NEW ISSUE—BOOK ENTRY ONLY

STANDARD & POOR'S RATINGS:
Insured Bonds (Insured Rating): "AA/Stable"
Bonds (Uninsured/Underlying Rating): "A+"
See "RATINGS" herein.

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the Successor Agency with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

$41,020,000
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2015
(Los Angeles County, California)

Dated: Date of Delivery **Due: December 1, as shown on the inside cover hereof**

The $41,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015 (the "Bonds"), are being issued by the Successor Agency to the Redevelopment Agency of the City of Burbank (the "Successor Agency") pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 et seq. of the California Government Code (collectively, the "Refunding Bond Law"), a resolution adopted by the Successor Agency and an indenture of trust, dated as of April 1, 2015, by and between the Successor Agency and Wells Fargo Bank, N.A., as trustee (the "Indenture"), to (a) refinance certain outstanding bonds and a loan and note (the "Agency Obligations") entered into by the former Redevelopment Agency of the City of Burbank (the "Former Agency"), (b) purchase a policy of municipal bond insurance; (c) purchase a reserve account municipal bond insurance policy, and (d) provide for the costs of issuing the Bonds.

The Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the Bonds. Principal of and semiannual interest on the Bonds due on June 1 and December 1 of each year, commencing June 1, 2015, will be payable by Wells Fargo Bank, N.A., as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC participants, so long as DTC or its nominee remains the registered owner of the Bonds. See "THE BONDS."

The Bonds are subject to optional redemption prior to maturity. See "THE BONDS—Redemption" herein.

The Bonds are payable from and secured by the Tax Revenues as defined in this Official Statement and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement. See "SECURITY FOR THE BONDS" herein.

Tax Revenues include amounts deposited in the Successor Agency's Redevelopment Property Tax Trust Fund ("RPTTF") after payment of certain pre-existing Successor Agency obligations including: debt service on unrefunded tax allocation bonds (the "Unrefunded Golden State Obligations") that secure and repay the Burbank Public Financing Authority Revenue Bonds, 2007 Series A (Golden State Redevelopment Project), issued in the original principal amount of $52,325,000 (the "2007A Authority Bonds") currently outstanding in the amount of $49,170,000. In addition to the Bonds and the Unrefunded Golden State Obligations, the Successor Agency may issue or incur Parity Debt that is payable from Tax Revenues on a parity with the Bonds, but only for the purpose of refunding the Bonds, the Unrefunded Golden State Obligations and any future parity debt. See "THE BONDS—Parity Debt" herein.

The scheduled payment of principal of and interest on the Bonds maturing on December 1 of the years 2018 through 2033, inclusive, (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.

BAM
BUILD AMERICA MUTUAL

The Bonds and interest thereon are not a debt of the City of Burbank (the "City"), Los Angeles County (the "County"), the State of California (the "State") or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The Bonds and interest thereon are not payable out of any funds or properties other than those set forth in the Indenture. Neither the members of the Successor Agency, the Oversight Board (defined herein), the County Board of Supervisors nor any persons executing the Bonds are liable personally on the Bonds. The Successor Agency has no taxing power.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS
SEE THE INSIDE COVER HEREOF

This cover page and the inside cover page hereof contain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in the Bonds. Investors should review the entire Official Statement before making any investment decision with respect to the Bonds.

The Bonds are offered, when, as and if issued, subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by the Office of the City Attorney, acting as general counsel to the Successor Agency, and for the Underwriters by Nossaman LLP, Irvine, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about April 2, 2015.

STIFEL
RAYMOND JAMES®

Dated: March 3, 2015

$41,020,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2015
(Los Angeles County, California)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

CUSIP Prefix: 12082R †

Maturity (December 1)	Principal Amount	Interest Rate	Yield	Suffix†
2015[1]	$4,680,000	2.000%	0.230%	AA4
2016[1]	4,165,000	3.000	0.510	AB2
2017[1]	4,285,000	4.000	0.860	AC0
2018[2]	4,465,000	4.000	1.160	AD8
2019[2]	4,645,000	5.000	1.420	AE6
2020[2]	4,880,000	5.000	1.630	AF3
2021[2]	3,510,000	5.000	1.810	AG1
2022[2]	3,705,000	5.000	2.050	AH9
2023[2]	3,915,000	5.000	2.200	AJ5
2024[2]	375,000	5.000	2.410	AK2
2025[2]	385,000	5.000	2.560	AL0
2026[2]	405,000	5.000	2.710[3]	AM8
2027[2]	210,000	3.000	3.100	AN6
2028[2]	215,000	3.000	3.220	AP1
2029[2]	220,000	3.125	3.320	AQ9
2030[2]	230,000	3.250	3.380	AR7
2031[2]	235,000	3.250	3.430	AS5
2032[2]	240,000	3.375	3.470	AT3
2033[2]	255,000	3.375	3.510	AU0

(1) Uninsured.
(2) Insured by Build America Mutual Assurance Company.
(3) Priced to call date of December 1, 2025.
† CUSIP® is a registered trademark of the American Bankers Association. Copyright© 1999-2015 Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business. All rights reserved. CUSIP® data herein is provided by Standard & Poor's CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. None of the Successor Agency, the City or the Underwriter takes any responsibility for the accuracy of such numbers.

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
BURBANK, CALIFORNIA**

SUCCESSOR AGENCY

David Gordon, *Chair*
Bob Frutos, *Board Member*
Gary Bric, *Board Member*
Emily Gabel-Luddy, *Board Member*
Jess Talamantes, *Board Member*

SUCCESSOR AGENCY STAFF

Mark Scott, *Executive Director*
Zizette Mullins, *Secretary*
Amy Albano, *Successor Agency Counsel*
Cindy Giraldo, *Financial Services Director, City of Burbank*
Ruth Davidson-Guerra, *Successor Agency Implementing Official*

SPECIAL SERVICES

Financial Advisor
Ross Financial
San Francisco, California

Bond Counsel
Quint & Thimmig LLP
Larkspur, California

Disclosure Counsel
Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

Fiscal Consultant
HdL Coren & Cone
Diamond Bar, California

Trustee and Escrow Bank
Wells Fargo Bank, N.A.
Los Angeles, California

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Official Statement constitutes an "official statement" of the Successor Agency with respect to the Bonds that has been deemed "final" by the Successor Agency as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized by the Successor Agency.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Burbank Projects since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriters have provided the following sentence for inclusion in this Official Statement: Each of the Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Document References and Summaries. All references to and summaries of the Indenture or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Stabilization of and Changes to Offering Prices. The Underwriters may over-allot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriters may discontinue such market stabilization at any time. The Underwriters may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, section 21E of the United States Securities Exchange Act of 1934, as amended, and section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE SUCCESSOR AGENCY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.

Website. The City of Burbank maintains an Internet website, but the information on the website is not incorporated in this Official Statement, nor is the City liable for repayment of the Bonds.

OFFICIAL STATEMENT

$41,020,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2015
(Los Angeles County, California)

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Redevelopment Agency of the City of Burbank (the "Successor Agency") of its $41,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015 (the "Bonds").

Authority and Purpose

The Successor Agency is issuing the Bonds pursuant to authority granted by the Constitution of the State of California, section 34177.5(a)(1) of the Health & Safety Code of the State of California, Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Refunding Law") and an Indenture of Trust, dated as of April 1, 2015 (the "Indenture") by and between the Successor Agency and Wells Fargo Bank, N.A., as trustee (the "Trustee"). See "THE BONDS—Authority for Issuance."

The Successor Agency is issuing the Bonds to refinance five outstanding bond, loan or note obligations (collectively, the "Agency Obligations") of the former Redevelopment Agency of the City of Burbank (the "Former Agency") that are listed below. Proceeds of the Agency Obligations were used to finance or refinance redevelopment activities in two separate redevelopment project areas of the Former Agency, the Merged and Amended Redevelopment Project (the "Merged Project") consisting of three merged component areas, and the West Olive Redevelopment Project (the "West Olive Project") (the Merged Project and the West Olive Project are collectively referred to as the "Burbank Projects" in this Official Statement). The Agency Obligations are listed below:

(i) Loan Agreement, dated as of October 1, 2002 (the "2002 West Olive Loan Agreement"), by and between the Burbank Public Financing Authority (the "Authority") and the Former Agency, outstanding in the amount of $8,575,000;

(ii) Redevelopment Agency of the City of Burbank, Golden State Redevelopment Project, Tax Allocation Bonds, 1993 Series A (the "1993 Golden State Obligations") outstanding in the amount of $34,310,000 of which $27,664,118 will be refinanced;

(iii) Redevelopment Agency of the City of Burbank, South San Fernando Redevelopment Project, Tax Allocation Bonds, 2003 Series A (the "2003 South San Fernando Bonds") outstanding the amount of $4,040,000;

(iv) Redevelopment Agency of the City of Burbank, City Centre Redevelopment Project, Tax Allocation Bonds, 1993 Series A (the "1993 City Centre Bonds") outstanding in the amount of $12,225,000; and

(v) Promissory Note, dated August 3, 1999 (the "2006 CFD Agency Note"), of the Former Agency to Burbank Collection, Ltd., a California limited partnership, as assigned to the Fiscal

Agent for the 2006 CFD Bonds (hereinafter defined), outstanding in the amount of $4,190,000.

The refinancing of the Agency Obligations will result in the defeasance and current refunding of the following associated bonds:

(i) Burbank Public Financing Authority Revenue Bonds, 2002 Series A (Redevelopment Agency of the City of Burbank – West Olive Redevelopment Project), secured by the 2002 West Olive Loan Agreement (the "2002A Authority Bonds") outstanding in the amount of $8,575,000 with a final maturity of December 1, 2026;

(ii) Burbank Public Financing Authority Revenue Bonds, 2003 Series A (Golden State Redevelopment Project), secured by the 1993 Golden State Obligations (the "2003A Authority Bonds") outstanding in the amount of $28,305,000 with a final maturity of December 1, 2024;

(iii) Burbank Public Financing Authority Revenue Bonds, 2003 Series B (South San Fernando Redevelopment Project), secured by the 2003 South San Fernando Bonds (the "2003B Authority Bonds") outstanding in the amount of $4,040,000 with a final maturity of December 1, 2033;

(iv) Burbank Public Financing Authority Revenue Bonds, 2003 Series C (City Centre Redevelopment Project), secured by the 1993 City Centre Bonds (the "2003C Authority Bonds" and, collectively with the 2002A Authority Bonds, 2003A Authority Bonds and 2003B Authority Bonds, the "Authority Bonds") outstanding in the amount of $11,875,000 with a final maturity of December 1, 2023); and

(v) City of Burbank Community Facilities District No. 2005 (the Collection Public Parking Facility) 2006 Special Tax Bonds (the "2006 CFD Bonds") which are secured in part by the 2006 CFD Agency Note. The 2006 CFD Bonds are outstanding in the amount of $4,190,000 with a final maturity of December 1, 2023.

The proceeds of the Bonds will be applied to the defeasance of the Agency Obligations and, in so doing, will defease the Authority Bonds and the 2006 CFD Bonds.

Following the defeasance and refunding of the Authority Bonds and the 2006 CFD Bonds, $6,665,882 of the 1993 Golden State Obligations, $25,000,000 of Golden State Redevelopment Project Subordinated Tax Allocation Bonds, Issue of 1993 and $13,925,000 of Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A (collectively, the "Unrefunded Golden State Obligations") will remain outstanding.

The Unrefunded Golden State Obligations are secured by and payable from tax increment revenues generated by the Golden State Project (defined below), which is a Component Area within the Merged Project. The Unrefunded Golden State Obligations are pledged to the Authority's $52,325,000 Revenue Bonds, 2007 Series A (Golden State Redevelopment Project), which are outstanding in the amount of $49,170,000, with a final maturity of December 1, 2043 (the "2007A Authority Bonds"). All amounts due with respect to the Unrefunded Golden State Obligations are excluded from the Tax Revenues pledged to the Bonds.

The City, the Former Agency and the Successor Agency

City. The City of Burbank (the "City"), is located in Los Angeles County (the "County"), approximately 12 miles northeast of the Los Angeles Civic Center complex. The City was incorporated as a general law city on July 8, 1911 and adopted its city charter on January 13, 1927, and operates as a charter city. The City has a Council-Manager form of government. Five council members, including a mayor, are elected at large. For certain information with respect to the City, see APPENDIX F—CITY OF BURBANK SUPPLEMENTAL INFORMATION.

Former Agency. The Former Agency was a redevelopment agency with all of the powers vested in such entities under the Community Redevelopment Law (the "Redevelopment Law"). The City Council of the City was the governing board of the Former Agency. The City activated the Former Agency in 1970 under the Redevelopment Law.

Dissolution Act. On June 29, 2011, Assembly Bill No. 26 ("AB 1X 26") was enacted together with a companion bill, Assembly Bill No. 27 ("AB 1X 27"). The provisions of AB 1X 26 provided for the dissolution of all redevelopment agencies statewide. The provisions of AB 1X 27 permitted redevelopment agencies to avoid such dissolution by the payment of certain amounts. A lawsuit was brought in the California Supreme Court, *California Redevelopment Association, et al., v. Matosantos, et al.*, 53 Cal. 4th 231 (2011), challenging the constitutionality of AB 1X 26 and AB 1X 27. On December 29, 2011, in its decision in that lawsuit, the California Supreme Court largely upheld AB 1X 26, invalidated AB 1X 27, and held that AB 1X 26 may be severed from AB 1X 27 and enforced independently. As a result of AB 1X 26 and the decision of the California Supreme Court in the *California Redevelopment Association* case, as of February 1, 2012, all redevelopment agencies in the State were dissolved, including the Former Agency, and successor agencies were designated as successor entities to the former redevelopment agencies to expeditiously wind down the affairs of the former redevelopment agencies.

The primary provisions enacted by AB 1X 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with section 34161) and 1.85 (commencing with section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("AB 1484"), enacted as Chapter 26, Statutes of 2012 (as amended from time to time, the "Dissolution Act").

Successor Agency. Pursuant to section 34173 of the Dissolution Act, the City Council of the City made an election to serve as the Successor Agency to the Former Agency. Subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity and legal entity from the City, that the two entities shall not merge and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

The Burbank Projects

Pursuant to the Redevelopment Law, the Former Agency adopted the following four redevelopment plans, three of which (the Golden State Project, the City Centre Project and the South San Fernando Project, defined below) were subsequently merged to form the Merged Project:

(i) The Redevelopment Plan for the Golden State Redevelopment Project ("Golden State Plan") was adopted on December 22, 1970 by Ordinance No. 2269.

(ii) The Redevelopment Plan for the City Centre Redevelopment Project ("City Centre Plan") was adopted on October 26, 1971 by Ordinance No. 2315.

(iii) The Redevelopment Plan for the South San Fernando Redevelopment Project ("South San Fernando Plan") was adopted on June 17, 1997 by Ordinance No. 3468.

(iv) The Redevelopment Plan for the West Olive Redevelopment Project ("West Olive Plan") was adopted on December 21, 1976 by Ordinance No. 2590. The West Olive Project was not merged into the Merged Project.

The Golden State Redevelopment Project ("Golden State Project"), City Centre Redevelopment Project ("City Centre Project"), South San Fernando Redevelopment Project ("South San Fernando Project") and West Olive Project are referred to at times herein individually as a "Component Area" and collectively as the "Component Areas." The Golden State Project, City Centre Project, and South San Fernando Project were merged in 2004 and, as so merged, are referred to herein as the Merged Project. See "THE REDEVELOPMENT PLANS—The Golden State Project," "—The City Centre Project," "—The South San Fernando Project" and "—The West Olive Project" for a description of all amendments to the redevelopment plans for the Burbank Projects; see "THE BURBANK PROJECTS" for additional information regarding the Burbank Projects, including the financial and time limitations set forth in such redevelopment plans and information on land use, property ownership, assessed valuation and Tax Revenues generated within the Burbank Projects.

As described in more detail in "THE BURBANK PROJECTS—Limitation on Cumulative Tax Increment," "—Redevelopment Plan Limits," and "—Enforcement of Redevelopment Plan Limits," the West Olive Project is anticipated to reach the cumulative limit on tax increment that may be allocated to the Former Agency and now the Successor Agency in fiscal year 2014-15 and the Successor Agency is not eligible to receive tax revenues from the Golden State Project after December 22, 2023 (except to pay indebtedness incurred prior to December 31, 1993) or from the City Centre Project after October 26, 2024. If these plan limits are enforced, Tax Revenues available for payment of the Bonds in fiscal years 2024-25 through 2033-34 will be limited to tax revenues generated from the South San Fernando Project. See "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and other plan limits do not apply for the purposes of paying approved enforceable obligations. The projections set forth in this Official Statement and the Fiscal Consultant's Report assume all plan limits will be enforced. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" and APPENDIX G—FISCAL CONSULTANT'S REPORT.

Tax Allocation Financing

Prior to the enactment of AB 1X 26, the Redevelopment Law authorized the financing of redevelopment projects through the use of tax increment revenues. This method provided that the taxable valuation of the property within a redevelopment project area on the property tax roll last equalized prior to the effective date of the ordinance which adopted the redevelopment plan became the base year valuation. Assuming the taxable valuation never drops below the base year level, the taxing agencies receiving property taxes thereafter received only that portion of the taxes produced by applying then current tax rates to the base year valuation, and the redevelopment agency was allocated the remaining portion of property taxes produced by applying then current tax rates to the increase in valuation over the base year. Such incremental tax revenues allocated to a redevelopment agency were authorized to be pledged to the payment of redevelopment agency obligations. Tax Revenues pledged to the repayment of the Bonds consist of a portion of such incremental tax revenues attributable to the Project Areas.

Authority to Issue Refunding Bonds

The Dissolution Act authorizes each successor agency to issue refunding bonds secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller for the successor agency by the Dissolution Act (the "RPTTF"). Section 34177.5(a)(1) of the Dissolution Act authorizes the issuance of refunding bonds, to be secured by a pledge of moneys deposited from time to time in the applicable RPTTF to provide savings to the successor agency, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. The Bonds are issued pursuant to this authority.

As described in "THE BONDS—Authority for Issuance," the Successor Agency, Oversight Board and DOF have approved issuance of the Bonds as required by the Dissolution Act.

Security for the Bonds

The Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and are payable solely from and secured by Tax Revenues and moneys on deposit in the Debt Service Fund (including in the accounts and subaccounts therein), including but not limited to the Reserve Account. See "SECURITY FOR THE BONDS—Pledge Under the Indenture."

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency from the Burbank Projects had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same legal effect as if the bonds or other indebtedness had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (the "ROPS"). See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

The Dissolution Act further provides that bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF, and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the Bonds, are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Property tax revenues are allocated to the Successor Agency on January 2 and June 1 of each year based on a ROPS submitted twice per year by the Successor Agency to an oversight board established for the Successor Agency (the "Oversight Board") and the California Department of Finance (the "DOF"). See "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would transition successor agencies to an annual ROPS process instead of a biannual process. The County Auditor-Controller is required to distribute funds from the RPTTF on each January 2 and June 1 in the order specified in the Dissolution Act. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

In accordance with the Dissolution Act, the term "Tax Revenues" is defined under the Indenture as the moneys deposited from time to time in the RPTTF established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of all amounts due with respect to the following:

(a) County administrative fees pursuant to Section 34183(a) of the Dissolution Act,

(b) Statutory Pass-Through Payments,

(c) the Pass-Through Agreements,

(d) the Unrefunded Golden State Obligations, and

(e) the Haagen Note (described below under the caption "SECURITY FOR THE BONDS—Haagen Note").

If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Redevelopment Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution. In such event, there is no assurance that the portion of the Bonds attributable to the refunding of the 2002 West Olive Loan Agreement will be eligible to receive any portion of the Tax Revenues generated by the other Component Areas, due to the cumulative tax increment limit applicable to the West Olive Project. See "THE REDEVELOPMENT PLANS—The West Olive Project," "THE BURBANK PROJECTS—Redevelopment Plan Limits," "—Limitation on Cumulative Tax Increment" and "—Enforcement of Redevelopment Plan Limits."

Tax Revenues include a portion of property tax revenues generated from the entire Merged Project and the West Olive Project. Available Tax Revenues will decline over time as a result of the cumulative tax increment limit in the West Olive Project and the time limit on the receipt of tax increment applicable to the Golden State Project and the City Centre Project. As noted below under the heading "THE BURBANK PROJECTS—Enforcement of Redevelopment Plan Limits," the Fiscal Consultant projects that the West Olive Project will reach its cumulative tax increment limit in fiscal year 2014-15. In light of this, projections of Tax Revenues set forth in this Official Statement exclude tax revenues generated from the West Olive Project. Also, in fiscal years 2023-24 and 2024-25, the Golden State Project and the City Center Project, respectively, will no longer be entitled to receive tax increment revenues, except as needed to pay debt service on the Unrefunded Golden State Obligations as provided under Redevelopment Law and the Dissolution Act. See "SECURITY FOR THE BONDS—Tax Revenues," "THE REDEVELOPMENT PLANS—The West Olive Project," "THE BURBANK PROJECTS—Redevelopment Plan Limits," "—Limitation on Cumulative Tax Increment" and "—Enforcement of Redevelopment Plan Limits." Also see "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

AS A RESULT OF THE CUMULATIVE TAX INCREMENT LIMIT IN THE WEST OLIVE PROJECT AND THE TIME LIMIT ON THE RECEIPT OF TAX INCREMENT APPLICABLE TO THE GOLDEN STATE PROJECT AND THE CITY CENTRE PROJECT, BONDS MATURING ON DECEMBER 1, 2025 THROUGH DECEMBER 1, 2033 WILL BE PAYABLE ONLY FROM PROPERTY TAX REVENUES GENERATED FROM THE SOUTH SAN FERNANDO PROJECT. See "THE BURBANK PROJECTS—Limitation on Cumulative Tax Increment," and "—Enforcement of Redevelopment Plan Limits" and "SECURITY FOR THE BONDS—Tax Revenues." See also "RISK FACTORS—Cumulative Tax Increment Limit" and "—Reduction in Tax Revenues Upon Termination of Component Areas." Scheduled debt service on the Bonds reduces over time as well, such that projected debt service coverage over the remaining term of the bonds remains stable. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE." See also "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and other plan limits do not apply for the purposes of paying approved enforceable obligations.

Successor agencies have no power to levy property taxes and must rely on the allocation of taxes as described above. See "RISK FACTORS—Levy and Collection of Taxes."

Limited Obligation

The Bonds are special obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal and interest from Tax Revenues and other funds. The Bonds, interest and premium, if any, are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency is liable thereon. The Bonds and interest thereon, are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the City, the Successor Agency, the Oversight Board, the County Board of Supervisors or any person executing the Bonds is liable personally on the Bonds by reason of their issuance.

Municipal Bond Insurance and Debt Service Reserve Policy

The scheduled payment of principal of and interest on the insured Bonds (as shown on the inside cover page herein, the "Insured Bonds") when due will be guaranteed pursuant to an insurance policy (the "Policy") to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM"). BAM will also issue a reserve account municipal bond insurance policy (the "Reserve Policy") for the Bonds as described herein. See "BOND INSURANCE," "SECURITY FOR THE REFUNDING BONDS—Reserve Account" and APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.

Parity Debt

The Indenture permits the issuance of Parity Debt under certain circumstances, only to refund the Bonds or the Unrefunded Golden State Obligations. See "THE BONDS—Parity Debt."

Professionals Involved in the Offering

Ross Financial, San Francisco, California, has served as financial advisor to the Successor Agency and has advised the Successor Agency with respect to the financial structure of the refinancing and as to other financial aspects of the transaction. *Payment of the fees and expenses of the financial advisor is contingent upon the sale and delivery of the Bonds.*

HdL Coren & Cone, Diamond Bar, California, has acted as fiscal consultant to the Successor Agency (the "Fiscal Consultant") and advised the Successor Agency as to the taxable values and Tax Revenues projected to be available to pay debt service on the Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the "Fiscal Consultant's Report." See APPENDIX G—FISCAL CONSULTANT'S REPORT.

Wells Fargo Bank, N.A., Los Angeles, California, will act as Trustee with respect to the Bonds.

All proceedings in connection with the issuance of the Bonds are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California is acting as Disclosure Counsel to the Successor Agency. The City Attorney or Senior Assistant City Attorney will render certain opinions on behalf of the Successor Agency as general counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriters by Nossaman LLP, Irvine, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent upon the sale and delivery of the Bonds.*

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Successor Agency, the Former Agency, the County and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, the County and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture.

During the period of the offering of the Bonds, copies of the forms of all documents are available from the Secretary, Successor Agency of the Redevelopment Agency of the City of Burbank, 275 East Olive Avenue, P.O. Box 6459, California 91510-6459.

REFUNDING PLAN

Refunding of the Authority Bonds and 2006 CFD Bonds

The Authority issued the Authority Bonds to acquire the Agency Obligations that financed and refinanced, as the case may be, various redevelopment activities in the Burbank Projects. The City of Burbank issued the 2006 CFD Bonds payable from the 2006 CFD Agency Note to finance certain public improvements in the City Centre Project.

The Authority Bonds are subject to optional redemption in whole or in part on any date at a redemption price equal to the principal amount of Authority Bonds to be redeemed plus accrued interest to the redemption date without premium. The 2006 CFD Bonds are callable on June 1, 2015 at a redemption price equal to the principal amount of the 2006 CFD Bonds to be redeemed plus accrued interest to the redemption plus a premium of 2% of the principal amount of the 2006 CFD Bonds to be redeemed.

The Successor Agency will cause the deposit of a portion of the proceeds of the Bonds, together with other available funds relating to the Authority Bonds and the 2006 CFD Bonds into separate escrow funds to be held by Wells Fargo Bank, N.A. (the "Escrow Agent") pursuant to separate escrow agreements, each dated as of the date of delivery of the Bonds, between the Escrow Agent and the Successor Agency. Amounts in the escrow funds will be held by the Escrow Agent, uninvested, in amounts sufficient to pay the redemption price of each of the Authority Bonds and the 2006 CFD Bonds on the following dates and prices:

2002A Authority Bonds

	Principal Amount	*Redemption Date*	*Redemption Price*	*CUSIP No.*
2015	$ 545,000	April 3, 2015	100%	12081P AN1
2016	570,000	April 3, 2015	100	12081P AP6
2017	590,000	April 3, 2015	100	12081P AQ4
2022	3,430,000	April 3, 2015	100	12081P AR2
2026	3,440,000	April 3, 2015	100	12081P AS0

Source: Successor Agency

2003A Authority Bonds

	Principal Amount	*Redemption Date*	*Redemption Price*	*CUSIP No.*
2015	$2,945,000	April 3, 2015	100%	12081P FJ5
2016	3,110,000	April 3, 2015	100	12081P FK2
2017	3,270,000	April 3, 2015	100	12081P FL0
2018	3,440,000	April 3, 2015	100	12081P FM8
2019	3,625,000	April 3, 2015	100	12081P FN6
2020	3,815,000	April 3, 2015	100	12081P FP1
2021	2,395,000	April 3, 2015	100	12081P FQ9
2022	2,550,000	April 3, 2015	100	12081P FR7
2023	2,705,000	April 3, 2015	100	12081P FS5
2024	450,000	April 3, 2015	100	12081P FT3

Source: Successor Agency.

2003B Authority Bonds

	Principal Amount	*Redemption Date*	*Redemption Price*	*CUSIP No.*
2015	$ 125,000	April 3, 2015	100%	12081P CL3
2016	135,000	April 3, 2015	100	12081P CM1
2017	140,000	April 3, 2015	100	12081P CN9
2018	150,000	April 3, 2015	100	12081P CP4
2023	875,000	April 3, 2015	100	12081P CQ2
2028	1,135,000	April 3, 2015	100	12081P CR0
2033	1,480,000	April 3, 2015	100	12081P CS8

Source: Successor Agency.

2003C Authority Bonds

	Principal Amount	*Redemption Date*	*Redemption Price*	*CUSIP No.*
2015	$1,110,000	April 3, 2015	100%	12081P DL2
2016	1,150,000	April 3, 2015	100%	12081P DM0
2017	1,200,000	April 3, 2015	100	12081P DN8
2018	1,250,000	April 3, 2015	100	12081P DP3
2019	1,305,000	April 3, 2015	100	12081P DQ1
2020	1,370,000	April 3, 2015	100	12081P DR9
2021	1,430,000	April 3, 2015	100	12081P DS7
2022	1,495,000	April 3, 2015	100	12081P DT5
2023	1,565,000	April 3, 2015	100	12081P DU2

Source: Successor Agency.

2006 CFD Bonds

	Principal Amount	Redemption Date	Redemption Price	CUSIP No.
2015	$ 380,000	June 1, 2015	102%	102784 AG8
2016	400,000	June 1, 2015	102	102784 AH6
2017	415,000	June 1, 2015	102	102784 AJ2
2018	440,000	June 1, 2015	102	102784 AK9
2019	460,000	June 1, 2015	102	102784 AL7
2023	2,095,000	June 1, 2015	102	102784 AN3

Source: Successor Agency.

Upon the defeasance of the Authority Bonds and the 2006 CFD Bonds, the underlying Agency Obligations also will be defeased.

The amounts held and invested by the Escrow Bank in escrow funds pursuant to the escrow agreements are pledged solely to the payment of amounts due and payable by the Successor Agency under the Agency Obligations, the Authority Bonds and the 2006 CFD Bonds. The funds deposited in escrow funds pursuant to the escrow agreements will not be available for the payment of debt service with respect to the Bonds.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds are summarized below.

Sources:	
Principal Amount of Bonds	$ 41,020,000.00
Net Original Issue Premium	5,225,724.10
Available Funds:	
2002A Authority Bonds(1)	6,506,714.80
2003A Authority Bonds(1)	3,183,486.00
2003B Authority Bonds(1)	349,836.53
2003C Authority Bonds(1)	1,785,711.63
2006 CFD Bonds(1)	595,443.01
Total Sources	$ 58,666,916.07
Uses:	
Defease Authority Bonds and 2006 CFD Bonds	$ 58,075,675.71
Costs of Issuance(2)	591,240.36
Total Uses	$ 58,666,916.07

(1) Includes reserve fund and, where applicable, debt service fund amounts.

(2) Costs of Issuance include the cost of bond insurance and the Reserve Policy, the Underwriters' discount, fees and expenses for Bond Counsel, Disclosure Counsel, the Financial Advisor, the Fiscal Consultant, the Trustee, printing expenses, rating fees and other costs related to the issuance of the Bonds.

Debt Service Schedule

The following table shows the annual debt service schedule for the Bonds, assuming no optional redemption of the Bonds.

	Bonds Debt Service		
Bond Year Ending December 1	***Principal***	***Interest***	***Total***
2015	$ 4,680,000.00	$1,135,909.75	$ 5,815,909.75
2016	4,165,000.00	1,617,393.76	5,782,393.76
2017	4,285,000.00	1,492,443.76	5,777,443.76
2018	4,465,000.00	1,321,043.76	5,786,043.76
2019	4,645,000.00	1,142,443.76	5,787,443.76
2020	4,880,000.00	910,193.76	5,790,193.76
2021	3,510,000.00	666,193.76	4,176,193.76
2022	3,705,000.00	490,693.76	4,195,693.76
2023	3,915,000.00	305,443.76	4,220,443.76
2024	375,000.00	109,693.76	484,693.76
2025	385,000.00	90,943.76	475,943.76
2026	405,000.00	71,693.76	476,693.76
2027	210,000.00	51,443.76	261,443.76
2028	215,000.00	45,143.76	260,143.76
2029	220,000.00	38,693.76	258,693.76
2030	230,000.00	31,818.76	261,818.76
2031	235,000.00	24,343.76	259,343.76
2032	240,000.00	16,706.26	256,706.26
2033	255,000.00	8,606.26	263,606.26
Total	$41,020,000.00	$9,570,847.43	$50,590,847.43

THE BONDS

Authority for Issuance

The issuance of the Bonds and the Indenture were authorized by the Successor Agency pursuant to Resolution No. S-14-2, adopted on July 15, 2014 (the "Successor Agency Resolution"), and approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 20, adopted on January 21, 2015, (the "Oversight Board Resolution").

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was provided to the DOF on January 22, 2015. On January 29, 2015, the DOF provided a letter to the Successor Agency stating that based on the DOF's review and application of the law, the Oversight Board Resolution approving the Bonds is approved by the DOF.

Section 34177.5 of the Dissolution Act provides that when, as here, a successor agency issues refunding bonds with the approval of the oversight board and the DOF, the oversight board may not unilaterally approve any amendments to or early termination of the bonds, and the scheduled payments on the bonds shall be listed in the ROPS and are not subject to further review and approval by the DOF or the California State Controller.

Description of the Bonds

The Bonds will be issued and delivered in fully-registered form without coupons in the denomination of $5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York, as registered owner of all Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the "Closing Date") and mature on December 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on June 1 and December 1 in each year, commencing on June 1, 2015, by check mailed to the registered owners thereof or upon the request of the Owners of $1,000,000 or more in principal amount of Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the Record Date preceding the Interest Payment Date.

One fully-registered certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See APPENDIX C—BOOK-ENTRY ONLY SYSTEM.

Redemption

Optional Redemption. The Bonds maturing on or before December 1, 2025, are not subject to optional redemption prior to maturity. The Bonds maturing on or after December 1, 2026, are subject to redemption, at the option of the Successor Agency on any date on or after December 1, 2025 in whole or in part, by such maturities as are determined by the Successor Agency and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date, to (i) the Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, and (ii) to the Securities Depositories and to the Information Services designated in a Written Request of the Successor Agency filed with the Trustee at the time the Successor Agency notifies the Trustee of its intention to redeem Bonds; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the redemption date and the redemption price, will designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding (or all Bonds of a maturity) are to be redeemed, and will require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, such event shall not constitute an Event of Default; the Trustee shall send written notice to the Owners to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of the Indenture.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the redemption price of and interest on the Bonds so called for redemption shall have been duly deposited with the Trustee, such Bonds so called shall cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price and accrued interest to the redemption date, and no interest shall accrue thereon from and after the redemption date specified in such notice.

Manner of Redemption. Whenever any Bonds or portions thereof are to be selected for redemption by lot, the Trustee shall make such selection, in such manner as the Trustee shall deem appropriate, and shall notify the Successor Agency thereof. All Bonds redeemed or purchased pursuant to the Indenture shall be canceled.

Selection of Bonds for Redemption. Whenever provision (other than with respect to mandatory sinking fund redemption) is made in the Indenture for the redemption of Bonds and less than all Bonds then currently outstanding are called for redemption, the Trustee will select Bonds for redemption from Bonds then currently Outstanding and not previously called for redemption, at the written direction of the Successor Agency in such order of maturity as shall be designated by the Successor Agency, and in the absence of such direction, pro rata among maturities. In every case, Bonds called of a given maturity will be selected by lot within a maturity. The Trustee will promptly notify the Successor Agency in writing of the Bonds so selected for redemption.

Parity Debt

"Parity Debt" means any loans, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Bonds as authorized by the Indenture. The Indenture permits the issuance of Parity Debt only to refund the Bonds or the Unrefunded Golden State Obligations that secure the 2007A Authority Bonds. With respect to any such refunding, (i) annual debt service on such Parity Debt must be lower than annual debt service on the obligations being refunded during every year the obligations would otherwise be outstanding and (ii) the final maturity of any such Parity Debt must not exceed the final maturity of the obligations being refunded.

THE DISSOLUTION ACT

The Dissolution Act requires the County Auditor-Controller to determine the amount of property taxes that would have been allocated to the Former Agency (pursuant to subdivision (b) of section 16 of Article XVI of the State Constitution) had the Former Agency not been dissolved pursuant to the operation of AB 1X 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB 1X 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's ROPS. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

The Dissolution Act further provides that bonds authorized by the Dissolution Act to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution.

Pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution and as provided in the Redevelopment Plan for each Component Area, taxes levied upon taxable property in the Burbank Projects each year by or for the benefit of the State, any city, county, city and county, district, or other public corporation (herein sometimes collectively called "taxing agencies") after the effective date of the ordinance approving the applicable Redevelopment Plan, are to be divided as follows:

(a) To Taxing Agencies: That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the taxing agencies upon the total sum of the assessed value of the taxable property in the Burbank Projects as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency last equalized prior to the effective date of the ordinance adopting the applicable Redevelopment Plan (the "base year valuation"), will be allocated to, and when collected will be paid into, the funds of the respective taxing agencies as taxes by or for the taxing agencies on all other property are paid; and

(b) To the Former Agency/Successor Agency: Except for that portion of the taxes in excess of the amount identified in (a) above which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989 for the acquisition or improvement of real property, which portion shall be allocated to, and when collected shall be paid into, the fund of that taxing agency, that portion of the levied taxes each year in excess of such amount, annually allocated within limitations established by the applicable Redevelopment Plan, following the date of issuance of the Bonds, when collected will be paid into a special fund of the Successor Agency. Section 34172 of the Dissolution Act provides that, for purposes of section 16 of Article XVI of the State Constitution, the RPTTF shall be deemed to be a special fund of the Successor Agency to pay the debt service on indebtedness incurred by the Former Agency or the Successor Agency to finance or refinance the redevelopment projects of the Former Agency.

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the RPTTF. In addition, section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above.

In addition, pursuant to section 34187 of the Dissolution Act, funds associated with retired enforceable obligations are required to be reallocated to taxing agencies as regular property taxes and not deposited into the RPTTF for the Successor Agency at all; (however, section 34187(a)(2) of the Dissolution Act provides for retention of funds by the Successor Agency to the extent needed for payment of enforceable obligations upon authorization by the DOF.

SECURITY FOR THE BONDS

The County Auditor-Controller is required to deposit property tax revenues into the RPTTF pursuant to the requirements of the Health and Safety Code, including *inter alia* Health and Safety Code section 34183 and 34170.5(b). The Bonds are payable from and secured by the Tax Revenues consisting of the property tax revenues deposited in the RPTTF after payment of all amounts due with respect to the County administrative charges, the Unrefunded Golden State Obligations, the Haagen Note, Statutory Pass-Through Payments and payments under Pass-Through Agreements.

Pledge Under the Indenture

Except as described in "—Flow of Funds Under the Indenture" below and as required to compensate or indemnify the Trustee, the Bonds and any Parity Debt are equally secured by a pledge of, security interest in and lien on all of the Tax Revenues, including all of the Tax Revenues in the Redevelopment Obligation

Retirement Fund, and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account and the Redemption Account) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery and Tax Revenues are further reduced by amounts required to pay the Unrefunded Golden State Obligations, the Haagen Note, Statutory Pass-Through Payments and Pass-Through Agreements, each as described below. The Bonds are additionally secured by a first and exclusive pledge of, security interest in and lien upon all of the moneys in the Reserve Account established by the Indenture. The Bonds are equally secured by the pledge and lien created with respect to the Bonds by section 34177.5(g) of the Dissolution Act on moneys deposited from time to time in the RPTTF, subordinate to the prior claims on Tax Revenues set forth in the definition of Tax Revenues set forth in the Indenture. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds.

In consideration of the acceptance of the Bonds by purchasers of the Bonds, the Indenture will be deemed to be and will constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements set forth in the Indenture to be performed on behalf of the Successor Agency are for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Tax Revenues

"Tax Revenues" means the moneys deposited from time to time in the RPTTF established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of (a) County administrative fees pursuant to Section 34183(a) of the Dissolution Act, (b) Statutory Pass-Through Payments and all amounts due under the Pass-Through Agreements, (c) all amounts due with respect to the Unrefunded Golden State Obligations, and (d) all amounts due under the Haagen Note. If and to the extent that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Redevelopment Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution. See "RISK FACTORS—Reduction in Tax Revenues Upon Termination of Component Areas."

Because the Successor Agency believes the County Auditor-Controller will enforce the limit on cumulative tax increment allocable to the Successor Agency from the West Olive Project pursuant to the West Olive Plan and the time limit to receive tax increment from the Golden State Project and the City Centre Project, the projections of Tax Revenues in this Official Statement assume no tax increment revenues will be available from the West Olive Project and that no tax increment will be available from the Golden State Project and City Centre Project after December 22, 2023 and October 26, 2024, respectively, except as needed to pay debt service on the Unrefunded Golden State Bonds. See "THE REDEVELOPMENT PLANS—The Golden State Project," "—The City Centre Project" and "—The West Olive Project," "THE BURBANK PROJECTS—Redevelopment Plan Limits," "—Limitation on Cumulative Tax Increment" and "—Enforcement of Redevelopment Plan Limits," and "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

Unrefunded Golden State Obligations/2007A Authority Bonds. The 2007A Authority Bonds are secured by the Unrefunded Golden State Obligations which, in turn, are secured by a senior pledge on property tax increment revenues generated from the Golden State Project. The Unrefunded Golden State Obligations currently outstanding in the amount of $45,590,882 are not being refunded by the Bonds and will remain outstanding; the Unrefunded Golden State Obligations are pledged to the 2007A Authority Bonds and have a first and prior lien on property tax increment revenues generated from the Golden State Project. Amounts equal to payments due on the Outstanding Unrefunded Golden State Obligations that secure the 2007A Authority Bonds are excluded from Tax Revenues pledged to the Bonds. Tax Revenues are reduced by amounts needed to pay such obligations.

South San Fernando Project Statutory Pass-Through Payments. Certain Statutory Pass-Through Payments have a senior claim on property tax increment revenues generated from the South San Fernando Project. Statutory Pass-Through Payments for the South San Fernando Project reduce Tax Revenues available to pay the Bonds. See "—Statutory Pass-Through Payments" below.

West Olive Project Pass-Through Agreements and Statutory Pass-Through Payments. The Pass-Through Agreements and some of the Statutory Pass-Through Payments are payable from tax increment revenues generated from the West Olive Project. The Pass-Through Agreements are not secured by a prior express pledge of tax increment revenues but payments under these agreements are excluded from the definition of Tax Revenues, effectively making payments under the Pass-Through Agreements senior to the Bonds. Upon reaching the cumulative tax increment limit for the West Olive Project, the Successor Agency will no longer receive RPTTF moneys generated from the West Olive Project and the Successor Agency's obligations under the Pass-Through Agreements and the West Olive Project Statutory Pass-Through Payments will accordingly terminate. Therefore, just as projections of Tax Revenues in this Official Statement do not assume tax increment generated from the West Olive Project, they do not take into account payments due under the Pass-Through Agreements or the West Olive Project Statutory Pass-Through Payments. See "—Statutory Pass-Through Payments" and "—Pass-Through Agreements" below.

Haagen Note. The Haagen Note requires the Successor Agency to pay amounts determined by the tax increment and sales tax revenues generated by the Burbank Town Center and is payable from and secured by tax increment revenues generated from the Burbank Town Center property, which is located in the City Centre Project. The Successor Agency's outstanding obligations under the Haagen Note will be forgiven on February 1, 2016. See "—Haagen Note" below.

Amounts required to be paid with respect to the Unrefunded Golden State Obligations that secure the 2007A Authority Bonds, the Haagen Note and South San Fernando Statutory Pass-Through Payments are deducted from tax increment revenues for purposes of the projections of Tax Revenues set forth in this Official Statement. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for projections of gross tax increment revenues, deductions attributable to the Unrefunded Golden State Obligations that secure the 2007A Authority Bonds, the Haagen Note and Statutory Pass-Through Payments, and resulting Tax Revenues available to pay debt service on the Bonds. See also "THE REDEVELOPMENT PLANS—The West Olive Project" and APPENDIX G—FISCAL CONSULTANT'S REPORT.

Housing Set-Aside

Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in the Burbank Projects into a low and moderate income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate income housing. These tax increment revenues were commonly referred to as "Housing Set-Aside." The Dissolution Act eliminated the Housing Set-Aside requirement. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated due diligence review. The amounts found to be unencumbered through this due diligence review were paid to the County and these funds were allocated to the taxing entities within the Burbank Projects. Amounts that would have been treated as Housing Set-Aside prior to the Dissolution Act will now be available for payment of debt service on the Bonds, unless encumbered for housing purposes prior to dissolution of the Former Agency.

Flow of Funds Under the Indenture

General. The Successor Agency previously established the Redevelopment Obligation Retirement Fund pursuant to section 34170.5(a) of the Dissolution Act and has agreed to hold and maintain the Redevelopment Obligation Retirement Fund as long as any of the Bonds are Outstanding.

Deposit in Redevelopment Obligation Retirement Fund; Transfer to Debt Service Fund. The Indenture provides that the Successor Agency will deposit all of the Tax Revenues received in any Bond Year into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter will transfer amounts received therein to the Debt Service Fund established and held by the Trustee under the Indenture. All Tax Revenues received by the Successor Agency in excess of the amount required to pay debt service on the Bonds and any Parity Debt, and except as may be provided to the contrary in any Parity Debt Instrument, will be released from the pledge and lien under the Indenture and will be applied in accordance with the Redevelopment Law and the Dissolution Act, including but not limited to the payment of debt service on any subordinate debt. Prior to the payment in full of the principal of and interest and redemption premium (if any) on the Bonds and the payment in full of all other amounts payable under the Indenture and under any Supplemental Indentures, the Successor Agency will not have any beneficial right or interest in the moneys on deposit in the Redevelopment Obligation Retirement Fund, except as may be provided in the Indenture and in any Supplemental Indenture.

Deposit of Amounts by Trustee. There is established a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Concurrently with transfers with respect to Parity Debt pursuant to Parity Debt Instruments, moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective accounts, which are established in the Debt Service Fund, in the following order of priority:

Interest Account. On or before the fifth Business Day preceding each Interest Payment Date, the Trustee will transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and any Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and any Parity Debt. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and any Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity).

Principal Account. On or before the fifth Business Day preceding each Interest Payment Date, the Trustee will transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to one-half of the principal payments becoming due and payable on the Outstanding Bonds and any Parity Debt on the next December 1. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next December 1 on all Outstanding Bonds and any Parity Debt. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it becomes due and payable.

Reserve Account. On the date of issuance of the Bonds, in lieu of a cash deposit to the Reserve Account, the Reserve Policy shall be delivered to the Trustee for the benefit of the Reserve Account, in an amount equal to the initial "Reserve Requirement" for the Bonds, such amount being $__________. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the Reserve Account.

See "—Reserve Account" below. Also see APPENDIX A—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Deposit of Amounts by Trustee."

Redemption Account. On or before the fifth Business Day preceding any date on which Bonds are to be redeemed, the Trustee will withdraw from the Debt Service Fund and transfer to the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. All moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed on the respective dates set for such redemption. Interest due on Bonds to be redeemed on the date set for redemption will, if applicable, be paid from funds available therefor in the Interest Account.

Reserve Account

Initial Deposit into the Reserve Account. On the date of issuance of the Bonds, the Successor Agency will cause the Reserve Policy to be purchased in the stated amount of $3,388,284.18, to satisfy the initial "Reserve Requirement" for the Bonds.

Definition of Reserve Requirement. The Indenture defines "Reserve Requirement" to mean the lesser of (i) 10% of the original principal amount of the Bonds and any Parity Debt; (ii) 125% of the average Annual Debt Service for the then current year or every subsequent Bond Year, and (iii) Maximum Annual Debt Service for the then current year or every subsequent Bond Year.

Relationship to Parity Debt. The Reserve Account shall be held by the Trustee in trust solely for the benefit of the Owners of the Bonds.

Use of Moneys in the Reserve Account; Reserve Policy. The Reserve Policy will be held as a part of the Reserve Account to satisfy the Reserve Requirement. If, on any Interest Payment Date, the moneys available in the Interest Account and the Principal Account do not equal the amount of the principal or interest with respect to the Bonds then coming due and payable, the Trustee will apply the moneys available in the Reserve Account to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and the Principal Account or will draw on the Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and the Principal Account. The Successor Agency has no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Policy.

The Successor Agency will repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by BAM. Interest will accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account will be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost will be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage will be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments will be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

Draws under the Reserve Policy may only be used to make payments on Bonds insured by BAM.

If the Successor Agency fails to pay any Policy Costs in accordance with the requirements of paragraph (a) above, BAM will be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

See "BOND INSURANCE" and see APPENDIX A—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Deposit of Amounts by Trustee."

Limited Obligation

The Bonds are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency are liable therefor. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the City Council, the Oversight Board or the Board of Supervisors of the County shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Recognized Obligation Payment Schedules

Submission of ROPS. Not less than 90 days prior to each January 2 and June 1, the Dissolution Act requires successor agencies to prepare, and submit to the successor agency's oversight board and the DOF for approval, a ROPS listing the enforceable obligations (as defined in the Dissolution Act) of the successor agency, together with the source of funds to be used to pay for each enforceable obligation. See "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would transition successor agencies to an annual ROPS process instead of a biannual process.

Payment of Amounts Listed on the ROPS. As defined in the Dissolution Act, "enforceable obligation" includes bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the former redevelopment agency or the successor agency, as well as other obligations such as loans, judgments or settlements against the former redevelopment agency or the successor agency, any legally binding and enforceable agreement that is not otherwise void as violating the debt limit or public policy, contracts necessary for the administration or operation of the successor agency, and, under certain circumstances, amounts borrowed from the successor agency's low and moderate income housing fund.

A reserve may be included on the ROPS and held by the successor agency when required by a bond indenture or when the next property tax allocation will be insufficient to pay all obligations due under the provisions of the bonds for the next payment due in the following half of the calendar year.

Sources of Payments for Enforceable Obligations. Under the Dissolution Act, the categories of sources of payments for enforceable obligations listed on a ROPS are the following: (i) the low and moderate income housing fund, (ii) bond proceeds, (iii) reserve balances, (iv) administrative cost allowance (successor agencies are entitled to receive not less than $250,000, unless that amount is reduced by the oversight board), (v) the RPTTF (but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation or otherwise required under the Dissolution Act), or (vi) other revenue sources (including rents, concessions, asset sale proceeds, interest earnings, and any other revenues derived from the redevelopment agency, as approved by the oversight board).

The Dissolution Act provides that only those obligations listed in the ROPS may be paid by a successor agency and only from the funds specified in the ROPS.

Order of Priority of Distributions from RPTTF. After deducting the county auditor-controller's administrative costs pursuant to section 34182(e) of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in section 34183 of the Dissolution Act:

(i) first, unless such obligations are subordinated to the Bonds as permitted under the Dissolution Act (as described above under "SECURITY FOR THE BONDS—Pass-Through Agreements" and "—Statutory Pass-Through Payments"), amounts required for pass-through payments to affected taxing agencies calculated in accordance with the provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including Pass-Through Agreements and South San Fernando Statutory Pass-Through Payments;

(ii) second, to the successor agency for payments listed in its ROPS, with debt service payments scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the ROPS;

(iii) third, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, to taxing entities any moneys remaining in the RPTTF after the payments and transfers authorized by clauses (i) through (iii), in an amount proportionate to such taxing entity's share of property tax revenues in the tax rate area in that fiscal year (without giving effect to any pass-through obligations that were established under the Redevelopment Law).

The projections shown under the heading "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" and in the Fiscal Consultant's Report is net of prior claims. The moneys in the RPTTF will be distributed in accordance with Section 34183 of the Dissolution Act, as described above.

Failure to Submit a ROPS. Each ROPS must be approved by the oversight board and must be submitted by a successor agency to the county administrative office, the county auditor-controller, the DOF, and the State Controller by 90 days before the date of the next January 2 or June 1 property tax distribution. If the successor agency does not submit a ROPS by the applicable deadline, the city or county that established the former redevelopment agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, the successor agency's administrative cost allowance will be reduced by 25% if the successor agency did not submit a ROPS by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the ROPS for the subsequent six-month period. For additional information regarding procedures under the Dissolution Act relating to late ROPS and implications thereof on the Bonds, see "RISK FACTORS—Recognized Obligation Payment Schedule." Also, see "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would transition successor agencies to an annual ROPS process instead of a biannual process.

Covenant by the Successor Agency relating to ROPS Submission. The Successor Agency covenants in the Indenture that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants in the Indenture to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture. The Successor Agency will take all actions required under the Dissolution Act to prepare and file each ROPS so as to enable the County Auditor-Controller to distribute from the RPTTF for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely debt service payments on the Bonds, including the inclusion on the applicable ROPS the amounts set forth in the Recognized Obligation Debt Service Schedule attached to the Indenture. The Successor Agency covenants in the Indenture to submit, not fewer than 90 days prior to each January 2, commencing January 2, 2016, an Oversight Board-approved ROPS to the DOF and to the County Auditor-Controller which includes the following: (i) all scheduled interest payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, (ii) all scheduled principal and mandatory sinking fund redemption payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, and (iii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture.

The Successor Agency has policies and procedures in place to ensure full and timely compliance with the above-described covenant. The Successor Agency submitted its ROPS 14-15B on a timely basis before October 1, 2014 and is scheduled to submit its ROPS 15-16A on a timely basis before March 3, 2015.

The Successor Agency has no power to levy and collect taxes, and various factors beyond its control could affect the amount of Tax Revenues available in any six-month period to pay the principal of and interest on the Bonds (see "RISK FACTORS").

Pass-Through Agreements

Prior to the effectiveness of Assembly Bill 1290 ("AB 1290") in 1994, under the Redevelopment Law, a redevelopment agency could enter into an agreement to pay tax increment revenues to any affected taxing agency that has territory located within a redevelopment project in an amount which in the redevelopment agency's determination is appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These "Pass-Through Agreements" normally provided for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements. The Former Agency entered into two Pass-Through Agreements, both relating to the West Olive Project. The Successor Agency's obligations under the Pass-Through Agreements will terminate when the cumulative tax increment limit is reached for the West Olive Project, which the Fiscal Consultant projects will occur in fiscal year 2014-15. The Pass-Through Agreements are payable from tax increment revenues generated from the West Olive Project. In light of the imminent termination of the Pass-Through Agreements, the projections of Tax Revenues set forth in this Official Statement exclude such revenues and therefore do not reflect payments due under the Pass-Through Agreements. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

There are currently no Pass-Through Agreements affecting the Merged Project.

Statutory Pass-Through Payments

On and after January 1, 1994 (the effective date of AB 1290), the former tax increment revenues a redevelopment agency could receive from a new redevelopment project were reduced by certain mandatory Statutory Pass-Through Payments paid to affected taxing entities pursuant to the Redevelopment Law. Any amendment of a redevelopment plan after January 1, 1994 that increased the amount of tax increment revenues to be received in a project area or extended any of the time limits in the redevelopment plan also triggered such payments to affected taxing entities. These payments, which are to begin the fiscal year following the adoption of the project area, or in the case of payments triggered by an amendment, in the year after the project area's original plan limitations would have taken effect, are calculated using the increase in revenue over the revenue in the last assessment roll published before the redevelopment plan was adopted, for new plans, or the amount of revenue generated by the project area in the year that the former limit would have been reached, for amendments. Under the Dissolution Act, in particular Section 34183, the County Auditor-Controller is obligated to remit these Statutory Pass-Through Payments to the affected taxing entities from the Successor Agency RPTTF for each ROPS period.

As further described herein under "THE REDEVELOPMENT PLANS—The South San Fernando Project," the City adopted the South San Fernando Plan on June 17, 1997, after the enactment of AB 1290. Accordingly, the Successor Agency is required to pay to the affected taxing entities the Statutory Pass-Through Payments from the South San Fernando Project. These tax sharing payments continue so long as tax increment is available to repay indebtedness in the South San Fernando Project.

Further, on June 26, 2001, the City Council adopted Ordinance No 3582 that, among other things, clarified how the cumulative tax increment limit within the West Olive Project would be determined. The Former Agency determined that this action triggered the obligation to make Statutory Pass-Through Payments from the West Olive Project pursuant to Section 33607.7 of the Redevelopment Law. Since the existing tax increment limit was exceeded in fiscal year 1999-00, the assessed value for the West Olive Project in that fiscal year was established as the adjusted base year value for purposes of calculating the Tier 1 Statutory Pass-Through Payments (see below for the formula for Tier 1, Tier 2 and Tier 3 Statutory Pass-Through Payments). The Tier 1 payments were initiated in fiscal year 2001-02, the first fiscal year after adoption of the amendment, and the Tier 2 payments were commenced in fiscal year 2011-12. A third tier of statutory tax sharing likely will not be initiated because the West Olive Project is projected to reach its cumulative tax increment limit and/or exceed its time limit on repayment of debt prior to the date the Tier 3 obligation is required. Only those taxing entities not receiving payments pursuant to a Pass-Through Agreement may receive their proportionate shares of these statutory tax sharing amounts.

The Statutory Pass-Through Payments are determined by specific formulas under the Redevelopment Law. Post-dissolution, these payment obligations of the Successor Agency to affected taxing agencies are administered by the County Auditor-Controller under the Dissolution Act and are paid prior to the Bonds (see "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a projection of the Statutory Pass-Through Payments attributable to the South San Fernando Project, but not the West Olive Project, Tax Revenues for which are not included in the projections in this Official Statement).

Generally speaking, under the Redevelopment Law as amended by AB 1290 and as the obligation continues under the Dissolution Act, the Successor Agency is required to pay to the affecting taxing agencies percentages of tax increment generated in the South San Fernando Project as the Statutory Pass-Through Payments, as follows:

Tier 1: throughout the term of the South San Fernando Project's eligibility to receive tax increment and commencing in fiscal year 2001-02 for the West Olive Project, and thereafter, 25% of tax increment revenues (net of Housing Set-Aside); plus

Tier 2: beginning in the eleventh year of the receipt of tax increment in the South San Fernando Project and the eleventh year following the expiration of the original time limit, being fiscal year 2011-12, in the West Olive Project, and thereafter, 21% of revenues in excess of tenth year revenue (net of Housing Set-Aside); plus

Tier 3: beginning in the thirty-first year of the receipt of tax increment in the South San Fernando Project, and thereafter, 14% of revenues in excess of thirtieth year revenues (net of Housing Set-Aside).

The Statutory Pass-Through Payments are allocated among the affected taxing agencies in proportion to the share of property taxes each agency receives in the year funds are allocated. As indicated, under the

Dissolution Act amounts specified as payable to affected taxing agencies are computed after deducting the Housing Set-Aside amount. For more information about the Statutory Pass-Through Payments, see APPENDIX G—FISCAL CONSULTANT'S REPORT.

The Successor Agency determined not to undertake any procedure to subordinate the Statutory Pass-Through Payments and thus, such Statutory Pass-Through Payments are senior to the payment of debt service on the Bonds.

Section 33676 Payments

Redevelopment projects adopted between January 1, 1985, and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under section 33676 of the Redevelopment Law. None of the Component Areas were adopted during the relevant time frame; therefore the Successor Agency is not obligated to make the payments required by Section 33676 of the Redevelopment Law.

Pass-Through Payments Distributed by County Auditor-Controller

The Dissolution Act generally requires the County Auditor-Controller to distribute from the RPTTF amounts required to be distributed under Pass-Through Agreements and for Statutory Pass-Through Payments to the affected taxing entities for each six-month period before amounts are distributed by the County Auditor-Controller from the RPTTF to the Successor Agency's Redevelopment Obligation Retirement Fund.

For purposes of showing debt service coverage, the Fiscal Consultant has assumed that the Pass-Through Agreements and the South San Fernando Statutory Pass-Through Payments are senior to the Successor Agency's pledge of Tax Revenues to its obligation to make debt service payments on the Bonds and that the Pass-Through Agreements and the West Olive Statutory Pass-Through Payments are fully funded from West Olive tax increment revenues prior to termination of the West Olive Project. See "SECURITY FOR THE BONDS—Tax Revenues."

Haagen Note

The Successor Agency executed a promissory note (the "Haagen Note") in favor of Haagen-Burbank Partnership ("Haagen") in the original principal amount of $33,000,000. The Haagen Note was delivered in connection with the expansion of the Burbank Mall and sublease of a portion of the Burbank Mall to Bullock's Properties Corp. for operation of a Bullock's department store, pursuant to a Disposition and Development Agreement between the Former Agency and Haagen dated as of November 15, 1989 (the "Original DDA"), as amended by a First Implementation Agreement dated as of December 6, 1990 (the "First Implementation Agreement" and, together with the Original DDA, the "DDA"). The Burbank Mall is located in the City Centre Project. The Haagen Note is secured by and installment payments are equal to the sum of the following:

(a) Eighty percent of the property tax increment generated and collected from the Bullock's store and the expansion of the Burbank Mall contemplated by the DDA (the "Bullock's Increment");

(b) Ten percent of the property tax increment generated from the entire Burbank Mall, exclusive of the Bullock's Increment (the "Project Increment"); and

(c) One hundred percent of the portion of the sales and use tax collected by the City and/or the Former Agency arising from all businesses and activities conducted in the Bullock's store and the Mall expansion.

Each annual installment payment under the Haagen Note is reduced by the amount of fixed base rent and/or percentage rent paid by Bullock's Properties Corp. (or a successor tenant) to Haagen (but not less than $1,300,000). Only one payment remains to be made on the Haagen Note (for fiscal year 2015-16). This payment is estimated at $3,208,000, the average amount paid on the Haagen Note by the Former Agency and Successor Agency in fiscal years 2009-10 through 2014-15. Pursuant to the Original DDA, the Successor Agency also executed a promissory note (the "Unsecured Note") in favor of Haagen in the original principal amount of $18,500,000. The Unsecured Note requires the Successor Agency to make annual payments in an amount equal to seventy percent of the Project Increment. The Unsecured Note expressly states that it evidences an "unsecured obligation" of the Successor Agency; however, the Haagen Note is, by its terms, subordinate to the Unsecured Note. Neither the Haagen Note nor the Unsecured Note provide for cross-default to the other obligation. Payments on the Unsecured Note are not reflected in the projections of Tax Revenues and such obligation is anticipated to be fully payable from other revenues remaining after payment of scheduled debt service on the Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" and "RISK FACTORS—Other Obligations," below.

Provided the Successor Agency is not in default under the Haagen Note or the Unsecured Note, the outstanding principal and interest owing under the Haagen Note and the Unsecured Note, respectively, as of February 1, 2016 will be forgiven.

Other Obligations

The Successor Agency has various obligations, not secured by a pledge on Tax Revenues, which may not be described in this Official Statement and not modeled in the projections of Tax Revenues in this Official Statement. All payment obligations of the Successor Agency must be listed on the Successor Agency's ROPS for the six-month period during which such payments are made.

BOND INSURANCE

The information relating to the Bond Insurer set forth below has been furnished by BAM. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, BAM will issue the Policy for the Insured Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2014 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $475.7 million, $26.9 million and $448.8 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/.

Obligor Disclosure Briefs. Subsequent to closing, BAM posts an Obligor Disclosure Brief on every issue insured by BAM, including the Bonds. BAM Obligor Disclosure Briefs provide information about the gross par insured by CUSIP, maturity and coupon; sector designation (e.g. general obligation, sales tax); a summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. The Obligor Disclosure Briefs are also easily accessible on BAM's website at buildamerica.com/obligor/.

Disclaimers. The Obligor Disclosure Briefs and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Obligor Disclosure Briefs and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Obligor Disclosure Briefs and Credit Insight videos are prepared by BAM and have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and they assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

Classification. In the State, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the County assessor. The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens on the secured property arising pursuant to State law, regardless of the time of the creation of other liens.

Generally, ad valorem taxes are collected by a county (the "Taxing Authority") for the benefit of the various entities (e.g., cities, schools and special districts) that share in the ad valorem tax and successor agencies eligible to receive distributions from the respective RPTTF.

Collections. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The taxing authority has four ways of collecting unsecured personal property taxes: (i) initiating a civil action against the taxpayer, (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer, (iii) filing a certificate of delinquency for record in the county recorder's office to obtain a lien on certain property of the taxpayer, and (iv) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes which are delinquent.

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes with respect to property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on varying dates related to the tax bill mailing date.

Delinquencies. The valuation of property is determined as of the January 1 lien date as equalized in August of each year and equal installments of taxes levied upon secured property become delinquent on the following December 10 and April 10. Taxes on unsecured property are due January 1 and become delinquent August 31.

Supplemental Assessments. California Revenue and Taxation Code section 75.70 provides for the reassessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against real property. Prior to the enactment of this law, the assessment of such changes was permitted only as of the next tax lien date following the change, and this delayed the realization of increased property taxes from the new assessments for up to 14 months. Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as the general property tax. The receipt of Supplemental Assessment revenues by taxing entities typically follows the change of ownership by a year or more. This statute provides increased revenue to the RPTTF to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Burbank Projects, tax increment may increase. Revenues resulting from Supplemental Assessments have not been included in the Fiscal Consultant's projections of tax increment available to pay debt service on the Bonds.

Property Tax Administrative Costs. In 1990, the Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to charge for the cost of assessing, collecting and allocating property tax revenues to local government jurisdictions in proportion to the tax-derived revenues allocated to each. SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. The SB 2557 charges for fiscal year 2013-14 were 1.47% of the gross tax increment revenues within the Burbank Projects. The County collection charges for fiscal year 2014-15 equated to 1.35% of Gross Tax Increment Revenue within the Merged Project. For purposes of the projections, the actual SB 2557 charges for fiscal year 2014-15 were incorporated and the projected amount for fiscal year 2015-16 and subsequent years are estimated at 1.35% of Gross Tax Increment Revenue. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE—Projections of Tax Revenues." For purposes of the Fiscal Consultant's projections of tax increment available to pay debt service on the Bonds, the Fiscal Consultant assumed that the County will continue to charge the Successor Agency for property tax administration and that such charge will increase proportionally with any increases in revenue. The formula used to calculate the County collection charge is uniform among the Burbank Projects.

Taxation of Commercial and Private Aircraft

A significant component of assessed valuation of property in the Merged Project (26% for fiscal year 2014-15) is unsecured value. Approximately 46% of the Merged Project unsecured value is for private aircraft and approximately 15% of Merged Project unsecured value consists of value assessed on commercial aircraft at the Bob Hope Airport located in the Golden State Project. Aircraft are assessed differently than other property, but both private and commercial aircraft values are included on the unsecured tax roll. As described under the heading "THE BURBANK PROJECTS—Historical Assessed and Incremental Values," there can be significant volatility in the assessed valuation of aircraft in the Merged Project from year to year.

Assessment. The making of an assessment requires the determination of the following seven factors: assessability, assesse, situs, description, classification, security and value. All aircraft are classified as personal property and listed on the unsecured regular assessment roll. In the context of private aircraft, assessability refers to whether such aircraft are taxable or exempt (for example, an aircraft dealer's inventory is exempt from taxation).

Commercial Aircraft. The assessed valuation of commercial aircraft in the Golden State Project is determined based on the value of the fleet of commercial aircraft owned by the airlines that maintain flights to and from Bob Hope Airport, as depreciated pursuant to a depreciation schedule published each year by the State Board of Equalization, as well as the air time and ground time associated with each aircraft, which in turn is affected by the frequency of flights in and out of Bob Hope Airport. The assessed value of commercial aircraft is therefore influenced by different economic factors from those affecting other assessed property interests such as the volume of air travel at Bob Hope Airport, among other things. Accordingly, commercial aircraft assessed values may be generally more volatile than other property tax assessed valuations.

Private Aircraft. The County Assessor is required to assess the value of all private aircraft that normally resides within the County as of 12:01 on January 1 of each year (referred to as the "lien date"). Generally, ownership of private aircraft on the lien date determines the taxability and assessee of the aircraft; however, private aircraft are sited based on where the aircraft normally reside for the given fiscal year. The presence of private aircraft at a particular airport changes from year to year based on the aircraft owners' tax and business circumstances, creating volatility in the assessed value of private aircraft.

Tax Rate

The tax rates which are applied to taxable values consist of two components: the General Tax Rate of $1.00 per $100 of taxable values and the Override Tax Rate which is levied to pay voter approved indebtedness. The basic levy tax rate may not exceed 1% ($1.00 of $100 taxable value) in accordance with Article XIIIA of the California Constitution. See "—Article XIIIA of the State Constitution," below. Prior to dissolution, the Former Agency's tax rate included the basic one percent levy and certain debt service override levies approved by voters prior to 1989. Commencing with dissolution, the County Auditor-Controller ceased allocating override levies to the Successor Agency's RPTTF based on section 38183(a)(1) of the Dissolution Act. Accordingly, a one percent levy is applied in the projections.

Levy and Collection

The Successor Agency has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce Tax Increment and, accordingly, could have an adverse impact on the ability of the Successor Agency to pay debt service on the Bonds. Likewise, the County has not implemented a Teeter Plan with respect to the collection and distribution of taxes; therefore, delinquencies in the payment of property taxes could have an adverse effect on the Successor Agency's ability to make timely debt service payments. See "—Property Tax Collection Procedures" above and "THE BURBANK PROJECTS—Levy and Collections" below.

Unitary Property

Assembly Bill 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. The tax revenues are then to be allocated to each taxing entity county-wide as follows: (i) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to 2%; (ii) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro rata county wide; and (iii) any increase in revenue above 2% would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

Assembly Bill 454 (Statutes of 1987, Chapter 921) further modified Chapter 1457 regarding the distribution of tax revenues derived from property assessed by the State Board of Equalization. Chapter 921 provides for the consolidation of all State-assessed property, except for regulated railroad property, into a single tax rate area in each county. Chapter 921 further provides for a new method of establishing tax rates on State-assessed property and distribution of property tax revenue derived from State-assessed property to taxing jurisdictions within each county in accordance with a new formula. Railroads will continue to be assessed and revenues allocated to all tax rate areas where railroad property is sited.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of a project area. Consequently, the base year values of project areas are reduced by the amount of utility value that existed originally in the base years. The Auditor Controller allocated an aggregate total of $310,033 of unitary tax revenue to the Merged Project for fiscal year 2014-15. For purposes of the Fiscal Consultant's projection of Tax Revenue available to pay debt service on the Bonds, the Fiscal Consultant assumed that the amount of unitary revenue allocated for fiscal year 2014-15 will continue to be allocated to the Merged Project in the same amount for the life of the projection. The following table shows unitary tax revenue amounts allocated to each Component Area of the Merged Project for fiscal year 2014-15.

TABLE 1
MERGED PROJECT
Unitary Tax Revenue
Fiscal Year 2014-15

Component Area	*Unitary Tax Revenue*
Golden State Project	$140,802
City Centre Project	162,027
South San Fernando Project	7,204
Merged Project Total	$310,033

Source: Fiscal Consultant.

Article XIIIA of the State Constitution

Article XIIIA limits the amount of ad valorem taxes on real property to 1% of "full cash value" of such property, as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the County Assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." Furthermore, the "full cash value" of all real property may be increased to reflect the rate of inflation, as shown by the consumer price index, not to exceed 2% per year, or may be reduced.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other special circumstances.

Article XIIIA (i) exempts from the 1% tax limitation taxes to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978 or (b) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition; (ii) requires a vote of two-thirds of the qualified electorate to impose special taxes, or certain additional ad valorem taxes; and (iii) requires the approval of two-thirds of all members of the State Legislature to change any State tax laws resulting in increased tax revenues.

The validity of Article XIIIA has been upheld by both the California Supreme Court and the United States Supreme Court.

In the general election held November 4, 1986, voters of the State approved two measures, Propositions 58 and 60, which further amended Article XIIIA. Proposition 58 amended Article XIIIA to provide that the terms "purchase" and "change of ownership," for the purposes of determining full cash value of property under Article XIIIA, do not include the purchase or transfer of (1) real property between spouses and (2) the principal residence and the first $1,000,000 of other property between parents and children. This amendment to Article XIIIA may reduce the rate of growth of local property tax revenues.

Proposition 60 amended Article XIIIA to permit the Legislature to allow persons over the age of 55 who sell their residence and buy or build another of equal or lesser value within two years in the same county, to transfer the old residence assessed value to the new residence. As a result of the Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the Legislature to implement Article XIIIA provides that all taxable property is shown at full assessed value as described above. In conformity with this procedure, all taxable property value included in this Official Statement is shown at 100% of assessed value and all general tax rates reflect the $1 per $100 of taxable value (except as noted). Tax rates for voter-approved bonded indebtedness and pension liabilities are also applied to 100% of assessed value.

