ONLINE AGENDA INFORMATION

The online Agenda is not the official Agenda for the El Cajon City Council, but is posted and published five days prior to the City Council Meeting for the convenience of the public. Changes may be made up to 72 hours prior to the meeting; therefore added or deleted items may not appear on the City's website at this time. The City Council's official Agenda is prepared and posted outside City Council Chambers in the kiosk 72 hours prior to every regular meeting, and 24 hours prior to every special meeting. You may call the City Clerk's Office at (619) 441-1763 for information about any changes to this Agenda.

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FOR A SCHEDULE OF FRIDAY CITY HALL CLOSURES, VISIT WWW.CITYOFELCAJON.US OR CALL THE CITY CLERK'S OFFICE AT (619) 441-1763.

Bill Wells
Mayor

Gary Kendrick
Mayor Pro Tem

Steve Goble
Councilmember

Ben Kalasho
Councilmember

Bob McClellan
Councilmember

Douglas Williford
City Manager

Morgan Foley
City Attorney

Graham Mitchell
Assistant City Manager

Angela Aguirre
City Clerk

CITY OF EL CAJON

City Council/Housing Authority/
Successor Agency to the Redevelopment Agency

AGENDA

January 9, 2018

Honoring
and celebrating
the people
who make
El Cajon

The Valley
of
Opportunity

AGENDA

January 9, 2018
3:00 p.m.

The Agenda contains a brief general description of each item to be considered and most items have a *RECOMMENDATION* from Staff or a Commission, which Council will consider when making a final decision.

Copies of written documentation relating to each item of business on the Agenda are on file in the City Clerk's Office and in the Agenda Book next to the podium in the Council Chambers.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM FOR EACH ITEM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE CITY CLERK if you wish to speak about an Item on the Agenda or under Public Comment.

- **CALL TO ORDER:** Mayor Bill Wells
- **ROLL CALL:** City Clerk Angela Aguirre

PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE

- **POSTINGS:** The City Clerk posted Orders of Adjournment of the December 12, 2017, Meeting and the Agenda of the January 9, 2018, Meeting in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

- **PRESENTATIONS:**

  - **San Diego Regional Task Force on the Homeless**

- **AGENDA CHANGES:**

CONSENT ITEMS: (1.1 – 1.9)

** Asterisk indicates agenda item includes back up information available for review.*

Consent Items are routine matters enacted by one motion according to the RECOMMENDATION listed below. With the concurrence of the City Council, a Council Member or person in attendance may request discussion of a *Consent Item* at this time.

*1.1 MINUTES OF CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY MEETINGS

RECOMMENDATION: That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the December 12, 2017 Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

1.2 WARRANTS

RECOMMENDATION: That the City Council approves payment of Warrants as submitted by the Finance Department.

1.3 APPROVAL OF READING BY TITLE AND WAIVER OF READING IN FULL OF ORDINANCES ON AGENDA

RECOMMENDATION: That the City Council approves the reading by title and waive the reading in full of all Ordinances on the Agenda.

*1.4 CITY ATTORNEY STAFF MEMBERS
(Report: Morgan Foley, City Attorney)

RECOMMENDATION: That the City Council adopts the next RESOLUTION in order appointing the professional staff of the City Attorney's Department effective January 9, 2018.

*1.5 JULY - SEPTEMBER 2017 QUARTERLY TREASURER'S REPORT
(Report: Clay Schoen, Director of Finance and Treasurer)

RECOMMENDATION: That the City Council receives the Treasurer's Report for the quarter ending September 30, 2017.

CONSENT ITEMS: (Continued)

***1.6 SUBDIVISION AGREEMENT AND FINAL MAP APPROVAL FOR TENTATIVE SUBDIVISION MAP (TSM) 628, 1123 EAST WASHINGTON AVENUE, ENGINEERING JOB NO. 3069**
(Report: Dirk Epperson, Director of Public Works)

RECOMMENDATION: That the City Council approves the Subdivision Agreement and Final Map for Tentative Subdivision Map (TSM) 628, 1123 East Washington Avenue, City of El Cajon, PUD 313, SP 510, Engineering Job No. 3069.

***1.7 RESOLUTION: REJECTION OF BID NO. 020-18, MAINTENANCE & REPAIRS OF MECHANICAL DOORS & GATES**
(Report: Nahid Razi, Purchasing Agent)

RECOMMENDATION: That the City Council adopts the next RESOLUTION in order rejecting the bid due to the absence of bid submissions and directs the Purchasing Agent to proceed with an open market purchase.

***1.8 BOARD OF SUPERVISORS APPOINTMENT TO GILLIESPIE FIELD DEVELOPMENT COUNCIL (Report: Angela Aguirre, City Clerk)**

RECOMMENDATION: That the City Council ratifies the San Diego County Board of Supervisors re-appointment of Phillis Trombi to the Gillespie Field Development Council for a term to expire December 7, 2021.

***1.9 COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2017, AND OTHER WRITTEN COMMUNICATION FROM THE CITY'S INDEPENDENT AUDITOR**
(Report: Clay Schoen, Director of Finance)

RECOMMENDATION: That the City Council receives and accepts the Comprehensive Annual Financial Report and other written communication from the independent accounting firm of Rogers, Anderson, Malody & Scott, LLP, for the fiscal year ended June 30, 2017.

PUBLIC COMMENT

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today's agenda are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

2. WRITTEN COMMUNICATIONS: None

3. PUBLIC HEARINGS: None

4. ADMINISTRATIVE REPORTS:

***4.1 RESOLUTION: REFUNDING THE 2005 AND 2007 TAX ALLOCATION BONDS OF THE FORMER EL CAJON REDEVELOPMENT AGENCY (Report: Graham Mitchell, Assistant City Manager)**

RECOMMENDATION: That the Successor Agency Board adopt a RESOLUTION Approving the form and authorizing distribution of a Preliminary Official Statement in connection with the offering and sale of Tax Allocation Bonds to refund certain outstanding obligations of the Former El Cajon Redevelopment Agency and approving related documents and actions.

5. COMMISSION REPORTS: None

6. ACTIVITIES REPORTS OF MAYOR WELLS/COMMENTS

SANDAG (San Diego Association of Governments); SANDAG Public Safety Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee.

***6.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

6.2 LEGISLATIVE REPORT – No Action Items at this time.

ACTIVITIES REPORTS OF MAYOR WELLS/COMMENTS: (Continued)

*6.3 COUNCIL ASSIGNMENTS

RECOMMENDATION: That the City Council consider and approve council assignments to the various boards and commissions giving El Cajon input on matters important to this region as follows:

Mayor Bill Wells: SANDAG (San Diego Association of Governments); League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee. LAFCO*

*Elected to the LAFCO Commission for a four year term to represent the east county, by east county Mayors, in December, 2017.

Mayor Pro Tem Gary Kendrick: Heartland Communications JPA; Heartland Fire Training JPA.

Councilmember Steve Goble: SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

Councilmember Ben Kalasho: East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

Councilmember Bob McClellan: MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

ACTIVITIES REPORTS OF COUNCILMEMBERS

7.

MAYOR PRO TEM GARY KENDRICK

Heartland Communications JPA; Heartland Fire Training JPA.

*7.1 COUNCIL ACTIVITIES REPORT/COMMENTS

8.

COUNCILMEMBER BOB MCCLELLAN

MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

*8.1 COUNCIL ACTIVITIES REPORT/COMMENTS

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

9.

COUNCILMEMBER BEN KALASHO

East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

***9.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

10.

COUNCILMEMBER STEVE GOBLE

SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

***10.1 COUNCIL ACTIVITIES REPORT/COMMENTS**

11. JOINT COUNCILMEMBER REPORTS: None

12. GENERAL INFORMATION ITEMS FOR DISCUSSION: None

13. ORDINANCES: FIRST READING - None

14. ORDINANCES: SECOND READING AND ADOPTION - None

Remainder of page intentionally left blank.

15. CLOSED SESSIONS:

RECOMMENDATION: That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency adjourns to Closed Sessions as follows:

15.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9:

Name of Case: Larry Hauser, et al.

v.

City of El Cajon, et al.

United States District Court
Southern District of California
Case No. 16cv3091-W-MDD

15.2 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9:

Name of Case: El Cajon Residents for Responsible Governance

v.

City of El Cajon, et al.

