc., and authorize the Chairman to execute the contract upon receipt.

6. **CLOSED SESSION**

6.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

Case: Successor Agency to the Industry-Urban Development Agency v. Grand Central Recycling & Transfer Station, Inc., et al.

Los Angeles Superior Court

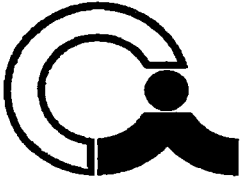
Case No. BC550794

7. Adjournment. Next regular Successor Agency meeting will be Wednesday, February 25, 2015 at 9:00 a.m.



**Tim Spohn, Chairman
Successor Agency to the
Industry Urban-Development Agency**

Dated: January 16, 2015



SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

**SPECIAL MEETING AGENDA
JANUARY 22, 2015 8:30 A.M.**

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

Addressing the Agency:

- ▶ **Agenda Items:** *Members of the public may address the Successor Agency on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called and prior to the individual being heard by the Successor Agency.*
- ▶ **Public Comments (Non-Agenda Items):** *Anyone wishing to address the Successor Agency on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Successor Agency from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called by the Secretary and prior to the individual being heard by the Successor Agency.*

Americans with Disabilities Act:

- ▶ *In compliance with the ADA, if you need special assistance to participate in any meeting (including assisted listening devices), please contact the Office of the Secretary to the Successor Agency (626) 333-2211. Notification of at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.*

Agendas and other writings:

- ▶ *In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the Secretary of the Successor Agency during regular business hours, Monday through Friday, 9:00 a.m. to 5:00 p.m.*
-

1. Call to Order
 2. Flag Salute
 3. Roll Call
 4. Public Comments
-

5. **BOARD MATTERS**

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RECOMMENDED ACTION: Award the contract to Marina Landscape Maintenance, Inc., and authorize the Chairman to execute the contract upon receipt.

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Pursuant to Government Code Section 54956.9(d)(1)

Case: Successor Agency to the Industry-Urban Development Agency v.
Grand Central Recycling & Transfer Station, Inc., et al.

Los Angeles Superior Court

Case No. BC550794

7. Adjournment. Next regular Successor Agency meeting will be Wednesday, February 25, 2015 at 9:00 a.m.

SUCCESSOR AGENCY

ITEM NO. 5.1

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
NOVEMBER 5, 2014
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CALL TO ORDER

The Special Meeting of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Tim Spohn at 9:00 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Chairman Spohn.

ROLL CALL

PRESENT: Tim Spohn, Chairman
Jeff Parriott, Vice Chairman
John P. Ferrero, Board Member
Roy Haber, Board Member
Pat Marcellin, Board Member

STAFF PRESENT: Kevin Radecki, Executive Director; William L. Strausz, Legal Counsel; Jodi L. Scrivens, Secretary; and Diane M. Schlichting, Assistant Secretary.

PUBLIC COMMENTS

There were no public comments.

CONSIDERATION OF THE MINUTES OF THE AUGUST 27, 2014 REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

MOTION BY BOARD MEMBER FERRERO, AND SECOND BY VICE CHAIRMAN PARRIOTT TO APPROVE THE MINUTES. MOTION CARRIED 5-0.

CONSIDERATION OF THE MINUTES OF THE SEPTEMBER 24, 2014 REGULAR MEETING OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE THE MINUTES. MOTION CARRIED 4-0, WITH BOARD MEMBER FERRERO ABSTAINING.

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
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CONSIDERATION OF AN AGREEMENT FOR CONSULTING SERVICES BETWEEN THE SUCCESSOR AGENCY AND KIMLEY-HORN & ASSOCIATES TO PERFORM TRAFFIC SIGNAL DESIGN FOR IMPROVEMENTS AT THE INDUSTRY BUSINESS CENTER, IN THE AMOUNT OF \$200,000.00, AS IDENTIFIED IN LINE ITEM NO. 219 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER FERRERO, AND SECOND BY BOARD MEMBER HABER TO APPROVE THE AGREEMENT. MOTION CARRIED 5-0.

CONSIDERATION OF AN AGREEMENT FOR CONSULTING SERVICES BETWEEN THE SUCCESSOR AGENCY AND KIMLEY-HORN & ASSOCIATES TO PERFORM TRAFFIC SIGNAL DESIGN AND TRAFFIC ENGINEERING SERVICES FOR VARIOUS TRAFFIC MITIGATION IMPROVEMENTS, IN THE AMOUNT OF \$1,051,680.00, AS IDENTIFIED IN LINE ITEM NO. 220 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Agency Engineer Ballas presented a staff report and responded to questions from Members of the Successor Agency.

MOTION BY BOARD MEMBER MARCELLIN, AND SECOND BY VICE CHAIRMAN PARRIOTT TO APPROVE THE AGREEMENT. MOTION CARRIED 5-0.

CONSIDERATION OF PURCHASE AGREEMENTS FOR THE SALE AND DISPOSITION OF CERTAIN REAL PROPERTY LOCATED AT 333 HACIENDA BOULEVARD, 333 TURNBULL CANYON ROAD, 17370 GALE AVENUE, 14624-14700 NELSON AVENUE, 15000 NELSON AVENUE, 15130 NELSON AVENUE, 151 LONG LANE, 125 NORTH ORANGE AVENUE, 111 HUDSON STREET, 15710 AND 15718 RAUSCH ROAD, EAST SIDE OF PARRIOTT PLACE (APN: 8208-027-911 AND 912), EAST SIDE OF AZUSA, NORTH OF RAILROAD STREET, AND 17300 CHESTNUT STREET, AND 841 SOUTH 7TH STREET

Mr. Reg Bottger of CNC Engineering presented a report and responded to questions from Members of the Successor Agency. Mr. Bottger stated that the Successor Agency did not receive executed Purchase Agreements for the properties located at 111 Hudson Avenue and 15130 Nelson Avenue, and recommended that these two properties not be considered at this time and brought back at a later time.

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE ALL OF THE PURCHASE AGREEMENTS, EXCEPT FOR

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
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THE PROPERTIES LOCATED AT 111 HUDSON AVENUE AND 15130 NELSON AVENUE, SUBJECT TO APPROVAL FROM THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND THE CALIFORNIA DEPARTMENT OF FINANCE. MOTION CARRIED 5-0.

CONSIDERATION TO CANCEL THE NEXT REGULAR MEETING SCHEDULED FOR WEDNESDAY, NOVEMBER 26, 2014 AT 9:00 A.M.

MOTION BY BOARD MEMBER FERRERO, AND SECOND BY VICE CHAIRMAN PARRIOTT TO CANCEL THE NEXT REGULAR MEETING. MOTION CARRIED 5-0.

ADJOURNMENT

There being no further business, the Successor Agency to the Industry Urban-Development Agency adjourned.

Tim Spohn, Chairman

Diane M. Schlichting, Assistant Secretary

SUCCESSOR AGENCY

ITEM NO. 5.2

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
NOVEMBER 20, 2014
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CALL TO ORDER

The Special Meeting of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Tim Spohn at 9:00 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Chairman Spohn.

ROLL CALL

PRESENT: Tim Spohn, Chairman
Jeff Parriott, Vice Chairman
John P. Ferrero, Board Member
Roy Haber, Board Member
Pat Marcellin, Board Member

STAFF PRESENT: Kevin Radecki, Executive Director; William L. Strausz, Legal Counsel; and Diane M. Schlichting, Assistant Secretary.

PUBLIC COMMENTS

There were no public comments.

CONSIDERATION OF AMENDMENT NO. 1 TO AGREEMENT FOR FISCAL CONSULTANT SERVICES BETWEEN THE SUCCESSOR AGENCY AND KEYSER MARSTON ASSOCIATES, INC.

Agency Legal Counsel Strausz presented a report.

MOTION BY BOARD MEMBER HABER, AND SECOND BY VICE CHAIRMAN PARRIOTT TO APPROVE AMENDMENT NO. 1 TO AGREEMENT FOR FISCAL CONSULTANT SERVICES. MOTION CARRIED 5-0.

CONSIDERATION OF RESOLUTION NO. SA 2014-03 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY MAKING CLARIFICATION TO RESOLUTION NO. SA 2013-10 REGARDING PROPERTY TAX OVERRIDE SUBJECT TO AGENCY BOND PLEDGE

Agency Legal Counsel Strausz presented a report.

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
SPECIAL MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
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MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO ADOPT RESOLUTION NO. SA 2014-03. MOTION CARRIED 5-0.

CLOSED SESSION

Assistant Secretary Schlichting announced there was a need for Closed Session as follows:

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to Government Code Section 54956.9(d)(1)
Case: Rowland Unified School District and Hacienda La Puente Unified School District, et al., v. Successor Agency to the Industry Urban-Development Agency, et al.
Los Angeles Superior Court Central District
Case No. BC489109

Board Member Haber abstained from the discussion and vote for item 1 because he has a potential financial conflict of interest in that he is employed by the Hacienda La Puente Unified School District.

There were no public comments on the Closed Session item.

Board Member Haber left the Council Chambers at 9:02 a.m.

Chairman Spohn recessed the meeting into Closed Session at 9:02 a.m.

RECONVENE SUCCESSOR AGENCY BOARD MEETING

Chairman Spohn reconvened the meeting at 9:10 a.m. All members of the Board were present, except Board Member Haber who was absent.

The Successor Agency took no reportable action with regard to Closed Session Item 1.

ADJOURNMENT

There being no further business, the Successor Agency to the Industry Urban-Development Agency adjourned.

Tim Spohn, Chairman

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
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Diane M. Schlichting, Assistant Secretary

SUCCESSOR AGENCY

ITEM NO. 5.3

MEMORANDUM

To: Board Members of the Successor Agency to the Industry Urban-Development Agency

Through: Audit Committee

From: Finance Department

Date: January 12, 2015

Subject: Successor Agency To The Industry Urban-Development Agency Year Ended June 30, 2014 Annual Financial Reports

RECOMMENDATION

Receive and file the annual financial reports.

Successor Agency to the Industry Urban-Development Agency

- 1) Annual Audited Financial Statements For The Year Ended June 30, 2014
- 2) Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters For The Year Ended June 30, 2014
- 3) Auditor's Communications with the Board of Directors For The Year Ended June 30, 2014
- 4) Continuing Annual Disclosure Report

EXECUTIVE SUMMARY

The Successor Agency's independent auditors, Eadie & Payne, LLP, have completed their annual audit of the Successor Agency's financial statements for the year ended June 30, 2014. The financial statements received an unqualified (or clean) opinion. No material weaknesses in internal controls were noted. The Audit Committee has approved the financial reports at its meeting held on January 8, 2015.

DESCRIPTION OF REPORTS

The financial reports and management compliance letter for the year ended June 30, 2014 are briefly described below:

Annual Financial Report

The annual financial statement is a comprehensive document reflecting the financial position of the Successor Agency at June 30, 2014.

Independent Auditor's 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

No material weaknesses in internal controls were noted.

The Auditor's Communications with the Successor Agency's Board

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the board of the Successor Agency. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known misstatements, even those that could be passed adjustments that would be not material either individually or in the aggregate.

Continuing Annual Disclosure Report

This Continuing Annual Disclosure Report is filed pursuant to the Continuing Disclosure Certificates adopted by the Successor Agency in connection with certain bonds issued by the Successor Agency in accordance with Securities and Exchange Commission Rule 15c2-12.

Fiscal Impact

There is no fiscal impact as result of this action.

**SUCCESSOR AGENCY TO
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)**

June 30, 2014

Financial Statements

With

Independent Auditor's Report

SUCCESSOR AGENCY TO
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2014

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CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Successor Agency to Industry Urban-Development Agency
City of Industry, California

Report on the Financial Statements

We have audited the accompanying statement of fiduciary net position of the Successor Agency to Industry Urban-Development Agency, a component unit of the City of Industry, as of June 30, 2014, the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Successor Agency to Industry Urban-Development Agency's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

-1-

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Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Successor Agency to Industry Urban-Development Agency as of June 30, 2014, and the changes in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Successor Agency of the Industry Urban-Development Agency's basic financial statements. The schedules of long-term debt on pages 30 through 46 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedules of long-term debt are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014 on our consideration of the Successor Agency of the Industry Urban-Development Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Successor Agency of the Industry Urban-Development Agency's internal control over financial reporting and compliance.