Each year the Board of Equalization announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. The changes in the California Consumer Price Index from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Through fiscal year 2010-11 there were six occasions when the inflation factor was less than 2%. Until fiscal year 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels; however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was negative 0.237% and this resulted in reductions to the adjusted base year value of parcels. The table below reflects the inflation adjustment factors for the current fiscal year and 10 prior fiscal years.

Historical Inflation Adjustment Factors

Fiscal Year	*Inflation Adj. Factor*
2005-06	2.000%
2006-07	2.000
2007-08	2.000
2008-09	2.000
2009-10	2.000
2010-11	-0.237
2011-12	0.753
2012-13	2.000
2013-14	2.000
2014-15	0.454
2015-16	1.998

Source: Fiscal Consultant.

Appropriations Limitation—Article XIIIB

Article XIIIB limits the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The "base year" for establishing such appropriations limit is the 1978/79 fiscal year, and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Section 33678 of the Redevelopment Law provides that the allocation of taxes to a redevelopment agency for the purpose of paying principal of, or interest on, loans, advances, or indebtedness shall not be deemed the receipt by a redevelopment agency of proceeds of taxes levied by or on behalf of a redevelopment agency within the meaning of Article XIIIB, nor shall such portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to the limitation of, any other public body within the meaning or for the purpose of the Constitution and laws of the State, including section 33678 of the Redevelopment Law. The constitutionality of section 33678 has been upheld in two California appellate court decisions. On the basis of these decisions, the Successor Agency has not adopted an appropriations limit.

Proposition 87

On November 8, 1988, the voters of the State approved Proposition 87, which amended Article XVI, section 16 of the State Constitution to provide that property tax revenue attributable to the imposition of taxes on property within a redevelopment project area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (not the Former Agency or the Successor Agency) and approved by the voters of the taxing entity after January 1, 1989 will be allocated solely to the payment of such indebtedness and not to redevelopment agencies.

Appeals of Assessed Values

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in a form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board.

In the County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the County Assessment Appeals Board (the "Appeals Board"). Applications for any tax year must be submitted by September 15 of such tax year. Following a review of each application by the staff of the County Assessor's Office, the staff makes a recommendation to the Appeals Board on each application that has not been rejected for incompleteness or untimeliness or withdrawn. The Appeals Board holds a hearing and either reduces the assessment or confirms the assessment. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), the Assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. Appeals for reduction in the "base year" value of an assessment, which generally must be made within three years of the date of change in ownership or completion of new construction that determined the base year, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. Moreover, in the case of any reduction in any one year of assessed value granted for "ongoing hardship" in the then current year, and also in any cases involving stipulated appeals for prior years relating to base year and personal property assessments, the property tax revenues from which Tax Revenues are derived attributable to such properties will be reduced in the then current year. In practice, such a reduced assessment may remain in effect beyond the year in which it is granted.

See "THE BURBANK PROJECTS—Assessment Appeals" for information regarding historical and pending appeals of assessed valuations by property owners in the Merged Project.

Proposition 8

Proposition 8, approved in 1978 (California Revenue and Taxation Code section 51(b)), provides for the assessment of real property at the lesser of its originally determined (base year) full cash value compounded annually by the inflation factor, or its full cash value as of the lien date, taking into account reductions in value due to damage, destruction, obsolescence or other factors causing a decline in market value. Reductions under this code section may be initiated by the County Assessor or requested by the property owner.

After such reductions in value are implemented, the Assessor is required to review the property's market value as of each subsequent lien date and adjust the value of real property to the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIIIA of the California Constitution or its full cash value taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. Reductions made under Proposition 8 to residential properties are normally initiated by the Assessor but may also be requested by the property owner. Reductions of value for commercial, industrial and other land use types under Proposition 8 are normally initiated by the property owner as an assessment appeal.

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may be increased to the market value of the property without regard to the otherwise applicable maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

For a summary of the recent history of Proposition 8 reductions in the Merged Project, see "THE BURBANK PROJECTS—Assessment Appeals."

Propositions 218 and 26

On November 5, 1996, California voters approved Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment. Proposition 218 added Articles XIIIC and XIIID to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. On November 2, 2010, California voters approved Proposition 26, the "Supermajority Vote to Pass New Taxes and Fees Act." Proposition 26 amended Article XIIIC of the California Constitution by adding an expansive definition for the term "tax," which previously was not defined under the California Constitution.

Tax Revenues securing the Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which are limited by Proposition 218 and Proposition 26.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID and certain other propositions affecting property tax levies were each adopted as measures which qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, further affecting Successor Agency revenues or the Successor Agency's ability to expend revenues.

THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

As described in "INTRODUCTION," the Dissolution Act dissolved the Former Agency as of February 1, 2012. Thereafter, pursuant to section 34173 of the Dissolution Act, the City became the Successor Agency to the Former Agency. Subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate public entity from the City, that the two entities shall not merge, and that the liabilities of the Former Agency will not be transferred to the City nor will the assets of the Former Agency become assets of the City.

Successor Agency Powers

All powers of the Successor Agency are vested in its five members who are elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency is a separate public body from the City and succeeds to the organizational status of the Former Agency but without any legal authority to participate in redevelopment activities, except to complete any work related to an approved enforceable obligation. The Successor Agency is tasked with expeditiously winding down the affairs of the Former Agency, pursuant to the procedures and provisions of the Dissolution Act. Under the Dissolution Act, substantially all Successor Agency actions are subject to approval by the Oversight Board, as well as review by the DOF.

Status of Compliance with Dissolution Act

The Dissolution Act requires a due diligence review to determine the unobligated balances of each successor agency that are available for transfer to taxing entities. The due diligence review involves separate reviews of each successor agency's low and moderate income housing fund and of all other funds and accounts. Once a successor agency completes the due diligence review and any transfers to taxing entities, the DOF will issue a finding of completion that expands the authority of each successor agency in carrying out the wind down process. A finding of completion allows a successor agency to, among other things, retain real property assets of the dissolved redevelopment agency and utilize proceeds derived from bonds issued prior to January 1, 2011.

The Successor Agency has completed the due diligence process and received its Finding of Completion on May 16, 2013.

The State Controller's office (the "SCO") has reviewed the asset transfers made by the Former Agency after January 1, 2011 pursuant to authority granted to the SCO by the Dissolution Act. The SCO has not yet provided a draft or final report of its findings to the Successor Agency. If the SCO determines an unlawful asset transfer occurred during the period under review, the SCO may order the entity that received the asset (potentially the City) to return the asset to the Successor Agency. The Successor Agency cannot predict the results of such review; however, it believes the results of the SCO's review are unlikely to negatively impact the Successor Agency's ability to pay debt service on the Bonds.

THE REDEVELOPMENT PLANS

The Burbank Projects include the Golden State Project, the City Centre Project, the South San Fernando Project and the West Olive Project. In 2004 the Golden State Project, the City Centre Project and the South San Fernando Project (but not the West Olive Project) were merged together to form the Merged Project. Notwithstanding the merger, the separate time and financial limitations applicable to each Component Area remained in effect with respect to each such Component Area. A description of each of the amendments to the redevelopment plans for the Burbank Projects and the financial and time limitations set forth in such redevelopment plans is set forth below. See "THE BURBANK PROJECTS" for additional information regarding the Merged Project, including information on land use, assessed valuation and property ownership, assessed valuation and Tax Revenues generated within the Merged Project. Tax revenues generated from the West Olive Project are not included in the projections of Tax Revenues set forth in this Official Statement and, accordingly, this Official Statement does not describe the characteristics of the West Olive Project in detail. See "SECURITY FOR THE BONDS—Tax Revenues."

The Golden State Project

The Golden State Plan was adopted on December 22, 1970 by Ordinance No. 2269. The Golden State Plan was subsequently amended as follows:

- By Ordinance No. 2366 on January 2, 1973, to amend and restate the Golden State Plan.
- By Ordinance No. 3051 on December 30, 1986 to add certain financial and time limits as required by Section 33333.4 of the Redevelopment Law.
- By Ordinance No. 3386 on October 11, 1994 pursuant to AB 1290, which required the addition of time limits on the effectiveness of the Golden State Plan and the receipt of taxes and repayment of indebtedness incurred thereunder.

- By Ordinance No. 3631 on January 6, 2004 to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by Senate Bill 1045 ("SB 1045").

- By Ordinance No. 3654 on October 26, 2004, to merge the Golden State Project with the City Centre Project and the South San Fernando Project to create the Merged Project and to accomplish certain other amendments to the Golden State Plan.

- By Ordinance No. 3680 on September 13, 2005, to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by Senate Bill 1096 ("SB 1096").

- By Ordinance No. 3705 on September 12, 2006, to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1096.

The City Centre Project

The City Centre Plan was adopted on October 26, 1971 by Ordinance No. 2315. The City Centre Plan was subsequently amended as follows:

- By Ordinance No. 2452 on August 6, 1974 to amend and restate the City Centre Plan.

- By Ordinance No. 3052 on December 30, 1986 to add certain financial and time limits as required by Section 33333.4 of the Redevelopment Law.

- By Ordinance No. 3387 on October 11, 1994 pursuant to AB 1290, which required the addition of time limits on the effectiveness of the City Centre Plan and the receipt of taxes and repayment of indebtedness incurred thereunder.

- By Ordinance No. 3510 on February 2, 1999 to amend and restate the City Centre Plan.

- By Ordinance No. 3630 on January 6, 2004 to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1045.

- By Ordinance No. 3654 on October 26, 2004, to merge the City Centre Project with the Golden State Project and the South San Fernando Project to create the Merged Project.

- By Ordinance No. 3679 on September 13, 2005, to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1096.

- By Ordinance No. 3704 on September 12, 2006, to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1096.

The South San Fernando Project

The South San Fernando Plan was adopted on June 17, 1997 by Ordinance No. 3468. The South San Fernando Plan was subsequently amended as follows:

- By Ordinance No. 3629 on January 6, 2004 to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1045.

- By Ordinance No. 3654 on October 26, 2004, to merge the South San Fernando Project with the Golden State Project and the City Centre Project to create the Merged Project.

The West Olive Project

The West Olive Plan was adopted on December 21, 1976 by Ordinance No. 2590. The West Olive Plan was subsequently amended as follows:

- By Ordinance No. 3388 on October 11, 1994 pursuant to AB 1290, which required the addition of time limits on the effectiveness of the West Olive Plan and the receipt of taxes and repayment of indebtedness incurred thereunder.

- By Ordinance No. 3582 on June 26, 2001 to amend and restate the West Olive Plan, including to confirm that the limit on the number of dollars of taxes to be allocated to the Former Agency (now the Successor Agency) pursuant to the West Olive Plan is to be calculated after deducting Housing Set-Aside and any tax sharing payments to be made to affected taxing agencies.

- By Ordinance No. 3632 on January 6, 2004 to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1045.

- By Ordinance No. 3681 on September 13, 2005, to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1096.

- By Ordinance No. 3706 on September 12, 2006, to increase the time limits on effectiveness, receipt of taxes and repayment of indebtedness by one year as permitted by SB 1096.

The West Olive Project was not merged into the Merged Project.

Within the West Olive Project, the Former Agency and Successor Agency have received a cumulative total of $57,159,120 through fiscal year 2013-14. The Fiscal Consultant projects that (1) the West Olive Project will reach the cumulative limit on tax increment allocable to the Successor Agency under the West Olive Plan in fiscal year 2014-15 and (2) the Successor Agency will not receive tax increment revenue attributable to the West Olive Project after fiscal year 2014-15. See "SECURITY FOR THE BONDS—Tax Revenues" and "RISK FACTORS—Cumulative Tax Increment Limit." While Tax Revenues include RPTTF moneys allocated to the Successor Agency from the West Olive Project, no such revenues are anticipated to be available for payment of debt service on the Bonds and unless otherwise noted the projections and other information provided in this Official Statement exclude revenues from and information regarding the West Olive Project.

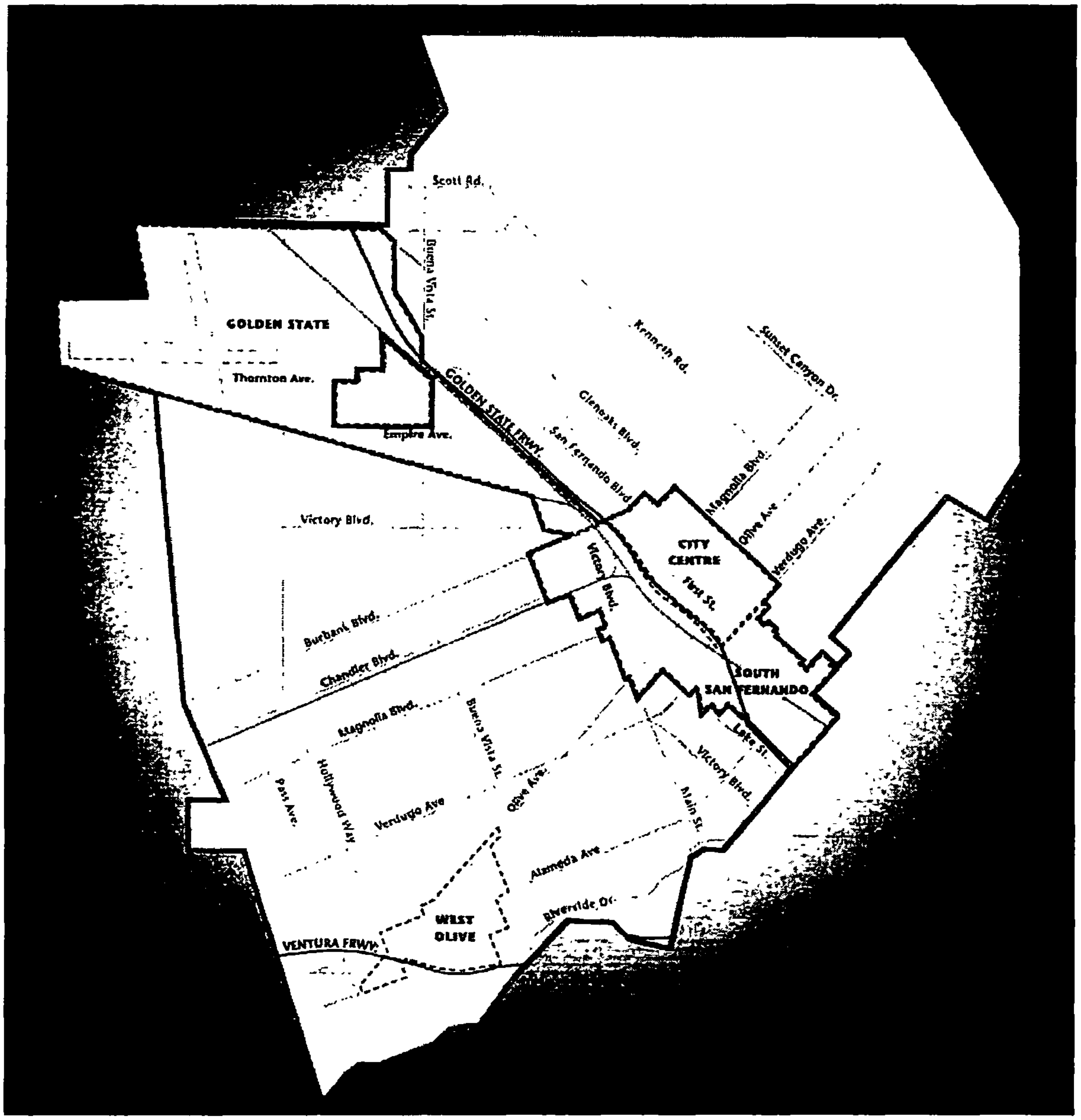
THE BURBANK PROJECTS

Although this Official Statement includes separate information about the Component Areas of the Merged Project based on their unique characteristics and their independent redevelopment plan limits, the Tax Revenues pledged as security for the Bonds consists of property tax revenues allocated to the Successor Agency from the entire Merged Project. Consequently, this Official Statement also shows aggregate information about the Merged Project. The fiscal year 2014-15 assessed value of the South San Fernando Project, which will be the sole source of Tax Revenues for Bonds maturing from December 1, 2025 through December 1, 2033, was approximately 17% of the aggregate assessed value of the Merged Project and approximately 11% of the aggregate incremental assessed value of the Merged Project. Scheduled debt service and maturities of the Bonds reflect the anticipated staged reduction of tax increment available to the Successor Agency resulting from the redevelopment plan limits applicable to these Component Areas. See "SECURITY FOR THE BONDS—Tax Revenues" and "PROJECTED AVAILABLE NET TAX INCREMENT AND

ESTIMATED DEBT SERVICE COVERAGE"; and see APPENDIX G—FISCAL CONSULTANT'S REPORT.

Project Area Map

The following map depicts the general locations of the Component Areas of the Burbank Projects.



The Component Areas

The Merged Project was created on October 26, 2004 by the Burbank City Council's adoption of Ordinance No. 3654, which merged the Golden State Project, the City Centre Project and the South San Fernando Project. The West Olive Project was adopted in 1976 but was not included in the 2004 merger.

After the Merged Project was formed in 2004, the Golden State Project, the City Centre Project and the South San Fernando Project retained unique land use and development characteristics, as described below:

Golden State Project. The Golden State Project was adopted on December 22, 1970 by Ordinance No. 2269 and consists of a single contiguous area including approximately 1,107 acres. The Golden State Project includes the Bob Hope Airport and the surrounding areas adjacent to the Interstate 5, the Golden State Freeway. The Golden State Project is generally bounded by the Burbank city limits on the west and north, the Metrolink railroad right-of-way on the south and Interstate 5 on the east. The Golden State Project is made up of a total of 495 secured parcels.

Bob Hope Airport. The Bob Hope Airport is located on approximately 550 acres in the Golden State Project. The Airport has operated in the City since 1930. Seven commercial airlines operate from the Airport's two commercial terminals, which encompass approximately 220,000 square feet. In addition, two master tenants provide fixed-based operator services to the general aviation (private aircraft) market, including private hangars and two executive terminals.

Currently the Airport is undergoing a planning process (which is likely to require a vote of Burbank residents) to construct a replacement passenger terminal. Additionally, the Airport currently controls a contiguous property referred to as the Opportunity Site. A land use entitlement application was submitted to the City for the Opportunity Site; however, the Successor Agency cannot predict the scope or timing of the development of the Opportunity Site.

Empire Center. Following the departure of Lockheed Martin in the late 1980s through early 1990s, the City initiated several aggressive economic development efforts to entice new companies to locate in the Golden State project area. Shortly after Lockheed's departure, Zelman, a real estate development company, purchased the bulk of the former Lockheed property. That acquisition led to the development of a regional shopping center, including stores such as Lowe's, Target, Best Buy, and other discount retailers. In addition, the Empire Center also includes roughly 600,000 square feet of office use, which has become home to Alliance Insurance, Deluxe, Cast and Crew, and several other media and entertainment tenants.

Other Developments/Amenities. The Airport Marriott Hotel and Convention Center has, within the past several months, invested approximately $9 million in upgrades to both the Convention Center and the hotel. Significant investment has also been made in the Empire Landing for-rent residential development, which offers convenient, luxury living opportunities. Most recently, the City was able to attract West Coast Customs, an auto-oriented entertainment/media company that opened a new facility in 2014 for the creation of custom vehicles, filming the fabrication process, and broadcasting its popular television show.

See "THE REDEVELOPMENT PLANS—The Golden State Project" for a list and description of the various amendments to the Golden State Plan.

City Centre Project. The City Centre Project was adopted on October 26, 1971 by Ordinance No. 2315 and consists of a single contiguous area that includes 212 acres. The City Centre Project contains the City Hall and other City and County buildings within the Civic Center area of the City Centre Project. The Burbank Town Center (which collectively includes the mall along with its outlying properties reaching to Burbank Boulevard to the north) represents the largest single-project investment in the history of the Former Agency. The City Centre Project is mostly commercial in nature but includes a substantial number of residential parcels. There are 492 secured parcels within City Centre. The City Centre Project is generally bounded by Interstate 5 on the south, Glenoaks Boulevard on the north; Verdugo Avenue on the east and Burbank Boulevard on the west.

Burbank Town Center. As noted above, the Burbank Town Center site includes the regional shopping mall and other northerly adjacent properties (roughly 41 acres). The Successor Agency owns the fee, subject to a long term ground lease. The Successor Agency and Fee Acquisition, LLC, an entity related to the current lessee, have entered into a Purchase and Sale Agreement (as amended) for the sale of the underlying fee interest and assignment of the ground lease. The transaction was approved by the Oversight Board and Department of Finance. While the lessee has invested in façade and numerous tenant improvements, the mall's overall performance has been relatively static. This site currently includes the IKEA store, which generates significant sales tax revenue for the City. IKEA is under contract to purchase a larger property less than two miles away in the South San Fernando Project and plans to relocate its store to that location.

Downtown Burbank. The Downtown Burbank core spans a four-block area along San Fernando Boulevard, from Magnolia Boulevard to Verdugo Avenue, and the side-blocks from First Street to Glenoaks Boulevard. This Downtown area has been the recipient of Former Agency investment. It is home to the AMC movie theaters, which has historically been the economic engine of the Downtown area. The Downtown district is managed and represented by the Downtown Burbank Partnership (a property-based business improvement district (the "PBID") which is approaching its 13th year of existence). The PBID supports Downtown with strong marketing efforts, capital improvements, and enhanced maintenance. Staffing the PBID is one of the City's economic development initiatives, and through this evolving collaboration, both the City and PBID have been able to leverage resources to garner additional support from other partners.

See "THE REDEVELOPMENT PLANS—The City Centre Project" for a list and description of the various amendments to the City Centre Plan.

South San Fernando Project. The South San Fernando Project was adopted on June 17, 1997 by Ordinance No. 3468 and consists of a single contiguous area that includes 467 acres. The South San Fernando Project consists primarily of commercial and industrial parcels with limited residential use. There are 685 secured parcels within the South San Fernando Project. The South San Fernando Project has a very irregular boundary. The South San Fernando Project abuts the eastern City limits and follows the Interstate 5 corridor from Burbank Boulevard to the southeast. To the west, the South San Fernando Project also includes a commercial corridor along Victory Boulevard up to Burbank Boulevard where it abuts the Golden State Project.

South San Fernando Boulevard Corridor. The South San Fernando Boulevard Corridor (Corridor) links the City Centre Project and Downtown at Verdugo, down to the City limits. Over the past 14 years, the Corridor has been transformed from a blighted area to a thriving boulevard of development activity and private investment. The area's first major project, The Senior Artists Colony, has successfully performed since its opening in 2005 and the Burbank model of supportive housing for seniors with an interest in creativity has been replicated elsewhere in the Los Angeles region. The City developed Ovrom Park which complements the surrounding area by offering recreation opportunities to nearby residents and employees. Two new hotels are currently under construction in the South San Fernando Project: a Springhill Suites is anticipated to open in mid-2015 and a Hilton Gardens is anticipated to open in mid-2016.

As previously mentioned, the IKEA currently located at the Burbank Town Center in the City Centre Project is expected to relocate to a property in the South San Fernando Project that has long been under-utilized since the departure of the Menasco aerospace manufacturing plant in the 1980s.

See "THE REDEVELOPMENT PLANS—The South San Fernando Project" for a list and description of the various amendments to the South San Fernando Plan.

Redevelopment Plan Limits

The merger of the Golden State Project, the City Centre Project and the South San Fernando Project did not change the time and financial limits set forth in the Golden State Plan, the City Centre Plan or the South San Fernando Plan. See "INTRODUCTION—The Burbank Projects." As amended, the redevelopment plans for the Component Areas of the Burbank Projects include the following limits:

TABLE 2
BURBANK PROJECTS
Redevelopment Plan Limits

Component Area	*Termination of Project Activities*	*Last Date to Repay Debt with Tax Revenue*	*Tax Increment Limit*	*Limit on Outstanding Bond Debt*
Golden State Project	December 22, 2013	December 22, 2023	$5,098,032,285[1]	No Limit
City Centre Project	October 26, 2014	October 26, 2024	$3,106,962,907[1]	No Limit
S. San Fernando Project	July 26, 2028	July 26, 2043	No Limit	$138.2 million[2][3]
West Olive Project	December 21, 2019	December 21, 2019	$60 million[4]	$30 million[3]

(1) The cumulative tax increment limit for the Golden State Project and the City Centre Project only includes revenues allocated to the Former Agency (and now the Successor Agency) after January 1, 1987.
(2) The bonded indebtedness limit was initially $100 million and is subject to annual adjustment by the increase in the Consumer Price Index.
(3) The limit on outstanding bonded debt has not been exceeded in any Component Area or the West Olive Project.
(4) The tax increment limit for the West Olive Project is based on gross tax increment allocated to the Successor Agency from this Component Area less 20% for Housing Set-Aside and less all tax sharing amounts. The West Olive Project is projected to reach the tax increment limit in fiscal year 2014-15.

Limitation on Cumulative Tax Increment

Golden State Project. Within the Golden State Project, the Former Agency and Successor Agency have received a total of $443,864,486 in tax increment revenue through fiscal year 2013-14. Based on the Fiscal Consultant's projected tax increment revenue forecast model for the Golden State Project, the tax increment revenues will not reach the tax increment limit for the Golden State Project prior to expiration of this Component Area's time limit on repayment of indebtedness. Even if the growth in tax increment revenues exceeds 150% in annual growth, the Fiscal Consultant has concluded that the Golden State Project will not reach the limitation prior to expiration of this Component Area's time limit on repayment of indebtedness.

City Centre Project. Within the City Centre Project, the Former Agency and Successor Agency have received a total of $174,214,031 in tax increment revenue through fiscal year 2013-14. Based on the Fiscal Consultant's projected tax increment revenue forecast model for the City Centre Project, the tax increment revenues will not reach the tax increment limit for the City Centre Project prior to expiration of this Component Area's time limit on repayment of indebtedness. Even if the growth in tax increment revenues exceeds 150% in annual growth, the Fiscal Consultant has concluded that the City Centre Project will not reach the limitation prior to expiration of this Component Area's time limit on repayment of indebtedness.

South San Fernando Project. The South San Fernando Project is not subject to a limit on the amount of tax increment allocated to the Former Agency (now the Successor Agency).

West Olive Project. The Former Agency and Successor Agency have received a cumulative total of $57,159,120 from the West Olive Project through fiscal year 2013-14. According to the projected tax increment revenue forecast model, the West Olive Project is anticipated to reach the cumulative limit on tax increment that may be allocated to the Former Agency and now the Successor Agency in fiscal year 2014-15 (after the June 1, 2015 RPTTF distribution). Thus, while the 2002 West Olive Loan Agreement (and therefore the 2002A Authority Bonds) is being refunded by the Bonds and, as such, tax revenues from the West Olive

Project are included in the definition of Tax Revenues and therefore are pledged to the Bonds, the projections assume that no tax revenue will be available from the West Olive Project to pay any debt service on the Bonds. See "—Enforcement of Redevelopment Plan Limits," below, and see "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and other plan limits do not apply for the purposes of paying approved enforceable obligations.

See APPENDIX G—FISCAL CONSULTANT'S REPORT for a more detailed analysis of the cumulative tax increment limit for each Component Area of the Burbank Projects.

Enforcement of Redevelopment Plan Limits

On April 2, 2014, Justyn Howard, Assistant Program Budget Manager for the California Department of Finance (the "DOF"), wrote a letter to Mary Jo Walker, the Auditor-Controller of the County of Santa Cruz, outlining the Department of Finance's opinion on the applicability of redevelopment plan tax increment limits for the redevelopment project areas of former redevelopment agencies that were dissolved by the Dissolution Act. DOF has asserted its opinion that the tax increment limits within the former redevelopment plans that had not been reached prior to redevelopment dissolution are inconsistent with the purpose and intent of the Dissolution Act and that it would not recognize such limits. Also, see "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and other plan limits do not apply for the purposes of paying approved enforceable obligations.

The Los Angeles County Auditor-Controller (the "County Auditor-Controller"), in consultation with Los Angeles County Counsel, has determined that it will continue to enforce the tax increment limits set forth in redevelopment plans.

No Tax Revenues Projected from West Olive Project. As described in more detail above under the headings "—Limitation on Cumulative Tax Increment" and "—Redevelopment Plan Limits," the West Olive Project is anticipated to reach the cumulative tax increment limit under the West Olive Plan in fiscal year 2014-15; therefore, the projections set forth in this Official Statement assume that no tax revenue will be available from the West Olive Project to pay any debt service on the Bonds.

Time Limits on Receipt of Tax Revenues from Golden State Project and City Center Project. Under the Golden State Plan, the Successor Agency is not eligible to receive tax revenues from the Golden State Project after December 22, 2023 (except to pay indebtedness incurred prior to December 31, 1993), i.e., the Unrefunded Golden State Obligations), and under the City Centre Plan the Successor Agency is not eligible to receive tax revenues from the City Center Project after October 26, 2024. See "THE BURBANK PROJECTS—Redevelopment Plan Limits," and "—Enforcement of Redevelopment Plan Limits." The projections of Tax Revenues set forth in this Official Statement assume no tax revenue will be available from these Component Areas after such dates.

Available Tax Revenues. The total assessed valuation of taxable property in the Merged Project (exclusive of the West Olive Project, from which no tax revenues are assumed) in fiscal year 2014-15 is estimated to be $4,445,209,000, and the corresponding incremental assessed valuation is estimated to be $3,730,895,000. Tax Revenues available for payment of the Bonds in fiscal years 2024-25 through 2033-34 will be limited to tax revenues generated from the South San Fernando Project. The assessed valuation of taxable property in the South San Fernando Project in fiscal year 2014-15 is estimated to be $742,493,622, and the corresponding incremental assessed valuation is estimated to be $395,221,815. See Tables 8 and 9 for historical assessed and incremental values within the Merged Project and the South San Fernando Project, respectively. Also see "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

Covenant Regarding Cumulative Tax Increment Limit

The Indenture includes a provision intended to protect against the risk that tax increment could grow at a rate that would cause the Successor Agency to exceed the tax increment limit prior to final payment of debt service on the Bonds. More specifically, the Indenture contains the covenant provided below.

If and to the extent that the Plan Limit applies to the Successor Agency under the Law, the Successor Agency will annually review, no later than December 1 of each year, the total amount of remaining tax increment to be received by the Successor Agency under the Plan Limit (assuming all incremental revenue is allocated to the Successor Agency), as well as future cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds. If, based on such review, the allocation of tax increment to the Successor Agency in any of the next three succeeding Fiscal Years would cause an amount equal to 95% of the amount remaining under the Plan Limit to fall below the remaining cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee and any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds, the Successor Agency will include in its Recognized Obligation Payment Schedule sufficient additional amounts to fund a defeasance escrow to be held by the Trustee and to be pledged solely to the payment of debt service on the Bonds, which escrow shall be invested in Defeasance Obligations and used for the payment of principal of, redemption premiums, if any, and interest on the Bonds to ensure that there are sufficient remaining tax increment revenues under the Plan Limit to pay the remaining debt service and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy. In the event such 95% limit is or will be reached or exceeded in any Fiscal Year, the Successor Agency will promptly notify BAM of such fact in writing.

As discussed above under the heading "—Enforcement of Redevelopment Plan Limits," DOF has taken the position that the cumulative tax increment limit in redevelopment plans is no longer effective, at least in the context of covenants requiring early set aside of tax increment to pay bonds as agencies meet such limits and perhaps more broadly. DOF has, in the past, refused to approve line items on ROPS submitted by the Successor Agency in which the Successor Agency requested moneys from the RPTTF to fund a defeasance escrow for the 2002 West Olive Loan Agreement (which secures the 2002A Authority Bonds) under a similar provision in the 2002 West Olive Loan Agreement. It is reasonable to expect DOF to take a similar position with respect to the Successor Agency's implementation of the covenant described above under the Indenture for the Bonds. Also, see "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and other plan limits do not apply for the purposes of paying approved enforceable obligations.

Land Use

The following tables describe the designated land use in the Merged Project and the South San Fernando Project for fiscal year 2014-15.

TABLE 3
MERGED PROJECT
Land Use
Fiscal Year 2014-15

Category	*No. Parcels*	*Net Taxable Value*	*% of Total*
Residential	351	$ 365,223,051	8.22%
Commercial	446	1,931,569,812	43.45
Industrial	606	790,231,378	17.78
Institutional	8	297,359	0.01
Recreational	6	64,512,605	1.45
Vacant Land	50	42,014,826	0.95
Exempt	200	0	0.00
Subtotals:	1,667	$ 3,193,849,031	71.85%
SBE Non-unitary		1,684,179	0.04
Cross Reference		99,915,136	2.25
Unsecured		1,149,760,346	25.87
Totals:	1,667	$ 4,445,208,692	100.00%

Source: Fiscal Consultant.

TABLE 4
SOUTH SAN FERNANDO PROJECT
Land Use
Fiscal Year 2014-15

Category	*No. Parcels*	*Net Taxable Value*	*% of Total*
Residential	53	$ 35,993,876	4.85%
Commercial	227	247,262,750	33.30
Industrial	299	323,908,142	43.62
Institutional	0	0	0.00
Recreational	2	1,927,989	0.26
Vacant Land	22	20,916,629	2.82
Exempt	77	0	0.00
Subtotals:	680	$ 630,009,386	84.85%
SBE Non-unitary		0	0.00
Cross Reference		413,007	0.06
Unsecured		112,071,229	15.09
Totals:	680	$ 742,493,622	100.00%

Source: Fiscal Consultant.

The vacant parcels within the Merged Project total 26 acres according to Assessor's maps and other County records. The following table shows the number and acreage of vacant parcels in each Component Area of the Merged Project.

TABLE 5
MERGED PROJECT
Vacant Land Summary
Fiscal Year 2014-15

	No. Vacant Parcels	*Acres*
Golden State Project	21	12.49
City Centre Project	8	1.95
South San Fernando Project	22	11.56
Totals	51	26.00

Source: Fiscal Consultant.

For further information about sub-categories of land uses, see APPENDIX G—FISCAL CONSULTANT'S REPORT.

Largest Taxpayers

Tables 6 and 7 show the top ten taxpayers in the Merged Project and the South San Fernando Project, respectively, for fiscal year 2014-15.

Among the top ten taxpayers in the Merged Project, five have filed assessment appeals that are currently pending. These include Burbank Mall Associates LLC, Burbank Empire Center II LLC, Trifecta Hotel B Owner LLC, KW Funds 333 North Glenoaks LLC and Avalon Promenade Inc. The total potential reduction in value from these assessment appeals is $131,171,917. The details of the top taxpayer pending assessment appeals are discussed in "—Assessment Appeals" below and APPENDIX G—FISCAL CONSULTANT'S REPORT. Potential reductions in value that may result from these appeals have been considered in the projections of tax increment revenue for the Component Areas. The largest taxpayers in the Merged Project and the South San Fernando Project according to the 2014-15 assessed valuations are shown below.

TABLE 6
MERGED PROJECT
Ten Largest Property Taxpayers
Fiscal Year 2014-15

Property Owner	*Total Assessed Value*	*% of Total Assessed Value*	*% of Total Incremental Value*	*Primary Land Use*	*Component Project Area*
Burbank Mall Associates LLC[(1)(2)]	$ 271,932,359	6.12%	7.29%	Burbank Town Center Mall Properties	City Centre Project
Burbank Empire Center II LLC[(1)]	172,000,181	3.87	4.61	Retail Commercial Shopping Center	Golden State Project
Earth Star Inc.	138,433,763	3.11	3.71	Walt Disney Co. Corporate Aircraft	Golden State Project
Trifecta Hotel B Owner LLC[(1)]	114,107,026	2.57	3.06	Marriott Hotel at Burbank Airport	Golden State Project
Southwest Airlines Company	108,151,327	2.43	2.90	Commercial Airline	Golden State Project
Teachers Insurance and Annuity	102,463,080	2.31	2.75	Empire Landing Residential Apartments	Golden State Project
KW Funds 333 North Glenoaks LLC[(1)]	85,291,985	1.92	2.29	Commercial Office Building	City Centre Project
Avalon Promenade Inc. [(1)]	82,391,537	1.85	2.21	Avalon Burbank Apartments	City Centre Project
Warner Communications Inc.	73,524,000	1.65	1.97	Cable Telecommunications	Golden State Project
Burbank Empire Investment Group Inc.	69,300,000	1.56	1.86	Commercial Office Building	Golden State Project
Top Taxpayer Total Value	$ 1,217,595,258				
Merged Project Assessed Value	$ 4,445,208,692	27.39%			
Merged Project Incremental Value	$ 3,730,895,166		32.64%		

(1) Currently has assessment appeals on file. See "—Assessment Appeals" herein.
(2) Burbank Mall Associates LLC holds a long term leasehold on land owned by the Successor Agency and pays possessory interest tax based on the value of the leasehold interest in this property. The Successor Agency currently owns the fee interest in this property and has entered into an agreement to convey the property to Fee Acquisition, LLC, an entity related to the current lessee. See "THE BURBANK PROJECT—The Component Areas—City Centre Project."
Source: Fiscal Consultant.

The following table reflects the top ten taxpayers for the South San Fernando Project.

TABLE 7
SOUTH SAN FERNANDO PROJECT
Ten Largest Property Taxpayers
Fiscal Year 2014-15

Property Owner	*Combined Value*	*% of Total Assessed Value*	*% of Total Incremental Value*	*Primary Land Use*
CH Anaheim Limited[(1)]	$ 29,653,518	3.99%	7.50%	Industrial/Manufacturing
Home Depot USA Inc. [(1)]	25,382,864	3.42	6.42	Home Improvement Retailer
Burbank Gateway LLC[(1)]	22,857,107	3.08	5.78	Retail Shopping Center
Burbank Senior Artists Colony LP	17,172,807	2.31	4.35	Arts Oriented Senior Apartments
Northridge Properties LLC	15,955,675	2.15	4.04	Vacant Industrial Property
231 W. Olive Partners LP[(1)]	15,574,245	2.10	3.94	Nickelodeon Film Studios
CarMax Auto Superstores CA LLC[(1)]	13,417,167	1.81	3.39	Automobile Sales
Westwind Properties LLC[(1)]	11,291,645	1.52	2.86	Light Industrial Park
South Lake Media Park LLC	11,262,682	1.52	2.85	Light Industrial Condominium Units
Chao LLC	11,159,949	1.50	2.82	Non-Contiguous Office Buildings
Top Taxpayer Total Value	$ 173,727,659			
South San Fernando Project Assessed Value	$ 742,493,622	23.40%		
South San Fernando Project Incremental Value	$ 395,221,815		43.96%	

(1) Currently has assessment appeals on file. See "—Assessment Appeals" herein.
Source: Fiscal Consultant.

Historical Assessed and Incremental Values

Tax revenues within the Merged Project are impacted by the presence of taxable aircraft at the Bob Hope Airport, located in the Golden State Project. Commercial aircraft value within the Golden State Project for fiscal year 2014-15 is approximately 170.8 million, which translates into approximately $1.71 million in tax increment revenues. Although the County Assessor does not report commercial aircraft values separately, these values are included in the unsecured property values in the Golden State Project.

Private aircraft value within the Golden State Project for fiscal year 2014-15 is $524.5 million, which translates into approximately $5.24 million in tax increment revenues. This is significantly below the $647.9 million of enrolled aircraft value for fiscal year 2005-06. During this period, private aircraft values increased to a maximum level of $971.9 million in fiscal year 2009-10 and then declined to a low of $629.7 million for fiscal year 2011-12 before bouncing up to $761.3 million for fiscal year 2012-13 and back down to $524.5 million for fiscal year 2014-15. For fiscal year 2014-15, private aircraft values were 12% of total assessed value in the Merged Project. See APPENDIX G—FISCAL CONSULTANT'S REPORT. This volatility is based on the fact that private (as opposed to commercial) aircraft are valued by the County on a given day of the year and the values enrolled are mostly dependent on what private aircraft are normally located at the airport during the year. The Successor Agency cannot project the change in aircraft value from year to year. The projections contained in this Official Statement assume that aircraft value will remain at the fiscal year 2014-15 level. See "RISK FACTORS—High Percentage of Unsecured Assessed Value."

The following table sets forth the assessed value history of the Merged Project.

TABLE 8
MERGED PROJECT
Historical Assessed and Incremental Values
Fiscal Years 2004-05 through 2014-15

Fiscal Year	*Secured Value*[1]	*Unsecured Value*	*Total Assessed Value*	*Less: Base Year Value*[2]	*Value Over Base Year*
2004-05	$1,887,047,281	$1,165,308,744	$3,052,356,025	$715,058,027	$2,337,297,998
2005-06	2,040,522,898	1,279,891,761	3,320,414,659	715,058,027	2,605,356,632
2006-07	2,443,082,051	1,325,386,230	3,768,468,281	715,058,027	3,053,410,254
2007-08	2,718,644,058	1,449,702,644	4,168,346,702	715,058,027	3,453,288,675
2008-09	2,884,311,031	1,730,998,823	4,615,309,854	715,058,027	3,900,251,827
2009-10	3,027,979,496	1,733,433,095	4,761,412,591	714,886,874	4,046,525,717
2010-11	3,040,755,547	1,637,060,475	4,677,816,022	714,826,995	3,962,989,027
2011-12	3,050,380,897	1,261,480,424	4,311,861,321	714,806,852	3,597,054,469
2012-13	3,061,833,026	1,414,851,925	4,476,684,951	714,313,526	3,762,371,425
2013-14	3,153,663,746	1,261,522,340	4,415,186,086	714,313,526	3,700,872,560
2014-15	3,295,448,346	1,149,760,346	4,445,208,692	714,313,526	3,730,895,166

(1) Secured values include State-assessed non-unitary utility property.
(2) Base Year value modified due to adjustments by State Board of Equalization. See "PROPERTY TAXATION IN CALIFORNIA—Unitary Property."
Source: County of Los Angeles and HdL Coren & Cone.

The following table sets forth the assessed value history of the South San Fernando Project.

TABLE 9
SOUTH SAN FERNANDO PROJECT
Historical Assessed and Incremental Values
Fiscal Years 2004-05 through 2014-15

Fiscal Year	*Secured Value*[1]	*Unsecured Value*	*Total Assessed Value*	*Less: Base Year Value*[2]	*Value Over Base Year*
2004-05	$397,088,505	$101,811,390	$498,899,895	$347,936,286	$150,963,609
2005-06	408,482,159	103,456,609	511,938,768	347,936,286	164,002,482
2006-07	458,647,044	98,812,909	557,459,953	347,936,286	209,523,667
2007-08	524,098,283	92,981,177	617,079,460	347,936,286	269,143,174
2008-09	556,766,290	95,647,779	652,414,069	347,936,286	304,477,783
2009-10	585,721,617	101,987,925	687,709,542	347,936,286	339,773,256
2010-11	583,010,735	104,559,467	687,570,202	347,936,286	339,633,916
2011-12	575,772,232	100,506,089	676,278,321	347,936,286	328,342,035
2012-13	595,406,286	111,574,111	706,980,397	347,271,807	359,708,590
2013-14	611,285,098	103,631,724	714,916,822	347,271,807	367,645,015
2014-15	630,422,392	112,071,229	742,493,622	347,271,807	395,221,815

(1) Secured values include State-assessed non-unitary utility property.
(2) Base Year value modified due to adjustments by State Board of Equalization. See "PROPERTY TAXATION IN CALIFORNIA—Unitary Property."
Source: County of Los Angeles and HdL Coren & Cone.

For projections of growth in incremental assessed valuation and Tax Revenues, see "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE." For information about assessment appeals, see "—Assessment Appeals," below.

Levy and Collections

The prior year allocation of tax increment revenues and the County Auditor Controller's distribution of property taxes to the RPTTF are a reflection of actual property tax collections experienced within the Merged Project. The County has not adopted the "Teeter Plan" alternative method for collection of taxes and, therefore, the receipt of property taxes is subject to delinquencies. The following table shows the property tax collection rates for the Merged Project from fiscal year 2008-09 through fiscal year 2013-14.

TABLE 10
MERGED PROJECT
Tax Collections Rates
(Fiscal Years 2008-09 to 2013-14)

Fiscal Year	*Golden State*	*City Centre*	*South San Fernando*
2008-09	96.13%	98.84%	96.88%
2009-10	99.17	97.84	94.58
2010-11	98.03	98.42	91.90
2011-12	99.45	99.25	97.08
2012-13	98.18	99.56	96.93
2013-14	99.30	99.58	97.22

Source: County Auditor-Controller and HdL Coren & Cone.

Assessment Appeals

Property taxable values determined by the County Assessor may be subject to an appeal by the property owner. There are two basic types of assessment appeals provided for under California law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the Assessor immediately subsequent to a change in ownership or completion of new construction. If the base year value assigned by the Assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs. The second type of appeal, commonly referred to as a Proposition 8 appeal, can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value.

Assessment appeals are annually filed with the County Assessment Appeals Board for a hearing and resolution. The resolution of an appeal may result in a reduction to the Assessor's original taxable value and a tax refund to the property owner. A property owner can file for a regular assessment appeal with the County between July 2 and November 30. Revenue and Taxation Code Section 1604 allows up to two years for an assessment appeal to be decided. Five of the top ten taxpayers within the Merged Project have filed assessment appeals that are currently pending. Additional appeals to assessed values in the Merged Project may be filed from time to time in the future. The Successor Agency cannot predict the extent of these appeals or their likelihood of success.

The Fiscal Consultant researched the status of assessment appeals filed by property owners in the Merged Project based upon the latest information available as of January 13, 2015. The Fiscal Consultant's estimates are based upon the historical averages of successful appeals and amounts of value reductions. Actual appeals, reductions and refunds may vary from historical averages. The Fiscal Consultant's estimated reductions in values are reflected in its projections.

The following table, showing appeal data for fiscal years 2009-10 through 2014-15, summarizes the potential losses that are incorporated into the Fiscal Consultant's projections:

TABLE 11
MERGED PROJECT
Assessed Valuation Appeals
(Fiscal Year 2009-10 to 2014-15)

Project Sub Areas	*Total No. of Appeals*	*No. of Resolved Appeals*	*No. of Successful Appeals*	*Average Reduction*	*No. of Appeals Pending*	*Est. No. of Pending Appeals Allowed*
Golden State	232	98	71	27.55%	134	97
City Centre	126	72	56	14.54	54	42
South San Fernando	121	64	37	14.40	57	33
Merged Project:(1)	479	234	164		245	172

Project Sub Areas	*Combined Value Under Pending Appeals*	*Combined Owner Opinion of Value*	*Fiscal Consultant Estimated Reduction on Pending Appeals Allowed (2014-15 AV)*	*Fiscal Consultant Assumed Resolved Value (2014-15 AV)*
Golden State	$ (2,039,684,508)	$ 1,127,654,110	$ 268,427,541	$ 1,771,256,967
City Centre	(326,371,506)	149,818,787	36,920,548	289,450,958
South San Fernando	(162,611,373)	83,805,606	13,540,469	149,070,904
Merged Project:(1)	$ (2,528,667,387)	$ 1,361,278,503	$ 318,888,558	$ 2,209,778,829

(1) Totals may not add due to rounding.
Source: County of Los Angeles and HdL Coren & Cone.

Tax refunds payable from resolved appeals (to the extent applicants are not delinquent in their property tax payments) are deducted by the County Auditor-Controller from current year gross property taxes before the County's allocation to the RPTTF.

Actual resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment. Therefore, actual reductions, if any, may be higher or lower than the reductions incorporated in the Fiscal Consultant's projections. An appeal may be withdrawn by the applicant, the Appeals Board may deny or modify the appeal at hearing or by stipulation, or the final value may be adjusted to an amount other than the stated opinion of value. See "—Historical Assessed and Incremental Values" above, for a summary of historical assessed property valuations in the Merged Project. For more information about appeals and the Fiscal Consultant's assumptions, see the Fiscal Consultant's Report attached to this Official Statement as Appendix G.

Historical Taxable Values and Tax Revenues

The following table sets forth historical taxable values and tax increment revenues for the Merged Project for fiscal years 2008-09 through 2013-14.

TABLE 12
MERGED PROJECT
Historical Taxable Values and Tax Revenues
Fiscal Years 2008-09 through 2013-14
(000s Omitted)

Fiscal Year Ending June 30	*Total Taxable Value*	*Taxable Value Over Base*	*Gross Tax Increment Revenue*[1]	*Unitary Tax Revenue*	*SB 2557 Charge*[2]	*Statutory Pass-Through Payments*[3]	*Haagen Note Debt Service*[4]	*2007A Authority Bonds Debt Service*	*Tax Revenues*
2009	$4,615,310	$3,900,252	$42,623	$263	$(526)	$(881)	$(3,338)	$(2,366)	$35,774
2010	4,761,413	4,046,526	42,044	258	(461)	(798)	(2,685)	(2,370)	35,989
2011	4,677,816	3,962,989	39,319	260	(493)	(766)	(3,261)	(2,368)	32,691
2012	4,311,861	3,597,054	34,815	280	(447)	(715)	(3,342)	(2,366)	28,226
2013	4,476,685	3,762,371	36,690	283	(559)	(848)	(3,274)	(2,369)	29,923
2014	4,415,186	3,700,873	35,954	338	(534)	(895)	(3,480)	(4,592)	26,791

(1) Projected Gross Tax Increment Revenue is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value.
(2) County SB 2557 administrative fee is estimated at 1.35% of Gross Tax Increment Revenue plus Unitary Tax Revenue.
(3) See "SECURITY FOR THE BONDS—Statutory Pass-Through Payments."
(4) See "SECURITY FOR THE BONDS—Haagen Note."
Source: Fiscal Consultant.

PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE

Projections of Tax Revenues

The following table shows the current and projected valuation of taxable property and the projected tax increment revenues from the Merged Project (and excluding the West Olive Project), assuming no growth in the total assessed valuation of property within the applicable Component Areas. After fiscal years 2023-24, no Tax Revenues are assumed from the Golden State Project or from the City Centre Project. See "THE BURBANK PROJECTS—Redevelopment Plan Limits." No Tax Revenues are assumed from the West Olive Project, based on the imminent termination of the right to receive tax increment revenues and the projections assume all obligations attributable to the West Olive Project are payable in full from tax increment attributable to the West Olive Project. See "SECURITY FOR THE BONDS—Tax Revenues" and "THE REDEVELOPMENT PLANS—The West Olive Project" and "THE BURBANK PROJECTS—Limitation on Cumulative Tax Increment" and "—Enforcement of Redevelopment Plan Limits." Such projections are estimates only and no assurance can be given that such projections will be achieved. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "RISK FACTORS."

TABLE 13
MERGED PROJECT
Projection of Tax Revenues
Assumes No Value Growth
(000s Omitted)

Fiscal Year Ending June 30	*Total Taxable Value*[1]	*Taxable Value Over Base*	*Gross Tax Increment Revenue*[2]	*Unitary Tax Revenue*	*County SB 2557 Charge*[3]	*Statutory Pass-Through Payments*[4]	*Haagen Note Debt Service*[5]	*Unrefunded Golden State Obligations Debt Service*	*Tax Revenues*
2015	4,445,209	3,730,895	37,309	310	(508)	(1,003)	$(3,208)	$(4,595)	28,304
2016	4,144,347	3,430,034	34,300	310	(468)	(953)	(3,208)	(4,595)	25,386
2017	4,144,347	3,430,034	34,300	310	(468)	(953)		(4,591)	28,598
2018	4,144,347	3,430,034	34,300	310	(468)	(953)		(4,602)	28,587
2019	4,144,347	3,430,034	34,300	310	(468)	(953)		(4,596)	28,593
2020	4,144,347	3,430,034	34,300	310	(468)	(953)		(4,593)	28,596
2021	4,144,347	3,430,034	34,300	310	(468)	(953)		(3,408)	29,781
2022	4,144,347	3,430,034	34,300	310	(468)	(953)		(4,040)	29,149
2023	4,144,347	3,430,034	34,300	310	(468)	(953)		(4,050)	29,139
2024[6]	4,144,347	3,430,034	16,802	310	(231)	(953)		(2,289)	13,639
2025[7]	3,025,584	2,349,630	5,649	310	(78)	(953)		(1,945)	2,983
2026	3,025,584	2,349,630	5,648	148	(78)	(953)		(1,944)	2,821
2027	3,025,584	2,349,630	5,645	148	(78)	(953)		(1,941)	2,821
2028	3,025,584	2,349,630	5,645	148	(78)	(953)		(1,941)	2,821
2029	3,025,584	2,349,630	5,648	148	(78)	(953)		(1,944)	2,821
2030	3,025,584	2,349,630	5,648	148	(78)	(953)		(1,944)	2,821
2031	3,025,584	2,349,630	5,647	148	(78)	(953)		(1,943)	2,821
2032	3,025,584	2,349,630	5,644	148	(78)	(953)		(1,940)	2,821
2033	3,025,584	2,349,630	5,643	148	(78)	(953)		(1,939)	2,821
2034	3,025,584	2,349,630	5,649	148	(78)	(953)		(1,945)	2,821

(1) Taxable values as reported by the County for fiscal year 2014-15. Real property consists of land and improvements. Taxable values are not increased for inflation.

(2) Projected Gross Tax Increment Revenue is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. After December 22, 2023, the Successor Agency will continue to receive tax increment revenue from the Golden State Project only to the extent necessary to pay debt service on the 2007A Authority Bonds. See footnote 6, below.

(3) County SB 2557 administrative fee is actual for 2014-15 and estimated at 1.35% of Gross Increment Tax Revenue plus Unitary Tax Revenue thereafter.

(4) See "SECURITY FOR THE BONDS—Statutory Pass-Through Payments."

(5) See "SECURITY FOR THE BONDS—Haagen Note." Debt service on the Haagen Note is projected based on the average of actual debt service payments in the Haagen Note in fiscal years 2010 through 2015.

(6) The Golden State Project may not receive tax revenues or repay debt past December 22, 2023, except for the purpose of paying debt service on the Unrefunded Golden State Obligation, for which tax increment is available pursuant to Health and Safety Code Section 33333.6(g), which permits the receipt and use of tax increment to pay debt service on bonds issued before January 1, 1994 and refunding of those bonds, subject to certain restrictions.

(7) The City Center Project will not receive tax revenues or repay debt past October 26, 2024.

Source: HdL Coren & Cone.

Estimated Debt Service Coverage

The following table sets forth the debt service and coverage ratio for the Bonds assuming no growth in total assessed valuation of property within the Merged Project only (as no projected revenue is assumed from the West Olive Project). There can be no assurance that such projected Tax Revenues will be obtained. Such projects assume issuance of the Bonds and the refunding and defeasance of the Agency Obligations. For a discussion of certain matters that will or could cause reductions in the Tax Revenues available in future years, see "RISK FACTORS."

TABLE 14
MERGED PROJECT
Estimated Debt Service Coverage
Assumes No Value Growth
(000s Omitted)

Fiscal Year Ending June 30	*Projected Tax Revenues*[1]	*Bond Debt Service*	*Debt Service Coverage*
2015	$28,304	$6,715[2]	4.22
2016	25,386	6,344	4.00
2017	28,598	5,720	5.00
2018	28,587	5,692	5.02
2019	28,593	5,697	5.02
2020	28,596	5,671	5.04
2021	29,781	5,668	5.25
2022	29,149	4,088	7.13
2023	29,139	4,103	7.10
2024[3]	13,639	4,123	3.31
2025[4]	2,983	475	6.28
2026	2,821	466	6.05
2027	2,821	467	6.05
2028	2,821	258	10.92
2029	2,821	257	10.98
2030	2,821	255	11.05
2031	2,821	258	10.93
2032	2,821	256	11.04
2033	2,821	253	11.17
2034	2,821	259	10.88

(1) Projected Tax Revenues are Tax Revenues generated from the Burbank Project. See table 13.
(2) Includes fiscal year 2014-15 debt service on the Agency Obligations and the Bonds.
(3) The Golden State Project may not receive tax revenues or repay debt past December 22, 2023, except for the purpose of paying debt service on the Unrefunded Golden State Obligations, for which tax increment is available pursuant to Health and Safety Code Section 33333.6(g). This section permits the receipt and use of tax increment to pay debt service on bonds issued before January 1, 1994 and refunding of those bonds, subject to certain restrictions.
(4) The City Center Project will not receive tax revenues or repay debt past October 26, 2024.
Source: HdL Coren & Cone and Stifel Nicolaus & Company, Incorporated.

Tax Revenues presented in the above projections represent the amount available for debt service computed as gross RPTTF revenues generated from the applicable Component Areas (excluding the West Olive Project) less (1) the County's property tax collection costs and administrative expenses authorized under the Dissolution Act; (2) South San Fernando Project Statutory Pass-Through Payments; (3) debt service payments on the Haagen Note and (4) debt service attributable to the Unrefunded Golden State Obligation and assume all West Olive Project Statutory Pass-Through Payments and Pass-Through Agreements will be paid from available funds not modeled. The projection commences with the 2014-15 fiscal year and incorporates the valuation assumptions made in the Fiscal Consultant's Report. No increase in assessed value has been reflected in the projections based on new development. Personal Property values are assumed to remain constant. The projections include an adjustment for pending appeals.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Recognized Obligation Payment Schedule

The Dissolution Act provides that only those payments listed in a ROPS may be made by a successor agency from the funds specified in the ROPS. Pursuant to section 34177 of the Dissolution Act, not less than 90 days prior to each January 2 and June 1, the Successor Agency must prepare and submit a ROPS to the Oversight Board and the DOF for approval, pursuant to which enforceable obligations (as defined in the Dissolution Act) of the successor agency are listed, together with the source of funds to be used to pay for each enforceable obligation. Consequently, Tax Revenues will not be withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Successor Agency to pay debt service on the Bonds and to pay other enforceable obligations without a duly approved and effective ROPS. In the event the Successor Agency were to fail to file a ROPS with respect to a six-month period and, if applicable, the following half of the calendar year, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

If a successor agency does not submit a ROPS within five business days of the date upon which the ROPS is to be used to determine the amount of property tax allocations and the DOF does not provide a notice to the county auditor-controller to withhold funds from distribution to taxing entities, amounts in the RPTTF for such six-month period would be distributed to taxing entities. In such instance, no amounts in the RPTTF would be distributed to the Successor Agency for payment of debt service on the Bonds or other purposes.

The Successor Agency's ROPS 14-15B is approved and the Successor Agency has adequate funds to pay the debt service on the Bonds due June 1, 2015.

The Dissolution Act also imposes certain penalties in the event a successor agency does not timely submit a ROPS for a six-month period. Specifically, a ROPS must be submitted by the successor agency to the oversight board, the county administrative officer, the county auditor-controller, the DOF, and the State Controller no later than 90 days before the date of the next January 2 or June 1 property tax distribution with respect to each subsequent six-month period. If a successor agency does not submit a ROPS by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved ROPS by the 80th day before the date of the next January 2 or June 1 property tax distribution, as applicable, with respect to the ROPS for subsequent six-month periods. See "RISK FACTORS—State Budget Issues" below for a discussion of legislation proposed by the Governor that would transition successor agencies to an annual ROPS process instead of a biannual process.

Reduction in Tax Revenues Upon Termination of Component Areas

The characteristics of the Merged Project will change significantly over the term of the Bonds. In fiscal years 2023-24 and 2024-25, the time limit on the receipt of Tax Revenues will be reached under the Golden State Plan and the City Centre Plan, respectively, and the Successor Agency will no longer receive Tax

Revenues from those Component Areas. In fiscal year 2014-15, the Fiscal Consultant projects the cumulative limit on tax increment the Successor Agency may receive from the West Olive Project will be reached and thereafter the Successor Agency will not receive any further tax increment generated by the West Olive Project. Accordingly, after fiscal year 2024-25, debt service on the Bonds will be payable solely from Tax Revenues generated from the South San Fernando Project.

As the tax increment or time limits of the applicable Component Areas are reached, land uses and concentration of ownership within the remaining portion of the Merged Project will change. See "THE BURBANK PROJECTS—Land Use" and "—Largest Taxpayers."

Under the Dissolution Act, the Successor Agency has no authority to amend the Redevelopment Plan to change the time or financial limits applicable to the Merged Project or the West Olive Project.

The definition of Tax Revenues in the Indenture includes provisions to the effect that, if for any reason certain provisions of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to the Redevelopment Law and Article XVI, Section 16 of the Constitution. If this invalidation were to occur after the expiration of the Successor Agency's right to receive tax increment under the Plan Limits stated in the West Olive Plan, the Successor Agency would have insufficient funds to pay the portion of the Bonds attributable to the refunding of the 2002 West Olive Loan Agreement. The Successor Agency cannot predict whether other funds would be, or become, lawfully available for such purpose.

High Percentage of Unsecured Assessed Value

A significant component of assessed valuation of property in the Merged Project (26% for fiscal year 2014-15) is unsecured, more than half of which relates to privately owned and commercial aircraft at the Bob Hope Airport located in the Golden State Project.

Commercial Aircraft Value. Commercial aircraft value in the Golden State Project is valued at approximately $170.8 million in fiscal year 2014-15. This accounts for approximately 15% of the total unsecured value and 3.8% of the total assessed value in the Merged Project. See "PROPERTY TAXATION IN CALIFORNIA—Taxation of Commercial and Private Aircraft."

Private Aircraft Value. Private aircraft value within the Golden State Project for fiscal year 2014-15 is $524.5 million, which translates into approximately $5.24 million in tax increment revenues. This is significantly below the $647.9 million of enrolled private aircraft value for fiscal year 2005-06. During this period, private aircraft values increased to a maximum level of $971.9 million in fiscal year 2009-10 and then declined to a low of $629.7 million for fiscal year 2011-12 before bouncing up to $761.3 million for fiscal year 2012-13 and back down to $524.5 million for fiscal year 2014-15. For fiscal year 2014-15, private aircraft values were 12% of total assessed value in the Merged Project. See APPENDIX G—FISCAL CONSULTANT'S REPORT. This volatility is based on the fact that private (as opposed to commercial) aircraft are valued by the County on a given day of the year and the values enrolled are mostly dependent on what aircraft are normally located at the airport during the year. The Successor Agency cannot project the change in aircraft value from year to year. The projections contained in this Official Statement assume that aircraft value will remain at the fiscal year 2014-15 level. See "PROPERTY TAXATION IN CALIFORNIA—Taxation of Commercial and Private Aircraft."

Operation of Bob Hope Airport

As described above, airport operations may affect the assessed value of property within the Bob Hope Airport, including the assessed valuation of real property as well as commercial and private aircraft, leasehold interests and other unsecured values. The airline industry is cyclical and subject to intense competition and variable demand. Traffic volumes are responsive to economic circumstances and seasonal patterns. Other factors, such as fuel and regulatory costs, can also have a significant impact on the industry.

The Federal Aviation Administration reports that passenger boarding (enplanement) rates at Bob Hope Airport have steadily declined since 2007, as shown in the following table.

BOB HOPE AIRPORT
Historical Passenger Boarding (Enplanement) Rates
Calendar Years 2006 to 2013

Calendar Year	*Passenger Boardings*	*Percent Change from Prior Year*
2006	2,836,413	-
2007	2,950,652	4.00%
2008	2,647,287	-10.28
2009	2,294,991	-13.31
2010	2,239,804	-2.40
2011	2,144,915	-4.24
2012	2,027,203	-5.49
2013*	1,919,005	-5.34

* 2013 numbers are preliminary.
Source: Federal Aviation Administration.

Concentration of Property Ownership

Based on fiscal year 2014-15 locally assessed taxable valuations, the top 10 taxable property owners in the Merged Project represent approximately 27.39% of the total fiscal year 2014-15 taxable value and 32.64% of the fiscal year 2014-15 incremental value. Some of these property owners have pending assessed value appeals with respect to their property in the Merged Project. Bankruptcy, termination of operations or departure from the Merged Project by one or more of the largest property owners from the Merged Project could adversely impact the availability of Tax Revenues to pay debt service on the Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

As the Merged Project reach financial and time limits set forth in the redevelopment plans, the concentration of property ownership in the remaining Component Areas generating Tax Revenues available to pay debt service will change. See "INTRODUCTION—Security for the Bonds" and "THE BURBANK PROJECTS—Largest Taxpayers."

Reduction in Taxable Value

Tax Revenues allocated to the RPTTF and thereby available to pay principal of and interest on the Bonds are determined by the amount of incremental taxable value in the Merged Project and the current rate or rates at which property in the Merged Project is taxed. The reduction of taxable values of property in the Merged Project caused by economic factors beyond the Successor Agency's control, such as relocation out of the Merged Project by one or more major property owners (including with respect to unsecured valuation relating to aircraft), sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the tax increment available to pay debt service on the Bonds. Such reduction of tax increment available to pay debt service on the Bonds could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the Bonds; this risk could be increased by the significant concentration of property ownership in certain Component Areas. See "THE BURBANK PROJECTS—Largest Taxpayers."

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA—Article XIIIA of the State Constitution," Article XIIIA provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the Bonds could reduce tax increment available to pay debt service on the Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the RPTTF, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the RPTTF and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or Legislature will not at some future time approve additional limitations that could reduce the tax increment available to pay debt service on the Bonds and adversely affect the source of repayment and security of the Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the Bonds will be dependent upon the economic strength of the Merged Project. The general economy of the Merged Project will be subject to all of the risks generally associated with urban real estate markets. Real estate prices and development may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development within the Merged Project could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development or related to the Bob Hope Airport. In addition, if there is a significant decline in the general economy of the Merged Project, the owners of property within the Merged Project may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of Tax Revenues by the Successor Agency from the Merged Project. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Assessment Appeals

Property taxable values may be reduced as a result of Proposition 8, which reduces the assessed value of property, or of a successful appeal of the taxable value determined by the County Assessor. An appeal may result in a reduction to the County Assessor's original taxable value and a tax refund to the applicant property owner. A reduction in taxable values within the respective project area and the refund of taxes which may arise out of successful appeals by property owners will affect the amount of Tax Revenues under the Indenture. The Successor Agency has in the past experienced reductions in its tax increment revenues as a result of assessment appeals. The actual impact to tax increment and Tax Revenues is dependent upon the actual revised value of assessments resulting from values determined by the County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. For a discussion of historical assessment appeals in the Merged Project and information regarding pending and resolved assessment appeals for the Successor Agency, see "THE BURBANK PROJECTS—Assessment Appeals" and APPENDIX G—FISCAL CONSULTANT'S REPORT.

Development Risks

The general economy of a redevelopment project area will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project area is delayed or halted, the economy of the redevelopment project area could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues.

Challenges to Dissolution Act

Several successor agencies, cities and other entities have filed judicial actions challenging the legality of various provisions of the Dissolution Act. One such challenge is an action filed on August 1, 2012, by Syncora Guarantee Inc. and Syncora Capital Assurance Inc. (collectively, "Syncora") against the State, the State Controller, the State Director of Finance, and the Auditor-Controller of San Bernardino County on his own behalf and as the representative of all other County Auditors in the State (Superior Court of the State of California, County of Sacramento, Case No. 34-2012-80001215). Syncora is a monoline financial guaranty insurer domiciled in the State of New York and has provided bond insurance and other related insurance policies for bonds issued by former California redevelopment agencies.

The complaint alleged that the Dissolution Act, and specifically the "Redistribution Provisions" thereof (i.e., California Health and Safety Code sections 34172(d), 34174, 34177(d), 34183(a)(4), and 34188) violate the "contract clauses" of the United States and California Constitutions (U.S. Const. art. 1, §10, cl.1; Cal. Const. art. 1, §9) because they unconstitutionally impair the contracts among the former redevelopment agencies, bondholders and Syncora. The complaint also alleged that the Redistribution Provisions violate the "Takings Clauses" of the United States and California Constitutions (U.S. Const. amend. V; Cal Const. art. 1 § 19) because they unconstitutionally take and appropriate bondholders' and Syncora's contractual right to critical security mechanisms without just compensation.

After hearing by the Sacramento County Superior Court on May 3, 2013, the Superior Court ruled that Syncora's constitutional claims based on contractual impairment were premature. The Superior Court also held that Syncora's takings claims, to the extent based on the same arguments, were also premature. Pursuant to a Judgment stipulated to by the parties, the Superior Court on October 3, 2013, entered its order dismissing the action. The Judgment, however, provides that Syncora preserves its rights to reassert its challenges to the Dissolution Act in the future. The Successor Agency does not guarantee that any reassertion of challenges by Syncora or that the final results of any of the judicial actions brought by others challenging the Dissolution Act will not result in an outcome that may have a material adverse effect on the Successor Agency's ability to timely pay debt service on the Bonds.

Reduction in Inflationary Rate

As described in greater detail below, Article XIIIA of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%.

Since Article XIIIA was approved, the annual adjustment for inflation has fallen below the 2% limitation several times; in fiscal year 2010-11, the inflationary value adjustment was negative for the first time at -0.237%. In fiscal year 2011-12, the inflationary value adjustment was 0.753%. For fiscal years 2012-13 and 2013-14, the inflationary value adjustment is 2.00%, which is the maximum permissible increase under Article XIIIA. The fiscal year 2014-15 inflationary value adjustment was 0.454% and the fiscal year 2015-16 inflationary value adjustment is 1.998%.

The Successor Agency is unable to predict if any adjustments to the full cash value of real property within the Merged Project, whether an increase or a reduction, will be realized in the future. Projections set forth in table 13 assume no growth in assessed values.

Levy and Collection of Taxes

The Successor Agency has no independent power to levy or collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the tax increment available to pay debt service on the Bonds.

Delinquencies in the payment of property taxes by the owners of land in the Merged Project, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes, could have an adverse effect on the Successor Agency's ability to make timely payments on the Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Cumulative Tax Increment Limit

Within the West Olive Project, the Former Agency and Successor Agency have received a cumulative total of $57,159,120 through fiscal year 2013-14. According to the Fiscal Consultant's projected tax increment revenue forecast model, the West Olive Project will reach its tax increment limit during fiscal year 2014-15, well in advance of reaching its time limit on repayment of indebtedness and prior to the final debt service payment on the Bonds. See "THE REDEVELOPMENT PLANS—The West Olive Project", "THE BURBANK PROJECTS—Limitation on Cumulative Tax Increment" and "—Enforcement of Redevelopment Plan Limits," and APPENDIX G—FISCAL CONSULTANT'S REPORT. See "—State Budget Issues" below for a discussion of legislation proposed by the Governor that would clarify that former tax increment caps and other plan limits do not apply for the purposes of paying approved enforceable obligations.

Bankruptcy and Foreclosure

The payment of the property taxes from which Tax Revenues are derived and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE" for a description of the debt service coverage on the Bonds.

Bond Insurance

In the event the Successor Agency defaults in the payment of principal of or interest on the Insured Bonds when due, the owners of the Insured Bonds will have a claim under the Policy for such payments. See "BOND INSURANCE." In the event BAM becomes obligated to make payments with respect to the Insured Bonds, no assurance can be given that such event will not adversely affect the market for the Insured Bonds. In the event BAM is unable to make payment of principal of and interest on the Insured Bonds when due under the Policy, the Insured Bonds will be payable solely from Tax Revenues and amounts held in certain funds and accounts established under the Indenture, as described in "SECURITY FOR THE BONDS."

The long-term ratings of the Insured Bonds are dependent in part on the financial strength of BAM and its claims-paying ability. BAM's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of BAM are lowered, such event could adversely affect the market for the Insured Bonds. See "RATINGS" below.

Neither the Successor Agency nor the Underwriter has made an independent investigation of the claims-paying ability of BAM and no assurance or representation regarding the financial strength or projected financial strength of BAM is being made by the Successor Agency or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Insured Bonds, potential investors should carefully consider the ability of the Successor Agency to pay principal and interest on the Insured Bonds, assuming the Policy is not available for that purpose, and the claims-paying ability of BAM through final maturity of the Insured Bonds.

So long as the Policy remains in effect and BAM is not in default of its obligations thereunder, BAM has certain notice, consent and other rights under the Indenture and will have the right to control all remedies for default under the Indenture and will not be required to obtain the consent of the Owners with respect to the exercise of remedies. See APPENDIX A—"SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Provisions Relating to BAM and the Municipal Bond Insurance Policy".