San Diego Superior Court
Case No. 37-2017-00045604-CU-WM-CTL

16. RECONVENE TO OPEN SESSION:

City Attorney or Representative reports on action taken in Closed Session.

ADJOURNMENT: The Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 9th day of January 2018, is adjourned to Tuesday, January 23, 2018, at 3:00 p.m.

Upcoming Events in El Cajon
City Council Meeting for January 9, 2018

Applicants Sought for City Commissions - *through January 11, 2018, at 5:30 p.m.*
The City Council is accepting applications for open commission seats on the ***Personnel Commission***, ***Planning Commission*** and ***Veterans' Commission***. Each term is four years except for the Veterans' Commission which is for the remaining three years of a term. Applicants will be interviewed and appointed on January 23, 2018, during the 7:00 p.m. City Council Meeting. Applications are available in the City Clerk's Office, and on the City's website, City Commissions page, at www.cityofelcajon.us/commissions. Contact (619) 441-1763 for additional information.

City Hall Closed on Alternate Fridays - *Next closure on Friday January 12*
For a full calendar of City Hall office hours, visit www.cityofelcajon.us.

City offices closed in observance of the Martin Luther King Jr. holiday - *January 15*

City Council Meeting - *Tuesday January 23, 3 p.m. and 7 p.m.* (as needed)
Meetings are held on the second and fourth Tuesday of the month as needed in the Council Chamber, at 200 Civic Center Way. For information, and to view the full agenda, visit www.cityofelcajon.us.

El Cajon Recreation Guide Winter 2018 - ***now available!***
The City offers a wide variety of classes and sports for every member of the family! Register in person at the City recreation centers or online at www.elcajonrec.org. For information, call (619) 441-1754.

Happy Valentine's Day! *Wednesday, February 14*

City offices will be closed in observance of the Presidents' Day holiday - *February 19*

Upcoming Community Events:

The 2017 El Cajon Citizen of the Year - Monday*, February 5*
Citizen of the Year nominees will be honored at a luncheon on Monday, February 5, at the Elks Lodge, 1400 E. Washington Avenue. For information, contact the San Diego East County Chamber of Commerce at (619) 440-6161.

RUN EC's St. Patrick's Day Half Marathon - *Sunday, March 4, 7:15 a.m.*
Register now for the St. Patrick's Day Half Marathon, 5K Run/Walk, Green Mile, and Tribes & Clans competition. The Half Marathon begins at 198 West Main Street, in Downtown El Cajon, next to the El Cajon Arch. Funds raised will benefit several East County charities. Please Visit www.stpatricksdayhalf.com for more information, to register or to volunteer. This annual event is hosted by the Run East County Foundation.

Save the date: 5th Annual America on Main Street - *Saturday, May 19, 2 p.m. to 9 p.m.*
This free community event celebrates *Diversity in America* with live entertainment, rides, crafts and food! Visit www.AmericaOnMainStreet.org.

Stay Informed on City Events, Services & Meetings - Visit the City of El Cajon's website at www.cityofelcajon.us. Register for the "E-NOTIFICATION."

JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

MINUTES

CITY OF EL CAJON EL CAJON, CALIFORNIA

December 12, 2017

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the Redevelopment Agency of the City of El Cajon, California held Tuesday, December 12, 2017, was called to order by Mayor/Chair Bill Wells at 2:07 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present:	Goble, and Kendrick
Council/Agencymembers absent:	Kalasho
Mayor Pro Tem/Vice Chair present:	McClellan
Mayor/Chair present:	Wells
Other Officers present:	Aguirre, City Clerk/Secretary Foley, City Attorney/General Counsel Mitchell, Assistant City Manager Williford, City Manager/Executive Director

Mayor Wells invited Dr. David Miyashiro, Superintendent of the Cajon Valley Unified School District to lead in the PLEDGE OF ALLEGIANCE TO FLAG and MOMENT OF SILENCE. (The Courts have concluded that sectarian prayer as part of City Council Meetings is not permitted under the Constitution).

POSTINGS: The City Clerk posted Orders of Adjournment of the November 14, 2017, meetings and the Agenda of the December 12, 2017, meeting in accordance with State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

Mayor Wells delivered the State of the City Address.

Recess called at 2:31 p.m.
Meeting reconvened at 3:02 p.m.

PRESENTATIONS:

- **RECOGNITION: Christina McBride – Award Recipient**

AGENDA CHANGES: City Manager Williford requested that Item 15.1, Closed Session, be removed from the Agenda.

MOTION BY WELLS, SECOND BY GOBLE, to REMOVE Item 15.1 from the Agenda.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

CONSENT ITEMS: (1.1 – 1.19)

1.1 MINUTES OF CITY COUNCIL/REDEVELOPMENT AGENCY MEETINGS

Approve Minutes of the November 14, 2017 Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

1.2 WARRANTS

Approve payment of Warrants as submitted by the Finance Department.

1.3 APPROVAL OF READING BY TITLE AND WAIVER OF READING IN FULL OF ORDINANCES ON AGENDA

Approve the reading by title and waive the reading in full of all Ordinances on the Agenda.

CONSENT ITEMS: (Continued)

1.4 RESOLUTION: SAN DIEGO GAS AND ELECTRIC (SDG&E) POWER YOUR DRIVE ELECTRIC VEHICLE CHARGING PROGRAM (Report: Dirk Epperson, Director of Public Works)

Adopts RESOLUTION NO. 109-17 to:

- Approve the project;
- Authorize the City Manager to execute all documents on behalf of the City of El Cajon, substantially in the form as presented to the City Council, with such changes as may be approved by the City Manager; and
- Authorize recording of the easement.

1.5 RESOLUTION: AWARD OF BID NO. 016-18, CITY HALL HVAC RE-BID (Report: Nahid Razi, Purchasing Agent)

RECOMMENDATION: That the City Council:

- Finds the protest submitted by Automated Controls, Inc. to be timely, but without merit;
- Finds the protest submitted by ETC Building & Design, Inc. to be timely, but without merit;
- Adopts the next RESOLUTION in order awarding the bid to the lowest responsive, responsible bidder, National Air, Inc. dba National Air & Energy, in the amount of $2,036,578.50 for the base bid, Additive Alternate Nos. 1 and 2, and requested contingencies; and
- Appropriates an additional $593,549.50 from the City Capital Improvement Program fund.

DISCUSSION

Shaun Meyers, representing Automated Controls, Inc., requested clarification of the letter received in response to his protest for not having the minimum of three (3) bids submitted. He stated since the requirements were not met the bid should not be awarded to National Air, Inc.

Nahid Razi, Purchasing Agent, clarified the portion of work Automated Control, Inc., bid for was for a public project which is awarded by the Purchasing Agent and does not require minimum bidders.

CONSENT ITEMS: (Item 1.5 - Continued)

In answer to questions by **Councilmember Goble, Purchasing Agent Razi** clarified that this was an open and competitive bid, and only two bids were received in a timely manner, Automated Controls, Inc., was not one of them. She stated the bid was advertised according to policy, inviting competitive bids.

MOTION BY WELLS, SECOND BY GOBLE, to APPROVE Item 1.5.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

A second speaker card was presented for Item 1.5.

MOTION BY WELLS, SECOND BY GOBLE, to RESCIND VOTE for Item 1.5 to allow comments on the Item.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

Chris Friend, representing ETC Building & Design, Inc., spoke to protest the award of bid granted to National Air, Inc., and he stated his company was the overall low bidder.

City Attorney Foley explained the difference between low base bid and alternate bids, and stated the City followed the guidelines of the Public Contract Code. He explained the City awarded the bid based on the base bid amount as required.

Discussion amongst **Staff** and **Councilmembers** ensued to clarify the terms responsible and responsive.

MOTION BY WELLS, SECOND BY McCLELLAN, to ADOPT RESOLUTION NO. 110-17 to award the bid to the lowest responsive, responsible bidder, National Air, Inc. dba National Air & Energy, in the amount of $2,036,578.50 for the base bid, Additive Alternate Nos. 1 and 2, and requested contingencies; and appropriate an additional $593,549.50 from the City Capital Improvement Program fund.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

CONSENT ITEMS: (Continued)

1.6 PROFESSIONAL SERVICES AGREEMENT WITH KLEINFELDER WEST, INC. FOR PROFESSIONAL ENGINEERING SERVICES TO PERFORM AN ASSESSMENT OF EXISTING BOX CULVERTS. (Report: Dirk Epperson, Director of Public Works)

Authorizes the City Manager to negotiate and execute a Professional Services Agreement (PSA) with Kleinfelder West, Inc. (Kleinfelder) for Civil Engineering Services to perform an assessment of the Forester Creek and Washington Channel box culverts (Assessment) in the amount of $199,944.00 for a one (1) year term with renewable options upon agreement of both parties.