Eadie and Payne, LLP

December 19, 2014
Redlands, California

Basic Financial Statements

SUCCESSOR AGENCY
 TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
 (A COMPONENT UNIT OF CITY OF INDUSTRY)
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2014

| | Private-purpose Trust Fund |
|---|---------------------------------------|
| ASSETS | |
| Cash | \$ 330,031 |
| Investments | 71,539,781 |
| Investments with fiscal agent - restricted | 56,224,739 |
| Notes receivable | 18,231,784 |
| Other receivables | 1,446,037 |
| Property held for sale or disposition | 418,516,083 |
| Total assets | 566,288,455 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred charge on refunding | 1,075,452 |
| Total deferred outflows of resources | 1,075,452 |
| Total assets and deferred outflows of resources | \$ 567,363,907 |
| LIABILITIES | |
| Accounts payable | \$ 3,996,753 |
| Interest payable | 9,483,517 |
| Other liabilities | 798,739 |
| Due to City of Industry | 14,596,862 |
| Bonds payable, net | 527,374,699 |
| Total liabilities | 556,250,570 |
| NET POSITION | \$ 11,113,337 |

The accompanying notes are an integral part of this statement

SUCCESSOR AGENCY
 TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
 (A COMPONENT UNIT OF CITY OF INDUSTRY)
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2014

| | | <u>Private-purpose Trust Fund</u> |
|--|-----------------------------|---------------------------------------|
| ADDITIONS | | |
| Redevelopment agency property tax trust fund | \$ 59,878,794 | |
| Less: Administrative expenses | (1,075,629) | |
| Pass through payments | (3,779,408) | |
| Net | <u> </u> | <u>55,023,757</u> |
| Revenues from the use of money and property | | |
| Interest income | | 1,073,427 |
| Rental and other income | | 12,240,115 |
| Total revenues from the use of money and property | | <u>13,313,542</u> |
| Other sources-debt service paid by tax override | | <u>31,181,110</u> |
| Total additions | | <u>99,518,409</u> |
| DEDUCTIONS | | |
| Bond interest expense | | 41,101,375 |
| Administrative expenses | | 1,329,788 |
| Loss on sale and write down of property | | 7,619,529 |
| Transfers out to City of Industry | | 407,567 |
| Total deductions | | <u>50,458,259</u> |
| Changes in net assets | | <u>49,060,150</u> |
| NET POSITION, beginning of year | | (33,940,340) |
| Prior period adjustment-see note 1 | | (4,006,473) |
| NET POSITION, beginning of year as restated | | <u>(37,946,813)</u> |
| Net position - ending | | <u>\$ 11,113,337</u> |

The accompanying notes are an integral part of this statement

**Notes to the
Financial Statements**

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies

Description of the reporting entity

The Industry-Urban-Development Agency (referred to as the "IUDA") was a component unit and an integral part of the City of Industry (referred to as the "City"). On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (referred to as the "Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to the other units of state and local government. The City has elected to become the Successor Agency to the Industry Urban-Development Agency (referred to as the "SA to IUDA"). The City and the Successor Agency have separate Board of Directors. However, individuals serving on the City Council also serve on the Successor Agency Board. The Successor Agency is a component unit of the City that is fiduciary in nature and is reported in the statements of fiduciary net position and changes in fiduciary net position within the City's fiduciary funds.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are allocated revenue only in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Under the provisions of AB 1484, SA to IUDA is required to have a Due Diligence Review (DDR) of the unobligated balances in the Low and Moderate Housing Fund and in November 2012 the DDR report was approved with no additional funds required to be remitted to the Auditor-Controller. In April 2013, Department of Finance completed its review of the Due Diligence Review of the Other Funds and Accounts and the SA to IUDA remitted \$17,185,869 to the Auditor-Controller based upon this review.

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies (continued)

Description of the reporting entity (continued)

In May 2013, the SA to IUDA was granted its Finding of Completion notice from the Department of Finance. The SA to IUDA may now do the following:

- 1) Place loan agreements between the former redevelopment agency on the ROPS as an enforceable obligation provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes.
- 2) Utilize bond proceeds issued prior to January 1, 2011 in a manner consistent with the original bond covenants.
- 3) In addition the SA to IUDA is required to submit a Long-Range Property Management Plan to the DOF for its review and approval. The Long-Range Property Management Plan was approved by the DOF in February 2014.

Basis of accounting and measurement focus

The component unit financial statements of SA to IUDA have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

New Accounting Standard

During the year ended June 30, 2014, the SA to IUDA implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities. The adoption of GASB Statement No. 65 required bond issuance costs that were previously reported as an asset to be shown as an expense or expenditure. The effect of this statement has been retroactively applied by reporting the cumulative effect of the application as a restatement of beginning net position on the statement of changes in fiduciary net position. Adoption of this accounting standard resulted in a \$4,006,473 adjustment to beginning net position.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies (continued)

Cash and investments

Investments in inactive public deposits, securities and short-term obligations are stated at cost or amortized cost, which approximates fair value.

Cash deposits are reported at their carrying amount, which reasonably estimates fair value. Short-term investments are reported at cost, which approximates fair value. Investments that exceed more than one year in maturity and that are traded on a national exchange are valued at their quoted market price.

Redevelopment property tax revenues

Pursuant to the Redevelopment Dissolution Law, funds that would have been distributed to the former Agency as tax increment, hereafter referred to as redevelopment property tax revenues, are deposited into the SA to IUDA's Redevelopment Property Tax Trust Fund ("Trust Fund") administered by the Los Angeles County's Auditor-Controller for the benefit of holders of the former IUDA's enforceable obligations and the taxing entities that receive pass-through payments. Any remaining funds in the Trust Fund, plus any unencumbered redevelopment cash and funds from asset sales are distributed by the County to the local agencies in the project area unless needed to pay enforceable obligations.

Distributions are to be made twice each year on the following cycles:

| Distribution Dates | Covers Recognized Obligation Payment Schedules to be Paid |
|--------------------|---|
| January 2 | January 1 through June 30 |
| June 1 | July 1 through December 31 |

The amounts distributed for Recognized Obligation Payment Schedules (ROPS) are forward looking to the next six month period.

Tax Override Monies

On September 26, 2013 pursuant to resolution no. CC 2013-25, the City has established a segregated fund in the treasury designated the Agency Override Fund and shall deposit all Agency Override Portion received by the City into the Agency Override Fund. Upon notification by the SA to IUDA of the debt service shortfall, the City shall apply the necessary amount (but only to the extent available) from the Agency Override Fund to pay the bond trustee or, to the extent that there is no trustee for any bond issue, the bondholders directly, to cover the debt service shortfall. So long as the IUDA bonds remain outstanding, the City shall make withdrawals from the Agency Override Fund solely for the purpose of covering debt service shortfalls. See note 4 for further discussion.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

1. Summary of significant accounting policies (continued)

Property held for sale or disposition

Property held for sale or disposition is reported in the financial statements at the lower of cost or net realizable value. The SA to IUDA does not record depreciation expense on its capital assets as these assets are being held for sale or disposition.

Bond issuance costs and premiums/discounts

Bond premiums and discounts in the statement of fiduciary net position are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the period incurred on the statement of changes in fiduciary net position. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Use of estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Cash and investments

SA to IUDA maintains separate cash deposits for each project area. In addition, each project area invests cash not required for immediate use. Certain deposits and investments are held by the fiscal agent separately from those of other funds.

Cash and investments as of June 30, 2014, consisted of the following:

| | Amount |
|--|----------------|
| Cash | \$ 330,031 |
| Investments | 71,539,781 |
| Investments with fiscal agent - restricted | 56,224,739 |
| Total cash and investments | \$ 128,094,551 |
| | |
| Cash | \$ 330,031 |
| Investments | 127,764,520 |
| Total cash and investments | \$ 128,094,551 |

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

2. Cash and investments (continued)

Cash

SA to IUDA may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2014, SA to IUDA's deposits exceeded federally insured limits by \$460,298.

Investments authorized by SA to IUDA's investment policy

Under provision of SA to IUDA's Investment Policy, and in accordance with Section 53601 and Section 53635 of the California Government Code, and the Section 33603 of the Health and Safety Code, SA to IUDA may invest in the following types of investments:

Securities of the U.S. Government, or its agencies
Bonds, notes, warrants, or other evidence of indebtedness of the City of Industry
Inactive Public Deposits; Non – negotiable and /or non –transferable certificate of deposit.
Bankers Acceptances
Commercial Paper
Local Agency Investment Fund (State Pool) Deposits ("LAIF")
Passbook Savings Account Demand Deposits
Repurchase Agreements
Los Angeles County Investment Pool

The SA to IUDA's investment policy does not contain any specific provisions intended to limit SA to IUDA's exposure to interest rate risk, credit risk, and concentration risk other than those specified in the California Government Code.

Investments authorized by debt agreements

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements.

The debt agreement held by SA to IUDA and its bond trustees have investment policies that are the same as SA to IUDA's general investment policy, as listed above.

SA to IUDA has monies held by trustees or fiscal agents pledged for the payment or security of tax allocation bonds. The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinances, resolutions or indentures specifying the types of investments its trustees or fiscal agents may make. These ordinances, resolutions and indentures are generally less restrictive than SA to IUDA's general investment policy. In no instance have additional types of investments, not permitted by SA to IUDA's general investment policy, been authorized.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

2. **Cash and investments (continued)**

Custodial credit risk

Custodial credit risk is the risk that, in the event of a failure by the counterparty, SA to IUDA will not be able recover the value of its investments or collateral security that are in the possession of an outside party. Under section 53652 of the California Government Code, it is required that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% in excess of the total amount of all deposits. As of June 30, 2014, the financial institutions that hold collateral for SA to IUDA had satisfied this requirement.

Interest rate risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that SA to IUDA manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. SA to IUDA monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

| <u>Investment Type</u> | <u>Amount</u> | <u>Weighted Average Maturity (in months)</u> |
|------------------------|-----------------------|--|
| Commercial paper | \$ 3,608,607 | 0.27 |
| LAIF | 67,931,174 | 9.36 |
| Held by bond trustee: | | |
| Government obligations | 22,217,857 | N/A |
| Treasury obligations | 31,491,492 | N/A |
| Investment contracts | 2,515,390 | 119.77 |
| Total investments | <u>\$ 127,764,520</u> | |

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

2. **Cash and investments (continued)**

Credit risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. Presented below is the minimum rating required by Section 53601 and Section 53635 of the California Government Code, Section 33603 of the Health and Safety Code, SA to IUDA's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

| Investment Type | Amount | Minimum Legal Rating | Rating as of June 30, 2014 | | |
|------------------------|-----------------------|----------------------------|----------------------------|----------------------|----------------------|
| | | | Actual Rating | Rated | Not Rated |
| Commercial paper | \$ 3,608,607 | Aaa/P-1 | P-1 | \$ 3,608,607 | \$ |
| LAIF | 67,931,174 | N/A | | | 67,931,174 |
| Held by bond trustee: | | | | | |
| Government obligations | 22,217,857 | Aaa/P-1 | Aaa | 22,217,857 | |
| Treasury obligations | 31,491,492 | Aaa/P-1 | Aaa | 31,491,492 | |
| Investment contracts | 2,515,390 | N/A | Baa1 | 2,515,390 | |
| Total investments | \$ <u>127,764,520</u> | | | \$ <u>59,833,346</u> | \$ <u>67,931,174</u> |

State of California Local Agency Investment Fund

SA to IUDA is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the SA to IUDA's investment in the investment pool is approximately the same as the value of the pool shares. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government sponsored enterprises, and corporations.

At June 30, 2014, the carrying amount of the investments in LAIF amounted to \$67,931,174 and its fair value amounted to \$67,951,469.

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JUNE 30, 2014

3. Property held for sale or disposition

All property is held for sale or disposition and is carried at the lower of cost or net realizable value. The SA to IUDA is no longer recording depreciation expense on its capital assets.

As of June 30, 2014, the carrying amount of SA to IUDA's property held for sale or disposition amounted to \$418,516,083 and consists of the following:

| PROPERTY HELD FOR SALE OR DISPOSITION | BALANCE June 30, 2013 | ADDITIONS | RETIREMENTS | TRANSFERS | BALANCE June 30, 2014 |
|--|--------------------------|----------------------|------------------------|--------------|--------------------------|
| Capital Assets Not Being Depreciated: | | | | | |
| Land | \$ 193,052,910 | \$ | \$ (8,686,290) | \$ | \$ 184,366,620 |
| Construction in progress | 48,993,057 | 18,096,641 | | (11,309,198) | 55,780,500 |
| Infrastructure | 176,307,352 | | | 11,309,198 | 187,616,550 |
| Buildings and improvements | 17,764,404 | | (1,614,852) | | 16,149,552 |
| Furniture and fixtures | 676,222 | | | | 676,222 |
| Vehicles | 65,807 | - | (32,495) | | 33,312 |
| Totals | <u>436,859,752</u> | <u>18,096,641</u> | <u>(10,333,637)</u> | <u>-</u> | <u>444,622,756</u> |
| Less: Accumulated depreciation | <u>26,182,233</u> | | <u>(75,560)</u> | | <u>26,106,673</u> |
| Capital assets, net | <u>\$ 410,677,519</u> | <u>\$ 18,096,641</u> | <u>\$ (10,258,077)</u> | <u>\$ -</u> | <u>\$ 418,516,083</u> |

The SA to IUDA sold one parcel of land for \$2,230,982 and recognized a loss of \$4,119,529. In addition the SA to IUDA has written down certain of its capital assets to their net realizable value and has recognized a loss of \$3,500,000. On June 3, 2014, pursuant to resolutions no. OB 2014-12 and OB 2014-13, certain parcels of property listed on the Long-Range Property Management Plan were transferred to the City of Industry. The net book value of the property transferred to the City amounted to \$407,567.

4. Bonds Payable

2003 Tax Allocation Bonds (Taxable)

On December 29, 2003, IUDA issued several bond issues to advance refund the 1995 Subordinate Tax Allocation Refunding Bonds for all three project areas, the taxable bonds that were issued were Project No. 1 \$78,720,000 2003 Tax Allocation Bonds Series A, Project No. 2 \$39,730,000 2003 Tax Allocation Bonds, and Project No. 3 \$44,585,000 2003 Tax Allocation Bonds.

As part of the aforementioned bond issuances the IUDA and City entered into a loan agreement in order to enhance the security of the IUDA bonds and thereby reduce the overall borrowing costs. The City agreed to loan IUDA \$14,019,840 to secure the aforementioned IUDA bonds and to provide an additional source of funding for the bonds. IUDA agreed to repay all advances with interest at 8% per annum. In accordance with the loan agreement, the City deposited with U.S. Bank (the "Trustee") \$14,019,840, hereinafter referred to as the "Loan Fund". The monies are held in trust for the benefit of the City and the bond owners.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

2003 Tax Allocation Bonds (Taxable) (continued)

IUDA has assigned all of its rights to these proceeds to the Trustee as security for the bonds and their owners. The City has advanced all the monies in the Loan Fund to IUDA. These monies are deposited with U.S. Bank as trustee and have been recorded on the accompanying financial statements as "Investments with fiscal agent – restricted" in the amount of \$14,421,307 and a liability due to the City. Upon the payment or discharge of all the outstanding bonds all amounts then held in the Loan fund will be transferred to the City.

2003 Subordinate Lien Tax Allocation Refunding Bonds

On December 30, 2003, IUDA and the City entered into the "Bond Exchange Agreement". IUDA incurred debt to the City in the amount of approximately \$213,200,000 including accrued interest of \$17,654,981 from loans from the City's Redevelopment Revolving Fund. On December 30, 2003, the IUDA issued and exchanged the following bonds for cancellation of the indebtedness to the City: Project No. 1 \$83,785,692 2003 Subordinate Lien Tax Allocation Refunding Bonds, Project No. 2 \$119,719,962 2003 Subordinate Lien Tax Allocation Refunding Bonds, and Project No. 3 \$9,726,529 2003 Subordinate Lien Tax Allocation Refunding Bonds.