Estimated Revenues

In estimating that net tax increment will be sufficient to pay debt service on the Bonds, the Successor Agency has made certain assumptions with regard to present and future assessed valuation in the Merged Project, future tax rates and percentage of taxes collected. Also, the Successor Agency has assumed that tax increment generated in the West Olive Project will no longer be available to the Successor Agency after the June 1, 2015 RPTTF distribution and that all obligations payable solely from such revenues will terminate or be paid in full concurrently with the expenditure of the final tax increment revenues from the West Olive Project. The Successor Agency believes these assumptions to be reasonable, but there is no assurance these assumptions will be realized and to the extent that the assessed valuation and the tax rates are less than expected, the net tax increment available to pay debt service on the Bonds will be less than those projected and such reduced net tax increment may be insufficient to provide for the payment of principal of and interest on the Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

Hazardous Substances

The discovery of a hazardous substance that would limit the beneficial use of taxable property within the Merged Project could result in the reduction in the assessed value of property. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the Merged Project be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Natural Disasters

The value of the property in the Merged Project in the future can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements on property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. In the event that one or more of such conditions occur, such occurrence could cause damage of varying seriousness to the land and improvements, and the value of property in the Merged Project could be diminished in the aftermath of such events. A substantial reduction of the value of such properties and could affect the ability or willingness of the property owners to pay the property taxes.

Seismic Considerations. The areas in and surrounding the City, like those in much of California, may be subject to unpredictable seismic activity. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure in the Merged Project. As a result, the value of taxable land in the Merged Project could be diminished in the aftermath of such an earthquake, through appeals or otherwise, thereby reducing the amount of Tax Revenues. See "THE BURBANK PROJECTS—Assessment Appeals" herein. The City is located in a high impact seismic zone.

State Budget Issues

AB 26 and AB 1484 were enacted by the State Legislature and Governor as trailer bills necessary to implement provisions of the State's budget acts for its fiscal years 2011-12 and 2012-13, respectively, as efforts to address structural deficits in the State general fund budget. In general terms, these bills implemented a framework to transfer cash assets previously held by redevelopment agencies to cities, counties, and special districts to fund core public services, with assets transferred to schools offsetting State general fund costs (then projected savings of $1.5 billion). There can be no assurance that additional legislation will not be enacted in the future to additionally implement provisions relating to the State budget or otherwise that may affect successor agencies or tax increment revenues, including Tax Revenues.

On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the "2014-15 Budget"). The following information is drawn from the State Department of Finance's summary of the 2014-15 Budget. The 2014-15 Budget is based on revenue projections previously included in the Governor's May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of $102.2 billion, and total State general fund expenditures of $100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a $2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of $109.4 billion and total State general fund expenditures of $108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately $2.1 billion. This projected reserve is a combination of $449 million in the State's general fund traditional reserve, and an authorized deposit of $1.6 billion into the Budget Stabilization Account established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

On January 9, 2015, the Governor announced his proposed budget for fiscal year 2015-16 (the "Proposed Budget"). As part of the Proposed Budget, the Governor has proposed legislation that would, among other things:

(i) Transition all successor agencies from a biannual ROPS process to an annual ROPS process beginning January 1, 2016 when the successor agencies transition to a countywide oversight board.

(ii) Establish a "Last and Final" ROPS process beginning September 2015. The Last and Final ROPS will be available only to successor agencies that have a Finding of Completion, are in agreement with the Department of Finance on what items qualify for payment, and meet other specified conditions. If approved by the Department of Finance, the Last and Final ROPS will be binding on all parties and the successor agency will no longer submit a ROPS to the Department of Finance or the oversight board. The county auditor-controller will remit the authorized funds to the successor agency in accordance with the approved Last and Final ROPS until each remaining enforceable obligation has been fully paid.

(iii) Clarify that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

The Successor Agency cannot predict whether the legislation described above will be enacted. Further, the Successor Agency cannot predict whether other legislation will be enacted in the future that would have an impact on the Successor Agency, the ROPS process, the calculation or distribution of tax increment revenues, including Tax Revenues, or other matters impacting the Bonds.

The full text of each Assembly Bill cited above may be obtained from the "Official California Legislative Information" website maintained by the Legislative Counsel of the State of California pursuant to State law, at the following web link: http://www.leginfo.ca.gov/bilinfo.html. Information about the State budget and State spending is available at various State maintained websites. Text of the 2014-15 Budget, the Proposed Budget and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

Certain litigation is challenging some of the terms of the Dissolution Act, and it is anticipated that there will be additional future legislation in this area. The Successor Agency cannot predict what measures may be proposed or implemented for the current fiscal year or in the future.

None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The Successor Agency makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

Changes in the Law

There can be no assurance that the California electorate will not at some future time adopt initiatives or that the Legislature will not enact legislation that will amend the Dissolution Act, the Redevelopment Law or other laws or the Constitution of the State resulting in a reduction of tax increment available to pay debt service on the Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Successor Agency in violation of its covenants in the Indenture.

In addition, current and future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals.

Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Internal Revenue Service Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "Service") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the Service. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar municipal obligations).

The 2007A Authority Bonds are the subject of a current, random examination by the Internal Revenue Service, which is pending. Neither the Successor Agency nor the Burbank Public Financing Authority (the "Authority") has received any notice of preliminary determination with respect to the issue and the Successor Agency believes it is likely the matter will be resolved without a formal adverse finding by the Service. The Successor Agency believes in any event that an adverse tax finding relative to the 2007A Authority Bonds would not affect the tax exempt status of the Bonds and would not impose liabilities on the Successor Agency that would be material to the Successor Agency or impair its ability to make timely payments of debt service on the Bonds from Tax Revenues.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Successor Agency has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Successor Agency's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Successor Agency with respect to certain material facts within the Successor Agency's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Code includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public. The Issue Price of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. The amortized bond premium is treated as a reduction in the tax exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bonds. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bonds.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Successor Agency as a taxpayer and the Bond owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX B—FORM OF OPINION OF BOND COUNSEL.

UNDERWRITING

The Bonds are being purchased by Stifel Nicolaus & Company, Incorporated, and Raymond James & Associates, Inc. (the "Underwriters"). The Underwriters have agreed to purchase the Bonds at a price of $46,102,154.10 (being the principal amount of the Bonds, plus a net original issue premium of $5,225,724.10 and less an Underwriters' discount of $143,570.00). The Underwriters will purchase all of the Bonds if any are purchased.

The Underwriters may offer and sell Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

LEGAL OPINIONS

The final approving opinions of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the Bonds. Copies of the proposed forms of Bond Counsel's final approving opinions with respect to the Bonds are attached hereto in APPENDIX B—FORM OF OPINION OF BOND COUNSEL. In addition, certain legal matters will be passed on by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Disclosure Counsel, and by Nossaman LLP, as Underwriters' Counsel. Certain legal matters will be passed on for the Successor Agency by the City Attorney, as Counsel for the Successor Agency.

Compensation paid to Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent upon the sale and delivery of the Bonds.

LITIGATION

To the best knowledge of the Successor Agency, there is no litigation pending (where service of process has been completed on the Successor Agency) or threatened against the Successor Agency concerning the validity of the Bonds or challenging any action taken by the Successor Agency in connection with the authorization of the Indenture, the Bond Purchase Agreement or any other document relating to the Bonds to which the Successor Agency is or is to become a party or the performance by the Successor Agency of any of its obligations under any of the foregoing.

There is no action, suit or proceeding pending or, to the knowledge of the Successor Agency, threatened, restraining or enjoining the execution or delivery of the Bonds or the Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency, its Oversight Board, or the City taken with respect to any of the foregoing. The Successor Agency is a defendant in actions for writs of mandamus, injunctive relief and related fees, and for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a redevelopment agency (and now, a successor agency). The lawsuits described below relate to issues that may affect the distribution of property tax revenues or other monies to the Successor Agency under the Dissolution Act. The Successor Agency does not expect such pending or threatened litigation to result in a material adverse impact on the ability of the Successor Agency to make timely payments of debt service on the Bonds.

LAUSD and LACCD Lawsuits. In 2007, the Los Angeles Unified School District ("LAUSD") filed a lawsuit against the County and various cities, special districts and redevelopment agencies in the County alleging that the County Auditor-Controller and local redevelopment agencies improperly allocated Statutory Pass-Through Payments among cities, counties, and special districts. In January 2011, the Los Angeles Community College District ("LACCD") filed a similar lawsuit against the County and various cities, special districts and redevelopment agencies in the County, including the Successor Agency, based on the same grounds. The court in the LACCD case determined the matter to be related to the LAUSD case and therefore the case has been placed on hold pending final resolution of LAUSD matter.

After trial and two appeals, LAUSD obtained a ruling that Statutory Pass-Through Payments had been improperly allocated among the various taxing agencies to the detriment of LAUSD, unjustly enriching the County, cities and other special districts. The County, LAUSD and other parties to the LAUSD litigation are negotiating a methodology pursuant to which the Statutory Pass-Through Payments could be reallocated consistent with the appellate court decisions. Once such methodology is known, it may also be used by the parties to the LACCD lawsuit as the basis for a settlement agreement to resolve that dispute. In the event the parties to the LACCD lawsuit do not reach a settlement, the trial court could order the defendant County, cities, special districts and/or successor agencies, including the Successor Agency, to make payments to LACCD. Additionally, the trial court could determine that interest is owed on the payment amounts.

At this time, it is unclear what liability, if any, the Successor Agency may have to LACCD or to other school districts within its boundaries. Further, if the Successor Agency is found liable to LACCD, it is unclear under the Dissolution Act whether any amounts owed by the Successor Agency as a result of the LACCD case would be senior or subordinate to the payment of debt service on the Bonds. Notwithstanding the foregoing, due to the amount of residual tax increment revenues generated from the Merged Project, the Successor Agency does not expect the final judgment or similar resolution of either litigation to result in a material adverse impact on the ability of the Successor Agency to make timely payments of debt service on its Bonds. See "PROJECTED AVAILABLE NET TAX INCREMENT AND ESTIMATED DEBT SERVICE COVERAGE."

Litigation Regarding Dissolution Act. See "RISK FACTORS—Challenges to Dissolution Act" for a discussion of litigation challenging the legality of various provisions of the Dissolution Act.

RATINGS

S&P is expected to assign its municipal bond rating of "AA/Stable" to the Insured Bonds based on the issuance of the Policy by BAM at the time of issuance of the Bonds. See "BOND INSURANCE" herein.

S&P has assigned an underlying rating of "A+" to the Bonds, independent of the delivery of the Policy. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P at 55 Water Street, New York, NY 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than March 31 after the end of each fiscal year of the Successor Agency (currently June 30), commencing not later than March 31, 2016 with the report for the 2014-15 fiscal year (the "Annual Report"), and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of enumerated events will be filed by the City/Successor Agency with the Municipal Securities Rulemaking Board through the Electronic Municipal Access (EMMA) System. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized below under the caption APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

Existing Undertakings. The City and its related governmental entities -- including the Burbank Public Finance Authority (the "BPFA"), the Redevelopment Agency of the City of Burbank ("Former Agency"), the Successor Agency, and Burbank Water and Power ("BWP")[1] -- previously entered into disclosure undertakings under the Rule in connection with the issuance of long-term obligations.

Compliance in the Past Five Years. The City retained NBS to undertake a review of the compliance of the City and its related governmental entities with their continuing disclosure undertakings during the past five years. NBS specifically reviewed provision of annual reports, financial statements, event notices for bond calls (as provided by the City and its related governmental entities) and rating changes, including underlying rating changes and rating changes for applicable bond insurers, as reported on the bond insurers' and rating agency websites. Based on the report prepared by NBS, the City and its related governmental entities failed on the occasions identified below during the past five years to fully comply, in all material respects, with their disclosure undertakings. The City and these related entities have now made all required filings and are now in compliance with their disclosure undertakings. The City and these related entities have established procedures that will ensure compliance with all material requirements of their continuing disclosure undertakings in the future, including contracting with NBS to assist the City and related entities with preparing and filing annual reports, financial statements and event notices on a timely basis.

[1] *The City's Public Service Department was established in 1913 under the laws of the State, to supervise the generation, purchase, distribution and sale of electricity and the purchase, distribution and sale of water. In 2000, the name of the Public Service Department was changed to Burbank Water and Power. Burbank Water and Power provides service to all electric and water customers within the City. The City owns and operates an integrated electric system which includes generation, transmission and distribution facilities (the "Electric System") and a water transmission and distribution system (the "Water System" and, together with the Electric System, the "Enterprise"). Continuing disclosure compliance for Burbank Water and Power is supervised by different staff than continuing disclosure compliance for other City entities.*

Burbank Redevelopment Agency/City Burbank as Successor Agency. The following summarizes compliance failures by BRA and the City, as successor agency, in the last five years:

Burbank Public Financing Authority Revenue Bonds, 2002 Series A (Redevelopment Agency of the City of Burbank - West Olive Redevelopment Project). On one occasion (fiscal years 2008-09), the BRA/City failed to file its financial statements on a timely basis by more than one week; on two occasions (fiscal years 2010-11, 2011-12), the financial statements were filed less than one week late.

On two occasions (for rating changes that occurred on 11/30/10 and 4/7/11), the BRA/City failed to file required bond insurer-related rating change notices on a timely basis. On seven other occasions (rating changes that occurred on 11/05/08, 11/19/08, 04/13/09, 06/24/09, 07/28/09, 07/29/09 and 03/25/10), the BRA included disclosure about rating changes in its continuing disclosure annual report rather than making a significant event filing.

Burbank Public Financing Authority Revenue Bonds, 2003 Series A (Golden State Redevelopment Project). On two occasions (fiscal years 2008-09, 2010-11), the BRA/City failed to file its financial statements on a timely basis by more than one week; on one occasion (fiscal year 2011-12) the financial statements were filed less than one week late.

On two occasions (for rating changes that occurred on 11/30/10 and 4/7/11), the BRA/City failed to file required bond insurer-related rating change notices on a timely basis. On seven other occasions (for rating changes that occurred on 11/05/08, 11/19/08, 04/13/09, 06/24/09, 07/28/09, 07/29/09, and 03/25/10), the BRA included disclosure about rating changes in its continuing disclosure annual report rather than making a significant event filing.

Burbank Public Financing Authority Revenue Bonds, 2003 Series B (South San Fernando Redevelopment Project). On one occasion (fiscal year 2008-09), the BRA/City failed to file its financial statements on a timely basis by more than one week; on two occasions (fiscal years 2010-11, 2011-12), the financial statements were filed one week or less late.

Burbank Public Financing Authority Revenue Bonds, 2003 Series C (City Centre Redevelopment Project). On one occasion (fiscal year 2008-09), the BRA/City failed to file its financial statements on a timely basis by more than one week; on two occasions (fiscal years 2010-11, 2011-12), the financial statements were filed one week or less late.

On three occasions (for rating changes that occurred on 05/04/09, 01/17/13, 03/18/14), the BRA/City failed to file required bond insurer-related rating change notices, as they related to the underlying bonds, on a timely basis. On eight other occasions (for rating changes that occurred on 11/21/08, 05/11/09, 07/01/09, 10/12/09, 11/12/09, 02/24/10, 10/25/10, and 11/30/11), the BRA included disclosure about rating changes in its continuing disclosure annual report rather than making a significant event filing.

Burbank Public Financing Authority Revenue Bonds, 2007 Series A (Golden State Redevelopment Project). On one occasion (fiscal year 2008-09), the BRA/City failed to file its financial statements on a timely basis by more than one week; on two occasions (fiscal years 2010-11, 2011-12), the financial statements were filed one week or less late.

On three occasions (for rating changes that occurred on 03/24/09, 03/25/09, and 04/22/09), the BRA/City failed to file required bond insurer-related rating change notices on a timely basis. On four other occasions (for rating changes that occurred on 07/31/08, 11/24/08, 12/19/08, and 03/05/10), the BRA included disclosure about rating changes in its continuing disclosure annual report rather than making a significant event filing.

City of Burbank. The following summarizes the City's compliance failures in the last five years:

City of Burbank Waste Disposal Revenue Bonds Series 2002B. On one occasion (for a rating change that occurred on 11/30/11), the City failed to file a bond insurer-related rating change notice on a timely basis. On six other occasions (rating changes that occurred on 11/21/08, 5/11/09, 10/12/09, 11/12/09, 2/24/10, and 10/25/10), the City included disclosure about rating changes in its continuing disclosure annual report rather than making a significant event filing.

City of Burbank Waste Disposal Refunding Revenue Bonds, Series 2012. On one occasion (fiscal year 2011-12), the City failed to file its financial statements on a timely basis by more than one week. On two occasions (fiscal years 2011-12, 2012-13), the City failed to include information on solid waste collections as required by the annual report.

City of Burbank Wastewater Treatment Revenue Bonds, 2004 Series A. On one occasion (fiscal year 2010-11), the City failed to file its financial statements on a timely basis by more than one week. On two occasions (for rating changes that occurred on 11/30/10 and 4/7/11), the City failed to file required bond insurer-related rating change notices on a timely basis. On seven other occasions (rating changes that occurred on 11/05/08, 11/19/08, 04/13/09, 06/24/09, 07/28/09, 07/29/09 and 03/25/10), the City included disclosure about rating changes in its continuing disclosure annual report rather than making a significant event filing.

Community Facilities District No. 2005-1 (The Collection Public Parking Facility) 2006 Special Tax Bonds. On one occasion (fiscal year 2008-09), BRA failed to file its financial statements on a timely basis by more than one week, and on two occasions (fiscal years 2010-11, 2011-12), the City failed to file its financial statements on a timely basis by one week or less.

Burbank Water and Power. The following summarizes BWP's compliance failures in the last five years:

Burbank Water and Power Electric Revenue Refunding Bonds, Series 2012A. On two occasions (fiscal years 2011-12, 2012-13), the BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

Burbank Water and Power Water Revenue Bonds, Series 2010B. On one occasion (fiscal year 2011-12), BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

AUDITED FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report for fiscal year Ended June 30, 2014 (the "City CAFR") is attached as Appendix E. The City CAFR includes the Successor Agency's audited financial statements for the fiscal year ended June 30, 2014. The Successor Agency's audited financial statements were audited by White Nelson Diehl Evans LLP (the "Auditor"). The Auditor has not been asked to consent to the inclusion of the Successor Agency's audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in "SECURITY FOR THE BONDS—Limited Obligation," the Bonds are payable from and secured by a pledge of Tax Revenues and the Bonds are not a debt of the City. The City CAFR is attached as Appendix E to this Official Statement only because it includes additional financial information pertaining to the Successor Agency.

MISCELLANEOUS

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans for the Component Areas, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

By /s/ Mark Scott Mark Scott

Mark Scott
Executive Director

MISCELLANEOUS

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans for the Component Areas, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Successor Agency for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by its Executive Director has been duly authorized by the Successor Agency.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

By /s/ Mark Scott

Mark Scott
Executive Director

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture prepared for the Bonds. The following also includes definitions of certain terms used therein and in this Official Statement. Such summary is not intended to be definitive. Reference is directed to said documents for the complete text thereof. Except as otherwise defined in this summary, the terms previously defined in this Official Statement have the respective meanings previously given. Copies of the Indenture are available from the Successor Agency and from the Trustee.

Definitions

"*Agency*" means the former Redevelopment Agency of the City of Burbank.

"*Annual Debt Service*" means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds and any Parity Debt in such Bond Year, assuming that the Outstanding Bonds and Parity Debt are retired as scheduled, and (b) the principal or sinking fund amount of the Outstanding Bonds and Parity Debt payable by their terms in such Bond Year.

"*BAM*" means Build America Mutual Assurance Company, or any successor thereto.

"*Bonds*" means the Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015, and, when the context requires, any Parity Debt.

"*Bond Year*" means any twelve-month period beginning on December 2 in any year and ending on the next succeeding December 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date, and end on December 1, 2015.

"*Business Day*" means a day of the year, other than a Saturday or Sunday, on which banks in Los Angeles and San Francisco, California, are not required or permitted to be closed and on which the New York Stock Exchange is not closed.

"*City*" means City of Burbank, California.

"*Closing Date*" means the date on which the Bonds are delivered by the Successor Agency to the original purchaser thereof.

"*Code*" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced in the Indenture) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

"*Continuing Disclosure Certificate*" means the Continuing Disclosure Certificate_executed by the Successor Agency dated as of the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, fiscal consultants, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, premiums for the Municipal Bond Insurance Policy and the Reserve Policy and any other cost, charge or fee in connection with the original issuance of the Bonds.

"*Costs of Issuance Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"County" means Alameda County.

"Debt Service Fund" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"Defeasance Obligations" means (a) cash, (b) direct non-callable obligations of the United States of America, (c) securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, (d) Refcorp interest strips, (e) CATS, TIGRS, STRPS, and (f) defeased municipal bonds rated AAA by S&P or Aaa by Moody's (or any combination of the foregoing).

"Dissolution Act" means Parts 1.8 (commencing with section 34161) and 1.85 (commencing with section 34170) of Division 24 of the California Health and Safety Code, as amended.

"Escrow Agreements" means, collectively, the 1993 City Centre Escrow Agreement, the 1993 Golden State Escrow Agreement, the 2002 Escrow Agreement, the 2003 Escrow Agreement and the 2006 Escrow Agreement.

"Escrow Bank" means Wells Fargo Bank, National Association, as escrow bank under the Escrow Agreements, or any successor thereto appointed as escrow bank thereunder.

"Event of Default" means any of the events described in the Indenture.

"Fiscal Year" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve month period selected and designated by the Successor Agency to the Trustee in writing as its official fiscal year period.

"Haagen Note" means the promissory note executed by the Former Agency in favor of Haagen-Burbank Partnership ("Developer") in connection with the expansion of the Burbank Mall and sublease of a portion of the Burbank Mall to Bullock's Properties Corp. for operation of a Bullock's department store, pursuant to a Disposition and Development Agreement between the Former Agency and the Developer dated as of November 15, 1989, as amended by a First Implementation Agreement dated as of December 6, 1990.

"Indenture" means the Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and the Trustee, as originally entered into or as it may be amended or supplemented by any Supplemental Indenture entered into pursuant to the provisions of the Indenture.

"Independent Accountant" means any accountant or firm of such accountants duly licensed or registered or entitled to practice and practicing as such under the laws of the State, appointed by the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Financial Consultant" means any financial consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is in fact independent and not under domination of the Successor Agency; (b) does not have any substantial interest, direct or indirect, with the Successor Agency, other than as original purchaser of the Bonds or any Parity Debt; and (c) is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Independent Redevelopment Consultant" means any consultant or firm of such consultants appointed by the Successor Agency, and who, or each of whom: (a) is judged by the Successor Agency to have experience in matters relating to the collection of Tax Revenues or otherwise with respect to the financing of redevelopment projects; (b) is in fact independent and not under domination of the Successor Agency; (c) does not have any substantial interest, direct or indirect, with the Successor Agency; and (d)

is not connected with the Successor Agency as an officer or employee of the Successor Agency, but who may be regularly retained to make reports to the Successor Agency.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board (at http://emma.msrb.org) or, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other national information services providing information with respect to called bonds as the Successor Agency may designate in a Written Certificate of the Successor Agency delivered to the Trustee.

"Insured Bonds" means all Bond maturing on December 1 in the years 2018 through 2033.

"Interest Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Interest Payment Date" means June 1 and December 1 in each year, commencing June 1, 2015, so long as any of the Bonds remain Outstanding under the Indenture.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as BAM in its sole and absolute discretion shall specify.

"Law" means the Community Redevelopment Law of the State, constituting Part 1 of Division 24 of the California Health and Safety Code, and the acts amendatory thereof and supplemental thereto.

"Maximum Annual Debt Service" means, as of the date of calculation, the largest Annual Debt Service for the current or any future Bond Year following the anticipated issuance of Bonds and Parity Debt.

"Merged Plan Limitations" means the limitations contained or incorporated in the Merged Plan on (a) the aggregate principal amount of indebtedness which may be outstanding at any time, (b) the aggregate amount of taxes which may be divided and allocated to the Successor Agency pursuant to the Merged Plan, and (c) the period of time for establishing or repaying indebtedness.

"Merged Plan" means the redevelopment plan for the Merged Project approved by the City Council of the City pursuant to Ordinance No. 3654, adopted on October 26, 2004, together with any amendments thereof at any time duly authorized pursuant to the Redevelopment Law.

"Merged Project" means the area of the undertaking pursuant to the Merged Plan, together with any amendments of such redevelopment plan at any time duly authorized pursuant to the Law.

"Moody's" means Moody's Investors Service, its successors and assigns.

"Municipal Bond Insurance Policy" means the Municipal Bond Insurance Policy issued by BAM that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

"1993 City Centre Escrow Agreement" means that certain Escrow Agreement, dated the Closing Date, by and among the Successor Agency, the Authority and the Escrow Bank, to provide for the redemption of a portion of the 1993 City Centre Bonds).

"1993 City Centre Escrow Fund" means the escrow fund held by the Escrow Bank under and pursuant to the 1993 City Centre Escrow Agreement.

"1993 Golden State Escrow Agreement" means that certain Escrow Agreement, dated the Closing Date, by and among the Successor Agency, the Authority and the Escrow Bank, to provide for the redemption of a portion of the 1993 Golden State Bonds).

"1993 Golden State Escrow Fund" means the escrow fund held by the Escrow Bank under and pursuant to the 1993 Golden State Escrow Agreement.

"Original Purchaser" means, collectively, Stifel Nicolaus & Company, Incorporated and Raymond James & Associates, Inc. the original purchasers of the Bonds upon their delivery by the Trustee on the Closing Date.

"Outstanding" when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds paid or deemed to have been paid within the meaning of the Indenture; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Successor Agency pursuant to the Indenture.

"Oversight Board" means the oversight board to the Successor Agency duly constituted from time to time pursuant to section 34179 of the Dissolution Act.

"Owner" or *"Bondowner"* or *"Bond Owner,"* when used with respect to the Bonds, means the person in whose name the ownership of the Bonds shall be registered on the Bond Registration Books.

"Parity Debt" means any loans, advances or indebtedness issued or incurred by the Successor Agency on a parity with the Bonds pursuant to the Indenture.

"Participating Underwriter" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Pass-Through Agreements" means, with respect to the West Olive Project, (a) that certain agreement, dated October 25, 1977, by and among the County, the Former Agency and the City, and (b) that certain agreement, dated November, 1977, by and among the Los Angeles Community College District, the Former Agency and the City.

"Permitted Investments" means the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
   Direct obligations or fully guaranteed certificates of beneficial ownership

2. U.S. Farmers Home Administration (FmHA)
   Certificates of Beneficial Ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation Certificates

6. Government National Mortgage Association (GNMA or Ginnie Mae)
GNMA—guaranteed mortgage-backed bonds
GNMA—guaranteed pass-through obligations

7. U.S. Maritime Administration
Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies which are not backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac)
Participation Certificate
Senior debt obligations

3. Federal National Mortgage Association (FNMA or Fannie Mae)
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or Sallie Mae)
Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, which invest solely in Federal Securities, if rated by S&P, having a rating of AAAm-G; and if rated by Moody's having a rating of Aaa, including such funds for which the Trustee, its affiliates or subsidiaries provide investment advisory or other management services or for which the Trustee or an affiliate of the Trustee serves as investment administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

(e) Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks or savings and loan associations (including the Trustee or its affiliates). The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC including those of the Trustee and its affiliates.

(g) Commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P.

(h) Federal funds or bankers acceptances with a maximum term of 180 days of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or better by Moody's and "A-1" or better by S&P.

(i) the Local Agency Investment Fund of the State, created pursuant to 16429.1 of the California Government Code.

(j) other forms of investments that satisfy the Successor Agency's Statement of Investment Policy.

"Plan Limits" means, collectively, the Burbank Merged Plan Limitations and the West Olive Plan Limitations.

"Principal Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Principal Corporate Trust Office" means such principal corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the Successor Agency, initially being at 707 Wilshire Boulevard, 17th Floor, Los Angeles, CA 90017, except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"Rating Category" means any generic rating category of Moody's or S&P, without regard to any refinement of such category by plus or minus sign or by numerical or other qualifying designation.

"Recognized Obligation Payment Schedule" means a Recognized Obligation Payment Schedule, prepared and approved from time to time pursuant to subdivision (l) of section 34177 of the Dissolution Act.

"Record Date" means, with respect to any Interest Payment Date, the close of business on the fifteenth (15th) calendar day of the month preceding such Interest Payment Date, whether or not such fifteenth (15th) calendar day is a Business Day.

"Redemption Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Redevelopment Obligation Retirement Fund" means the fund by that name referenced in the Indenture.

"Redevelopment Plans" means, collectively, the Burbank Merged Plan and the West Olive Plan.

"Refunding Bond Law" means, collectively, section 34177.5(g) of the Law and section 53580 *et seq.* of the California Government Code

"Registration Books" means the records maintained by the Trustee pursuant to the Indenture for the registration and transfer of ownership of the Bonds.

"Report" means a document in writing signed by an Independent Financial Consultant or an Independent Redevelopment Consultant and including: (a) a statement that the person or firm making or giving such Report has read the pertinent provisions of the Indenture to which such Report relates; (b) a brief statement as to the nature and scope of the examination or investigation upon which the Report is based; and (c) a statement that, in the opinion of such person or firm, sufficient examination or investigation was made as is necessary to enable said consultant to express an informed opinion with respect to the subject matter referred to in the Report.

"Reserve Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"Reserve Agreement" means the Debt Service Reserve Agreement, dated the Closing Date, by and between the Successor Agency and BAM.

"Reserve Policy" means the Reserve Account Municipal Bond Insurance Policy issued by BAM in lieu of a cash funded reserve fund for the Bonds in an amount equal to the Reserve Requirement.

"Reserve Requirement" means, as of any date of calculation, to be equal to the least of (a) Maximum Annual Debt Service for the then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for the then current or every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds and any Parity Debt

"Responsible Officer" means any Vice President, Assistant Vice President or Trust Officer of the Trustee with responsibility for matters related to the Indenture.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., New York, New York, or its successors.

"Securities Depositories" means The Depository Trust Company, 55 Water Street, 50th Floor, New York, NY 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Successor Agency may designate in a Certificate of the Successor Agency delivered to the Trustee.

"Sinking Account" means the account by that name established and held by the Trustee pursuant to the Indenture.

"State" means the State of California.

"Statutory Pass-Through Amounts" means amounts paid to affected taxing agencies pursuant to sections 33607.5 and/or 33607.7 of the Law and section 34183 of the Dissolution Act.

"Successor Agency" means the Successor Agency to the Redevelopment Agency of the City of Burbank, as successor to the former Redevelopment Agency of the City of Burbank, a public body corporate and politic duly organized and existing under the Law.

"Supplemental Indenture" means any resolution, agreement or other instrument which has been duly adopted or entered into by the Successor Agency, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"Tax Revenues" means the moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of

(a) County administrative fees pursuant to section 34183(a) of the Dissolution Act,

(b) all amounts due under the Statutory Pass-Through Payments and the Pass-Through Agreements,

(c) all amounts due with respect to the portions of Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Subordinated Tax Allocation Bonds, Issue of 1993, and the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, and

(d) all amounts due under the Haagen Note.

If, and to the extent, that the provisions of section 34172 or paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act are invalidated by a final judicial decision, then Tax Revenues shall include all tax revenues allocated to the payment of indebtedness of the Successor Agency pursuant to section 33670 of the Law or such other section as may be in effect at the time providing for the allocation of tax increment revenues to the Successor Agency in accordance with Article XVI, Section 16 of the California Constitution.

"Trustee" means Wells Fargo Bank, National Association, as trustee under the Indenture, or any successor thereto appointed as trustee under the Indenture in accordance with the provisions of the Indenture.

"2002 Escrow Agreement" means that certain Escrow Agreement, dated the Closing Date, by and among the Successor Agency, the Authority and the Escrow Bank, to provide for the prepayment of the 2002 West Olive Loan Agreement.

"2002 Escrow Fund" means the escrow fund held by the Escrow Bank under and pursuant to the 2002 Escrow Agreement.

"2003 Escrow Agreement" means that certain Escrow Agreement, dated the Closing Date, by and among the Successor Agency, the Authority and the Escrow Bank, to provide for the redemption of the 2003 South San Fernando Bonds).

"2003 Escrow Fund" means the escrow fund held by the Escrow Bank under and pursuant to the 2003 Escrow Agreement.

"2006 Escrow Agreement" means that certain Escrow Agreement, dated the Closing Date, by and among the Successor Agency, the City and the Escrow Bank, to provide for the prepayment of the 2006 CFD Note.

"2006 Escrow Fund" means the escrow fund held by the Escrow Bank under and pursuant to the 2006 Escrow Agreement.

"West Olive Limitations" means the limitations contained or incorporated in the West Olive Plan on (a) the aggregate principal amount of indebtedness which may be outstanding at any time, (b) the aggregate amount of taxes which may be divided and allocated to the Successor Agency pursuant to the West Olive Plan, and (c) the period of time for establishing or repaying indebtedness.

"West Olive Plan" means the Redevelopment Plan for the West Olive Redevelopment Project, approved by Ordinance No. 2590 enacted by the City Council of the City on December 21, 1976, as amended by Ordinance No. 3388 enacted by the City Council of the City on October 11, 1994, as further amended by Ordinance No. 3582 enacted by the City Council of the City on June 26, 2001, as amended by, together with any amendments thereof at any time duly authorized pursuant to the Law.

"West Olive Project" means the area of the undertaking pursuant to the West Olive Plan, together with any amendments of such redevelopment plan at any time duly authorized pursuant to the Law.

"Written Request of the Successor Agency" or *"Written Certificate of the Successor Agency"* means a request or certificate, in writing signed by the Chairman, the Executive Director or the Treasurer of the Successor Agency or by any other officer of the Successor Agency duly authorized by the Successor Agency for that purpose.

Costs of Issuance Fund

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. Each such Written Request of the Successor Agency shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. On the date three months following the Closing Date, or upon the earlier Written Request of the Successor Agency stating that all known Costs of Issuance have been paid, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Interest Account and the Costs of Issuance Fund shall be closed.

Issuance of Parity Debt

In addition to the Bonds, the Successor Agency may issue or incur Parity Debt to refund the Bonds or previously issued Parity Debt in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee. The Successor Agency may issue or incur such Parity Debt subject to the following specific conditions precedent:

(a) The Successor Agency will be in compliance with all covenants set forth in the Indenture;

(b) The Oversight Board shall have approved the issuance of the Parity Debt.

(c) The Parity Debt will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for bonds substantially in accordance with the Indenture, and (ii) the deposit of moneys or a surety bond into the Reserve Account in an amount sufficient, together with the balance of the Reserve Account, to equal the Reserve Requirement on all Bonds expected to be outstanding including the Parity Debt;

(d) Receipt of a certificate or opinion of an Independent Financial Consultant stating that the total net interest cost to maturity of the Parity Debt plus the principal amount of the Parity Debt will not exceed the total net interest cost to maturity of the Bonds or previously issued Parity Debt to be refunded plus the principal amount of the Bonds or previously issued Parity Debt to be refunded.

(e) The Parity Debt will mature on and interest will be payable on the same dates as the Bonds (except the first interest payment may be from the date of the Parity Debt until either the next succeeding June 1 or December 1).

Security of Bonds; Equal Security

Except as provided in the Indenture, the Bonds and any additional Parity Debt shall be equally secured by a pledge and lien on all of the Tax Revenues and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Bonds by those who shall own the same from time to time, the Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds, and the covenants and agreements in the Indenture set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the number or date thereof or the time of sale, execution and delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or in the Indenture.

Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues

There has been established a special trust fund known as the "Redevelopment Obligation Retirement Fund," which shall be held by the Successor Agency pursuant to section 34170.5 of the Dissolution Act. There is established a special trust fund known as the "Debt Service Fund" and the accounts therein referred to below which shall be held by the Trustee. The Successor Agency shall deposit all of the Tax Revenues received in any Bond Year in the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts received therein to the Debt Service Fund established and held by the Trustee under the Indenture until such time during such Bond Year as the amounts so transferred to the Debt Service Fund under the Indenture equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund in such Bond Year pursuant to the Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture.

Deposit of Amounts by Trustee

There are created accounts within the Debt Service Fund as set forth below, to be known respectively as the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective accounts within the Debt Service Fund, in the following order of priority:

(a) *Interest Account.* On or before the fifth Business Day preceding each Interest Payment Date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds and Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity pursuant to the Indenture).

(b) *Principal Account.* On or before the fifth Business Day preceding each principal payment date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to one-half of the principal payments becoming due and payable on Outstanding Bonds and Parity Debt on the next December 1, to the extent monies on deposit in the Debt Service Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal payments to become due on the next December 1 on all Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the Bonds and Parity Debt as it becomes due and payable.

(c) *Sinking Account.* On or before the fifth Business Day preceding each sinking account payment date, to the extent there are moneys available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Sinking Account an amount equal to one-half of the sinking account payments becoming due and payable on Outstanding Bonds and Parity Debt on the next December 1, to the extent monies on deposit in the Debt Service Fund are available therefor. No such transfer and deposit need be made to the Sinking Account if the amount contained therein is at least equal to the sinking account payments to become due on the next December 1 on all Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Sinking Account will be used and withdrawn by the Trustee solely for the purpose of paying the aggregate principal amount of the Term Bonds and term bonds relating to Parity Debt required to be redeemed on such December 1.

(d) *Reserve Account.*

(i) In lieu of a cash deposit to the Reserve Account, the Reserve Policy shall be delivered to the Trustee on the Closing Date. The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the Reserve Account.

If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the Bonds then coming due and payable, the Trustee shall apply the moneys available in the Reserve Account to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account. To the extent there is cash or investments on deposit in the Reserve Account, such cash or investments shall be applied first before there is any draw on the Reserve Policy or any other credit facility credited to the Reserve Account in lieu of cash (a "Credit Facility"). Payment of any Reserve Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a *pro rata* basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Account. Payment of Reserve Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the Reserve Account or there has been a draw on the Reserve Policy, such amount shall be deposited in the Reserve Account to the extent of such advance and first applied to reimburse a draw on the Reserve Policy and then to replenish any cash drawn therefrom.

The Reserve Account may be maintained at the specific direction of the Successor Agency in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and Parity Debt in conformity with applicable provisions of the Tax Code.

The Successor Agency has no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Policy.

(ii) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by BAM. Interest shall accrue and be payable on such draws and expenses from the date of payment by BAM at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to BAM shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to BAM on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the Reserve Account shall be transferred to the Debt Service Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Policy or any other Reserve Fund Credit Instrument in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Reserve Fund Credit Instruments (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Reserve Fund Credit Instruments shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Account. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(iii) Draws under the Reserve Policy may only be used to make payments on Bonds insured by BAM.

(iv) If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of paragraph (a) above, BAM shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Indenture other than (i) acceleration of the maturity of the Bonds, or (ii) remedies which would adversely affect owners of the Bonds.

(v) The Indenture shall not be discharged until all Policy Costs owing to BAM shall have been paid in full. The Successor Agency's obligation to pay such amount shall expressly survive payment in full of the Bonds.

(vi) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to BAM at least three business days prior to each date upon which interest or principal is due on the Bonds.

(vii) The Reserve Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

With respect to the Reserve Policy, notwithstanding anything to the contrary set forth in the Indenture, the Successor Agency and the Trustee agree to comply with the terms of the Reserve Agreement.

(e) *Redemption Account.* On or before the fifth Business Day preceding any date on which Bonds are to be redeemed, the Trustee shall withdraw from the Debt Service Fund and transfer to the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee shall also deposit in the Redemption Account any other amounts received by it from the Successor Agency designated by the Successor Agency in writing to be deposited in the Redemption Account. All moneys in the Redemption Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be redeemed on the respective dates set for such redemption.

Covenants of the Successor Agency

As long as the Bonds are outstanding and unpaid, the Successor Agency shall (through its proper members, officers, agents or employees) faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture or in any Bond issued under the Indenture, including the following covenants and agreements for the benefit of the Bondowners which are necessary, convenient and desirable to secure the Bonds and any Parity Debt and will tend to make them more marketable; *provided, however,* that the covenants do not require the Successor Agency to expend any funds other than the Tax Revenues:

(a) *Use of Proceeds; Management and Operation of Properties.* The Successor Agency covenants and agrees that the proceeds of the sale of the Bonds will be deposited and used as provided in the Indenture and that it will manage and operate all properties owned by it comprising any part of the Merged Project in a sound and businesslike manner.

(b) *No Priority.* The Successor Agency covenants and agrees that it will not issue any obligations payable, either as to principal or interest, from the Tax Revenues which have any lien upon the Tax Revenues prior or superior to the lien of the Bonds. Except as permitted by the Indenture, it will not issue any obligations, payable as to principal or interest, from the Tax Revenues, which have any lien upon the Tax Revenues on a parity with the Bonds authorized in the Indenture. Notwithstanding the foregoing, nothing in the Indenture shall prevent the Successor Agency (i) from issuing and selling pursuant to law, refunding obligations payable from and having any lawful lien upon the Tax Revenues, if such refunding obligations are issued for the purpose of, and are sufficient for the purpose of, refunding all of the Outstanding Bonds and Parity Debt, (ii) from issuing and selling obligations which have, or purport to have, any lien upon the Tax Revenues which is junior to the Bonds or (iii) from issuing and selling bonds or other obligations which are payable in whole or in part from sources other than the Tax Revenues. As used in the Indenture "obligations" includes, without limitation, bonds, notes, interim certificates, debentures or other obligations.

(c) *Punctual Payment.* The Successor Agency covenants and agrees that it will duly and punctually pay or cause to be paid the principal of and interest on each of the Bonds on the date, at the place and in the manner provided in the Bonds.

(d) *Payment of Taxes and Other Charges.* The Successor Agency covenants and agrees that it will from time to time pay and discharge, or cause to be paid and discharged, all payments in lieu of taxes, service charges, assessments or other governmental charges which may lawfully be imposed upon the Successor Agency or any of the properties then owned by it in the Merged Project, or upon the revenues and income therefrom, and will pay all lawful claims for labor, materials and supplies which if unpaid might become a lien or charge upon any of the properties, revenues or income or which might impair the security of the Bonds or the use of Tax Revenues or other legally available funds to pay the principal of and interest on the Bonds, all to the end that the priority and security of the Bonds shall be preserved; provided, however, that nothing in this covenant shall require the Successor Agency to make any such payment so long as the Successor Agency in good faith shall contest the validity of the payment.

(e) *Books and Accounts; Financial Statements.* The Successor Agency covenants and agrees that it will at all times keep, or cause to be kept, proper and current books and accounts (separate from all other records and accounts) in which complete and accurate entries shall be made of all transactions relating to the Merged Project and the Tax Revenues and other funds relating to the Merged Project. The Successor Agency will prepare within one hundred eighty (180) days after the close of each of its Fiscal Years a post-audit of the financial transactions and records of the Successor Agency for the Fiscal Year to be made by an Independent Certified Public Accountant appointed by the Successor Agency, and will furnish a copy of the post-audit to the Trustee and any rating agency which maintains a rating on the Bonds, and, upon written request, to any Bondowner. The Trustee shall have no duty to review such post-audits.

(f) *Eminent Domain Proceeds.* The Successor Agency covenants and agrees that if all or any part of the Merged Project should be taken from it without its consent, by eminent domain proceedings or other proceedings authorized by law, for any public or other use under which the property will be tax exempt, it shall take all steps necessary to adjust accordingly the base year property tax roll of the Merged Project.

(g) *Disposition of Property.* The Successor Agency covenants and agrees that it will not dispose of land area in the Merged Projects (except property in effect on the date the Indenture is adopted as planned for public use, or property to be used for public streets, public off-street parking, sewage facilities, parks, easements or right-of-way for public utilities, or other similar uses) to public bodies or other persons or entities whose property is tax exempt, unless such disposition will not result in Tax Revenues to be less than 1.25 times Maximum Annual Debt Service, based upon the certificate or opinion of an Independent Financial Consultant appointed by the Successor Agency.

(h) *Protection of Security and Rights of Bondowners.* The Successor Agency covenants and agrees to preserve and protect the security of the Bonds and the rights of the Bondowners and to contest by court action or otherwise (i) the assertion by any officer of any government unit or any other person whatsoever against the Successor Agency that (A) the Law is unconstitutional or (B) that the Tax Revenues pledged under the Indenture cannot be paid to the Successor Agency for the debt service on the Bonds or (ii) any other action affecting the validity of the Bonds or diluting the security therefor, including, with respect to the Tax Revenues, the senior lien position of the Bonds to the Statutory Pass-Through Agreements.

(i) *Tax Covenants.* The Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the Bondowners is includable in gross income of the recipient under federal income tax laws on the date of issuance of the Bonds. Notwithstanding any other provision of the Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the Bonds and Parity Debt will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Tax Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(i) **Rebate Requirement**. The Successor Agency shall take any and all actions necessary to assure compliance with section **148(f)** of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government. In the event that the Successor Agency shall determine that any amounts are due and payable to the United States of America under the Indenture and that the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the Interest Account, the Principal Account, the Sinking Account and excluding any other moneys required to pay the principal of or interest or redemption premium, if any, on the Bonds) to make such payment, the Successor Agency shall promptly pay from available Tax Revenues or any other source of legally available funds the sum of (a) one hundred percent (100%) of the amounts determined to be due and payable to the United States of America as a result of the investment of amounts on deposit in any fund or account established under the Indenture, plus (b) all other amounts due and payable to the United States of America.

(ii) **Private Business Use Limitation**. The Successor Agency shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become "private activity Bonds" within the meaning of section **141**(a) of the Tax Code.

(iii) **Private Loan Limitation**. The Successor Agency shall assure that no more than five percent (5%) of the net proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Tax Code or constituting assessments) to persons other than state or local government units.

(iv) **Federal Guarantee Prohibition**. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of section **149**(b) of the Tax Code.

(v) **No Arbitrage**. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date of the Bonds, would have caused the Bonds to be "arbitrage Bonds" within the meaning of section **148**(a) of the Tax Code.

(j) *Compliance with Dissolution Act*. The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants under the Indenture. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds coming due in such Bond Year, including the inclusion on the applicable Recognized Obligation Schedule the amounts set forth in the Recognized Obligation Debt Service Schedule attached to the Indenture.

Not fewer than 90 days prior to each January 2, commencing January 2, 2015, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller which shall include the following: (i) all scheduled interest payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, (ii) all scheduled principal and mandatory sinking fund redemption payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, and (iii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture.

(k) *Compliance with Dissolution Act*. The Successor Agency covenants that it will comply with the requirements of the Dissolution Act. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to file all required statements and hold all public hearings required under the Dissolution Act to assure compliance by the Successor Agency with its covenants hereunder. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely principal of, and interest on, the Bonds coming due in such Bond Year, including the inclusion on the applicable Recognized Obligation Schedule the amounts set forth in the Recognized Obligation Debt Service Schedule attached hereto as Exhibit C and hereby made a part hereof and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy.

Not fewer than 90 days prior to each January 2, commencing January 2, 2015, the Successor Agency shall submit an Oversight Board-approved Recognized Obligation Payment Schedule to the State Department of Finance and to the County Auditor-Controller which shall include the following: (i) all scheduled interest payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, (ii) all scheduled principal and mandatory sinking fund redemption payments on all Outstanding Bonds of the Successor Agency that are due and payable during the next calendar year, and (iii) any amount required to cure any deficiency in the Reserve Account pursuant to the Indenture.

(l) *Compliance with the Dissolution Act; Recognized Obligation Payment Schedules.* The Successor Agency shall comply with all of the requirements of the Dissolution Act. The Successor Agency shall take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to pay timely principal of, and interest on, all outstanding obligations coming due in such Bond Year, including the inclusion on the applicable Recognized Obligation Schedule the amounts set forth in the Recognized Obligation Debt Service Schedule attached hereto as Exhibit C and hereby made a part hereof and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy.

(m) *Compliance with Plan Limit.* If and to the extent that the Plan Limit applies to the Successor Agency under the Law, the Successor Agency will annually review, no later than December 1 of each year, the total amount of remaining tax increment to be received by the Successor Agency under the Plan Limit (assuming all incremental revenue is allocated to the Successor Agency), as well as future cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds. If, based on such review, the allocation of tax increment to the Successor Agency in any of the next three succeeding Fiscal Years would cause an amount equal to 95% of the amount remaining under the Plan Limit to fall below the remaining cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee and any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds, the Successor Agency will include in its Recognized Obligation Payment Schedule sufficient additional amounts to fund a defeasance escrow to be held by the Trustee and to be pledged solely to the payment of debt service on the Bonds, which escrow shall be invested in Defeasance Obligations and used for the payment of principal of, redemption premiums, if any, and interest on the Bonds to ensure that there are sufficient remaining tax increment revenues under the Plan Limit to pay the remaining debt service and all amounts due and payable to BAM in connection with the Municipal Bond Insurance Policy and the Reserve Policy. In the event such 95% limit is or will be reached or exceeded in any Fiscal Year, the Successor Agency shall promptly notify BAM of such fact in writing.

(n) *Dissolution Act Invalid; Maintenance of Tax Revenues.* In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

(o) *Continuing Disclosure.* The Successor Agency covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the Successor Agency to comply with the Continuing Disclosure Certificate shall not be an Event of Default under the Indenture. However, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Successor Agency to comply with its continuing disclosure obligations.

Amendment

The Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without the consent of any Owners, to the extent permitted by law and only for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Successor Agency in the Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers in the Indenture reserved to or conferred upon the Successor Agency; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in any other respect whatsoever as the Successor Agency may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not, in the reasonable determination of the Successor Agency, materially adversely affect the interests of the Owners; or

(c) to provide for the issuance of Parity Debt in accordance with the Indenture; or

(d) to amend any provision of the Indenture relating to the requirements of or compliance with the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exemption from federal income taxation of interest on any of the Bonds, in the opinion of nationally recognized bond counsel.

Except as set forth in the preceding paragraph, the Indenture and the rights and obligations of the Successor Agency and of the Owners may be modified or amended at any time by a Supplemental Indenture which shall become binding when the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Successor Agency to pay the principal, interest or redemption premiums (if any) at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, or (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification. In no event shall any Supplemental Indenture modify any of the rights or obligations of the Trustee without its prior written consent. In addition, the Trustee shall be entitled to an opinion of counsel concerning the Supplemental Indenture's lack of any material adverse effect on the Owners and that all conditions precedent for any supplement or amendment have been satisfied.

Effect of Supplemental Indenture Error! Bookmark not defined.

From and after the time any Supplemental Indenture becomes effective, the Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties thereto and all Owners, as the case may be, shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Events of Default and Acceleration of Maturities

The following events shall constitute Events of Default under the Indenture:

(a) if default shall be made by the Successor Agency in the due and punctual payment of the principal or sinking fund payment of or interest or redemption premium (if any) on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made by the Successor Agency in the observance of any of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, other than a default described in the preceding clause (a), and such default shall have continued for a period of sixty (60) days following receipt by the Successor Agency of written notice from the Trustee or any Owner of the occurrence of such default provided that if in the reasonable opinion of the Successor Agency the failure stated in the notice can be corrected, but not within such 60 day period, such failure will not constitute an event of default if corrective action is instituted by the Successor Agency within such 60 day period and the Successor Agency thereafter diligently and in good faith cures such failure within 120 days; or

(c) if the Successor Agency files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction will approve a petition seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will approve a petition, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or, if under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction will assume custody or control of the Successor Agency or of the whole or any substantial part of its property.

If an Event of Default has occurred under the Indenture and is continuing, the Trustee may, and, if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, (a) declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding, and (b) the Trustee shall, subject to the provisions of the Indenture, exercise any other remedies available to the Trustee and the Bond Owners in law or at equity.

Promptly upon receiving written notice or actual knowledge (of a Responsible Officer) of the occurrence of an Event of Default, the Trustee shall give notice of such Event of Default to the Successor Agency by telephone confirmed in writing. With respect to any Event of Default described in clauses (a) or (c) above the Trustee shall, and with respect to any Event of Default described in clause (b) above the Trustee in its sole discretion may, also give such notice to the Owners by mail, which shall include the statement that interest on the Bonds shall cease to accrue from and after the date, if any, on which the Trustee shall have declared the Bonds to become due and payable pursuant to the preceding paragraph (but only to the extent that principal and any accrued, but unpaid, interest on the Bonds is actually paid on such date).

This provision, however, is subject to the condition that if, at any time after the principal of the Bonds shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Successor Agency shall deposit with the Trustee a sum sufficient to pay all principal on the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal and interest (to the extent permitted by law), and the reasonable expenses of the Trustee, (including the allocated costs and disbursements of its in-house counsel) to and any and all other defaults of which the Trustee has notice (other than in the payment of principal of and interest on the Bonds due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, with the prior written approval of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Successor Agency and to the Trustee, may, on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences. However, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Application of Funds Upon Acceleration

All of the Tax Revenues and all sums in the funds and accounts established and held by the Trustee under the Indenture upon the date of the declaration of acceleration as provided in the Indenture, and all sums thereafter received by the Trustee under the Indenture, shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

> *First*, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in the Indenture, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and

> *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Limitation on Owner's Right to Sue

No Owner of any Bond issued under the Indenture shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made Written Request upon the Trustee to exercise the powers in the Indenturebefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such Written Request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Indenture; it being understood and intended that no one or more Owners shall have any right in any manner whatever by his or their action to enforce any right under the Indenture, except in the manner in the Indenture provided, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner in the Indenture provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of (and premium, if any) and interest on such Bond as in the Indenture provided, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of the Indenture or any other provision of the Indenture.

Remedies Not Exclusive

No remedy in the Indenture conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

Discharge of Indenture

If the Successor Agency shall pay and discharge the entire indebtedness on all Bonds or any portion thereof in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and premium (if any) on all or the applicable portion of Outstanding Bonds, as and when the same become due and payable;

(b) by irrevocably depositing with the Trustee or another fiduciary, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and accounts established pursuant to the Indenture, is fully sufficient to pay all or the applicable portion of Outstanding Bonds, including all principal, interest and redemption premiums, or;

(c) by irrevocably depositing with the Trustee or another fiduciary, in trust, Defeasance Obligations in such amount as an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established pursuant to the Indenture, be fully sufficient to pay and discharge the indebtedness on all Bonds or the applicable portion of (including all principal, interest and redemption premiums) at or before maturity;

and, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Successor Agency, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Tax Revenues and other funds provided for in the Indenture and all other obligations of the Trustee and the Successor Agency under the Indenture shall cease and terminate with respect to all Outstanding Bonds or, if applicable, with respect to that portion of the Bonds which has been paid and discharged, except only (a) the covenants of the Successor Agency under the Indenture with respect to the Code, (b) the obligation of the Trustee to transfer and exchange Bonds under the Indenture, (c) the obligations of the Successor Agency under the Indenture, and (d) the obligation of the Successor Agency to pay or cause to be paid to the Owners, from the amounts so deposited with the Trustee, all sums due thereon and to pay the Trustee all fees, expenses and costs of the Trustee. In the event the Successor Agency shall, pursuant to the foregoing provision, pay and discharge any portion or all of the Bonds then Outstanding, the Trustee shall be authorized to take such actions and execute and deliver to the Successor Agency all such instruments as may be necessary or desirable to evidence such discharge, including, without limitation, selection by lot of Bonds of any maturity of the Bonds that the Successor Agency has determined to pay and discharge in part.

In the case of a defeasance or payment of all of the Bonds Outstanding, any funds thereafter held by the Trustee which are not required for said purpose or for payment of amounts due to the Trustee pursuant to the Indenture shall be paid over to the Successor Agency.

To accomplish defeasance the Successor Agency shall cause to be delivered (i) a Report of an Independent Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or earlier redemption date ("Verification"), (ii) an escrow deposit agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Successor Agency and the Trustee.

Provisions Relating to BAM and the Municipal Bond Insurance Policy

(a) *Books and Records*. The Successor Agency and the Trustee shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions and all funds and accounts by or maintained pursuant to the Indenture, which shall at all times during normal business hours and upon reasonable notice be subject to inspection by BAM or its agents or representatives who have been duly authorized in writing.

(b) *Discussion of Financial Matters*. The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by BAM and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as BAM may reasonably request.

(c) *Meet and Confer; ROPs Denial.* The Successor Agency shall provide BAM with copies of all Recognized Obligation Payment Schedule ("ROPS") submitted and any and all correspondence received from the DOF upon receipt. In the event that the Successor Agency is a party to a meet and confer with the DOF, the Successor Agency shall timely notify BAM and BAM shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as BAM determines in its discretion. In the event the Successor Agency receives a ROPS denial, whether relating to the Insured Bonds or not, and such denial could delay the receipt of tax revenues necessary to pay debt service or Policy Costs relating to the Insured Bonds, the Successor Agency agrees to cooperate in good faith with BAM and BAM shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the DOF and to discuss such matters with the DOF directly.

(d) *BAM As Third Party Beneficiary.* BAM is recognized as and shall be deemed to be an irrevocable third party beneficiary of the Indenture and may enforce the provisions of the Indenture as if it were a party thereto.

(e) *Additional Debt.* The Successor Agency shall not issue or incur any bonds, debt or other obligations that are payable from or secured by any property tax or tax increment revenues pledged to the Insured Bonds on a basis senior or superior to the Insured Bonds. The Successor Agency shall not issue or incur any senior bonds or parity bonds debt or other obligation except for refunding bonds. Any additional subordinate debt shall be payable on the same dates as the Insured Bonds.

(f) *Notice and Other Information to be given to BAM.* The Successor Agency will identify BAM as a "notice party" and shall further provide BAM with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the Owners of Insured Bonds or the Trustee under the Indenture. BAM shall receive copies of all notices and amendments relating to the Insured Bonds.

The notice address of BAM is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Municipal Bond Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(g) *Defeasance.* The investments in the defeasance escrow relating to Insured Bond shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by BAM.

At least three (3) Business Days prior to any defeasance with respect to the Insured Bonds, the Successor Agency shall deliver to BAM draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to BAM and shall be in form and substance satisfactory to BAM. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes and the prior written consent of BAM, which consent will not be unreasonably withheld.

(ii) The Successor Agency will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to BAM a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Successor Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without written notice to and the prior written consent of BAM.

(h) *Trustee.* BAM shall receive prior written notice of any name change of the Trustee or the resignation, removal or substitution of the Trustee. Each Trustee must be:

(i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets,

(ii) a state- chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or

(iii) otherwise approved by BAM in writing.

No resignation, removal or substitution of the Trustee shall take effect until a successor, acceptable to BAM, shall be qualified and appointed. BAM shall have the right to direct the replacement of the Trustee upon the occurrence of an event of a default on the Insured Bonds and any event of default to the extent BAM determines in its sole discretion that there exists or could exist a conflict of interest.

(i) *Amendments, Supplements and Consents.* BAM's prior written consent is required for all amendments and supplements to the Indenture, with the exceptions noted below. The Successor Agency shall send copies of all amendments or supplements to BAM and the rating agencies that have assigned a rating to the Insured Bonds.

(i) **Consent of BAM.** Any amendments or supplements to the Indenture shall require the prior written consent of BAM with the exception of amendments or supplements:

(A) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(B) To grant or confer upon the holders of the Insured Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Bonds, or

(C) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Indenture other conditions, limitations and restrictions thereafter to be observed, or

(D) To add to the covenants and agreements of the Successor Agency in the Indenture other covenants and agreements thereafter to be observed by the Successor Agency or to surrender any right or power therein reserved to or conferred upon the Successor Agency.

(ii) **Consent of BAM in Addition to Owner Consent.** Any amendment, supplement, modification to, or waiver of, any of the Indenture that requires the consent of Owners of the Insured Bonds or adversely affects the rights or interests of BAM shall be subject to the prior written consent of BAM.

(iii) **Notice To and Consent of BAM in the Event of Insolvency.** To the extent the Successor Agency enters into any reorganization or liquidation plan with respect to the Successor

Agency, it must be acceptable to BAM. In the event of any reorganization or liquidation of the Successor Agency BAM shall have the right to file a claim, object to and vote on behalf of all holders of the Insured Bonds absent a continuing failure by BAM to make a payment under the Municipal Bond Insurance Policy. The Successor Agency shall provide BAM with immediate written notice of any insolvency event that causes the Successor Agency to be unable to pay its obligations as and when they become due. In the event of a receivership or out-of-court restructuring, BAM shall have the right to negotiate and speak on behalf of and bind the bondholders and any agreements reached must be acceptable to BAM.

(iv) **Consent of BAM Upon Default.** Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, monetary or nonmonetary, BAM shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Insured Bonds or the Trustee for the benefit of the Owners of the Insured Bonds. No monetary or nonmonetary default or event of default may be waived without BAM's written consent.

(v) **BAM as Owner.** Upon the occurrence and continuance of a default or an event of default, BAM shall be deemed to be the sole and exclusive owner of the outstanding Insured Bonds for all purposes under the Indenture, including, without limitation, for purpose of approvals, consents, exercising remedies and approving agreements relating to the Insured Bonds.

(vi) **Consent of BAM for Acceleration.** BAM's prior written consent is required as a condition precedent to and in all instances of acceleration.

(vii) **Grace Period for Payment Defaults.** No grace period shall be permitted for payment defaults on the Insured Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of BAM.

(viii) **Special Provisions for Insurer Default.** If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (j)(i)-(v) above to the contrary, (A) if at any time prior to or following an Insurer Default, BAM has made payment under the Municipal Bond Insurance Policy, to the extent of such payment BAM shall be treated like any other Owner of the Insured Bonds for all purposes, including giving of consents, and (B) if BAM has not made any payment under the Municipal Bond Insurance Policy, BAM shall have no further consent rights until the particular Insurer Default is no longer continuing or BAM makes a payment under the Municipal Bond Insurance Policy, in which event, the foregoing clause (A) shall control. For purposes of this paragraph, "Insurer Default" means: (1) BAM has failed to make any payment under the Municipal Bond Insurance Policy when due and owing in accordance with its terms; or (2) BAM shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (3) any state or federal agency or instrumentality shall order the suspension of payments on the Municipal Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of BAM (including without limitation under the New York Insurance Law).

(j) *Payment Procedure Under the Municipal Bond Insurance Policy.* In the event that principal and/or interest due on the Insured Bonds shall be paid by BAM pursuant to the Municipal Bond Insurance Policy, the Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Successor Agency to the Owners shall continue to exist and shall run to the benefit of BAM and shall be subrogated to the rights and remedies of such Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Insured Bonds.

In the event that on the second (2nd) Business Day prior to any Interest Payment Date on the Insured Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall immediately notify BAM or its designee on the same Business Day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall notify BAM or its designee immediately upon receipt of payment.

In addition, if the Trustee has notice that any Owner of the Insured Bonds has been required to disgorge payments of principal of or interest on the Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, then the Trustee shall notify BAM or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of BAM.

The Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for Owner of the Insured Bonds as follows:

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Bonds, the Trustee shall (A) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owners of the Insured Bonds in any legal proceeding related to the payment and assignment to BAM of the claims for interest on the Insured Bonds, (B) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the Municipal Bond Insurance Policy payment from BAM with respect to the claims for interest so assigned, and (C) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal of the Insured Bonds, the Trustee shall (A) execute and deliver to BAM, in form satisfactory to BAM, an instrument appointing BAM as agent and attorney-in-fact for such Owner of the Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to BAM of the Insured Bonds surrendered to BAM, (B) receive as designee of the respective Owners (and not as Trustee) in accordance with the tenor of the Municipal Bond Insurance Policy payment therefore from BAM, and (C) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by BAM, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to BAM, registered in the name directed by BAM, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Successor Agency on any Insured Bond or the subrogation or assignment rights of BAM.

Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Trustee from proceeds of the Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the Successor Agency with respect to such Insured Bonds, and BAM shall become the owner of such unpaid Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Successor Agency and the Trustee agree for the benefit of BAM that:

(i) They recognize that to the extent BAM makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Insured Bonds, BAM will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the Successor Agency with interest thereon, as provided and solely from the sources stated in the Indenture and the Insured Bonds; and

(ii) They will accordingly pay to BAM the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Bonds to Owners, and will otherwise treat BAM as the owner of such rights to the amount of such principal and interest.

(k) *Additional Payments.* The Successor Agency agrees unconditionally that it will pay or reimburse BAM on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that BAM may pay or incur, including, but not limited to, fees and expenses of BAM's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of BAM spent in connection with the actions described in the preceding sentence. The Successor Agency agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to BAM until the date BAM is paid in full.

Notwithstanding anything herein to the contrary, the Successor Agency agrees to pay to BAM (i) a sum equal to the total of all amounts paid by BAM under the Municipal Bond Insurance Policy ("BAM Policy Payment"); and (ii) interest on such BAM Policy Payments from the date paid by BAM until payment thereof in full by the Successor Agency, payable to BAM at the Late Payment Rate per annum (collectively, "BAM Reimbursement Amounts") compounded semi-annually. The Successor Agency hereby covenants and agrees that the BAM Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Bonds on parity with debt service due on the Insured Bonds.

(l) *Reserve Account.* The prior written consent of BAM shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account, if any, other than the Reserve Policy. Amounts on deposit in the Reserve Account shall be applied solely to the payment of debt service due on the Insured Bonds.

(m) *Exercise of Rights by BAM.* The rights granted to BAM under the Indenture and Insured Bonds to request, consent to or direct any action are rights granted to BAM in consideration of its issuance of the Municipal Bond Insurance Policy. Any exercise by BAM of such rights is merely an exercise of the BAM's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of BAM, affirmative or negative, as to whether the consent of the holders of the Insured Bonds or any other person is required in addition to the consent of BAM.

(n) *Payment on Insured Bonds Due for Payment.* BAM shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Successor Agency (as such terms are defined in the Municipal Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not BAM has received a claim upon the Municipal Bond Insurance Policy.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Successor Agency to the Redevelopment Agency of the City of Burbank
275 East Olive Avenue
Burbank, California 91502

OPINION: $40,550,000* Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2014

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Redevelopment Agency of the City of Burbank, as successor to the former Redevelopment Agency of the City of Burbank (the "Successor Agency"), of $40,550,000* Successor Agency to the Redevelopment Agency of the City of Burbank, Tax Allocation Refunding Bonds, Series 2015 (the "Bonds"), pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the "Refunding Bond Law"), a resolution adopted by the Successor Agency on July 15, 2014, and an indenture of trust, dated as of April 1, 2015, by and between the Successor Agency and Wells Fargo Bank, National Association, as trustee (the "Indenture").

In connection with this opinion, we have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Successor Agency contained in the Indenture and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing we are of the opinion, under existing law, as follows:

1. The Successor Agency is duly created and validly existing as a public body, corporate and politic, with the power to enter into the Indenture, perform the agreements on its part contained therein and issue the Bonds.

2. The Indenture has been duly approved by the Successor Agency and constitutes a valid and binding obligation of the Successor Agency enforceable in accordance with its terms.

3. Pursuant to the Refunding Bond Law, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds on a parity with any Parity Debt that may be issued under and as such term is defined in the Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Successor Agency and are valid and binding special obligations of the Successor Agency, payable solely from the sources provided therefor in the Indenture.

5. Subject to the Successor Agency's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included

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* Preliminary, subject to change.

as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing Successor Agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Successor Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Successor Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Successor Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any), and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Successor Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Successor Agency or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Bonds are required to be printed and delivered.

The Successor Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, representing the Bonds will be printed and delivered to DTC in accordance with the provisions of the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Successor Agency believes to be reliable, but the Successor Agency takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK (the "Successor Agency") in connection with the issuance of $40,550,000* aggregate principal amount of Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015 (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of April 1, 2015 (the "Indenture"), by and between the Successor Agency and Wells Fargo Bank, National Association, as trustee (the "Trustee"). The Bonds shall be secured by a pledge, charge and lien upon Net Revenues (as such term is defined in the Indenture). The Successor Agency covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"Annual Report" shall mean any Annual Report provided by the Successor Agency pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean NBS Government Finance Group, DBA NBS, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation. In the absence of such a designation, the Successor Agency shall act as the Dissemination Agent.

"EMMA" or *"Electronic Municipal Market Access"* means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Participating Underwriter" shall mean any original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Successor Agency for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

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* Preliminary, subject to change.

Section 3. <u>Provision of Annual Reports</u>.

(a) *Delivery of Annual Report*. The Successor Agency shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the Successor Agency's fiscal year (which currently ends on June 30), commencing with the report for the 2014-15 Fiscal Year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Successor Agency may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year*. If the Successor Agency's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent*. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Successor Agency.

(d) *Report of Non-Compliance*. If the Successor Agency is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Successor Agency shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Successor Agency is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification*. The Dissemination Agent shall, if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. <u>Content of Annual Reports</u>. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements*. Audited financial statements of the Successor Agency for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the Successor Agency's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information*. To the extent not included in the audited financial statements of the Successor Agency, the Annual Report shall also include financial and operating data with respect to the Successor Agency for the preceding fiscal year, as follows:

(i) Breakdown of Assessed Valuation By Category of Use;
(ii) Historical Taxable Values and Tax Increment Revenues;
(iii) Largest Property Taxpayers, by Assessed Value;
(iv) Tax Collections and Delinquencies;
(v) Appeals of top ten taxpayers; and
(vi) Debt Service Coverage.

(c) *Cross References*. Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Successor Agency or related public entities, which are available to the public on EMMA. The Successor Agency shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. <u>Reporting of Listed Events</u>.

(a) *Reportable Events.* The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, give notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Unscheduled draws on debt service reserves reflecting financial difficulties.

(3) Unscheduled draws on credit enhancements reflecting financial difficulties.

(4) Substitution of credit or liquidity providers, or their failure to perform.

(5) Defeasances.

(6) Rating changes.

(7) Tender offers.

(8) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(9) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Non-payment related defaults.

(2) Modifications to rights of security holders.

(3) Bond calls.

(4) The release, substitution, or sale of property securing repayment of the securities.

(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Successor Agency's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Successor Agency shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The Successor Agency may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the Successor Agency, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Successor Agency pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Successor Agency. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Successor Agency shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Successor Agency.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the Successor Agency from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the Successor Agency or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Successor Agency. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the Successor Agency that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances*. If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date*. The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion*. The amendment or waiver either (i) is approved by the Bond owners in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Bond owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bond owners or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the Successor Agency shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Successor Agency. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Successor Agency from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Successor Agency chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Successor Agency shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Successor Agency to comply with any provision of this Disclosure Certificate, any Certificate owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Successor Agency to comply with their obligations under this Disclosure Certificate. The sole remedy under this Disclosure Certificate in the event of any failure of the Successor Agency to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. Article VIII of the Indenture is hereby made applicable to this Disclosure Certificate as if this Disclosure Certificate was (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, and the Successor Agency agree to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Trustee under the Indenture. The obligations of the Successor Agency under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

By ______________________________
Authorized Officer

ACKNOWLEDGED:

NBS GOVERNMENT FINANCE GROUP, DBA NBS, as Dissemination Agent

By ______________________________
Authorized Officer

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	Successor Agency to the Redevelopment Agency of the City of Burbank
Names of Issues:	Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issues as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Obligor in connection with the Issue. The Obligor anticipates that the Annual Report will be filed by ________________.