1.7 RESOLUTIONS: APPROVAL OF PLANS AND SPECIFICATIONS FOR ADA PEDESTRIAN CURB RAMPS AND SIDEWALKS 2018, PW3594, BID NO. 014-18 (Report: Dirk Epperson, Director of Public Works)

Adopts RESOLUTION NO. 111-17 to Approve plans and specifications and direct a Notice Inviting Sealed Bids for the Americans with Disabilities Act (ADA) Pedestrian Curb Ramps and Sidewalks 2018 project to be opened on January 30, 2018; and adopt RESOLUTION NO. 112-17 to Appropriate $35,000.00 of TransNet (503000) Funds and increase the budget in the Transportation CIP (550000) ADA Pedestrian Curb Ramps and Sidewalks 2018 (PW3594) project.

1.8 AWARD OF BID NO. 019-18 – GAS MASKS AND ACCESSORIES (Report: Nahid Razi, Purchasing Agent)

Authorizes the Purchasing Agent to execute a purchase agreement with All State Police Equipment Company, Inc. for the purchase of gas masks and accessories in the total amount of $32,279.31.

1.9 RunEC HALF-MARATHON, SPECIAL EVENT REQUEST FOR SUPPORT (Report: Frank Carson, Director of Recreation)

Support RunEC by providing a $20,000.00 donation and in-kind City services for the 2018 St. Patrick's Day Half-Marathon/5K.

CONSENT ITEMS: (Continued)

1.10 DISPOSAL OF RETIRED PROPERTY
(Report: Nahid Razi, Purchasing Agent)

RECOMMENDATION: That the City Council declares the listed property retired and authorizes disposal in accordance with policy.

DISCUSSION

Councilmember Goble confirmed that all personal information would be deleted from the items to be disposed, to protect the public's information.

MOTION BY GOBLE, SECOND BY KENDRICK, to ACCEPT the listed property retired and authorizes disposal in accordance with policy.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

1.11 DONATION FOR RESTORATION OF HISTORIC EL CAJON 1950 AMERICAN LaFRANCE FIRE TRUCK
(Report: Douglas Williford, City Manager)

Approves a donation of $3,200.00 to the El Cajon Professional Firefighters Association to complete restoration of the historic vehicle.

1.12 ADDITIONAL BATTALION CHIEF POSITION REQUEST
(Report: Colin Stowell, Fire Chief)

Approves the addition of one Fire Battalion Chief Position to the Fiscal Year 2017-18 Annual Budget.

1.13 FISCAL YEAR 2016-17 EL CAJON HOUSING AUTHORITY ANNUAL REPORT (PURSUANT TO CALIFORNIA HEALTH & SAFETY CODE SECTION 34176.1)
(Report: Anthony Shute, Director of Community Development)

RECOMMENDATION: That the El Cajon Housing Authority review and accept the Annual Report of the El Cajon Housing Authority, substantially in the form as presented, for fiscal year ending June 30, 2017.

CONSENT ITEMS: (Item 1.13 - Continued)

DISCUSSION

Councilmember Goble complimented the Housing Department for being conservative in their fees to prepare the Annual Report of the El Cajon Housing Authority.

> **MOTION BY GOBLE, SECOND BY KENDRICK, to Acting as the El Cajon Housing Authority review and ACCEPT the Annual Report of the El Cajon Housing Authority, substantially in the form as presented, for fiscal year ending June 30, 2017.**

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

1.14 RESOLUTION: AWARD OF BID NO. 018-18, ADA PEDESTRIAN CURB RAMPS AND SIDEWALKS 2017 – RE-BID (Report: Nahid Razi, Purchasing Agent)

- Finds the third low bidder non-responsive for the reason set forth in the agenda report;
- Adopts RESOLUTION NO. 113-17 awarding the bid to the lowest responsive, responsible bidder, Crest Equipment, Inc., in the total amount of $213,699.35 for the base bid and Additive Alternate Nos. 1 and 2; and
- Amends ADA Pedestrian Curb Ramps and Sidewalks 2017 (PW3575) project budget by $26,065.00 to include Community Development Block Grant (C0916) funds previously appropriated for this purpose.

1.15 FY 2017 STATE HOMELAND SECURITY GRANT – URBAN AREA SECURITY INITIATIVE FUNDING (Report: Jeff Davis, Chief of Police)

- Authorize the City Manager or designee to accept the FY 2017 State Homeland Security – Urban Area Security Initiative (UASI) Grant funds in the amount of $98,902.00 and to execute any grant documents and agreements necessary for the receipt and use of these funds; and
- Appropriate the State Homeland Security – Urban Area Security Initiative (UASI) Grant funds in the amount of $98,902.00; and
- Authorize the City Manager or designee to accept FY 2017 State Homeland Security – Urban Area Security Initiative (UASI) Grant funded equipment purchased on behalf of the City of El Cajon.

CONSENT ITEMS: (Continued)

1.16 PURCHASE OF TRUCK MOUNTED SEWER RODDER
(Report: Nahid Razi, Purchasing Agent)

Authorizes the Purchasing Agent, in accordance with Municipal Code 3.20.010.C.3, to execute a purchase agreement with Sewer Equipment Company of America for the purchase of a truck mounted sewer rodder in the amount of $141,960.77.

1.17 PURCHASE OF COMBINATION SEWER CLEANING MACHINE
(Report: Nahid Razi, Purchasing Agent)

Authorizes the Purchasing Agent, in accordance with Municipal Code 3.20.010.C.3, to execute a purchase agreement with National Auto Fleet Group for the purchase of a combination sewer cleaning machine in the amount of $472,316.40.

1.18 TERM EXPIRATIONS ON CITY COMMISSIONS – SCHEDULE FOR APPLICATIONS AND INTERVIEWS
(Report: Angela Aguirre, City Clerk)

Approves the timeline for accepting applications and scheduling of interviews for candidates to serve on City Commissions, or reappoint, if appropriate.

- Application Period: December 13, 2017 – January 11, 2018 at 5:30 p.m.
- Interview and Appoint Applicants: January 23, 2018 at 7:00 p.m.

1.19 PURCHASE OF FACTORY LOADED AMMUNITION
(Report: Nahid Razi, Purchasing Agent)

RECOMMENDATION: That the City Council authorizes the Purchasing Agent to waive the bidding requirements in accordance with Municipal Code 3.20.010.C.1.A, and execute a purchase agreement with Dooley Enterprises, Inc., for the purchase of factory loaded ammunition in the amount of $81,727.67.

> **MOTION BY WELLS, SECOND BY McCLELLAN, to APPROVE Consent Items 1.1 to 1.4, Items 1.6 to 1.9, Items 1.11, 1.12, and Items 1.14 to 1.19.**
>
> **MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).**

PUBLIC COMMENT:

Therese Perez spoke about parking issues at Berry Dale, Adele and Burnet Streets. She stated the street parking is being used by surrounding apartment renters, and shared that illegal activities take place and more security is needed.

Mayor Wells instructed **Ms. Perez** to speak with **Director of Community Development, Anthony Shute.**

Sharon Hoffman – did not wish to speak when called upon.

Joseph LaVeque complimented the El Cajon Police Department for the continued help, and spoke about the homeless issues in the City. He also stated illegal activities are happening in front of their homes.

Mayor Wells acknowledged the growing problem of homelessness, and stated the City has been working within the limits of the laws in the State of California to alleviate the problem.

City Manager Williford asked **Mr. LaVeque** to contact his office to further discuss the problem on Herbert Street.

Naomi Swinford suggested signs with laws to be printed in different languages for the new people coming in to the City, who may not read English.

Bonnie Price shared that many homeless people suffer from mental health issues, and there seems to be a lack of services for those individuals.

Shane Parmely provided Council a copy of a letter sent to City Attorney Foley regarding El Cajon's Urgency Ordinance No. 5066.

Patricia Zamora, Program Director for Crisis House, introduced Karina Hernandez who serves as the Homeless Housing Navigator for El Cajon Housing Connections.