2005 Subordinate Lien Tax Allocation Refunding Bonds

On April 20, 2005, the City and IUDA entered into the "2005 Revolving Fund Loan Agreement". The City issued its 2005 Taxable Sales Tax Revenue Bonds in the aggregate principal amount of \$113,420,000 and deposited the net proceeds of approximately \$102,200,000 from this issue into the Redevelopment Revolving Fund which constitutes a loan to IUDA. In April 2005, IUDA issued and exchanged the following bonds for cancellation of the indebtedness to the City: Project No. 1 \$71,868,838 2005 Subordinate Lien Tax Allocation Refunding Bonds, Project No. 2 \$17,788,304 2005 Subordinate Lien Tax Allocation Refunding Bonds and Project No. 3 \$12,574,490 2005 Subordinate Lien Tax Allocation Refunding Bonds.

In March 2009, IUDA redeemed the \$12,574,490 2005 Subordinate Lien Tax Allocation Refunding Bond of Project No. 3.

2008 Subordinate Lien Tax Allocation Refunding Bonds

On April 1, 2008, IUDA and City entered into the "2008 Revolving Fund Loan Agreement". The City issued its 2008 Taxable Sales Tax Revenue Bonds in the aggregate principal amount of \$77,540,000 and deposited the net proceeds of approximately \$69,900,000 from this issue into the Redevelopment Revolving Fund which constitutes a loan to IUDA. In April 2008, IUDA issued and exchanged the following bonds for cancellation of the indebtedness to the City: \$33,673,437 2008 Project No.1 Subordinate Lien Tax Allocation Refunding Bonds with average interest rate of 8.25%; \$31,083,172 2008 Project No. 2 Subordinate Lien Tax Allocation Refunding Bonds with average interest rate of 5.75%; \$5,120,288 2008 Project No. 3 Subordinate Lien Tax Allocation Refunding Bonds with average interest of 10%.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

2010 Subordinate Lien Tax Allocation Refunding Bonds (Taxable)

IUDA and the City, on April 20, 2010, entered into the "2010 Revolving Fund Loan Agreement." The City issued its 2010 Taxable Sales Tax Revenue Bonds in the aggregate principal amount of \$45,380,000 and deposited the net proceeds of approximately \$40,000,000 from this issue into the Redevelopment Revolving Fund, which constitutes the 2010 Redevelopment Revolving Fund Loan, a loan to IUDA.

In April 2010, IUDA issued the 2010 Subordinate Lien Tax Allocation Refunding Bonds (Taxable) to the City in the amount of \$40,000,000 and the City had then agreed to accept the bonds for cancellation of the 2010 Redevelopment Revolving Fund loan.

Civic-Recreational-Industrial Redevelopment Project No. 1

On April 16, 2002, IUDA issued \$197,000,000 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2002 Tax Allocation Bonds, Series B. IUDA used the proceeds to purchase U.S. government securities to advance refunding of the 1992 and 1997 Series Bonds. The bonds are payable from and secured by a pledge and a first lien on the tax increment revenues from Project Area No. 1.

In February 2007, IUDA redeemed the 2002 IUDA Tax Allocation Bonds and sold the bonds to the City of Industry Public Facilities Authority (referred to as "PFA"). The payments made by IUDA for the 2002 IUDA TA Bonds would be used to secure the payments of PFA's \$169,695,000 Tax Allocation Revenue Bond ("2007 PFA TAR Bonds").

Principal and interest payments are made by SA to IUDA to PFA for the payment of the 2002 IUDA TA Bonds. PFA then uses those monies to make principal and interest payments on the 2007 PFA TA Bonds. Any surplus funds received by PFA are returned to SA to IUDA.

In December 2003, IUDA issued \$78,720,000 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2003 Tax Allocation Bonds Series A, to refund previously issued \$19,275,826 Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 1995 Subordinate Tax Allocation Refunding Bonds and partially repay a portion of the outstanding revolving fund debt to the City.

On December 30, 2003, IUDA issued \$68,090,000 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2003 Tax Allocation Bonds, Series B, with an average interest rate of 3.785%. The bonds were issued to finance the completion, extension and construction of projects contained in the Redevelopment Plan. A portion of the Bond proceeds were used to fund a reserve for the Bonds and to pay costs associated with the Bond issuance.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

Civic-Recreational-Industrial Redevelopment Project No. 1 (continued)

In November 2009, IUDA partially redeemed the \$68,090,000 2003 Tax Allocation Bonds, Series B. The partial redemption amounted to \$27,170,000 and the remaining principal balance amounted to \$26,470,000.

On February 1, 2007, IUDA issued \$16,038,957 of Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2007 Subordinate Lien Taxable Tax Allocation Refunding Bonds with an average interest rate of 8.00%. The bonds were sold to the City in exchange for the cancellation of the 2006 Revolving Fund Loan with principal and interest amounts of \$15,000,000 and \$1,038,958, respectively.

Transportation-Distribution-Industrial Redevelopment Project No. 2

On August 15, 2002, IUDA issued \$17,270,000 of Industry-Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2. 2002 Tax Allocation Refunding Bonds to advance refund \$18,010,000 of outstanding 1992 Tax Allocation Refunding Bonds.

In December 2003, IUDA issued \$39,730,000 of Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2003 Tax Allocation Bonds to refund a portion of the previously issued \$65,103,890 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 1995 Subordinate Tax Allocation Refunding Bonds and to repay a portion of the revolving fund debt.

Transportation-Distribution-Industrial Redevelopment Project No. 3

On August 15, 2002, IUDA issued \$17,455,000 of Industry-Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3. 2002 Tax Allocation Refunding Bonds to effect an advance refunding of the previously issued \$19,780,000 1992 Tax Allocation Refunding Bonds.

In December 2003, IUDA issued \$44,585,000 of Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3 2003 Tax Allocation Bonds to refund previously issued \$33,498,474 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3 1995 Subordinate Tax Allocation Refunding Bonds and to repay a portion of the revolving fund debt.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

Revenue pledged

All of the bonds described in this note are secured by a pledge of all future tax increment revenues until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2014 amounted to \$1,027,931,055. With the dissolution of the redevelopment agency, tax increment is no longer received and instead the SA receives payments from the RPTTF fund. Annual principal and interest payments on the bonds are expected to require 100% of the RPTTF funds. For the year ended June 30, 2014, total tax increment revenues calculated by the Los Angeles Auditor-Controller amounted to \$59,878,794, which the SA received \$55,023,757 after deductions.

Prior to the dissolution of the Industry Urban-Development Agency, the IUDA undertook a program to redevelop each Project Area pursuant to the Community Redevelopment Law. The IUDA issued bonds discussed in the note and secured the bonds by a pledge of tax increment revenues allocated and paid to the IUDA pursuant to HSC Section 33670(b). In 1978, the City's voters authorized the City to levy an *ad valorem tax* (the "Property Tax Override") and the City continues to levy the Property Tax Override on taxable properties in the City, including properties within three Project Areas.

Since the Property Tax Override was authorized in 1978, the tax increment revenues allocated and paid to the IUDA before its dissolution in 2012 included a portion of the Property Tax Override. Pursuant to the IUDA bond indentures, the tax increment revenues pledged to the IUDA bonds included the Property Tax Override. Pursuant to the mandate set forth in HSC Section 34175, the pledge of property tax revenues for the IUDA bonds must not be affected and pledged revenues must continue to include the Agency Override Portion. However the Los Angeles Auditor-Controller in administering the allocation of property taxes pursuant to AB X1 26, is disbursing the Agency Override Portion to the City of Industry, instead of depositing the Agency Override Portion into the Successor Agency's RPTTF fund.

In recognition of the above the SA to IUDA has adopted resolution no. SA 2013-10 on September 25, 2013 authorizing the Executive Director to do as follows, if during each six month ROPS period the moneys received by the SA to IUDA from the Los Angeles Auditor-Controller's RPTTF disbursement is insufficient to pay the principal and interest payments with respect to the IUDA bonds coming due during the ROPS period, the Executive Director shall notify the City of the shortfall.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

Revenue pledged (continued)

On September 26, 2013, pursuant to resolution no. CC 2013-25, the City has established a segregated fund in the treasury designated the Agency Override Fund and shall deposit all Agency Override Portion received by the City into the Agency Override Fund. Upon notification by the SA to IUDA of the debt service shortfall, the City shall apply the necessary amount (but only to the extent available) from the Agency Override Fund to pay the bond trustee or, to the extent that there is no trustee for any bond issue, the bondholders directly, to cover the debt service shortfall. So long as the IUDA bonds remain outstanding, the City shall make withdrawals from the Agency Override Fund solely for the purpose of covering debt service shortfalls.

The SA received RPTTF Funds for the year ending June 30, as follows:

| | 2014 | 2013 |
|-------------------------------|----------------------|----------------------|
| RPTTF Funds | \$ 59,878,794 | \$ 58,679,839 |
| Less: Administrative expenses | (1,075,629) | (1,110,583) |
| Pass through payments | (3,779,408) | (6,253,892) |
| HACOLA Withholding | | (19,130,100) |
| Net | \$ <u>55,023,757</u> | \$ <u>32,185,264</u> |

For the year ending June 30, 2014 principal and interest on the bonds amounted to \$81,685,617 which resulted in a debt service shortfall of \$31,181,110. The debt service shortfall was paid directly to the bank trustee or bond holder by the City of Industry from the Agency Override Fund. This amount is shown as "Additions" on the statement of changes in fiduciary net position.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

As of June 30, 2014, details of bonds payable are as follows:

| <u>DESCRIPTION / TERMS</u> | <u>INTEREST RATE</u> | <u>BALANCE JUNE, 30 2013</u> | <u>ADDITIONS (RETIRED)</u> | <u>BALANCE JUNE 30, 2014</u> | <u>AMOUNTS DUE WITHIN ONE YEAR</u> |
|--|--------------------------|--------------------------------------|--------------------------------|--------------------------------------|--|
| Industry Urban-Development | | | | | |
| Agency Project No. 1: | | | | | |
| \$197,000,000 2002 Tax Allocation Refunding Bonds Series B, due in annual principal installments of \$11,260,000 to \$14,915,000 through May 1, 2021 | | | | | |
| | 5.00% to 5.50% | \$ 101,705,000 | \$ (10,785,000) | \$ 90,920,000 | \$ 11,260,000 |
| \$78,720,000 2003 Tax Allocation Bonds, Series A (Taxable), due in annual principal installments of \$4,725,000 to \$6,660,000 through May 1, 2021 | | | | | |
| | 5.30% to 6.00% | 43,940,000 | (4,490,000) | 39,450,000 | 4,725,000 |
| \$68,090,000 2003 Tax Allocation Bonds, Series B (Taxable), due in annual principal installments of \$2,110,000 to \$3,180,000 through May 1, 2021 | | | | | |
| | 3.88% to 5.00% | 20,305,000 | (1,920,000) | 18,385,000 | 2,110,000 |
| \$83,785,692 2003 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$5,375,000 to \$9,525,000 through December 1, 2020 | | | | | |
| | 10.00% | 55,890,000 | (4,885,000) | 51,005,000 | 5,375,000 |
| \$71,868,838 2005 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$2,920,000 to \$5,900,000 through December 1, 2025 | | | | | |
| | 6.30% to 6.80% | 53,570,000 | (2,750,000) | 50,820,000 | 2,920,000 |
| \$16,038,957 2007 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$1,235,000 to \$2,115,000 from December 1, 2011 through December 1, 2021 | | | | | |
| | 8.00% | 14,275,000 | (1,140,000) | 13,135,000 | 1,235,000 |
| \$33,673,437 2008 Subordinate Lien Tax Allocation Refunding Bonds, due in annual principal installments of \$1,810,000 to \$3,695,000 through December 1, 2024 | | | | | |
| | 8.25% | 28,209,000 | (1,672,000) | 26,537,000 | 1,810,000 |
| Totals - Project No. 1 | | \$ 317,894,000 | \$ (27,642,000) | \$ 290,252,000 | \$ 29,435,000 |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. **Bonds Payable (continued)**

| <u>DESCRIPTION / TERMS</u> | <u>INTEREST RATE</u> | <u>BALANCE JUNE, 30 2013</u> | <u>ADDITIONS (RETIRED)</u> | <u>BALANCE JUNE 30, 2014</u> | <u>AMOUNTS DUE WITHIN ONE YEAR</u> |
|--|--------------------------|--------------------------------------|--------------------------------|--------------------------------------|--|
| Industry Urban-Development | | | | | |
| Agency Project No. 2: | | | | | |
| \$17,270,000 2002 Tax Allocation | | | | | |
| Refunding Bonds, due in annual | | | | | |
| principal installments of \$795,000 | | | | | |
| to \$1,190,000 through May 1, 2024 | | | | | |
| | 4.25% to 4.75% | \$ 10,540,000 | \$ (765,000) | \$ 9,775,000 | \$ 795,000 |
| \$39,730,000 2003 Tax Allocation | | | | | |
| Bonds (Taxable), due in annual | | | | | |
| principal installments of \$1,865,000 | | | | | |
| to \$3,125,000 through May 1, 2024 | | | | | |
| | 5.50% to 6.10% | 26,135,000 | (1,765,000) | 24,370,000 | 1,865,000 |
| \$119,719,962 2003 Subordinate Lien Tax | | | | | |
| Allocation Refunding Bonds, due in annual | | | | | |
| principal installments of \$5,552,646 to | | | | | |
| \$10,901,284 through December 1, 2023 | | | | | |
| | 10.00% | 84,942,938 | (5,148,023) | 79,794,915 | 5,552,646 |
| \$17,788,304 2005 Subordinate Lien Tax | | | | | |
| Allocation Refunding Bonds, due in annual | | | | | |
| principal installments of \$720,000 to | | | | | |
| \$1,460,000 through December 1, 2025 | | | | | |
| | 6.30% to 6.80% | 13,265,000 | (685,000) | 12,580,000 | 720,000 |
| \$31,083,172 2008 Subordinate Lien Tax | | | | | |
| Allocation Refunding Bonds, due in annual | | | | | |
| principal installments of \$805,000 to | | | | | |
| \$6,050,000 through December 1, 2026 | | | | | |
| | 5.75% | 28,435,000 | (760,000) | 27,675,000 | 805,000 |
| \$40,000,000 2010 Subordinate Tax Allocation | | | | | |
| Refunding Bonds (Taxable), due in annual | | | | | |
| principal installments of \$1,515,000 to | | | | | |
| \$4,335,000 through December 1, 2026 | | | | | |
| | 9.15% | 36,585,000 | (1,390,000) | 35,195,000 | 1,515,000 |
| Totals - Project No. 2 | | | | | |
| | | \$ <u>199,902,938</u> | \$ <u>(10,513,023)</u> | \$ <u>189,389,915</u> | \$ <u>11,252,646</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