Date: ________________

NBS GOVERNMENT FINANCE GROUP, DBA
NBS, Dissemination Agent

By ______________________________________
Authorized Officer

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APPENDIX E

SUCCESSOR AGENCY FINANCIAL STATEMENTS THROUGH JUNE 30, 2014

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city of burbank
california

comprehensive annual financial report
year ended june 30, 2014

ABOUT THE COVER

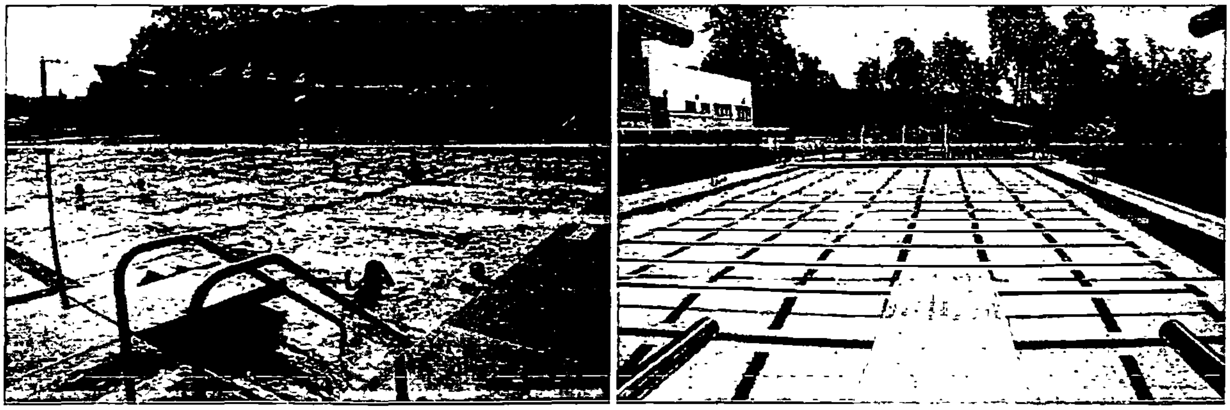
The City of Burbank Fiscal Year 2013-14 Comprehensive Annual Financial Report features the newly renovated Verdugo Aquatic Facility, located at 3201 W. Verdugo Avenue.

Designed by Jones and Madhavan Architecture and Engineering, a premier industry leader in design of aquatic facilities, the Verdugo Aquatic Facility features a new Olympic size 50-meter by 25-yard swimming pool with diving boards and a zero depth entry activity pool with two water slides and a play area for kids.

New locker rooms, lifeguard offices, a concession facility, and mechanical building were also constructed as part of the $7.3 million renovation.

Construction of the Verdugo swimming pool and bath house was completed in 1948, and Burbank's aquatic programs quickly rose into prominence thereafter. Miss Burbank, Debbie Reynolds was part of the original dedication festivities, shown in the photos below. In 1984, Verdugo Pool was used as an Olympic Training site for the Games of the XXIII Olympiad, held in Los Angeles.

Verdugo Pool Dedication August 1948



Verdugo Pool August 2013

Cover Design & Graphics:
Cassidy Allen (Graphic Media Designer - City of Burbank)

Photos:
City of Burbank Archives & Jennifer Becker

COMPREHENSIVE

ANNUAL FINANCIAL REPORT

OF THE

CITY OF BURBANK
BURBANK, CALIFORNIA

FISCAL YEAR ENDED June 30, 2014

Prepared by :
Financial Services Department
Cindy Giraldo
Financial Services Director

CITY OF BURBANK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED June 30, 2014

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CITY OF BURBANK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED June 30, 2014

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STATISTICAL SECTION
(Unaudited)

INTRODUCTORY SECTION

The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Burbank, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the:

- Letter of Transmittal,
- City's Organizational Chart and List of Principal Officials,
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

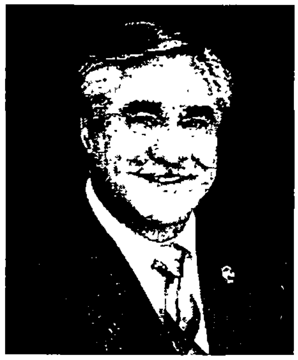
City of Burbank's Elected Officials
and
Principal Officers

Dr. David Gordon
Mayor

Bob Frutos
Vice Mayor

Gary Bric
Council Member

Emily Gabel-Luddy
Council Member



Jess Talamantes
Council Member

Zizette Mullins
City Clerk

Debbie Kukta
City Treasurer

CITY OF BURBANK
OFFICE OF THE CITY MANAGER
(818) 238-5800
FAX (818) 238-5804

November 24, 2014

Honorable Mayor and Members of the City Council:

REPORT PURPOSE AND ORGANIZATION

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Burbank for the fiscal year ended June 30, 2014. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Burbank, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Audited Financial Statements

The City's financial statements have been audited by White Nelson Diehl Evans LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burbank, California, for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burbank, California's financial

275 E. Olive Avenue • P.O. Box 6459
Burbank, California 91510-6459

statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

"Single Audit" for Federal Grant Programs. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. This information is available in the City's separately issued *Single Audit Report*.

PROFILE OF THE CITY OF BURBANK

The City of Burbank, incorporated in 1911 under the general laws of the State of California, is a long-established residential city and commercial center located within Los Angeles County in Southern California. The City of Burbank is a unique urban community located 12 miles northwest of downtown Los Angeles and nestled between the Hollywood Hills and the Verdugo Mountains near Highway 5 and Highway 134. The City occupies a land area of 17.16 square miles and serves a population of 105,543.

The City provides a full range of municipal services. Services provided include public safety (police and fire); street construction and maintenance; sanitation, refuse collection and disposal; electric, water and sewer utilities; cultural and recreational programs; public infrastructure improvements; planning and zoning; and general administrative and support services.

Form of Government

The City of Burbank is a full-service charter city that operates on a Council-Manager form of government. The Council has the authority to make and enforce all laws and regulations with respect to municipal affairs, subject only to the limitations of the City Charter and the State Constitution. The City Council consists of five members elected at-large for four year terms. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected officials are the City Treasurer and City Clerk whose terms of office are four years. The City Council appoints the City Manager and City Attorney. All other department heads are hired by the City Manager.

Budgetary Policy and Control

The annual budget serves as the foundation for the City financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The level of appropriated budgetary control is the total adopted budget, which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are re-appropriated in the ensuing year's budget. The City utilizes an encumbrance accounting system, whereby commitments such as purchase orders and unperformed contracts are recorded as assigned fund balances at year-end per Governmental Accounting Standards Board (GASB) #54.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burbank operates.

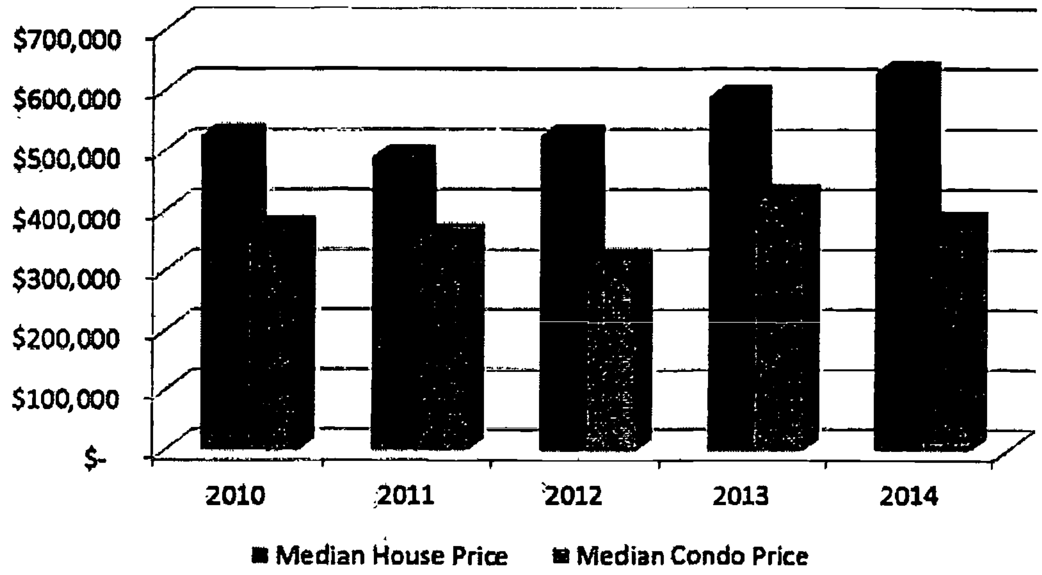
Local Economic Environment

The City of Burbank's economic environment has felt the impacts of the economic downturn, but is still showing strength in commercial, residential and retail development. The City continues to focus on projects promoting the beautification of our neighborhoods and business districts, the attraction of new retail stores and restaurants, the development of needed Class A office space, and the expansion of the citywide transportation system.

Retail sales in Downtown Burbank continue to thrive with activity anchored by AMC movie theaters and IKEA, with several national retailers such as Sears, Macy's, Bed, Bath and Beyond and Old Navy. Burbank's Downtown features a desirable mix of local and national restaurants such as Wokcano Restaurant, Gordon Biersch, Barney's Beanery, Gourmet 88, Market City Café, Buffalo Wild Wings, PF Chang's, Kabuki and Granville Cafe. . The Downtown is focused on the goal of attracting "tech savvy" guests with higher disposable incomes by offering free Wi-Fi service in Downtown Burbank. New businesses which opened up during the year include Tender Greens, Asian Box, Commonwealth and Quenelle.

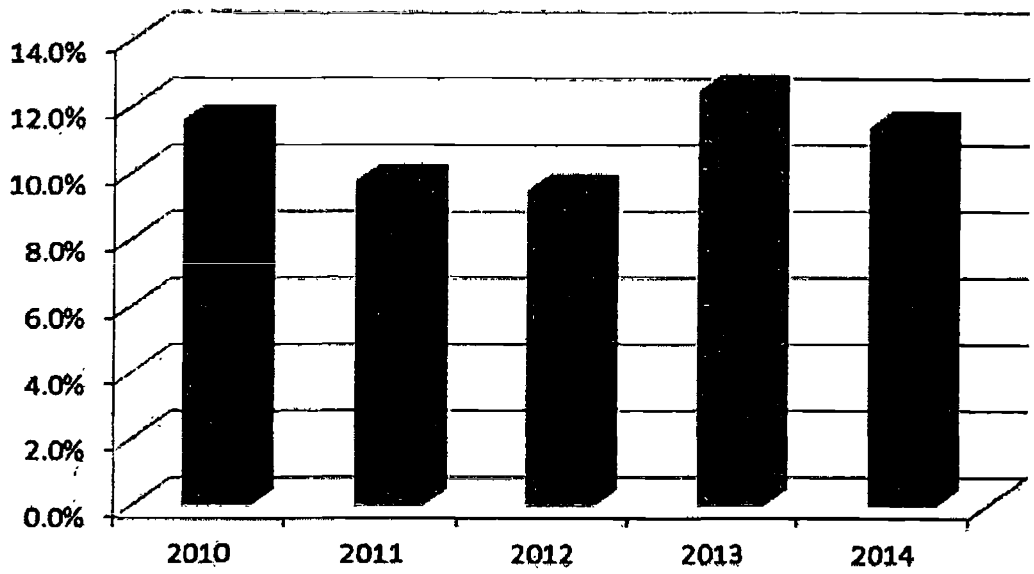
Burbank's single-family home prices continue to steadily increase as reflected in a median home price of $629,750 in June 2014, compared to $589,000 in June 2013. While condominium sales recovered well in 2013 with a median value of $425,000, the median price declined to $380,000 in June 2014.

Burbank Median Housing Prices

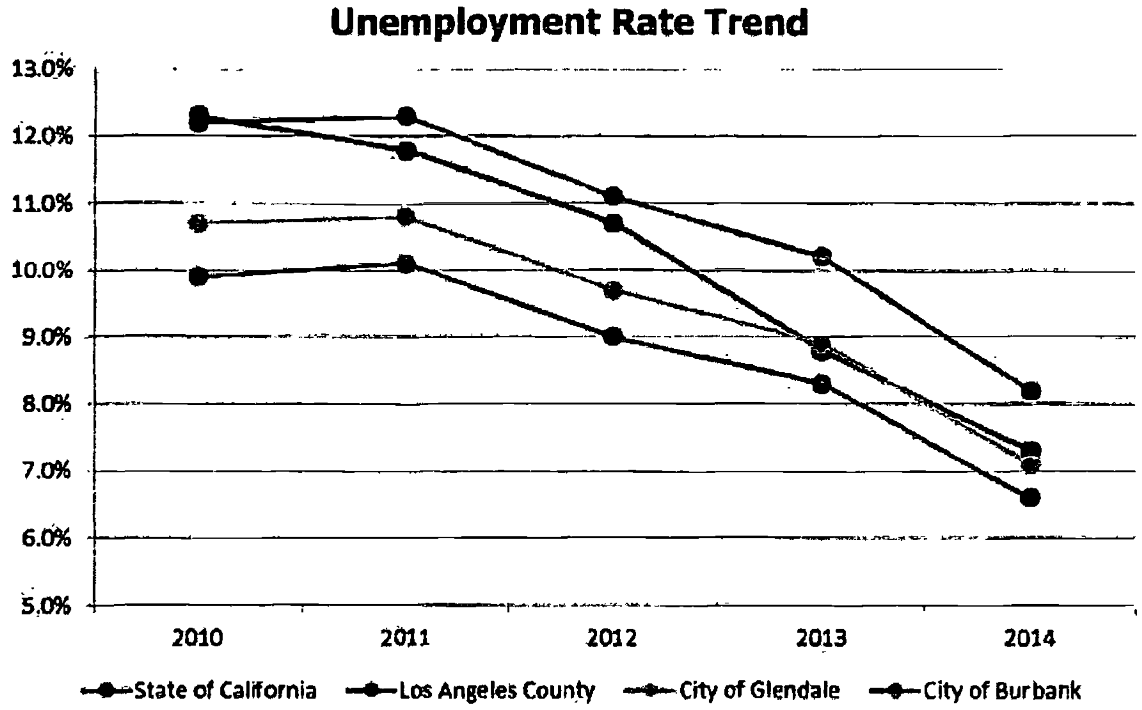


Burbank's office space vacancy is 11.4% compared to 12.5% in June 2013 with strong rental rates averaging $2.72 per square foot.

Office Vacancy Trend



Unemployment rates continue to decrease both locally and statewide. The City of Burbank's unemployment rate at 6.6% continues to be lower in comparison to the City of Glendale's 7.1%, Los Angeles County's 8.2% and State of California's rate of 7.3%.



Effectively utilizing the City of Burbank's resources for the benefit of the entire community is at the heart of the Mayor and City Council's commitment to wise fiscal management. Economic development efforts also seek to continue building Burbank's revenue base by bringing new jobs and businesses to the City. The City of Burbank's goals emphasize sustainability, investment, and reinvestment to continue building a strong, healthy community and improve the quality of life for Burbank residents, businesses and visitors.

Long-Term Financial Planning

The City of Burbank engages in a number of activities focused on long-term financial planning, including:

Five-Year Financial Forecast. The City of Burbank perpetually maintains a five-year General Fund Financial Forecast to identify and focus on current and projected economic conditions. The purpose of the forecast is to identify the General Fund's ability over the next five years – on an order of magnitude basis – to continue current services, maintain existing assets and fund new initiatives or acquire new capital assets.

The Burbank City Council also annually reviews and adopts a five-year forecast of Capital Improvement Projects, grouping them by categories such as low-moderate housing, municipal facilities, pedestrian access and roadways, transportation, and the various utilities, to name a few. These investments reflect the City Council's commitment to maintain and improve the City of Burbank, in order to provide citizens with the highest possible service.

Major City Goals.
Also as part of the City's budget process, the Council discloses major City goals as an integral part of the Financial Plan. The Financial Plan is the City's main tool for programming implementation of these goals, plans and policies by allocating the resources necessary to do so. The following goals are intended to address the highest priority issues, community-wide concerns and needs:

- **Economic Development.** The City continues to focus on economic development with the commitment to advance job growth, increase retail/commercial vitality and maintain excellent quality of life for all. The components to this strategy are as follows: Strategically position Burbank as a competitive regional, statewide and national hub for business and residence; Focus on retail attraction, retention and expansion; Position Burbank as a travel destination; Continue to identify and encourage strategic opportunities innovative and entrepreneurial development within the City; and Enhance outreach and communications.

- **Preservation of Essential Services and Fiscal Health**. Adopt a balanced budget that sustains the City's short and long term fiscal health, preserves public health and safety, and other essential services in line with residents' priorities, and includes cost reduction strategies.

- **Municipal Government Leadership.** To provide municipal government leadership which is open and responsive to its residential and corporate constituents and is characterized by stability, confidence in the future and cooperative interaction among civic leaders, residents, business people and City staff, while recognizing and respecting legitimate differences of opinions on critical issues facing the City.

MAJOR INITIATIVES

The City continued its efforts on a number of significant initiatives in 2013-14 which will have a beneficial effect on fiscal health and quality of life.

Reservoir Number 1. Excavation of the Reservoir Number 1 structure was completed and placed in service in November 2013. This water utility project will replace a vintage 1928 obsolete and leaky reservoir near the intersection of Sunset Canyon and Magnolia Boulevard.

Interstate 5 High Occupancy Vehicle/Empire Avenue Interchange Project. This project is a series of enhancements to the Interstate 5 Freeway in Burbank between Magnolia Boulevard and Buena Vista Street and includes a new interchange at Empire Avenue. This project, led by Caltrans and funded by federal, state and Los Angeles County transportation sales tax funds, will relieve congestion along Interstate 5 while providing and important local street connection across the freeway to provide better access to the Empire Center and Bob Hope Airport.

IKEA and Nickelodeon. The IKEA project relocation and the Nickelodeon campus extension were approved by the City Council in March 2014. The IKEA relocation will include the construction of a 470,000 square foot store and 1,700 parking spaces on over 22 acres west of San Fernando Boulevard and south of Providencia Avenue. Scheduled to open in August 2016, this will become the largest IKEA location in the nation. The Nickelodeon campus will include 114,000 square feet of office building space plus a 137,000 square feet parking garage.

Street Repair and Improvements. Investing in the City's aging infrastructure has been one of the City Council's top priorities for the past several years by contributing $1 million annually from the General fund for infrastructure improvements. However, recognizing that this amount falls short of what is needed to address the current backlog of maintenance repairs to the City's streets, the City Council has increased funding by $1.2 million annually in order to stabilize the overall pavement condition throughout Burbank's streets and roadways.

Bob Hope Airport. The Burbank-Glendale-Pasadena Airport Authority celebrated the grand opening of a new $112-million Regional Intermodal Transportation Center (RITC) at Bob Hope Airport in Burbank in June of 2014. The 520,000-square foot facility offers three levels with more than 1,000 parking spaces, 11 car rental companies and a 19-foot-high covered walkway with moving sidewalks, leading to the airport terminals.

AWARDS AND ACKNOWLEDGEMENTS

The Award Program

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the 30th consecutive year that the City of Burbank has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

There are a number of benefits in participating in these programs beyond simply receiving recognition for our efforts. For example, by striving to meet program standards and goals, the City produces better reports. Additionally, as part of the review process, comments for improvement from other municipal finance professionals who review our reports from a "fresh" perspective are received. The City believes that this results in continuous improvements in reporting our financial results to elected officials, staff and other interested parties such as bondholders, credit agencies and the public at-large.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report. We also acknowledge the work and dedication of our team of department managers and their staffs.

In closing, without the leadership and financial discipline demonstrated by the City Council of the City, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

Respectfully,

Mark Scott

MARK SCOTT
City Manager

CINDY GIRALDO
Financial Services Director

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the 30th consecutive year that the City of Burbank has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

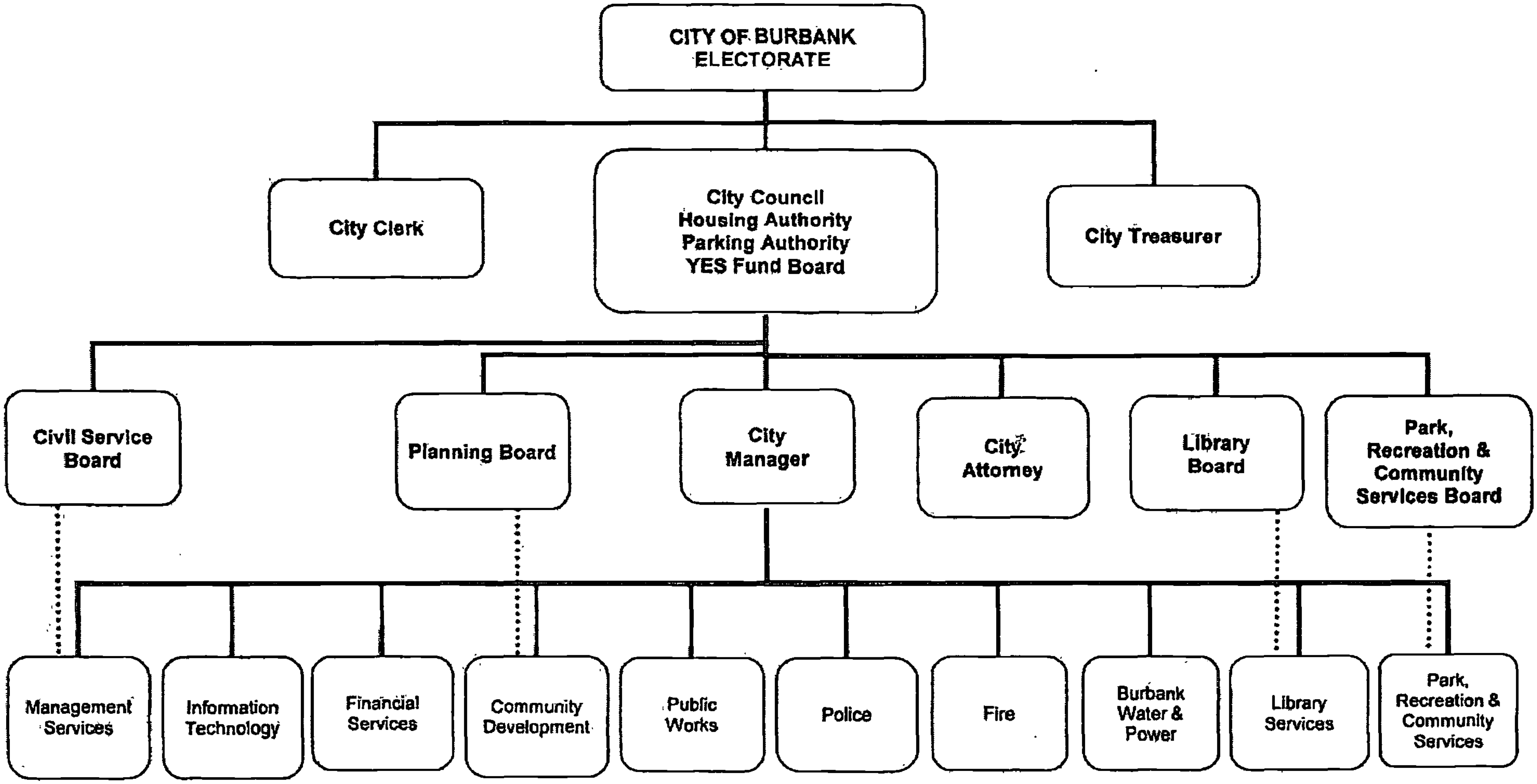
Presented to

City of Burbank California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



Boards, Committees and Commissions in Burbank Municipal Code (Not in City Charter)

Art In Public Places Committee	Civic Pride Committee	Sustainable Burbank Commission
Board of Building and Fire Code Appeals	Heritage Commission	Traffic and Transportation Committee
Burbank Housing Corporation	Landlord-Tenant Commission	Transportation Commission
Burbank Water and Power Board	Senior Citizen Board	Youth Board

FINANCIAL SECTION

The Financial Section of the Comprehensive Annual Financial Report contains the following:

- Independent Auditor's Report
- Required Supplementary Information -
  Management's Discussion and Analysis (MD and A)
- City's basic financial statement, which includes the following:
  - The Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to Basic Financial Statements
- Required Supplementary Information -
  Schedule of Funding Progress of the City's Defined Benefit Pension Plan

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

City Council Members
City of Burbank
Burbank, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burbank (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City'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.

Auditors' Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the City'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 City'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 opinions.

2875 Michelle Drive, Suite 300, Irvine, CA 92606 • Tel: 714.978.1300 • Fax: 714.978.7893

Offices located in Orange and San Diego Counties

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burbank, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Low/Moderate Income Housing Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 22 to the financial statements, the net position of the governmental activities and business-type activities, the fund balance of the Public Financing Authority Debt Service Fund, the net position of the Electric Utility Enterprise Fund and the net position of the Successor Agency Private Purpose Trust Fund were restated at July 1, 2013. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the management's discussion and analysis and the schedules of funding progress in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fund financial statements and budget and actual schedules of revenues, expenditures and changes in fund balances (supplementary information), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters (Continued)

Other Information (Continued)

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014, on our consideration of the City's internal control over financial reporting and on 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 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 City's internal control over financial reporting and compliance.

White Nelson Diehl Evans LLP

Irvine, California
November 24, 2014

City Of Burbank

Management's Discussion and Analysis

As management of the City of Burbank, California (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page I of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $1,456,134,000 (net position). Of this amount, $360,957,000 (Unrestricted net position) may be used to meet the City's ongoing obligations.

- The City's total net position increased by $24,027,000 during the current fiscal year. This increase was largely driven by the Business-type Activities of the City which combined accounted for $17,220,000 of the increase. Of the $17,220,000 increase, 79% or $13,605,000 was attributable to a net increase in investment in capital assets.

- As of June 30, 2014, the City's governmental funds reported combined fund balances of $306,258,000 a decrease of $3,819,000 from the prior year. Of this amount, $42,505,000 or approximately 14% of total fund balances are unassigned fund balances.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $43,312,000 or 33% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to basic financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, police, fire, public works,

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Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, police, fire, public works, community development, parks and recreation, library, and interest on long-term debt. The *business-type activities* of the City include operations of its electric, water, water reclamation and sewer, refuse collection and disposal, as well operating the golf course.

The government-wide financial statements can be found on page 20 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the General Capital Projects Fund, the Low and Moderate Income Housing Fund and the Public Financing Authority Capital Projects Fund, each of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Non-major Governmental Funds* section of this report.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison statement is provided for all funds with an annually adopted budget. The budgetary comparison statement for the General Fund is located in the basic financial statements. All other funds with legally adopted annual budgets are located in the supplementary information section.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented *as business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, water reclamation and sewer, refuse collection and disposal, and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses internal service funds to account for the following activities:

- Self-insurance activities, including:
  - General claims liability
  - Workers' compensation insurance
- Vehicle operation and maintenance
- Office equipment operation and maintenance
- Municipal building replacement, operation and maintenance
- Communication equipment operation and maintenance
- Computer equipment operation and maintenance

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, water reclamation and sewer, refuse collection and disposal and golf operations, all of which, except for the golf fund, are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Internal Service Funds* section of this report.

The basic proprietary fund financial statements can be found on page 31 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on page 38 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. *Required Supplementary Information* can be found on page 90 of this report.

Supplementary information on non-major governmental funds and internal service funds are presented immediately following *the required supplementary information* on pensions. Combining and individual fund statements and schedules can be found on page 92 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by $1,456,134,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (71%) reflects its net investment in capital assets (e.g., land, buildings, utility and general government infrastructure, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the City's net position (25%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

An additional portion of the City's net assets (4%) represent resources that are subject to external restrictions on how they may be used. Of these restricted net position, nearly all 4% is related to restrictions in the City's special revenue and capital projects funds, with less than 1% restricted for public safety functions.

TABLE 1- The City of Burbank's Net Position as of June 30, 2014 and 2013 (000's):

	Governmental Activities		Business-type Actvities		Total	
Assets :	2014	2013	2014	2013	2014	2013
Current and other assets	$ 463,984	$ 462,635	204,463	199,878	668,447	662,513
Capital assets	733,756	735,494	454,298	447,357	1,188,054	1,182,851
Total assets	1,197,740	1,198,129	658,761	647,235	1,856,501	1,845,364
Deferred Outflows of Resources:						
Deferred loss on bond refunding	-	-	-	253	-	253
Liabilities :						
Current and other liabilities	45,457	43,285	43,383	42,860	88,840	86,145
Long-term liabilities	140,906	150,274	170,621	177,091	311,527	327,365
Total liabilities	186,363	193,559	214,004	219,951	400,367	413,510
Deferred Inflows of Resources:						
Deferred gain on bond refunding	-	-	-	-	-	-
Net Position :						
Net Investment in capital assets	733,756	736,794	300,256	286,651	1,034,012	1,023,445
Restricted	61,165	59,742	-	-	61,165	59,742
Unrestricted	216,456	208,034	144,501	140,886	360,957	348,920
Total net position	$1,011,377	$1,004,570	444,757	427,537	1,456,134	1,432,107

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

- The City's net position increased by $24,027,000 during the current fiscal year. This increase was largely driven by the Business-type Activities of the City which combined accounted for $17,220,000 of the increase. Of the $17,220,000 increase, 79% or $13,605,000 was attributable to a net increase in investment in capital assets.

City Of Burbank
Management's Discussion and Analysis

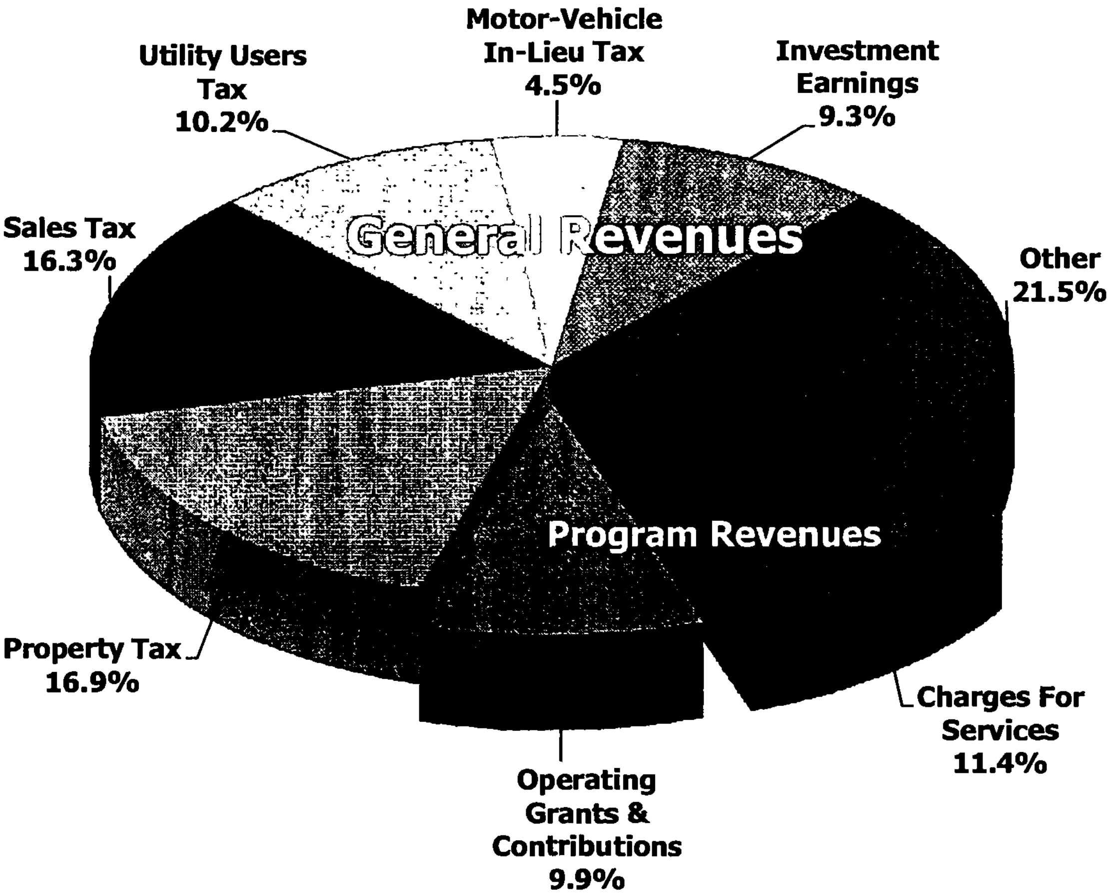
TABLE 2-The City's Changes in Net Position (000's) for the years ended June 30, 2014 and 2013:

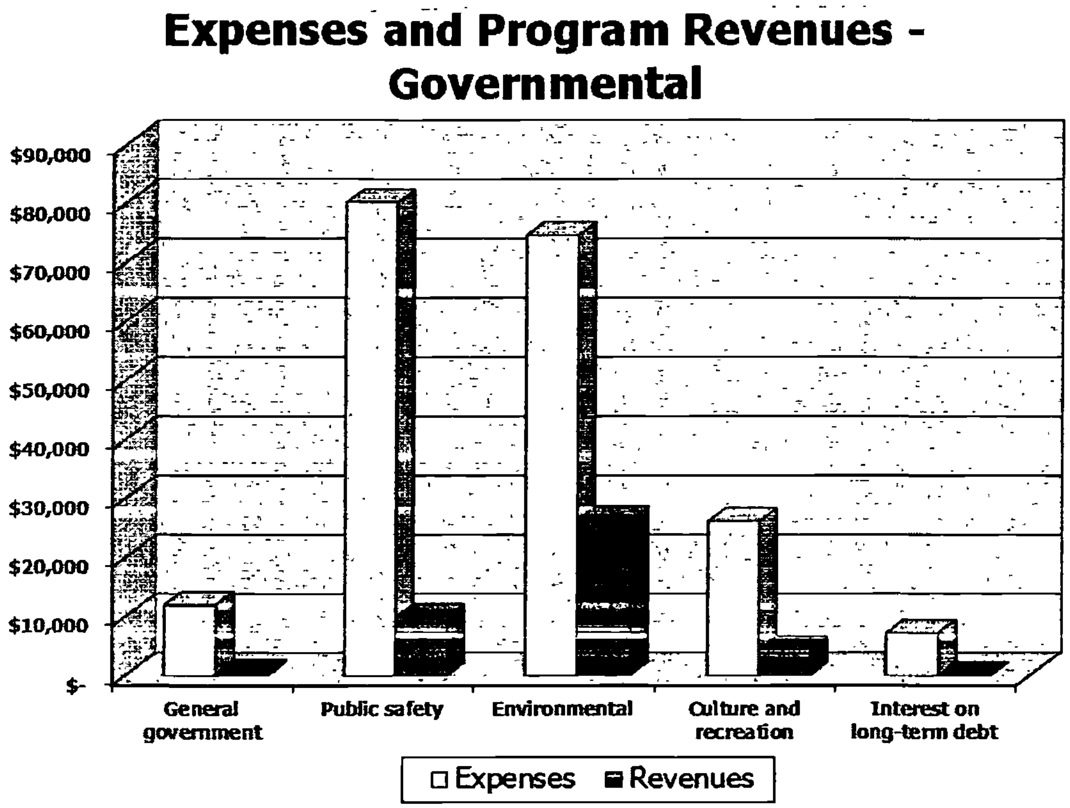
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues :						
Program revenues :						
Charges for services	$ 22,171	$ 33,979	290,489	281,339	312,660	315,318
Operating grants and contributions	19,214	19,040	2,639	1,898	21,853	20,938
Capital grants and contributions	-	-	891	732	891	732
General revenues :						
Property tax	32,936	46,499	-	-	32,936	46,499
Sales tax	31,657	32,967	-	-	31,657	32,967
Utility users tax	19,905	20,237	56	-	19,961	20,237
Motor-vehicle in-lieu tax	8,819	8,574	-	-	8,819	8,574
Investment earnings	18,156	7,802	2,939	43	21,095	7,845
Other	41,907	31,516	2,550	2,469	44,457	33,985
Total revenues	194,765	200,614	299,564	286,481	494,329	487,095
Expenses :						
General government	12,022	15,976	-	-	12,022	15,976
Police	48,288	50,557	-	-	48,288	50,557
Fire	31,754	32,743	-	-	31,754	32,743
Public works	27,481	51,496	-	-	27,481	51,496
Community Development	47,011	46,976	-	-	47,011	46,976
Parks & Recreation	19,613	18,526	-	-	19,613	18,526
Library	6,593	6,736	-	-	6,593	6,736
Interest on long-term debt	7,254	2,955	-	-	7,254	2,955
Water reclamation & sewer	-	-	13,556	13,596	13,556	13,596
Nonmajor funds	-	-	1,719	2,460	1,719	2,460
Electric utility	-	-	211,426	199,755	211,426	199,755
Water utility	-	-	29,529	25,957	29,529	25,957
Refuse collection & disposal	-	-	14,056	16,172	14,056	16,172
Total expenses	200,016	225,965	270,286	257,940	470,302	483,905
Increase (decrease) in net assets before transfers	(5,251)	(25,351)	29,278	28,541	24,027	3,190
Transfers	12,058	12,183	(12,058)	(12,183)	-	-
Increase (decrease) in net assets	6,807	(13,168)	17,220	16,358	24,027	3,190
Net assets, July 1	1,004,570	1,042,057	427,537	409,287	1,432,107	1,451,344
Prior period		(24,319)		1,892		
Net assets, June 30	$1,011,377	$1,004,570	444,757	427,537	1,456,134	1,432,107

Governmental Activities. Governmental activities increased the City's net position by $6,807,000. Total expenses decreased by 12%, while general revenues and transfers decreased by 3%.

- *General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, property taxes are the largest single source of funds (16.9%), followed by sales tax (16.3%).*

Governmental Activities - Revenues



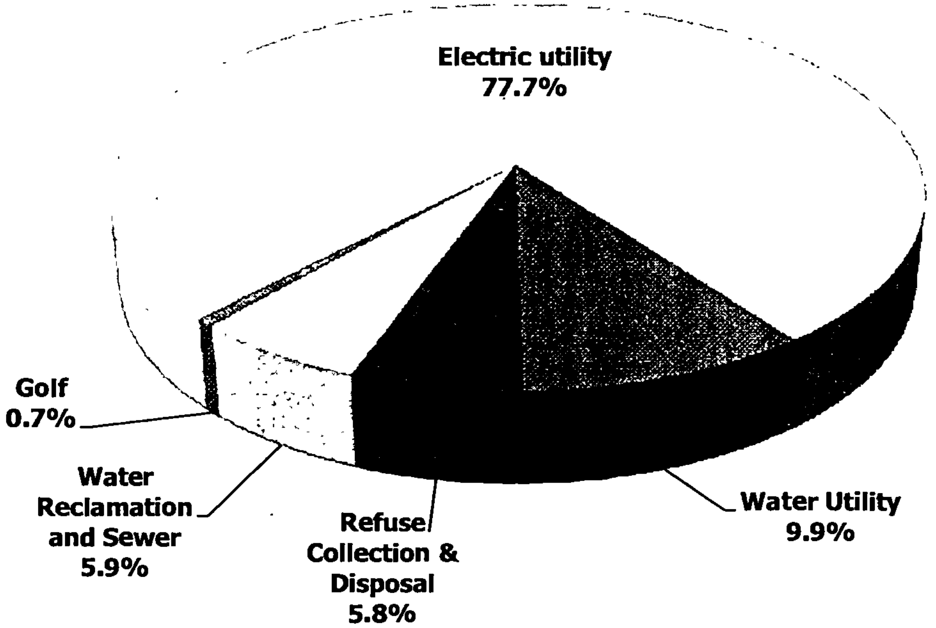


- *The chart above illustrates the City's governmental expenses and revenues by source. Public Safety (Police and Fire departments, 40%) is the largest function in expense, followed by Environmental (Public Works and Community Development departments, 37%), and Culture and Recreation (Library, and Parks and Recreation departments, 13%).*

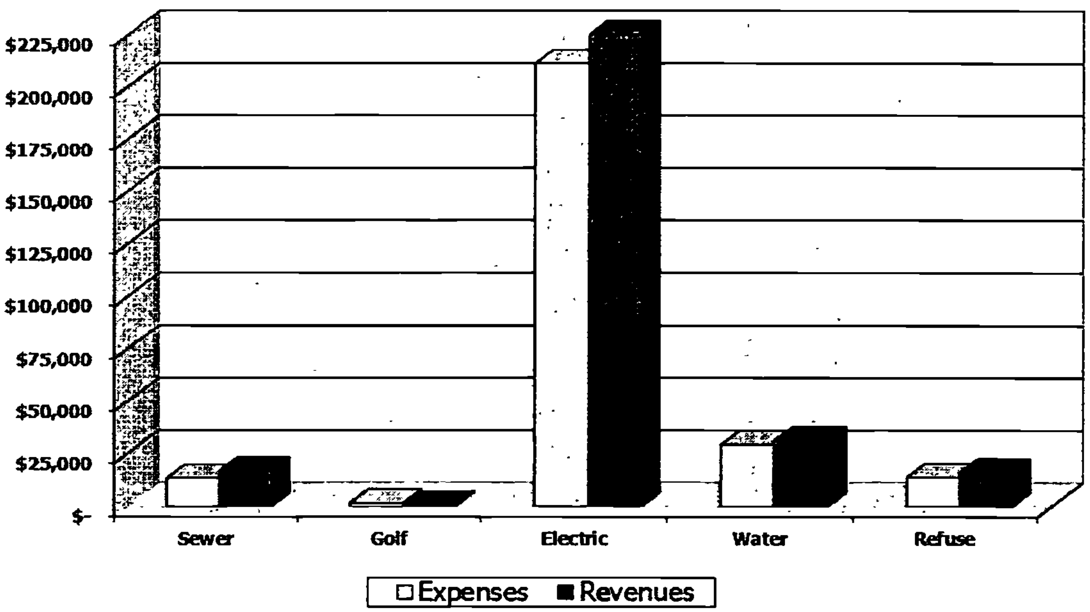
Business-type Activities. Business–type activities increased the City's net position by $17,220,000, accounting for 72% of the growth in the City's net position, indicating that business-type activities had revenues sufficient to cover operations. The key elements of this increase are as follows:

- *Rate increases were the primary factor leading to additional service charge revenue in all proprietary funds. The Electric utility fund had an increased net position of $8,518,000; mainly due to improved expense management and increased revenues.*

Business-Type Activities Charges for Services



Expenses and Program Revenues - Business-type



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $306,258,000. Approximately 14% of fund balances ($42,505,000) constitute *unassigned fund balances.* The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed or assigned 1) to liquidate contracts and purchase orders of the prior period ($49,903,000), 2) to pay debt service ($102,974,000), 3) Reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources ($46,635,000), 4) to show amounts related to long-term notes ($49,272,000), and 5) for a variety of other restricted purposes ($14,969,000).

The General Fund is the chief operating fund of the City. During the current fiscal year, the total fund balance of the General Fund decreased $1,404,000 or by 1.5% of the prior year total ending fund balance. At the end of FY 2014 the total General Fund balance was $93,490,000, while the unassigned fund balance was $43,312,000. As a measure of General Fund liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33% of total General Fund expenditures of $134,537,000, while total fund balance represents 70% of that same amount.

The Low and Moderate Income Housing (Low/Mod) fund holds all capital project housing activities. At the end of the current fiscal year, the unassigned fund balance was $0, while total fund balance of $49,272,000 is restricted for specific uses. The unassigned fund balance represents 0% of total Low/Mod fund expenditures of $793,000. The fund balance of the Low/Mod fund increased by $939,000 during the current fiscal year. This increase is attributable to the decrease in operating expenditures.

The General Capital Projects fund holds all general City capital project activity. At the end of the current fiscal year, the unassigned fund balance was $0, while total fund balance was $30,194,000. This unassigned fund balance represents 0% of total General capital projects fund expenditures of $5,696,000, while total fund balance represents 530% of that same amount. The fund balance of the General capital projects fund increased by $23,000 during the current fiscal year.

The Public Financing Authority (PFA) capital projects fund holds investments in Golden State and City Centre tax allocation bonds and records the debt service activity of its outstanding bonded indebtedness. At the end of the current fiscal year, the unassigned fund balance was zero, while total fund balance of $102,974,000 was restricted for specific uses. Total fund balance represents 889% of total Public Financing Authority capital projects fund expenditures of $11,583,000. The fund balance decreased by $4,461,000 during the current fiscal year. This decrease is attributable to the restatement of our revenue bonds (per note 22). As the fund pays down the PFA bonds outstanding, its assets are expected to decline, until all bonds are paid off and the funds' assets decrease to zero.

Proprietary Funds. The City's Proprietary Funds provide the same type of information found in the government wide financial statements, but in more detail.

Enterprise Funds. As of June 30, 2014, the unrestricted net position of the enterprise funds totaled $144,501,000 and the total increase in unrestricted net position was $17,220,000.

The Water Reclamation and Sewer fund holds the City's sewer system enterprise. At the end of the current fiscal year, the unrestricted net position was $36,467,000, while total net position was $87,255,000. The unrestricted net position represents 292% of total Water Reclamation and Sewer fund expenses of $12,486,000, while total net position represents 699% of that same amount. The net position of the Water Reclamation and Sewer fund increased by $4,493,000 during the current fiscal year. This increase is attributable to an increase in revenues of $450,000 assisted by a 2% rate increase and positive investment earnings of $611,000. The Water Reclamation and Sewer fund has $17,070,759 in cash reserves to cover their obligation with the City of Los Angeles as it awaits it's contract resolution.

The Electric Utility fund holds the City's Electric power and distribution system. At the end of the current fiscal year, the unrestricted net position was $81,658,000, while total net position was $275,456,000. The unrestricted net position represents 40% of total Electric Utility fund expenses of $206,258,000, while total net position represents 134% of that same amount. The net position of the Electric Utility fund increased by $8,518,000 during the current fiscal year. The increase was primarily driven by a 2.9% increase in operating revenues, which included a 1.75% rate increase.

The Water Utility fund holds the City's water system enterprise. At the end of the current fiscal year, the unrestricted net position was $12,037,000, while total net position was $60,702,000. The unrestricted net position represents 44% of total Water Utility fund expenses of $27,718,000, while total net position represents 219% of that same amount. The net position of the Water Utility fund increased by $1,697,000 during the current fiscal year. The increase was largely attributable to increased revenues which were assisted by a 4.75% rate increase.

The Refuse Collection and Disposal fund holds the City's refuse collection and disposal enterprise. At the end of the current fiscal year, the unrestricted net position was $17,406,000, while total net position was $17,783,000. The unrestricted net position represents 122% of total Refuse Collection and Disposal fund expenses of $13,884,000, while total net position represents 128% of that same amount. The net position of the Refuse Collection and Disposal fund increased by $3,188,000 during the current fiscal year. This increase is primarily attributable to a decrease in operating expenditures of $2,275,000 due to improved cost containment.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, including liability insurance, and workers' compensation insurance, vehicle operations and maintenance, office equipment operations and maintenance, building replacement and maintenance, communication equipment operation and maintenance, and computer equipment operation and maintenance. As of June 30, 2014, unrestricted net position of the internal service funds were $51,003,000 and the total decrease in net position for these funds was $2,161,000.

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Process

The City adopts an annual appropriated operating budget for its General fund and reports the results of operations on a budget comparison basis.

In preparing its budget, the City projects its revenues using realistic but conservative methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to re-appropriate prior years approved projects and expenditures, as well as approving other adjustments for the current year.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities amounts to $1,188,054,000 (net of accumulated depreciation of $673,662,000) as of June 30, 2014, and $1,182,851,000 (net of accumulated depreciation of $632,850,000) as of June 30, 2013. This investment in capital assets includes land, buildings, utility systems, improvements other than buildings, infrastructure (roads, sidewalks, land held under easement, streetlights, etc.), machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets from 2013 to 2014 was less than 1.0 percent before depreciation (an increase of less than 1.0% for governmental activities and business-type activities).

The City has adopted a multi-year capital improvement program totaling over $330 million over the next five years (the City budgets its capital program in rolling 5-year increments). The City budgets these projects in 12 major categories: community facilities, golf course, low moderate housing, municipal facilities, park and recreation, pedestrian access and roadway, redevelopment, refuse collection and disposal, transportation, wastewater, electric, and water. Among these categories, the major projects that were planned for the fiscal year 2013-14 included $1,065,000,000 for municipal facilities, $2,128,000 for pedestrian access and roadways and $23,367,000 for various projects in the electric, water, wastewater, and refuse funds. The City had construction commitments of $60,978,000 at June 30, 2014 and budgeted capital projects totaling $30,808,000 for FY 2014.

Table 3-The City's capital assets (net of accumulated depreciation) for June 30, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Capital assets not being depreciated :						
Land	$ 91,998	$ 91,998	11,824	11,824	103,822	103,822
Land held under easements	345,277	345,277	-	-	345,277	345,277
Construction in progress	13,659	21,007	7,242	33,332	20,901	54,339
Internal service fund assets						
Construction in progress	1,690	1,330	-	-	1,690	1,330
Total capital assets not being depreciated :	452,624	459,612	19,066	45,156	471,690	504,768
Capital assets being depreciated :						
Land improvements	4,686	4,492	13,199	13,182	17,885	17,674
Rights to purchased power	-	-	1,335	1,335	1,335	1,335
Buildings & improvements	205,005	190,877	698,658	655,130	903,663	846,007
Infrastructure	312,008	296,237	-	-	312,008	296,237
Machinery & other	5,112	1,761	82,706	70,939	87,818	72,700
Internal service fund assets	67,317	76,980	-	-	67,317	76,980
Accumulated depreciation	(312,996)	(294,465)	(360,666)	(339,632)	(673,662)	(634,097)
Total capital assets being depreciated, net	281,132	275,882	435,232	400,954	716,364	676,836
Total net capital assets	$ 733,756	$ 735,494	454,298	446,110	1,188,054	1,181,604

Additional information on the City's capital assets can be found in notes to the basic financial statements on page 52 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of $255,430,000, including current portion of $12,955,000. Of this amount, $14,320,000 represents pension obligation bonds, issued to pay for police and fire unfunded accrued actuarial liability, $95,505,000 represents revenue bonds issued for redevelopment projects, and $145,605,000 represents revenue bonds issued for various business type activities.

Table 4-The City's outstanding bonded debt for June 30, 2014 and 2013:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Pension Obligation bonds	14,320	15,315	-	-	14,320	15,315
Revenue bonds	95,505	101,210	145,605	153,446	241,110	254,656
Total long-term debt	$ 109,825	$ 116,525	145,605	153,446	255,430	269,971

Ratings on outstanding debt (not including debt considered fully defeased) are provided below. The ratings below are from Moody's Investor Services, Standard and Poor's, and Fitch, Inc. (Note that the insured rating is given rather than the underlying rating on insured issues.

Table 5-The City's Debt Ratings:

Debt Issue	Moody's	S & P
• 1993A Golden State	WR	-
• 2012 Waste Disposal (taxable)	-	AAA
• 2002 West Olive	WR	BBB+*
• 2003A Golden State	WR	A*
• 2003B South San Fernando	-	BBB+*
• 2003C City Centre	A2	AA+
• 2004 Pension Obligation	-	-
• 2005 Communities Facilities	-	-
• 2007A Golden State	WR	A*
• 2010A Electric Revenue	A1	AA-*
• 2010B Electric Revenue	A1	AA-*
• 2010A Water Revenue	-	AAA
• 2010B Water Revenue	-	AAA
• 2012A Electric Revenue	-	AA-
• 2014 Wastewater	Aa2	AA+

* Starred rating is the underlying rating.

Additional information on the City's long term debt can be found in Note 8 of this report.

Next Year's General Fund Budget

Revenues. The City's FY 2014-15 General Fund forecasted recurring revenues total $151.1 million which reflects an increase of $3.4 million or 2.3% over FY 2013-14. Sales tax is forecast to increase 4.6% due to higher county pool allocations, construction and the sales tax triple flip. Consumer Price Index (CPI) growth, new construction, change of ownership and recapture of prior value impairments are all expect to contribute to a 2.8% rise in property tax. In addition, service charges ended FY 2013-14 above forecast. This combined with changes in inflationary indexes built into the fee schedule result in a 6.9% increase in FY 2014-15.

Expenditures. The City's General Fund operating budget for FY 2014-15 reflects an increase of just over 2.5% in appropriations compared to FY 2013-14. Rising employee pension rates account for approximately half of the increase. In addition, the City Council approved $1.4 million in new or enhanced programs or services for FY 2014-15, including a Fire Fighter Recruit Academy, a Police School Resource Officer, year-round programming at the new Verdugo Aquatics Center, additional Citywide safety training and an increase in the annual contribution to the Municipal Building Maintenance Fund.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Additional financial information is available on our website at http://www.ci.burbank.ca.us. Questions concerning any of the information in this report or request for additional financial information should be addressed the Director of Financial Services, 301 E. Olive Avenue, Burbank, CA 91502.

City Of Burbank

STATEMENT OF NET POSITION
June 30, 2014
(in thousands)

Assets :	Governmental Activities	Business-type Activities	Total
Cash and investments (note 4)	$ 222,023	113,604	335,627
Receivables, net (note 9)	12,657	22,856	35,513
Internal balances (note 7)	3,209	(3,209)	-
Intergovernmental receivables	400	-	400
Inventories	837	8,038	8,875
Prepaid items and deposits (note 15)	94	25,794	25,888
Land held for resale	526	-	526
Regulatory assets - deferred charges	-	1,172	1,172
Pension/OPEB asset (notes 6, 18 and 19)	41,113	10,836	51,949
Rectricted cash and investments (note 4)	91,596	25,372	116,968
Advances receivable from Burbank Successor Agency (note 7)	53,867	-	53,867
Developer loans receivable	37,662	-	37,662
Capital assets not being depreciated (note 5)	452,624	19,066	471,690
Capital assets, net of accumulated depreciation (note 5)	281,132	435,232	716,364
Total assets	1,197,740	658,761	1,856,501
Liabilities :			
Accounts payable	8,165	5,914	14,079
Accrued liabilities (note 12)	13,326	12,498	25,824
Intergovernmental payables	29	-	29
Unearned revenue	-	8,499	8,499
Deposits	3,082	9,270	12,352
Advances payable to Burbank Successor Agency (note 7)	2,007	-	2,007
Bond interest payable	548	662	1,210
Current portion of long-term liabilities (note 8)	18,300	6,540	24,840
Long-term liabilities, net of current portion (note 8)	140,906	170,621	311,527
Total liabilities	186,363	214,004	400,367
Net Position :			
Net investment in capital assets (Note 2)	733,756	300,256	1,034,012
Restricted for :			
Public safety	1,227	-	1,227
Environmental	59,938	-	59,938
Unrestricted	216,456	144,501	360,957
Total net position	$ 1,011,377	444,757	1,456,134

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF ACTIVITIES
For the Year ended June 30, 2014
(in thousands)

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Assets: Total
Governmental Activities :							
General government	$ 12,022	160	410	-	(11,452)	-	(11,452)
Police	48,288	3,612	1,646	-	(43,030)	-	(43,030)
Fire	31,754	3,684	1,016	-	(27,054)	-	(27,054)
Public works	27,481	1,147	3,251	-	(23,083)	-	(23,083)
Community development	47,011	9,630	12,345	-	(25,036)	-	(25,036)
Parks and recreation	19,613	3,759	522	-	(15,332)	-	(15,332)
Library	6,593	179	24	-	(6,390)	-	(6,390)
Interest on long-term debt	7,254	-	-	-	(7,254)	-	(7,254)
Total Governmental Activities	200,016	22,171	19,214	-	(158,631)	-	(158,631)
Business-Type Activities :							
Water Reclamation and Sewer	13,556	17,056	-	-	-	3,500	3,500
Golf Activities	1,719	887	-	-	-	(832)	(832)
Electric Utility	211,426	224,958	2,623	486	-	16,641	16,641
Water Utility	29,529	31,286	-	405	-	2,162	2,162
Refuse Collection & Disposal	14,056	16,302	16	-	-	2,262	2,262
Total Business-Type Activities	270,286	290,489	2,639	891	-	23,733	23,733
Total	$ 470,302	312,660	21,853	891	(158,631)	23,733	(134,898)
General revenues :							
Taxes:							
Property Tax					32,936	-	32,936
Sales Tax					31,657	-	31,657
Utility Users Tax					19,905	-	19,905
Franchise Tax					4,919	-	4,919
Motor Vehicle In-lieu Tax (Intergovernmental, unrestricted)					8,819	-	8,819
Transient Occupancy Tax					7,145	-	7,145
Transient Parking Tax					2,818	-	2,818
Other taxes(Triple Flip)					1,991	56	2,047
Unrestricted investment earnings					18,156	2,939	21,095
Grants/contributions not restricted to specific programs					962	-	962
Other					24,072	2,550	26,622
Transfers (note 7)					12,058	(12,058)	-
Total general revenues, contributions and transfers					165,438	(6,513)	158,925
Change in net position					6,807	17,220	24,027
Net position, July 1, 2013, as restated (note 22)					1,004,570	427,537	1,432,107
Net position, June 30, 2014					$ 1,011,377	444,757	1,456,134

See accompanying notes to basic financial statements

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2014
(in thousands)

	General	Special Revenue: Low/Mod Income Housing	Debt Service: Public Fin. Authority	Capital Projects: General Cap. Proj.	Nonmajor Governmental Funds
Assets :					
Pooled cash and cash investments (note 4)	$ 57,190	456	11,353	30,786	34,341
Restricted non-pooled cash and cash equivalents (note 4)	-	-	421	-	-
Restricted investments (note 4)	-	-	91,175	-	-
Receivables, net (note 9)	11,106	37,668	25	504	426
Interfund receivables (note 7)	268	-	-	-	-
Intergovernmental receivables	400	-	-	-	-
Inventories	89	-	-	-	184
Prepaid items and deposits (note 15)	82	-	-	-	-
Land held for resale	-	526	-	-	-
Advances receivable-general city (note 7)	3,532	-	-	-	-
Advances receivable-successor agency (note 7)	42,550	10,637	-	680	-
Total assets	$ 115,217	49,287	102,974	31,970	34,951
Liabilities :					
Accounts payable	$ 1,824	14	-	676	4,010
Accrued liabilities (note 12)	13,326	-	-	-	-
Interfund payable (note 7)	-	1	-	-	277
Intergovernmental payables	29	-	-	-	-
Deposits	2,941	-	-	-	13
Advances payable-general city (note 7)	-	-	-	-	323
Advances payable-successor agency (note 7)	1,327	-	-	680	-
Total liabilities	19,447	15	-	1,356	4,623
Deferred inflows of resources :					
Unavailable revenues	2,280	-	-	420	-
Fund balances :					
Nonspendable:					
Advances	46,082	-	-	-	-
Land held for resale	-	-	-	-	-
Inventories	89	-	-	-	184
Change and imprest	198	-	-	-	-
Prepaid items	82	-	-	-	-
Restricted :					
Transportation	-	-	-	-	7,724
Federal and state grants	-	-	-	-	1,846
Public education in government	606				
Public safety	115	-	-	-	1,227
Debt service	-	-	102,974	-	-
Redevelopment	-	49,272	-	-	-
Capital projects	20	-	-	-	3,431
Committed :					
Transportation	-	-	-	-	16,723
Assigned (continuing appropriations)	2,986	-	-	30,194	-
Unassigned	43,312	-	-	-	(807)
Total fund balances (deficits)	93,490	49,272	102,974	30,194	30,328
Total liabilities, deferred inflow of resources and fund balances	$ 115,217	49,287	102,974	31,970	34,951

See accompanying notes to basic financial statements

(continued)

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2014

(in thousands)

	Total Govern-mental Funds
Assets :	
Pooled cash and cash investments (note 4)	$ 134,126
Restricted non-pooled cash	
and cash equivalents (note 4)	421
Restricted investments (note 4)	91,175
Receivables, net (note 9)	49,729
Interfund receivables (note 7)	268
Intergovernmental receivables	400
Inventories	273
Prepaid items and deposits (note 15)	82
Land held for resale	526
Advances receivable-general city (note 7)	3,532
Advances receivable-successor agency (note 7)	53,867
Total assets	$ 334,399
Liabilities :	
Accounts payable	6,524
Accrued liabilities (note 12)	13,326
Interfund payable (note 7)	278
Intergovernmental payables	29
Deposits	2,954
Advances payable-general city (note 7)	323
Advances payable-successor agency (note 7)	2,007
Total liabilities	25,441
Deferred inflows of resources:	
Unavailabe revenues	$ 2,700
Fund balances :	
Nonspendable:	
Interfund advances	46,082
Land held for resale	-
Inventories	273
Change and imprest	198
Prepaid items	82
Restricted :	
Transportation	7,724
Federal and state grants	1,846
Public education in government	606
Public safety	1,342
Debt service	102,974
Redevelopment	49,272
Capital projects	3,451
Committed:	
Transportation	16,723
Assigned	33,180
Unassigned	42,505
Total fund balances (deficits)	306,258
Total liabilities and fund balances	$ 334,399

See accompanying notes to basic financial statements

City Of Burbank

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2014

(in thousands)

Fund balances of governmental funds	$ 306,258
Amounts reported for governmental activities in the statement of net position are different because :	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	733,756
Long term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.	(122,905)
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as a payable in the governmental funds.	(548)
Other Post-employment benefits and pension payments in excess of the annual required contribution are not considered financial resources in the governmental funds; however in the statement of net position, an asset is recognized.	41,113
Unavailable revenue is recognized on the governmental funds balance sheet for certain notes, which do not meet the criteria for availability, and are thus reported as deferred inflows of resources under modified accrual. This criteria is not applicable on the statement of net position.	2,700
Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Net position, less capital assets and long-term liabilities disclosed above, are shown here.	51,003
Net position of governmental activities	$ 1,011,377

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Year ended June 30, 2014
(in thousands)

	General	Special Revenue: Low/Mod Income Housing	Debt Service: Public Fin. Authority	Capital Projects: General Cap. Proj.	Nonmajor Govern-mental Funds
Revenues :					
Taxes	$ 94,246	-	-	-	4,441
Licenses & permits	4,298	-	-	-	-
Fines, forfeitures and penalties	2,110	-	-	-	-
Use of money or property	2,357	71	7,122	536	1,361
Intergovernmental	11,092	-	-	962	16,228
Charges for services	12,035	1,838	-	-	18,176
Other revenues	-	-	-	28	-
Total revenues	126,138	1,909	7,122	1,526	40,206
Expenditures :					
General government :					
City council	360	-	-	-	-
City attorney	1,996	-	-	-	-
City clerk	666	-	-	-	-
City treasurer	180	-	-	-	-
City manager	1,130	-	-	-	-
Financial services	2,446	-	-	-	-
Management services	1,163	-	-	-	-
Administrative services	-	55	-	-	451
Information technology	2,356	-	-	-	-
Non-departmental	1,588	-	-	-	-
Total general government	11,885	55	-	-	451
Public safety :					
Police	49,289	-	-	-	460
Fire	29,683	-	-	-	-
Total public safety	78,972	-	-	-	460
Environmental :					
Community development	7,613	-	-	-	35,372
Public works	10,806	-	-	-	-
Total environmental	18,419	-	-	-	35,372
Culture and recreation :					
Library	6,016	-	-	-	-
Parks and recreation :					
Parks	7,455	-	-	-	-
Recreation	7,695	-	-	-	-
Special community activities	2,192	-	-	-	-
Total parks and recreation	17,342	-	-	-	-
Total culture and recreation	23,358	-	-	-	-

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Year ended June 30, 2014

(in thousands)

	General	Special Revenue Low/Mod Income Housing	Debt Service Public Fin. Authority	Capital Projects General Cap. Proj.	Nonmajor Govern-mental Funds
Capital outlay :					
Street improvements	-	-	-	-	4,453
General capital improvements	-	738	-	5,696	953
Total capital outlay	-	738	-	5,696	5,406
Debt service :					
Principal retirement	995	-	5,705	-	-
Interest and finance charges	908	-	5,878	-	-
Total debt service	1,903	-	11,583	-	-
Total expenditures	134,537	793	11,583	5,696	41,689
Excess (deficiency) of revenues over expenditures	(8,399)	1,116	(4,461)	(4,170)	(1,483)
Other financing sources (uses) :					
Transfers in (note 7)	10,088	-	-	4,267	3,530
Transfers out (note 7)	(3,093)	(177)	-	(74)	(963)
Total other financing sources (uses)	6,995	(177)	-	4,193	2,567
Net change in fund balances	(1,404)	939	(4,461)	23	1,084
Fund balances, July 1, 2013, as restated	94,894	48,333	107,435	30,171	29,244
Fund balances, June 30, 2014	$ 93,490	49,272	102,974	30,194	30,328

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Year ended June 30, 2014
(in thousands)

	Total Govern-mental Funds
Revenues :	
Taxes	98,687
Licenses & permits	4,298
Fines, forfeitures and penalties	2,110
Use of money or property	11,447
Intergovernmental	28,282
Charges for services	32,049
Other revenues	28
Total revenues	176,901
Expenditures :	
General government :	
City council	360
City attorney	1,996
City clerk	666
City treasurer	180
City manager	1,130
Financial services	2,446
Management services	1,163
Administrative services	506
Information technology	2,356
Non-departmental	1,588
Total general government	12,391
Public safety :	
Police	49,749
Fire	29,683
Total public safety	79,432
Environmental :	
Community development	42,985
Public works	10,806
Total environmental	53,791
Culture and recreation :	
Library	6,016
Parks and recreation :	
Parks	7,455
Recreation	7,695
Special community activities	2,192
Total parks and recreation	17,342
Total culture and recreation	23,358

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

For the Year ended June 30, 2014

(in thousands)

	Total Govern-mental Funds
Capital outlay :	
Street improvements	4,453
General capital improvements	7,387
Total capital outlay	11,840
Debt service :	
Principal retirement	6,700
Interest and finance charges	6,786
Total debt service	13,486
Total expenditures	194,298
Excess (deficiency) of revenues over expenditures	(17,397)
Other financing sources (uses) :	
Transfers in (note 7)	17,885
Transfers out (note 7)	(4,307)
Total other financing sources (uses)	13,578
Net change in fund balances	(3,819)
Fund balances (deficits), July 1, 2013, as restated	310,077
Fund balances (deficits), June 30, 2014	306,258

See accompanying notes to basic financial statements

City of Burbank

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2014

(in thousands)

Net change in fund balances - total governmental funds	(3,819)
Amounts reported for governmental activities in the statement of net activities are different because :	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives, and reported as depreciation expense. This is the amount by which depreciation ($26,699) was less then capital outlay ($33,359) in the current period.	6,660
The issuance of long-term debt such as bonds provides current financial resources to governmental funds, while the repayment of the principal ($6,700)of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, compensated absences expenses ($84)reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items.	6,784
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as an expense in the governmental fund statements. This difference between the prior year's accrued interest expense and the current year's accrued interest expense is reported in the statement of activities.	(468)
Net Pension asset and Other Post Employment Benefits (OPEB) asset have been established for the government wide statements, as these assets do not impact current financial resources and are therefore not reported in governmental funds. This is total change in net pension and OPEB asset.	(1,589)
Some revenues reported in the Statement of Activities do not increase current financial resources in the fund financial statements and therefore are not reported as revenues in governmental funds.	1,400
Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.	(2,161)
Change in net position of governmental activities	$ 6,807

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL

GENERAL FUND

For the Year ended June 30, 2014

(In thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues :				
Taxes	$ 93,299	93,297	94,246	949
Licenses & permits	3,959	3,963	4,298	335
Fines, forfeitures and penalties	2,542	2,483	2,110	(373)
Use of money or property	1,615	1,721	2,357	636
Intergovernmental	9,838	10,804	11,092	288
Charges for services	8,567	9,664	12,035	2,371
Total revenues	119,820	121,932	126,138	4,206
Expenditures :				
General government :				
City council	375	373	360	13
City attorney	2,013	2,013	1,996	17
City clerk	839	838	666	172
City treasurer	185	184	180	4
City manager	1,298	1,309	1,130	179
Financial services	2,572	2,681	2,446	235
Management services	1,438	1,571	1,163	408
Information technology	2,574	2,575	2,356	219
Non-departmental	4,817	5,092	1,588	3,504
Total general government	16,111	16,636	11,885	4,751
Public safety :				
Police	50,875	51,519	49,289	2,230
Fire	28,540	29,100	29,683	(583)
Total public safety	79,415	80,619	78,972	1,647
Environmental :				
Community development	7,053	8,385	7,613	772
Public works	11,936	11,993	10,806	1,187
Total environmental	18,989	20,378	18,419	1,959
Culture and recreation :				
Library	6,407	6,428	6,016	412
Parks	8,125	8,130	7,455	675
Recreation	7,424	7,638	7,695	(57)
Special community activities	2,448	2,456	2,192	264
Total culture and recreation	24,404	24,652	23,358	1,294

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
GENERAL FUND
For the Year ended June 30, 2014

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service :				
Principal retirement	995	995	995	-
Interest expense	908	908	908	-
Total debt service	1,903	1,903	1,903	-
Total expenditures	140,822	144,188	134,537	9,651
Excess (deficiency) of revenues over expenditures	(21,002)	(22,256)	(8,399)	13,857
Other financing sources (uses) :				
Transfers in	12,211	12,211	10,088	(2,123)
Transfers out	(2,093)	(3,093)	(3,093)	-
Total other financing sources (uses)	10,118	9,118	6,995	(2,123)
Net change in fund balances (deficits)	(10,884)	(13,138)	(1,404)	11,734
Fund balance, July 1, 2013	94,894	94,894	94,894	-
Fund balance, June 30, 2014	$ 84,010	81,756	93,490	11,734

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOW/MODERATE INCOME HOUSING SPECIAL REVENUE

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	-	-	71	71
Charges for services	250	250	1,838	1,588
Total revenues	250	250	1,909	1,659
Expenditures :				
Administrative services	189	229	55	174
General capital improvements	1,282	1,282	738	544
Total expenditures	1,471	1,511	793	718
Excess (deficiency) of revenues over expenditures	(1,221)	(1,261)	1,116	2,377
Other financing sources :				
Transfers out	-	(177)	(177)	-
Total other financing sources	-	(177)	(177)	-
Net change in fund balance	(1,221)	(1,438)	939	2,377
Fund balance, July 1, 2013	48,333	48,333	48,333	-
Fund balance, June 30, 2014	$ 47,112	46,895	49,272	2,377

See accompanying independent auditors' report.