In answer to a question by **Councilmember Kendrick, Assistant City Manager Mitchell** stated the City usually spends about $100,000.00 per year on homeless services. This year however, due to additional funds for the Housing Navigator Program, Housing Voucher Program, and food sharing programs, it estimated that about $250,000.00 may be spent.

Mayor Wells acknowledged the presence of former Mayor, **Joan Shoemaker** in the audience.

2. WRITTEN COMMUNICATIONS: None

3. PUBLIC HEARINGS: None

4. ADMINISTRATIVE REPORTS:

4.1 MANAGEMENT AGREEMENT FOR THE EAST COUNTY PERFORMING ARTS CENTER WITH LIVE NATION WORLDWIDE INC. (Report: Douglas Williford, City Manager)

RECOMMENDATION: That the City Council adopt a RESOLUTION approving a Management Agreement for the East County Performing Arts Center with Live Nation Worldwide, Inc., and authorizing the City Manager to execute the agreement, and any amendments thereto and extensions thereof, with such changes as the City Manager shall accept with the approval of the City Attorney.

DISCUSSION

City Manager Williford provided detailed information on the Item.

City Manager Williford introduced **Arich Berghammer**, Executive Vice President of Live Nation, who spoke about entering into a partnership with the City of El Cajon.

Robert Clark congratulated City Management for their work to re-open the East County Performing Arts Center (ECPAC). He spoke against the idea of paying Live Nation consulting fees during the renovation period.

City Manager Williford stated that Live Nation will be actively participating in the renovation process of ECPAC, therefore consulting fees are appropriate in this case.

Councilmember Kendrick and **Councilmember Goble** spoke in support of paying the consulting fees for their years of expertise in the matter.

Eric Lund, President of the San Diego East County Chamber of Commerce, spoke in support of the proposed project.

Bonnie Price thanked the City Council for supporting the re-opening of ECPAC.

Ray Lutz with Citizens Oversight spoke in support of re-opening ECPAC, and he spoke in support of having LED signs near the freeway to advertise for the upcoming events.

ADMINISTRATIVE REPORTS: (Item 4.1 – Continued)

MOTION BY McCLELLAN, SECOND BY KENDRICK, to ADOPT RESOLUTION NO. 114-17 approving a Management Agreement for the East County Performing Arts Center with Live Nation Worldwide, Inc., and authorizing the City Manager to execute the agreement, and any amendments thereto and extensions thereof, with such changes as the City Manager shall accept with the approval of the City Attorney.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

4.2 SELECTION OF MAYOR PRO TEM (Report: Angela Aguirre, City Clerk)

RECOMMENDATION: That the City Council selects a Mayor Pro Tem according to the El Cajon Municipal Code.

City Manager Williford provided a summary of the Item.

MOTION BY WELLS, SECOND BY McCLELLAN, to APPOINT Councilmember Kendrick as Mayor Pro Tem according to the El Cajon Municipal Code for the 2018 Calendar Year.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

5. COMMISSION REPORTS: None

6. ACTIVITIES REPORTS OF MAYOR WELLS/COMMENTS

SANDAG (San Diego Association of Governments); SANDAG Public Safety Committee – Chair; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee.

6.1 Council Activities Report/Comments

REPORT AS STATED.

6.2 LEGISLATIVE REPORT - No Report.

ACTIVITIES REPORTS OF COUNCILMEMBERS

7.

COUNCILMEMBER GARY KENDRICK

Heartland Communications JPA; Heartland Fire Training JPA.

7.1 Council Activities Report/Comments

REPORT AS STATED.

8.

MAYOR PRO TEM BOB MCCLELLAN

MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

8.1 Council Activities Report/Comments

REPORT AS STATED.

9.

COUNCILMEMBER BEN KALASHO

East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

9.1 Council Activities Report/Comments

NO REPORT.

10. COUNCILMEMBER STEVE GOBLE

SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

10.1 Council Activities Report/Comments

REPORT AS STATED.

11. JOINT COUNCILMEMBER REPORTS: None

12. GENERAL INFORMATION ITEMS FOR DISCUSSION: None

13. ORDINANCES: FIRST READING - None

14. ORDINANCES: SECOND READING AND ADOPTION

14.1 MIXED-USE OVERLAY – CREATING VIBRANT NEIGHBORHOODS

RECOMMENDATION: That Mayor Wells requests the City Clerk to recite the titles.

- An Ordinance rezoning property located on the West side of Marshall Avenue between Petree Street and Arnele Avenue from the M (Industrial) and C-M (Heavy Commercial and Light Manufacturing) Zone to the C-R (Regional Commercial) and the property located on the North side of East Main Street between first street and South Anza Street from the RS-6 (Single-Family Residential Minimum 6,000 Square Feet) to C-G (General Commercial); General Plan Designation: Regional Commercial (RC) and General Commercial (CG) APNS: 482-190-34, 482-190-40, 482-190-47, and 489-130-19.

- An Ordinance amending Title 17 of the El Cajon Municipal Code for the application of the mixed-use overlay zone to various properties; amending the mixed-use overlay Chapter 17.135; amending Chapter 17.125 to include new provisions for common interest developments; and adopting a mixed-use overlay and mixed-use residential required overlay zone map.

- An Ordinance amending Specific Plan No. 19 to require further review for a reduction in commercial space of 10,000 Square Feet or more.

- An Ordinance amending Specific Plan No. 182 to eliminate conflicts between the Downtown Specific Plan with the mixed-use overlay zone.

MOTION BY McCLELLAN, SECOND BY KENDRICK, to Adopt Ordinance No. 5067

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

MOTION BY McCLELLAN, SECOND BY KENDRICK, to Adopt Ordinance No. 5068.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

MOTION BY McCLELLAN, SECOND BY KENDRICK, to Adopt Ordinance No. 5069.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

MOTION BY McCLELLAN, SECOND BY KENDRICK, to Adopt Ordinance No. 5070.

MOTION CARRIED BY A 4 – 0 VOTE (KALASHO – Absent).

ITEM REMOVED FROM AGENDA UNDER AGENDA CHANGES:
15. CLOSED SESSION

RECOMMENDATION: That the City Council/Housing Authority/Successor Agency to the Redevelopment Agency adjourns to Closed Session as follows:

15.1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Pursuant to paragraph (1) of subdivision (d) of Government Code Section 54956.9:

Name of Case: Larry Hauser, et al.
v.
City of El Cajon, et al.

United States District Court
Southern District of California
Case No. 16cv3091-W-MDD

Adjournment: Mayor Wells adjourned the Regular Joint Meeting of the City Council/Housing Authority/Successor Agency to the Redevelopment Agency held this 12th day of December 2017, at 4:42 p.m. to Tuesday, January 9, 2018, at 3:00 p.m.

Angela Aguirre
City Clerk/Secretary

APPROVAL OF READING BY TITLE AND WAIVER OF READING OF ORDINANCES ON THIS AGENDA

The City Council waives the reading of the full text of every ordinance contained in this agenda and approves the reading of the ordinance title only.

City Clerk Date Stamp
RECEIVED OFFICE OF CITY CLERK EL CAJON CA

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City of El Cajon Agenda Report

MEETING: 01/09/18

ITEM NO: 1.4

El Cajon — The Valley of Opportunity — Incorporated 1912

TO: **Mayor Wells, Mayor Pro Tem Kendrick, Councilmembers Goble, Kalasho and McClellan**

FROM: **City Attorney**

SUBJECT: **City Attorney Staff Members**

RECOMMENDATION: That the City Council adopts the next Resolution, in order, appointing the professional staff of the City Attorney's Department effective January 9, 2018.

BACKGROUND: The office of the City Attorney is staffed by principals and associates of the municipal law department of the law offices of McDougal, Love, Boehmer, Foley, Lyon & Canlas. These appointments periodically change with the departures and additions of personnel. Effective January 9, 2018, the existing list of staff changed with the departure of Randall R. Sjoblom, who formerly served as an Assistant City Attorney for the City, and the addition of Elizabeth A. Mitchell. This action is necessary to reflect these changes.