| <u>Description / Terms</u> | <u>INTEREST RATE</u> | <u>BALANCE JUNE, 30 2013</u> | <u>ADDITIONS (RETIRED)</u> | <u>BALANCE JUNE 30, 2014</u> | <u>AMOUNTS DUE WITHIN ONE YEAR</u> |
|--|--------------------------|--------------------------------------|--------------------------------|--------------------------------------|--|
| Industry Urban-Development | | | | | |
| Agency Project No. 3: | | | | | |
| \$17,455,000 2002 Tax Allocation | | | | | |
| Refunding Bonds, due in annual principal | | | | | |
| installments of \$805,000 to \$1,200,000 | | | | | |
| through May 1, 2024 | | | | | |
| | 4.25% to 5.00% | \$ 10,630,000 | \$ (770,000) | \$ 9,860,000 | \$ 805,000 |
| \$44,585,000 2003 Tax Allocation Bonds | | | | | |
| (Taxable), due in annual principal | | | | | |
| installments of \$2,090,000 to \$3,510,000 | | | | | |
| through May 1, 2024 | | | | | |
| | 5.50% to 6.10% | 29,315,000 | (1,980,000) | 27,335,000 | 2,090,000 |
| \$9,726,529 2003 Subordinate Lien Tax | | | | | |
| Allocation Refunding Bonds, due in annual | | | | | |
| principal installments of \$800,000 to | | | | | |
| \$1,165,000 through December 1, 2018 | | | | | |
| | 10.00% | 5,590,000 | (725,000) | 4,865,000 | 800,000 |
| \$5,120,288 2008 Subordinate Lien Tax | | | | | |
| Allocation Refunding Bonds, due in annual | | | | | |
| principal installments of \$77,886 to | | | | | |
| \$1,267,544 beginning in December 1, | | | | | |
| 2017 through December 1, 2026 | | | | | |
| | 10.00% | 5,120,289 | | 5,120,289 | |
| Totals - Project No. 3 | | | | | |
| | | <u>50,655,289</u> | <u>(3,475,000)</u> | <u>47,180,289</u> | <u>3,695,000</u> |
| Combined totals | | | | | |
| | | \$ <u>568,452,227</u> | \$ <u>(41,630,023)</u> | \$ <u>526,822,204</u> | \$ <u>44,382,646</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

The annual requirements to amortize the bonds outstanding as of June 30, 2014 are as follows:

| <u>YEAR ENDED JUNE 30</u> | | | |
|---------------------------|-----------------------|-----------------------|-----------------------|
| <u>PROJECT AREA NO. 1</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
| 2015 | 19,273,298 | 29,435,000 | 48,708,298 |
| 2016 | 17,306,079 | 31,364,000 | 48,670,079 |
| 2017 | 15,163,970 | 33,461,000 | 48,624,970 |
| 2018 | 12,924,376 | 35,636,000 | 48,560,376 |
| 2019 | 10,516,741 | 37,986,000 | 48,502,741 |
| 2020-2024 | 18,060,090 | 110,950,000 | 129,010,090 |
| 2025-2026 | 789,480 | 11,420,000 | 12,209,480 |
| Total | \$ <u>94,034,034</u> | \$ <u>290,252,000</u> | \$ <u>384,286,034</u> |
| <u>PROJECT AREA NO. 2</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
| 2015 | \$ 18,000,825 | \$ 11,252,646 | \$ 29,253,471 |
| 2016 | 20,232,859 | 12,062,697 | 32,295,556 |
| 2017 | 22,982,554 | 12,928,357 | 35,910,911 |
| 2018 | 26,338,898 | 13,865,155 | 40,204,053 |
| 2019 | 30,433,853 | 14,881,061 | 45,314,914 |
| 2020-2024 | 251,338,975 | 92,439,999 | 343,778,974 |
| 2025-2027 | 3,417,866 | 31,960,000 | 35,377,866 |
| Total | \$ <u>372,745,830</u> | \$ <u>189,389,915</u> | \$ <u>562,135,745</u> |
| <u>PROJECT AREA NO. 3</u> | <u>INTEREST</u> | <u>PRINCIPAL</u> | <u>TOTAL</u> |
| 2015 | \$ 2,538,276 | \$ 3,695,000 | \$ 6,233,276 |
| 2016 | 2,305,364 | 3,915,000 | 6,220,364 |
| 2017 | 2,055,558 | 4,165,000 | 6,220,558 |
| 2018 | 2,096,516 | 4,644,792 | 6,741,308 |
| 2019 | 1,853,923 | 4,936,985 | 6,790,908 |
| 2020-2024 | 6,445,174 | 22,132,688 | 28,577,862 |
| 2025-2027 | 17,034,176 | 3,690,824 | 20,725,000 |
| Total | \$ <u>34,328,987</u> | \$ <u>47,180,289</u> | \$ <u>81,509,276</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN-DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

4. Bonds Payable (continued)

The annual requirements to amortize the combined bonds outstanding as of June 30, 2014 are as follows:

| <u>YEAR ENDED JUNE 30</u> | | | | | | |
|---------------------------|----|--------------------|----|--------------------|----|----------------------|
| <u>TOTALS</u> | | <u>INTEREST</u> | | <u>PRINCIPAL</u> | | <u>TOTAL</u> |
| 2015 | \$ | 39,812,399 | \$ | 44,382,646 | \$ | 84,195,045 |
| 2016 | | 39,844,302 | | 47,341,697 | | 87,185,999 |
| 2017 | | 40,202,082 | | 50,554,357 | | 90,756,439 |
| 2018 | | 41,359,790 | | 54,145,947 | | 95,505,737 |
| 2019 | | 42,804,517 | | 57,804,046 | | 100,608,563 |
| 2020-2024 | | 275,844,239 | | 225,522,687 | | 501,366,926 |
| 2025-2027 | | 21,241,522 | | 47,070,824 | | 68,312,346 |
| Total | \$ | <u>501,108,851</u> | \$ | <u>526,822,204</u> | \$ | <u>1,027,931,055</u> |

Changes in long-term liabilities for the year ended June 30, 2014 are as follows:

| | <u>June 30,</u> <u>2013</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30,</u> <u>2014</u> | <u>Amounts due</u> <u>within one</u> <u>year</u> |
|------------------------|--------------------------------|------------------|------------------------|--------------------------------|--|
| Bonds payable: | | | | | |
| Tax allocation | \$ 568,452,227 | \$ | \$ (41,630,023) | \$ 526,822,204 | \$ 44,382,646 |
| Less deferred amounts: | | | | | |
| Unamortized premiums | | | | | |
| on refundings | 734,905 | | (182,410) | 552,495 | 159,811 |
| Total bonds payable | \$ <u>569,187,132</u> | \$ <u>-</u> | \$ <u>(41,812,433)</u> | \$ <u>527,374,699</u> | \$ <u>44,542,457</u> |

SUCCESSOR AGENCY TO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

5. **Receivables**

Developer notes receivable - construction loan

In June 2000, the IUDA entered into an agreement with a Developer to redevelop certain real property located within the City of Industry, Redevelopment Plan for Project Area No. 1. As part of the agreement, the Developer purchased the land from IUDA for \$12,900,000. In order to finance construction costs, the IUDA had provided the Developer with construction loans totaling \$14,703,280. The promissory notes for the construction loans and land purchase is secured by a deed of trust and is payable in equal installments over 20 years including principal and interest at a rate of 4% per annum and consisted of the following:

| | Amount June 30, 2014 | Principal Amounts due in one year | Non-current Principal |
|--|----------------------------|---|--------------------------|
| Due June, 2022, payable in monthly payments of \$78,171 including interest at 4.00% per annum beginning July 2002 | \$ 6,413,135 | \$ 694,167 | \$ 5,718,968 |
| Due June, 2022, payable in monthly payments of \$66,658 including interest at 4.00% per annum beginning July 2002 | 5,468,564 | 591,925 | 4,876,639 |
| Due June, 2022, payable in monthly payments of \$22,441 including interest at 4.00% per annum beginning July 2002 | 1,841,056 | 199,279 | 1,641,777 |
| Totals | \$ 13,722,755 | \$ 1,485,371 | \$ 12,237,384 |

Total interest received on these notes during the year ended in June 30, 2014 amounted to \$580,022.

Developer notes receivable – Nissan Auto Mall

In May 2010, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City of Industry, Redevelopment Plan for Project Area No. 1. In order to finance the property acquisition, the IUDA had provided the Developer with a loan of \$4,500,000. Under the agreement, the developer made interest only payments at \$5,000 per month starting on May 1, 2010 through April 1, 2012.

On May 1, 2012, the Developer started making monthly principal and interest payments at an annual rate of 4% due monthly on the outstanding note balance.

SUCCESSOR AGENCY TO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

5. Receivables (continued)

Developer notes receivable – Nissan Auto Mall (continued)

| | Amount June 30, 2014 | Principal Amounts due in one year | Non-current Principal |
|--|----------------------------|---|--------------------------|
| Due May, 2022, payable in monthly payments of \$25,069 and a final balloon payment of \$3,427,959 including interest at 4.00% per annum beginning May 2012 | \$ 4,509,029 | \$ 122,704 | \$ 4,386,325 |

Total interest income received on this note during the year ended June 30, 2014, amounted to \$182,930.

As of June 30, 2014, receivables on the statement of net assets consisted of the following:

| | Balance June 30, 2014 |
|---|--------------------------|
| Developer notes receivable - construction loans | \$ 13,722,755 |
| Developer note receivable - Nissan | 4,509,029 |
| Total notes receivable | 18,231,784 |
| Accrued interest receivable | 43,097 |
| Accounts receivable | 1,402,940 |
| Total other receivable | 1,446,037 |
| Totals | \$ 19,677,821 |

6. Rental property

The SA to IUDA rents land, buildings and housing to others through non-cancelable rental agreements. Future minimum rental income payments based on terms in effect at June 30, 2014 are as follows:

| YEAR ENDING JUNE 30 | AMOUNT |
|------------------------|--------------|
| 2015 | \$ 7,956,796 |
| 2016 | 6,956,113 |
| 2017 | 6,655,376 |
| 2018 | 6,289,202 |
| 2019 | 6,670,736 |
| 2020-2024 | 33,360,943 |
| 2025-2029 | 32,199,280 |
| 2030-2034 | 31,780,000 |
| Thereafter | 167,608,132 |

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

6. Rental property (continued)

On April 28, 2005, IUDA entered into an agreement with a private company to lease land owned by IUDA to the Company for the purpose of having the land developed and operated by the Company. SA to IUDA is required to perform substantial public improvements surrounding the project area. The term of the agreement continues for 65 years from the commencement date. The agreement allows for SA to IUDA and the Company to split revenues generated by rents of the buildings after deductions for any loan payments or costs associated with the ownership, operation, financing, maintenance, and leasing of the various buildings.

In the event that rental income on the buildings is insufficient to repay any loans outstanding related to any financing of such building projects, and operation and maintenance of the various buildings, the SA to IUDA is required to contribute fifty percent for any shortfall as a capital contribution if the Company issues a demand for additional capital. Such payments if made by SA to IUDA on the projects would be subject to return by the Company with interest at the prime rate plus three percent provided that future rents generate revenue for SA to IUDA. During the year ended June 30, 2014, SA to IUDA earned and received \$7,223,404 in rental income from the Company.

SA to IUDA leases land, buildings, and permanently attached equipment to the Industry Convalescent Hospital d.b.a. El Encanto Healthcare and Habilitation Center for \$1 a year, renewed annually, which at the time of renewal, the lease may be terminated or the lease payment renegotiated by SA to IUDA.

7. Self-insurance plan

The City has established a Self-Insurance Plan (the "Plan") to pay for liability claims against the City and SA to IUDA. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision to have sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has vested this authority with the City Manager. Potential liability for claims in excess of \$250,000 up to \$10,000,000 is covered by excess liability insurance policies.

As of June 30, 2014, there are no pending claims outstanding against the SA to IUDA.

8. Low and moderate income housing

In December of 1992, pursuant to the authority of Government Code 65584.3, IUDA entered into an agreement with the City and the Housing Authority of the County of Los Angeles ("HACoLA"). Under this agreement, IUDA agreed to pay HACoLA each fiscal year an amount equal to 20 percent of tax increment revenues accruing to IUDA for such fiscal year (the "HACoLA Payment").

The HACoLA Payments for fiscal year 2011-12 and fiscal year 2012-13 are listed on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"). However, the

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

8. Low and moderate income housing (continued)

DOF has denied these ROPS items, arguing that the HACoLA Payments were no longer enforceable obligations after the dissolution of IUDA pursuant to AB X1 26.

The matter is the subject of a pending lawsuit, *Southern California Association of Non-Profit Housing v. State of California Department of Finance et al.* (Sacramento County Superior Court Case No. 34-2012-80001355; Court of Appeal Case No. C075705). In November 2013, the Superior Court of the State of California for the County of Sacramento entered judgment in favor of DOF, finding that the HACoLA Payments were no longer enforceable obligations. Petitioner, a non-profit housing association, has appealed the judgment. The opening brief on appeal was filed in November 2014. Opposition and reply briefs have yet to be filed but can be expected in the next several months. It is anticipated that a decision from the Court of Appeal will issue within the next year.