City Of Burbank

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014
(in thousands)

	Business-type activities - Enterprise funds						Governmental Activities-Internal Service Funds
Assets :	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	
Current assets :							
Pooled cash and investments (note 4)	$ 35,467	51,945	13,379	12,788	25	113,604	87,897
Accounts receivable (note 9)	1,677	15,705	3,289	1,771	119	22,561	405
Interest receivable (note 9)	76	118	29	72	-	295	185
Interfund receivable (note 7)	-	-	-	-	-	-	10
Inventories	-	6,122	1,916	-	-	8,038	564
Prepaid expenses (note 15)	1	25,791	2	-	-	25,794	12
Restricted pooled cash and investments (note 4)	-	-	-	20,304	-	20,304	-
Restricted non-pooled investments (note 4)	7	4,890	171	-	-	5,068	-
Total current assets	37,228	104,571	18,786	34,935	144	195,664	89,073
Non-current assets :							
Regulatory assets - deferred charges	-	777	395	-	-	1,172	-
Pension/OPEB Asset (note 19)	181	9,186	872	597	-	10,836	-
Total other non-current assets	181	9,963	1,267	597	-	12,008	-
Capital assets (note 5) :							
Land	5,316	2,734	309	3,454	11	11,824	-
Land improvements	6,096	-	-	6,050	1,053	13,199	-
Rights to purchased power	-	1,335	-	-	-	1,335	-
Buildings and improvements	117,684	424,999	140,480	6,507	8,988	698,658	4,324
Machinery and equipment	2,445	65,258	5,365	9,247	391	82,706	62,993
Construction in progress	496	5,312	1,325	85	24	7,242	1,690
Less accumulated depreciation	(69,072)	(213,528)	(55,004)	(19,223)	(3,839)	(360,666)	(48,441)
Total capital assets, net of accumulated depreciation	62,965	286,110	92,475	6,120	6,628	454,298	20,566
Total non-current assets	63,146	296,073	93,742	6,717	6,628	466,306	20,566
Total assets	100,374	400,644	112,528	41,652	6,772	661,970	109,639

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014
(in thousands)

	Business-type activities - Enterprise funds						Governmental Activities-
Liabilities :	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Internal Service Funds
Current liabilities :							
Accounts payable	777	3,000	1,885	250	2	5,914	1,641
Accrued expenses (note 12)	-	12,046	452	-	-	12,498	-
Compensated absences payable (note 8)	1	398	16	44	-	459	32
Unearned revenue	-	5,136	3,363	-	-	8,499	-
Customer deposits	-	7,413	1,328	529	-	9,270	128
Bond interest payable	39	441	156	26	-	662	-
Current portion of revenue bonds (note 8)	760	3,580	735	590	-	5,665	-
Current portion of loan payable (note 8)	-	-	416	-	-	416	-
Outstanding claims self insurance (note 16)	-	-	-	-	-	-	9,536
Total current liabilities	1,577	32,014	8,351	1,439	2	43,383	11,337
Long-term liabilities (net of current portion) (note 8) :							
Revenue bonds	11,417	88,732	34,638	5,153	-	139,940	-
Landfill closure & post closure (note 8)	-	-	-	16,700	-	16,700	-
Loan payable (note 8)	-	-	8,021	-	-	8,021	-
Compensated absences (note 8)	125	4,442	816	577	-	5,960	224
Outstanding claims - self insurance (note 16)	-	-	-	-	-	-	26,509
Advances payable (note 7)	-	-	-	-	3,209	3,209	-
Total long-term liabilities (net of current portion)	11,542	93,174	43,475	22,430	3,209	173,830	26,733
Total liabilities	13,119	125,188	51,826	23,869	3,211	217,213	38,070
Net position :							
Net investment in capital assets	50,788	193,798	48,665	377	6,628	300,256	20,566
Unrestricted (deficit)	36,467	81,658	12,037	17,406	(3,067)	144,501	51,003
Total net position	$ 87,255	275,456	60,702	17,783	3,561	444,757	71,569

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year ended June 30, 2014
(in thousands)

	Business-type activities - Enterprise funds						Governmental Activities-
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues :							
Sales of water and power	$ -	215,908	30,036	-	-	245,944	-
Charges for services	17,056	9,050	1,250	16,302	887	44,545	30,773
Total operating revenues	17,056	224,958	31,286	16,302	887	290,489	30,773
Operating expenses :							
Operations and maintenance	6,021	36,971	555	8,547	1,172	53,266	22,789
Purchased water and power	-	152,172	23,192	-	-	175,364	-
Inspection and investigation	1,878	-	-	-	-	1,878	-
Design and permits	1,185	-	-	186	-	1,371	-
Refuse disposal	-	-	-	2,425	-	2,425	-
Recycling	-	-	-	1,750	-	1,750	-
Depreciation	3,402	17,115	3,971	976	522	25,986	5,551
Total operating expenses	12,486	206,258	27,718	13,884	1,694	262,040	28,340
Operating income (loss)	4,570	18,700	3,568	2,418	(807)	28,449	2,433
Nonoperating income (expense) :							
Interest income	611	1,437	323	562	6	2,939	1,540
Intergovernmental	-	2,623	-	16	-	2,639	-
Other local taxes	-	-	56	-	-	56	1,479
Gain/(loss) on disposal of capital assets	-	181	-	205	-	386	(9,297)
Interest expense	(1,070)	(5,168)	(1,811)	(172)	(25)	(8,246)	-
Other income/(expense) - net	294	1,167	472	81	150	2,164	3,204
Total nonoperating income (expense)	(165)	240	(960)	692	131	(62)	(3,074)
Income (loss) before capital contributions and transfers	4,405	18,940	2,608	3,110	(676)	28,387	(641)
Transfers in (note 7)	88	60	-	78	-	226	6,400
Capital contributions	-	486	405	-	-	891	-
Transfers out (note 7)	-	(10,968)	(1,316)	-	-	(12,284)	(7,920)
Change in net position	4,493	8,518	1,697	3,188	(676)	17,220	(2,161)
Net position, July 1, 2013, as restated	82,762	266,938	59,005	14,595	4,237	427,537	73,730
Net position, June 30, 2014	$ 87,255	275,456	60,702	17,783	3,561	444,757	71,569

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year ended June 30, 2014
(in thousands)

Cash flows from operating activities :	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Government Activities- Internal Service Funds
Cash received from customers	$ 16,974	227,799	31,190	16,520	876	293,359	30,706
Cash paid to suppliers	(5,388)	(167,872)	(16,970)	(7,250)	(1,250)	(198,730)	(20,613)
Cash paid to employees	(1,404)	(20,813)	(5,690)	(4,722)	-	(32,629)	(2,337)
Net cash provided by (used in) operating activities	10,182	39,114	8,530	4,548	(374)	62,000	7,756
Cash flows from noncapital financing activities :							
Proceeds from City of Burbank	-	-	-	-	25	25	-
Proceeds from other governmental agencies	-	17	-	16	-	-	-
Proceeds from other funds	-	-	-	-	-	-	4,685
Other income (expense)	294	1,167	528	81	150	2,220	-
Transfers from other funds	88	60	-	78	-	226	6,400
Transfers to other funds	-	(10,968)	(1,316)	-	-	(12,284)	(7,920)
Net cash provided by (used in) noncapital financing activities	382	(9,724)	(788)	175	175	(9,813)	3,165
Cash flows from capital and related financing activities :							
Proceeds from debt issuance	10,575	-	-	-		10,575	-
Contributed capital	-	486	405	-	-	891	-
Proceeds from sales of capital assets	-	-	-	-	-	-	325
Acquisition and construction of assets	(2,366)	(21,334)	(9,088)	(105)	(34)	(32,927)	(6,807)
Principal payments - bonds	(14,110)	(3,450)	(470)	(575)	-	(18,605)	-
Principal payments - loan payable	-	-	(607)	-	-	(607)	-
Proceeds from debt issuance	-	-	1,784	-	-	1,784	-
Interest paid	(1,084)	(5,168)	(1,811)	(175)	(25)	(8,263)	-
Net cash used in capital and related financing activities	(6,985)	(29,466)	(9,787)	(855)	(59)	(47,152)	(6,482)
Cash flows from investing activities :							
Interest received	82	544	29	53	1	709	1,608
Purchases of restricted investments	-	(187)	(21)	-	-	-	-
Sales of restricted investments	1,487	-	-	-	-	1,487	-
Net cash provided by investing activities	1,569	357	8	53	1	2,196	1,608
Net increase (decrease) in cash and cash equivalents	5,148	281	(2,037)	3,921	(257)	7,231	6,047
Cash and cash equivalents, July 1, 2013	30,319	51,664	15,416	29,171	282	126,852	81,850
Cash and cash equivalents, June 30, 2014	$ 35,467	51,945	13,379	33,092	25	133,908	87,897

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF CASH FLOWS, (concluded)
ALL PROPRIETARY FUND TYPES
For the Year ended June 30, 2014
(in thousands)

	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Government Activities-Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities :							
Operating income (loss)	$ 4,570	18,700	3,568	2,418	(807)	28,449	2,433
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :							
Depreciation	3,402	17,115	3,971	976	522	25,986	5,551
GASB 31 market value adjustment	535	913	284	517	6	2,255	-
Gain/(loss) on sale of fixed assets	-	181	-	205	-	-	-
(Increase) decrease in accounts receivable	82	(779)	(96)	218	(67)	(642)	(68)
(Increase) decrease in due to/from City of Burbank	-	-	-	-	-	-	
(Increase) decrease in advances receivable	2	17	3	3	-	25	-
(Increase) decrease in inventories	-	2,824	(206)	-	-	2,618	(70)
(Increase) decrease in prepaid items	14	(1,533)	78	45	10	(1,386)	-
(Increase) decrease in deferred bond issuance cost	(156)	(298)	(72)	-	-	(526)	-
Increase in outstanding claims payable	-	-	-	-	-	-	686
Increase (decrease) in accrued expense	201	1,907	(2,122)	(265)	(38)	(317)	(711)
Increase (decrease) in compensated absences	13	(73)	(1)	11	-	(50)	8
Increase (decrease) in deferred revenue	-	3,158	-	-	-	-	60
Increase (decrease) in customer deposits	(83)	(3,018)	(240)	20	-	(3,321)	(133)
Increase (decrease) in bond premium	1,602	-	-	(107)	-	1,495	-
Increase (decrease) in deferred revenue		-	3,363				
Increase in landfill closure and postclosure liabilities	-	-	-	507	-	507	-
Total adjustments	5,612	20,414	4,962	2,130	433	26,644	5,323
Net cash provided by (used in) operating activities	$ 10,182	39,114	8,530	4,548	(374)	62,000	7,756
Noncash investing, capital, and financing activities :							
Increase (decrease) in fair value of investments	$ 535	913	284	517	6	2,255	792

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2014
(in thousands)

	Private - Purpose Trust Fund
	Successor Agency
Assets :	
Pooled cash and investments (note 4)	21,418
Restricted non-pooled cash and cash equivalents (note 4)	19,115
Accounts receivable (note 9)	13
Receivables from the City of Burbank (note 7)	2,007
Capital assets	14,320
Total assets	56,873
Liabilities :	
Accounts payable	10
Accrued expenses	2,005
Interest payable	694
Current portion of long term liabilities (note 8)	6,730
Long term liabilities, net of current portion (note 8)	106,191
Payable to the City of Burbank (note 7)	53,867
Total liabilities	169,497
Net position (deficit):	
Unrestricted (deficit)	(112,624)
Total net position (deficit)	(112,624)

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year ended June 30, 2014
(in thousands)

	Private - Purpose Trust Fund Successor Agency
ADDITIONS :	
Receipts from City	22,775
Use of money or property	200
Intergovernmental	83
Total additions	23,058
DEDUCTIONS :	
Administrative expenses	6,338
Payment to County Auditor	1,300
Interest expense (note 8)	6,675
Total deductions	14,313
Change in net position	8,745
Net position, July 1, 2013, as restated	(121,369)
Net position, June 30, 2014	(112,624)

See accompanying notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - Reporting Entity

Included within the financial reporting entity, "City of Burbank" (the City), the Burbank Parking Authority (the Parking Authority), the Public Facilities Financing Authority (PFFA), the Burbank Public Financing Authority (PFA), the Burbank Community Services Fund (BCSF), the Burbank Youth Endowment Services (YES), and the Burbank Housing Authority (Housing Authority). Although these entities are legally separate from each other, the City Council acts as the governing board of each entity; accordingly, the financial activities of these component units are blended in the accompanying basic financial statements. A description of the entities follows.

City of Burbank
The City was incorporated in July 1911, under the general laws of the State of California. The City Charter was adopted in January 1927, and most recently amended in April 2007. The City provides a full range of municipal services as contemplated by statute or charter. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection, electric, water and sewer utilities, culture and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

Burbank Parking Authority

The Burbank Parking Authority is a public financing agency established by the City in May 1970, under the State of California Parking Law of 1949 to provide public parking facilities on a citywide basis. The Parking Authority's financial data and transactions are included in the accompanying basic financial statements within the capital projects funds category. Separate financial statements are not available for the Parking Authority.

Public Facilities Financing Authority
The Public Facilities Financing Authority (PFFA) was established in May 1987 by the City Council. The formation of the PFFA creates a financing entity through which Certificates of Participation can be issued for the proposed remodeling of various City buildings, the construction of a parking facility in the City Centre area, and various other additions or improvements to the City's infrastructure. Separate financial statements for the PFFA are not available. At June 30, 2014, the PFFA had no assets, liabilities or fund equity, nor did it enter into any financial transactions during the fiscal year.

Burbank Public Financing Authority

The Burbank Public Financing Authority (PFA) was established in March 1993, as a joint exercise of powers agreement (JPA) between the City of Burbank and the Redevelopment Agency. The purpose of the JPA is to provide for the financing of public capital improvements and for working capital requirements of the members, through the acquisition by the PFA of such capital improvements and for the purchase by the PFA of obligations of either of the members. Separate financial statements for the PFA are not available; financial data is presented in the basic financial statements as the Public Financing Authority debt service fund.

Burbank Community Services Fund

The Burbank Community Services Fund (Special revenue fund) was established in July 1998 as a 501 (C) (3) corporation. The purpose of this fund is to assist with support services, volunteer services, and educational services related to the development and maintenance of public facilities in the City of Burbank. Separate financial statements are not available for this fund; financial data is presented in the nonmajor funds column of the basic financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Burbank Youth Endowment Services Fund

The Youth Endowment Services (YES) capital projects fund was established in January 1991 as a 501 (C) (3) nonprofit corporation. The purpose of the YES fund is to provide youth-oriented facilities and programs, within and nearby the City's Redevelopment project areas. The YES fund financial data and transactions are included in the accompanying basic financial statements as a capital projects fund. Separate financial statements are not available for the YES fund.

Burbank Housing Authority

The Housing Authority, established by the City Council in June 1975, is responsible for the administration of a federally funded housing assistance payments project undertaken by the City.

The Housing Authority created the City's housing assistance payments and affordable housing programs by separate agreements with the Department of Housing and Urban Development (HUD) in November 1975, as amended December 1976, March 1982, and May 1987.

The agreements state that HUD and the Housing Authority will provide an annual contribution of funds, in accordance with section 8 of the United States Housing Act of 1937, in order to provide decent, safe and sanitary dwellings for low to moderate income families, and to increase the supply and quality of affordable housing within the City. The Housing Authority's financial data and transactions are included in the accompanying basic financial statements as special revenue funds. Separate financial statements are not available for the Housing Authority. The Housing Authority has become the Successor Housing Agency administrator of the Low and Moderate Income Housing fund.

B - Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues, and are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges to business-type activities and other charges between business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds :

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Low / Moderate Income Housing Special Revenue Fund - This fund is funded through the Housing Authority program income which is reinvested into the affordable housing program.

Public Financing Authority Debt Service - This fund is used to account for all debt service within the Public Financing Authority.

General Capital Projects - This fund is used to account for all multiple-year capital projects undertaken by the City.

The City reports the following major proprietary funds :

Water Reclamation and Sewer - This fund is used to account for the operation and maintenance of the Water Reclamation Plant and Sewage System.

Electric Utility - To account for the production, distribution, and transmission of electric energy to residents and businesses located within the City.

Water Utility - To account for the transmission of potable water, and reclaimed water to residents and businesses in the City.

Refuse Collection and Disposal - To account for the activities involved in the collection and disposal of refuse throughout the City.

Additionally the City reports the following fund types:
Fiduciary Funds - The private purpose trust fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These services include liability insurance, workers' compensation insurance, and maintenance and financing of office equipment, vehicles, municipal buildings, communication equipment, and computer equipment.

C - Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar nonexchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available, susceptible to accrual. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period (e.g., charges for services, intergovernmental revenue, sales tax, property taxes, franchise taxes, motor vehicle fees, utility users taxes, etc). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, OPEB, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the City.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise and internal service funds include cost of sales and services, operations and maintenance of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The City's electric and water utility funds are subject to the provisions of GASB No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASB No. 62 addresses accounting rules for regulated operations. This statement recognizes the economic ability of regulators, through the ratemaking process, to create future economic benefits and obligations affecting rate-regulated companies. Accordingly, the electric and water utility funds records these future economic benefits and obligations as regulatory assets or regulatory liabilities, respectively.

Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are expected to be refunded to customers through the ratemaking process.

In order for a rate-regulated entity to continue to apply the provisions of GASB No. 62, it must meet the following three criteria; (i) the enterprise's rates for regulated services provided to its customers must be established by an independent third-party regulator or its own governing board empowered by a statute to establish rates that bind customers; (ii) the regulated rates must be designed to recover the specific enterprise's costs of providing the regulated services; and (iii) in view of the demand for the regulated services and the level of competition, it is reasonable to assume that rates set at levels that will recover the enterprise's costs can be charged to and collected from customers.

Based upon the City's evaluation of the three criteria discussed above in relation to its operations, and the effect of competition on its ability to recover its costs, the City believes that GASB No. 62 continues to apply.

The City regularly assesses whether regulatory assets and liabilities are probable of recovery or refund. If recovery or refund is not approved by the City Council, which sets rates charged to customers, or if it becomes no longer probable that these amounts will be realized or refunded, they would need to be written-off and recognized in the current period results of operations.

D - Inventories and prepaid items
All inventories are valued at cost, using the standard cost method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

E - Land held for resale
Land held for resale is recorded at the lower of cost or estimated net realizable value. Estimated net realizable value is determined by an agreed upon sales price with potential developers, when applicable. Amounts recorded as land held for resale are reported as nonspendable fund balance in the fund financial statements, since those amounts are not available spendable resources.

F - Capital Assets

Capital assets, which include property, plant, equipment, easements, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, including land held under easements. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

	Estimated useful life
Buildings and improvements	20 to 40 years
Infrastructure	20 to 65 years
Machinery and equipment (except vehicles)	5 to 20 years
Production plant	30 years
Boiler plant	20 years
Transmission structures	40 years
Transmission equipment	20 to 40 years
Poles, towers and fixtures	20 to 40 years
Distribution stations	30 to 40 years
Transformers	20 to 40 years
Meters	15 to 20 years
Water services	40 years
Vehicles	5 to 20 years
Office equipment	3 to 15 years

Capital outlay purchases of $11,840 were recorded as expenditures on the governmental fund level financial statements.

G - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, universal and in-lieu leave pay benefits. The maximum accumulation of vacation leave is limited to the total number of hours accruable for two years, unless approved otherwise by the department head and City Manager. The maximum accumulation of in-lieu time is between 200 to 300 hours, depending upon the employee's bargaining unit. There is no limitation as to the number of sick leave hours accumulated.

Executives, unrepresented managers and Burbank Management Association (BMA) employees do not earn vacation or sick leave. The instead receive universal leave which has an accrual cap of 1040 hours. Universal leave is reported as part of the compensated absences accrual.

Employees are paid 100% of their accumulated vacation, universal and in-lieu time when they terminate for any reason. Accumulated sick leave is only paid out under one of the following conditions (a) at retirement or death, provided the employee has been employed by the City for over five years and is over 50 years of age; (b) at time of layoff. Accumulated sick leave is paid at 50% of the total value, except for Burbank Police Officers Association (BPOA) and Burbank Fire Fighters (BFF) employees in which sick leave is paid at 60% of the total value.

All vacation, universal, in-lieu and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in government funds only it they employees have separated from the City.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H - Net Position and Fund Equity

The governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to show the level of constraint governing the use of the funds. Nonspendable fund balances include amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Restricted fund balances are restricted for specific purposes by third parties or enabling legislation. Committed fund balances include amounts that can be used only for specific purposes determined by formal action of the Council. Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. Assigned fund balances comprise amounts intended to be used by the City for specific purposes as determined by the Council such as PERS retirement set-aside funds, prior years carryovers and various capital projects. Unassigned fund balance is the remaining fund balance after all of the above classifications and should only be reported in the general fund or resulting deficit fund balance in any other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and the unrestricted resources as necessary. When committed and assigned resources are available for use, it is the City's policy to use committed resources first and then assigned resources, as they are needed.

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets; restricted and unrestricted. Restricted net position represent net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments including enabling legislation).

I - Cash and Investments

The City combines the cash and investments of all funds into two pools (the City pool, and the Housing Authority pool), except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Each fund's portion of the pooled cash and investments are displayed on the balance sheet-governmental funds, or the statement of net position-proprietary funds.

Interest earned on pooled cash and investments is allocated monthly to the various funds based on average daily balances. Interest income from cash and investments with fiscal agents and in the deferred compensation plan is credited directly to the related funds. The City manages its pooled idle cash and investments under a formal investment policy that is reviewed and adopted annually by the City Council and that follow the guidelines of the State of California Government Code. The City's investment policy specifically authorizes the City to invest in treasury bills, treasury notes, federal agency securities, bankers' acceptances, negotiable and nonnegotiable certificates of deposit, commercial paper, the California Local Agency Investment Fund (LAIF), the Los Angeles County Pooled Investment Fund, and money market mutual funds.

The City's investments are reported at fair value. LAIF operates in accordance with the state laws and regulation of California. The reported value of the pool is the same as the fair value of the pool shares.

For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents includes all pooled cash investments, non-pooled restricted cash and restricted investments with an original maturity of three months or less. The City considers the cash and investments pool to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J - Receivables
Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due. Estimated allowances for uncollectible accounts for enterprise fund customer accounts receviables are adjusted to the 91 days and over receivables balances.

Assessed values are determined on an annual basis by the Los Angeles County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

The Low and Moderate Income Housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years with a stated annual interest rate of 3%. At the end of each notes' term, the City will receive either; A) the outstanding principal and interest on the loans or, b) as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties, after their respective fifty-five year term is over, in lieu of full payment of unpaid principal and interest from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term. (i.e.; estimated value fifty-five years after the start of each loan, not present valued back to June 30, 2014. The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net assets in governmental activities in the entity-wide

The Community Development and Block Grant (CDBG) and HOME funds give loans to the BHC and to individuals meeting eligibility criteria. The loans have various term lengths with stated interest rates ranging from 0% to 6%. The loans are scheduled to be forgiven at the end of their respective terms. The City records the notes receivable balance, and an allowance for doubtful accounts equal to 100% of the outstanding note balance.

K - Interfund Advances
Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

L - Self-Insurance Program
The City has self-insurance programs to provide for general liability and workers' compensation claims. These activities are accounted for in the Self-Insurance internal service fund, a proprietary fund type. Fund revenues are primarily premium charges to other funds and are planned to match estimated payments, including both reported and incurred but not reported claims, operating expenses, and reinsurance premiums. The fund expenses the estimated liability for claims in cases where such amounts are reasonably determinable and where the liability is likely.

The City is self-insured for individual claims up to $2,000 for worker's compensation, and $1,000 for general liability. Losses in excess of these amounts are covered through commercial insurance policies, up to statutory limits, for individual claims. See note 16, Self-insurance, for additional information on the City's self-insurance programs.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M - Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

N - Current Year Standards

- Governmental Accounting Standards Board Statement No. 66 - "*Technical Corrections, an amendment of GASB Statement No. 10 and Statement No. 62*", required to be implemented in the current fiscal year did not

- Governmental Accounting Standards Board Statement No. 70 - "*Accounting and Financial Reporting for Nonexchange Financial Guarantees*", required to be implemented in the current fiscal year did not impact the City.

O - Pending Accounting Standards

GASB has issued the following statements which may impact the City's financial reporting requirements in the future:

- Governmental Accounting Standards Board Statement No. 68 - "*Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*", effective for the fiscal years beginning after June 15, 2014.

- Governmental Accounting Standards Board Statement No. 69 - "*Government Combinations and Disposals of Government Operations*", effective for periods beginning after December 15, 2013.

- Governmental Accounting Standards Board Statement No. 71 - "*Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*", effective for periods beginning after June 30, 2014.

P - Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as as outflow of resources (expense/expenditure) until then. The City has no deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

(in thousands)

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of computation of certain items on statement of net position

The statement of net position includes an element titled "Net investment in capital assets". The details of this computation are explained below :

Governmental funds :	
Capital assets of internal service funds, net of accumulated depreciation	$ 20,566
Governmental assets, net of accumulated depreciation	713,190
Net investment in capital assets	$ 733,756

Proprietary funds :	
Capital assets, net of accumulated depreciation	$ 454,298
All revenue bonds, current and long term portions	(145,605)
Loan payable	(8,437)
Net investment in capital assets	$ 300,256

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Appropriations

During the year, several supplemental budget appropriations were adopted by the City Council as amendments to the annual budget. Such appropriations are as follows: $1,632 Traffic Signal and Fiber Communication; $1,430 Police Helicopter Purchase; $1,356 EIR for airport opportunity site; $1,022 Urban areas security initiative and $1,0 Measure R projects.

Appropriated Budget and Budgetary Control

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue (except for the Drug Asset Forfeiture fund), Debt Service and Capital Projects funds (except for Public Improvement Funds). The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. Certain multi-year capital improvements and other projects are budgeted on a project-length basis. Additionally, appropriations for the Drug Asset Forfeiture fund occur based on actual cash receipts and do not lapse at year end. A comparison of these budgets with current year expenditures would not be meaningful, due to the multi-year nature of these projects. As a result, budgetary schedules are not presented for the Public Improvements special revenue fund, the Drug Asset Forfeiture special revenue fund, and the General City Capital Projects fund.

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (continued)

The level of appropriated budgetary control is at the functional departmental level. The City Manager may authorize transfers of appropriations within a departmental function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the City Council by a 3/5 vote. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted and are more fully described above. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

The City uses an "encumbrance system". Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as "committed" or "assigned" fund balance.

The City Council adopts budgets for the Enterprise and Internal Service funds. All Proprietary fund types are accounted for on the economic resources measurement focus and the accrual basis of accounting. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

For the fiscal year ended June 30, 2014, the following fund reflected expenditures in excess of budgeted amounts : State Gas Tax fund, an excess of $969. Also, the general fund had expenditures in excess of budgeted amounts in the following department: Fire Departments an excess of $992 and Recreation an excess of $57.

(in thousands)

(4) CASH AND INVESTMENTS

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows :

	Govern-mental	Business Type	Fiduciary Fund	Total
Pooled cash and investments	$ 222,023	113,604	21,418	$ 357,045
Restricted pooled cash and investments	-	20,304	-	20,304
Restricted non-pooled cash and cash equivalents	421	-	19,115	19,536
Restricted investments	91,175	5,068	-	96,243
Total	$ 313,619	138,976	40,533	$ 493,128

Cash on hand	$ 2,057
Demand deposits	231
Investments	490,840
Total	$ 493,128

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (Code) (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the Code or the City's investment policy.

Authorized Investment Type	Authorized By City Policy	Maximum Maturity **	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Agency-U.S. Federal Agency	Yes	5 years	90%	No limit
Corporate-medium term notes	Yes	5 years	30%	5%
LAIF-Local Agency Invest. Fund	Yes	N/A	No limit	$50 million per account
U.S. Treasury obligations	Yes	5 years	100%	No limit
Timed certificates of deposit	Yes	5 years	40%	No limit
Negotiable certificates of deposit	Yes	5 years	20%	No limit
Money market mutual funds	Yes	90 days	15%	No limit
State and Local Agency Obligations	Yes	5 years	15%	5%
Banker's acceptances	No	N/A	N/A	N/A
Commercial paper	No	N/A	N/A	N/A
Repurchase agreements	No	N/A	N/A	N/A
Reverse repurchase agreements	No	N/A	N/A	N/A
Mutual funds	No	N/A	N/A	N/A
Mortgage pass-through securities	No	N/A	N/A	N/A
County pooled investment funds	No	N/A	N/A	N/A

* * No investment shall be made in any security that, at the time of the investment, has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment, with the maximum allowed not to exceed 5% of the portfolio from over five years to ten year maturities.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

(in thousands)

(4) CASH AND INVESTMENTS, (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Investment Agreements	N/A	No limit	No limit
LAIF-Local Agency Invstmt Fund	N/A	No limit	No limit
Money Market	N/A	No limit	No limit
Pledge Bonds	N/A	No limit	No limit
U.S. Treasury Obligations	N/A	No limit	No limit

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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 market interest rates. One of the ways that the City 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.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)			
	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Agency-U.S. Federal Agency	$ 191,270	-	12,081	168,389	10,800
Corporate-Medium Term Notes	55,910	5,541	10,291	40,078	-
Municipal Bonds	8,963	2,013	1,470	5,480	-
Negotiable Certificates of Deposit	33,474	11,759	1,964	19,751	-
LAIF-Local Agency Invst Fund	85,444	85,444	-	-	-
Held by bond trustee:					
Investment Agreements	10,529	-	-	-	10,529
Money Market	8,522	8,522	-	-	-
Local obligation bonds	91,175	5,715	6,030	20,240	59,190
U.S. Treasury Obligations	5,553	5,553	-	-	-
	$ 490,840	124,547	31,836	253,938	80,519

Disclosures Relating to Credit Risk

Generally, credit risk is 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 rating organization. Presented below is the minimum rating required by (where applicable) the Code, the City's investment policy, or debt agreements, and the Moody's actual rating as of year end for each investment type.

(in thousands)

(4) CASH AND INVESTMENTS, (continued)

	Total	Minimum Legal Rating	Not Rated
Agency-U.S. Federal Agency	$ 191,270	A	-
Corporate-Medium Term Notes	55,910	A	-
Municipal Bonds	8,963	A	-
Negotiable Certificates of Deposit	33,474	A	-
LAIF-Local Agency Invstmt Fund	85,444	N/A	85,444
Held by bond trustee:			
Investment Agreements	10,529	A	-
Money Market	8,522	Aaa	-
Local obligation bonds	91,175	N/A	91,175
U.S. Treasury Obligations	5,553	N/A	-
Totals	$ 490,840		176,619

	Rating as of year end			Not required
	Aaa	Aa	A	to be rated
Agency-U.S. Federal Agency	$ 191,270	-	-	-
Corporate-Medium Term Notes	2,978	22,169	30,763	-
Municipal Bonds	-	8,963	-	-
Negotiable Certificates of Deposit	33,474	-	-	-
Held by bond trustee:				
Investment Agreements	-	-	10,529	-
Money Market	8,522	-	-	-
Local obligation bonds	-	-	-	-
U.S. Treasury Obligations	-	-	-	5,553
Totals	$ 236,244	31,132	41,292	5,553

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Investments in any one issuer (other than US Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows :

Federal Home Loan Bank - U.S. Federal Agency - $49,153
FHLMC Debentures - U.S. Federal Agency - $41,964
FNMA - U.S. Federal Agency - $70,015
Federal Farm Credit Bank - U.S. Federal Agency - $27,181

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The amount of deposits are covered by FDIC insurance or collateralized under California law.

(in thousands)

(4) CASH AND INVESTMENTS, (continued)

The Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits : The Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's investments are in the name of Wells Fargo and Wells Fargo has allocated a portion of the value of the investments to the City.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code, section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Local Obligation Bonds

The City's investment in local obligation bonds are investments in the Successor Agency's Tax Allocation Bonds that are secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller for the Successor Agency by the Dissolution Act (the "RPTTF").

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 is as follows.

Governmental activities	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated :				
Land	$ 91,998	-	-	91,998
Land held under easements	345,277	-	-	345,277
Construction in progress	21,007	7,742	(15,090)	13,659
Internal service fund assets :				
Construction in progress	1,330	3,666	(3,306)	1,690
Total capital assets not being depreciated	459,612	11,408	(18,396)	452,624
Capital assets being depreciated :				
Land Improvements	$ 4,492	194	-	4,686
Accumulated depreciation	(4,784)	(428)	-	(5,212)
Buildings & Improvements	190,877	14,257	(129)	205,005
Accumulated depreciation	(116,179)	(9,418)	129	(125,468)
Infrastructure	296,237	16,935	(1,164)	312,008
Accumulated depreciation	(123,098)	(8,871)	1,163	(130,806)
Machinery & other	1,761	3,351	-	5,112
Accumulated depreciation	(1,056)	(2,013)	-	(3,069)
Internal service fund assets :				
Buildings and improvements	13,545	379	(9,600)	4,324
Accumulated depreciation	(4,015)	(195)	2,756	(1,454)
Machinery & other	63,435	7,664	(8,106)	62,993
Accumulated depreciation	(45,333)	(5,356)	3,702	(46,987)
Total capital assets being depreciated, net	275,882	16,499	(11,249)	281,132
Total net capital assets - governmental activities	$ 735,494	27,907	(29,645)	733,756

Depreciation charged to governmental functions on the statement of activities during the year is as follows; $10,918 General Government, $895 to Police, $918 to Fire, $8,270 to Public Works, $2,530 to Community Development, $2,481 to Parks and Recreation and $687 to Library.

(in thousands)

(5) CAPITAL ASSETS, (continued)

Total Enterprise fund type capital assets are as follows :

All Business-type activities	Balance July 1, 2013 as restated	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated :				
Land	$ 11,824	-	-	11,824
Construction in progress	33,332	35,634	(61,724)	7,242
Total capital assets not being depreciated	45,156	35,634	(61,724)	19,066
Capital assets being depreciated :				
Land improvements	13,182	17	-	13,199
Accumulated depreciation	(9,023)	(472)	-	(9,495)
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(584)	(43)	-	(627)
Buildings & Improvements	655,130	46,691	(3,163)	698,658
Accumulated depreciation	(285,256)	(19,357)	1,116	(303,497)
Machinery & other	70,939	18,395	(6,628)	82,706
Accumulated depreciation	(44,769)	(6,114)	3,836	(47,047)
Total capital assets being depreciated, net	400,954	39,117	(4,839)	435,232
Total net capital assets - business-type activities	$ 446,110	74,751	(66,563)	454,298

Water Reclamation & Sewer fund capital assets are as follows :

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated :				
Land	$ 5,316	-	-	5,316
Construction in progress	414	2,419	(2,337)	496
Total capital assets not being depreciated	5,730	2,419	(2,337)	5,812
Capital assets being depreciated :				
Land improvements	6,096	-	-	6,096
Accumulated depreciation	(3,376)	(316)	-	(3,692)
Buildings & Improvements	115,833	1,851	-	117,684
Accumulated depreciation	(60,590)	(2,946)	-	(63,536)
Machinery & other	2,366	433	(354)	2,445
Accumulated depreciation	(2,058)	(140)	354	(1,844)
Total capital assets being depreciated, net	58,271	(1,118)	-	57,153
Total net capital assets - Water reclamation and sewer	$ 64,001	1,301	(2,337)	62,965

(in thousands)

(5) CAPITAL ASSETS, (continued)

Electric Utility fund capital assets are as follows :

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated :				
Land	$ 2,734	-	-	2,734
Construction in progress	19,527	25,557	(39,772)	5,312
Total capital assets not being depreciated	22,261	25,557	(39,772)	8,046
Capital assets being depreciated :				
Land improvements	-	-	-	-
Accumulated depreciation	-	-	-	-
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(584)	(43)	-	(627)
Buildings & Improvements	405,125	21,794	(1,920)	424,999
Accumulated depreciation	(168,274)	(12,315)	772	(179,817)
Machinery & other	50,789	17,695	(3,226)	65,258
Accumulated depreciation	(28,761)	(4,757)	434	(33,084)
Total capital assets being depreciated, net	259,630	22,374	(3,940)	278,064
Total net capital assets - Electric utility	$ 281,891	47,931	(43,712)	286,110

During fiscal year ended June 30, 2014 the City had capitalized interest of $0 in the Electric fund.

Water Utility fund capital assets are as follows :

	Balance July 1, 2013 as restated	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated :				
Land	$ 309	-	-	309
Construction in progress	13,296	7,507	(19,478)	1,325
Total capital assets not being depreciated	13,605	7,507	(19,478)	1,634
Capital assets being depreciated :				
Buildings & Improvements	118,715	22,927	(1,162)	140,480
Accumulated depreciation	(47,780)	(3,647)	343	(51,084)
Machinery & other	5,194	198	(27)	5,365
Accumulated depreciation	(3,623)	(324)	27	(3,920)
Total capital assets being depreciated, net	72,506	19,154	(819)	90,841
Total net capital assets - Water utility	$ 86,111	26,661	(20,297)	92,475

During fiscal year ended June 30, 2014 the City had capitalized interest of $269 in the Water fund.

(in thousands)

(5) CAPITAL ASSETS, (continued)

Refuse Collection & Disposal fund capital assets are as follows :

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated :				
Land	$ 3,454	-	-	3,454
Construction in progress	49	117	(81)	85
Total capital assets not being depreciated	3,503	117	(81)	3,539
Capital assets being depreciated :				
Land improvements	6,050	-	-	6,050
Accumulated depreciation	(5,074)	(79)	-	(5,153)
Buildings & Improvements	6,508	80	(81)	6,507
Accumulated depreciation	(6,130)	(27)	1	(6,156)
Machinery & other	12,199	69	(3,021)	9,247
Accumulated depreciation	(10,065)	(870)	3,021	(7,914)
Total capital assets being depreciated, net	3,488	(827)	(80)	2,581
Total net capital assets - Refuse collection & disposal	$ 6,991	(710)	(161)	6,120

(6) DEFINED CONTRIBUTION AND PENSION PLANS

Defined Contribution Plans

Welfare Benefit Plan (VEBA)
The VEBA is a defined contribution plan established by the City of Burbank to provide post retirement medical benefits primarily to members of the Burbank Police Officers' Association. At June 30, 2014, there were 143 active participants and 76 retired participants. VEBA members are required to contribute their final vested sick pay at retirement. The City is required to contribute $29.17 dollars per month per active participant and 1.5% of the Burbank Police Officers' Association annual covered salary. VEBA provisions and contribution requirements are established and may be amended by the City Council of the City. Investments are self directed by each VEBA participant.

The VEBA's financial statements are prepared using the accrual basis of accounting, and the statements are available at the City of Burbank, 275 E Olive Ave, Burbank CA 91502. The employer contributions are recognized in the period that the contributions are made; contributions totaled $446 for the fiscal year ended June 30, 2014. VEBA investments are reported at fair value. At June 30, 2014, the fair value of assets was $5,752.

(6) DEFINED CONTRIBUTION AND PENSION PLANS, (continued)

Post Employment Health Plan (PEHP)

The PEHP is a defined contribution plan established by the City of Burbank in February 2006 to provide retirement medical benefits primarily to members of the Burbank Fire Fighters' Association (BFF) and the Burbank Fire Fighters' Chief Officers' Unit (BFF-COU). The PEHP is a multi-employer trust comprised of over 800 public sector entities across the United States and is administered by Nationwide Retirement Solutions. At June 30, 2014 there were 116 active, and 32 retired participants. BFF and BFF-COU PEHP members are required to contribute the balance of their accumulated leave balance upon retirement or separation to their individual plan accounts. The BFF and BFF-COU take a vote of the membership annually in October to ascertain the dollar amount to be deposited from their accumulated leave balance into the Universal Reimbursement Account, and any remaining balance is deposited into the Insurance Reimbursement Premium Account.

PEHP provisions and contribution requirements are established and may be amended by the City Council of the City to the extent allowed by the Internal Revenue Code. Participants may elect to have their contributions and earnings directed to an investment option of their choice and these investments are self directed by each PEHP participant. The City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City contributed $226 to the PEHP during the year ended June 30, 2014.

Defined Benefit Plan

Plan Description

The City of Burbank contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office : 400 P Street, Sacramento CA 95814.

Funding Policy

During the year ended June 30, 2013 California's Public Employees' Pension Reform Act (PEPRA) went into effect. Employees hired after January 1, 2013 who are new to the CalPERS system are required to pay half of their plan's normal cost. Currently new miscellaneous members contribute 6.75% of their annual covered salary, new fire members contribute 11.25% and new police members contribute 12.75%. Employees who were CalPERS members before January 1, 2013 are considered "classic" members and miscellaneous members are required to contribute 8% of their annual covered salary and safety employees contribute 9%. As of June 30, 2014 the City makes the following partial contributions required of classic City employees on their behalf and for their account: BCEA 4.0% unrepresented managers 4.0%, non-safety executives 4.0%, safety executives 4.5%, BPOA 3.5% and BFF 4.5. The City is required to contribute at an actuarially determined rate; for miscellaneous employees the rate is 17.954%; for fire employees the rate is 21.136%; for police employees the rate is 32.214%. The contribution requirements of plan members and the City are established and may be amended by PERS.

All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20 year closed period. In addition, all gains or losses are tracked, and 10% of the net unamortized accumulated gain or loss is amortized each year. Finally, if a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30 year amortization of the unfunded liability.

(in thousands)

(6) BENEFIT AND PENSION PLANS, (continued)

	Fiscal Yr	Annual required contribution	% of contribution to APC
Police	6/30/2013	6,913	100%
Fire	6/30/2013	4,532	100%
Miscellaneous	6/30/2013	21,946	100%
Police	6/30/2012	6,030	100%
Fire	6/30/2012	3,696	100%
Miscellaneous	6/30/2012	16,680	100%
Police	6/30/2011	4,702	100%
Fire	6/30/2011	3,058	100%
Miscellaneous	6/30/2011	13,604	100%

Schedule of funding progress	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Excess) Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
		(A)	(B)	(B-A)	(A/B)	(C)	{(B-A)/C}
Police	6/30/2013	180,013	243,011	62,998	74.1%	17,013	370.3%
Fire	6/30/2013	155,204	191,302	36,098	81.1%	13,384	269.7%
Miscellaneous	6/30/2013	547,336	714,877	167,541	76.6%	76,979	217.6%

A summary of the principal assumptions and methods used to determine the annual required contribution (ARC) for the year ended June 30, 2014 is shown below :

Valuation Date	June 30, 2012
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Amortization Period	Closed
Average Remaining Period	20 years miscellaneous, 22 years for fire, 27 years for police from the valuation date
Asset Valuation Method	15 year smoothed market
Actuarial Assumptions :	
Investment rate of return	7.50% (net of administrative expenses)
Projected salary increases	3.30% to 14.20% depending on age, service, and type of employment
Inflation	2.75%
Payroll growth	3.00%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of .25%.

The schedule of funding progress, which has been included in the accompanying *Required Supplementary Information*, shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. It presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Pension Asset

Annual required contribution	$ 21,388
Interest on net Pension obligation/(asset)	(2,850)
Adjustment to annual required contribution	4,662
Annual Pension cost	23,200
Contributions made	(25,398)
Increase in net Pension obligation	(2,198)
Net Pension Asset - beginning of year	39,796
Net Pension Asset - end of year	$ 37,598

(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows :

	Interfund		Transfers	
Fund	**Receivable**	**Payable**	**In**	**Out**
General fund	$ 268	-	10,088	3,093
Golden State debt service	-	-	-	-
Merged capital projects	-	-	-	-
Low / Mod housing	-	1	-	177
General capital projects	-	-	4,267	74
PFA capital projects	-	-	-	-
Water recl & sewer	-	-	88	-
Electric utility	-	-	60	10,968
Water utility	-	-	-	1,316
Refuse coll. & disp.	-	-	78	-
Nonmajor prop. fund	-	-	-	-
Nonmajor governmental funds	-	277	3,530	963
Internal service funds	10	-	6,400	7,920
Total interfund receivable / payable / transfers	$ 278	278	24,511	24,511

Composition and purpose of interfund transfers is as follows :

Nonmajor governmental funds transfers in of $3,530 includes $2,450 for the Street Lighting fund transferred from Electric Utility fund for in-lieu of taxes payments; $903 for Measure R from Prop A fund for local return funds and $177 for HOME from the Low and Moderate Income Housing fund for affordable housing per reso 28,633.

General fund transfers in of $10,088 include $8,518 from Electric Utility fund and $1,316 from Water Utility fund, for in-lieu of taxes payments; $180 from the General Liability fund for mid-year resolution 28,671 and $74 from the General Capital Projects fund to Park and Recreations project savings.

General Capital Projects fund transfers in of $4,267 includes $2,927 from the General fund for infrastructure reserve and additional street improvements per resolution 28618 and $1,340 from the Municipal Building Maintenance fund for the seismic retrofit.

The composition of interfund advances as of June 30, 2014 is as follows :

Advances from City :

The general fund advanced the golf fund $2.9 million for construction of the new clubhouse. The terms of the advance were per resolution 27488, passed on June 19, 2007. The term of the advance was initially 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%, with the first repayment date as January 2009. On June 7, 2011, the payment terms of this advance were revised per resolution 28347 to defer payments until fiscal year 2013-14 with payments commencing on January 1, 2014 and recalculated annually thereafter over 17 years through January 1, 2030. On April 9, 2013, the payment terms of this advance were revised to defer payments until fiscal year 2018-19 with payments commencing on January 1, 2019 and recalculated annually thereafter over 30 years through January 1, 2049. $ 2,182

The general fund advanced the golf fund $1.0 million to make the golf fund fiscally solvent. The terms of the advance are per resolution 28347, passed on June 7, 2011. The term of the advance is 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%. This advance will be recalculated every January, with the first repayment date as January 2014. On April 9, 2013, the payment terms of this advance were revised to defer payments until fiscal year 2015-16 with payments commencing on January 1, 2016 and recalculated annually thereafter over 20 years through January 1, 2036. $ 1,027

(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS, (continued)

From 1997 to 1999, the General fund advanced $1,118 to the Public Improvements fund, to pre-fund the development impact activity for the Police/Fire facility construction per Resolution 25174 and 25176 on November 4, 1997 and Resolution 25270 on May 5, 1998. As revenue is accumulated within Public Improvements, repayments are made on this advance; there is no interest charged, nor is there a specified repayment schedule.	$	323
	$	3,532

Advances to Successor Agency :

The City and the Agency entered into a cooperation agreement through which the City agreed to advance funds to the City Centre project necessary for land acquisition and related expenses. Transferred to Successor Agency February 1, 2012. AB 1484 specifies the actions to be taken and the method of repayment for advances by the Successor Agency to the various funds of the City. Upon application and approval by the successor agency and approval by the oversight board, loan agreements (advances) entered into by former redevelopment agency and the city shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the advances were for legitimate redevelopment purposes. The accumulated interest on the remaining amount of advances will be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the interest rate earned by the funds deposited into the Local Agency Investment Fund. The annual advances repayments are subject to certain limitations. Advance repayments shall not be prior to the 2014-2015 fiscal year, are subject to a formula distribution, and have a lower priority for repayment as described in AB 1484 (Health and Safety Code Section 34191.4(2)(A). The advances related to the borrowing for the SERAF payment have a priority over repayment of the other advances. 20% of the repayment of the other advances not related to the SERAF advances shall be deducted and transferred to the Low and Moderate Income Housing Fund (Housing Authority).	$	52,812
From 1977 through 1979, the City and the Agency entered into agreements to loan funds aggregating $225 to the West Olive Project.	$	203
The City and the Agency entered into an agreement through which the City agreed to advance funds to the South San Fernando project necessary for formation costs.	$	172
In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The City loaned funds of $680 to the Golden State project.	$	680
	$	53,867

Advances to City from Successor Agency :

The Agency advanced the City $1,327 in order for the City to reimburse the Housing Authority administrations reserve per resolution R-2255 on June 14, 2011. This loan is payable only out of the existing advances owed to the City, to be paid at the end of ten years post project area sunset/abolishment, whichever comes first. There is no repayment schedule. Transferred to Successor Agency February 1, 2012.	$	1,327
In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The South San Fernando project area loaned funds of $680 to the City. The advance is not interest bearing and there is no repayment schedule. Transferred to Successor Agency February 1, 2012.	$	680
	$	2,007

(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS, (continued)

A breakdown of all items as stated on the statement of net position :

	Internal Balances		Transfers	
Fund	Governmental	Business-Type	Governmental	Business-Type
Governmental funds				
interfund receivable	$ 3,477	-	$ -	-
transfers in	-	-	17,885	-
interfund payable	(278)	-	-	-
transfers out	-	-	(4,307)	-
Internal service funds				
interfund receivable	10	-	-	-
transfers in	-	-	6,400	-
interfund payable	-	-	-	-
transfers out	-	-	(7,920)	-
Proprietary funds				
interfund receivable	-	-	-	-
transfers out	-	-	-	(12,284)
interfund payable	-	(3,209)	-	-
transfers in	-	-	-	226
Totals	$ 3,209	(3,209)	$ 12,058	(12,058)

(8) LONG TERM LIABILITIES

	Balance July 1, 2013 as restated	Additions	Deletions	Balance June 30, 2014	Due within one year
Fiduciary activities:					
Community facilities district bonds	$ 4,900	-	(345)	4,555	365
Tax allocation bonds (as restated)	114,614	-	(6,248)	108,366	6,365
Total fiduciary activities	119,514	-	(6,593)	112,921	6,730
Governmental activities :					
Revenue bonds	101,210	-	(5,705)	95,505	6,155
Pension obligation bonds	15,315	-	(995)	14,320	1,135
*Compensated absences	13,164	1,324	(1,408)	13,080	1,442
Total non-internal service debt	129,689	1,324	(8,108)	122,905	8,732
Claims payable from self-insurance funds (note 16)	35,360	9,448	(8,763)	36,045	9,536
Compensated absences - payable from internal service funds	248	50	(42)	256	32
Total governmental activities	165,297	10,822	(16,913)	159,206	18,300

*Compensated absences liability for governmental activities will be liquidated by the following funds: general fund, section 8, HOME, CDBG and street lighting.

(in thousands)

(8) LONG TERM LIABILITIES, (continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due within one year
Business-type activities :					
Water Reclamation & Sewer :					
Revenue bonds	$ 14,519	12,177	(14,519)	12,177	760
Compensated absences - payable from enterprise funds	114	16	(4)	126	1
Subtotal	14,633	12,193	(14,523)	12,303	761
Refuse Collection & Disposal :					
Revenue bonds	6,425	-	(682)	5,743	590
Other long-term liabilities	16,193	507	-	16,700	-
Compensated absences - payable from enterprise funds	610	65	(54)	621	44
Subtotal	23,228	572	(736)	23,064	634
Electric Utility :					
Revenue bonds	96,531	-	(4,218)	92,313	3,580
Compensated absences - payable from enterprise funds	4,912	335	(407)	4,840	398
Subtotal	101,443	335	(4,625)	97,153	3,978
Water Utility :					
Revenue bonds	35,971	-	(599)	35,372	735
Other long-term liabilities	7,260	1,784	(607)	8,437	416
Compensated absences - payable from enterprise funds	833	29	(30)	832	16
Subtotal	44,064	1,813	(1,236)	44,641	1,167
Total business-type activities :					
Revenue bonds	153,446	12,177	(20,018)	145,605	5,665
Other long-term liabilities	23,453	2,291	(607)	25,137	416
Compensated absences - payable from enterprise funds	6,469	445	(495)	6,419	459
Total business-type activities	183,368	14,913	(21,120)	177,161	6,540
	$ 348,665	25,735	(44,626)	449,288	31,570

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

FIDUCIARY ACTIVITIES

Community Facilities District Bonds (CFD)

2005 Community Facilities District (CFD) Tax Revenue Bonds

The bonds are due in annual installments from $295 to $565 through December 1, 2023. Interest at various rates ranging from 4.00% to 5.20% is payable semiannually on June 1 and December 1. The bonds are collateralized by first pledge of all the tax increment revenues and special tax revenues. The purpose of the bonds is to finance a portion of the costs of a parking garage in the downtown area.	$ 4,555

Tax Allocation Bonds

$69,000 Golden State Redevelopment Project Tax Allocation Bonds 1993 Series A

The bonds are due in annual installments from $410 to $4,655 through December 1, 2024. Interest at various rates ranging from 2.75% to 6.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects (ii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project First Lien Tax Allocation Bonds, 1985 Series A; and (iii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project Second Lien Refunding Tax Allocation Bonds, 1985 Series A. As of June 30, 2014 the entire balance of the bonds are owned by Burbank Public Financing Authority.	$ 37,060

$31,930 Golden State Redevelopment Project Tax Allocation Bonds 2003 Series A

The bonds are due in annual installments from $780 to $6,620 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.50% is payable semiannually on June 1 and December 1. These bonds are secured by a pledge of certain tax increment revenues, and other amounts payable to the Agency. As of June 30, 2014 the entire balance of the bonds are owned by Burbank Public Financing Authority.	$ 15,850

2003 Golden State Subordinated Tax Allocation Bonds

On September 16, 2003, the Agency remarketed the 1993 Golden State Subordinated tax allocation bonds, in the amount of $25,000, with interest due semiannually on June 1 and December 1, and annual maturities from $610 to $1,850, from December 1, 2022 to December 1, 2043, with interest rates ranging from 5.15% to 5.75%. As of June 30, 2014 the entire balance of the bonds are owned by Burbank Public Financing Authority.	$ 25,000

$14,000 West Olive Redevelopment Project Tax Allocation Bonds, 2002 Series A

The bonds are due in annual installments from $380 to $925 through December 1, 2026. Interest at various rates ranging from 2.00% to 5.125% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues, net of pass-through payments, to be received by the project. The bonds provide funding for the acquisition and construction of various projects.	$ 9,105

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

$5,235 South San Fernando Redevelopment Project Tax Allocation Bonds, 2003 Series A

The bonds are due in annual installments from $85 to $330 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provide funding for the acquisition and construction of various projects.	$ 4,160

1993 City Centre Tax Allocation Bonds Series A

The bonds are due in annual installments from $85 to $1,665 through December 1, 2023. Interest at various rates ranging from 2.50% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects and (ii) the partial advance refunding of the Agency's outstanding City Centre Redevelopment Project Tax Allocation Bonds, 1990 Series A. As of June 30, 2014, the entire balance of the bonds are owned by the Burbank Public Financing Authority.	$ 13,265
Plus original issue premium	$ 3,926
Total Tax Allocation Bonds	$ 108,366
Total fiduciary activities	$ 112,921

GOVERNMENTAL ACTIVITIES

2003 Series A Revenue Bonds Payable

On January 29, 2003, the Authority issued $87,265 revenue bonds Series A. The proceeds were used to purchase a portion ($50,240) of the Agency's outstanding 1993 Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A and $31,930 of Agency's 2003 Tax Allocation Bonds. The bonds are due in annual installments from $670 to $4,690 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.50% is payable semiannually on June 1 and December 1.	$ 31,105

2003 Revenue Bonds Series C

On September 23, 2003, the Authority issued Revenue Bonds, Series C 2003, in the amount of $22,015 with annual maturities from $810 to $1,565, from December 1, 2004 through December 1, 2023, with interest ranging from 2.0% to 4.8%. The purpose of these bonds is to fund the costs of issuance of the bond, and to purchase the City Centre 1993 tax allocation bonds.	$ 12,945

2007 Series A Revenue Bonds Payable

In April 2007, the Authority issued $52,335 Revenue Bonds Series A. The bonds are due in annual installments from $50 to $2,995 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the 2003 Authority's outstanding revenue bonds, (ii) fund a purchase in lieu of redemption of the Agency's subordinated tax allocation bonds, (iii) and to pay for public capital improvements. In consideration of the defeasance of a portion of the 2003 Authority bonds, a portion of the Agency's outstanding Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A (the "1993 Senior Agency Bonds") and a portion of the Agency's outstanding Golden State Redevelopment Tax Allocation Bonds, 2003 Series A (the "2003 Senior Agency Bonds"), which were held as pledged bonds securing the 2003 Authority Bonds were assigned as pledged bonds securing a portion of the 2007 Authority Bond.	$ 51,455
Total Revenue Bonds	$ 95,505

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Pension Obligation Bonds (POB)

The bonds are due in annual installments from $260 to $2,510 through June 1, 2023. Interest is fixed at 5.93%. The bonds provided funds to pay the City's unfunded pension obligation related to increased safety salaries, in lieu of reducing this obligation over a number of years directly through PERS.	$ 14,320

Compensated absences

Governmental activities - Governmental funds accumulated vacation, universal, in-lieu and sick leave accrual is reported in the government-wide statement of net assets. For the fiscal Year Ended June 30, 2014, the noncurrent portions of the accrual consist of vacation leave of $7,638, sick leave of $2,648, and in-lieu time of $1,352, and the current portion of $1,442.	$ 13,080

Outstanding Claims Payable - Self-Insurance

The Risk Management fund total outstanding claims are $4,791. The current portion of the outstanding claims are reported in the current liability section of the statement of net position, of which $2,233 is recorded as claims payable and the remainder is included in long-term liabilities.	$ 4,791
The Workers' Compensation fund total outstanding claims are $31,254. The current portion of the outstanding claims are reported in the current liability section of the statement of net position, of which $7,303 is recorded as claims payable and the remainder is included in long-term liabilities.	$ 31,254
Total long-term liabilities for self-insurance	$ 36,045

Compensated absences :

All the Internal Service fund types' accumulated vacation and sick leave accrual is reported in the respective Internal Service fund. At June 30, 2014, the accrual consists of vacation leave of $148, sick leave of $33 and in-lieu time of $43 and the current portion of $32.	$ 256
Total governmental activities	$ 159,206

BUSINESS-TYPE ACTIVITIES - REVENUE BONDS

Wastewater Treatment

$10,575 Wastewater Treatment Revenue Bonds of 2014 Series

The bonds are due in annual installments ranging from $90 to $1,150 from June 1, 2015 to June 1, 2033, with interest rates ranging from 2% to 5%, payable semiannually on June 1 and December 1. The purpose of these bonds is to refund, on a current basis, the City's Wastewater Treatment Refunding Revenue Bonds, 2004 Series A and to pay all costs of issuance. The 2004 Wastewater Revenue Bonds were defeased during the fiscal year. The difference in the debt service payments totaled $3,338 and the net present value gain was $2,479.	$ 10,575
Plus original issue premium	$ 1,602
Total Wastewater Revenue bonds	$ 12,177

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Waste Disposal

$6,315 Waste Disposal Refunding Revenue Bonds of 2012 Series

These bonds are due in installments ranging from $480 to $725 from May 1, 2013, to May 1, 2022, with an interest rate of 3.00%, payable semiannually on May 1 and November 1. The bonds are special obligations of the City payable solely from the net revenues of the City's waste collection and disposal system and other funds specified in the indenture.	$ 5,260
Plus original issue premium	$ 483
Total Waste Disposal revenue bonds	$ 5,743

Burbank Water and Power Revenue Bonds

$35,825 Burbank Water and Power Electric Revenue/Refunding Bonds 2010 Series A

These bonds were issued to partially advance refund the 1998 Bonds and the 2001 Bonds and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from $2,290 to $3,530. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the electric enterprise fund as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 28,450

$52,665 Burbank Water and Power Electric Revenue Bonds 2010 Series B

These bonds were issued to finance a portion of the costs of certain improvements to the Electric System, including the conversion of certain residential and commercial distribution circuits and to fund a deposit in the Parity Reserve Fund and to pay the costs of issuance. Payable in installments ranging from $2,210 to $4,195. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the electric enterprise fund as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 52,665

$8,795 Burbank Water and Power Water Revenue/Refunding and New Bonds 2010 Series A

These bonds were issued to refund on a current basis all of the outstanding 1998 Water Bonds, finance the costs of certain improvements to the City's water system and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from $165 to $970. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 6,945

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

$27,945 Burbank Water and Power Water Revenue Bonds 2010 Series B
(Taxable Build America Bonds)

These bonds were issued to finance the costs of the 2010 Water Project and to pay the costs of issuance of the Series 2010B Bonds. Payable in installments ranging from $850 to $2,275. Interest rates range from 4.89% to 5.79%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account. The City expects to receive a direct cash subsidy from the United States Department of Treasury equal to 35% of the interest on the Series 2010B Bonds.	$ 27,945
$9,810 Burbank Water and Power Electric Revenue Refunding Bonds, 2012 Series A These bonds were issued to refund on a current basis all of the outstanding 2002 Electric Bonds and to pay the costs of issuance of the Series 2012A Bonds. Payable in installments ranging from $375 to $1,145. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2022. The bonds are secured by a pledge of net revenues of the electric enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 7,985
Plus original issue premium	4,156
Less original issue discount	(461)
Total Burbank Water and Power revenue bonds	$ 127,685
Total Enterprise revenue bonds	$ 145,605

Other long-term liabilities :
Landfill Closure and Post-Closure Care Costs

State laws and regulations require the City to place a final cover on the Burbank Landfill No. 3 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports portions of these costs as operating expenses in each period, as required by GASB 18, and based on landfill capacity used as of each balance sheet date.

The landfill closure and postclosure care liability at June 30, 2014 represents the cumulative amount reported to date based on the use of 46 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of $22,319 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Using the 2014 inflation factor of 1.015 percent, the total estimated adjusted closure and postclosure costs as of 2014 are $36,337. The City expects to close the landfill in the year 2066. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in regulations.

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

The City is required by state laws and regulations to make annual contributions to a trust fund to finance closure and postclosure care. The City is in compliance with these requirements, and at June 30, 2014, $15,210 was reported as restricted cash. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.	$	16,700
<u>State Water Resources Control Board Loan (SWRCB) #1:</u> This loan was issued for the purpose of construction improvements to the Recycled Water Distribution System. Funds are disbursed on either a reimbursement basis, or at such time, as they are due and payable by the City. The interest rate is 2.7%, with the principal to be repaid no later than June, 2015.	$	36
<u>State Water Resources Control Board Loan (SWRCB) #2:</u> This loan was issued for the purpose of upgrading the Recycled Water Pumping Station PS-1 project to create capaciity needed to distribute recycled water to new users. The cost of the project is $1,916, of which $521 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than November 2030.	$	474
<u>State Water Resources Control Board Loan (SWRCB) #3:</u> This loan was issued for the purpose of constructing the Valhalla Recycled Water Main Extension. This pipeline extends the existing recycled water distribution system to Valhalla Memorial Park and Cemetery and other recycled water customers in its vicinity. The cost of the project is $5,062, of which $3,709 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2031.	$	3,327
<u>State Water Resources Control Board Loan #4:</u> This loan was issued for the purpose of constructing the Studio District Recycled Water Main Extension. This pipeline extends the existing recycled water distribution system to Warner Brothers, Disney and NBC Studios and other recycled water customers in its vicinity. The cost of the project is $5,161, of which $3,240 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2032.	$	2,915
<u>State Water Resources Control Board Loan #5:</u> This loan was issued for the purpose of constructing the Northern Burbank Main Extensioin. This pipeline extends the existing recycled water distribution system to Brace Park, Woodbury University and I-5 landscaping and other recycled water customers in its vicinity. The cost of the project is estimated to be $1,934, of which $1,784 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2033.	$	1,685
Total other long-term liabilities	$	25,137
Compensated absences : All the Enterprise fund types accumulated vacation, universal, in-lieu and sick leave accrual is reported in the respective Enterprise fund. For the fiscal year ended June 30, 2014, the noncurrent portions of the accrual consist of vacation leave of $3,979, sick leave of $1,379 and in-lieu time of $602 and the current portion of $459.	$	6,419
Total business-type activities	$	177,161

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2014 are as follows :

Fiduciary activities

Year ending	CFD Bond		Fiduciary - Tax Allocation	
June 30	Principal	Interest	Principal	Interest
2015	365	221	6,365	5,618
2016	380	203	6,700	5,263
2017	400	185	7,085	4,884
2018	415	165	7,470	4,482
2019	440	143	7,885	4,054
2020-2024	2,555	346	39,150	13,481
2025-2029	-	-	8,365	6,623
2030-2034	-	-	6,490	4,792
2035-2039	-	-	6,535	3,028
2040-2044	-	-	8,395	1,124
Premium	-	-	3,926	-
Totals	$ 4,555	$ 1,263	$ 108,366	$ 53,349

Governmental activities

Year ending	Governmental Tax Allocation		POB Bond	
June 30	Principal	Interest	Principal	Interest
2015	6,155	4,381	1,135	850
2016	6,435	4,095	1,290	782
2017	6,725	3,782	1,455	706
2018	7,055	3,439	1,635	620
2019	7,415	3,077	1,825	522
2020-2024	35,525	9,919	6,980	878
2025-2029	5,260	4,109	-	-
2030-2034	5,530	4,058	-	-
2035-2039	6,870	2,697	-	-
2040-2044	8,535	994	-	-
Premium	-	-	-	-
Totals	$ 95,505	40,551	$ 14,320	4,358

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Business-type activities

Year ending	Revenue Bonds		Other Liabilities	
June 30	Principal	Interest	Principal	Interest
2015	5,665	5,949	346	175
2016	5,905	5,714	317	166
2017	6,145	5,473	327	158
2018	6,410	5,204	334	150
2019	6,690	4,924	343	141
2020-2024	31,115	23,012	1,855	564
2025-2029	18,970	21,280	2,110	313
2030-2034	23,635	15,205	1,122	52
2035-2039	28,820	7,422	-	-
2040-2044	6,470	397	-	-
Discount	(461)	-	-	-
Premium	6,241	-	-	-
Totals	$ 145,605	94,580	$ 6,754	1,719

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

Description of Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Water Revenues	30,036	2,346	7.81%
Electric Revenues	215,908	7,464	3.46%
Water Rec. & Sewer	17,056	1,422	8.34%
Refuse Collection & Disposal	16,302	750	4.60%

(in thousands)

(9) RECEIVABLES

Receivables at June 30, 2014 consist of the following :

Governmental activities :	General Fund	Low/Mod Housing	General Cap. Proj.
Accounts receivable, net	$ 8,716	5	443
Interest receivable	120	1	61
Taxes receivable, net	2,270	-	-
Notes receivable	-	37,662	-
Total	$ 11,106	37,668	504

Governmental activities :	Public Fin. Authority	Nonmajor Govt'l Funds	Internal Service Funds	Total Govern-mental
Accounts receivable, net	-	352	405	9,921
Interest receivable	25	74	185	466
Taxes receivable, net	-	-	-	2,270
Notes receivable	-	-	-	37,662
Total	25	426	590	50,319

	Water Reclam. & Sewer	Electric	Water	Refuse Collect. & Disposal	Nonmajor Prop. Funds	Total Business Type
Business-type activities :						
Accounts receivable, net	$ 1,677	15,705	3,289	1,771	119	22,561
Interest receivable	76	118	29	72	-	295
Total	$ 1,753	15,823	3,318	1,843	119	22,856

The low and moderate income housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years from date of issuance with a stated interest rate of 3%. At the end of each notes' term, the City will receive either the outstanding principal and interest on the loans, or as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties in lieu of payment from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term (i.e.; fifty-five years after the start of each loan, not present valued back to June 30, 2014). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net position in governmental activities in the entity-wide statements. As of June 30, 2014, the notes receivable balance was $37,662, net of an allowance for doubtful accounts of $17,848. For the fiscal year ended June 30, 2014, the allowance for doubtful accounts increased $416.

(9) RECEIVABLES, (continued)

The Community Development and Block Grant (CDBG) and HOME funds provide loans to the BHC and to individuals. The loan terms for each loan are various lengths with stated interest rates ranging from 0% to 6% and are scheduled to be forgiven at the end of their respective term. The City records the notes receivable balance, and an allowance for doubtful accounts equal to 100% of the outstanding note balance. The notes receivable balance for CDBG as of June 30, 2014 was $0, net of an allowance for doubtful accounts of $2,478, in both the governmental activities and the governmental funds. The notes receivable balance for HOME as of June 30, 2014 is $0, net of an allowance for doubtful accounts of $9,595, in both the governmental activities and the governmental funds.

(10) COMMITMENTS AND CONTINGENCIES

Media City Center Mall

In September 1992, the City entered into a Disposition and Development Agreement (DDA) which obligated the City to rebate either amounts equivalent to specified portions of property and sales taxes generated by the mall, or an amount equal to $51,500 plus interest. These amounts helped offset the original construction costs incurred for construction of the Macy's building, and parking and related common area facilities at the Media City Centre mall that are owned by the developer. These payments to the developer are scheduled through February 1, 2016. After this date, the City will no longer be required to make payments to the developer. No liability has been recorded for this obligation, but for the year ended June 30, 2014, the City received $3,480 in revenue which was paid to the developer under this agreement.

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact to the City over and above the amounts recorded as claims liability. City management believes that the claims liability recorded within the self-insurance internal service fund is sufficient to cover any potential losses, should an unfavorable outcome result and that any overage would be covered by the City's excess insurance pool, ACCEL.

Construction commitments

Outstanding construction commitments include $1,576 Sanitary sewer upgrade and $1,419 for Traffic Signal Modification.

(11) POWER SUPPLY EXPENSES

A - RETAIL ENERGY SUPPLY

The City receives electricity through firm contracts, local generation, and market purchases. The majority of electricity is delivered through firm contracts, which include "take or pay" and term purchases. Local generation and market purchases supplement firm contracts to meet Burbank's retail load requirements.

B - TAKE OR PAY CONTRACTS

The City of Burbank has entered into "Take or Pay" contracts to provide for future electric generating capacity for Burbank electric utility customers. These contracts are not considered joint ventures since the City has no interest in the assets, liabilities, or equity associated with any of the projects to which these take or pay contracts refer. The City is, however, obligated to pay its share of the amortized cost of indebtedness and operating and maintenance costs, regardless of the ability of the contracting agency to provide electricity or the City's need for the electricity. However, in the opinion of management, the City does not have a financial responsibility for purposes of GASB statement no. 14, "Financial Reporting Entity", because the Southern California Public Power Authority (SCPPA) and the Intermountain Power Agency (IPA) do not depend on revenue from the City to continue in existence. Obligation for this indebtedness is through participation in two joint powers agencies, SCPPA and IPA.

These contracts constitute an obligation of the Electric Utility Fund to make debt service payments from its operating revenues. The Electric Utility Fund's share of debt service is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses.

During the fiscal years ended June 30, 2014 and 2013, respectively, the Electric Fund made payments totaling $68,074 and $63,749 for "take or pay" contracts, and $2,825 and $1,181 for the "take and pay" contract.

(a) Intermountain Power Agency

In 1980, the City of Burbank, along with the cities of Los Angeles, Anaheim, Glendale, Pasadena and Riverside, entered into a power sales contract with IPA, which obligates each California purchaser to purchase, on a "take or pay" basis, a percentage share of capacity and energy generated by the IPP. The City, along with Los Angeles, Glendale and Pasadena, also entered into an Excess Power Sales Agreement, also on a "take or pay" contract, with Utah municipal and cooperative IPP purchasers, which is surplus to such Utah purchasers' needs, and will be made available to the City, Los Angeles, Glendale, and Pasadena. The City's participation interest in the power generated by IPP is 3.371%. The project was completed on May 1, 1987, and is currently generating power.

Southern California Public Power Authority

SCPPA membership consists of ten Southern California cities and one public district of the State of California, which serves the electric power needs of their Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the joint exercise of powers act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint powers agreement has a term of fifty years.

Hoover uprating project (HU)

On March 1, 1986, SCPPA and six participants entered into an agreement pursuant to which each participant assigned its entitlement to capacity and associated firm energy to SCPPA in return for SCPPA's agreement to make advance payments to the United States Bureau of Reclamation (USBR) on behalf of such participants. SCPPA has an 18.68% interest in the contingent capacity of the Hoover uprating project. All seventeen "uprated" generators of the HU have commenced commercial operations. The City has a 16% ownership interest in this project.

(11) POWER SUPPLY EXPENSES, (continued)

Southern Transmission System Project

Pursuant to an agreement dated as of May 1, 1983 with the IPA, SCPPA made payments-in-aid of construction to IPA to defray all costs of acquisition and construction of the Southern Transmission System project (STS), which provides for the transmission of energy from the Intermountain Generating Station in Utah to Southern California. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles (LADWP), a member of SCPPA, serves as project manager and operating agent of the Intermountain Power Project (IPP). The City's ownership share of this project is 4.5%.

Mead-Phoenix

SCPPA entered into an agreement dated as of December 17, 1991 to acquire an interest in the Mead-Phoenix Project, a transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.31% interest n the Westwing-Mead project, a 17.76% interest in the Mead substation project component and a 22.41% interest in the Mead-Marketplace component. The City's ownership share of Mead-Phoenix is 15.4%.

Mead-Adelanto

SCPPA also entered into an agreement dated as of December 17, 1991 to acquire a 67.92% interest in the Mead-Adelanto Project, a transmission line extending between the Adelanto substation in Southern California and the marketplace substation in Nevada. Funding for these projects was provided by a transfer of funds from the multiple project fund and commercial operations commenced in April 1996. LADWP serves as the operations manager of Mead-Adelanto. The City's ownership share of Mead-Adelanto is 11.5%.

Palo Verde

Pursuant to an assignment agreement dated as of August 14, 1981 with the Salt River project, SCPPA purchased a 5.91% interest in the Palo Verde Nuclear Generating Station, a 3,810 megawatt nuclear-fueled generating station near Phoenix, Arizona, and a 6.55% share of the right to use certain portions of the Arizona nuclear power project valley transmission system (collectively, the Palo Verde Project). Units 1, 2 and 3 of the Palo Verde Project began commercial operations in January 1986, September 1986, and January 1988 respectively. The City's ownership share of this project is 4.4% (9.7MW).

Magnolia Power Project

In March 2003, the City of Burbank entered into a power sales agreement with SCPPA for the Magnolia Power Project (MPP). MPP commenced commercial operation in September 2005. MPP is a combined-cycle natural gas fired generation plant with a nominally rate net base capacity of 242 megawatts, but can boost its output to 310 MW, if needed. The City is obligated for 97.6 megawatts or 30.992% of its output. The City's share of outstanding debt is 32.35%, which excludes debt relating solely to the City of Cerritos. The City of Burbank is also MPP's operating agent.