FISCAL IMPACT: No fiscal impact. The contract with the City Attorney and McDougal, Love, Boehmer, Foley, Lyon & Canlas is not affected by this change

PREPARED BY:

Morgan Foley, City Attorney

RESOLUTION NO. ____-18

RESOLUTION APPOINTING
CITY ATTORNEY STAFF
OF THE CITY OF EL CAJON

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

The City Attorney staff members are appointed, effective January 9, 2018, as follows:

Morgan L. Foley, City Attorney

Amanda R. Abeln-Overs, Assistant City Attorney

Gena B. Burns, Assistant City Attorney

Johanna N. Canlas, Assistant City Attorney

M. Anne Cirina, Assistant City Attorney

Lauren N. Hendrickson, Assistant City Attorney

Jennifer M. Lyon, Assistant City Attorney

Elizabeth A. Mitchell, Assistant City Attorney

Barbara C. Luck, Staff Attorney

01/09/18 (Item 1.4)

City Attorney Staff Appt 120417

City of El Cajon Agenda Report

MEETING: 01/09/2018

ITEM NO: 1.5

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick, Councilmembers Goble, Kalasho, McClellan

FROM: Director of Finance and Treasurer

SUBJECT: July - September 2017 Quarterly Treasurer's Report

RECOMMENDATION: That the City Council receives the Treasurer's Report for the quarter ending September 30, 2017.

BACKGROUND: Per the City's investment policy, the latest quarterly Treasurer's Report is presented for Council receipt and approval.

Investment Trends/Economy – The Federal Open Market Committee (FOMC) summarized the condition of the economy with the following comments from their November 1, 2017 press release.

> Information received since the Federal Open Market Committee met in September indicates that the labor market has continued to strengthen and that economic activity has been rising at a solid rate despite hurricane-related disruptions. Although the hurricanes caused a drop in payroll employment in September, the unemployment rate declined further. Household spending has been expanding at a moderate rate, and growth in business fixed investment has picked up in recent quarters. Gasoline prices rose in the aftermath of the hurricanes, boosting overall inflation in September; however, inflation for items other than food and energy remained soft. On a 12-month basis, both inflation measures have declined this year and are running below 2 percent. Market-based measures of inflation compensation remain low; survey-based measures of longer-term inflation expectations are little changed, on balance.

As a result of this assessment, the Federal Open Market Committee stated that "In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 1 to 1-1/4 percent."

Recent releases from the Economic and Statistics Administration reported a continued increase in Gross Domestic Product and Personal Income. The Department of Commerce reported increases in New Residential Construction Starts and New Residential Sales decreased. The S&P/Case-Schiller Home Price Index indicates home values have continued to increase both nationally, and in the San Diego market.

"The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County" recently stated that "the USD Index has now increased or been unchanged for an entire year. The outlook then continues to be for positive but slower growth for the local economy at least through most of 2018."

U.S. Treasuries – As of September 30, 2017, the daily yield was 1.49% for a 2-year Treasury and 1.94% for a 5-year Treasury. Compared to the prior year, the 2-year Treasuries increased 72 basis points and the 5-year Treasuries increased 80 basis points.

U.S. Government Agencies – At quarter end, the yield was 1.56% for a 2-year and 2.02% for a 5-year Federal Agency investment, respectively. The City's investment portfolio, in large part, is comprised of U.S. Government Agency securities because they offer a higher return than U.S. Treasuries.

LAIF & CAMP Pools – Consistent with market conditions, interest rates in LAIF and CAMP remain very low. The quarter to date yield was 1.07% and 1.14% for LAIF and CAMP Pools, respectively.

Outlook & Strategy –The prevailing view of economists is that the FOMC will continue rate increases in the near future, and the current strategy is to maintain flexibility in order to take advantage of higher investment returns when they materialize. As opportunities become available and the City's cash flow needs are met, investing funds in securities will continue with the City's investment advisors, Public Financial Management (PFM). The CAMP pool is currently rated AAA. No rating is provided for LAIF, but it is expected it would also achieve an AAA rating.

Report Presentation – This report is presented in four sections:

Operating Cash – The Union Bank Master Account is the City's main checking account. The City also utilizes a merchant account with U.S. Bank for receiving credit card payments. Funds are automatically transferred daily from U.S. Bank to the City's main checking account at Union Bank.

Operating Investments – The City's operating investments are invested in CAMP portfolio investments (71.91%) earning 1.50%, followed by LAIF (27.97%) earning 1.07%, and the remainder in the CAMP investment pool (0.11%) earning 1.14%. The investment portfolio make-up of LAIF and CAMP are attached. In addition to maximizing yield, these investments provide for safety and liquidity in meeting the City's operational needs.

Successor Agency Investments – The Successor Agency's operating investments, totaling $895,998, are invested in LAIF. The Bank of New York Mellon is the Trustee and the required bond reserve account has a market value of $1,258,116. The debt service fund of $3,261,885 is a temporary holding account in which the Trustee receives payment from the Successor Agency to make payments to the bond holders on April 1. Bond proceeds of $839,425 are invested in LAIF.

FISCAL IMPACT: Interest earned for the fourth quarter of the fiscal year, on a cash basis, was $416,350. Market value is slightly lower than the original investment cost.

PREPARED BY:

Clay Schoen
DIRECTOR OF FINANCE AND TREASURER

APPROVED BY:

Douglas Williford
CITY MANAGER

CITY OF EL CAJON TREASURER'S REPORT
AS OF SEPTEMBER 30, 2017

Cash Basis

	Balance as of September 30, 2017	Quarter to Date Yield/Interest Rate	Quarter to Date Interest Earnings	Fiscal Year to Date Interest Earnings	Market Value*
Operating Cash					
UBOC Checking (Master)	$ 2,444,238	0.40%	$ 5,607	$ 5,607	$ 2,444,238
US Bank (Merchant Processing)	12,373	n/a	-	-	12,373
Petty Cash	4,320	n/a	-	-	4,320
Total Operating Cash	$ 2,460,931		$ 5,607	$ 5,607	$ 2,460,931
Operating Investments					
LAIF(1) - City Pool	$ 27,807,884	1.07%	$ 86,289	$ 86,289	$ 27,781,246
CAMP(2) Cash Management	111,715	1.14%	949	949	111,715
CAMP Managed Portfolio	71,489,789	1.50%	315,594	315,594	71,289,701
Total Operating Investments	$ 99,409,388		$ 402,832	$ 402,832	$ 99,182,662
Total Operating Cash and Investments	$ 101,870,319		$ 408,439	$ 408,439	$ 101,643,593
Successor Agency Investments					
LAIF - Operating Investments	$ 895,998	1.07%	2,059	$ 2,059	$ 895,140
LAIF - Bond Proceeds, 2007	839,425	1.07%	1,234	1,234	838,621
The Bank of New York Mellon Trust Co.:					
Bond Reserve Fund	1,258,116	1.18%	2,444	2,444	1,258,116
Bond Debt Service Fund	3,261,855	1.18%	2,174	2,174	3,261,855
Total Successor Agency	$ 6,255,394		$ 7,911	$ 7,912	$ 6,253,732
Grand Total Cash and Investments	$ 108,125,713		$ 416,350	$ 416,351	$ 107,897,325

I certify that all investments under the management of the City are in compliance with the City's adopted investment policy, and I certify the City's investments plus projected revenues, are sufficiently liquid to meet the City's next six (6) months cash flow requirements per the adopted budget.

Clay Schoen, Director of Finance and Treasurer

December 8, 2017
Date

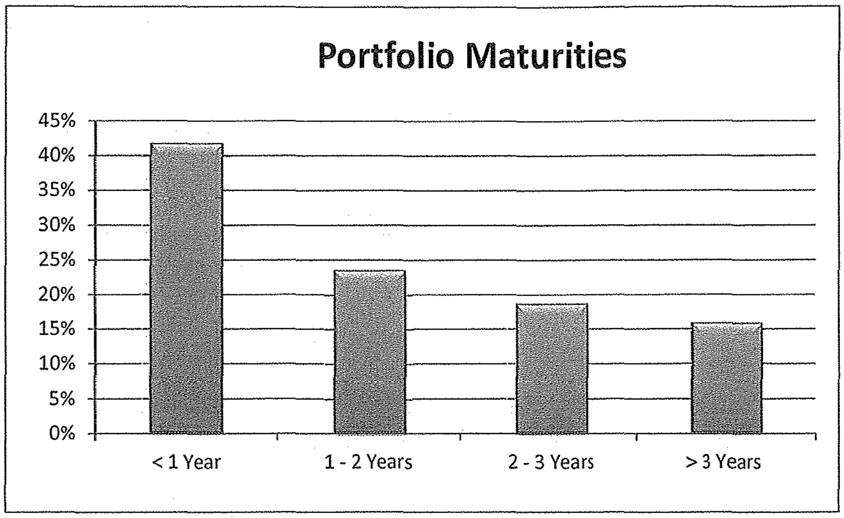
*Source: Bank and Trustee Statements

Note (1): The Local Agency Investment Fund (LAIF) is a voluntary investment alternative for California's local governments and special districts authorized by the California Government Code. LAIF is managed by the State Treasurer's Office with oversight by the Local Agency Investment Advisory Board. All securities in LAIF are purchased under the authority of Government Code Sections 16430 and 16480.8. LAIF is part of the State Treasurer's Pooled Money Investment Account (PMIA). The PMIA Investment Policy is guided by the goals of portfolio safety/diversification, liquidity, and yield.