No liability has been recorded in the accompanying financial statements due to the uncertainty of the outcome of the pending lawsuit and the amount due to HACoLA cannot be reasonably estimated at this time.

9. Transactions with related parties

As of June 30, 2013, SA to IUDA had amounts due from the City of \$8,112,941 and owed \$60,388,363 to the City. Included in the \$60,388,363 owed to the City was \$45,967,056 which arose from the transfer of Agency Tax Override monies during the previous year. In accordance with resolution no. SA 2013-10; these monies were returned to the City. The net amount was paid to the City in December 2013.

As of June 30, 2014, SA to IUDA owes the City \$14,596,862. This amount is comprised of the \$14,019,840 loan described in note 4 made in connection with the 2003 Tax Allocation Bonds (Taxable) and \$577,023 for reimbursements of property maintenance expenses paid by the City on behalf of the SA to IUDA.

A total of \$306,727,204 in IUDA bonds are owned by the City and \$90,920,000 in IUDA bonds are owned by the Industry Public Facilities Authority, a component unit of the City of Industry.

10. Commitments and contingencies

Risk management

The SA to IUDA is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, and general liabilities. As further discussed in Note 7, the City has a self-insurance plan to cover such risks. Claim expenses and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

SUCCESSOR AGENCY TO
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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

10. Commitments and contingencies (continued)

Project commitments

As of June 30, 2014, the total net assets held in trust were \$60,900,145. All of the net assets are fully committed to funding project obligations and the debt service on the bonds payable.

11. School district agreement

In 1971, IUDA entered into an agreement with two school districts and a community college district, which serve the City, under which IUDA agreed to pay the school districts and the community college district, out of IUDA's tax increment revenues, an amount up to \$436,000 per year plus additional sums when the assessed value of taxed property in the included area exceeded \$120,000,000, so that the districts would not lose tax revenues as a result of the redevelopment plan.

Subsequent to the execution of the agreement, the State of California adopted legislation that restructured the manner in which public schools were financed, including provisions for reimbursement by the State to the districts for tax revenues lost as a result of redevelopment. In addition, California voters approved Proposition 13 which, among other things, eliminated locally imposed property taxes and further transferred responsibility for funding schools to the State. IUDA, therefore, has made no payments to the districts since July 1, 1973.

In June 2012, a settlement was reached under which the City of Industry paid \$5,000,000 to the community college district and the community college district is now barred from any future claims against IUDA or its Successor Agency pursuant to the agreement. In August 2012, the two school districts filed suit against the City of Industry and the Successor Agency seeking to recover past and future payments the two school districts claim are owed under the agreement.

12. Subsequent events

School district litigation

On November 1, 2014, the City of Industry, the City, as assignee of Mount San Antonio Community College District's interest, the Successor Agency to the IUDA, County of Los Angeles, the Auditor-Controller of the County of Los Angeles, Hacienda La Puente Unified School District ("Hacienda") and Rowland Unified School District ("Rowland") entered into a settlement and release agreement. The City, within 15 days business days of the effective date of the Agreement shall make a \$15,000,000 initial payment of which \$8,250,000 will be paid to Rowland and \$6,750,000 will be paid to Hacienda. Within 15 business days of the effective date of the Agreement the City will deposit \$27,500,000 into an escrow account of which \$15,125,000 will be held for Rowland and \$12,375,000 will be held for Hacienda. These amounts will be released no later than December 31, 2016 or within 24 hours after a payment event notice has been filed by the City with the escrow holder.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

12. Subsequent event (continued)

School district litigation (continued)

For the purposes of the Agreement, a "Payment Event" shall mean the first refunding by the Successor Agency to the IUDA of its bonds in a single or multiple transactions.

The County of Los Angeles and the Auditor-Controller of the County of Los Angeles shall make statutory pass-through payments to Hacienda and Rowland as provided by the California Health and Safety Code including ABx1 26 and subsequent amendments. Once the \$42,500,000 payments are made to Hacienda and Rowland and deposited into the escrow account, Hacienda and Rowland will release all claims against the defendants arising out of the Original Action, the 1971 settlement agreement, the Dibble Home Agreement, the Pending Action, adoption of the Redevelopment Plan or the adoption of the prior amendments to the Redevelopment Plan.

No liability for the \$42,500,000 settlement payment has been accrued on the SA to the IUDA's financial statements as it is the liability of the City of Industry.

Advance/loan agreement

In August 2014, the City of Industry and the SA to the IUDA entered into "Agreement for Advance and Reimbursement of Costs for Construction Contracts Constituting Enforceable Obligations", the City has agreed to advance money from time to time as may be required to enable the SA to the IUDA to make timely payment of the Contract Costs, and in an aggregate amount not to exceed \$50,000,000. These advances will constitute the Loan under the Agreement and the advances shall bear no interest.

The SA to the IUDA will include the repayment of the Loan as an enforceable obligation on its Recognized Obligations Payment Schedule (ROPS) in the appropriate ROPS period. The Loan will be repaid from the sale of land proceeds account as promptly as possible. In November 2014 the City advanced the SA to the IUDA, \$34,139,469 under this agreement.

Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2003 Subordinate Lien Tax Allocation Refunding Bonds

On November 25, 2014 the Successor Agency to the Industry Urban-Development Agency redeemed \$15,516,634 in principal of the Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2003 Subordinate Lien Tax Allocation Refunding Bonds for a total amount of \$51,592,265. Included in this amount was \$29,445,691 of compounded interest redeemed and \$6,629,940 in redemption premium. The \$51,592,265 was paid using funds from the City's Agency Tax Override Fund.

Other Supplementary Information

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$197,000,000 2002 TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| <u>FISCAL</u> YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|--|--|-------------------------|----------------------|----------------------|-----------------------|
| 2015 | 5.50% | \$ 2,437,225 | \$ 11,260,000 | \$ 2,437,225 | \$ 16,134,450 |
| 2016 | 5.50% | 2,127,575 | 11,775,000 | 2,127,575 | 16,030,150 |
| 2017 | 5.00% | 1,803,763 | 12,320,000 | 1,803,763 | 15,927,526 |
| 2018 | 5.00% | 1,495,763 | 12,910,000 | 1,495,763 | 15,901,526 |
| 2019 | 5.50% | 1,173,013 | 13,535,000 | 1,173,013 | 15,881,026 |
| 2020 | 5.50% | 800,800 | 14,205,000 | 800,800 | 15,806,600 |
| 2021 | 5.50% | 410,163 | 14,915,000 | 410,163 | 15,735,326 |
| TOTALS | | \$ <u>10,248,302</u> | \$ <u>90,920,000</u> | \$ <u>10,248,302</u> | \$ <u>111,416,604</u> |

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CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$78,720,000 2003 TAX ALLOCATION BONDS SERIES A (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|----------------------|---------------------|-----------------------|
| 2015 | 5.30% | \$ 1,166,963 | \$ 4,725,000 | \$ 1,166,963 | \$ 7,058,926 |
| 2016 | 6.00% | 1,041,750 | 4,980,000 | 1,041,750 | 7,063,500 |
| 2017 | 6.00% | 892,350 | 5,275,000 | 892,350 | 7,059,700 |
| 2018 | 6.00% | 734,100 | 5,595,000 | 734,100 | 7,063,200 |
| 2019 | 6.00% | 566,250 | 5,930,000 | 566,250 | 7,062,500 |
| 2020 | 6.00% | 388,350 | 6,285,000 | 388,350 | 7,061,700 |
| 2021 | 6.00% | 199,800 | 6,660,000 | 199,800 | 7,059,600 |
| TOTALS | | \$ <u>4,989,563</u> | \$ <u>39,450,000</u> | \$ <u>4,989,563</u> | \$ <u>49,429,126</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$68,090,000 2003 TAX ALLOCATION BONDS SERIES B (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|----------------------|---------------------|-----------------------|
| 2015 | 3.88% | \$ 415,625 | \$ 2,110,000 | \$ 415,625 | \$ 2,941,250 |
| 2016 | 4.00% | 374,744 | 2,290,000 | 374,744 | 3,039,488 |
| 2017 | 4.13% | 328,944 | 2,490,000 | 328,944 | 3,147,888 |
| 2018 | 4.25% | 277,588 | 2,610,000 | 277,588 | 3,165,176 |
| 2019 | 5.00% | 222,125 | 2,745,000 | 222,125 | 3,189,250 |
| 2020 | 5.00% | 153,500 | 2,960,000 | 153,500 | 3,267,000 |
| 2021 | 5.00% | 79,500 | 3,180,000 | 79,500 | 3,339,000 |
| TOTALS | | \$ <u>1,852,026</u> | \$ <u>18,385,000</u> | \$ <u>1,852,026</u> | \$ <u>22,089,052</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$83,785,692 2003 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|---------------------|-----------------------|
| 2015 | 10.00% | \$ 2,550,250 | \$ 5,375,000 | \$ 2,281,500 | \$ 10,206,750 |
| 2016 | 10.00% | 2,281,500 | 5,915,000 | 1,985,750 | 10,182,250 |
| 2017 | 10.00% | 1,985,750 | 6,505,000 | 1,660,500 | 10,151,250 |
| 2018 | 10.00% | 1,660,500 | 7,155,000 | 1,302,750 | 10,118,250 |
| 2019 | 10.00% | 1,302,750 | 7,870,000 | 909,250 | 10,082,000 |
| 2020 | 10.00% | 909,250 | 8,660,000 | 476,250 | 10,045,500 |
| 2021 | 10.00% | 476,250 | 9,525,000 | | 10,001,250 |
| TOTALS | | \$ <u>11,166,250</u> | \$ <u>51,005,000</u> | \$ <u>8,616,000</u> | \$ <u>70,787,250</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$71,868,838 2005 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|----------------------|-----------------------|
| 2015 | 6.40% | \$ 1,689,661 | \$ 2,920,000 | \$ 1,596,221 | \$ 6,205,882 |
| 2016 | 6.40% | 1,596,221 | 3,110,000 | 1,496,701 | 6,202,922 |
| 2017 | 6.30% | 1,496,701 | 3,310,000 | 1,392,436 | 6,199,137 |
| 2018 | 6.55% | 1,392,436 | 3,515,000 | 1,277,320 | 6,184,756 |
| 2019 | 6.55% | 1,277,320 | 3,740,000 | 1,154,835 | 6,172,155 |
| 2020 | 6.70% | 1,154,835 | 3,990,000 | 1,021,170 | 6,166,005 |
| 2021 | 6.70% | 1,021,170 | 4,255,000 | 878,628 | 6,154,798 |
| 2022 | 6.70% | 878,628 | 4,540,000 | 726,538 | 6,145,166 |
| 2023 | 6.70% | 726,538 | 4,845,000 | 564,230 | 6,135,768 |
| 2024 | 6.80% | 564,230 | 5,175,000 | 388,280 | 6,127,510 |
| 2025 | 6.80% | 388,280 | 5,520,000 | 200,600 | 6,108,880 |
| 2026 | 6.80% | 200,600 | 5,900,000 | | 6,100,600 |
| TOTALS | | \$ <u>12,386,620</u> | \$ <u>50,820,000</u> | \$ <u>10,696,959</u> | \$ <u>73,903,579</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$16,038,957 2007 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|---------------------|-----------------------|
| 2015 | 8.00% | \$ 525,400 | \$ 1,235,000 | \$ 476,000 | \$ 2,236,400 |
| 2016 | 8.00% | 476,000 | 1,335,000 | 422,600 | 2,233,600 |
| 2017 | 8.00% | 422,600 | 1,440,000 | 365,000 | 2,227,600 |
| 2018 | 8.00% | 365,000 | 1,555,000 | 302,800 | 2,222,800 |
| 2019 | 8.00% | 302,800 | 1,680,000 | 235,600 | 2,218,400 |
| 2020 | 8.00% | 235,600 | 1,815,000 | 163,000 | 2,213,600 |
| 2021 | 8.00% | 163,000 | 1,960,000 | 84,600 | 2,207,600 |
| 2022 | 8.00% | 84,600 | 2,115,000 | | 2,199,600 |
| TOTALS | | \$ <u>2,575,000</u> | \$ <u>13,135,000</u> | \$ <u>2,049,600</u> | \$ <u>17,759,600</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
CIVIC-RECREATIONAL-INDUSTRIAL REDEVELOPMENT PROJECT NO. 1