Prepaid Natural Gas Project (PNGP)

The PNGP primarily consists of the acquisition by SCPPA of the right to receive an aggregate amount of approximately 135 billion cubic feet of natural gas, which subsequently was reduced to approximately 90 billion cubic feet as a result of restructuring to accelerate a portion of the long-term savings, reduce the remaining volumes of gas to be delivered, and shorten the overall duration of five prepaid agreements (with the City, and the Cities of Anaheim, Colton, Glendale and Pasadena). The City's natural gas supply agreement with SCPPA is expected to provide approximately one-fourth of the City's gas requirements for MPP. The City has no obligation under the natural gas supply agreement to pay for gas not delivered.

(11) POWER SUPPLY EXPENSES, (continued)

Milford I Wind Project (M1WP)

M1WP is located near Milford, Utah and began commercial operations in November 2009. The facility is a 200 MW nameplate capacity wind farm comprised of 97 wind turbine generators, delivered by a 90 mile transmission line, 345kV, extending from the generation site to the IPP switchyard in Delta, Utah. This plant generates enough capacity to supply electricity to power more than 60,000 homes and offset over 366,000 tons per year of carbon dioxide that would otherwise be emitted from a coal-powered plant. SCPPA (on behalf of project participants LADWP, the City and the City of Pasadena, California) acquired 100% of this facility and issued bonds in 2010 to finance the purchase by prepayment of a specified quantity of energy from this facility over the 20-year delivery term, with a guaranteed annual quantity in each year. The City's share of this project is 5.000% of the total capacity of 10 MW, energy, and environmental attribute rights produced at this facility.

Tieton Hydro Project (THP)

This facility was acquired by SCPPA in November 2009 with 100% of entitlement shares. Each of the two project participants, the City and the City of Glendale, California, have an equal 50.000% entitlement share of this project. THP is a run of the reservoir hydroelectric facility, comprised of a powerhouse constructed at the base of the United States Bureau of Reclamation (USBR) Tieton Dam on the Tieton River in the State of Washington, on a 21 mile, 115kV transmission line from the plant substation to the interconnection of the electrical grid. The powerhouse has a maximum capacity of 20 MW, with a nameplate capacity of 13.6 MW. USBR owns and operates the dam and controls the flows into the Tieton River from the Rimrock Lake reservoir, which was created by the dam. Average annual generation from this plant is approximately 48,000 megawatt hours (MWh). The City is also Tieton's operating agent.

Natural Gas Project (NGP)

The NGP was acquired by SCPPA in 2005 and 2006 and is being developed for the primary purpose of providing the participants with stable long-term supplies of gas for the purpose of fueling their electric generation needs. SCPPA issued 2008 Bonds to provide monies for the refinancing of the City's share of the costs of acquisition and development of the NGP through the redemption of a portion of SCPPA's draw down bonds previously issued for the NGP. SCPPA has sold entitlements to 100% of the production capacity of the NGP pursuant to separate gas sales agreements with the five participants - the City, and the Cities of Anaheim, Colton, Glendale and Pasadena. The participants are obligated to pay for such production capacity, including amounts required to pay debt service on bonds issued to finance their respective share of the NGP, on a "take or pay" basis. The City has 14.286% of entitlement shares in the Pinedale, Wyoming Subproject (2005 purchase), and 27.273% of entitlement shares in the Barnett, Texas Subproject (2006 purchase).

Ameresco/Chiquita Landfill Gas Project

Ameresco/Chiquita Landfill Gas Project is located in Valencia, California near Lake Castaic and began commercial operations in November 2010. The renewable energy is generated using landfill gas produced at the Chiquita Canyon Landfill. This plant has a total generating capacity of 10 MW and SCPPA Members receive 100% of the project output. The project participants are Burbank and Pasadena. The City contracted to purchase approximately 16.7% or 1.7 MW.

Don A Campbell Geothermal (aka Wild Rose)

In November 2013, the City began to receive geothermal energy output from the Wild Rose Geothermal (aka Don A. Campbell) Project, located in Mineral County, Nevada. The term of this agreement is 20 years. This is a geothermal power generating factility with a generating nameplace capacity of 25 MWs and a projected capacity of 16.2 MW. The City of Burbank alongside with Los Angeles are project participants. The City contracted to purchase approximately 15.38% (3.845 MW).

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES, (continued)

Pebble Springs Wind Project

Pebble Springs is located in Gilliam County, Oregon, near the town of Arlington and began commercial operations in early 2009. The term of this agreement is 18 years. The City of Los Angeles, Glendale and Burbank receive the entire energy output of 99 MW. The City contracted to purchase approximately 10% (10 MW).

A summary of the City of Burbank "take or pay" contracts and related projects and its contingent liability at June 30, 2014 is shown on the following page :

	Bonds and notes outstanding	City of Burbank portion *	City of Burbank share of bonds	City obligation of total debt service
Intermountain Power Project	$ 1,633,087	3.371%	55,051	61,984
SCPPA				
Hoover	$ 6,554	15.957%	1,045	1,165
Southern Transmission System	657,630	4.498%	29,580	39,034
Mead-Adelanto	108,382	11.534%	12,500	14,556
Mead-Phoenix	32,975	15.400%	5,079	5,810
Palo Verde	36,130	4.400%	1,589	1,670
Magnolia Power Project (Project A)	314,634	32.350%	101,784	149,215
Natural Gas Pinedale	6,141	100.000%	6,141	9,028
Natural Gas Barnett	19,019	100.000%	19,019	27,955
Natural Gas Prepaid Project #1	308,689	33.099%	102,173	174,590
Milford I Wind Project	205,195	5.000%	10,259	15,097
Tieton Hydropower Project	49,670	50.000%	24,835	45,998
SCPPA Total	1,745,019	17.995%	314,004	484,118
Total	$ 3,378,106	10.925%	$ 369,055	$ 546,102

* Burbank share % and amounts estimated based on weighted average.

The City has the following required debt service payments of principal and interest per the agreements discussed above :

	2014/15		2015/16		2016/17	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	4,753	1,805	8,205	1,610	3,673	1,494
SCPPA						
Hoover	304	55	320	39	337	22
Southern Transmission System	2,368	1,348	2,358	1,292	2,388	1,208
Mead-Adelanto	1,994	583	2,074	484	2,128	411
Mead-Phoenix	813	212	849	173	872	144
Palo Verde	514	40	529	27	546	14
Magnolia Pwr. Project	3,461	3,507	3,614	3,357	2,239	3,189
Natural Gas Pinedale	549	349	541	319	480	289
Natural Gas Barnett	1,701	1,081	1,674	987	1,485	895
Natural Gas Prepaid Project #1	1,345	5,201	1,411	5,134	1,520	5,063
Milford I Wind Project	441	503	459	485	481	463
Tieton Hydropower Project	420	1,259	435	1,244	455	1,225
Total	18,663	15,943	22,469	15,151	16,604	14,417

(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

	2017/18		2018/19		2019/24	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	6,585	926	7,321	1,029	24,514	69
SCPPA						
Hoover	85	4	-	-	-	-
IPP STS	2,468	1,089	2,148	966	13,514	3,021
Mead-Adelanto	2,213	305	2,306	194	1,785	79
Mead-Phoenix	905	101	929	69	711	32
Palo Verde	-	-	-	-	-	-
Magnolia Pwr. Project	2,342	3,087	2,455	2,978	14,828	13,102
Natural Gas Pinedale	433	263	400	239	1,680	888
Natural Gas Barnett	1,342	813	1,240	739	5,205	2,750
Natural Gas Prepaid Project #1	1,777	4,987	2,127	4,898	16,655	22,403
Milford I Wind Project	504	439	529	415	3,057	1,661
Tieton Hydropower Project	475	1,204	500	1,181	2,923	5,479
Total	19,129	13,218	19,955	12,708	84,872	49,484

	2024/29		2029/34		2034/39	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	-	-	-	-	-	-
SCPPA						
Hoover	$ -	-	-	-	-	-
IPP STS	4,336	530	-	-	-	-
Mead-Adelanto	-	-	-	-	-	-
Mead-Phoenix	-	-	-	-	-	-
Palo Verde	-	-	-	-	-	-
Magnolia Pwr. Project	20,864	10,136	25,471	6,597	26,510	1,478
Natural Gas Pinedale	1,339	454	719	86	-	-
Natural Gas Barnett	4,146	1,405	2,226	266	-	-
Natural Gas Prepaid Project #1	29,690	16,778	41,727	7,653	5,922	299
Milford I Wind Project	3,891	827	899	45	-	-
Tieton Hydropower Project	4,793	4,381	5,115	3,222	6,528	1,809
Total	69,059	34,511	76,157	17,869	38,960	3,586

(in thousands)

(11) POWER SUPPLY EXPENSES, (continued)

	2039/44		Total	
	Principal	Interest	Principal	Interest
Intermountain Power Project	$ -	-	55,051	6,933
SCPPA				
Hoover	-	-	1,045	120
IPP STS	-	-	29,580	9,454
Mead-Adelanto	-	-	12,500	2,056
Mead-Phoenix	-	-	5,079	731
Palo Verde	-	-	1,589	81
Magnolia Pwr. Project	-	-	101,784	47,431
Natural Gas Pinedale	-	-	6,141	2,887
Natural Gas Barnett	-	-	19,019	8,936
Natural Gas Prepaid Project #1	-	-	102,173	72,416
Milford I Wind Project			10,259	4,838
Tieton Hydropower Project	3,193	160	24,835	21,164
Total	3,193	160	369,055	177,047

(12) ACCRUED LIABILITIES

Accrued liabilities for Governmental and Business Type Activities June 30, 2014, consist of the following:

	Govermental Activities	Business Type Activities
Accrued expenditures	$ 12	$ 12,498
Accrued payroll	5,255	-
Other liabilities *	8,059	-
Total	$ 13,326	$ 12,498

* Includes employer and employee paid PERS contributions.

(in thousands)

(13) DEFERRED COMPENSATION PLANS

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code Section 457 and 457p for its eligible full-time and part-time employees respectively.

Pursuant to changes in August, 1966 of IRC section 457, the City formally established a trust in which all assets and income of the 457 plans were placed. The assets, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such are not subject to the claims of the City's general creditors, thus the assets of these plans are not reflected in the accompanying basic financial statements.

As of June 30, 2014, the City's deferred compensation plan had accumulated assets of $136,099 under the 457 plan, and $316 under the 457p plan.

(14) BOND DEFEASANCE

The City 2004 Wastewater Revenue Bonds were defeased during the fiscal year. The difference in the debt service payments totaled $3,338 and the net present value gain was $2,479.

In prior years, various bonds were defeased by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the related liabilities for these defeased bonds are not reflected in the City's basic financial statements. At June 30, 2014, the following represents the amounts still outstanding on bonds considered defeased :

$	7,760	2002 Waste Disposal Revenue Bonds (Tax-Exempt), 2002 Series B
$	13,330	2004 Wastewater Treatment Revenue Bonds, 2004 Series A

(15) PREPAID ITEMS AND DEPOSITS

The City shows a total of $25,888 in prepaid items and deposits. $25,791 of the prepaid items are in the Electric Utility and $94 in the Governmental funds ($82 in the general fund), with incidental amounts in other funds. The composition of these prepaid items include $21,792 in prepaid fuel held by SCPPA and the Tieton Hydro Power Plant Project, $563 related to the Warner Brothers lease, as fully described in note 17.

(in thousands)

(16) SELF-INSURANCE

The City is self-insured for the first $1,000 on each general liability claim against the City. The City also self-insures for the first $2,000 for each workers compensation claim. At June 30, 2014, $4,791 was accrued for general liability claims, and $31,254 accrued for workers compensation claims. These amounts were determined by an actuarial study, performed biannually. These accruals represent estimates of amounts to be paid for incurred and reported claims as well as incurred but unreported claims based upon past experience and modified for current trends and information. See the end of this note for a table showing changes in the aggregate liabilities for the past two years.

While the ultimate amounts of losses incurred through June 30, 2014, are dependent on future developments, based upon information provided from the City Attorney, outside legal counsel and others involved with the administration of the programs, City management believes that the aggregate accrual is adequate to cover such losses. The City is insured with outside insurance carriers for $1,000 for general liability claims and $2,000 in excess of self-insurance limits per claim. There have been no reductions during the fiscal year in insurance coverage, nor have there been any settlements in excess of insurance coverage for the past three years.

The City participated in California Authority for Municipal Excess Liability (CAMEL), which is a joint insurance purchasing arrangement, from July 1998 to June 2004. The City rejoined ACCEL (Authority for California Cities Excess Liability on July 1, 2004.

Authority for California Cities Excess Liability (ACCEL)
Since July 1, 2004, the City has been a member in ACCEL, which is a risk sharing pool for municipal excess liability. Each individual member self-insures all general liability losses for the first $1,000 and the members of the pool share losses between $1,000 and $5,000. The members jointly purchase additional layers of coverage beyond the pooled layer, with Burbank purchasing an additional $45,000 of excess coverage, for total coverage of $50,000. The layers of coverage above $5,000 are not pooled, but rather jointly purchased.

Changes in the self-insurance liability for the last two fiscal years were as follows :

	Fiscal year	
	2012/13	2013/14
Beginning liability, July 1	32,752	35,360
Claims and changes in estimates	4,522	9,448
Claims payments during the year	(1,914)	(8,763)
Ending liability, June 30	$ 35,360	36,045

The claims liability is reported as a long-term liability in the self-insurance internal service funds and in long term liabilities in the Governmental Actitvities.

(in thousands)

(17) LEASE OBLIGATIONS

OPERATING LEASES

The City is lessee under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected as assets or liabilities in the City's statement of net assets.

Golf Carts

The City has entered into an agreement for a four year lease of 80 golf carts and one beverage cart for the period through May 2015. The cost for this lease is $82 per year.

The following is a schedule by year of estimated future minimum rental payments required under the operating lease as of June 30 :

Year ended June 30 :	**Golf Fund**
2015	75
Total minimum lease payments	$ 75

The lease expense for the year ended June 30, 2014 was $82.

Prepaid Leases

Warner Brothers

In June 2000, the City of Burbank made a prepaid lease payment of $1,500 to Warner Brothers Studios for the use of land to locate a new switching station. The terms of the agreement was an advance payment of $1,500 for a twenty-year lease term, with the City's right to renew for ten years at an annual base payment of $50 in year 21, with a 3% increase in years 22-30. The lease began in January 2002. For the fiscal Year Ended June 30, 2014, the electric fund amortized $75 on this prepaid lease, leaving a balance of $563 (see note 15).

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City contributes to three retiree healthcare benefit plans. The first is the Burbank Employees Retiree Medical Trust (BERMT). This single employer, defined benefit plan, was established in April 2003 by the city's employee associations to provide post retirement medical benefits to all non-safety employees, including elected and appointed officials. Plan members are required to contribute fifty dollars per bi-weekly pay period, which the City matches. Plan provisions and contribution requirements are established by and may be amended by BERMT board. The trust is controlled by the seven voting members from the various employee associations appointed to three year terms. The City appoints an eighth member to the board, but that member is non-voting. Investments are determined by the BERMT plan trustees, and are governed by ERISA provisions. Eligibility for benefits require that members are retired, and have reached age 58 with a minimum of 5 years of contributions into the plan. The benefit ranges from $150 to $630 in reimbursements per month based on years of service, for eligible medical expenses.

The second plan is the CalPERS Healthcare (PEMHCA) plan, established by CalPERS under the authority of section 22750 to 22948 of the state of Califomia's govemment code, a single employer plan. The City pays the required PEMHCA minimum contribution for all miscellaneous and safety employees retiring directly from the City. The City currently pays $119 per month for all miscellaneous and safety employees. In addition, the City pays $186 per month for 21 management retirees, and pays $188 per month for 9 IBEW retirees. The PEMHCA minimum required contribution is included in the $186 but is paid in addition to the $188. The PEMHCA benefit provisions are established and amended through negotiations between the City and its unions.

The third plan is the Utility Retiree Medical Trust, a single employer plan, established during the 2008-09 fiscal year for IBEW members and 13 management employees as a supplement to benefit payments from BERMT and PEMHCA. The total target benefit is $600/month for fiscal year 2013-14, including payments from BERMT, PEMHCA minimum and Utility Retiree Medical Trust. For the fiscal year 2013-14, the City contributed $108. The City's ARC was $123 (in thousands) for the fiscal year 2013-14.

The City pre-funds the BERMT with both member and City contributions. The BERMT members are required to contribute fifty dollars per pay period and the City contributes the same amount. For the fiscal year 2013-14, the City contributed $1,311 (in thousands) to BERMT. The City's ARC was $1,997 (in thousands) for BERMT in the fiscal year 2013-14.

The City has pre-funded the PEMHCA Plan through CalPERS OPEB Trust (CERBT) and has a policy of contributing 100% of the City's Annual Required Contribution (ARC) each year. For the fiscal year 2013-14, the City contributed $2,110 (in thousands), including $783 (in thousands) in benefit payments and $1,327 (in thousands) deposit to CERBT. The City's ARC was $1,391 (in thousands) for the fiscal year 2013-14.

The CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the City, not individualized, but in aggregate with the other CERBT participating agencies. BERMT also issues publicly available financial statements. These reports may be obtained by writing or calling the plans at the following addresses:

PEMHCA CERBT - State of California PERS - 400 Q St - Sacramento, CA 95811
BERMT Delta Health Systems - Attn: Cindi Forbes - 555 W Benjamin Holt Drive, Stockton, CA 95207. (800) - 700-6762

The Utility Retiree Medical Trust does not issue a separate financial statement.

(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

The City's annual other post-employment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table, based on the City's actuarial valuation as of June 30, 2013, shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's Net OPEB obligation:

		BERMT	PEMHCA	URMT
Annual required contribution	$	1,997	1,391	123
Interest on net OPEB obligation/(asset)		(81)	(672)	(261)
Adjustment to annual required contribution		100	629	230
Annual OPEB cost		2,016	1,348	92
Contributions made		(1,311)	(2,110)	(108)
Increase (Decrease) in net OPEB obligation		705	(762)	(16)
Net OPEB obligation/(asset) - beginning of year		(1,410)	(9,265)	(3,603)
Net OPEB obligation/(asset) - end of year	$	(705)	(10,027)	(3,619)

The OPEB funding excess is recorded as part of Net pension/OPEB Assets on the Statement of Net Position. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for each of the plans were as follows :

	Year Ended		Annual OPEB Cost	Pct of OPEB cost Contributed		Net OPEB Asset
BERMT	6/30/2012	$	1,577	86.7%	$	(1,673)
PEMHCA	6/30/2012		1,024	185.4%		(8,346)
URMT	6/30/2012		135	62.2%		(3,657)
BERMT	6/30/2013	$	1,588	83.4%	$	(1,410)
PEMHCA	6/30/2013		1,018	190.3%		(9,265)
URMT	6/30/2013		146	63.0%		(3,603)
BERMT	6/30/2014	$	2,016	65.0%	$	(705)
PEMHCA	6/30/2014		1,348	156.5%		(10,027)
URMT	6/30/2014		92	117.4%		(3,619)

(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

Funded status and funding progress
The funded status of the plans as of June 30, 2013 was:

		BERMT	PEMHCA	URMT
Actuarial accrued liability (a)	$	43,228	23,229	4,692
Actuarial value of plan assets (b)		19,872	16,085	6,635
Unfunded actuarial accrued liability (funding excess) (a)-(b)		23,356	7,144	(1,943)
Funded ratio (b) / (a)		46.0%	69.2%	141.4%
Covered payroll (c)		74,296	106,075	16,753
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a)-(b)]/(c))		31.4%	6.7%	-11.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for the benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows :

	BERMT	PEMHCA	URMT
Actuarial valuation date	6/30/2013	6/30/2013	6/30/2013
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar for 30 years	Level % of pay for 28 years	Level % of pay for 25 years
Amortization period	Closed	Closed	Closed
Actuarial asset method	5 year smoothed >=80% and =< 120% of market value	5 year smoothed >=80% and =< 120% of market value	5 year smoothed >=80% and =< 120% of market value

(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

	BERMT	PEMHCA	URMT
Actuarial assumptions :			
Discount rate	5.75%	7.25%	7.25%
General inflation	3.00%	3.00%	3.00%
Aggregate payroll increases	3.25%	3.25%	3.25%
COLA	0.00%	N/A	4.50%
Healthcare trend (HMO)	N/A	10.1% initial, 4.5% ultimate	N/A
Healthcare trend (PPO)	N/A	10.8% initial, 4.5% ultimate	N/A
PEHMHCA minimum increases			
2013	N/A	4.50% Increase Per Year	4.50% Increase Per Year
Mortality, withdrawal, disability	CalPERS 1997-2007 Scale AA from 2010	CalPERS 1997-2007 Scale AA from 2010	CalPERS 1997-2007 Scale AA from 2010
Retirement	CalPERS 1997-2007	CalPERS 1997-2007	CalPERS 1997-2007

(19) PENSION/OPEB ASSET

	Governmental Activities	Business-Type Activities	Total
Net OPEB asset - end of year BERMT	$ 705	-	705
Net OPEB asset - end of year PEMHCA	10,027	-	10,027
Net OPEB asset - end of year URMT	-	3,619	3,619
Net Pension Asset (amortized over the life of the asset)	30,381	7,217	37,598
	$ 41,113	10,836	51,949

(20) ADDITIONAL INFORMATION

Burbank Operable Unit (BOU)

Pursuant to a consent decree of March 25, 1992, Lockheed Martin Corporation (Lockheed) constructed a groundwater treatment system, now known as the BOU, on property within and owned by the City, designed to treat volatile organic compounds contaminating groundwater in parts of the San Fernando Groundwater Basin. A second consent decree, dated May 28, 1997, provided that Lockheed was responsible for the cost of operation and maintenance of the BOU, through at least December 11, 2018. The City recognized ownership of the BOU on December 1, 1998. However, due to the major uncertainties that existed concerning the realizability within reasonable limits of a fair value of the BOU, the City did not recognize any value associated with the BOU in the accompanying basic financial statements. On December 12, 2000, the commencement date, the City became responsible for oversight of the BOU. The BOU represents an ongoing obligation of Lockheed to mitigate damages to the aforementioned basin groundwater. In the fiscal year 2018-19, the United States Environmental Protection Agency (EPA) will determine the disposition of the BOU.

Unavailable Revenues

The General fund records deferred revenue of $2,280 for sales taxes related to the "Triple Flip" and sales tax true up and $420 for the General Capital Projects fund as of June 30, 2014. This amount is a component of net position in the government-wide financial statements.

Deficit fund balances

The Agency Fiduciary Trust fund has a deficit fund balance of $112,624, which is expected to be offset by future tax increment revenues to the extent that they are received. Magnolia Power Plant also had a deficit fund balance of $612, which is expected to be offset by future revenues. Tieton Hydro had a deficit fund balance of $195, which is expected to be offset by future revenues.

(21) RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

On June 29, 2011, Assembly Bills 1 x 26 (the "Dissolution Act") and 1 x 27 were enacted as part of the fiscal year 2011-12 state budget package.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 31, 2012, the City elected to serve as the Successor Agency of the Burbank Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The City elected on January 31, 2012 to serve as the Housing Successor Agency.

(21) RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES, (continued)

After the date of dissolution, the housing assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in the Low/Mod Income Housing Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller (the "CAC"), the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF for each six-month period the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations for the upcoming six-month period.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation during each six month period. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have benn liquidated.

As part of the dissolution process AB 1484 required the Successor Agency to have due diligence reviews of both the low and moderate income housing funds and all other funds to be completed by October 15, 2012 and January 15, 2013 to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. These funds were to be remitted to the CAC after the DOF completed its review of the due diligence reviews. The Successor Agency made payments totaling $60,367 to the CAC as a result of the due diligence reviews.

The DOF issued a Finding of Completion on May 16, 2013 in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews.

The State Controller of the State of California has been directed to review the propriety of any transfers of assets between Dissolved RDA and other public bodies that occurred after January 1, 2011 (still ongoing). If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency.

Management believes, in consultation with legal counsel, that the obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

(in thousands)

(22) RESTATEMENT OF NET ASSETS AND FUND BALANCES:

Net position as of July 1, 2013 were restated as follows:	Statement of Net Assets		
	Governmental Activities	Business-Type Activities	Successor Agency
Net position as of July 1, 2013, as originally reported	$ 1,028,889	$ 425,645	$ (147,680)
Remove the 2007 Series A Revenue Bonds from the Successor Agency and record it in the Governmental Activities	(51,515)	-	51,515
Transfer trustee accounts from the Successor Agency and record it in the Governmental Activities	204		(204)
Adjust balances of investment in pledged bonds (1993 Series A Golden State Tax Allocation Bonds, 1993 Subordinate Bonds, 1993 Series A City Centre Tax Allocation Bonds and 2003 Series A Tax Allocation Bonds)	21,802	-	-
To adjust the outstanding balance of the 2003 Series A Revenue Bonds	5,190	-	-
Record the 1993 Subordinate bond	-	-	(25,000)
To reduce the unearned revenue and recognize revenue for eligible expenses incurrec in prior years	-	2,296	-
To expense previously capitalized cost	-	(404)	-
Net position as of July 1, 2013, as restated	$ 1,004,570	$ 427,537	$ (121,369)

(in thousands)

(22) RESTATEMENT OF NET ASSETS AND FUND BALANCES (continued)

Net position, of the proprietary funds, as of July 1, 2013 were restated as follows:

	Proprietary Funds Electric Utility Fund
Net assets as of July 1, 2013, as originally reported	$ 265,046
To reduce the unearned revenue and recognize revenue for eligible expenses incurred in prior years	$ 2,296
To expense previously capitalized cost	(404)
Net assets as of July 1, 2013, as restated	$ 266,938

	Governmental Fund Public Financing Authority Debt Service Fund
Fund balance as of July 1, 2013, as originally reported	$ 85,429
Adjust balances of investment in pledged bonds (1993 Series A Golden State Tax Allocation Bonds, 1993 Subordinate Bonds, 1993 Series A City Centre Tax Allocation Bonds and 2003 Series A Tax Allocation Bonds)	$ 22,006
Fund balance as of July 1, 2013, as originally restated	$ 107,435

(23) SUBSEQUENT EVENT

Water Enterprise Fund In-Lieu Settlement to the General Fund

In accordance with the City Charter, the City Council had a long standing practice of authorizing annual transfers of 5% of the City's gross sales of potable water from the Water Enterprise Fund to the General Fund in lieu of taxes. The transfers to the City's General Fund for such water sales for the fiscal years ended June 30, 2014 and June 30, 2013 were approximately $1,316 and $1,252. The practice of transfers from the Water Enterprise Fund to the General Fund was challenged by a plaintiff in a lawsuit filed in September 2013 as a violation of Proposition 218. The City and the plaintiff settled their dispute through a settlement agreement. The key terms of this settlement includes the City undoing the transfer from the Water Enterprise Fund to the General Fund to the Water Enterprise Fund over four years.

City of Burbank

Year Ended June 30, 2014

(in thousands)

REQUIRED SUPPLEMENTARY INFORMATION

(A) SCHEDULE OF PENSION FUNDING PROGRESS (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	(Excess) Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	{(B-A)/C}
6/30/2011						
Misc.	563,862	665,537	101,675	84.7%	81,584	124.6%
Fire	165,685	178,800	13,115	92.7%	13,375	98.1%
Police	192,000	225,519	33,519	85.1%	15,932	210.4%
Total	921,547	1,069,856	148,309	86.1%	110,891	133.7%
6/30/2012						
Misc.	586,477	687,957	101,480	85.2%	78,437	129.4%
Fire	169,515	181,789	12,274	93.2%	13,359	91.9%
Police	196,601	233,258	36,657	84.3%	16,620	220.6%
Total	952,593	1,103,004	150,411	86.4%	108,416	138.7%
6/30/2013						
Misc.	547,336	714,877	167,541	76.6%	76,979	217.6%
Fire	155,204	191,302	36,098	81.1%	13,384	269.7%
Police	180,013	243,011	62,998	74.1%	17,013	370.3%
Total	882,553	1,149,190	266,637	76.8%	107,376	248.3%

(B) SCHEDULE OF OPEB FUNDING PROGRESS (Unaudited)

Burbank Employees Retiree Medical Trust (BERMT)						
6/30/2013	19,872	43,228	23,356	46.0%	74,296	31.4%
6/30/2011	13,833	39,553	25,720	35.0%	89,772	28.7%
6/30/2010	10,627	34,279	23,652	31.0%	86,947	27.2%
CalPERS Healthcare (PEHMHCA)						
6/30/2013	16,085	23,229	7,144	69.2%	106,075	6.7%
6/30/2011	11,411	20,475	9,064	55.7%	117,001	7.7%
6/30/2010	9,055	17,454	8,399	51.9%	113,318	7.4%
Utility Retiree Medical Trust (URMT)						
6/30/2013	6,635	4,692	(1,943)	141.4%	16,753	-11.6%
6/30/2011	5,346	5,119	(227)	104.4%	17,345	-1.3%
6/30/2010	4,661	4,403	(258)	105.9%	16,799	-1.5%

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

This section of the CAFR provides information on each individual fund not already provided in the basic financial statements. This section includes the:

- Nonmajor Governmental Funds:
  - Combining Balance Sheet
  - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
  - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

- Internal Service Funds:
  - Combining Statement of Net Assets
  - Combining Statement of Revenues, Expenses and Changes in Net Assets

- Nonmajor Enterprise Funds:
  - Combining Balance Sheet
  - Combining Statement of Revenues, Expenditures and Changes in Net Assets

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC FINANCING AUTHORITY DEBT SERVICE

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 672	672	7,122	6,450
Total revenues	672	672	7,122	6,450
Expenditures :				
Principal retirement	3,815	3,815	5,705	(1,890)
Interest and finance charges	2,673	2,673	5,878	(3,205)
Total expenditures	6,488	6,488	11,583	(5,095)
Net change in fund balances	(5,816)	(5,816)	(4,461)	1,355
Fund balance, July 1, 2013, as restated	85,429	85,429	107,435	22,006
Fund balance, June 30, 2014	$ 79,613	79,613	102,974	23,361

See accompanying independent auditors' report.

NONMAJOR GOVERNMENTAL FUNDS

This section of the CAFR provides information on each individual governmental fund, except for those major governmental funds reported in the basic financial statements: the Low and Moderate Income Housing Fund, the Public Financing Authority Debt Service Fund, and the General Capital Projects Fund. This section includes the following special revenue, debt service, and capital projects funds:

SPECIAL REVENUE FUNDS

Transportation Fund - Prop A – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

Transportation Fund - Prop C – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

AQMD Fund – To account for monies received and expended on the City's ride share program. Monies received include participant fees and funds received from the Southern California Air Quality Management District Fund.

Home Program Investment Partnership Program (HOME) – To account for HUD funding to increase the supply of affordable housing to the City.

Community Development Block Grants Fund – To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Programs.

Housing Authority Fund – To account for monies received and expended in housing assistance to low and moderate income families. Funds are provided by receipts from the Federal Section 8 Voucher Program.

State Gas Tax Fund – To account for monies received and expended from state gas tax allocation.

Disaster Relief Fund – To account for monies received and expended from federal and state grants for extraordinary costs resulting from natural disasters.

Street Lighting Fund – To account for monies received from a portion of the in-lieu tax on electricity, used for maintenance, repairs and conversion of the City's mercury and low pressure sodium street lights to high pressure sodium lights.

Supplemental Law Enforcement Services Fund – To account for grant monies received and spent from federal programs used to supplement the City's law enforcement program.

Drug Asset Forfeiture Fund – To account for monies and property seized as a result of judicial forfeitures.

Measure R Fund – To account for monies received and expended from L.A. County sales tax increase.

Magnolia Power Plant – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located at the City's electric utility.

Tieton Hydro – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located in Washington State.

CAPITAL PROJECTS FUNDS

Public Improvements Fund – To account for monies received through developer fees and grants, used for infrastructure improvements throughout the City.

Parking Authority Fund – To account for financial resources to be used for the acquisition or construction of public parking facilities on a citywide basis. The primary source of funds has been contributions from other funds.

Burbank Youth Endowment Services Fund (YES) – To account for financial resources used for new capital facilities for youth oriented programs to benefit the youth of Burbank. The YES Fund is funded by a pledge from the Burbank Redevelopment Agency of 5% of the new tax increment in each of the Golden State, City Centre, and West Olive Project areas.

City Of Burbank

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2014
(in thousands)

	Special Revenue Funds					
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority
Assets :						
Pooled cash and investments	$ 1,620	1,180	215	280	820	730
Accounts receivable	-	4	35	-	-	22
Interest receivable	4	5	-	-	2	-
Inventories	-	-	-	-	-	-
Total assets	$ 1,624	1,189	250	280	822	752
Liabilities :						
Accounts payable	$ 33	175	1	5	68	25
Interfund payable	-	-	-	-	-	174
Deposits	-	-	9	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	33	175	10	5	68	199
Fund balances :						
Nonspendable:						
Inventory	-	-	-	-	-	-
Restricted :						
Transportation	1,591	1,014	-	-	-	-
Federal and state grants	-	-	240	275	754	553
Public safety	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	1,591	1,014	240	275	754	553
Total liabilities and fund balances	$ 1,624	1,189	250	280	822	752

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2014
(in thousands)

	Special Revenue Funds					
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	Measure R
Assets :						
Pooled cash and investments	$ 2,411	383	208	24	1,005	2,833
Accounts receivable	-	136	24	-	-	-
Interest receivable	5	1	1	-	2	6
Inventories	-	184	-	-	-	-
Total assets	$ 2,416	704	233	24	1,007	2,839
Liabilities :						
Accounts payable	$ 48	36	-	-	13	87
Interfund payable	-	-	-	-	-	-
Deposits	1	3	-	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	49	39	-	-	13	87
Fund balances :						
Nonspendable:						
Inventory	-	184	-	-	-	-
Restricted						
Transportation	2,367	-	-	-	-	2,752
Federal and state grants	-	-	-	24	-	-
Public safety	-	-	233	-	994	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	-	481	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	2,367	665	233	24	994	2,752
Total liabilities and fund balances	$ 2,416	704	233	24	1,007	2,839

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2014
(in thousands)

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor
	Magnolia Power Plant	Tieton Hydro	Public Improve.	Parking Authority	Youth Endowment	Govern-mental Funds
Assets :						
Pooled cash and investments	2,418	-	16,771	1,350	2,093	$ 34,341
Accounts receivable	-	118	-	13	-	352
Interest receivable	5	-	36	2	5	74
Inventories	-	-	-	-	-	184
Total assets	2,423	118	16,807	1,365	2,098	$ 34,951
Liabilities :						
Accounts payable	3,035	210	242	32	-	4,010
Interfund payable	-	103	-	-	-	277
Deposits	-		-	-	-	13
Advances payable	-		323	-	-	323
Total liabilities	3,035	313	565	32	-	4,623
Fund balances :						
Nonspendable:						
Inventory	-		-	-	-	184
Restricted						
Transportation	-		-	-	-	7,724
Federal and state grants	-		-	-	-	1,846
Public safety	-		-	-	-	1,227
Capital projects	-		-	1,333	2,098	3,431
Committed						
Transportation	-		16,242	-	-	16,723
Unassigned (deficit)	(612)	(195)	-	-	-	(807)
Total fund balances (deficit)	(612)	(195)	16,242	1,333	2,098	30,328
Total liabilities and fund balances	2,423	118	16,807	1,365	2,098	$ 34,951

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2014
(in thousands)

	Special Revenue Funds					
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority
Revenues :						
Taxes	$ 1,861	1,477	-	-	-	-
Use of money or property	45	51	3	(1)	7	1
Intergovernmental	91	289	131	1,340	828	8,671
Charges for services	103	99	-	-	50	-
Total revenues	2,100	1,916	134	1,339	885	8,672
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						
Police	-	-	-	-	-	-
Environmental :						
Community development	1,812	1,730	104	1,419	1,123	8,875
Capital outlay :						
Street improvements	-	-	-	-	-	-
General capital improvements	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-
Total expenditures	1,812	1,730	104	1,419	1,123	8,875
Excess (deficiency) of revenues over expenditures	288	186	30	(80)	(238)	(203)
Other financing sources (uses) :						
Transfers in (note 7)	-	-	-	177	-	-
Transfers out (note 7)	(903)	-	-	-	-	-
Total other financing sources (uses)	(903)	-	-	177	-	-
Net change in fund balance	(615)	186	30	97	(238)	(203)
Fund balance, July 1, 2013	2,206	828	210	178	992	756
Fund balance, June 30, 2014	$ 1,591	1,014	240	275	754	553

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year ended June 30, 2014

(in thousands)

	Special Revenue Funds					
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	Measure R
Revenues :						
Taxes	$ -	-	-	-	-	1,103
Use of money or property	28	43	6	13	23	35
Intergovernmental	3,253	-	291	-	14	-
Charges for services	-	-	-	-	-	-
Total revenues	3,281	43	297	13	37	1,138
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	
Public safety :						-
Police	-	-	226	-	234	
Environmental :						-
Community development	-	-	-	13	-	
						-
Capital outlay :						
Street improvements	2,054	2,385	-	-	-	14
General capital improvements	-	-	-	-	-	953
Total capital outlay	2,054	2,385	-	-	-	967
Total expenditures	2,054	2,385	226	13	234	967
Excess (deficiency) of revenues over expenditures	1,227	(2,342)	71	-	(197)	171
Other financing sources (uses) :						
Transfers in (note 7)	-	2,450	-	-	-	903
Transfers out (note 7)	-	(60)	-	-	-	-
Total other financing sources (uses)	-	2,390	-	-	-	903
Net change in fund balance	1,227	48	71	-	(197)	1,074
Fund balance, July 1, 2013	1,140	617	162	24	1,191	1,678
Fund balance, June 30, 2014	$ 2,367	665	233	24	994	2,752

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2014
(In thousands)

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor
	Magnolia Power Plant	Tieton Hydro	Public Improve.	Parking Authority	Youth Endowment	Govern-mental Funds
Revenues :						
Taxes	-	-	-	-	-	4,441
Use of money or property	26	26	313	745	(3)	1,361
Intergovernmental	-	-	1,320	-	-	16,228
Charges for services	16,940	954	30	-	-	18,176
Total revenues	16,966	980	1,663	745	(3)	40,206
Expenditures :						
General government :						
Administrative services	-	-	-	451	-	451
Public safety :						
Police	-	-	-	-	-	460
Environmental :						
Community development	17,179	1,010	2,107	-	-	35,372
Capital outlay :						
Street improvements	-	-		-	-	4,453
General capital improvements	-	-	-	-	-	953
Total capital outlay	-	-		-	-	
Total expenditures	17,179	1,010	2,107	451	-	41,689
Excess (deficiency) of revenues over expenditures	(213)	(30)	(444)	294	(3)	(1,483)
Other financing sources (uses) :						
Transfers in (note 7)	-		-	-	-	3,530
Transfers out (note 7)	-		-	-	-	(963)
Total other financing sources (uses)	-	-	-	-	-	2,567
Net change in fund balance	(213)	(30)	(444)	294	(3)	1,084
Fund balance, July 1, 2013	(399)	(165)	16,686	1,039	2,101	29,244
Fund balance, June 30, 2014	(612)	(195)	16,242	1,333	2,098	$ 30,328

See accompanying independent auditors' report.

(Continued)

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROP A

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Other local taxes	$ 1,775	1,775	1,861	86
Use of money and property	15	15	45	30
Intergovernmental	146	146	91	(55)
Charges for services	79	79	103	24
Total revenues	2,015	2,015	2,100	85
Expenditures :				
Community Development	1,641	2,070	1,812	258
Parks and recreation :				
Special community services	36	36	-	36
Total expenditures	1,677	2,106	1,812	294
Excess (deficiency) of revenues over expenditures	338	(91)	288	379
Other financing sources :				
Transfers out	-	(903)	(903)	-
Net change in fund balance	338	(994)	(615)	379
Fund balance, July 1, 2013	2,206	2,206	2,206	-
Fund balance, June 30, 2014	$ 2,544	$ 1,212	$ 1,591	$ 379

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROP C

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Other local taxes	$ 1,395	1,395	1,477	82
Use of money and property	16	16	51	35
Intergovernmental	379	379	289	(90)
Charges for services	184	184	99	(85)
Total revenues	1,974	1,974	1,916	(58)
Expenditures :				
Community Development	3,075	2,196	1,730	466
Parks and recreation :				
Special community services	107	107	-	107
Total expenditures	3,182	2,303	1,730	573
Net change in fund balance	(1,208)	(329)	186	515
Fund balance, July 1, 2013	828	828	828	-
Fund balance (deficit), June 30, 2014	$ (380)	$ 499	$ 1,014	$ 515

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AQMD

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 2	2	3	1
Intergovernmental	125	125	131	6
Total revenues	127	127	134	7
Expenditures :				
Community development	157	169	104	65
Excess (deficiency) of revenues over expenditures	(30)	(42)	30	72
Fund balance, July 1, 2013	210	210	210	-
Fund balance, June 30, 2014	$ 180	168	240	72

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME PROGRAM

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 2	2	(1)	(3)
Intergovernmental	1,428	1,428	1,340	(88)
Total revenues	1,430	1,430	1,339	(91)
Expenditures :				
Community development	990	1,654	1,419	235
Excess (deficiency) of revenues over expenditures	440	(224)	(80)	144
Other financing uses :				
Transfers in	-	177	177	-
Net change in fund balance	440	(47)	97	144
Fund balance, July 1, 2013	178	178	178	-
Fund balance, June 30, 2014	$ 618	131	275	144

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANTS

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 5	5	7	2
Intergovernmental	922	922	828	(94)
Charges for services	86	86	50	(36)
Total revenues	1,013	1,013	885	(128)
Expenditures :				
Community development	2,041	2,040	1,123	917
Excess (deficiency) of revenues over expenditures	(1,028)	(1,027)	(238)	789
Fund balance (deficit), July 1, 2013	992	992	992	-
Fund balance (deficit), June 30, 2014	$ (36)	(35)	754	789

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING AUTHORITY

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 3	3	1	(2)
Intergovernmental	8,767	8,767	8,671	(96)
Total revenues	8,770	8,770	8,672	(98)
Expenditures :				
Community development	8,748	8,948	8,875	73
Total expenditures	8,748	8,948	8,875	73
Excess (deficiency) of revenues over expenditures and other uses	22	(178)	(203)	(25)
Fund balance, July 1, 2013	756	756	756	-
Fund balance, June 30, 2014	$ 778	578	553	(25)

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE GAS TAX

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 13	13	28	15
Intergovernmental	3,147	3,147	3,253	106
Total revenues	3,160	3,160	3,281	121
Expenditures :				
Capital outlay :				
Street improvements	1,086	1,085	2,054	(969)
Total expenditures	1,086	1,085	2,054	(969)
Excess (deficiency) of revenues over expenditures	2,074	2,075	1,227	(848)
Other financing uses :				
Transfers out	(1,936)	(1,936)	-	(1,936)
Net change in fund balance	138	139	1,227	(2,784)
Fund balance, July 1, 2013	1,140	1,140	1,140	-
Fund balance, June 30, 2014	$ 1,278	1,279	2,367	(2,784)

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 30	30	43	13
Charges for services	90	90	-	(90)
Total revenues	120	120	43	(77)
Expenditures :				
Capital outlay :				
Street improvements	2,863	2,863	2,385	478
Deficiency of revenues over expenditures	(2,743)	(2,743)	(2,342)	401
Other financing sources :				
Transfers in	2,450	2,450	2,450	-
Transfers out	(60)	(60)	(60)	-
Net change in fund balance	(353)	(353)	48	401
Fund balance, July 1, 2013	617	617	617	-
Fund balance, June 30, 2014	$ 264	264	665	401

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUPPLEMENTAL LAW ENFORCEMENT SERVICES

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 3	3	6	3
Intergovernmental	426	426	291	(135)
Total revenues	429	429	297	(132)
Expenditures :				
Police	79	279	226	53
Net change in fund balance	350	150	71	(79)
Fund balance, July 1, 2013	162	162	162	-
Fund balance (deficit), June 30, 2014	$ 512	312	233	(79)

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICES

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 1	1	13	12
Expenditures :				
Community development	14	14	13	(1)
Total expenditures	14	14	13	(1)
Excess (deficiency) of revenues over expenditures	$ (13)	(13)	-	13
Fund balance, July 1, 2013	24	24	24	-
Fund balance, June 30, 2014	$ 11	11	24	13

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE R

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ -	-	35	35
Other local taxes	-	-	1,103	1,103
Total revenues	-	-	1,138	1,138
Expenditures :				
Street Improvements	620	620	14	606
Community development	975	975	953	22
Total expenditures	1,595	1,595	967	628
Excess (deficiency) of revenues over expenditures	(1,595)	(1,595)	171	1,766
Other financing uses :				
Transfers in	-	903	903	-
Net change in fund balance	(1,595)	(692)	1,074	1,766
Fund balance, July 1, 2013	1,678	1,678	1,678	-
Fund balance, June 30, 2014	$ 83	986	2,752	1,766

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAGNOLIA POWER PLANT

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ -	-	26	26
Charges for Services	26,694	26,694	16,940	(9,754)
Total revenues	26,694	26,694	16,966	(9,728)
Expenditures :				
Community development	30,835	30,834	17,179	13,655
Total expenditures	30,835	30,834	17,179	13,655
Excess (deficiency) of revenues over expenditures	(4,141)	(4,140)	(213)	3,927
Fund balance (deficit), July 1, 2013	(399)	(399)	(399)	-
Fund balance (deficit), June 30, 2014	$ (4,540)	(4,539)	(612)	3,927

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIETON HYDRO

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ -	-	26	26
Charges for Services	1,293	1,293	954	(339)
Total revenues	1,293	1,293	980	(313)
Expenditures :				
Capital improvements	100	100	-	100
Community development	1,299	1,299	1,010	289
Total expenditures	1,399	1,399	1,010	389
Excess (deficiency) of revenues over expenditures	(106)	(106)	(30)	76
Fund balance, July 1, 2013	(165)	(165)	(165)	-
Fund balance (deficit), June 30, 2014	$ (271)	(271)	(195)	76

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKING AUTHORITY CAPITAL PROJECTS

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ 774	774	745	(29)
Total revenues	774	774	745	(29)
Expenditures :				
Administrative services	1,220	1,300	451	849
Total expenditures	1,220	1,300	451	849
Net change in fund balance	(446)	(526)	294	820
Fund balance, July 1, 2013	1,039	1,039	1,039	-
Fund balance, June 30, 2014	$ 593	513	1,333	820

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YOUTH ENDOWMENT SERVICES

For the Year ended June 30, 2014
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	$ -	-	(3)	(3)
Net change in fund balance	-	-	(3)	(3)
Fund balance, July 1, 2013	2,101	2,101	2,101	-
Fund balance, June 30, 2014	$ 2,101	2,101	2,098	(3)

See accompanying independent auditors' report.

NONMAJOR ENTERPRISE FUND

This section of the CAFR provides information on non-major enterprise funds.

Golf Fund – To account for the operations of the City's Golf Course.

City Of Burbank

STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
June 30, 2014
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Assets :		
Current assets :		
Pooled cash and investments	$ 25	25
Accounts receivable	119	119
Total current assets	144	144
Capital assets :		
Land	11	11
Land improvements	1,053	1,053
Buildings and improvements	8,988	8,988
Machinery and equipment	391	391
Construction in progress	24	24
Less accumulated depreciation	(3,839)	(3,839)
Total capital assets, net of accumulated depreciation	6,628	6,628
Total assets	6,772	6,772
Liabilities :		
Accounts payable	2	2
Total current liabilities	2	2
Long-term liabilities (net of		
Advances Payable	3,209	3,209
Total long-term liabilities	3,209	3,209
Total liabilities	3,211	3,211
Net position :		
Net investment in capital assets	6,628	6,628
Unrestricted (deficit)	(3,067)	(3,067)
Total net position	$ 3,561	3,561

See accompanying independent auditors' report.

City Of Burbank

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2014
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Operating revenues :		
Charges for services	887	887
Total operating revenues	887	887
Operating expenses :		
Operations and maintenance	1,172	1,172
Depreciation	522	522
Total operating expenses	1,694	1,694
Operating (loss)	(807)	(807)
Nonoperating income (expense) :		
Interest income	6	6
Interest expense	(25)	(25)
Other income - net	150	150
Total nonoperating income (expense)	131	131
Change in net position	(676)	(676)
Net position, July 1, 2013	4,237	4,237
Net position, June 30, 2014	$ 3,561	3,561

See accompanying independent auditors' report.

City Of Burbank

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2014
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Cash flows from operating activities :		
Cash received from customers	$ 876	876
Cash paid to suppliers	(1,250)	(1,250)
Net cash provided by (used in) operating activities	(374)	(374)
Cash flows from noncapital financing activities :		
Received from City of Burbank	25	25
Other income/expense	150	150
Net cash provided by (used in) noncapital financing activities	175	175
Cash flows from capital and related financing activities :		
Acquisition and construction of assets	(34)	(34)
Interest paid	(25)	(25)
Net cash used in capital and related financing activities	(59)	(59)
Cash flows from investing activities :		
Interest received	1	1
Net cash provided by investing activities	1	1
Net increase (decrease) in cash and cash equivalents	(257)	(257)
Cash and cash equivalents, July 1, 2013	282	282
Cash and cash equivalents, June 30, 2014	$ 25	25

See accompanying independent auditors' report.

(Continued)

City Of Burbank

STATEMENT OF CASH FLOWS, (concluded)
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2014
(in thousands)

Reconciliation of operating income (loss) to net cash provided by operating activities :	Golf Fund	Total Nonmajor Enterprise Fund
Operating income (loss)	$ (807)	(807)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :		
Depreciation	522	522
GASB 31 market value adjustment	6	6
(Increase) in accounts receivable	(67)	(67)
(Increase) decrease in prepaid items	10	10
Increase in accrued expense	(38)	(38)
Total adjustments	433	433
Net cash provided by (used in) operating activities	$ (374)	(374)
Noncash investing, capital, and financing activities :		
(Decrease) in fair value of investments	$ 6	6

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

This section of the CAFR provides information on each individual internal service fund. Internal service funds are used by the City to centralize certain services and then allocate the cost of those services to the user departments on a cost reimbursement basis. User fund charges from internal service funds with capital assets typically consist of two components: a maintenance/service component and a capital replacement component. User fund charges from self-insurance internal service funds generally are based on claims experience of the user department.

Risk Management Self-Insurance Fund – To finance and account for the City's general liability claims program.

Worker's Compensation Self-Insurance Fund – To finance and account for the City's workers' compensation claims program.

Vehicle Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of vehicular fleet and equipment utilized by general government departments on a rental fee basis.

Office Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of office equipment utilized by general government departments on a rental fee basis.

Municipal Building Replacement Fund – To account for the operation, maintenance, and replacement of municipal buildings occupied by City departments on a rental fee basis.

Communication Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of the electronic communication equipment utilized by City departments on a rental basis.

Computer Equipment Replacement Fund – To account for the operation and maintenance of the City's new networked based software and hardware computer system.

City Of Burbank

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2014
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Current assets :					
Pooled cash and investments	$ 19,240	34,375	17,560	3,254	1,581
Accounts receivable	-	12	94	-	298
Interest receivable	42	72	39	7	3
Interfund receivable	-	3	-	-	-
Inventories	-	-	427	-	-
Prepaid expenses	4	-	8	-	-
Total current assets	19,286	34,462	18,128	3,261	1,882
Capital assets :					
Buildings and improvements	-	-	2,777	-	-
Accumulated depreciation	-	-	(804)	-	-
Machinery and equipment	-	-	33,019	3,441	-
Accumulated depreciation	-	-	(20,239)	(3,038)	-
Construction in progress	-	-	-	-	653
Total capital assets	-	-	14,753	403	653
Total assets	$ 19,286	34,462	32,881	3,664	2,535
Liabilities :					
Current liabilities					
Accounts payable	$ 164	54	489	37	364
Compensated absences	-	-	13	-	-
Deposits	9	-	-	-	119
Outstanding claims - self insurance	2,233	7,303	-	-	-
Total current liabilities	2,406	7,357	502	37	483
Long-term liabilities (net of current portion)					
Compensated absences	-	-	117	-	4
Outstanding claims - self insurance	2,558	23,951	-	-	-
Total long-term liabilities	2,558	23,951	117	-	4
Total liabilities	4,964	31,308	619	37	487
Net Position :					
Net investment in capital assets	-	-	14,753	403	653
Unrestricted (deficit)	14,323	3,154	17,508	3,224	1,395
Total net position	$ 14,323	3,154	32,261	3,627	2,048

(Continued)

City Of Burbank

COMBINING STATEMENT OF NET POSITION, (concluded)
INTERNAL SERVICE FUNDS

June 30, 2014
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Current assets :			
Cash and investments	$ 5,093	6,794	87,897
Accounts receivable	1	-	405
Interest receivable	10	12	185
Interfund receivable	1	6	10
Inventories	137	-	564
Prepaid expenses	-	-	12
Total current assets	5,242	6,812	89,073
Capital assets :			
Buildings and improvements	1,547	-	4,324
Accumulated depreciation	(650)	-	(1,454)
Machinery and equipment	11,939	14,594	62,993
Accumulated depreciation	(10,035)	(13,675)	(46,987)
Construction in progress	1,656	(619)	1,690
Total capital assets	4,457	300	20,566
Total assets	$ 9,699	7,112	109,639
Liabilities :			
Current liabilities			
Accounts payable	$ 215	318	1,641
Compensated absences	19	-	32
Deposits	-	-	128
Outstanding claims - self insurance	-	-	9,536
Total current liabilities	234	318	11,337
Long-term liabilities (net of current portion)			
Compensated absences	102	1	224
Outstanding claims - self insurance	-	-	26,509
Total long-term liabilities	102	1	26,733
Total liabilities	336	319	38,070
Net Position :			
Net investment in capital assets	4,457	300	20,566
Unrestricted	4,906	6,493	51,003
Total net position	$ 9,363	6,793	71,569

See accompanying independent auditors' report.

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2014
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Operating revenues :					
Charges for services	$ 5,595	11,678	7,598	371	950
Total operating revenues	5,595	11,678	7,598	371	950
Operating expenses :					
Operations and maintenance	4,943	7,544	5,361	179	1,966
Depreciation	-	-	2,566	232	-
Total operating expenses	4,943	7,544	7,927	411	1,966
Operating income (loss)	652	4,134	(329)	(40)	(1,016)
Nonoperating income (expense) :					
Interest income	344	402	340	191	45
Other local taxes	-	-	-	-	1,479
Gain (loss) on disposal of fixed assets	-	-	320	-	(9,002)
Other income (expense)	19	32	219	5	1,897
Total nonoperating income (expense)	363	434	879	196	(5,581)
Income (loss) before transfers	1,015	4,568	550	156	(6,597)
Transfers in	-	5,900	-	-	500
Transfers out	(180)	-	-	(6,400)	(1,340)
Change in net position	835	10,468	550	(6,244)	(7,437)
Net position, July 1, 2013 (deficit)	13,488	(7,314)	31,711	9,871	9,485
Net position, June 30, 2014 (deficit)	$ 14,323	3,154	32,261	3,627	2,048

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION, (concluded)
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2014
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Operating revenues :			
Charges for services	$ 2,681	1,900	30,773
Total operating revenues	2,681	1,900	30,773
Operating expenses :			
Operations and maintenance	1,750	1,046	22,789
Depreciation	1,165	1,588	5,551
Total operating expenses	2,915	2,634	28,340
Operating income (loss)	(234)	(734)	2,433
Nonoperating income (expense) :			
Interest income	105	113	1,540
Other local taxes	-	-	1,479
Gain (loss) on disposal of fixed assets	1	(616)	(9,297)
Other income (expense)	1,026	6	3,204
Total nonoperating income (expense)	1,132	(497)	(3,074)
Income (loss) before transfers	898	(1,231)	(641)
Transfer in	-	-	6,400
Transfer out	-	-	(7,920)
Change in net position	898	(1,231)	(2,161)
Net position, July 1, 2013 (deficit)	8,465	8,024	73,730
Net position, June 30, 2014 (deficit)	$ 9,363	6,793	71,569

See accompanying independent auditors' report.

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2014
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Cash flows from operating activities :					
Cash received from customers	$ 5,595	11,665	7,583	371	903
Cash paid to suppliers	(5,259)	(6,676)	(4,579)	(189)	(1,882)
Cash paid to employees	-	-	(1,296)	-	(70)
Net cash provided by (used in) operating activities	336	4,989	1,708	182	(1,049)
Cash flows from noncapital financing activities :					
Proceeds from other funds	19	32	220	5	3,376
Transfers from other funds	-	5,900	-	-	500
Transfers to other funds	(180)	-	-	(6,400)	(1,340)
Net cash provided by (used in) noncapital financing activities	(161)	5,932	220	(6,395)	2,536
Cash flows from capital and related financing activities :					
Proceeds from sales of capital assets	-	-	320	-	-
Acquisition and construction of assets	-	-	(3,203)	(10)	(1,002)
Net cash used in capital and related financing activities	-	-	(2,883)	(10)	(1,002)
Cash flows from investing activities :					
Interest received	351	392	351	210	79
Net cash provided by investing activities	351	392	351	210	79
Net increase (decrease) in cash and cash equivalents	526	11,313	(604)	(6,013)	564
Cash and cash equivalents, July 1, 2013	18,714	23,062	18,164	9,267	1,017
Cash and cash equivalents, June 30, 2014	$ 19,240	34,375	17,560	3,254	1,581

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2014
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Cash flows from operating activities :			
Cash received from customers	$ 2,685	1,904	30,706
Cash paid to suppliers	(981)	(1,047)	(20,613)
Cash paid to employees	(824)	(147)	(2,337)
Net cash provided by (used in) operating activities	880	710	7,756
Cash flows from noncapital financing activities :			
Proceeds from other funds	1,026	7	4,685
Transfers from other funds	-	-	6,400
Transfers to other funds	-	-	(7,920)
Net cash provided by (used in) noncapital financing activities	1,026	7	3,165
Cash flows from capital and related financing activities :			
Proceeds from sales of capital assets	1	4	325
Acquisition and construction of assets	(2,405)	(187)	(6,807)
Net cash used in capital and related financing activities	(2,404)	(183)	(6,482)
Cash flows from investing activities :			
Interest received	109	116	1,608
Net cash provided by investing activities	109	116	1,608
Net increase (decrease) in cash and cash equivalents	(389)	650	6,047
Cash and cash equivalents, July 1, 2013	5,482	6,144	81,850
Cash and cash equivalents, June 30, 2014	$ 5,093	6,794	87,897

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2014
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Reconciliation of operating income (loss) to net cash provided by operating activities :					
Operating income (loss)	$ 652	4,134	(329)	(40)	(1,016)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :					
Depreciation	-	-	2,566	232	-
(Increase) decrease in accounts receivable	-	(13)	(16)	-	(47)
(Increase) decrease in inventories	-	-	(68)	-	-
(Increase) decrease in prepaid items	(4)	-	(8)	-	-
Increase (decrease) in outstanding claims payable	(147)	833	-	-	-
Increase (decrease) in accounts payable	(32)	35	(443)	(10)	(47)
Increase (decrease) in compensated absences	-	-	6	-	1
Increase (decrease) in deferred revenue	-	-	-	-	60
Increase (decrease) in customer deposits	(133)	-	-	-	-
Total adjustments	(316)	855	2,037	222	(33)
Net cash provided by (used in) operating activities	$ 336	4,989	1,708	182	(1,049)
Noncash investing, capital, and financing activities :					
Increase (decrease) in fair value of investments	$ 176	122	179	163	33

See accompanying independent auditors' report.

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS, (concluded)
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2014
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Reconciliation of operating income (loss) to net cash provided by operating activities :			
Operating income (loss)	(234)	(734)	2,433
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :			
Depreciation	1,165	1,588	5,551
(Increase) decrease in accounts receivable	4	4	(68)
(Increase) decrease in inventories	(2)	-	(70)
(Increase) decrease in prepaid items	4	8	-
Increase (decrease) in outstanding claims payable	-	-	686
Increase (decrease) in accounts payable	(59)	(155)	(711)
Increase (decrease) in compensated absences	2	(1)	8
Increase (decrease) in deferred revenue	-	-	60
Increase (decrease) in customer deposits		-	(133)
Total adjustments	1,114	1,444	5,323
Net cash provided by (used in) operating activities	880	710	7,756
Noncash investing, capital, and financing activities :			
Increase (decrease) in fair value of investments	60	59	792

See accompanying independent auditors' report.

STATISTICAL SECTION (UNAUDITED)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in the statistical section (i.e., data of prior years, nonfinancial data), the section does not fall within the scope of the independent audit.

Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source, electric utility fees.

Demographic – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

City Of Burbank

Table 1 - Net Position by Component
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

Governmental Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2004-05	588,803	74,140	176,562	839,505
2005-06	614,550	85,220	186,441	886,211
2006-07	652,200	95,958	187,313	935,471
2007-08	679,945	89,024	201,906	970,875
2008-09	688,056	113,038	195,574	996,668
2009-10	690,072	114,205	184,720	988,997
2010-11	561,931	179,919	210,335	952,185
2011-12	750,743	86,936	204,378	1,042,057
2012-13	736,794	59,742	232,353	1,028,889
2013-14	733,756	61,165	216,456	1,011,377

Business-type Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2004-05	179,582	-	112,505	292,087
2005-06	191,069	-	118,241	309,310
2006-07	206,962	-	126,564	333,526
2007-08	247,383	-	101,024	348,407
2008-09	272,665	-	93,546	366,211
2009-10	260,770	-	121,593	382,363
2010-11	247,901	12,413	133,194	393,508
2011-12	278,893	-	130,394	409,287
2012-13	287,055	-	138,590	425,645
2013-14	300,256	-	144,501	444,757

Primary Government :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2003-04	685,649	171,317	197,417	1,054,383
2004-05	768,385	74,140	289,067	1,131,592
2005-06	805,619	85,220	304,682	1,195,521
2006-07	859,162	95,958	313,877	1,268,997
2007-08	927,328	89,024	302,930	1,319,282
2008-09	960,721	113,038	289,120	1,362,879
2009-10	950,842	114,205	306,313	1,371,360
2010-11	809,832	192,332	343,529	1,345,693
2011-12	1,029,636	86,936	334,772	1,451,344
2012-13	1,023,849	59,742	370,943	1,454,534
2013-14	1,034,012	61,165	360,957	1,456,134

SOURCE : City Financial Services Department

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2010	**2011**	**2012**	**2013**	**2014**
Expenses					
Governmental activities :					
General government	-	2,649	7,437	15,976	12,022
Police	45,118	43,161	48,453	50,557	48,288
Fire	32,169	31,648	31,543	32,743	31,754
Public works	47,947	55,699	39,573	51,496	27,481
Community development	46,785	70,264	68,778	46,976	47,011
Parks & recreation	30,113	20,363	19,803	18,526	19,613
Library	7,370	7,014	6,961	6,736	6,593
Extraordinary Gain (Loss)	-	-	37,354	-	-
Interest on long-term debt	21,781	21,970	13,936	2,955	7,254
Total governmental activities expenses	231,283	252,768	273,838	225,965	200,016
Business-type activities :					
Water reclamation & sewer	12,714	13,577	13,408	13,596	13,556
Golf course	20,290	2,669	2,576	2,460	1,719
Electric utility	218,051	214,840	186,279	199,755	211,426
Water utility	19,777	22,453	24,126	25,957	29,529
Refuse collection & disposal	13,796	14,117	14,810	16,172	14,056
Total business-type activities expenses	284,628	267,656	241,199	257,940	270,286
Total primary government expenses	515,911	520,424	515,037	483,905	470,302
Program Revenues					
Governmental activities :					
Charges for services					
General government	850	101	393	160	160
Police	4,207	3,956	3,763	3,729	3,612
Fire	3,170	3,522	3,174	3,691	3,684
Public works	1,728	1,426	1,361	1,354	1,147
Community development	7,833	16,828	11,467	21,399	9,630
Parks and recreation	3,725	3,918	4,188	3,467	3,759
Library	183	184	184	179	179
Operating grants and contributions	18,404	19,238	17,869	19,040	19,214
Total governmental activities program revenues	40,100	49,173	42,399	53,019	41,385

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30, 2010	2011	2012	2013	2014
Business-type activities :					
Charges for services :					
Water reclamation & sewer	14,459	14,941	15,915	16,606	17,056
Golf course	19,303	1,769	2,005	1,932	887
Electric utility	235,020	225,901	202,216	218,712	224,958
Water utility	22,118	23,281	26,682	27,724	31,286
Refuse collection & disposal	14,332	15,016	15,474	16,365	16,302
Operating grants and contributions	530	20	4,502	1,898	2,639
Capital grants and contributions	2,659	4,120	1,705	732	891
Total business-type activities program revenues	308,421	285,048	268,499	283,969	294,019
Total primary government program revenues	348,521	334,221	310,898	336,988	335,404
Net (expense) / revenue					
Governmental activities	(191,183)	(203,595)	(231,439)	(172,946)	(158,631)
Business-type activities	23,793	17,392	27,300	26,029	23,733
Total primary government net expense	(167,390)	(186,203)	(204,139)	(146,917)	(134,898)

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Assets					
Governmental activities :					
Property tax	79,803	66,240	46,328	-	32,936
Sales tax	24,948	29,907	31,352	-	31,657
Utility users tax	19,908	18,524	19,784	-	19,905
Motor-vehicle in-lieu tax	4,212	4,559	4,631	-	4,919
Franchise tax	8,760	8,938	8,436	-	8,819
Transient occupancy tax	5,273	5,686	5,943	-	7,145
Transient parking tax	2,759	2,886	2,821	-	2,818
Unrestricted investment earnings	17,631	14,315	9,565	-	18,156
Other	7,412	22,389	29,789	-	27,025
Extraordinary gain on dissolution of redevelopment agency	-	-	116,599	-	-
Transfers	11,667	11,354	11,651	-	12,058
Total governmental activities	182,373	184,798	286,899	-	165,438
Business-type activities :					
Unrestricted investment earnings	3,771	3,327	2,358	18,156	2,939
Other	255	1,706	(2,228)	26,063	2,606
Transfers	(11,667)	(11,354)	(11,651)	12,058	(12,058)
Total business-type activities	(7,641)	(6,321)	(11,521)	56,277	(6,513)
Total primary government	174,732	178,477	275,378	56,277	158,925
Change in Net Position					
Governmental activities	(8,810)	(18,797)	89,872	(172,946)	6,807
Business-type activities	16,152	11,071	15,779	82,306	17,220
Total primary government	7,342	(7,726)	105,651	(90,640)	24,027

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2005	**2006**	**2,007**	**2008**	**2009**
Expenses					
Governmental activities :					
General government	6,091	8,097	5,254	6,535	7,731
Police	34,363	38,925	41,345	43,759	46,718
Fire	26,129	26,993	29,955	33,262	34,426
Public works	15,136	22,048	26,163	25,977	27,365
Community development	25,746	22,796	26,953	37,322	25,917
Parks & recreation	17,040	19,583	19,533	20,945	21,983
Library	5,635	6,200	6,256	6,764	6,968
Interest on long-term debt	20,789	21,997	19,027	19,673	28,087
Total governmental activities expenses	150,929	166,639	174,486	194,237	199,195
Business-type activities :					
Water reclamation & sewer	13,154	12,249	14,573	13,680	13,639
Golf course	1,627	13,676	17,814	19,762	21,208
Electric utility	224,091	328,832	347,122	370,144	270,341
Water utility	15,332	15,708	17,064	20,657	19,831
Refuse collection & disposal	10,733	11,282	12,452	12,461	12,768
Total business-type activities expenses	264,937	381,747	409,025	436,704	337,787
Total primary government expenses	415,866	548,386	583,511	630,941	536,982
Program Revenues					
Governmental activities :					
Charges for services					
General government	219	179	737	917	1,369
Police	4,087	4,717	4,771	4,364	4,483
Fire	2,348	2,586	2,915	3,111	3,208
Public works	1,800	2,468	2,664	2,427	2,142
Community development	11,094	13,684	15,436	10,990	9,152
Parks and recreation	2,857	3,335	3,434	3,606	3,774
Library	202	205	190	189	193
Operating grants and contributions	17,833	23,306	20,238	19,859	19,046
Total governmental activities program revenues	41,112	50,480	50,385	45,463	86,734

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2005	**2006**	**2007**	**2008**	**2009**
Business-type activities :					
Charges for services :					
Water reclamation & sewer	11,927	12,861	13,406	13,819	14,171
Golf course	1,815	13,591	17,821	19,316	20,307
Electric utility	251,835	345,158	368,760	382,167	287,589
Water utility	17,239	18,936	19,618	23,224	21,372
Refuse collection & disposal	9,899	10,469	11,075	11,827	13,142
Capital grants and contributions	3,971	2,414	3,181	2,635	2,749
Total business-type activities program revenues	296,686	403,429	433,861	453,179	359,805
Total primary government program revenues	337,798	453,909	484,246	498,642	403,172
Net (expense) / revenue					
Governmental activities	(109,817)	(116,159)	(124,101)	(148,774)	(155,828)
Business-type activities	31,749	21,682	24,836	16,475	22,018
Total primary government net expense	(78,068)	(94,477)	(99,265)	(132,299)	(133,810)

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2005	**2006**	**2007**	**2008**	**2009**
General Revenues and Other Changes in Net Assets					
Governmental activities :					
Property tax	51,301	55,947	65,559	69,483	80,079
Sales tax	19,883	29,509	31,904	33,419	30,249
Utility users tax	17,862	18,787	19,505	20,310	20,236
Motor-vehicle in-lieu tax	6,279	7,610	7,801	8,419	8,596
Franchise tax	3,776	4,798	5,073	5,130	5,283
Transient occupancy tax	4,606	5,632	5,691	5,981	5,941
Transient parking tax	2,515	3,238	3,526	3,651	2,978
Unrestricted investment earnings	3,788	3,966	21,283	19,627	10,995
Other	19,395	8,217	2,300	3,522	7,654
Transfers	9,363	9,870	10,721	10,728	11,103
Total governmental activities	138,768	147,574	173,363	180,270	183,114
Business-type activities :					
Unrestricted investment earnings	3,919	4,691	8,479	8,210	3,119
Other	940	720	1,622	924	201
Transfers	(9,363)	(9,870)	(10,721)	(10,728)	(11,103)
Total business-type activities	(4,504)	(4,459)	(620)	(1,594)	(7,783)
Total primary government	134,264	172,743	$ 172,743	178,676	175,331
Change in Net Position					
Governmental activities	28,951	31,415	49,262	180,270	27,286
Business-type activities	27,245	17,223	24,216	(133,893)	14,235
Total primary government	56,196	48,638	73,478	46,377	41,521

SOURCE : City Financial Services Department

City Of Burbank

Table 3 - Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

Fiscal Year	General Fund Reserved	General Fund Unreserved	Total General Fund	All Other Governmental Reserved	Special Revenue Unreserved	Capital Projects Unreserved	Total All Other Governmental Funds
2004-05	56,931	53,852	110,783	113,122	20,653	64,747	198,522
2005-06	54,190	57,681	111,871	133,387	25,034	59,517	217,938
2006-07	53,469	68,066	121,535	177,775	30,208	46,172	254,155
2007-08	52,837	66,847	119,684	177,011	30,417	38,315	245,743
2008-09	55,422	59,885	115,307	175,959	29,891	60,331	266,181
2009-10	64,841	43,679	108,520	182,572	28,896	59,907	271,375

GASB 54 Fund Balance

	General Fund Nonspendable	General Fund Restricted	General Fund Committed	General Fund Assigned	General Fund Unassigned	Total General Fund
2010-11	43,503	149	-	10,384	46,871	100,907
2011-12	30,822	107	-	8,538	47,098	86,565
2012-13	46,384	119	-	5,202	43,189	94,894
2013-14	46,451	741	-	2,986	43,312	93,490

	All Other Governmental Nonspendable	All Other Governmental Restricted	All Other Governmental Committed	All Other Governmental Assigned	All Other Governmental Unassigned	Total All Other Governmental Funds
2010-11	1,834	207,305	20,397	65,695	(36,396)	258,835
2011-12	352	138,120	19,364	54,744	(542)	212,038
2012-13	12,124	135,103	17,053	29,461	(564)	193,177
2013-14	184	166,474	16,723	30,194	(807)	212,768

SOURCE : City Financial Services Department

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

	2010	2011	2012	2013	2014
Revenues					
Sales tax	24,948	29,789	31,352	32,967	31,657
Property tax	79,803	76,308	46,328	46,499	32,936
Utility Users tax	19,908	18,524	19,784	20,237	19,905
Other	13,279	12,230	24,786	13,529	25,692
Total Taxes	137,938	136,851	122,250	113,232	110,190
Special Assessments	-	-	-	-	-
Licenses & Permits	3,680	3,798	4,228	4,373	4,298
Fines, forfeitures, and penalties	2,597	2,340	2,590	2,308	2,110
Use of money or property	16,281	11,232	11,449	5,625	11,447
Intergovernmental	29,056	29,604	26,056	27,617	28,282
Charges for services	29,032	46,766	45,439	38,368	32,049
Total revenues	218,584	230,591	212,012	191,523	188,376
Expenditures					
General government	48,736	40,537	32,607	23,113	12,391
Public Safety	75,205	72,832	77,111	80,070	79,432
Environmental	37,856	60,374	59,325	60,377	53,791
Culture and recreation	30,527	25,213	25,032	23,066	23,358
Capital outlay	18,330	22,552	23,895	38,223	11,840
Debt service :					
Principal	9,115	9,590	15,280	4,500	6,700
Other	-	-	-	-	-
Interest	21,841	22,007	13,939	2,959	6,786
Total expenditures	241,610	253,105	247,189	232,308	194,298
Excess of revenues over (under) expenditures	(23,026)	(22,514)	(35,177)	(40,785)	(5,922)
Other financing sources (uses)					
Transfers in	53,290	69,253	24,462	20,084	17,885
Transfers out	(41,276)	(57,399)	(13,070)	(5,451)	(4,307)
Other revenues	-	-	-	15,620	28
Total other financing sources (uses)	12,014	11,854	11,392	30,253	13,606
Extraordinary gain/(loss) on dissolution of Redevelopment agency	-	-	(37,354)	-	-
Net change in fund balances	(11,012)	(10,660)	(61,139)	(10,532)	7,684
Debt service as a percentage of noncapital expenditures	13.9%	13.7%	13.1%	3.8%	7.4%

SOURCE : City Financial Services Department

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

	2005	2006	2007	2008	2009
Revenues					
Sales tax	19,883	29,509	31,904	$ 33,419	$ 30,249
Property tax	51,301	55,947	65,559	69,483	80,079
Utility Users tax	17,862	18,787	19,505	20,310	20,236
Other	18,216	14,266	13,614	14,124	14,102
Total Taxes	107,262	118,509	130,582	137,336	144,666
Special Assessments	236	236	234	-	-
Licenses & Permits	4,446	5,738	4,802	4,646	4,115
Fines, forfeitures, and penalties	2,995	3,287	3,222	2,617	2,974
Use of money or property	11,879	13,717	18,923	18,220	12,476
Intergovernmental	25,438	31,759	27,467	29,418	28,298
Charges for services	26,687	32,962	33,844	28,356	34,555
Total revenues	178,943	206,208	219,074	220,593	227,084
Expenditures					
General government	25,571	28,900	27,949	33,797	28,172
Public Safety	57,734	63,295	68,758	73,740	76,616
Environmental	35,157	39,359	35,099	35,999	37,573
Culture and recreation	21,331	23,602	25,172	27,349	29,391
Capital outlay	8,677	15,308	23,863	43,602	19,702
Debt service :					
Principal	6,945	12,535	8,456	8,440	8,330
Other	-	28	592	-	-
Interest	20,520	22,019	19,163	19,625	23,035
Total expenditures	175,935	205,046	209,052	242,552	222,819
Excess of revenues over (under) expenditures	3,008	1,162	10,022	(21,959)	4,265
Other financing sources (uses)					
Transfers in	33,314	32,830	77,806	69,514	48,877
Transfers out	(25,086)	(24,748)	(69,850)	(60,369)	(35,729)
Advances from City	-	-	-	-	-
Payment of unfunded actuarial liability	-	-	-	-	-
Bond proceeds	-	6,155	52,325	-	-
Total other financing sources (uses)	8,228	14,237	60,281	9,145	13,148
Net change in fund balances	11,236	15,399	70,303	(12,814)	17,413
Debt service as a percentage of noncapital expenditures	16.4%	18.2%	15.2%	14.1%	15.4%

SOURCE : City Financial Services Department

City Of Burbank

Table 5 - Electricity Sold by Type of Customer
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Residential	Commercial	Large Commercial	Industrial	Street Lights/ Traffic	Wholesale	Other
2004-05	33,997	69,635		31,506	1,166	110,037	5,494
2005-06	35,113	46,259		60,966	1,149	195,512	6,159
2006-07	36,157	51,897		63,163	2,699	207,259	7,585
2007-08	37,755	79,376		35,142	3,238	220,177	6,479
2008-09	37,726	48,556		68,965	2,791	120,716	3,966
2009-10	37,147	40,797	68,984	-	2,605	75,946	4,641
2010-11	37,326	42,948	68,851	-	2,294	59,200	8,640
2011-12	38,096	43,717	69,331	-	2,325	35,484	4,959
2012-13	41,404	44,617	70,123	-	2,399	44,295	6,628
2013-14	39,910	46,479	68,755	-	2,385	50,151	-

Source : Burbank Water and Power

City Of Burbank

Table 6 - Electricity Rates
Last ten fiscal years
(Unaudited)

Fiscal Year	Residential	Commercial	Large Commercial
2004-05	0.12870	0.12567	0.10907
2005-06	0.12908	0.12106	0.10507
2006-07	0.12782	0.12748	0.10469
2007-08	0.13068	0.12768	0.11255
2008-09	0.13267	0.13279	0.11527
2009-10	0.13506	0.13482	0.11806
2010-11	0.14097	0.14224	0.12516
2011-12	0.14401	0.14319	0.12616
2012-13	0.14710	0.14346	0.12832
2013-14	0.14910	0.14645	0.12810

Source : Burbank Water and Power

City Of Burbank

Table 7 - Largest Electrical Customers

Per Burbank Water & Power during the fiscal year the top 10 Electric Utility customers consumed 14.7% of total electricity supplied and were billed 13.9% of total electric service revenues.