Note (2): The California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

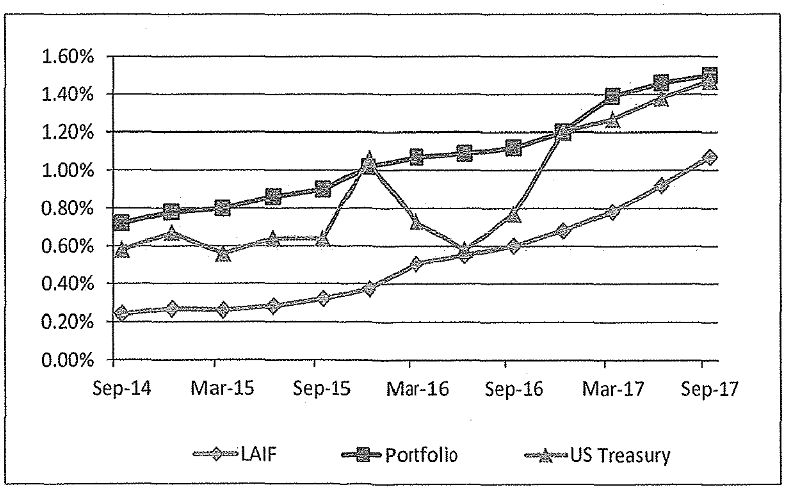
CITY OF EL CAJON
OPERATING INVESTMENTS PORTFOLIO MATURITIES BY DATE AND TYPE (AT PAR)
AS OF SEPTEMBER 30, 2017

Type of Investment	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years
LAIF - City Pool	27,807,884	-	-	-
CAMP Cash Management	111,715	-	-	-
CAMP Managed Portfolio:				
FHLMC Notes	-	3,100,000	1,000,000	1,000,000
FMCC Global Notes	-	2,000,000	2,900,000	-
FNMA Benchmark/Global Notes	2,500,000	9,730,000	8,930,000	2,000,000
FHLB Notes/Global Bonds	-	4,000,000	2,005,000	-
US Treasury Notes	6,985,000	3,365,000	-	9,135,000
Corporate Bonds/Notes/CD	1,000,000	1,740,000	4,165,000	4,000,000
Commercial Paper	4,000,000	-	-	-
Totals	**$ 42,404,599**	**$ 23,935,000**	**$ 19,000,000**	**$ 16,135,000**
Portfolio Percentage	**41.79%**	**23.59%**	**18.72%**	**15.90%**



QUARTERLY YIELD COMPARISONS

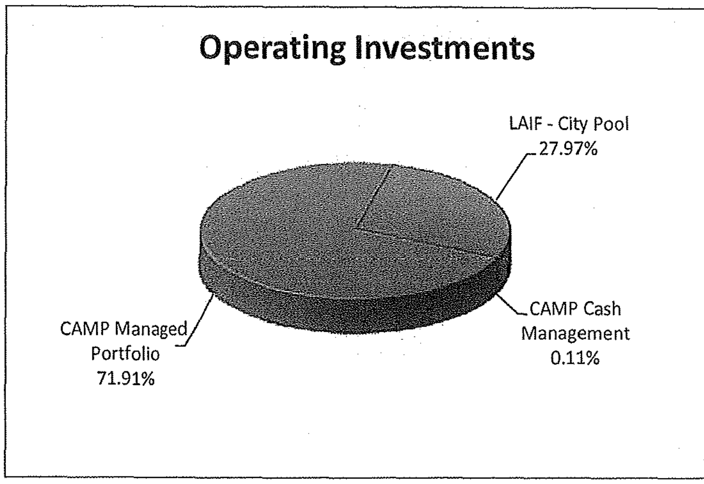
Quarter Ending	LAIF (1)	Portfolio (2)	US Treasury (3)
Sep-14	0.24%	0.72%	0.58%
Dec-14	0.27%	0.78%	0.67%
Mar-15	0.26%	0.80%	0.56%
Jun-15	0.28%	0.86%	0.64%
Sep-15	0.32%	0.90%	0.64%
Dec-15	0.37%	1.02%	1.06%
Mar-16	0.51%	1.07%	0.73%
Jun-16	0.55%	1.09%	0.58%
Sep-16	0.60%	1.12%	0.77%
Dec-16	0.68%	1.20%	1.20%
Mar-17	0.78%	1.39%	1.27%
Jun-17	0.92%	1.46%	1.38%
Sep-17	1.07%	1.50%	1.47%

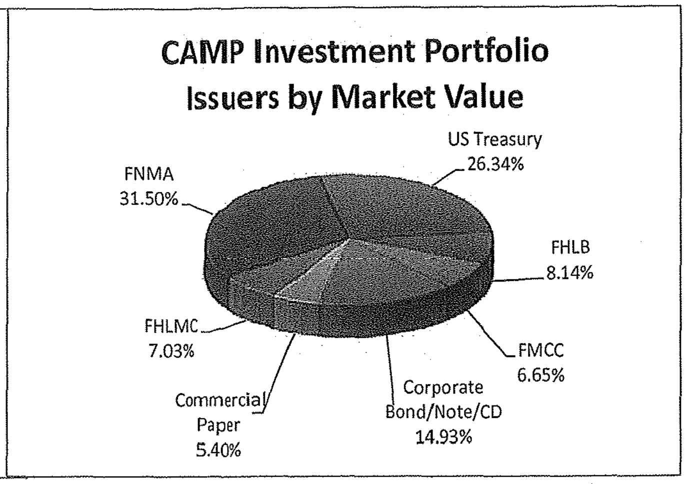


(1) per State Treasurer's Office, LAIF-PMIA Earnings Yield Rate (average quarterly return)
(2) per CAMP Portfolio report
(3) per U.S. Treasury 2-year daily yield curve rate

CITY OF EL CAJON
OPERATING INVESTMENTS COMPOSITION (AT COST)
AS OF SEPTEMBER 30, 2017

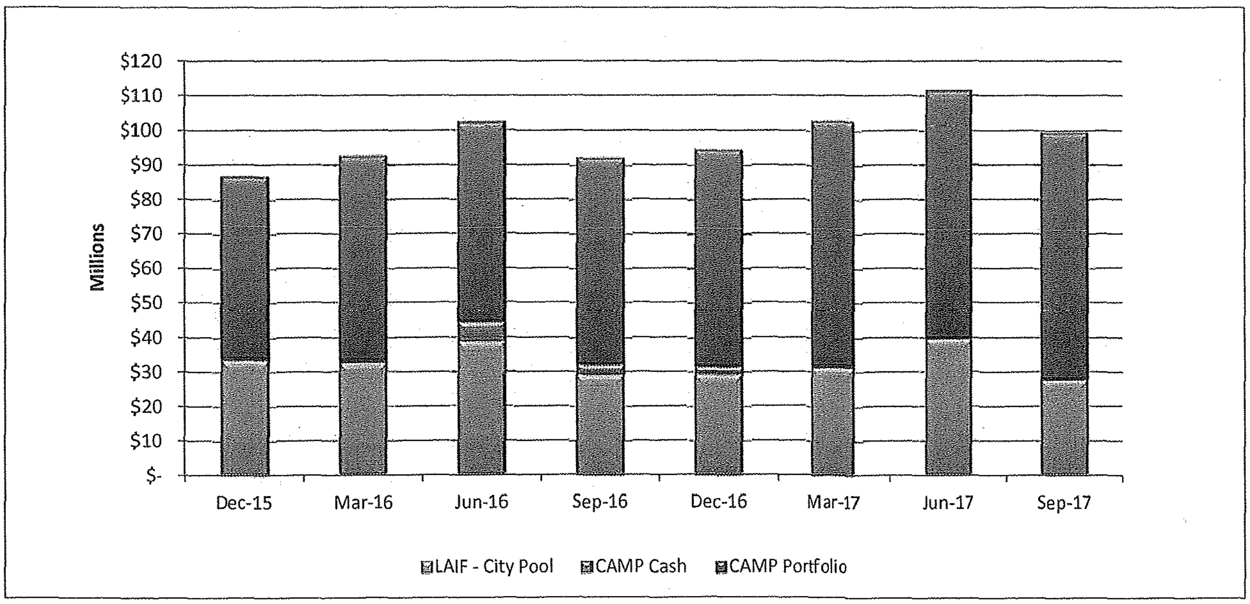
Operating Investments	Type of Investment	Investment Amount	% of Total Investments	Prior Quarter Investment Amount	% Change From Prior Quarter
LAIF - City Pool	(See attached graph)	$ 27,807,884	27.97%	$ 39,610,191	-29.80%
CAMP Cash Management	Cash Reserve Portfolio	111,715	0.11%	217,275	-48.58%
CAMP Managed Portfolio	Federal Agency & Corporate Bonds/Notes	71,489,789	71.91%	71,640,283	-0.21%
Total Operating Investments		$ 99,409,388	100.00%	$ 111,467,749	-10.82%