SCHEDULE OF LONG-TERM DEBT
\$33,673,437 2008 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|---------------------|-----------------------|
| 2015 | 8.25% | \$ 1,094,651 | \$ 1,810,000 | \$ 1,019,989 | \$ 3,924,640 |
| 2016 | 8.25% | 1,019,989 | 1,959,000 | 939,180 | 3,918,169 |
| 2017 | 8.25% | 939,180 | 2,121,000 | 851,689 | 3,911,869 |
| 2018 | 8.25% | 851,689 | 2,296,000 | 756,979 | 3,904,668 |
| 2019 | 8.25% | 756,979 | 2,486,000 | 654,431 | 3,897,410 |
| 2020 | 8.25% | 654,431 | 2,691,000 | 543,428 | 3,888,859 |
| 2021 | 8.25% | 543,428 | 2,913,000 | 423,266 | 3,879,694 |
| 2022 | 8.25% | 423,266 | 3,153,000 | 293,205 | 3,869,471 |
| 2023 | 8.25% | 293,205 | 3,413,000 | 152,419 | 3,858,624 |
| 2024 | 8.25% | 152,419 | 3,695,000 | | 3,847,419 |
| TOTALS | | \$ <u>6,729,237</u> | \$ <u>26,537,000</u> | \$ <u>5,634,586</u> | \$ <u>38,900,823</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$17,270,000 2002 TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|---------------------|---------------------|-----------------------|
| 2015 | 4.25% | \$ 225,259 | \$ 795,000 | \$ 225,259 | \$ 1,245,518 |
| 2016 | 4.38% | 208,365 | 830,000 | 208,365 | 1,246,730 |
| 2017 | 4.40% | 190,209 | 865,000 | 190,209 | 1,245,418 |
| 2018 | 4.50% | 171,179 | 905,000 | 171,179 | 1,247,358 |
| 2019 | 4.60% | 150,816 | 945,000 | 150,816 | 1,246,632 |
| 2020 | 4.75% | 129,081 | 990,000 | 129,081 | 1,248,162 |
| 2021 | 4.75% | 105,569 | 1,035,000 | 105,569 | 1,246,138 |
| 2022 | 4.75% | 80,988 | 1,085,000 | 80,988 | 1,246,976 |
| 2023 | 4.75% | 55,219 | 1,135,000 | 55,219 | 1,245,438 |
| 2024 | 4.75% | 28,263 | 1,190,000 | 28,263 | 1,246,526 |
| TOTALS | | \$ <u>1,344,948</u> | \$ <u>9,775,000</u> | \$ <u>1,344,948</u> | \$ <u>12,464,896</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$39,730,000 2003 TAX ALLOCATION BONDS (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|----------------------|---------------------|-----------------------|
| 2015 | 5.50% | \$ 727,260 | \$ 1,865,000 | \$ 727,260 | \$ 3,319,520 |
| 2016 | 5.50% | 675,973 | 1,965,000 | 675,973 | 3,316,946 |
| 2017 | 6.00% | 621,935 | 2,075,000 | 621,935 | 3,318,870 |
| 2018 | 6.00% | 559,685 | 2,195,000 | 559,685 | 3,314,370 |
| 2019 | 6.00% | 493,835 | 2,330,000 | 493,835 | 3,317,670 |
| 2020 | 6.00% | 423,935 | 2,470,000 | 423,935 | 3,317,870 |
| 2021 | 6.10% | 349,835 | 2,620,000 | 349,835 | 3,319,670 |
| 2022 | 6.10% | 269,925 | 2,775,000 | 269,925 | 3,314,850 |
| 2023 | 6.10% | 185,288 | 2,950,000 | 185,288 | 3,320,576 |
| 2024 | 6.10% | 95,313 | 3,125,000 | 95,313 | 3,315,626 |
| TOTALS | | \$ <u>4,402,984</u> | \$ <u>24,370,000</u> | \$ <u>4,402,984</u> | \$ <u>33,175,968</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$119,719,962 2003 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATE ON BONDS MATURING | PRINCIPAL DECEMBER 1, | INTEREST DECEMBER 1, | TOTAL DEBT SERVICE |
|-----------------------------------|---------------------------------------|--------------------------|-------------------------|-----------------------|
| 2015 | 10.00% | \$ 5,552,646 | \$ 10,563,111 | \$ 16,115,757 |
| 2016 | 10.00% | 5,987,697 | 13,172,024 | 19,159,721 |
| 2017 | 10.00% | 6,458,357 | 16,325,643 | 22,784,000 |
| 2018 | 10.00% | 6,965,155 | 20,125,364 | 27,090,519 |
| 2019 | 10.00% | 7,511,061 | 24,697,137 | 32,208,198 |
| 2020 | 10.00% | 8,100,245 | 30,194,737 | 38,294,982 |
| 2021 | 10.00% | 8,736,159 | 36,798,583 | 45,534,742 |
| 2022 | 10.00% | 9,421,641 | 44,719,511 | 54,141,152 |
| 2023 | 10.00% | 10,160,670 | 54,212,051 | 64,372,721 |
| 2024 | 10.00% | 10,901,284 | 65,242,738 | 76,144,022 |
| TOTALS | | \$ <u>79,794,915</u> | \$ <u>316,050,899</u> | \$ <u>395,845,814</u> |

SUCCESSOR AGENCY
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$17,788,304 2005 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|---------------------|-----------------------|
| 2015 | 6.40% | \$ 418,258 | \$ 720,000 | \$ 395,218 | \$ 1,533,476 |
| 2016 | 6.40% | 395,218 | 770,000 | 370,578 | 1,535,796 |
| 2017 | 6.30% | 370,577 | 820,000 | 344,747 | 1,535,324 |
| 2018 | 6.55% | 344,748 | 870,000 | 316,255 | 1,531,003 |
| 2019 | 6.55% | 316,255 | 930,000 | 285,798 | 1,532,053 |
| 2020 | 6.70% | 285,797 | 985,000 | 252,800 | 1,523,597 |
| 2021 | 6.70% | 252,800 | 1,055,000 | 217,458 | 1,525,258 |
| 2022 | 6.70% | 217,458 | 1,125,000 | 179,770 | 1,522,228 |
| 2023 | 6.70% | 179,770 | 1,200,000 | 139,570 | 1,519,340 |
| 2024 | 6.80% | 139,570 | 1,280,000 | 96,050 | 1,515,620 |
| 2025 | 6.80% | 96,050 | 1,365,000 | 49,640 | 1,510,690 |
| 2026 | 6.80% | 49,640 | 1,460,000 | | 1,509,640 |
| TOTALS | | \$ <u>3,066,141</u> | \$ <u>12,580,000</u> | \$ <u>2,647,884</u> | \$ <u>18,294,025</u> |

SUCCESSOR AGENCY
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$31,083,172 2008 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|---------------------|-----------------------|
| 2015 | 5.75% | \$ 795,656 | 805,000 | \$ 772,513 | \$ 2,373,169 |
| 2016 | 5.75% | 772,513 | 850,000 | 748,075 | 2,370,588 |
| 2017 | 5.75% | 748,075 | 900,000 | 722,200 | 2,370,275 |
| 2018 | 5.75% | 722,200 | 955,000 | 694,744 | 2,371,944 |
| 2019 | 5.75% | 694,744 | 1,010,000 | 665,706 | 2,370,450 |
| 2020 | 5.75% | 665,706 | 1,065,000 | 635,088 | 2,365,794 |
| 2021 | 5.75% | 635,088 | 1,125,000 | 602,744 | 2,362,832 |
| 2022 | 5.75% | 602,744 | 1,190,000 | 568,531 | 2,361,275 |
| 2023 | 5.75% | 568,531 | 1,260,000 | 532,306 | 2,360,837 |
| 2024 | 5.75% | 532,306 | 1,335,000 | 493,925 | 2,361,231 |
| 2025 | 5.75% | 493,925 | 5,410,000 | 338,388 | 6,242,313 |
| 2026 | 5.75% | 338,388 | 5,720,000 | 173,938 | 6,232,326 |
| 2027 | 5.75% | 173,938 | 6,050,000 | | 6,223,938 |
| TOTALS | | \$ <u>7,743,814</u> | \$ <u>27,675,000</u> | \$ <u>6,948,158</u> | \$ <u>42,366,972</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 2

SCHEDULE OF LONG-TERM DEBT
\$40,000,000 2010 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|----------------------|-----------------------|
| 2015 | 9.15% | \$ 1,610,171 | \$ 1,515,000 | \$ 1,540,860 | \$ 4,666,031 |
| 2016 | 9.15% | 1,540,860 | 1,660,000 | 1,464,915 | 4,665,775 |
| 2017 | 9.15% | 1,464,915 | 1,810,000 | 1,382,108 | 4,657,023 |
| 2018 | 9.15% | 1,382,108 | 1,975,000 | 1,291,751 | 4,648,859 |
| 2019 | 9.15% | 1,291,751 | 2,155,000 | 1,193,160 | 4,639,911 |
| 2020 | 9.15% | 1,193,160 | 2,350,000 | 1,085,648 | 4,628,808 |
| 2021 | 9.15% | 1,085,648 | 2,570,000 | 968,070 | 4,623,718 |
| 2022 | 9.15% | 968,070 | 2,805,000 | 839,741 | 4,612,811 |
| 2023 | 9.15% | 839,741 | 3,060,000 | 699,746 | 4,599,487 |
| 2024 | 9.15% | 699,746 | 3,340,000 | 546,941 | 4,586,687 |
| 2025 | 9.15% | 546,941 | 3,645,000 | 380,183 | 4,572,124 |
| 2026 | 9.15% | 380,183 | 3,975,000 | 198,326 | 4,553,509 |
| 2027 | 9.15% | 198,326 | 4,335,000 | | 4,533,326 |
| TOTALS | | \$ <u>13,201,620</u> | \$ <u>35,195,000</u> | \$ <u>11,591,449</u> | \$ <u>59,988,069</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$17,455,000 2002 TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|---------------------|---------------------|-----------------------|
| 2015 | 4.25% | \$ 230,143 | \$ 805,000 | \$ 230,143 | \$ 1,265,286 |
| 2016 | 4.38% | 213,037 | 835,000 | 213,037 | 1,261,074 |
| 2017 | 4.40% | 194,771 | 875,000 | 194,771 | 1,264,542 |
| 2018 | 4.50% | 175,521 | 910,000 | 175,521 | 1,261,042 |
| 2019 | 4.60% | 155,046 | 955,000 | 155,046 | 1,265,092 |
| 2020 | 4.75% | 133,081 | 995,000 | 133,081 | 1,261,162 |
| 2021 | 4.75% | 109,450 | 1,045,000 | 109,450 | 1,263,900 |
| 2022 | 4.75% | 84,631 | 1,095,000 | 84,631 | 1,264,262 |
| 2023 | 5.00% | 58,625 | 1,145,000 | 58,625 | 1,262,250 |
| 2024 | 5.00% | 30,000 | 1,200,000 | 30,000 | 1,260,000 |
| TOTALS | | \$ <u>1,384,305</u> | \$ <u>9,860,000</u> | \$ <u>1,384,305</u> | \$ <u>12,628,610</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$44,585,000 2003 TAX ALLOCATION BONDS (TAXABLE) - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST NOVEMBER 1, | PRINCIPAL MAY 1, | INTEREST MAY 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|----------------------|---------------------|-----------------------|
| 2015 | 5.50% | \$ 815,745 | 2,090,000 | \$ 815,745 | \$ 3,721,490 |
| 2016 | 5.50% | 758,270 | 2,205,000 | 758,270 | 3,721,540 |
| 2017 | 6.00% | 697,633 | 2,325,000 | 697,633 | 3,720,266 |
| 2018 | 6.00% | 627,883 | 2,470,000 | 627,883 | 3,725,766 |
| 2019 | 6.00% | 553,783 | 2,610,000 | 553,783 | 3,717,566 |
| 2020 | 6.00% | 475,483 | 2,770,000 | 475,483 | 3,720,966 |
| 2021 | 6.10% | 392,383 | 2,935,000 | 392,383 | 3,719,766 |
| 2022 | 6.10% | 302,865 | 3,115,000 | 302,865 | 3,720,730 |
| 2023 | 6.10% | 207,858 | 3,305,000 | 207,858 | 3,720,716 |
| 2024 | 6.10% | 107,055 | 3,510,000 | 107,055 | 3,724,110 |
| TOTALS | | \$ <u>4,938,958</u> | \$ <u>27,335,000</u> | \$ <u>4,938,958</u> | \$ <u>37,212,916</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$9,726,529 2003 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | INTEREST JUNE 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|---------------------|-----------------------|
| 2015 | 10.00% | \$ 243,250 | \$ 800,000 | \$ 203,250 | \$ 1,246,500 |
| 2016 | 10.00% | 203,250 | 875,000 | 159,500 | 1,237,750 |
| 2017 | 10.00% | 159,500 | 965,000 | 111,250 | 1,235,750 |
| 2018 | 10.00% | 111,250 | 1,060,000 | 58,250 | 1,229,500 |
| 2019 | 10.00% | 58,250 | 1,165,000 | | 1,223,250 |
| TOTALS | | \$ <u>775,500</u> | \$ <u>4,865,000</u> | \$ <u>532,250</u> | \$ <u>6,172,750</u> |

SUCCESSOR AGENCY TO THE
INDUSTRY URBAN - DEVELOPMENT AGENCY
(A COMPONENT UNIT OF CITY OF INDUSTRY)
TRANSPORTATION-DISTRIBUTION-INDUSTRIAL REDEVELOPMENT PROJECT NO. 3

SCHEDULE OF LONG-TERM DEBT
\$5,120,288 2008 SUBORDINATE LIEN TAX ALLOCATION REFUNDING BONDS - MATURITY SCHEDULE
JUNE 30, 2014

| FISCAL YEAR ENDING JUNE 30, | INTEREST RATES ON BONDS MATURING | INTEREST DECEMBER 1, | PRINCIPAL DECEMBER 1, | TOTAL DEBT SERVICE |
|-----------------------------------|--|-------------------------|--------------------------|-----------------------|
| 2018 | 10.00% | \$ 320,208 | \$ 204,792 | \$ 525,000 |
| 2019 | 10.00% | 378,015 | 206,985 | 585,000 |
| 2020 | 10.00% | 937,130 | 442,870 | 1,380,000 |
| 2021 | 10.00% | 521,049 | 213,951 | 735,000 |
| 2022 | 10.00% | 217,114 | 77,886 | 295,000 |
| 2023 | 10.00% | 391,668 | 123,332 | 515,000 |
| 2024 | 10.00% | 575,351 | 159,649 | 735,000 |
| 2025 | 10.00% | 5,135,057 | 1,259,943 | 6,395,000 |
| 2026 | 10.00% | 5,346,663 | 1,163,337 | 6,510,000 |
| 2027 | 10.00% | 6,552,456 | 1,267,544 | 7,820,000 |
| TOTALS | | \$ <u>20,374,711</u> | \$ <u>5,120,289</u> | \$ <u>25,495,000</u> |

SUCCESSOR AGENCY

ITEM NO. 5.4



expect quality.

**CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS**

**INDEPENDENT AUDITOR'S 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**

To the Board of Directors
Successor Agency to Industry Urban-Development Agency
City of Industry, California

We have audited, 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, the financial statements of the Successor Agency to Industry Urban-Development Agency (Successor Agency), a component unit of the City of Industry, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Successor Agency's basic financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Successor Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Successor Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Successor Agency's internal control.

A deficiency in internal control 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 and correct 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Ontario Office

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Successor Agency'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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eadie and Payne, LLP

December 19, 2014
Redlands, California

SUCCESSOR AGENCY

ITEM NO. 5.5



expect quality.