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type
Last ten fiscal years
(in thousands)
(Unaudited)

	Fiduciary				
	Fiduciary Activities		Governmental Activities		
Fiscal Year	**Community Facilities District Bonds**	Tax **Allocation Bonds**	**Pension Obligation Bonds**	**Revenue Bonds**	**Total Govt'l Activities**
2004-05	430		25,120	215,474	240,594
2005-06	6,380		19,100	208,953	228,053
2006-07	6,155		18,840	229,503	248,343
2007-08	6,155		18,500	221,747	240,247
2008-09	6,155		18,070	214,257	232,327
2009-10	5,860		17,545	206,579	224,124
2010-11	5,555		16,915	198,581	215,496
2011-12	5,235		16,175	204,311	220,486
2012-13	4,900		15,315	196,014	211,329
2013-14	4,555	108,366	14,320	95,505	109,825

Source : Financial Services Department

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Business-Type Activities Revenue Bonds	Loans	Total Bus. Type Activities	Total (3) Primary Govt.	Pct (1) Personal Income	Per Capita (1)
2004-05	144,839	1,696	146,535	387,129	10.93%	3.63
2005-06	133,856	1,531	135,387	363,440	9.21%	3.4
2006-07	122,613	1,361	123,974	372,317	10.02%	3.51
2007-08	111,902	1,186	113,088	353,335	8.75%	3.27
2008-09	100,808	1,007	101,815	334,142	7.77%	3.09
2009-10	137,762	823	138,585	362,709	7.91%	3.34
2010-11	166,075	634	166,709	382,205	8.97%	3.66
2011-12	160,487	961	161,448	381,934	8.75%	3.66
2012-13	153,446	7,260	160,706	372,035	8.33%	3.54
2013-14	145,605	8,437	154,042	263,867	5.91%	2.51

(1) This ratio is calculated using personal income for two prior calendar years for the prior calendar year.

(2) This ratio is calculated using population for the prior calendar year.

(3) Includes debt in Fidiuciary Trust Fund.

Source : Financial Services Department

City Of Burbank

Table 9 - Ratio of General Bonded Debt Outstanding
Last ten fiscal years
(in thousands)
(Unaudited)

	Outstanding General Bonded Debt				
Fiscal Year	**Revenue Bonds**	**Pension Obligation Bonds**	**Total General Debt**	**Pct. of Assessed Value (1)**	**Per Capita (2)**
2004-05	215,474	25,120	240,594	1.85%	2.25
2005-06	208,953	19,100	228,053	1.62%	2.13
2006-07	229,503	18,830	248,333	1.60%	2.30
2007-08	221,747	18,500	240,247	1.42%	2.22
2008-09	214,257	18,070	232,327	1.28%	2.15
2009-10	206,579	17,545	224,124	1.23%	2.07
2010-11	198,581	16,915	215,496	1.18%	2.07
2011-12	204,311	16,175	220,486	1.21%	2.11
2012-13	196,014	15,315	211,329	1.15%	2.00
2013-14	95,505	14,320	109,825	0.58%	1.05

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

(2) This ratio is calculated using the prior year's population.

Source : Financial Services Department

City Of Burbank

Table 10 - Schedule of Direct and Overlapping Debt
June 30, 2014
(in thousands)
(Unaudited)

City Assessed Valuation	$ 19,002,295
Redevelopment Agency Incremental Valuation	5,638,664
Total Assessed Valuation	$ 24,640,959

	Percentage Applicable (1)	Outstanding Debt 13/14	Estimated Share of Overlapping Debt
Burbank Unified School District	100.000%	88,781	88,781
Los Angeles County	1.529%	64,271	983
Los Angeles Community College District	3.040%	3,740,335	113,706
Total overlapping debt		3,893,387	203,470
City direct debt :			
Community Facilities District (2)		4,555	
Burbank Redevelopment Tax Allocation (2)		203,871	
Pension obligation bonds		14,320	
Total City direct debt			222,746
Total direct and overlapping debt			$ 426,216

Note : (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within City boundaries and dividing it by each unit's total taxable assessed value.

(2) Community Facilities District and Burbank Redevleopment Tax Allocation debt is reflected in the Fiduciary Fund Balance Sheet.

Sources : City Financial Services Department
HDL Coren & Cone

City Of Burbank

Table 11 - Legal Debt Margin Information
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt	Legal Debt Margin	Pct (1)
2004-05	1,946,507	199,743	1,746,764	10.26%
2005-06	2,118,116	198,543	1,919,573	9.37%
2006-07	2,333,694	218,975	2,114,719	9.38%
2007-08	2,533,836	224,041	2,309,795	8.84%
2008-09	2,719,939	214,817	2,505,122	7.90%
2009-10	2,511,195	208,744	2,302,451	8.31%
2010-11	2,743,065	190,789	2,552,276	6.96%
2011-12	2,723,655	137,674	2,585,981	5.05%
2012-13	2,767,712	131,563	2,636,149	4.75%
2013-14	2,850,344	99,583	2,750,761	3.49%

(1) Full title : Total net debt applicable to the limit as a percentage of the debt limit

Net assessed value		$ 19,002,295
Debt limit - 15% of assessed value		2,850,344
Amount of debt applicable to debt limit :		
Community facilities district bonds (1)	4,555	
Redevelopment debt - tax allocation bonds (1)	108,366	
Total	112,921	
Less :		
Reserves in Debt Service funds available for payment of principal :		
Redevelopment debt	13,338	
Total	13,338	
Total amount of debt applicable to debt limit		99,583
Legal debt margin		$ 2,750,761

(1) Reflected in the Fiduciary Trust Fund statements.

Source : City Financial Services Department

City Of Burbank

Table 12 - Pledged Revenue Coverage
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
		ELECTRIC UTILITY FUND			
2004-05	253,683	208,616	45,067	11,363	3.97
2005-06	347,514	312,728	34,786	10,228	3.40
2006-07	374,340	330,977	43,363	9,304	4.66
2007-08	387,358	354,041	33,317	12,413	2.69
2008-09	289,780	254,484	35,296	8,890	3.97
2009-10	239,870	207,144	32,726	6,418	5.10
2010-11	229,981	201,254	28,727	10,643	2.70
2011-12	209,467	175,748	33,719	6,127	5.50
2012-13	223,176	182,461	40,715	7,603	5.36
2013-14	230,366	194,311	36,055	7,464	4.83
		WATER UTILITY FUND			
2004-05	17,484	12,643	4,841	1,103	4.39
2005-06	19,162	13,224	5,938	1,093	5.43
2006-07	20,385	14,456	5,929	1,098	5.40
2007-08	24,476	17,958	6,518	1,102	5.91
2008-09	21,724	17,047	4,677	1,103	4.24
2009-10	22,913	16,705	6,208	1,102	5.63
2010-11	23,925	19,845	4,080	1,704	2.39
2011-12	27,404	21,085	6,319	2,386	2.65
2012-13	28,125	22,544	5,581	2,381	2.34
2013-14	32,137	25,558	6,579	2,346	2.80
		WATER RECLAMATION AND SEWER FUND			
2003-04	13,124	8,993	4,131	2,366	1.75
2004-05	13,169	8,692	4,477	2,438	1.84
2005-06	13,922	7,955	5,967	2,554	2.34
2006-07	14,876	10,273	4,603	2,640	1.75
2007-08	14,984	9,253	5,731	1,421	4.04
2008-09	14,791	9,094	5,697	1,418	4.02
2009-10	15,816	8,630	7,186	1,421	5.06
2010-11	15,342	9,743	5,599	1,414	3.96
2011-12	16,217	9,562	6,655	1,417	4.70
2012-13	16,622	10,408	6,214	1,419	4.38
2013-14	17,961	10,154	7,807	1,422	5.49

City Of Burbank

Table 12 - Pledged Revenue Coverage
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
		REFUSE COLLECTION AND DISPOSAL FUND			
2004-05	11,122	8,848	2,274	1,289	1.77
2005-06	11,530	9,553	1,977	1,289	1.54
2006-07	12,579	10,820	1,759	1,304	1.35
2007-08	13,194	10,781	2,413	1,302	1.86
2008-09	14,342	11,260	3,082	1,299	2.37
2009-10	15,474	12,359	3,115	964	3.23
2010-11	15,760	13,099	2,661	949	2.80
2011-12	16,564	13,922	2,642	964	2.74
2012-13	17,105	15,708	1,397	557	2.51
2013-14	17,166	13,080	4,086	751	5.44

TAX ALLOCATION BONDS

Fiscal Year	Tax Increment	Debt Service Principal	Debt Service Interest	Times coverage
2004-05	31,003	3,920	8,208	2.56
2005-06	33,709	4,025	8,054	2.79
2006-07	42,003	4,408	7,034	3.67
2007-08	44,043	5,050	8,671	3.21
2008-09	53,099	6,215	10,921	3.10
2009-10	53,171	5,280	9,700	3.55
2010-11	50,343	5,550	9,432	3.36
2011-12	24,358	9,685	10,458	1.21
2012-13	22,928	6,120	8,828	1.53
2013-14	22,775	6,445	8,496	1.52

Notes :
(1) Total operating expenses exclude depreciated cost.
(2) Debt service represents cash requirements during the year.
(3) Gross revenues are total operating revenues, interest income, intergovernmental revenues, gain on disposal of fixed assets, and other income.

Source: City Financial Services Department

City Of Burbank

Table 13 - Demographic and Economic Statistics
Last ten fiscal years

(Unaudited)

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2004-05	106,739	3,541,493	33,179	4.3%
2005-06	106,879	3,945,652	36,917	3.5%
2006-07	107,921	3,715,288	34,426	3.9%
2007-08	108,029	4,036,179	37,362	5.9%
2008-09	108,082	4,301,015	39,794	9.2%
2009-10	108,469	4,584,442	42,265	10.0%
2010-11	104,304	4,262,592	40,867	9.7%
2011-12	104,427	4,364,109	41,791	9.0%
2012-13	104,982	4,468,454	42,564	7.5%
2013-14	105,543	4,693,919	44,474	6.6%

Note: (1) State of Califomia Department of Finance

(2) (3) X (1); In Thousands

(3) Bureau Economic Analysis, Dept. of Commerce. For Los Angeles County.
CA1-3 per capital personal income (Metropolitan divisions)

(4) State of Califomia Economic Development Department.

City Of Burbank

Table 14 - Principal Employers
Current Year and Ten Years Ago *

(Unaudited)

			2014		2005	
			Number of Employees	%	Number of Employees	%
1.	The Walt Disney Company		7,900	12.4%	9,466	16.2%
2.	Warner Bros. Entertainment		7,400	11.6%	8,000	13.7%
3.	Providence St. Joseph's Hospital		2,850	4.5%	3,500	6.0%
4.	Bob Hope Airport		2,400	3.6%	1,400	2.4%
5.	ABC Inc		2,300	3.6%	-	0.0%
6.	Burbank Unified School District		1,800	2.8%	2,010	3.5%
7.	City of Burbank		1,600	2.5%	1,509	2.6%
8.	Deluxe Shared Services		1,600	2.5%	-	0.0%
9.	Entertainment Partners		757	1.2%	-	0.0%
10.	Foto-Kem Industries		665	1.0%	544	1.0%
	Other employers		34,738	54.3%	31,879	54.7%
		(1)	64,010	100.0%	58,308	100.1%

Source : City of Burbank Economic Development Department.

* This schedule, required as a part of GASB 44, is intended to provide data from nine years prior.

(1) The total employees includes all employees in agencies which are required to report their employee counts to the City. Non-profit agencies are not required to report this information.

City Of Burbank

Table 15 - Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2014	**2013**	**2012**	**2011**	**2010**
General government	161	163	161	166	166
Police	265	265	265	268	271
Fire	135	137	139	139	139
Public works	128	129	131	136	144
Community development	75	81	97	93	82
Parks and recreation	160	157	154	158	178
Library	63	63	62	64	67
Water Reclamation and Sewer	11	11	11	12	12
Electric Utility	286	286	288	288	278
Water Utility	51	51	51	51	50
Refuse Collection & Disposal	55	55	54	49	48
	1,390	1,398	1,413	1,424	1,435

	Fiscal year ended June 30,				
	2009	**2008**	**2007**	**2006**	**2005**
General government	169	165	164	164	166
Police	279	273	270	274	272
Fire	143	141	137	146	146
Public works	146	144	144	144	144
Community development	86	84	83	80	80
Parks and recreation	179	174	174	179	178
Library	69	69	67	67	66
Water Reclamation and Sewer	12	11	11	10	10
Electric Utility	275	275	273	263	263
Water Utility	50	50	48	52	52
Refuse Collection & Disposal	46	46	46	45	45
	1,454	1,432	1,417	1,424	1,422

(1) For years prior to 2008, only full-time employees are shown.

Source : City Financial Services Department

City Of Burbank

Table 16 - Operating Indicators by function
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2014	**2013**	**2012**	**2011**	**2010**
Police :					
Arrests	5,802	5,628	5,443	5,492	7,417
Reports taken	12,221	12,387	12,359	11,953	12,209
Service calls	44,355	44,889	44,889	42,566	39,966
Animals entering shelter (1)	2,630	2,504	2,839	2,879	3,068
Moving violations issued	13,703	14,445	13,337	13,127	17,450
Fire :					
Safety employees	120	123	115	125	125
Fire incidents	1,221	1,218	1,260	1,243	1,293
Medical incidents	7,818	7,818	7,457	7,568	7,418
Community Development :					
Building permits	4,428	5,749	4,388	3,978	3,601
Business licenses/business permits (3)	1,026	1,005	1,020	799	2,000
Business tax registrations	12,791	12,620	12,333	11,757	14,000
Parks and Recreation :					
Number of street trees	28,631	28,788	28,758	28,656	28,643
Sports participants	17,290	15,507	17,540	17,619	16,489
Afterschool and daycamp participants	13,716	15,140	14,825	11,640	11,892
Special interest participants	11,416	13,258	11,585	7,871	8,718
Burbank bus ridership (2)	332,232	351,724	359,092	392,637	520,372
RSVP volunteer hours served	178,000	178,000	178,000	189,000	187,875
Library :					
Number of books	548,494	531,253	512,118	482,490	433,975
Number of audiovisual recordings	87,254	82,415	76,981	71,148	69,802
Water Reclamation & Sewer :					
Customer accounts (4)	47,242	55,883	48,044	47,690	47,413
Electric Utility :					
Number of meters	53,130	52,788	52,766	52,627	51,796
Generating capacity (KW)	225,000	211,000	211,000	225,000	225,000
Peak demand (KW)	266,000	294,000	305,000	322,000	286,000
Water Utility :					
Number of meters	26,880	26,853	26,815	26,792	26,506
Average daily gallons used (millions)	17,796	17,117	16,856	21,980	18,854
Refuse collection & Disposal :					
Customer accounts	48,996	48,331	53,536	51,650	50,307
Golf Course :					
Rounds of full golf	55,000	56,782	58,357	52,185	56,397
Rounds of 3 par golf	14,000	15,100	16,624	17,108	21,462

(continued)

City Of Burbank

Table 16 - Operating Indicators by function
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2009	**2008**	**2007**	**2006**	**2005**
Police :					
Arrests	8,674	9,076	8,879	8,284	7,255
Reports taken	13,559	13,667	13,667	13,809	13,976
Service calls	44,621	46,809	47,003	49,667	50,580
Animals entering shelter (1)	3,081	2,605	2,870	3,069	1,294
Moving violations issued	14,800	13,856	15,875	15,474	14,642
Fire :					
Safety employees	123	125	121	119	121
Fire incidents	1,348	1,554	1,447	1,532	1,349
Medical incidents	7,136	7,146	7,076	6,612	6,576
Community Development :					
Building permits (3)	3,958	4,713	4,864	6,970	2,757
Business licenses	2,000	700	790	534	617
Business tax registrations	15,000	16,534	16,311	15,991	15,579
Parks and Recreation :					
Number of street trees	28,670	29,000	28,489	25,422	25,418
Sports participants	16,326	15,837	16,214	15,760	15,922
Afterschool and daycamp participants	11,008	17,005	5,740	5,942	5,955
Special interest participants	10,362	10,545	10,500	10,750	10,549
Burbank bus ridership (2)	611,184	529,813	459,626	410,730	329,325
RSVP volunteer hours served	221,926	136,674	180,402	132,470	128,744
Library :					
Number of books	432,817	456,553	440,232	440,232	393,755
Number of audiovisual recordings	64,288	56,555	42,566	42,566	37,332
Water Reclamation & Sewer :					
Customer accounts (4)	57,526	56,499	56,335	45,451	45,409
Electric Utility :					
Number of meters	51,384	51,338	51,310	51,310	51,310
Generating capacity (KW)	225,000	225,000	225,000	225,000	225,000
Peak demand (KW)	289,000	308,000	285,000	285,000	285,000
Water Utility :					
Number of meters	26,486	26,455	26,391	26,351	26,346
Average daily gallons used	23,367	22,410	20,470	19,500	19,270
Refuse collection & Disposal :					
Customer accounts	50,132	47,212	29,000	30,659	30,576
Golf Course :					
Rounds of full golf	60,933	59,605	65,472	61,020	65,493
Rounds of 3 par golf	21,775	22,311	24,296	23,980	24,220

(1) For years 2006 and after, includes dogs and cats. For 2005 and before, includes only dogs.
(2) For years 2000-2013 includes Got Wheels program. Got Wheels Program was discontinued in 2013. Includes Parks & Recreation Summer Camps and Management Services Summer programs provided with Got Wheels Vehicles.
(3) For years 2009 and after, includes business licenses and business permits. For years 2008 and before, includes only business licenses.
(4) For years 2007, 2008 and 2009 the figure shows how many distinct customers were billed at one time for sewer during the year.
(5) 2011 and prior amount provided in hundred cubic feet.

City Of Burbank

Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2014	**2013**	**2012**	**2011**	**2010**
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	368	368	368	367	367
Street lights	9,148	9,133	9,008	8,979	9,419
Miles of storm drains	63	61	61	61	61
Signalized intersections	196	196	196	196	194
Parks and Recreation :					
Number of parks	28	28	28	28	27
Swimming pools	2	2	2	2	2
Tennis courts	21	21	21	24	24
Ballfields	15	15	15	16	16
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	225	223	223	223	223
Electric Utility :					
Transmission & distribution lines (miles)	420	405	419	423	356
Water Utility :					
Miles of water mains	280	280	280	280	280

(continued)

City Of Burbank

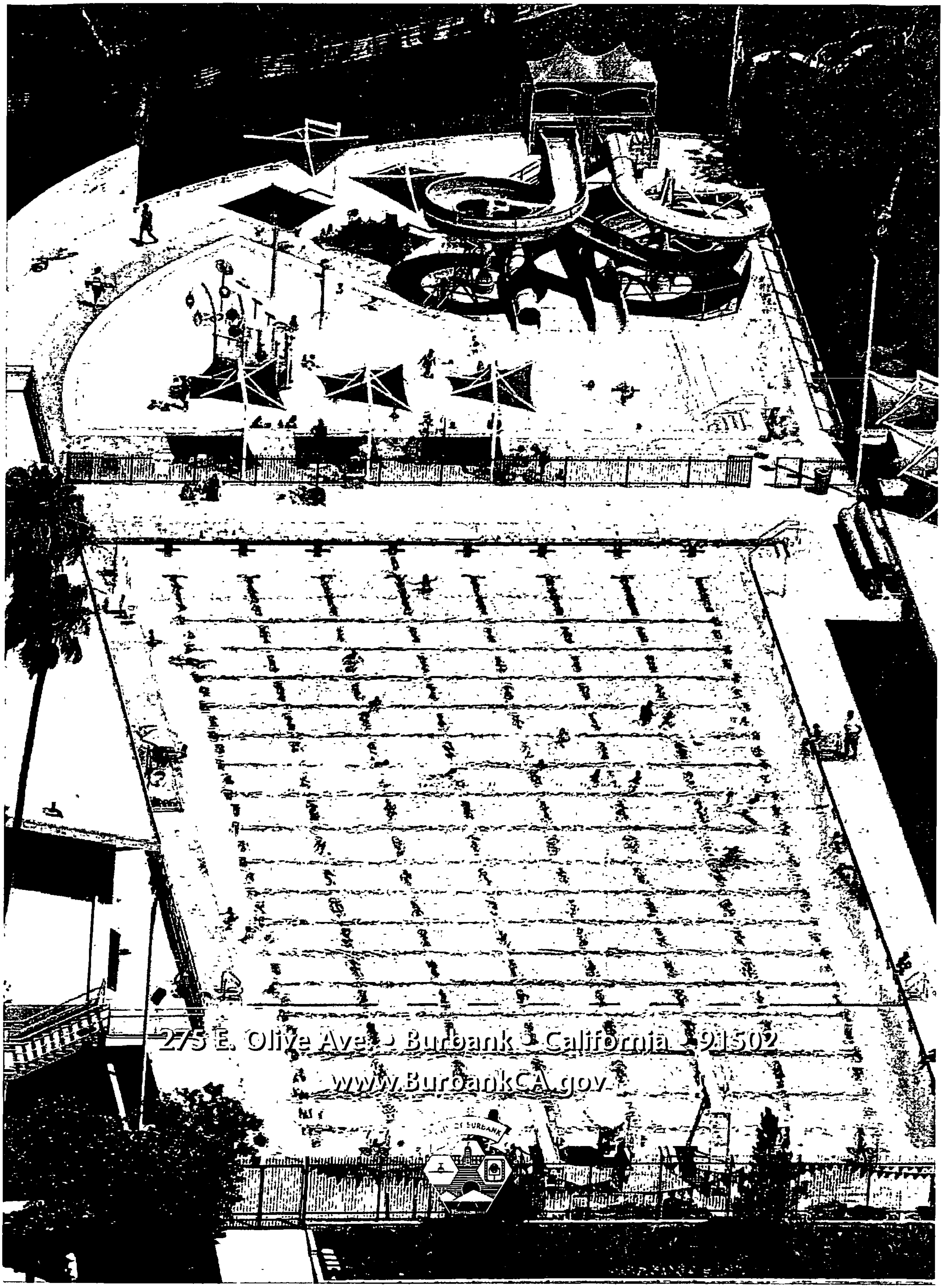
Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2009	**2008**	**2007**	**2006**	**2005**
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	367	367	367	366	366
Street lights	9,383	9,238	9,184	9,184	9,184
Miles of storm drains	61	61	61	61	61
Signalized intersections	190	183	183	183	183
Parks and Recreation :					
Number of parks	26	25	25	25	25
Swimming pools	2	2	2	2	2
Tennis courts	24	24	24	24	24
Ballfields	16	16	16	16	16
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	223	223	223	223	223
Electric Utility :					
Transmission & distribution lines (miles)	356	410	410	410	410
Water Utility :					
Miles of water mains	278	278	278	277	276

City Of Burbank

Table 18 - Schedule of Credits
June 30, 2014
(Unaudited)

Cindy Giraldo Financial Services Director	General Overview Management's discussion & analysis Letter of Transmittal
Carrie Matson Deputy Financial Services Director	General Overview Management's discussion & analysis Letter of Transmittal
Dino Balos, CPA Accounting and Auditing Manager	General Overview Management's discussion & analysis Letter of Transmittal Audit Coordination Enterprise Funds
Heidi Okimoto, Principal Accountant	Governmental Funds : General Fund Special Revenue Funds Inventory Notes to Financial Statements
Angela O'Connor, Senior Accountant	Sucessor Agency - Private Purpose Trust Fund Redevelopment Capital Projects & Debt Service Funds Public Financing Authority Internal Service Funds Notes to Financial Statements
Eva Felipe Accountant	Projects Enterprise Funds Notes to Financial Statements
Craig Wood, Financial Systems Manager	General Overview Systems Programming Grant Activity Report (Single Audit)
Monina Marin Accountant	Fixed Assets Accounting Bank Reconciliations Notes to Financial Statements
Cathy Jaramillo Account Clerk	Bond Cash Reconciliations Fuel
Kassandra Wildermuth Administrative Analyst I	Statistical Section Cover Photos / Design
Mike McDaniel, Reprographics Supervisor	Reprographic Services
Cassidy Allen, Graphic Illustrator	Cover design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CITY OF BURBANK

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APPENDIX F

CITY OF BURBANK SUPPLEMENTAL INFORMATION

The following information concerning the City of Burbank and surrounding areas is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the City, County, the State or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

General

The City of Burbank, California (the "City" or "Burbank") is located in the greater metropolitan Los Angeles area, approximately 12 miles northeast of the Los Angeles Civic Center complex. The economy represents a diverse blend of commercial and residential development. The City is the home of several major entertainment industry firms, including Warner Brothers and Walt Disney Company. Burbank is a mature community that experienced very little population growth in the later 1970's, modest population growth in the early 1980's, and slightly faster population growth in the late 1980's and early 1990's. See "Population" below.

Population

The following table represents historical population estimates for the City of Burbank, the County of Los Angeles and the State of California.

CITY OF BURBANK, COUNTY OF LOS ANGELES AND STATE OF CALIFORNIA
Population Estimates
2005-2014

Year[(1)]	*City of Burbank*	*County of Los Angeles*	*State of California*
2005	103,122	9,816,153	35,869,173
2006	103,060	9,798,609	36,116,202
2007	103,121	9,780,808	36,399,676
2008	103,098	9,785,474	36,704,375
2009	103,116	9,801,096	36,966,713
2010	103,363	9,822,121	37,223,900
2011	104,195	9,847,712	37,427,946
2012	104,481	9,889,467	37,668,804
2013	105,045	9,963,811	37,984,138
2014	105,543	10,041,797	38,340,074

(1) January 1 data. Years 2011-2014 with 2010 Census Benchmark.
Source: California Department of Finance, Demographic Research Unit.

Employment

The following table summarizes the labor force, employment and unemployment figures over the period 2009 through 2013 for Burbank, the County, the State and the United States:

CITY OF BURBANK, LOS ANGELES COUNTY, CALIFORNIA AND UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)
2009-2013

Year and Area	*Labor Force*	*Employment*[1]	*Unemployment*[2]	*Unemployment Rate (%)*[3]
2009				
City of Burbank	60,200	54,500	5,700	9.4%
Los Angeles County	4,905,300	4,337,000	568,300	11.6
State of California	18,220,100	16,155,000	2,065,100	11.3
United States	154,142,000	139,877,000	14,265,000	9.3
2010				
City of Burbank	60,100	54,000	6,200	10.2%
Los Angeles County	4,911,900	4,294,200	617,700	12.6
State of California	18,336,300	16,068,400	2,267,900	12.4
United States	153,889,000	139,064,000	14,825,000	9.6
2011				
City of Burbank	60,300	54,300	6,000	10.0%
Los Angeles County	4,927,200	4,323,000	604,200	12.3
State of California	18,417,900	16,249,600	2,168,300	11.8
United States	153,617,000	139,869,000	13,747,000	8.9
2012				
City of Burbank	59,900	54,600	5,300	8.9%
Los Angeles County	4,879,700	4,345,700	534,000	11.0
State of California	18,519,000	16,589,700	1,929,300	10.4
United States	154,975,000	142,469,000	12,506,000	8.1
2013				
City of Burbank	61,100	56,200	4,900	8.0%
Los Angeles County	4,960,300	4,470,700	489,600	9.9
State of California	18,596,800	16,933,300	1,663,500	8.9
United States	155,389,000	143,929,000	11,460,000	7.4

(1) Includes persons involved in labor-management trade disputes.
(2) Includes all persons without jobs who are actively seeking work.
(3) The unemployment rate is computed from un-rounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: California Employment Development Department, March 2012 Benchmark (2009 through 2012), March 2013 Benchmark (2013); U.S. Department of Labor, Bureau of Labor Statistics.

Industry Employment

The City is included in the Los Angeles-Long Beach-Glendale Metropolitan Division. The distribution of employment in the Los Angeles/Long Beach/Glendale area is presented in the following table for the calendar years 2009 through 2013. These figures are multi county-wide statistics and may not necessarily accurately reflect employment trends in the City.

INDUSTRY EMPLOYMENT & LABOR FORCE – BY ANNUAL AVERAGE
Los Angeles-Long Beach-Glendale Metropolitan Division
2009-2013

Category	*2009*	*2010*	*2011*	*2012*	*2013*
Total Farm	6,200	6,200	5,600	5,400	5,500
Total Nonfarm	3,949,500	3,888,400	3,909,000	4,006,900	4,112,600
Total Private	3,353,600	3,308,800	3,343,500	3,450,100	3,563,400
Goods Producing	510,600	481,800	475,800	480,500	487,700
Mining & Logging	4,100	4,100	4,000	4,300	4,600
Construction	117,300	104,500	105,000	109,100	116,500
Manufacturing	389,200	373,200	366,800	367,200	366,500
Durable Goods	217,600	207,000	204,100	204,200	203,900
Nondurable Goods	171,600	166,200	162,700	163,000	162,700
Service Providing	3,438,800	3,406,600	3,433,200	3,526,400	3,624,900
Private Service Providing	2,843,000	2,827,000	2,867,700	2,969,600	3,075,700
Trade, Transportation & Utilities	742,600	739,900	749,900	766,600	780,700
Wholesale Trade	204,500	203,000	205,200	211,300	217,800
Retail Trade	387,000	386,400	392,900	400,900	405,900
Transportation, Warehousing & Utilities	151,200	150,500	151,800	154,400	156,900
Information	191,200	191,500	191,900	191,400	197,300
Financial Activities	216,000	209,500	208,400	210,700	211,800
Professional & Business Services	529,800	527,500	542,900	570,000	590,300
Educational & Health Services	639,900	637,200	643,100	674,100	713,400
Leisure & Hospitality	385,500	384,800	394,600	415,300	436,700
Other Services	137,900	136,700	136,900	141,600	145,500
Government	595,900	579,600	565,500	556,800	549,200
Total, All Industries	3,955,600	3,894,600	3,914,600	4,012,300	4,118,000

(1) Annual averages, unless otherwise specified

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division, March 2013 Benchmark.

Industry and Employment

The following table lists Burbank's top 20 major employers. Most of these entities are also among the City's largest taxpayers.

CITY OF BURBANK
Top 20 Major Employers
2014

Business Name	*No. of Employees*	*Industry*
Walt Disney Pictures	7,900	Media
W B Studio Enterprises Inc.	7,400	Media
Providence St. Joseph's Hospital	2,850	Medical
Bob Hope Airport	2,400	Aero
ABC Inc.	2,300	Media
Burbank Unified School District	1,800	School
City of Burbank	1,700	Government
Deluxe Shared Services LLC	1,684	Media
Entertainment Partners	757	Media
Foto-Kem Industries Inc.	665	Media
Nickelodeon Animation	547	Media
Crane Co. Hydro-Aire Division	540	Aero
Senior Aerospace – SSP	512	Aero
Diagnostic Laboratories	420	Medical
Target Store #T-1362	420	Retail
Yahoo! Inc	413	Media
Capgemini U S LLC	410	Info Tech
Cartoon Network	375	Media
Ikea California LLC	356	Retail
Modern Videofilm Inc	346	Media

Source: City of Burbank.

Principal Property Owners and Taxpayers

The table below sets forth the principal property owners and property tax payers for the City.

CITY OF BURBANK
2014 Top Twenty Property Owners

Property Owner	*Total Assessed Value*	*% of Total Assessed Value*	*Primary Land Use*
Warner Bros. Entertainment Inc.	$ 847,123,756	4.30%	Motion picture and television
Walt Disney Productions Inc.	610,963,225	3.10	Motion picture and television
Catalina Media Development II LLC	456,621,255	2.32	Motion picture and television
PI Hudson MC Partners LLC	344,078,521	1.75	Commercial Office Buildings
Burbank Mall Associates	271,932,359	1.38	Retail Commercial Shopping Center
CREP 3800 Holdings LLC	183,732,673	0.93	Commercial Office Building
Burbank Empire Center II LLC	172,000,181	0.87	Retail Commercial Shopping Center
Earth Star Inc.	138,433,763	0.70	Disney corporate aircraft
Tower Burbank Owner LLC	121,100,000	0.61	Commercial Office Building
Douglas Emmett 1993 LLC	114,667,791	0.58	Commercial Office Building
Trifecta Hotel B Owner	114,107,026	0.58	Marriott Hotel at Burbank Airport
Southwest Airlines Company	108,151,327	0.55	Commercial airline
Teachers Insurance and Annuity Assoc.	102,463,080	0.52	Empire Landing Residential Apartments
KW Funds 333 North Glenoaks LLC	85,291,985	0.43	Commercial Office Building
Avalon Promenade Inc.	82,391,537	0.42	Avalon Burbank Apartments
C and P Properties	75,043,308	0.38	Residential/Commercial/Office Properties
3500 Partners LLC	71,027,354	0.36	Commercial Office Building
Burbank Empire Investment Group Inc.	69,300,000	0.35	Commercial Office Building
Walton Empire Center V LLC	69,143,129	0.35	Commercial Office Building
Bay Apartment Communities Inc.	67,968,944	0.34	Rental apartments
Top Twenty Taxpayer Total Value	$ 4,105,541,214	20.82%	
Total Assessed Value	$ 19,716,798,485		

Source: County of Los Angeles and HdL Coren & Cone.

Construction Activity

The following table shows building permit valuations and new housing units in the City for 2009 through 2013.

CITY OF BURBANK
New Construction
2009-2013
(Dollars in Thousands)

	2009	*2010*	*2011*	*2012*	*2013*
Residential					
Single Family	$ 3,306.3	$ 6,854.6	$ 2,139.5	$ 3,621.6	$ 5,181.3
Multi-Family	1,196.5	555.2	3,091.0	4,967.0	0.0
Alteration/Additions	15,751.2	13,461.1	23,653.4	17,550.1	15,676.2
Total	$ 20,254.0	$ 20,870.9	$ 28,883.9	$ 26,138.7	$ 26,138.5
Non-Residential					
New Commercial	$ 15,076.2	$ 631.0	$ 6,381.4	$ 39,753.2	$ 0.0
New Industrial	0.0	0.0	1,000.0	59,945.6	254,436.0
Other[(1)]	5,573.5	1,533.5	0.0	0.00	348,205.0
Alteration/Additions	48,569.0	22,045.7	49,935.7	31,419.4	40,094.3
Total	$ 69,218.7	$ 24,210.2	$ 57,317.1	$ 131,118.2	$ 40,696.3
Total All Industry[(2)]	$ 89,472.7	$ 45,081.1	$ 86,201.0	$ 157,256.9	$ 66,835.8
New Housing Units					
Single Family Units	9	15	6	6	7
Multi-Family Units	6	3	15	20	0
Total	15	18	21	26	7

(1) Includes churches and religious building, hospitals and institutional buildings, schools and educational buildings, residential garages, public works and utilities buildings and non-residential alterations and additions.
(2) May not add up due to rounding.
Source: Construction Industry Research Board/California Homebuilding Foundation.

Taxable Sales

The following table shows taxable transactions in Burbank by type of business during calendar years 2009 through 2013. A summary of historic taxable transactions for Burbank is shown in the following table.

CITY OF BURBANK
Taxable Sales
2009-2013[1]
(dollars in thousands)

	2009	*2010*	*2011*	*2012*	*2013[1]*
Clothing & Clothing Accessories Stores	$ 93,052	$ 110,379	$ 130,457	$ 144,446	$ 106,359
General Merchandise Stores	305,459	302,374	306,568	305,283	207,879
Food & Beverage Stores	96,407	96,031	101,513	103,834	79,873
Food Services & Drinking Places	288,000	292,495	308,946	326,517	254,392
Home Furnishings & Appliance Stores	368,152	387,477	389,354	396,938	290,062
Building Material & Garden Equipment & Supplies	148,247	156,722	162,751	165,328	136,595
Motor Vehicle & Parts Dealers	124,195	140,152	153,294	154,232	118,279
Gasoline Stations	127,686	144,681	175,352	185,168	140,594
Other Retail Group	308,534	301,542	290,157	249,123	163,317
Total Retail & Food Services	1,859,733	1,931,854	2,018,393	2,030,869	1,497,350
All Other Outlets	578,890	597,367	659,997	685,158	480,925
Total All Outlets	$ 2,438,623	$ 2,529,221	$ 2,678,390	$ 2,716,027	$ 1,978,275

\# Sales omitted because their publication would result in the disclosure of confidential information.
(1) Through third quarter of 2013.
Source: State of California, Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Personal Income

The following tables summarize personal income and per capita personal income for the County of Los Angeles, State of California and United States from 2008 through 2013.

COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AND UNITED STATES
Personal Income
2008-2013

Year	*County of Los Angeles*	*California*	*United States*
2008	410,482,294	1,596,229,973	12,429,234,000
2009	395,372,354	1,537,094,676	12,080,223,000
2010	404,473,004	1,578,553,439	12,417,659,000
2011	425,673,042	1,685,635,498	13,189,935,000
2012	455,788,782	1,805,193,769	13,873,161,000
2013	466,098,988	1,856,614,186	14,151,427,000

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

COUNTY OF LOS ANGELES, THE STATE OF CALIFORNIA AND UNITED STATES
Per Capita Personal Income[1]
2008-2013

Year	*County of Los Angeles*	*California*	*United States*
2008	42,165	43,608	40,873
2009	40,396	41,587	39,379
2010	41,163	42,282	40,144
2011	43,062	44,749	42,332
2012	45,800	47,505	44,200
2013	46,530	48,434	44,765

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

APPENDIX G

FISCAL CONSULTANT'S REPORT

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is being referred to herein as the "Law") that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedule (the "ROPS"), and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the "RPTTF").

The Agency's Merged Project was created in 2004 by the merger of the Golden State Redevelopment Project, the City Centre Redevelopment Project and the South San Fernando Redevelopment Project. The Agency's West Olive Redevelopment Project was adopted in 1976 but was not included in the 2004 merger. The California Community Redevelopment Law (the Law) provides for the creation of redevelopment agencies by cities and counties for the purpose of the elimination of blight. The Law, together with Article 16, Section 16 of the California Constitution, authorizes redevelopment agencies to receive that portion of property tax revenue generated by project area taxable values that are in excess of the Base Year value. The Base Year value is defined as the amount of the taxable values within the project area boundaries on the last equalized tax roll prior to adoption of the project area. The amount of current year taxable value that is in excess of the Base Year value is referred to as incremental taxable value. Tax revenues generated from the incremental taxable value are generally referred to as Tax Increment Revenues. The Law provides that the Tax Increment Revenues may be pledged by the redevelopment agency to the repayment of agency indebtedness.

In this report, Tax Increment Revenues with the addition of Unitary Tax Revenue (see Section IV, Allocation of State Assessed Unitary Taxes) are referred to as Gross Tax Revenues. Tax Revenues are defined as Gross Tax Revenues less the SB 2557 County Administrative fees and collection charges (see Section IV, County Collection Charges); and, tax sharing payments that have a lien on Tax Revenues that is superior to the lien on Tax Revenues of debt service on the Bonds (see Section VII, Tax Sharing Agreements and Other Obligations).

The purpose of this fiscal consultant report (the Report) is to examine the assessed values of the current fiscal year and project for nine fiscal years the amount of tax increment revenues anticipated to be received by the Successor Agency from each of the component project areas that make up the Merged Project. The Law and the limits within the component redevelopment plans determine the amount of Project Area Gross Tax Revenues. The amount of the Tax Revenues available for the payment of debt service on the Bonds is also affected by prior obligations undertaken by the Successor Agency. Based on our research, we project that the Tax Revenues that will be pledged to the payment of debt service on the Bonds will be as shown in Table A below. As discussed below, revenues from the West Olive Project are not considered as security for the Bonds.

Table A
Merged Project Area Tax Revenues
(000's omitted)

Fiscal Year	Golden State	City Centre	South San Fernando	Merged Project
2014-15	$22,083	$ 7,914	$2,903	**$32,900**
2015-16	19,824	7,818	2,900	**30,543**
2016-17	20,106	11,241	2,981	**34,328**
2017-18	20,393	11,460	3,064	**34,917**
2018-19	20,686	11,683	3,149	**35,517**
2019-20	20,984	11,910	3,235	**36,129**
2020-21	21,289	12,142	3,323	**36,754**

2021-22	21,600	12,379	3,412	**37,391**
2022-23	21,917	12,620	3,504	**38,041**
2023-24	2,289	12,867	3,597	**18,753**

The taxable values of property and the resulting Tax Revenues for each component area of the Merged Project summarized above are reflected on Tables 1 and 2 of the projections (attached). These projections are based on assumptions determined by our review of the taxable value history of the component project areas and the property tax assessment and property tax apportionment procedures of Los Angeles County (the County). The projection illustrates the entire amount of Tax Revenues projected as being available from each component area of the Merged Project. It is assumed that the Successor Agency will continue to have sufficient debt and debt service, as defined in the redevelopment plans, to capture all of the available Tax Revenue. In addition to the revenues from the Merged Project, the Successor Agency will be allocated revenue through the RPTTF from its West Olive Project Area. The West Olive Project revenue is pledged to payment of debt service on bonds issued in 2003. The West Olive Project Area is projected to reach its tax increment limit with the RPTTF allocation to be made in June, 2015. It is not expected that any additional revenue will be allocated to the Successor Agency from the West Olive Project after June 1, 2015. The projections of Tax Revenue for repayment of the Bonds do not anticipate any revenue being available from the West Olive Project Area. Future year assessed values and Tax Revenues are projections based upon the assumptions described in this Report, and are not guaranteed as to accuracy. This Report is not to be construed as a representation of such by HdL Coren & Cone.

II. The Project Area

On October 26, 2004 the City Council of the City of Burbank adopted Ordinance No. 3654 that merged three existing redevelopment project areas into a single Merged Project Area. The three original redevelopment projects were the Golden State Redevelopment Project, the City Centre Redevelopment Project and the South San Fernando Redevelopment Project. The original project areas are described below.

Golden State Redevelopment Project

The Golden State Redevelopment Project was adopted on December 22, 1970 by Ordinance No. 2269 and consists of a single contiguous area including approximately 1,107 acres. The project area includes the Bob Hope Airport and the surrounding areas adjacent to the Interstate 5, the Golden State Freeway. Golden State is generally bounded by the Burbank city limits on the west and north, the Metrolink railroad right-of-way on the south and Interstate 5 on the east. The project area is made up of a total of 495 secured parcels. For fiscal year 2014-15, the taxable value within the Golden State Redevelopment Project is $2,553,141,508 and the incremental value is $2,224,459,466.

City Centre Redevelopment Project

The City Centre Redevelopment Project was adopted on October 26, 1971 by Ordinance No. 2315 and consists of a single contiguous area that includes 212 acres. The project area contains the City Hall and other City buildings and the Burbank Town Center Mall. The project area is mostly commercial in nature but includes a substantial number of residential parcels. There are 492 secured parcels within City Centre. The project area is generally bounded by Interstate 5 on the south, Glenoaks Boulevard on the north; Verdugo Avenue on the east and Burbank Boulevard on the west. . For fiscal year 2014-15, the taxable value within the City Centre Redevelopment Project is $1,149,573,562 and the incremental value is $1,111,213,885.

South San Fernando Redevelopment Project

The South San Fernando Redevelopment Project was adopted on June 17, 1997 by Ordinance No. 3468 and consists of a single contiguous area that includes 467 acres. The project area consists primarily of commercial and industrial parcels with very little residential use. There are 685 secured parcels within South San Fernando. The project area has a very irregular boundary. The project area abuts the eastern City limits and follows the Interstate 5 corridor from Burbank Boulevard to the southeast. For fiscal year 2014-15, the taxable value within the South San Fernando Redevelopment Project is $2,553,141,508 and the incremental value is $2,224,459,466.

West Olive Redevelopment Project (Not Included in the Merged Project)

The West Olive Redevelopment Project was adopted on December 21, 1976 by Ordinance No. 2590 and consists of a single area located on both sides of State Route 134 at West Olive Avenue. The project area totals 128 acres. The project area contains a total of 146 secured parcels with most being commercial or industrial in use. Within the project area are several large movie, radio and television studio properties as well as the Providence Saint Joseph Medical Center. For fiscal year 2014-15, the taxable value within the West Olive Redevelopment Project is $1,327,813,604 and the incremental value is $1,278,453,880.

A. Land Use

Table B represents the breakdown of land use in the Merged Project by the number of parcels and by assessed value for fiscal year 2014-15. Table C represents the breakdown of land use in the South San Fernando Project Area by the number of parcels and by assessed value for fiscal year 2014-15. Unsecured and SBE non-unitary values are connected with parcels that are already accounted for in other categories. It should be noted that the figures below include the net taxable value for all parcels. This information is based on County land use designations as provided by the County.

Table B
Merged Project Area Land Use Summary

Category	No. Parcels	Net Taxable Value	% of Total
Residential	351	365,223,051	8.22%
Commercial	446	1,931,569,812	43.45%
Industrial	606	790,231,378	17.78%
Institutional	8	297,359	0.01%
Recreational	6	64,512,605	1.45%
Vacant Land	50	42,014,826	0.95%
Exempt	200	0	0.00%
Subtotals:	**1,667**	**3,193,849,031**	**71.85%**
SBE Non-unitary		1,684,179	0.04%
Cross Reference		99,915,136	2.25%
Unsecured		1,149,760,346	25.87%
Totals:	**1,667**	**4,445,208,692**	**100.00%**

Table C South San Fernando Project Area Land Use Summary			
Category	No. Parcels	Net Taxable Value	% of Total
Residential	53	35,993,876	4.85%
Commercial	227	247,262,750	33.30%
Industrial	299	323,908,142	43.62%
Institutional	0	0	0.00%
Recreational	2	1,927,989	0.26%
Vacant Land	22	20,916,629	2.82%
Exempt	77	0	0.00%
Subtotals:	**680**	**630,009,386**	**84.85%**
SBE Non-unitary		0	0.00%
Cross Reference		413,007	0.06%
Unsecured		112,071,229	15.09%
Totals:	**680**	**742,493,622**	**100.00%**

The vacant parcels within the Merged Project total 26.0 acres according to Assessor's maps and other County records. The following Table D breaks down the vacant parcels for each of the component project areas.

Table D Vacant Land Summary		
	No. Vacant Parcels	Acres
Golden State Project	21	12.49
City Centre Project	8	1.95
South San Fernando Project	22	11.56
Totals	**51**	**26.00**

B. Redevelopment Plan Limits

Chapter 942, Statutes of 1993 (See Section VI B below), as codified in Section 33333.6 of the Law, limits the life of redevelopment plans adopted prior to January 1, 1994 to 40 years from the date of adoption or January 1, 2009, whichever is later. It also limits the period within which a redevelopment project area may receive tax increment to the life of the redevelopment plan plus ten years beyond the termination of redevelopment activities except to accommodate certain specific low and moderate-income housing obligations or to pay debt service on bonds, indebtedness or other financial obligations authorized prior to January 1, 1994. Such redevelopment plans are further required to include a limitation on the number of tax increment dollars that may be allocated to the redevelopment agency; a time limit on the establishing of indebtedness to be repaid with tax increment; and a limit on the amount of bonded indebtedness to be repaid with tax increment that can be outstanding at one time. These limits can be extended only by an amendment of the redevelopment plan.

For redevelopment plans adopted prior to 1994, Chapter 942 stipulates that the time limit for establishing indebtedness shall not exceed 20 years from the adoption of the redevelopment plan or January 1, 2004, whichever is later. Chapter 741, Statutes of 2001, was adopted under SB 211 and amends several sections of the Law that control time limitations for redevelopment project areas. Limitations, that under prior legislation could not be amended or had different amendment procedures, in accordance with this section, may be modified through project area amendments as set forth in this section of the Law (see Section VI, Legislation). None of the redevelopment plans that were adopted prior to 1994 were amended in the manner allowed by SB 211.

Pursuant to Senate Bill 1045 (see Section VI) the City Council extended the term of redevelopment plan effectiveness of all component project areas by one year with the adoption of project specific ordinances on January 6, 2004. These extensions extended by one year both the period of the component area redevelopment plan effectiveness and the period within which the project areas may repay indebtedness. Pursuant to Senate Bill 1096 (see Section VI) the City Council extended the term of redevelopment plan effectiveness of all component project areas other than the South San Fernando Project Area and, by extension, the period within which the Agency may repay indebtedness with revenue from the extended component areas by two additional years through the adoption of project specific ordinances on September 13, 2005 and on September 12, 2006. Each of the plan amendments added one year to the component area redevelopment plan effectiveness as provided by SB 1096. These two, one year extensions of the time limits were predicated upon the payment by the Agency of its ERAF obligation for 2005 and 2006. The payment of these obligations was required by law and the Agency made the required payments.

The South San Fernando Project Area was adopted under the time limits applied by Chapter 942 and was amended by the adoption of Ordinance No. 3629 on January 6, 2004 to add one year of redevelopment plan effectiveness pursuant to SB 1045 (see above). The redevelopment plan for the San Fernando Project shall no longer be effective thirty-one years after the effective date of its adoptive ordinance and no new debt to be repaid from tax increment revenues shall be incurred after twenty years from the adoption date. The Agency may not repay indebtedness in the San Fernando Project Area beyond forty-six years from the adoption date. There is no limitation on the amount of cumulative tax increment revenue that may be received from the South San Fernando Project.

The redevelopment plan limits set forth in the redevelopment plans for the component project areas of the Merged Project and the West Olive Project are summarized in Table E below:

Table E
Merged Project Redevelopment Plan Limits

Project Area	Termination of Project Activities	Last Date to Repay Debt with Tax Revenue	Tax Increment Limit	Limit on Outstanding Bond Debt
Golden State Project	December 22, 2013	December 22, 2023	$5,098,032,285[1]	No Limit
City Centre Project	October 26, 2014	October 26, 2024	$3,106,962,907	No Limit
S. San Fernando Project	July 26, 2028	July 26, 2043	No Limit	$140.2 million[2]
West Olive Project	December 21, 2019	December 21, 2029	$60 million[3]	$30 million

Within the Golden State Project, the Agency has received a total of $443,864,486 in tax increment revenue through 2013-14. Based on the assumptions used in our projection, the increment revenues will not reach Golden State's tax increment limits within the period that it will be able to repay indebtedness. Even if the growth in tax increment revenues exceeds 50% in annual growth, Golden State will not reach the limitation

[1] Cumulative tax increment limits for Golden State and City Centre Projects are based on Gross Revenue less 20% for Housing Set-Aside and include only those revenues allocated to the Project Areas after January 1, 1987.
[2] The Bonded Indebtedness Limit was initially $100 million and has been adjusted by annual CPI per the redevelopment plan.
[3] The tax increment limit for the West Olive Project is based on gross tax increment allocated to the Agency from this project area less 20% for Housing Set-Aside and less all tax sharing amounts.

prior to expiration of the limit on repayment of indebtedness. Within the City Centre Project, the Agency has received a total of $174,214,031 in tax increment revenue through 2013-14. Based on the assumptions used in our projection, the increment revenues will not reach City Centre's tax increment limit prior to the expiration of the project areas limit on repayment of indebtedness. Even if the growth in tax increment revenues exceeds 50% in annual growth, City Centre will not reach the limitation prior to expiration of the limit on repayment of indebtedness.

Through fiscal year 2013-14, the West Olive Project has been allocated a total of $57,159,120 in cumulative tax increment revenue that is applied to the project areas cumulative tax increment limit according to the County Auditor-Controller. It is expected that with the allocation of revenue that will occur on January 2, 2015, West Olive Project will exceed its cumulative tax increment limit and no longer be allocated revenue through the RPTTF. As discussed above, since it not anticipated that any revenue will be allocated from within the Project Area after January 2015, revenues attributable to the West Olive Project are not considered in the projections set forth in this Report.

On April 2, 2014, Justyn Howard, Assistant Program Budget Manager for the California Department of Finance, wrote a letter to Mary Jo Walker, the Auditor-Controller of the County of Santa Cruz, outlining the Department of Finance's opinion on the applicability of redevelopment plan tax increment limits for the former redevelopment project areas that were dissolved by State legislation in 2011 (see Section VI – Legislation Affecting Tax Revenues). It is the opinion of the Department of Finance (the DOF) that the tax increment limits within the former redevelopment plans that had not been reached prior to redevelopment dissolution are inconsistent with the purpose and intent of the redevelopment dissolution statutes. This is only the opinion of DOF and does not have any force of law. It is possible that the tax increment limits contained in the redevelopment plans may not be applied by the County Auditor Controller at such time as the tax increment limits may be reached.

The Los Angeles County Auditor-Controller, in consultation with County Counsel, has determined that it will continue to enforce the tax increment limits contained in the redevelopment plans. They have further determined that tax increment revenue allocated to taxing entities as residual revenue under the dissolution legislation will not be considered as revenue to be counted against the cumulative limits in the redevelopment plan. The projections have assumed that the redevelopment plan limits will be applied but no assumptions can be made as to how much project area revenue may be allocated as residual revenue and not counted against cumulative tax increment limits.

On January 9, 2015, the Governor announced this budget proposal for FY 2015-16. Among several other proposed revisions to the laws that dissolved the former redevelopment agencies, the Governor is proposing to include language in the dissolution legislation that specifies that the tax increment limits and the time limits contained in the redevelopment plans for the former project areas will no longer be enforceable. Under this proposed change, the Successor Agency would continue to be allocated revenue from all former project areas through the RPTTF until such time as all enforceable obligations have been repaid. The legislation that will implement these proposals has not yet been introduced in the Legislature and we cannot guarantee that such legislation will be enacted. For purposes of the this report and the projections, we have assumed the continued enforcement of the tax increment and time limits by the County Auditor-Controller.

III. Project Area Assessed Values

A. Assessed Values

Taxable values are prepared and reported by the County Auditor-Controller each fiscal year and represent the aggregation of all locally assessed properties that are part of each of the component project areas. The assessments are assigned to Tax Rate Areas (TRA) that are coterminous with the boundaries of the project areas. The historic reported taxable values for the component project areas were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent ten fiscal years beginning with 2005-06. Between 2005-06 and 2014-15 the taxable value within the Merged Project increased by $1,124,794,033 (33.88%) in the aggregate, although such growth was not experienced uniformly among each of the component project areas. This represents an average annual growth of 3.4% despite reductions in value that occurred in fiscal years 2010-11, 2011-12 and 2013-14.

Growth within the Merged Project has been hindered by the large fluctuations in thevalue of privately owned aircraft within the Golden State Project. Value identified as Aircraft value on the unsecured tax roll relates to privately owned aircraft that are normally residing at the Bob Hope Airport. These include a number of very expensive jet aircraft owned by the Disney Company and other media companies with offices in or near the City. Commercial aircraft values are not separately listed but are included within the unsecured tax rolls as personal property. Non-Aircraft unsecured values have remained virtually level since 2004-05. For 2014-15, the personal property values in Golden State include a total of $170,836,663 that is attributable to commercial aircraft value. This amount is 47.24% of all personal property value in the Golden State Project and is 17.95% of all unsecured value. Unsecured values within the Golden State Project for 2014-15 include a total of $695.3 million in Aircraft (see discussion below) and commercial aircraft value. This is 73.04% of all unsecured value and 27.23% of the Project Area's total value. Data on the amount of commercial aircraft value for prior years is not currently available. Personal Property values in the Golden State Project have fluctuated but have remained relatively stable over the 10 year period examined.

The component project areas have all grown substantially in the period of time from 2005-06 through 2014-15. Each of the component project areas experienced some amount of value loss during the period of 2010-11 through 2012-13. In most of the years in question, values increased by more than 10% over the prior year through 2008-09. The table below shows the taxable incremental values for each of the component project areas and the percentage by which these values have increased above the prior year values.

Table F
Incremental Value History and Percentage Growth from Prior Year By Component Project Area

	Golden State	Golden State Aircraft Value	City Centre	S. San Fernando
2005-06	$1,736,832,877	$647,922,640	$ 704,521,273	$164,002,482
	10.59%	6.93%	14.41%	8.64%
2006-07	$2,007,980,432	$763,162,740	$ 835,906,155	$209,523,667
	15.61%	17.79%	18.65%	27.76%
2007-08	$2,257,965,219	$809,223,559	$ 926,180,282	$269,143,174
	12.45%	6.04%	10.80%	28.45%
2008-09	$2,613,397,123	$923,536,706	$ 982,376,921	$304,477,783
	15.74%	14.13%	6.07%	13.13%
2009-10	$2,653,002,613	$971,930,602	$1,053,749,848	$339,773,256

	1.52%	5.24%	7.27%	11.59%
2010-11	$2,583,459,955	$925,517,879	$1,039,895,156	$339,633,916
	-2.62%	-4.78%	-1.31%	-0.04%
2011-12	$2,227,250,733	$629,664,864	$1,041,461,701	$328,342,035
	-13.79%	-31.97%	0.15%	-3.32%
2012-13	$2,367,952,122	$761,263,855	$1,034,710,713	$359,708,590
	6.32%	20.90%	-0.65%	9.55%
2013-14	$2,262,322,178	$602,552,690	$1,070,905,367	$367,645,015
	-4.46%	-20.85%	3.50%	2.21%
2014-15	$2,224,459,466	$524,496,095	$1,111,213,885	$395,221,815
	-1.67%	-12.95%	3.76%	7.50%

Value changes within the Golden State Project is impacted by the fact that the Bob Hope Airport is located within that project area and several of the entertainment industry companies in the area house their very expensive corporate aircraft at that airport. Aircraft value within the Golden State Project for 2014-15 is $524.5 million. This is considerably below the $647.9 million of enrolled Aircraft value for 2005-06. During this period, Aircraft values increased to a maximum level of $971.9 million in 2009-10 and then declined to their lowest value in the current fiscal year. Changes in Aircraft value have resulted in a loss in unsecured value of $130.1 million (-10.17%) over the ten year period examined. During the same period, secured values have risen by $1.25 billion (61.5%). Aircraft values have declined over the ten year period by $123.4 million (-19.05%). Since 2009-10, Aircraft values have dropped by $447.4 million (-46.04%).

This volatility is based on the fact that airplanes and helicopters are valued by the County as of the annual lien date and this value is located based on where these aircraft are normally residing for the given fiscal year. The presence of these expensive properties at a particular airport changes from year to year based on the aircraft owners tax and business circumstances. Because we have no adequate way to project the change in Aircraft value from year to year, we have assumed that this value will remain at the same level as for the current fiscal year.

The detailed history of assessed values for each of the component project areas from 2005-06 to 2014-15 is illustrated on Table 3 (attached) for each project area tax increment projection.

B. Top Ten Taxable Property Owners

A review of the top ten taxpayers in the Merged Project for fiscal year 2014-15 was conducted and broken down within each of the component project areas. Within the Merged Project, the aggregate total taxable value for the ten largest taxpayers totaled $1,273,943,812. This amount is 34.15% of the $3,730,895,166 Merged Project incremental value. The top taxpayer in the Merged Project is Burbank Mall Associates that controls a total of $271,932,359 in secured and unsecured assessed value. This amount is 7.29% of the Merged Project incremental value. The second largest taxpayer is Burbank Empire Center II LLC that controls two parcels with a combined valuation of $172,000,181. This taxpayer's valuation is 4.61% of the Merged Project total incremental value. Table G below illustrates the percentage of incremental value for the top ten taxpayers in the Merged Project and their relative importance to the incremental value of the Project Area.

Among the top ten taxpayers in the Merged Project, five have filed assessment appeals that are currently pending. These include Burbank Mall Associates LLC, Burbank Empire Center II LLC, Trifecta Hotel B Owner LLC, Teachers Insurance and Annuity and KW Funds 333 North Glenoaks LLC. The details of the top taxpayer pending assessment appeals are discussed in Section IV, F (Assessment Appeals) below. Potential reductions in value that may result from these appeals have been considered in the projections of tax increment revenue for the component project areas.

Table G
Top Ten Property Taxpayers for the Merged Project

Property Owner	Combined Value	% of Total Assessed Value	% of Total Incremental Value	Component Project Area
Burbank Mall Associates LLC	$271,932,359	6.12%	7.29%	City Centre Project
Burbank Empire Center II LLC	172,000,181	3.87%	4.61%	Golden State Project
Earth Star Inc.	138,433,763	3.11%	3.71%	Golden State Project
Trifecta Hotel B Owner LLC	114,107,026	2.57%	3.06%	Golden State Project
Southwest Airlines Company	108,151,327	2.43%	2.90%	Golden State Project
Teachers Insurance and Annuity	102,463,080	2.31%	2.75%	Golden State Project
KW Funds 333 North Glenoaks LLC	85,291,985	1.92%	2.29%	City Centre Project
Avalon Promenade Inc.	82,391,537	1.85%	2.21%	City Centre Project
Warner Communications Inc.	73,524,000	1.65%	1.97%	Golden State Project
Burbank Empire Investment Group Inc.	69,300,000	1.56%	1.86%	Golden State Project
Top Taxpayer Total Value	**$1,217,595,258**			
Project Area Assessed Value	**$4,445,208,692**	**27.39%**		
Project Area Inc. Value	**$3,730,895,166**		**32.64%**	

IV. Tax Allocation and Disbursement

A. Property Taxes

The taxable values of property are established each year on the January 1 property tax lien date. Real property values reflect the reported assessed values for secured and unsecured land and improvements. The base year value of a parcel is the value established as the full market value upon a parcel's sale, improvement or other reassessment. Article XIIIA of the California Constitution (Proposition 13) provides that a parcel's base year value is established when locally assessed real property undergoes a change in ownership or when new construction occurs. Following the year a parcel's base year value is first enrolled, the parcel's value is factored annually for inflation. The term base year value does not, in this instance, refer to the base year value of the Project Areas. Pursuant to Article XIIIA, Section 2(b) of the State Constitution and California Revenue and Taxation Code Section 51, the percentage increase in the parcel's value cannot exceed 2% of the prior year's value.

Secured property includes property on which any property tax levied by a county becomes a lien on that property. Unsecured property typically includes value for tenant improvements, fixtures, inventory and personal property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other secured property owned by the taxpayer. The taxes levied on unsecured property are levied at the previous year's secured property tax rate. Utility property assessed by the State Board of Equalization (the Board) may be revalued annually and such assessments are not subject to the inflation limitations established by Proposition 13. The taxable value of Personal Property, including commercial and privately owned aircraft, is also established on the lien dates but is not subject to the annual 2% inflationary growth limit of that applies to locally assessed real property.

Each year the Board announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. Through 2010-11 there were six occasions when the inflation factor has been less than 2%. Until 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels, however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was a -0.237% and this resulted in reductions to the adjusted base year value of parcels. The changes in the California Consumer Price Index (CCPI) from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. Table H below reflects the inflation adjustment factors for the current fiscal year and ten prior fiscal years.

Table H
Historical Inflation Adjustment Factors

Fiscal Year	Inflation Adj. Factor
2004-05	1.867%
2005-06	2.000%
2006-07	2.000%
2007-08	2.000%
2008-09	2.000%
2009-10	2.000%
2010-11	-0.237%
2011-12	0.753%
2012-13	2.000%
2013-14	2.000%
2014-15	0.454%
2015-16	1.998%

On December 5, 2014, the Board determined that the inflationary adjustment for 2015-16 would be 1.998%. For purposes of the projection we have assumed that the inflation adjustment factor for fiscal years beyond 2015-16 will be 2.00%. This assumption is based on the fact that the inflation adjustment factor has been at the maximum allowed amount of 2.00% in 31 of the 38 years since the adoption of Proposition 13. We believe that assuming the resumption of a 2.00% inflation adjustment factor is justified by historical experience.

B. Supplemental Assessments

Chapter 498 of the Statutes of 1983 provides for the reassessment of property upon a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against Real Property.

Since 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes. The receipt of Supplemental Assessment Revenues by taxing entities typically follows the change of ownership by a year or more. We have <u>not</u> included revenues resulting from Supplemental Assessments in the projections.

C. Tax Rates

Tax rates will vary from area to area within the State, as well as within a community and a project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of $1.00 per $100 of taxable value and the over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition 13.

A Constitutional amendment approved in June 1983 allows the levy of over-ride tax rates to repay indebtedness for the acquisition and improvement of real property, upon approval by a two-thirds vote. A subsequent amendment of the Constitution prohibits the allocation to redevelopment agencies of tax revenues derived from over-ride tax rates levied for repayment of indebtedness approved by the voters after December 31, 1988. Tax rates that were levied to support any debt approved by voters after December 31, 1988 were not allocated to redevelopment agencies. The over-ride tax rates typically decline each year as a result of (1) increasing property values (which would reduce the over-ride rate that must be levied to meet debt service) and (2) the eventual retirement of debt over time.

Section 34183(a)(1) of the Law as amended by ABlx 26 requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. This has been interpreted by the County to include all of the revenues resulting from all over-ride tax rates that were previously being allocated to redevelopment agencies other than those being levied for pension fund purposes. This is based on the County's determination that these tax rates, other than for pension fund purposes, are being levied for repayment of indebtedness for acquisition or improvement of real property. As a result, the tax increment revenues being deposited into the RPTTF from the Merged Project include all revenues derived from the general levy tax rate and no revenues derived from over-ride tax rates that had been included in tax increment revenues prior to the dissolution of redevelopment agencies. The projection of Tax Revenue is based only on the general levy tax rate.