HISTORICAL COMPOSITION

	Quarter Ending							
	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
LAIF - City Pool	$ 33,673,124	$ 32,705,079	$ 38,778,366	$ 29,298,139	$ 29,445,380	$ 31,524,951	$ 39,610,191	$ 27,807,884
CAMP Cash	475,669	594,268	5,787,181	3,043,632	2,185,928	419,693	217,275	111,715
CAMP Portfolio	52,728,873	59,228,720	57,676,806	59,914,803	62,972,721	70,871,600	71,640,283	71,489,789
Total	$ 86,877,666	$ 92,528,067	$ 102,242,353	$ 92,256,574	$ 94,604,029	$ 102,816,244	$ 111,467,749	$ 99,409,388



JOHN CHIANG
TREASURER
STATE OF CALIFORNIA

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
09/30/17	1.11	1.08	190
10/01/17	1.11	1.11	191
10/02/17	1.13	1.12	198
10/03/17	1.13	1.12	200
10/04/17	1.13	1.13	198
10/05/17	1.13	1.13	197
10/06/17	1.13	1.13	196
10/07/17	1.13	1.13	196
10/08/17	1.13	1.13	196
10/09/17	1.13	1.13	193
10/10/17	1.13	1.13	194
10/11/17	1.13	1.13	192
10/12/17	1.14	1.13	193
10/13/17	1.14	1.13	193
10/14/17	1.14	1.13	193
10/15/17	1.14	1.13	193
10/16/17	1.15	1.14	195
10/17/17	1.15	1.14	193
10/18/17	1.15	1.14	193
10/19/17	1.15	1.14	192
10/20/17	1.15	1.14	192
10/21/17	1.15	1.14	192
10/22/17	1.15	1.14	192
10/23/17	1.15	1.14	189
10/24/17	1.15	1.14	187
10/25/17	1.15	1.14	186
10/26/17	1.16	1.14	187
10/27/17	1.16	1.14	195
10/28/17	1.16	1.14	195
10/29/17	1.16	1.14	195
10/30/17	1.16	1.14	190

*Daily yield does not reflect capital gains or losses

View Prior Month Daily Rates

LAIF Performance Report

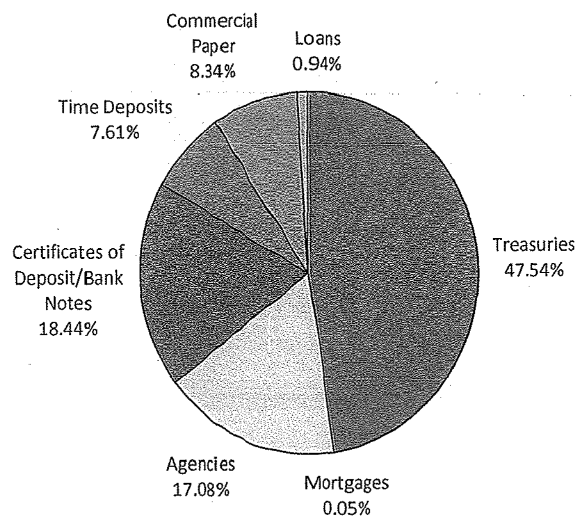
Quarter Ending 09/30/17

Apportionment Rate:	1.07%
Earnings Ratio:	.00002942867511750
Fair Value Factor:	.999042071
Daily:	1.11%
Quarter to Date:	1.08%
Average Life:	190

PMIA Average Monthly Effective Yields

Sept 2017	**1.111**
Aug 2017	1.084
July 2017	1.051

Pooled Money Investment Account Portfolio Composition 09/30/17 $74.1 billion



Based on data available as of 11/1/2017

Account Statement - Transaction Summary

For the Month Ending **September 30, 2017**

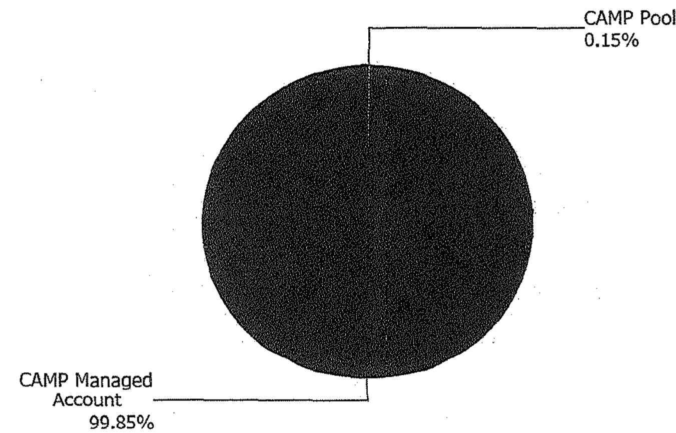
CITY OF EL CAJON - OPERATING FUNDS - 505-00

CAMP Pool	
Opening Market Value	376,268.75
Purchases	4,964,703.42
Redemptions	(5,229,256.73)
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	**$111,715.44**
Cash Dividends and Income	210.02

CAMP Managed Account	
Opening Market Value	73,575,683.65
Purchases	5,223,199.95
Redemptions	(5,094,523.43)
Unsettled Trades	0.00
Change in Value	(213,565.31)
Closing Market Value	**$73,490,794.86**
Cash Dividends and Income	98,452.47

Asset Summary	**September 30, 2017**	**August 31, 2017**
CAMP Pool	111,715.44	376,268.75
CAMP Managed Account	73,490,794.86	73,575,683.65
Total	**$73,602,510.30**	**$73,951,952.40**

Asset Allocation



CAMP

Managed Account Summary Statement

For the Month Ending **September 30, 2017**

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Transaction Summary - Money Market	
Opening Market Value	**$376,268.75**
Purchases	4,964,703.42
Redemptions	(5,229,256.73)
Closing Market Value	**$111,715.44**
Dividend	210.02

Transaction Summary - Managed Account	
Opening Market Value	**$73,575,683.65**
Maturities/Calls	(2,160,000.00)
Principal Dispositions	(2,934,523.43)
Principal Acquisitions	5,223,199.95
Unsettled Trades	0.00
Change in Current Value	(213,565.31)
Closing Market Value	**$73,490,794.86**

Account Total	
Opening Market Value	**$73,951,952.40**
Closing Market Value	**$73,602,510.30**

Earnings Reconciliation (Cash Basis) - Managed Account	
Interest/Dividends/Coupons Received	155,419.97
Less Purchased Interest Related to Interest/Coupons	(354.25)
Plus Net Realized Gains/Losses	(56,613.25)
Total Cash Basis Earnings	**$98,452.47**

Cash Balance	
Closing Cash Balance	**$0.00**

Earnings Reconciliation (Accrual Basis)	Managed Account	Total
Ending Amortized Value of Securities	73,551,873.74	73,663,589.18
Ending Accrued Interest	213,791.18	213,791.18
Plus Proceeds from Sales	2,949,604.30	8,178,861.03
Plus Proceeds of Maturities/Calls/Principal Payments	2,160,000.00	2,160,000.00
Plus Coupons/Dividends Received	140,339.10	140,339.10
Less Cost of New Purchases	(5,223,554.20)	(10,188,257.62)
Less Beginning Amortized Value of Securities	(73,416,706.42)	(73,792,975.17)
Less Beginning Accrued Interest	(281,501.39)	(281,501.39)
Dividends	0.00	210.02
Total Accrual Basis Earnings	**$93,846.31**	**$94,056.33**