CERTIFIED
PUBLIC
ACCOUNTANTS
& BUSINESS
ADVISORS

December 19, 2014

To the Board of Directors
Successor Agency to Industry Urban-Development Agency
City of Industry, California

We have audited the financial statements of the Successor Agency to Industry Urban-Development Agency (Successor Agency); a component unit of the City of Industry, California, for the year ended June 30, 2014. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 16, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Successor Agency are described in Note 1 to the financial statements. The Successor Agency adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The adoption of this Statement resulted in a \$4,006,473 adjustment to beginning fiduciary net position in the current year.

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The application of other existing policies was not changed during 2014. We noted no transactions entered into by the Successor Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Successor Agency's financial statements were:

- Management's estimate of the value of investments;
- Management's estimate of the collectability of long-term receivables; and
- Management's estimate of the net realizable value of assets held for sale or disposition.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosure of the nature, policies, and risks related to cash and investments discussed in Note 2 to the financial statements, the disclosure of contingencies related to the HACoLA payment discussed in Note 8 and the school district agreement discussed in Note 11 and Note 12.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2014.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Successor Agency's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to our retention as auditors for the Successor Agency. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of the Successor Agency to Industry Urban-Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Eadie and Payne, LLP

SUCCESSOR AGENCY

ITEM NO. 5.6

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

I. INTRODUCTION

This Continuing Annual Disclosure Report is filed pursuant to the Continuing Disclosure Certificates adopted by the Industry Urban-Development Agency (the "Agency") in connection with the following series of bonds (the "Bonds"), respectively, in accordance with Securities and Exchange Commission Rule 15c2-12.

1. \$197,000,000 Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2002 Tax Allocation Refunding Bonds ("2002 Bonds").
2. \$78,720,000 Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2003 Tax Allocation Refunding Bonds Series A ("2003 Bonds").
3. \$68,090,000 Industry Urban-Development Agency Civic-Recreational-Industrial Redevelopment Project No. 1 2003 Tax Allocation Refunding Bonds Series B ("2003B Bonds").

II. CONTENT OF CONTINUING ANNUAL DISCLOSURE REPORT

A. Audited Financial Statements

The Audited Financial Statements of the Agency for the Fiscal Year 2013-14 have been filed on the Electronic Municipal Market Access ("EMMA") web portal.

B. Assessed Valuation

The following sets forth the assessed valuation of taxable properties within the Civic-Recreational-Industrial Redevelopment Project No. 1 (the "Project Area").

| Assessed Valuations | |
|----------------------------|--------------------------------|
| <u>Fiscal Year</u> | <u>Local Secured/Unsecured</u> |
| 2013-14 | \$4,317,507,577 |

Source: L. A. County Assessor

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

C. Tax Revenues

The total Tax Revenues allocated to the Agency from the Project Area for the Year 2013-14 are set forth in the table in Section D, below.

D. Debt Service Coverage

The following table sets forth the percentage by which annual Tax Revenues provided coverage for debt service on the Bonds and all other Senior Lien Debt for the fiscal years shown.

| | FYE 2013-2014 |
|--|--------------------------------|
| Property Tax Revenues net of administrative fees | \$ 40,895,429 |
| Agency Tax Override | 29,655,477 |
| Total Revenues | 70,550,906 |
| Less Pass Through Payments | (2,133,557) |
| Net Property Tax Revenues | \$ 68,417,349 |
| Senior Lien Debt: | |
| Prj. 1 \$197,000,000 2002 Tax Allocation Refunding Bonds | |
| Principal: | \$ 10,785,000 |
| Interest: | 5,467,626 |
| Prj. 1 \$78,720,000 2003 Tax Allocation Bonds, Series A | |
| Principal: | 4,490,000 |
| Interest: | 2,751,896 |
| Prj. 1 \$68,090,000 2003 Tax Allocation Bonds, Series B | |
| Principal: | 1,920,000 |
| Interest: | 903,250 |
| Total Principal and Interest Senior Lien Debt | \$ 26,317,772 |
| Debt Service Coverage Ratio | 2.60 |

Source: City of Industry

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

E. Top Property Owners/Taxpayers

The twenty largest local secured taxpayers in the Project Area for Fiscal Year 2013-14 and the amount of their respective secured assessed valuations within the Project Area, are shown below.

| Project Area #1 2013/14 Top 20 Property Taxpayers | Value | % of Total |
|--|-------------------------|-------------------|
| Owner | | |
| 1 Walnut Creek Energy LLC | \$ 388,600,000 | 9.71% |
| 2 Puente Hills Mall LLC | \$ 188,681,052 | 4.71% |
| 3 JCC California Properties LLC | \$ 133,293,653 | 3.33% |
| 4 White Wave Food INC | \$ 100,487,350 | 2.51% |
| 5 Fullerton Subs LLC | \$ 91,961,728 | 2.30% |
| 6 Quemetco West LLC | \$ 80,939,878 | 2.02% |
| 7 Adcor Realty Corporation | \$ 65,835,914 | 1.64% |
| 8 New Age Kaleidoscope LLC | \$ 65,024,556 | 1.62% |
| 9 Alta Dena Certified Dairy INC | \$ 62,548,156 | 1.56% |
| 10 JSL Plaza Puente Hills INC | \$ 43,600,000 | 1.09% |
| 11 Valley Giraffe LLC | \$ 40,799,927 | 1.02% |
| 12 Cacique Cheese Company INC | \$ 38,320,255 | 0.96% |
| 13 Grand CNTRL Recycling & Transfer Station | \$ 38,165,185 | 0.95% |
| 14 Macys West Stores INC | \$ 34,837,761 | 0.87% |
| 15 Eastgroup Properties L P | \$ 34,686,984 | 0.87% |
| 16 Majestic Realty Company | \$ 34,315,783 | 0.86% |
| 17 MCP Social Industrial Concourse LLC | \$ 34,020,000 | 0.85% |
| 18 Fleetwood - Fiber Packaging and Graphics | \$ 31,749,502 | 0.79% |
| 19 Dean Foods of Southern California LLC | \$ 30,253,101 | 0.76% |
| 20 Americas West Investment INC | \$ 30,006,794 | 0.75% |
| Top 20 Total: | \$ 1,568,127,579 | 39.17% |
| Project Area #1 Total: | \$ 4,003,179,786 | |

Source: L.A. County Assessor

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

I. INTRODUCTION

This Continuing Annual Disclosure Report is filed pursuant to the Continuing Disclosure Certificates adopted by the Industry Urban-Development Agency (the "Agency") in connection with the following captioned series of bonds (the "Bonds"), respectively, in accordance with Securities and Exchange Commission Rule 15c2-12.

1. \$17,270,000 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2002 Tax Allocation Refunding Bonds.
2. \$39,730,000 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 2 2003 Tax Allocation Bonds.

II. CONTENT OF CONTINUING ANNUAL DISCLOSURE REPORT

A. Audited Financial Statements

The Audited Financial Statements of the Agency for the Fiscal Year 2013-14 have been filed on the Electronic Municipal Market Access ("EMMA") web portal.

B. Assessed Valuation

The following sets forth the assessed valuation of taxable properties in the Transportation-Distribution-Industrial- Redevelopment Project No. 2 (the "Project Area").

| Assessed Valuations | |
|----------------------------|--------------------------------|
| <u>Fiscal Year</u> | <u>Local Secured/Unsecured</u> |
| 2013-14 | \$1,155,065,744 |

Source: L. A. County Assessor

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

C. Tax Revenues

The total Tax Revenues allocated to the Agency from the Project Area for the Year 2013-14 are set forth in the table in Section D, below.

D. Debt Service Coverage

The following table sets forth the percentage by which annual Tax Revenues provided coverage for debt service on the Bonds and all other Senior Lien Debt for the fiscal years shown.

| | FYE 2013-2014 |
|---|--------------------------------|
| Property Tax Revenues net of admin. fees | \$ 11,832,974 |
| Agency Tax Override | 8,271,544 |
| Total Revenues | 20,104,518 |
| Less Pass Through Payments | (1,258,854) |
| Net Property Tax Revenues | \$ 18,845,664 |
| | |
| Senior Lien Debt: | |
| Prj. 2 \$17,270,000 2002 Tax Allocation Refunding Bonds | |
| Principal: | \$ 765,000 |
| Interest: | 482,074 |
| Prj. 2 \$39,730,000 2003 Tax Allocation Bonds | |
| Principal: | 1,765,000 |
| Interest: | 1,551,596 |
| | |
| Total Senior Lien Debt | \$ 4,563,670 |
| | |
| Debt Service Coverage Ratio | 4.13 |

Source: City of Industry

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

E. Top Property Owners/Taxpayers

The twenty largest local secured taxpayers in the Project Area for Fiscal Year 2013-14, and the amounts of their respective secured assessed valuations within the Project Area, are shown below:

| Project Area #2 2013/14 Top 20 Property Taxpayers | | |
|--|-------------------------|-------------------|
| Owner | Value | % of Total |
| 1 Industry East Land LLC | \$ 212,931,797 | 19.26% |
| 2 Fairway Subs LLC | \$ 148,295,173 | 13.41% |
| 3 Unical Real Estate LLC | \$ 40,972,304 | 3.71% |
| 4 Industrial Park E SUB A LLC | \$ 37,970,740 | 3.43% |
| 5 Grand Avenue Venture LLC | \$ 30,665,142 | 2.77% |
| 6 Scannell Properties 57 LLC | \$ 29,378,651 | 2.66% |
| 7 Steelcase INC Lessee | \$ 28,540,989 | 2.58% |
| 8 Catellus Development Corporation | \$ 28,454,940 | 2.57% |
| 9 Industry Urban Development Agency | \$ 24,961,175 | 2.26% |
| 10 Santa Fe Pacific Realty Corporation | \$ 24,433,689 | 2.21% |
| 11 Lee Wang LLC | \$ 21,439,876 | 1.94% |
| 12 ELC Investments LLC | \$ 19,737,033 | 1.78% |
| 13 218 Machlin LLC | \$ 16,812,018 | 1.52% |
| 14 Dennis K and Manja L Swanson Trust | \$ 16,133,985 | 1.46% |
| 15 B and R Realty LLC | \$ 15,778,266 | 1.43% |
| 16 Fedex Ground Package System INC | \$ 14,830,418 | 1.34% |
| 17 CAMM LLC | \$ 14,409,384 | 1.30% |
| 18 AMB SGP CIF California LLC | \$ 13,770,000 | 1.25% |
| 19 F and C Real Estate LLC | \$ 12,815,968 | 1.16% |
| 20 NP 21301 Ferrero Parkway INC | \$ 12,306,000 | 1.11% |
| Top 20 Total: | \$ 764,637,548 | 69.15% |
| Project Area #2 Total: | \$ 1,105,716,643 | |

Source: L.A. County Assessor

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

I. INTRODUCTION

This Continuing Annual Disclosure Report is filed pursuant to the Continuing Disclosure Certificates adopted by the Industry Urban-Development Agency (the "Agency") in connection with the following captioned series of bonds (the "Bonds"), respectively, in accordance with Securities and Exchange Commission Rule 15c2-12.

1. \$17,455,000 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3 2002 Tax Allocation Refunding Bonds.
2. \$44,585,000 Industry Urban-Development Agency Transportation-Distribution-Industrial Redevelopment Project No. 3 2003 Tax Allocation Bonds.

II. CONTENT OF CONTINUING ANNUAL DISCLOSURE REPORT

A. Audited Financial Statements

The Audited Financial Statements of the Agency for the Fiscal Year 2013-14 have been filed on the Electronic Municipal Market Access ("EMMA") web portal.

B. Assessed Valuation

The following sets forth the assessed valuation of taxable properties in the Transportation-Distribution-Industrial Redevelopment Project No. 3 (the "Project Area").

| Assessed Valuations | |
|----------------------------|--------------------------------|
| <u>Fiscal Year</u> | <u>Local Secured/Unsecured</u> |
| 2013-14 | \$656,258,619 |

Source: L. A. County Assessor

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

C. Tax Revenues

The total Tax Revenues allocated to the Agency from the Project Area for the Year 2013-14 are set forth in the table in Section D, below.