D. Allocation of Taxes

Taxes on secured property values paid by property owners are due in two equal installments on November 1 and on February 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. Prior to dissolution of redevelopment agencies, the County disbursed secured tax increment revenue to the former redevelopment agencies from November through August with approximately 45 percent of secured revenues apportioned by the end of December and a total of 95% of the secured revenues by the end of the following May. Unsecured revenues were disbursed to the former redevelopment agencies from September through June of each fiscal year with approximately 90% of the unsecured revenues being apportioned in September. The Los Angeles County Auditor-Controller apportions tax increment revenue based on collections and does not utilize the alternative allocation method known as the Teeter Plan. The apportionment schedule described above and the apportionment of tax increment revenue based on collections was in use by Los Angeles County for many years prior to redevelopment dissolution and continues to be the pattern of tax increment revenue allocation.

As of February 1, 2012, the apportionment of tax increment revenue was dictated by the legislation adopted as ABx1 26 (See Legislation, Section VI). Revenue is now apportioned to Successor Agencies on January 2 and June 1 of each fiscal year. All tax increment revenue is accumulated by the County Auditor-Controller in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 2 consists of revenues collected in the previous fiscal year after the middle of May and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 1 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the County Auditor-Controller is to deduct its own County administrative charges and is to calculate and deduct amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law. The amount remaining after these reductions, if any, is what is available for payment by the Successor Agency of debt obligations of the former redevelopment agency.

Prior to receiving revenues on January 2 and June 1, the Successor Agency must adopt a Recognized Obligation Payment Schedule (ROPS) that lists the debt obligations of the former redevelopment agency that must be paid during the upcoming six month periods of January 1 through June 30 and July 1 through December 31. There is a provision in the legislation for a Successor Agency to request additional amounts in one ROPS payment to allow it to make payments that may be beyond the revenues available in the upcoming allocation cycle if required by an enforceable obligation of the Successor Agency. The ROPS must be submitted at least 90 days prior to each RPTTF allocation date and approved by the Successor Agency's Oversight Board that is established in the legislation with membership consisting of representatives from various taxing entities. The ROPS must also receive approval from the State Department of Finance (the "DOF"). Filing ROPS statements is mandated by statute and penalties are incurred if they are filed late or if they are not filed at all.

The Successor Agency is entitled to receive an amount to cover the administrative costs of winding down the business of the former redevelopment agency. This amount is set by AB1x 26 at the greater of $250,000 per year or a maximum of 3% of the amount allocated from the RPTTF. AB 1484 added language that allowed the Oversight Board to reduce the amount of the minimum administrative allowance. To the extent that revenues are insufficient to pay all of the approved ROPS obligations, the Successor Agency's administrative allowance will be reduced or eliminated. Successor Agency administrative allowance amounts that have been approved but cannot be paid due to a lack of RPTTF revenue will be carried over to the next RPTTF allocation for payment as funds become available.

If there are RPTTF amounts remaining after reductions for County administrative charges, amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law, enforceable obligations and Successor Agency administrative allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each allocation cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund (ERAF). The legislation stipulates that the combination of tax sharing payments and Residual Revenue payments to tax entities may not exceed that taxing entity's full share of tax increment revenue. In circumstances where a taxing entity receives all or most of its share of tax increment revenue as a result of its tax sharing agreement, that taxing entity's share of the Residual Revenue distribution may be reduced and the portions of Residual Revenue allocated to the other taxing entities will be proportionately increased. (See Section VII – Tax Sharing Agreements and Other Obligations, below)

The forms and procedures used by a successor agency to submit its ROPS to its Oversight Board and to the DOF are dictated by the legislation as interpreted by DOF.

E. Annual Tax Receipts to Tax Levy

The Los Angeles County Auditor-Controller apportions tax revenues to the RPTTF based upon the amount of the tax levy that is received from the taxpayers. Collection rates for the Merged Project have been consistently high. The following table illustrates the final tax revenue collections for the previous six fiscal years for which necessary data is available.

Table I
Current Year Collection Rates for Prior Six Years

	Golden State	City Centre	South San Fernando
2008-09	96.13%	98.84%	96.88%
2009-10	99.17%	97.84%	94.58%
2010-11	98.03%	98.42%	91.90%
2011-12	99.45%	99.25%	97.08%
2012-13	98.18%	99.56%	96.93%
2013-14	99.30%	99.58%	97.22%

F. Assessment Appeals

Assessment appeals data from Los Angeles County and through July 6, 2014 has been reviewed to determine the potential impact that pending appeals may have on the projected Tax Revenues. We have determined that there are 245 pending appeals within the Merged Project. In order to estimate the potential reduction in assessed value that may occur as a result of these pending appeals, we have reviewed the historical averages for the number of appeals allowed and the amount of assessed value removed. We have then applied those averages to the currently pending appeals and estimated the number of pending appeals that may be allowed and the amount of assessed value that may be removed as a result of these pending appeals.

Five of the Merged Project's top ten taxpayers have pending appeals of their assessed value. These taxpayers are Burbank Mall Associates LLC, Burbank Empire Center II LLC, Trifecta Hotel B Owner LLC, KW Funds 333 North Glenoaks LLC and Avalon Promenade Inc.

The table below summarizes the projected loss of assessed value will result from the assessment appeals that are currently pending within the component project areas.

Table J
Assessment Appeals Summary By Component Project Area

Project Areas	Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. & Value of Appeals Pending		Est. No. of Appeals Allowed	Est. Reduction on Pending Appeals Allowed (2015-16 Value Adjustment)
Golden State	232	98	71	27.55%	134	($2,039,684,508)	97	$268,427,541
City Centre	126	72	56	14.54%	54	($326,371,506)	42	$36,920,548
S. San Fernando	121	64	37	14.40%	57	($162,611,373)	33	$13,540,469
Project Area	**479**	**234**	**164**		**245**	**($2,528,667,387)**	**172**	**$318,888,558**

As mentioned above, a number of the top taxpayers in the Merged Project have pending assessment appeals. The table below reflects those currently pending assessment appeals.

Table K
Pending Assessment Appeals Among Merged Project Area Top Taxpayers

Taxpayer	FY of Appeal	No. Of Parcels Under Appeal	Value Under Appeal	Owner Opinion of Value	Potential Max. Value Reduction
Burbank Mall Associates LLC	2011-12	1	$28,877,937	$20,000,000	$8,877,937
	2013-14	2	$35,146,112	$19,000,000	$16,146,112
	2014-15	2	$39,955,179	$21,000,000	$18,955,179
Burbank Empire Center II LLC	2013-14	1	$23,404,181	$19,755,737	$3,648,444
	2014-15	1	$148,489,746	$125,139,626	$23,350,120
Trifecta Hotel B Owner LLC	2012-13	1	$92,299,165	$65,579,165	$26,720,000
	2013-14	1	$86,146,112	$80,000,000	$6,720,000
	2014-15	1	$108,791,682	$80,000,000	$28,791,682
Teachers Insurance and Annuity	2014-15	1	$102,463,080	$51,000,000	$51,463,080
KW Funds 333 North Glenoaks LLC	2013-14	4	$74,000,000	$36,996,000	$37,004,000
	2014-15	4	$45,079,848	$21,000,000	$24.079.848

G. County Collection Charges

Chapter 466 (SB 2557) allows counties to recover charges for property tax administration in an amount equal to their 1989-90 property tax administration costs, as adjusted annually. The County collection charges for 2014-15 have been applied and these collection charges were 1.35% of Gross Revenue within the Merged Project. For purposes of the projections, the actual SB 2557 charges for 2014-15 were incorporated and projected amount for 2015-16 and subsequent years are estimated at1.35% of Gross Revenue. We have assumed that the County will continue to charge the Agency for property tax administration and that such charge will increase proportionally with any increases in revenue. The reimbursement amount is uniform among the component project areas.

H. Allocation of State Assessed Unitary Taxes

Legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921) provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization, other than railroads. Prior to the 1988-89 fiscal year, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area. Commencing in 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. It is then distributed to each taxing entity in the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to two percent; (2) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro-rata county wide; and (3) any increase in revenue above two percent would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of the project area, therefore, the base year of project areas have been reduced by the amount of utility value that existed originally in the base year. The Auditor Controller allocated an aggregate total of $310,033 of unitary tax revenue to the component project areas of the Merged Project for 2014-15. For purposes of the projections we estimate that this same amount of unitary tax revenue will be allocated for each fiscal year of the projection. The unitary tax revenue amounts that were allocated for 2014-15 is listed by component project area in Table L below.

Table L
Unitary Revenue Allocated

Project Area	Unitary Revenue
Golden State Project	$ 140,802
City Centre Project	162,027
South San Fernando Project	7,204
Merged Project Unitary	**$ 310,033**

V. Low and Moderate Income Housing Set-Aside

Sections 33334.2 and 33334.3 of the Law required redevelopment agencies to set aside not less than 20 percent of all tax increment revenues from project areas adopted after December 31, 1976 into a low and moderate income housing fund (the "Housing Set-Aside Requirement"). Sections 33334.3, 33334.6 and 33334.7 of the Law extend this requirement to redevelopment projects adopted prior to January 1, 1977. With the adoption of AB1x 26, the Housing Set-Aside Requirement was eliminated. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated Due Diligence Review. The amounts found to be unencumbered through this Due Diligence Review have been paid to the County and these funds have been allocated to the taxing entities within the former project areas.

VI. Legislation

In order to address State Budget deficits, the Legislature enacted SB 614, SB 844 and SB 1135 that required payments from redevelopment agencies for the 1992-93, 1993-94 and 1994-95 fiscal years into a countywide ERAF. The Former Agency could have used any funds legally available and not legally obligated for other uses, including agency reserve funds, bond proceeds, earned income, and proceeds of land sales, but not moneys in the Low and Moderate Income Housing Fund (the "Housing Fund") to satisfy this obligation. From 1995-96 to 2001-02, state budgets were adopted with no additional shifting of tax increment revenues from redevelopment agencies, however, the 2002-03 State Budget required a shift of $75 million of tax increment revenues statewide from redevelopment agencies to ERAF to meet the state budget shortfall. AB 1768 (Chapter 1127, Statutes of 2002) was enacted by the Legislature and signed by the Governor and based upon the methodology provided in the 2002-03 budget, the shift requirement for the former redevelopment agencies to make payments into the ERAF was limited to fiscal year 2002-03 only.

As part of the State's 2003-04 budget legislation, SB 1045 (Chapter 260, Statutes of 2003) required redevelopment agencies statewide to contribute $135 million to local County ERAF which reduced the amount of State funding for schools. This transfer of funds was limited to fiscal year 2003-04 only. Under the Law as amended by SB 1045, the redevelopment agencies were authorized to use a simplified methodology to amend the individual redevelopment plans to extend by one year the effectiveness of the plan and the time during which the agencies could repay debt with tax increment revenues. In addition, the amount of this payment and the ERAF payments made in prior years were to be deducted from the cumulative tax increment amounts applied to a project area's cumulative tax increment revenue limit. The information shown in Table F above reflects the extension of the time limits and the credit to the cumulative tax increment amounts.

After the State's budget for 2004-05 was approved by the legislature and signed by the Governor, Senate Bill 1096 was adopted. Pursuant to SB 1096, redevelopment agencies within the State were required to pay a total of $250 million to ERAF for fiscal year 2004-05 and for 2005-06. The payments were due on May 10 of each fiscal year. As in previous years, payments were permitted to be made from any available funds other than the Housing Fund. If an agency was unable to make a payment, it was allowed to borrow up to 50% of the current year Housing Set-Aside Requirement, however, the borrowed amount was required to be repaid to the Housing Fund within 10 years of the last ERAF payment (May 10, 2006). Under SB 1096, redevelopment plans with less than ten years of effectiveness remaining from June 30, 2005, could be extended by one year for each year that an ERAF payment is made. For redevelopment plans with 10 to 20 years of effectiveness remaining after June 30, 2005, the plans may be extended by one year for each year that an ERAF payment is made if the city council could find that the former redevelopment agency was in compliance with specified state housing requirements. These requirements are: 1) that the agency is setting aside 20% of gross tax increment revenues; 2) that housing implementation plans are in place; 3) that replacement housing and inclusionary housing requirements are being met; and, 4) that no excess surplus exists. Table C above reflects these time limit extensions. The former redevelopment agency did not borrow from the Housing Fund as authorized in order to make the required payments for ERAF. As outlined below, the method by which ERAF loans from the Housing Fund may be repaid has been modified by the adoption of AB 1484. The requirement for repayment of these loans by certain dates has been eliminated.

In July, 2009, the Legislature adopted AB 26 4x as a means of implementing a package of 30 bills that were adopted in order to close the State's budget deficit. Under this legislation the former redevelopment agencies statewide were required to pay into their county's "Supplemental" ERAF (the "SERAF"), $1.7 billion in fiscal year 2009-10 and were required to pay another $350 million in fiscal year 2010-11. Based on a State Controller formula, the former redevelopment agencies were required to pay the required amounts by May, 2010 and May, 2011 respectively.

Under this legislation, the former redevelopment agencies could use any available funds to make the SERAF payments. If Housing Set-Aside Requirement or Housing Fund amounts were borrowed to make the SERAF payment, the borrowed amounts were required to be repaid to the Housing Fund by June 30, 2015 and June 30, 2016 respectively. Under the requirements of Section 34191.4 amended by AB 1484, however, redevelopment agencies that borrowed from the Housing Fund to make the required SERAF payments for 2010 and for 2011 may only repay the borrowed amounts from annual amounts that are 50% of the increase in annual Residual Revenues that are above the Residual Revenue for fiscal year 2012-13. Repayment amounts are, under current legislation, to be repaid to the Successor Housing Agency established pursuant to AB 1x 26 and AB 1484 (see below). Repayment of SERAF payment amounts borrowed from the Housing Fund may only be repaid from growth in Residual Revenue. The former agency did not borrow from the Housing Fund in order to make the required payments.

AB 1x 26 and AB 1x 27 were introduced in May 2011 as placeholder bills and were substantially amended on June 14, 2011. These bills proposed to dramatically modify the Law as part of the fiscal year 2011-12 State budget legislation. AB 1x 26 would dissolve redevelopment agencies statewide effective October 1, 2011 and suspend all redevelopment activities as of its effective date. AB 1x 27 would allow redevelopment agencies to avoid dissolution by opting into a voluntary program requiring them to make substantial annual contributions to local school and special districts. The bills were signed by the Governor in late June, 2011 and were challenged by a suit filed before the California Supreme Court by the CRA. On December 29, 2011, the Supreme Court ruled that AB 1x 27 was unconstitutional and that AB 1x 26 was not unconstitutional. On June 27, 2012 the legislature passed and the Governor signed Assembly Bill 1484. This legislation made certain revisions to the language of AB 1x 26 based on experience after its implementation.

Once the obligations of the former redevelopment agencies have been recognized as Enforceable Obligations, the Successor Agency is obliged to manage the repayment of those Enforceable Obligations through the semiannual adoption of ROPS by the Oversight Board that is made up of representatives of taxing entities within the former redevelopment agency. Membership of the Oversight Board is dictated by Section 34179 of the Law. After 2016, there will be a single Oversight Board in each county that will be responsible for adoption of ROPS for all successor agencies in the county. The ROPS establishes the amounts that may be paid by the Successor Agency on the former redevelopment agency's debts during the six month periods following payments to the Successor Agency from the RPTTF by the County Auditor-Controller on January 2 and June 1 of each year.

Pursuant to Section 34187(b) of the Law, once the debts of the former redevelopment agency have been paid, the successor agency has one year to dispose of any remaining assets and terminate its existence notwithstanding the time and tax increment limits contained in redevelopment plans. The enforceability of time and tax increment limits contained in the redevelopment plans is unclear. The covenants in many bond offerings, including those of the Successor Agency, require adjustments to the deposit of tax increment revenues with the Trustee if the receipt of tax increment approaches the tax increment or time limits within the redevelopment plan. The County Auditor-Controller has indicated that it intends to abide by tax increment and time limits contained in the redevelopment plans. DOF has indicated that it believes the legislation intends for all enforceable obligations to be repaid notwithstanding redevelopment plan limits but has not indicated any inclination to try and require county auditor-controllers to comply with their interpretation of the statute. If DOF's understanding of the legislation is applied, the ongoing repayment of enforceable obligations may be allowed to continue beyond the time that a project area's cumulative tax increment limit is reached. For purposes of the projections, we have assumed that all revenue and time limits in the redevelopment plan will be applied. As a result, if either legislative changes or DOF policy changes relaxes any or all of these limits, the debts of the Successor Agency will be more secure than under the present assumptions.

As mentioned above, issues involved in the dissolution of redevelopment agencies have yet to be resolved including the continuation of plan limits, override revenues and the treatment of ERAF. Additionally, well over 100 lawsuits have been filed on various aspects of AB 1x 26 and AB 1484 which could impact the dissolution of redevelopment agencies. The Successor Agency has filed no lawsuits and is not involved in any current litigation in connection with the dissolution. Our projections could be impacted as a result of future court decisions in connection with lawsuits filed by other agencies.

VII. Tax Sharing Agreements and Other Obligations

The legislation that dissolved redevelopment agencies also required that the calculation and payment of tax sharing amounts be taken over by the County Auditor-Controller. Since February, 2012, the tax sharing obligations outlined below have been administered by the Auditor-Controller's office.

A. Tax Sharing Obligations

No tax sharing agreements were entered into by the former redevelopment agency for any of the component project areas within the Merged Project Area. Additionally, no amendment have been made to the Merged Project Area component redevelopment plans that were adopted prior to January 1, 1994 that would have required payment of statutory tax sharing amounts under the terms of Sections 33607.5 or 33607.7.

The South San Fernando Project was adopted after January 1, 1994 and is, therefore, subject to the statutory tax sharing payments mandated in the Law as amended by Assembly Bill 1290. These tax-sharing payments are set by statute and are not negotiated. A prescribed portion of the Agency's tax increment revenue must be shared with all taxing entities represented within the South San Fernando Project. This defined tax-sharing amount has three tiers.

The first tier payments began in the first year that the San Fernando Project received tax increment revenue and continues for the life of the Project. This first tier tax-sharing amount is 25 percent of the gross tax increment revenue allocated to the Project area net of the Housing Set-Aside Requirement. The City of Burbank has opted to receive its share of this first tier of tax-sharing payments as permitted by the Law. The second tier payments began in the eleventh year after the Agency first received tax increment revenue from within the South San Fernando Project. This second tier is 21 percent of the tax increment revenue, net of the Housing Set-Aside Requirement, that is derived from the growth in assessed value that is in excess of the assessed value of the Project in the tenth year. The City may not receive any portion of the second tier tax-sharing payments. The third tier payments begin in the 31st year after the Agency first received tax increment revenue. This third tier is 14 percent of the tax increment revenue, net of the Housing Set-Aside Requirement that is derived from the growth in assessed value that is in excess of the assessed value of the Project in the 30th year. The City may not receive any portion of the third tier tax-sharing payments. These three tiers of tax sharing are calculated independent of one another and continue from their inception through the termination of the Project's ability to repay indebtedness.

Within the West Olive Project Area, tax sharing obligations were required as a result of settlement agreements with Los Angeles County and the Los Angeles Community College District. In addition, amendments made to the West Olive redevelopment plan required statutory tax sharing payments to be made to other affected taxing entities pursuant to Section 33607.7 of the Law. It is expected that West Olive will exceed its redevelopment plan limit on receipt of tax increment revenue with the January 2, 2015 allocation of RPTTF revenues. Once the limit on tax increment revenue is reached, there will be no further revenue allocated by the Auditor-Controller to the Successor Agency from this project area and there will be no further obligation to make tax sharing payments pursuant to the settlement agreements or to Section 33607.7 of the Law.

B. Owner Participation Agreements

The Former Agency entered into an unsecured obligation with the original developer of the Media City Centre Mall (now the Burbank Town Center Mall) whereby the developer loaned the Former Agency $18.5 million to finance the cost of parking and related common area facilities to benefit the mall development. The repayment of principal and interest on this loan is based upon an amount that is no greater than 70% of the tax increment revenue derived from the Phase 1 portion of the mall development. Payments on this loan will be made through February 1, 2016 and any amounts outstanding as of that date will be forgiven.

In 1992 the Former Agency entered into a $33 million obligation with the mall developer related to the cost of a building to house Macy's department store that is secured but subordinate to the repayment of the earlier $18.5 million obligation. Repayment of principal and interest on this obligation is made from an amount no greater than 80% of the tax increment revenue derived from the Macy's property and the mall expansion area plus 10% of the tax increment revenue derived from the Phase 1 portion of the mall. In addition, 100% of the sales tax revenue generated by the Macy's store and the mall expansion is to be available for repayment of the obligation. The repayment amount is reduced by the greater of $1.3 million per year or the amount of the rental paid by the Macy's store to the mall owner. Payments on this loan will be made through February 1, 2016 and any amounts outstanding as of that date will be forgiven.

The two remaining payments to be made against these two obligations have been estimated for 2014-15 and 2015-16 at a combined amount of $3,208,301 in each year. The estimates are based on the average amount paid on these loans by the Former Agency and Successor Agency in fiscal years 2009-10 through 2013-14.

VIII. Development Activities

Since January 1, 2014 within the Merged Project, there have been 45 transfers of real property ownership where the sales price can be confirmed. These transfers of ownership represent a combined increase of $18.03 million in assessed value that is expected to be added to the tax rolls for 2015-16. The addition of new value due to transfers of ownership is distributed between the component projects of the Merged Project as shown below.

Table M Value Added to Projection from Transfers of Ownership		
	After 1/1/2014	
Project Area	# Transfers	Added Value
Golden State Project	15	$11,741,675
City Centre Project	21	$6,110,517
South San Fernando Project	9	$174,853
Merged Project Unitary	**45**	**$18,027,045**

New development continues to occur within the Merged Project but no additional value has been included in the projections for new construction.

IX. Trended Taxable Value Growth

In accordance with Proposition 13, growth in real property land and improvement values may reflect the year-to-year inflationary rate not to exceed 2% for any given year. A 2% growth rate is the maximum inflationary growth rate permitted by law and this rate of growth has been realized in all but nine years since 1981. The years in which less than two percent growth was realized included fiscal years 1983-84 (1.0%), 1995-96 (1.19%), 1996-97 (1.11%), 1999-00 (1.85%), 2004-05 (1.867%), 2010-11 (-0.237%), 2011-12 (0.753%), 2014-15 (0.454%) and 2015-16 (1.998%). We have used the announced factor to project the inflationary growth for 2015-16. We have assumed a resumption of 2% annual inflationary growth in all subsequent fiscal years. Future values will also be impacted by changes of ownership and new construction not reflected in our projections. In addition, the values of property previously reduced in value due to assessment appeals based on reduced market values could increase more than 2% when real estate values increase more than 2% (see Section IV A above). Seismic activity and environmental conditions such as hazardous substances that are not anticipated in this Report might also impact taxable assessed values and Gross Revenues. HdL Coren & Cone makes no representation that taxable assessed values will actually grow at the rate projected.

Anticipated revenues could be adjusted as a result of unidentified assessment appeal refunds, other Assessor corrections discussed previously, or unanticipated increases or decreases in property tax values. Estimated valuations from developments included in this analysis are based upon our understanding of the general practices of the County Assessor and County Auditor-Controller's Office. General assessment practices are subject to policy changes, legislative changes, and the judgment of individual appraisers. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections.

Burbank Successor Agency
Merged Project Area

Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1

2/4/2015

		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Taxable Values (1)											
Real Property (2)		3,408,981	3,169,859	3,233,256	3,297,921	3,363,880	3,431,157	3,499,781	3,569,776	3,641,172	3,713,995
Personal Property (3)		1,036,228	1,036,228	1,036,228	1,036,228	1,036,228	1,036,228	1,036,228	1,036,228	1,036,228	1,036,228
Total Projected Value		**4,445,209**	**4,206,087**	**4,269,484**	**4,334,150**	**4,400,108**	**4,467,386**	**4,536,009**	**4,606,004**	**4,677,400**	**4,750,223**
Taxable Value over Base	**714,314**	**3,730,895**	**3,491,774**	**3,555,171**	**3,619,836**	**3,685,794**	**3,753,072**	**3,821,695**	**3,891,691**	**3,963,086**	**4,035,910**
Gross Tax Increment Revenue (4)		37,309	34,918	35,552	36,198	36,858	37,531	38,217	38,917	39,631	40,359
Unitary Tax Revenue		310	310	310	310	310	310	310	310	310	310
Gross Tax Revenues		**37,619**	**35,228**	**35,862**	**36,508**	**37,168**	**37,841**	**38,527**	**39,227**	**39,941**	**20,444**
LESS:											
SB 2557 Admin. Fee (5)		(508)	(476)	(485)	(493)	(502)	(511)	(521)	(530)	(540)	(276)
AB 1290 Statutory Tax Sharing Tier 1 (6)		(792)	(791)	(817)	(844)	(871)	(899)	(928)	(957)	(986)	(1,016)
AB 1290 Statutory Tax Sharing Tier 2 (6)		(211)	(210)	(232)	(254)	(277)	(301)	(325)	(349)	(374)	(399)
AB 1290 Statutory Tax Sharing Tier 3 (6)		0	0	0	0	0	0	0	0	0	0
Haagen-Burbank Partnership Note (7)		(3,208)	(3,208)	0	0	0	0	0	0	0	0
Tax Revenues		**32,900**	**30,543**	**34,328**	**34,917**	**35,517**	**36,129**	**36,754**	**37,391**	**38,041**	**18,753**

(1) Taxable values as reported by Los Angeles County.

(2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by $18.03 million due to 45 transfers of ownership and decreased by $318.9 million due to estimated losses on pending assessment appeals.

(3) Personal property includes aircraft values within the Golden State Industrial Project. Aircraft values will vary from year to year in unpredictable amounts. For purposes of the projection, Personal property values, including aircraft values, are held constant at 2014-15 level.

(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities.

(5) L.A. County Administration Fee is actual for 2014-15 and estimated at 1.35% of Gross Tax Revenue thereafter.

(6) Within the South San Fernando Redevelopment Project, AB 1290 statutory tax sharing payments are based on a three tier tax sharing structure that is outlined in HSC Section 33607.5. All Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities also receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside.

(7) Within the City Centre Projet, loans made to the former redevelopment agency by the developer of the Media City Center Mall (now the Burbank Town Center Mall) are being repaid from tax increment revenue generated by the mall properties. Payments are estimated at $3,208,301 per year. The loans are payable through February 1, 2016 after which any remaining balance is forgiven.

Burbank Successor Agency
Merged Project Area
PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE
(000s Omitted)
Table 2

HdL Coren & Cone

2/4/2015

			Component Project Area Gross Tax Revenue					Statutory Tax Sharing				
			Golden State Industrial	City Centre	South San Fernando	Gross Tax Revenue	SB 2557 Charge	Tier 1	Tier 2	Tier 3	Haagen-Burbank Partnership Note	Tax Revenues
1	2014-15		22,385	11,274	3,959	**37,619**	(508)	(792)	(211)	0	(3,208)	**32,900**
2	2015-16		20,096	11,178	3,954	**35,228**	(476)	(791)	(210)	0	(3,208)	**30,543**
3	2016-17		20,381	11,395	4,086	**35,862**	(485)	(817)	(232)	0	0	**34,328**
4	2017-18		20,672	11,617	4,220	**36,508**	(493)	(844)	(254)	0	0	**34,917**
5	2018-19		20,969	11,843	4,356	**37,168**	(502)	(871)	(277)	0	0	**35,517**
6	2019-20		21,272	12,073	4,495	**37,841**	(511)	(899)	(301)	0	0	**36,129**
7	2020-21		21,581	12,309	4,638	**38,527**	(521)	(928)	(325)	0	0	**36,754**
8	2021-22		21,896	12,548	4,783	**39,227**	(530)	(957)	(349)	0	0	**37,391**
9	2022-23	(1)	22,217	12,793	4,930	**39,941**	(540)	(986)	(374)	0	0	**38,041**
10	2023-24	(2)	2,320	13,043	5,081	**20,444**	(276)	(1,016)	(399)	0	0	**18,753**
11	2024-25		1,972		5,235	**7,207**	(97)	(1,047)	(425)	0		**5,638**
12	2025-26		1,970		5,392	**7,362**	(99)	(1,078)	(451)	0		**5,733**
13	2026-27		1,967		5,552	**7,519**	(101)	(1,110)	(478)	0		**5,829**
14	2027-28		1,967		5,715	**7,683**	(103)	(1,143)	(506)	0		**5,930**
15	2028-29		1,970		5,882	**7,852**	(106)	(1,176)	(534)	(19)		**6,017**
16	2029-30		1,971		6,052	**8,022**	(108)	(1,210)	(562)	(38)		**6,104**
17	2030-31		1,969		6,225	**8,194**	(110)	(1,245)	(591)	(57)		**6,190**
18	2031-32		1,966		6,402	**8,367**	(113)	(1,280)	(621)	(77)		**6,276**
19	2032-33		1,965		6,582	**8,547**	(115)	(1,316)	(651)	(97)		**6,367**
20	2033-34		1,971		6,766	**8,737**	(118)	(1,353)	(682)	(118)		**6,466**
21	2034-35		1,971		6,953	**8,924**	(120)	(1,391)	(714)	(139)		**6,561**
22	2035-36		1,968		7,144	**9,113**	(123)	(1,429)	(746)	(160)		**6,655**
23	2036-37		1,968		7,340	**9,308**	(125)	(1,468)	(779)	(182)		**6,754**
24	2037-38		1,971		7,539	**9,509**	(128)	(1,508)	(812)	(204)		**6,857**
25	2038-39		1,970		7,742	**9,712**	(131)	(1,548)	(846)	(227)		**6,960**
26	2039-40		1,970		7,949	**9,919**	(134)	(1,590)	(881)	(250)		**7,064**
27	2040-41		1,972		8,160	**10,132**	(137)	(1,632)	(916)	(274)		**7,173**
28	2041-42		1,970		8,375	**10,345**	(139)	(1,675)	(953)	(298)		**7,280**
29	2042-43		1,970		8,595	**10,565**	(142)	(1,719)	(989)	(323)		**7,392**
			231,208	120,073	174,100	**525,380**	(7,094)	(34,820)	(16,069)	(2,461)	(6,417)	**458,520**

(1) The last date for repayment of debt within the Golden State Project Area is December 22, 2023. Section 33333.6(g)(3) allows for debt incurred prior to 1/1/1994 to continue to be paid beyond this time limit that was mandated with the adopion of AB 1290. Beginning with FY 2023-24, only revenue sufficient to pay debt service on the Agency's 1993 bonds will be allocated.
(2) October 26, 2024 is last date to receive tax increment for City Centre Redevelopment project.

Footnotes: see Table 1
Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Merged Project Area
Historical Taxable Values

HdL Coren & Cone

Table 3

2/4/2015

Secured (2)	Base Year	2005-06	2006-07	2007-08	2008-09	Revised Base Year (2009-10)	2009-10	Revised Base Year (2010-11)
Land	194,321,274	623,029,305	912,434,500	1,026,766,613	1,119,504,519	194,239,663	1,150,200,215	194,226,440
Improvements	250,266,752	1,266,419,216	1,566,210,694	1,727,621,795	1,796,750,767	224,475,044	1,906,792,075	224,426,560
Personal Property	109,261,625	16,999,776	20,587,271	20,159,043	27,690,271	135,003,545	31,455,379	135,003,545
Exemptions	(1,530,581)	(67,925,401)	(58,150,614)	(58,123,393)	(59,634,526)	(1,530,535)	(62,468,173)	(1,530,527)
Total Secured	562,359,070	2,040,522,898	2,443,062,051	2,716,644,058	2,884,311,031	552,187,917	3,027,979,496	552,128,038
Unsecured								
Aircraft	0	647,922,640	763,162,740	809,223,559	923,536,708	0	971,930,602	0
Land	1,467,000	0	0	0	0	1,467,000	0	1,467,000
Improvements	76,905,194	100,696,049	101,522,562	106,662,129	124,698,565	76,905,194	139,797,162	66,463,114
Personal Property	90,375,619	534,434,194	464,039,103	537,547,635	686,499,231	90,375,619	625,447,396	102,797,699
Exemptions	(8,049,056)	(3,361,122)	(3,338,175)	(3,750,679)	(3,733,679)	(8,049,056)	(3,742,085)	(8,049,056)
Total Unsecured	162,698,957	1,279,891,761	1,326,366,230	1,449,702,644	1,730,998,823	162,698,957	1,733,433,095	162,698,957
GRAND TOTAL	716,058,027	3,320,414,659	3,769,468,281	4,166,346,702	4,615,309,854	714,886,874	4,761,412,591	714,826,995
Incremental Value (1)		2,605,356,632	3,053,410,254	3,453,266,675	3,900,251,627		4,046,525,717	
% Growth in Incremental Value (1)			17.20%	13.10%	12.94%		3.75%	

Secured (2)	2010-11	Revised Base Year (2011-12)	2011-12	Revised Base Year 2012-13	2012-13	2013-14	2014-15
Land	1,135,676,639	194,209,161	1,153,024,566	193,736,656	1,157,769,664	1,204,933,123	1,259,177,629
Improvements	1,942,654,973	224,425,610	1,943,663,600	224,404,653	1,953,649,319	2,013,149,946	2,103,025,527
Personal Property	29,536,125	135,003,431	26,677,962	135,003,431	21,626,409	16,546,405	15,519,492
Exemptions	(67,112,390)	(1,530,527)	(72,985,231)	(1,530,573)	(71,412,366)	(80,965,730)	(82,274,302)
Total Secured	3,040,755,547	552,107,895	3,050,380,897	551,614,569	3,061,833,026	3,153,663,746	3,295,448,346
Unsecured							
Aircraft	925,517,679	0	629,664,664	0	761,263,655	602,552,690	524,496,095
Land	0	1,467,000	0	1,467,000	0	0	0
Improvements	124,488,602	66,463,114	114,645,075	66,463,114	113,075,340	123,270,490	129,051,735
Personal Property	590,737,673	102,797,699	520,926,465	102,797,699	545,276,014	540,212,444	500,551,600
Exemptions	(3,683,679)	(8,049,056)	(3,958,000)	(8,049,056)	(4,763,284)	(4,513,284)	(4,339,264)
Total Unsecured	1,637,060,476	162,698,957	1,261,480,424	162,698,957	1,414,851,925	1,261,522,340	1,149,760,346
GRAND TOTAL	4,677,816,022	714,806,852	4,311,861,321	714,313,526	4,476,684,951	4,415,186,086	4,445,208,692
Incremental Value (1)	3,962,969,027		3,597,054,469		3,762,371,425	3,700,872,560	3,730,895,166
% Growth in Incremental Value (1)	-2.06%		-9.23%		4.60%	-1.63%	0.61%

(1) Source: County of Los Angeles
(2) Secured values include state assessed non-unitary utility property.

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Merged Project Area

TOP TEN TAXABLE PROPERTY OWNERS
Fiscal Year 2014-15
Table 4

HdL Coren & Cone

2/4/2015

	Secured			Unsecured			Total				
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	Property Uses	Project Area
1. Burbank Mall Associates LLC (Pending Appeals On Parcels)	$271,929,109	16	8.25%	$3,250	1	0.00%	$271,932,359	6.12%	7.29%	Burbank Town Center Mall Properties	City Centre Project
2. Burbank Empire Center II LLC (Pending Appeals On Parcels)	$172,000,181	2	5.22%	$0	0	0.00%	$172,000,181	3.87%	4.61%	Retail Commercial Shopping Center	Golden State Project
3. Earth Star Inc.	$5,969,044	1	0.18%	$132,464,719	5	11.52%	$138,433,763	3.11%	3.71%	Walt Disney Co. Corporate Aircraft	Golden State Project
4. Trifecta Hotel B Owner LLC (Pending Appeals On Parcels)	$108,791,682	1	3.30%	$5,315,344	1	0.46%	$114,107,026	2.57%	3.06%	Marriott Hotel at Burbank Airport	Golden State Project
5. Southwest Airlines Company	$7,830,175	3	0.24%	$100,321,152	2	8.73%	$108,151,327	2.43%	2.90%	Commercial Airline	Golden State Project
6. Teachers Insurance and Annuity	$102,463,080	1	3.11%	$0	0	0.00%	$102,463,080	2.31%	2.75%	Empire Landing Residential Apartments	Golden State Project
7. KW Funds 333 North Glenoaks LLC (Pending Appeals On Parcels)	$85,291,985	4	2.59%	$0	0	0.00%	$85,291,985	1.92%	2.29%	Commercial Office Building	City Centre Project
8. Avalon Promenade Inc. (Pending Appeals On Parcels)	$82,391,537	1	2.50%	$0	0	0.00%	$82,391,537	1.85%	2.21%	Avalon Burbank Apartments	City Centre Project
9. Warner Communications Inc.	$0	0	0.00%	$73,524,000	2	6.39%	$73,524,000	1.65%	1.97%	Cable Telecommunications	Golden State Project
10. Burbank Empire Investment Group Inc.	$69,300,000	3	2.10%	$0	0	0.00%	$69,300,000	1.56%	1.86%	Commercial Office Building	Golden State Project
Totals.	$905,966,793	32		$311,628,465	11		$1,217,595,258				
Total Assessed Values:	$3,295,448,346		27.49%	$1,149,760,346		27.10%	$4,445,208,692	27.39%			
Incremental Assessed Value:	2,743,833,777		33.02%	987,061,389		31.57%	3,730,895,166	32.64%			

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Merged Project Area
Transfers of Ownership/New Development
Table 5

HdL Coren & Cone

2/4/2015

000's omitted

Real Property Value	SqFt/ Units	Value	Total Value	Less Existing	Total Value Added	Start	Complete	2015-16	2016-17	2017-18	2018-19
	0	$0.00	$0	$0	$0			0	0	0	0
	0	$0.00	$0	$0	$0			0	0	0	0
	0	Lump Sum	$0	0	0			0	0	0	0
Transfers of Ownership after 1/1/2014	45	Lump Sum	$81,759,500	63,732,455	18,027			18,027	0	0	0
Total Real Property Value			**$81,759,500**	**$63,732,455**	**18,027**			**18,027**	**0**	**0**	**0**
Total Real Property Inc. Inflation Adj. @ 2% per year									$0	$0	$0

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

HdL Coren & Cone

Burbank Successor Agency
Golden State Redevelopment Project

Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)

2/4/2015

Table 1

Taxable Values (1)		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Real Property (2)		1,655,827	1,426,862	1,455,399	1,484,507	1,514,197	1,544,481	1,575,370	1,606,878	1,639,015	1,671,796
Personal Property (3)		897,314	897,314	897,314	897,314	897,314	897,314	897,314	897,314	897,314	897,314
Total Projected Value		**2,553,142**	**2,324,176**	**2,352,713**	**2,381,821**	**2,411,511**	**2,441,795**	**2,472,685**	**2,504,192**	**2,536,330**	**2,569,110**
Taxable Value over Base	**328,682**	**2,224,459**	**1,995,494**	**2,024,031**	**2,053,139**	**2,082,829**	**2,113,113**	**2,144,003**	**2,175,510**	**2,207,648**	**2,240,428**
Gross Tax Increment Revenue (4)		22,245	19,955	20,240	20,531	20,828	21,131	21,440	21,755	22,076	22,404
Unitary Tax Revenue		141	141	141	141	141	141	141	141	141	141
Gross Tax Revenues		**22,385**	**20,096**	**20,381**	**20,672**	**20,969**	**21,272**	**21,581**	**21,896**	**22,217**	**2,320**
LESS:											
SB 2557 Admin. Fee (5)		(303)	(272)	(275)	(279)	(283)	(288)	(292)	(296)	(300)	(31)
Tax Revenues		**22,083**	**19,824**	**20,106**	**20,393**	**20,686**	**20,984**	**21,289**	**21,600**	**21,917**	**2,289**

(1) Taxable values as reported by Los Angeles County.

(2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by $11.7 million due to 15 transfers of ownership and decreased by $268.4 million due to estimated losses on pending assessment appeals.

(3) Personal property includes aircraft values that will vary from year to year in unpredictable amounts. For purposes of the projection, Personal property values are held constant at 2014-15 level.

(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities. The last date for repayment of debt within the Project Area is December 22,2023. Section 33333.6(g)(3) allows for repayment of debt incurred prior to January 1, 1994 notwithstanding the time limit on repayment of debt. Beginning in FY 2023-24, only revenues necessary for payment of debt service on the Agency's1993 Bonds will be allocated.

(5) L.A. County Administration Fee is actual for 2014-15 and estimated at 1.35% of Gross Tax Revenue thereafter.

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Golden State Redevelopment Project

HdL Coren & Cone

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

2/4/2015

Table 2

			Total Taxable Value	Taxable Value Over Base 328,682	Gross Tax Revenue	SB 2557 Charge	Tax Revenues
1	2014-15		2,553,142	2,224,459	22,385	(303)	22,083
2	2015-16		2,324,176	1,995,494	20,096	(272)	19,824
3	2016-17		2,352,713	2,024,031	20,381	(275)	20,106
4	2017-18		2,381,821	2,053,139	20,672	(279)	20,393
5	2018-19		2,411,511	2,082,829	20,969	(283)	20,686
6	2019-20		2,441,795	2,113,113	21,272	(288)	20,984
7	2020-21		2,472,685	2,144,003	21,581	(292)	21,289
8	2021-22		2,504,192	2,175,510	21,896	(296)	21,600
9	2022-23	(1)	2,536,330	2,207,648	22,217	(300)	21,917
10	2023-24		2,569,110	2,240,428	2,320	(31)	2,289
11	2024-25		2,602,546	2,273,864	1,972	(26)	1,945
12	2025-26		2,636,651	2,307,969	1,970	(26)	1,944
13	2026-27		2,671,437	2,342,755	1,967	(26)	1,941
14	2027-28		2,706,920	2,378,238	1,967	(26)	1,941
15	2028-29		2,743,112	2,414,430	1,970	(26)	1,944
16	2029-30		2,780,028	2,451,346	1,971	(26)	1,944
17	2030-31		2,817,682	2,489,000	1,969	(26)	1,943
18	2031-32		2,856,089	2,527,407	1,966	(26)	1,940
19	2032-33		2,895,265	2,566,583	1,965	(26)	1,939
20	2033-34		2,935,224	2,606,542	1,971	(26)	1,945
21	2034-35		2,975,982	2,647,300	1,971	(26)	1,945
22	2035-36		3,017,556	2,688,874	1,968	(26)	1,942
23	2036-37		3,059,960	2,731,278	1,968	(26)	1,942
24	2037-38		3,103,213	2,774,531	1,971	(26)	1,944
25	2038-39		3,147,331	2,818,649	1,970	(26)	1,944
26	2039-40		3,192,332	2,863,650	1,970	(26)	1,944
27	2040-41		3,238,232	2,909,550	1,972	(26)	1,946
28	2041-42		3,285,050	2,956,368	1,970	(26)	1,944
29	2042-43		3,332,805	3,004,123	1,970	(26)	1,944
					231,208	(3,118)	228,090

(1) The last date for repayment of debt within the Project Area is December 22, 2023. Section 33333.6(g)(3) allows for debt incurred prior to 1/1/1994 to continue to be paid beyond this time limit that was mandated with the adopion of AB 1290. Beginning with FY 2023-24, only revenue necessary to pay debt service on the Agency's 1993 bonds will be allocated as Gross Tax Revenue.

Footnotes: see Table 1

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Golden State Redevelopment Project
Historical Taxable Values
Table 3

HdL Coren & Cone

2/4/2015

Secured (2)	Base Year 1970-71	2005-06	2006-07	2007-08	2008-09	Revised Base Year (2009-10)	2009-10
Land	37,635,026	409,364,939	436,714,351	489,674,471	552,344,646	37,753,615	570,442,179
Improvements	126,103,651	544,770,638	726,759,540	804,709,663	824,006,316	100,291,943	852,406,062
Personal Property	103,152,704	15,326,225	16,169,222	15,396,226	23,040,175	128,874,824	21,134,429
Exemptions	(20,000)	(5,355,153)	(4,352,450)	(4,463,329)	(4,535,012)	(19,954)	(5,964,301)
Total Secured	267,071,381	964,108,649	1,177,310,663	1,305,617,033	1,394,856,127	266,900,228	1,438,018,369
Unsecured							
Aircraft		647,922,640	763,162,740	809,223,559	923,536,706		971,930,602
Land	1,467,000	0	0	0	0	1,467,000	0
Improvements	44,857,800	45,034,019	50,639,015	53,434,350	64,278,914	44,857,800	74,808,218
Personal Property	15,345,740	408,509,490	345,409,935	418,537,198	559,467,297	15,345,740	496,816,172
Exemptions	0	0	0	(5,000)	0	0	0
Total Unsecured	61,670,540	1,101,466,149	1,159,411,690	1,281,190,107	1,547,282,917	61,670,540	1,543,554,992
GRAND TOTAL	328,741,921	2,065,574,798	2,336,722,353	2,586,707,140	2,942,139,044	328,570,768	2,981,573,381
Incremental Value:		1,736,832,677	2,007,980,432	2,257,965,219	2,613,397,123		2,653,002,613
% Growth in Incremental Value:			15.61%	12.45%	15.74%		1.52%

Secured (2)	Revised Base Year (2010-11)	2010-11	2011-12	Revised Base Year (2012-13)	2012-13	2013-14	2014-15
Land	37,740,192	555,132,606	559,233,473	37,821,603	554,521,676	572,845,521	597,098,163
Improvements	100,245,479	904,461,496	909,900,512	100,335,267	915,230,376	941,583,276	1,004,260,569
Personal Property	128,874,824	16,759,721	16,861,345	128,874,824	14,373,424	11,835,131	11,161,043
Exemptions	(19,946)	(6,528,572)	(8,592,790)	(19,992)	(12,844,585)	(11,271,417)	(11,322,588)
Total Secured	266,840,349	1,469,825,251	1,477,402,540	267,011,502	1,471,280,693	1,514,992,511	1,601,217,207
Unsecured							
Aircraft		925,517,679	629,664,664		761,263,655	602,552,690	524,498,095
Land	1,467,000	0	0	1,467,000	0	0	0
Improvements	32,435,720	61,200,495	54,973,361	32,435,720	50,551,104	59,319,676	65,791,033
Personal Property	27,767,820	455,432,219	393,725,657	27,767,820	413,543,312	414,144,341	361,642,173
Exemptions	0	(5,000)	(5,000)	0	(5,000)	(5,000)	(5,000)
Total Unsecured	61,670,540	1,442,145,593	1,078,359,082	61,670,540	1,225,353,271	1,076,011,709	951,924,301
GRAND TOTAL	328,510,889	2,911,970,844	2,555,761,622	328,682,042	2,696,634,164	2,591,004,220	2,553,141,608
Incremental Value:		2,583,459,955	2,227,250,733		2,367,952,122	2,262,322,178	2,224,459,466
% Growth in Incremental Value:		-2.62%	-13.79%		6.32%	-4.46%	-1.67%

(1) Source: County of Los Angeles
(2) Secured values include state assessed non-unitary utility property.

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Golden State Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
Fiscal Year 2014-15
Table 4

02/04/15

	Secured			Unsecured			Total			
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	Property Uses
1. Burbank Empire Center II LLC (Pending Appeals On Parcels)	$172,000,181	2	10.74%	$0	0	0.00%	$172,000,181	8.74%	7.73%	Retail Commercial Shopping Center
2. Earth Star Inc.	$5,989,044	1	0.37%	$132,484,719	5	13.92%	$138,433,783	5.42%	6.22%	Walt Disney Co. Corporate Aircraft
3. Trifecta Hotel B Owner LLC (Pending Appeals On Parcels)	$108,791,682	1	6.79%	$5,315,344	1	0.56%	$114,107,026	4.47%	5.13%	Marriott Hotel at Burbank Airport
4. Southwest Airlines Company	$7,830,175	3	0.49%	$100,321,152	2	10.54%	$108,151,327	4.24%	4.86%	Commercial Airline
5. Teachers Insurance and Annuity	$102,463,080	1	6.40%	$0	0	0.00%	$102,463,080	4.01%	4.61%	Empire Landing Residential Apartments
8. Warner Communications Inc.	$0	0	0.00%	$73,524,000	2	7.72%	$73,524,000	2.88%	3.31%	Cable Telecommunications
7. Burbank Empire Investment Group Inc.	$69,300,000	3	4.33%	$0	0	0.00%	$69,300,000	2.71%	3.12%	Commercial Office Building
8. Walton Empire Center V LLC	$69,143,129	3	4.32%	$0	0	0.00%	$69,143,129	2.71%	3.11%	Commercial Office Building
9. MSN III and IV LLC	$85,415,003	1	4.09%	$0	0	0.00%	$65,415,003	2.58%	2.94%	Commercial Office Building
10. Burbank Owner Corporation (Pending Appeals On Parcels)	$47,385,532	1	2.96%	$0	0	0.00%	$47,385,532	1.86%	2.13%	Commercial Office Building
Totals:	$648,297,826	18		$311,625,215	10		$959,923,041			
Total Assessed Values:	$1,801,217,207		40.49%	$951,924,301		32.74%	$2,553,141,508	37.60%		
Incremental Assessed Value:	1,334,205,705		48.59%	890,253,761		35.00%	2,224,459,466	43.15%		

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
Golden State Redevelopment Project
Transfers of Ownership/New Development
Table 5

HdL Coren & Cone

2/4/2015

000's omitted

Real Property Value	SqFt/ Units	Value	Total Value	Less Existing	Total Value Added	Start	Complete	2015-16	2016-17	2017-18	2018-19
	0	$0.00	$0	$0	$0			0	0	0	0
	0	$0.00	$0	$0	$0			0	0	0	0
	0	Lump Sum	$0	0	0			0	0	0	0
Transfers of Ownership after 1/1/2014	15	Lump Sum	$40,891,000	29,149,325	11,742			11,742	0	0	0
Total Real Property Value			**$40,891,000**	**$29,149,325**	**11,742**			**11,742**	**0**	**0**	**0**
Total Real Property inc. Inflation Adj. @ 2% per year									$0	$0	$0

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
City Centre Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1

02/04/15

Taxable Values (1)		**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Real Property (2)		1,096,167	1,086,521	1,108,252	1,130,417	1,153,025	1,176,085	1,199,607	1,223,599	1,248,071	1,273,033
Personal Property (3)		53,406	53,406	53,406	53,406	53,406	53,406	53,406	53,406	53,406	53,406
Total Projected Value		**1,149,574**	**1,139,927**	**1,161,658**	**1,183,823**	**1,206,431**	**1,229,492**	**1,253,013**	**1,277,005**	**1,301,477**	**1,326,439**
Taxable Value over Base	**38,360**	**1,111,214**	**1,101,568**	**1,123,298**	**1,145,463**	**1,168,071**	**1,191,132**	**1,214,654**	**1,238,646**	**1,263,118**	**1,288,079**
Gross Tax Increment Revenue (4)		11,112	11,016	11,233	11,455	11,681	11,911	12,147	12,386	12,631	12,881
Unitary Tax Revenue		162	162	162	162	162	162	162	162	162	162
Gross Tax Revenues		**11,274**	**11,178**	**11,395**	**11,617**	**11,843**	**12,073**	**12,309**	**12,548**	**12,793**	**13,043**
LESS:											
SB 2557 Admin. Fee (5)		(152)	(151)	(154)	(157)	(160)	(163)	(166)	(170)	(173)	(176)
Haagen-Burbank Partnership Note (6)		(3,208)	(3,208)	0	0	0	0	0	0	0	0
Tax Revenues		**7,914**	**7,818**	**11,241**	**11,460**	**11,683**	**11,910**	**12,142**	**12,379**	**12,620**	**12,867**

(1) Taxable values as reported by Los Angeles County.
(2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by $6.1 million due to 21 transfers of ownership and decreased by $36.92 million due to estimated losses on pending assessment appeals.
(3) Personal property is held constant at 2014-15 level.
(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities.
(5) L.A. County Administration Fee is actual for 2014-15 and estimated at 1.35% of Gross Tax Revenue thereafter.
(6) Loans made to the former redevelopment agency by the developer of the Media City Center Mall (now the Burbank Town Center Mall) are being repaid from tax increment revenue generated by the mall properties. Payments are estimated at $3,208,301 per year. The loans are payable through February 1, 2016 after which any remaining balance is forgiven.

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Burbank Successor Agency
City Centre Redevelopment Project

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

Table 2

HdL Coren & Cone

02/04/15

		Total Taxable Value	Taxable Value Over Base 38,360	Gross Tax Revenue	SB 2557 Charge	Haagen-Burbank Partnership Note	Tax Revenues
1	2014-15	1,149,574	1,111,214	**11,274**	(152)	(3,208)	**7,914**
2	2015-16	1,139,927	1,101,568	**11,178**	(151)	(3,208)	**7,818**
3	2016-17	1,161,658	1,123,298	**11,395**	(154)	0	**11,241**
4	2017-18	1,183,823	1,145,463	**11,617**	(157)	0	**11,460**
5	2018-19	1,206,431	1,168,071	**11,843**	(160)	0	**11,683**
6	2019-20	1,229,492	1,191,132	**12,073**	(163)	0	**11,910**
7	2020-21	1,253,013	1,214,654	**12,309**	(166)	0	**12,142**
8	2021-22	1,277,005	1,238,646	**12,548**	(170)	0	**12,379**
9	2022-23	1,301,477	1,263,118	**12,793**	(173)	0	**12,620**
10	2023-24	1,326,439	1,288,079	**13,043**	(176)	0	**12,867**
11	2024-25	0	0	**0**	0	0	**0**
12	2025-26	0	0	**0**	0	0	**0**
13	2026-27	0	0	**0**	0	0	**0**
14	2027-28	0	0	**0**	0	0	**0**
15	2028-29	0	0	**0**	0	0	**0**
16	2029-30	0	0	**0**	0	0	**0**
17	2030-31	0	0	**0**	0	0	**0**
18	2031-32	0	0	**0**	0	0	**0**
				120,073	(1,623)	(6,417)	**112,033**

Footnotes: see Table 1

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
City Centre Redevelopment Project
Historical Taxable Values
Table 3

HdL Coren & Cone

02/04/15

Secured (2)	Base Year 1971-72	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Revised Base Year (2011-12)	2011-12	2012-13	2013-14	2014-15
Land	13,685,260	167,039,033	206,338,163	232,175,253	240,934,430	238,301,647	238,889,940	13,668,001	247,856,865	252,460,149	263,144,980	277,493,001
Improvements	16,481,840	542,813,128	643,452,055	700,253,824	735,907,191	807,312,732	790,091,915	16,479,070	791,402,181	788,054,645	813,619,798	836,038,275
Personal Property	1,548,560	1,755,273	2,549,391	2,719,054	2,775,081	7,904,575	8,179,321	1,548,446	7,554,131	5,223,680	2,211,644	2,098,739
Exemptions	(1,396,100)	(43,675,344)	(45,215,265)	(46,119,389)	(46,928,088)	(49,279,464)	(49,241,615)	(1,396,100)	(49,607,052)	(50,592,627)	(51,590,285)	(51,821,269)
Total Secured	30,319,560	667,932,090	807,124,344	889,028,742	932,688,614	1,004,239,490	987,919,561	30,299,417	997,206,125	995,145,847	1,027,386,137	1,063,808,746
Unsecured												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Improvements	741,380	33,065,428	26,554,413	29,016,108	34,053,640	37,054,697	39,384,760	741,380	35,526,748	35,209,780	39,015,098	34,457,474
Personal Property	7,318,880	45,239,297	43,711,993	49,838,931	57,326,166	54,155,566	54,252,334	7,318,880	50,624,505	47,056,047	47,205,093	55,633,626
Exemptions	0	(3,335,722)	(3,104,775)	(3,323,679)	(3,311,679)	(3,320,085)	(3,281,679)	0	(3,536,000)	(4,341,284)	(4,341,284)	(4,326,284)
Total Unsecured	8,060,260	74,969,003	67,161,631	75,531,360	88,068,127	87,890,178	90,355,415	8,060,260	82,615,253	77,924,543	81,878,907	85,764,816
GRAND TOTAL	38,379,820	742,901,093	874,285,975	964,560,102	1,020,756,741	1,092,129,668	1,078,274,976	38,359,677	1,079,821,378	1,073,070,390	1,109,265,044	1,149,573,562
Incremental Value:		704,521,273	835,906,155	926,180,282	982,376,921	1,053,749,848	1,039,895,156		1,041,461,701	1,034,710,713	1,070,905,367	1,111,213,885
% Growth in Incremental Value:			18.65%	10.80%	6.07%	7.27%	-1.31%		0.15%	-0.65%	3.50%	3.76%

(1) Source: County of Los Angeles
(2) Secured values include state assessed non-unitary utility property.

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
City Centre Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
Fiscal Yeer 2014-15
Table 4

HdL
02/04/15

		Secured			Unsecured			Total			
		Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	Property Uses
1.	Burbank Mall Associates LLC (Pending Appeals On Parcels)	$271,929,109	16	25.56%	$3,250	1	0.00%	$271,932,359	23.66%	24.47%	Burbank Town Center Mall Properties
2.	KW Funds 333 North Glenoaks LLC (Pending Appeals On Parcels)	$85,291,985	4	8.02%	$0	0	0.00%	$85,291,985	7.42%	7.68%	Commercial Office Building
3.	Avalon Promenade Inc. (Pending Appeals On Parcels)	$82,391,537	1	7.74%	$0	0	0.00%	$82,391,537	7.17%	7.41%	Avalon Burbank Apartments
4.	Burbank Village LP	$60,455,386	1	5.68%	$0	0	0.00%	$60,455,386	5.26%	5.44%	Retail and Multi-plex Cinema
5.	Joseph A. and Marion E. Perry Trust	$50,811,023	4	4.78%	$0	0	0.00%	$50,811,023	4.42%	4.57%	Holiday Inn Hotel Parcels
6.	Apple Eight California Inc.	$36,619,839	1	3.44%	$2,620,631	1	3.06%	$39,240,470	3.41%	3.53%	Residence Inn Hotel
7.	Del Rey Properties LLC (Pending Appeals On Parcels)	$28,813,546	5	2.71%	$0	0	0.00%	$28,813,546	2.51%	2.59%	Light Industrial/Business Park
8.	Haagen Burbank Partnership/IKEA (Pending Appeals On Parcels)	$28,016,371	1	2.63%	$0	0	0.00%	$28,016,371	2.44%	2.52%	IKEA Furniture Store
9.	Burbank Civic Plaza LLC	$17,825,016	1	1.68%	$0	0	0.00%	$17,825,016	1.55%	1.60%	Retail/Commercial/Office Building
10.	230 248 N. Golden Mall Associates LLC	$15,629,317	1	1.47%	$0	0	0.00%	$15,629,317	1 36%	1.41%	Mixed Use Retail/Commercial
	Totals:	$677,783,129	35		$2,623,881	2		$680,407,010			
	Total Assessed Values:	$1,063,808,746		63.71%	$85,764,816		3.06%	$1,149,573,562	59.19%		
	Incremental Assessed Value:	1,033,509,329		65.58%	77,704,556		3.38%	1,111,213,885	61.23%		

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
City Centre Redevelopment Project
Transfers of Ownership/New Development
Table 5

HdL Coren & Cone

02/04/15

000's omitted

Real Property Value	SqFt/ Units	Value	Total Value	Less Existing	Total Value Added	Start	Complete	2015-16	2016-17	2017-18	2018-19
	0	$0.00	$0	$0	$0			0	0	0	0
	0	$0.00	$0	$0	$0			0	0	0	0
	0	Lump Sum	$0	0	0			0	0	0	0
Transfers of Ownership after 1/1/2014	21	Lump Sum	$32,417,000	26,306,483	6,111			6,111	0	0	0
Total Real Property Value			$32,417,000	$26,306,483	6,111			6,111	0	0	0
Total Real Property Inc. Inflation Adj. @ 2% per year									$0	$0	$0

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
South San Fernando Redevelopment Project
Projection of Incremental Taxable Value & Tax Increment Revenue
(000's Omitted)
Table 1

HdL Coren & Cone

02/04/15

Taxable Values (1)		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Real Property (2)		656,986	656,476	669,606	682,998	696,658	710,591	724,803	739,299	754,085	769,167
Personal Property (3)		85,508	85,508	85,508	85,508	85,508	85,508	85,508	85,508	85,508	85,508
Total Projected Value		**742,494**	**741,984**	**755,114**	**768,506**	**782,166**	**796,099**	**810,311**	**824,807**	**839,593**	**854,674**
Taxable Value over Base	**347,272**	**395,222**	**394,712**	**407,842**	**421,234**	**434,894**	**448,827**	**463,039**	**477,535**	**492,321**	**507,403**
Gross Tax Increment Revenue (4)		3,952	3,947	4,078	4,212	4,349	4,488	4,630	4,775	4,923	5,074
Unitary Tax Revenue		7.204	7	7	7	7	7	7	7	7	7
Gross Tax Revenues		**3,959**	**3,954**	**4,086**	**4,220**	**4,356**	**4,495**	**4,638**	**4,783**	**4,930**	**5,081**
LESS:											
SB 2557 Admin. Fee (5)		(53)	(53)	(55)	(57)	(59)	(61)	(63)	(65)	(67)	(69)
AB 1290 Statutory Tax Sharing Tier 1 (6)		(792)	(791)	(817)	(844)	(871)	(899)	(928)	(957)	(986)	(1,016)
AB 1290 Statutory Tax Sharing Tier 2 (6)		(211)	(210)	(232)	(254)	(277)	(301)	(325)	(349)	(374)	(399)
AB 1290 Statutory Tax Sharing Tier 3 (6)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**2,903**	**2,900**	**2,981**	**3,064**	**3,149**	**3,235**	**3,323**	**3,412**	**3,504**	**3,597**

(1) Taxable values as reported by Los Angeles County.
(2) Real property consists of land and improvements. Increased for inflation at 1.998% in 2015-16 and at 2% annually thereafter. Values for 2015-16 are increased by $174,853 due to 9 transfers of ownership and decreased by $13.54 million due to estimated losses on pending assessment appeals.
(3) Personal property is held constant at 2014-15 level.
(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will be directed to the levying entities.
(5) L.A. County Administration Fee is actual for 2014-15 and estimated at 1.35% of Gross Tax Revenue thereafter.
(6) All Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities also receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside.

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
South San Fernando Redevelopment Project

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

Table 2

HdL CorenKCone

2/4/2015

		Total Taxable Value	Taxable Value Over Base 347,272	Gross Tax Revenue	SB 2557 Charge	Statutory Tax Sharing Tier 1	Tier 2	Tier 3	Tax Revenues
1	2014-15	742,494	395,222	**3,959**	(53)	(792)	(211)	0	**2,903**
2	2015-16	741,984	394,712	**3,954**	(53)	(791)	(210)	0	**2,900**
3	2016-17	755,114	407,842	**4,086**	(55)	(817)	(232)	0	**2,981**
4	2017-18	768,506	421,234	**4,220**	(57)	(844)	(254)	0	**3,064**
5	2018-19	782,166	434,894	**4,356**	(59)	(871)	(277)	0	**3,149**
6	2019-20	796,099	448,827	**4,495**	(61)	(899)	(301)	0	**3,235**
7	2020-21	810,311	463,039	**4,638**	(63)	(928)	(325)	0	**3,323**
8	2021-22	824,807	477,535	**4,783**	(65)	(957)	(349)	0	**3,412**
9	2022-23	839,593	492,321	**4,930**	(67)	(986)	(374)	0	**3,504**
10	2023-24	854,674	507,403	**5,081**	(69)	(1,016)	(399)	0	**3,597**
11	2024-25	870,058	522,786	**5,235**	(71)	(1,047)	(425)	0	**3,692**
12	2025-26	885,749	538,477	**5,392**	(73)	(1,078)	(451)	0	**3,789**
13	2026-27	901,754	554,482	**5,552**	(75)	(1,110)	(478)	0	**3,888**
14	2027-28	918,078	570,807	**5,715**	(77)	(1,143)	(506)	0	**3,989**
15	2028-29	934,730	587,458	**5,882**	(80)	(1,176)	(534)	(19)	**4,074**
16	2029-30	951,714	604,442	**6,052**	(82)	(1,210)	(562)	(38)	**4,160**
17	2030-31	969,038	621,767	**6,225**	(84)	(1,245)	(591)	(57)	**4,247**
18	2031-32	986,709	639,437	**6,402**	(87)	(1,280)	(621)	(77)	**4,337**
19	2032-33	1,004,733	657,461	**6,582**	(89)	(1,316)	(651)	(97)	**4,428**
20	2033-34	1,023,118	675,846	**6,766**	(91)	(1,353)	(682)	(118)	**4,521**
21	2034-35	1,041,870	694,598	**6,953**	(94)	(1,391)	(714)	(139)	**4,616**
22	2035-36	1,060,997	713,725	**7,144**	(97)	(1,429)	(746)	(160)	**4,713**
23	2036-37	1,080,507	733,235	**7,340**	(99)	(1,468)	(779)	(182)	**4,812**
24	2037-38	1,100,407	753,135	**7,539**	(102)	(1,508)	(812)	(204)	**4,913**
25	2038-39	1,120,705	773,433	**7,742**	(105)	(1,548)	(846)	(227)	**5,016**
26	2039-40	1,141,409	794,137	**7,949**	(107)	(1,590)	(881)	(250)	**5,120**
27	2040-41	1,162,527	815,255	**8,160**	(110)	(1,632)	(916)	(274)	**5,227**
28	2041-42	1,184,067	836,795	**8,375**	(113)	(1,675)	(953)	(298)	**5,336**
29	2042-43	1,206,038	858,766	**8,595**	(116)	(1,719)	(989)	(323)	**5,448**
				174,100	(2,353)	(34,820)	(16,069)	(2,461)	**118,397**

Footnotes: see Table 1

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Burbank Successor Agency
South San Fernando Redevelopment Project
Historical Taxable Values
Table 3

HdL Coren & Cone

02/04/15

Secured (2)	Base Year 1996-97	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Revised Base Year (2012-13)	2012-13	2013-14	2014-15
Land	142,800,988	246,625,333	267,381,986	306,736,889	326,225,443	341,456,389	341,654,293	345,934,228	142,247,254	350,787,837	368,942,622	384,586,445
Improvements	107,701,261	178,835,452	197,999,299	222,858,308	236,837,258	249,073,261	248,101,562	242,360,907	107,590,516	250,364,298	257,946,874	262,726,683
Personal Property	4,580,361	1,916,278	1,848,658	2,043,761	1,875,015	2,416,375	2,597,083	2,262,486	4,580,361	2,229,305	2,499,630	2,239,710
Exemptions	(114,481)	(18,894,904)	(8,582,899)	(7,540,675)	(8,171,426)	(7,224,408)	(9,342,203)	(14,785,389)	(114,481)	(7,975,154)	(18,104,028)	(19,130,445)
Total Secured	254,968,129	408,482,159	458,647,044	524,098,283	556,766,290	585,721,617	583,010,735	575,772,232	254,303,650	595,406,286	611,285,098	630,422,393
Unsecured												
Land	0	0	0	0	0	0	0	0	0	0	0	0
Improvements	33,306,014	22,796,602	24,129,134	24,231,671	26,364,011	27,936,267	23,903,347	24,344,966	33,306,014	27,314,456	24,935,714	28,803,228
Personal Property	67,711,199	80,685,407	74,917,175	69,171,506	69,705,768	74,473,658	81,053,120	76,578,123	67,711,199	84,676,655	78,863,010	83,276,001
Exemptions	(8,049,056)	(25,400)	(233,400)	(422,000)	(422,000)	(422,000)	(397,000)	(417,000)	(8,049,056)	(417,000)	(167,000)	(8,000)
Total Unsecured	92,968,157	103,456,609	98,812,909	92,981,177	95,647,779	101,987,925	104,559,467	100,506,089	92,968,157	111,574,111	103,631,724	112,071,229
GRAND TOTAL	347,936,286	511,938,768	557,459,953	617,079,460	652,414,069	687,709,542	687,570,202	676,278,321	347,271,807	706,980,397	714,916,822	742,493,622
Incremental Value:		164,002,482	209,523,667	269,143,174	304,477,783	339,773,256	339,633,916	328,342,035		359,708,590	367,645,015	395,221,815
% Growth in Incremental Value:			27.76%	28.45%	13.13%	11.59%	-0.04%	-3.32%		9.55%	2.21%	7.50%

(1) Source: County of Los Angeles
(2) Secured values include state assessed non-unitary utility property.

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

Burbank Successor Agency
South San Fernando Redevelopment Project
TOP TEN TAXABLE PROPERTY OWNERS
Fiscal Year 2014-15
Table 4

HdL Coren & Cone
02/04/15

	Secured			Unsecured			Total			
	Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	Property Uses
1. CH Anaheim Limited (Pending Appeals On Parcels)	$29,653,518	15	4.70%	$0	0	0.00%	$29,653,518	3.99%	7.50%	Industrial/Manufacturing
2. Home Depot USA Inc. (Pending Appeals On Parcels)	$23,237,500	1	3.69%	$2,145,364	1	1.91%	$25,382,864	3.42%	6.42%	Home Improvement Retailer
3. Burbank Gateway LLC (Pending Appeals On Parcels)	$22,857,107	1	3.63%	$0	0	0.00%	$22,857,107	3.08%	5.78%	Retail Shopping Center
4. Burbank Senior Artists Colony LP	$17,172,807	1	2.72%	$0	0	0.00%	$17,172,807	2.31%	4.35%	Arts Oriented Senior Apartments
5. Northridge Properties LLC	$15,955,675	1	2 53%	$0	0	0.00%	$15,955,675	2.15%	4.04%	Vacant Industrial Property
6. 231 W. Olive Partners LP (Pending Appeals On Parcels)	$15,574,245	4	2.47%	$0	0	0.00%	$15,574,245	2.10%	3.94%	Nickelodeon Film Studios
7. CarMax Auto Superstores CA LLC (Pending Appeals On Parcels)	$13,417,167	1	2.13%	$0	0	0.00%	$13,417,167	1.81%	3.39%	Automobile Sales
8. Westwind Properties LLC (Pending Appeals On Parcels)	$10,370,445	15	1.64%	$921,200	7	0 82%	$11,291,645	1.52%	2.86%	Light Industrial Park
9. South Lake Media Park LLC (Pending Appeals On Parcels)	$11,262,682	5	1.79%	$0	0	0.00%	$11,262,682	1.52%	2.85%	Light Industrial Condominium Units
10. Chao LLC	$11,159,949	3	1.77%	$0	0	0.00%	$11,159,949	1.50%	2.82%	Non-Contiguous Office Buildings
Totals:	$170,661,095	47		$3,066,564	8		$173,727,659			
Total Assessed Values:	$630,422,393		27.07%	$112,071,229		2.74%	$742,493,622	23.40%		
Incremental Assessed Value:	376,118,743		45.37%	19,103,072		16.05%	395,221,815	43.96%		

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPOATE

Burbank Successor Agency
South San Fernando Redevelopment Project
Transfers of Ownership/New Development
Table 5

02/04/15

000's omitted

Real Property Value	SqFt/ Units	Value	Total Value	Less Existing	Total Value Added	Start	Complete	2015-16	2016-17	2017-18	2018-19
	0	$0.00	$0	$0	$0			0	0	0	0
	0	$0.00	$0	$0	$0			0	0	0	0
	0	Lump Sum	$0	0	0			0	0	0	0
Transfers of Ownership after 1/1/2014	9	Lump Sum	$8,451,500	8,276,647	175			175	0	0	0
Total Real Property Value			**$8,451,500**	**$8,276,647**	**175**			**175**	**0**	**0**	**0**
Total Real Property inc. Inflation Adj. @ 2% per year									$0	$0	$0

Bond Services\Tax Allocation Bonds\Burbank 2015\Burbank TABs Refunding 2015 Projection Final UPDATE

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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _______

Risk Premium: $________
Member Surplus Contribution: $________
Total Insurance Payment: $________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

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SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK • TAX ALLOCATION REFUNDING BONDS, SERIES 2015 (LOS ANGELES COUNTY, CALIFORNIA)

CITY OF BURBANK

INCORPORATED 1911

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