D. Debt Service Coverage

The following table sets forth the percentage by which annual Tax Revenues provided coverage for debt service on the Bonds and all other Senior Lien Debt for the fiscal year 2013-2014.

| | <u>FYE</u> <u>2013-2014</u> |
|---|--------------------------------|
| Property Tax Revenues net of admin. fees | \$ 6,074,762 |
| Agency Tax Override | 4,562,745 |
| Total Revenues | 10,637,507 |
| Less Pass Through Payments | (386,997) |
| Net Property Tax Revenues | \$ 10,250,510 |
| Senior Lien Debt: | |
| Prj. 3 \$17,455,000 2002 Tax Allocation Refunding Bonds | |
| Principal: | \$ 770,000 |
| Interest: | 492,048 |
| Prj. 3 \$44,585,000 2003 Tax Allocation Bonds | |
| Principal: | 1,980,000 |
| Interest: | 1,740,390 |
| Total Senior Lien Debt | \$ 4,982,438 |
| Debt Service Coverage Ratio | 2.06 |

Source: City of Industry

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
CONTINUING ANNUAL DISCLOSURE REPORT
FISCAL YEAR 2013-2014

E. Top Property Owners/Taxpayers

The twenty largest local secured taxpayers in the Project Area for Fiscal Year 2013-14, and the amounts of their respective secured assessed valuations within the Project Area, are shown below.

| Project Area #3 2013/14 Top 20 Property Taxpayers | | |
|--|-----------------------|-------------------|
| Owner | Value | % of Total |
| 1 Quinn Group INC | \$ 72,548,244 | 12.55% |
| 2 R R and C Development Company | \$ 63,302,343 | 10.95% |
| 3 SDC Towers Industrial Park INC | \$ 36,879,368 | 6.38% |
| 4 Redlands Joint Venture LLC | \$ 35,426,461 | 6.13% |
| 5 Centralize Leasing Corporation | \$ 28,285,235 | 4.89% |
| 6 Crossroads Properties | \$ 20,056,048 | 3.47% |
| 7 Haralambos Leasing Company | \$ 18,159,248 | 3.14% |
| 8 Sun Hing Properties LLC | \$ 16,200,000 | 2.80% |
| 9 Lee Kum Kee USA Foods INC | \$ 15,687,896 | 2.71% |
| 10 Golden State Foods Corporation | \$ 14,008,449 | 2.42% |
| 11 Brook Property INC | \$ 13,375,974 | 2.31% |
| 12 Seventh and Don Julian Investment Company | \$ 12,663,918 | 2.19% |
| 13 Sunrider Manufacturing | \$ 11,503,267 | 1.99% |
| 14 Goulds Pumps INC | \$ 11,249,226 | 1.95% |
| 15 Industrial Park SUB LLC | \$ 11,173,347 | 1.93% |
| 16 Theopacific Bonelli LLC | \$ 9,639,000 | 1.67% |
| 17 Capitol Avenue Investors | \$ 9,484,869 | 1.64% |
| 18 CT Bonelli Partners LLC | \$ 9,402,870 | 1.63% |
| 19 Distinctive Appliances INC | \$ 9,176,108 | 1.59% |
| 20 Edward P Roski Jr | \$ 8,914,096 | 1.54% |
| Top 20 Total: | \$ 427,135,967 | 73.86% |
| Project Area #3 Total: | \$ 578,283,325 | |

Source: L.A. County Assessor

SUCCESSOR AGENCY

ITEM NO. 5.7

MEMORANDUM

TO: Kevin Radecki, Executive Director **DATE:** January 14, 2014
FROM: Gerry Perez
Joshua Nelson **CONTRACT NO.:** GCD-0382
SUBJECT: Baker Parkway Slope Landscape Maintenance, Line Item No. 1124 on the
Recognized Obligation Payment Schedule

The above project was authorized for solicitation of bids on October 22, 2014, for an estimated cost of \$350,000.00. The Notice Inviting Sealed Bids was advertised in the San Gabriel Valley Tribune on November 24, 2014 and December 1, 2014. It was also advertised in Construction Bidboard, Inc. and in Mc Graw Hill, trade publications, on November 21, 2014.

Seven (7) contractors obtained plans and specifications for bidding:

| | |
|---------------------------|------------------------------|
| Hunter Landscape | KASA Construction, Inc. |
| Landscape West Management | Marina Landscape Maintenance |
| Mariposa Landscape | Parkwood |
| Valley Crest Landscape | |

Bids were received and opened on January 6, 2014, at 11:00 a.m., in the City Administrative Offices. CNC Engineering has reviewed the bids and there were some minor discrepancies with the Marina Landscape bid that we discussed with legal counsel and are recommending that the Successor Agency waive them. We discovered a mathematical error on Schedule A, Item 1 and what appears to be a typographical error in the extended price on Schedule C, Item 11. According to the bid correction rules noted on page B-4 of the specifications, the unit prices shall govern over the extended item prices. In addition the total extended items prices corrected as necessary by Rule #1 will govern over the total amount bid. Using those rules the corrected extended item price for Schedule A , Item 1 is \$344,400. The corrected extended item price for Schedule C, Item 11 is \$35,000. So the new subtotals for each schedule are:

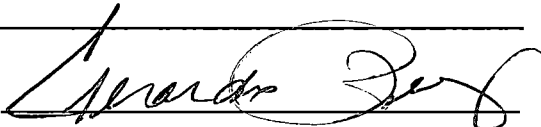
Schedule A - \$344,400.00
Schedule B - \$ 49,940.00
Schedule C - \$ 50,950.00

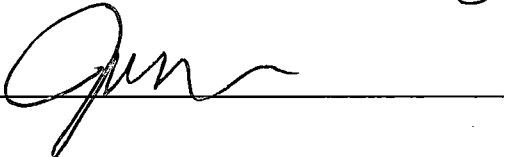
Kevin Radecki
January 14, 2015
Page Two

This results in a new grand total of \$445,290. In addition on page C-6 of the bid package, the contractor is supposed to acknowledge all addendums. The contractor acknowledged addendum number 2 but not number 1. Number 1 was strictly a bid date change, but the contractor submitted their bid based on the revised date so it was obvious that they were aware of the date change. Another discrepancy with Marina's bid is they didn't affix their corporate seal to page C-6. We have verified that they are a corporation. Another issue with Marina's bid is their bid bond is made out to the City of Industry instead of the Successor Agency to the Industry Urban-Development Agency. The final discrepancy with their bid is they underlined that they were an "Individual" bidding the project (and not a partnership or corporation) but the contractor's license they provided says they are a corporation.

We recommend the Agency waives these discrepancies and award to the low bidder, Marina Landscape Maintenance, Inc., Anaheim, California, in the amount of four hundred forty five thousand two hundred ninety dollars and no cents (\$445,290.00).

Upon your approval of Marina Landscape Maintenance, we shall meet with them to gather contract documents.

By: Gerry Perez Signature: 
Project Engineer

By: Joshua Nelson Signature: 
Project Manager

JN:cl

BID TABULATION

SUCCESSOR AGENCY TO THE INDUSTRIAL URBAN-DEVELOPMENT AGENCY
CONTRACT NO. GCD-0382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

BID OPENING: JANUARY 6, 2015 at 11:00 A.M.
ESTIMATE: \$350,000.00

| BIDDER | BID BOND | BID AMOUNT |
|--------------------|--|---------------|
| Marina Landscape | 10% | \$445,290.00* |
| Mariposa Landscape | 10% | \$488,865.00 |
| Landscape West | 10% | \$559,153.40* |
| Kasa Construction | 10% | \$593,860.00 |
| Parkwood Landscape | \$37,500 & \$26,300 cashier's check | \$637,806.00 |

*This indicates a corrected bid to rectify mathematical errors.

SECTION C

BID SCHEDULE

FOR

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
PROJECT NO. 382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

CONTRACT NO. GCD-0382

BIDDER: MARINA LANDSCAPE MAINTENANCE INC.

Hereby proposes to construct the above-named project in accordance with the plans and specifications for the following prices:

SCHEDULE OF WORK ITEMS

| NO. | DESCRIPTION | APPROX. QTY | UNIT MEAS. | UNIT PRICE | TOTAL |
|---|---|-------------|------------|------------|-----------|
| SCHEDULE A - MAINTENANCE | | | | | |
| 1 | Landscape and Irrigation Maintenance | 24 | Month | 14,350.00 | 28,700.00 |
| SCHEDULE B - IRRIGATION REPAIR/REPLACEMENT | | | | | |
| 1 | Rainbird 5000-S-PC-SAM Shrub Rotor including Non Potable (purple) cap and warning label | 500 | EA | 30.00 | 15,000.00 |
| 2 | Rainbird 5012-PL-PC-SAM 12" Pop up Rotor including Non Potable (Purple) cap | 50 | EA | 35.00 | 1750.00 |
| 3 | Remote Control Valve | 40 | EA | 500.00 | 20,000.00 |
| 4 | Repair | 40 | EA | 200.00 | 8,000.00 |
| 5 | Control Wiring | 2500 | LF | .50 | 1250.00 |
| 6 | 1/2" PVC Schedule 40 | 200 | LF | 2.00 | 400.00 |
| 7 | 3/4" PVC Schedule 40 | 200 | LF | 2.10 | 420.00 |
| 8 | 1" PVC Schedule 40 | 200 | LF | 2.20 | 440.00 |
| 9 | 1 1/2" PVC Schedule 40 | 200 | LF | 2.40 | 480.00 |
| 10 | 2" PVC Schedule 40 | 200 | LF | 3.00 | 600.00 |
| 11 | 4" PVC Schedule 40 | 200 | LF | 8.00 | 1,600.00 |

| NO. | DESCRIPTION | APPROX. QTY | UNIT MEAS. | UNIT PRICE | TOTAL |
|---|-------------------------------|-------------|------------|------------|------------|
| SCHEDULE C - LANDSCAPE REPLACEMENT | | | | | |
| 1 | 5 Gallon Toyon | 100 | EA | 28.00 | 2,800.00 |
| 2 | 5 Gallon Lemonade Berry | 100 | EA | 28.00 | 2,800.00 |
| 3 | 1 Gallon Pigeon Point | 200 | EA | 9.00 | 1800.00 |
| 4 | 1 Gallon Yankee Point | 100 | EA | 9.00 | 900.00 |
| 5 | 1 Gallon Acacia Desert Carpet | 200 | EA | 9.00 | 1800.00 |
| 6 | 1 Gallon NCN | 100 | EA | 9.00 | 900.00 |
| 7 | 1 Gallon Deer Grass | 100 | EA | 9.00 | 900.00 |
| 8 | 1 Gallon Rose Mary | 50 | EA | 9.00 | 450.00 |
| 9 | 1 Gallon New Gold Lantana | 100 | EA | 9.00 | 900.00 |
| 10 | 1 Gallon Carmel Ceanthus | 100 | EA | 9.00 | 900.00 |
| 11 | 3" Mulch | 1000 | CY | 35.00 | 35,00.00 |
| 12 | Erosion Control | | | | |
| a. | Silt Fence | 1000 | LF | 1.55 | 1,550.00 |
| b. | Sand Bags | 100 | EA | 2.50 | 250.00 |
| GRAND TOTAL | | | | | |
| SCHEDULE A - MAINTENANCE | | | | | 28,700.00 |
| SCHEDULE B - IRRIGATION REPAIR/REPLACEMENT | | | | | 49,940.00 |
| SCHEDULE C - LANDSCAPE REPLACEMENT | | | | | 50,950.00 |
| GRAND TOTAL | | | | | 129,590.00 |

I hereby certify that on December 22, 2014, Robert B Cowan

(Print Name)

examined the site of the proposed work, and the undersigned, fully understands the scope of work and has checked carefully all words and figures inserted in this Bid Schedule.

By: Marina Landscape Maintenance Inc

CONTRACTOR
Robert B cowan

PRINT NAME

SIGNATURE

BIDDER'S INFORMATION SHEET

Receipt of the following addenda is hereby acknowledged. (If none so, state.)


ADDENDUM NO. 2

RETENTION MONEY OPTION: Please initial one of the following options.

X 1. I will provide securities in lieu of monies to be withheld to ensure performance under the contract as per Paragraph 65, General Provisions.

____ 2. I will not provide securities in lieu of monies to ensure performance under the contract.

ROBERT B COWAN
Bidder
1900 S LEWIS ST
Mailing Address
ANAHEIM, CA 92805
City/State/Zip
(714) 939-6600
Telephone
(714) 935-1199
Fax


Signature
ROBERT B COWAN
Print Name
PRESIDENT/SECRETARY/CEO
Title
996148 A B C27 C36 C61/D49
License No./Class
8-31-2016
Expiration Date

Underline one of the following: The Bidder is a (Partnership) (Corporation) (Individual).

The names of all persons, firms or corporations interested in this sealed bid are: (See Section B, Page B-2, Item 4 - Signature of Sealed Bid).

AFFIX CORPORATE SEAL

ROBERT B COWAN
PRESIDENT/ SECRETARY/CEO
1900 S LEWIS ST.
ANAHEIM, CA 92805 714-939-6600

CONTRACTORS LICENSE AFFIDAVIT

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
PROJECT NO. 382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

CONTRACT NO. GCD-0382

ROBERT B COWAN

_____ , being first duly sworn, deposes and says that
Name

he or she is PRESIDENT/SECRETARY/CEO of MARINA LANDSCAPE MAINTENANCE INC.
Title Name of Firm

996148

License Number

A B C27 C36 C61/D49

Classification

08/31/2016


Expiration Date

The party making the foregoing bid, is a licensed contractor and understands the information shown above shall be included with the bid, and understands that any bid not containing this information, or if this information is subsequently proven to be false, shall be considered non-responsive and shall be rejected by the SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

12/29/2014

DATE



SIGNATURE

BIDDER'S LIST OF CONSTRUCTION TRADES

In submitting this bid for the following project:

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
PROJECT NO. 382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

CONTRACT NO. GCD-0382

ROBERT B COWAN

MARINA LANDSCAPE MAINTENANCE INC.

certifies that:

Bidder

The following listed construction trades will be used in the work.

Erosion Control



Signature of Authorized
Representative of Bidder

NON-COLLUSION DECLARATION

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
PROJECT NO. 382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

CONTRACT NO. GCD-0382

CONTRACTOR:

MARINA LANDSCAPE MAINTENANCE

BUSINESS ADDRESS:

1900 S LEWIS ST

ANAHEIM, CA 92805

In submitting this bid for the project:

I, ROBERT B COWAN, state that I have not directly or indirectly,
(Name)
entered into any agreement, participated in any collusion or otherwise taken any action in
restraint of free competitive bidding in connection with the project.

I do hereby certify under penalty of perjury under the laws of the State of California that the
foregoing is true and correct. Executed at 1900 S LEWIS ST ANAHEIM, CA 92805

California, this 29 day of DECEMBER, 2014.



SIGNATURE

SUBCONTRACTORS LISTING - PAGE 1

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
PROJECT NO. 382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

CONTRACT NO. GCD-0382

(See Paragraph 13 - Instructions to Bidders)

1. Name: NOT APPLICABLE
Address: _____
Telephone #: _____ Fax #: _____
License #: _____
Portion of Work: _____

2. Name: _____
Address: _____
Telephone #: _____ Fax #: _____
License #: _____
Portion of Work: _____

3. Name: _____
Address: _____
Telephone #: _____ Fax #: _____
License #: _____
Portion of Work: _____

SUBCONTRACTORS LISTING - PAGE 2

SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY
PROJECT NO. 382

BAKER PARKWAY SLOPE LANDSCAPE MAINTENANCE

CONTRACT NO. GCD-0382

(See Paragraph 13 - Instructions to Bidders)

NOT APPLICABLE

4. Name: _____

Address: _____

Telephone #: _____ Fax #: _____

License #: _____

Portion of Work: _____

5. Name: _____

Address: _____

Telephone #: _____ Fax #: _____

License #: _____

Portion of Work: _____

6. Name: _____

Address: _____

Telephone #: _____ Fax #: _____

License #: _____

Portion of Work: _____