Cash Transactions Summary- Managed Account	
Maturities/Calls	2,160,000.00
Sale Proceeds	2,949,604.30
Coupon/Interest/Dividend Income	140,339.10
Principal Payments	0.00
Security Purchases	(5,223,554.20)
Net Cash Contribution	(26,389.20)
Reconciling Transactions	0.00

CAMP

Portfolio Summary and Statistics

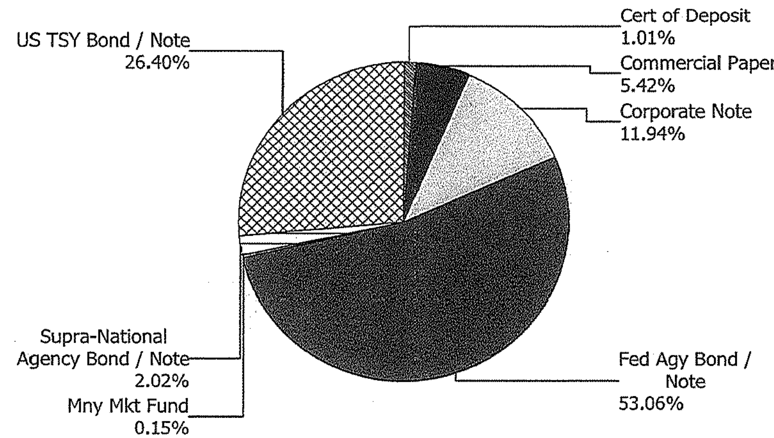
For the Month Ending **September 30, 2017**

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

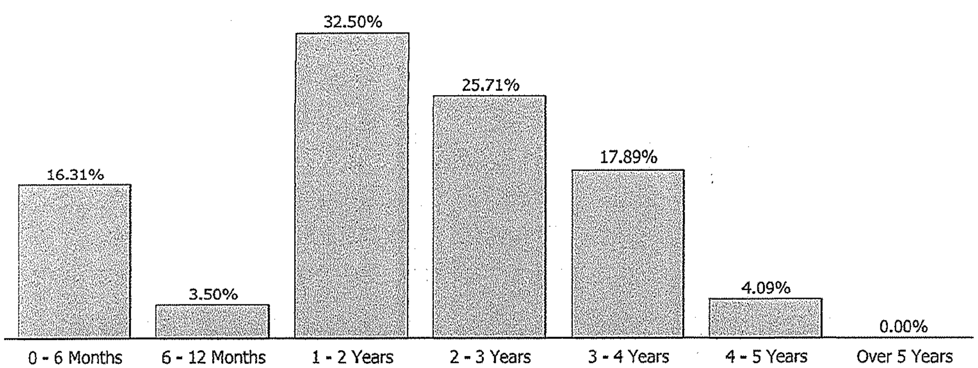
Account Summary

Description	Par Value	Market Value	Percent
U.S. Treasury Bond / Note	19,485,000.00	19,434,276.41	26.40
Supra-National Agency Bond / Note	1,500,000.00	1,487,212.50	2.02
Federal Agency Bond / Note	39,165,000.00	39,052,424.92	53.06
Corporate Note	8,665,000.00	8,789,383.35	11.94
Commercial Paper	4,000,000.00	3,987,733.00	5.42
Certificate of Deposit	740,000.00	739,764.68	1.01
Managed Account Sub-Total	**73,555,000.00**	**73,490,794.86**	**99.85%**
Accrued Interest		213,791.18	
Total Portfolio	**73,555,000.00**	**73,704,586.04**	
CAMP Pool	111,715.44	111,715.44	0.15
Total Investments	**73,666,715.44**	**73,816,301.48**	**100.00%**
Unsettled Trades	**0.00**	**0.00**	

Sector Allocation



Maturity Distribution



Characteristics

Yield to Maturity at Cost	1.50%
Yield to Maturity at Market	1.57%
Duration to Worst	1.94
Weighted Average Days to Maturity	731

Managed Account Issuer Summary

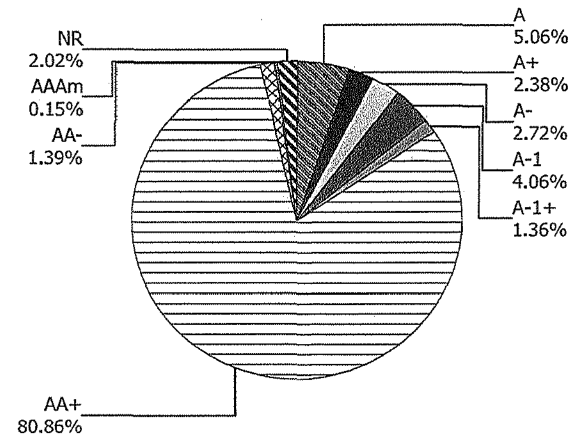
For the Month Ending **September 30, 2017**

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Issuer Summary

Issuer	Market Value of Holdings	Percent
AMERICAN EXPRESS CO	1,005,440.00	1.37
APPLE INC	1,027,579.00	1.40
BNP PARIBAS	992,800.00	1.35
CAMP Pool	111,715.44	0.15
CREDIT AGRICOLE SA	998,927.00	1.36
FANNIE MAE	23,101,414.45	31.38
FEDERAL HOME LOAN BANKS	5,965,029.67	8.10
FREDDIE MAC	9,985,980.80	13.57
HSBC HOLDINGS PLC	1,675,644.35	2.28
INTERNATIONAL BUSINESS MACHINES	1,009,819.00	1.37
INTL BANK OF RECONSTRUCTION AND DEV	1,487,212.50	2.02
JP MORGAN CHASE & CO	999,686.00	1.36
MITSUBISHI UFJ FINANCIAL GROUP INC	1,735,982.68	2.36
ORACLE CORP	1,022,614.00	1.39
THE BANK OF NEW YORK MELLON CORPORATION	1,045,891.00	1.42
TOYOTA MOTOR CORP	999,788.00	1.36
UNITED STATES TREASURY	19,434,276.41	26.40
WELLS FARGO & COMPANY	1,002,710.00	1.36
Total	**$73,602,510.30**	**100.00%**

Credit Quality (S&P Ratings)



CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	1,580,000.00	AA+	Aaa	05/26/15	05/27/15	1,571,050.78	0.85	3,318.65	1,579,410.74	1,578,786.56
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	1,825,000.00	AA+	Aaa	05/07/14	05/08/14	1,791,565.43	1.15	3,833.25	1,823,434.66	1,823,598.40
US TREASURY NOTES DTD 12/31/2012 0.750% 12/31/2017	912828UE8	2,000,000.00	AA+	Aaa	12/24/14	12/29/14	1,972,421.88	1.22	3,790.76	1,997,696.26	1,998,038.00
US TREASURY NOTES DTD 05/31/2013 1.000% 05/31/2018	912828VE7	1,580,000.00	AA+	Aaa	05/26/15	05/27/15	1,578,889.06	1.02	5,309.84	1,579,752.29	1,577,283.98
US TREASURY NOTES DTD 10/31/2013 1.250% 10/31/2018	912828WD8	2,000,000.00	AA+	Aaa	10/26/15	10/27/15	2,017,578.13	0.95	10,461.96	2,006,371.44	1,996,954.00
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	1,365,000.00	AA+	Aaa	11/25/15	11/30/15	1,364,840.04	1.25	5,734.12	1,364,937.25	1,362,760.04
US TREASURY NOTES DTD 09/30/2013 2.000% 09/30/2020	912828VZ0	620,000.00	AA+	Aaa	11/15/16	11/16/16	630,922.65	1.53	34.07	628,516.97	626,587.50
US TREASURY N/B DTD 12/31/2015 1.750% 12/31/2020	912828N48	990,000.00	AA+	Aaa	11/29/16	11/30/16	991,044.14	1.72	4,378.33	990,840.12	991,856.25
US TREASURY N/B DTD 12/31/2015 1.750% 12/31/2020	912828N48	1,575,000.00	AA+	Aaa	11/22/16	11/23/16	1,580,229.49	1.67	6,965.52	1,579,174.58	1,577,953.13
US TREASURY N/B DTD 02/29/2016 1.125% 02/28/2021	912828P87	1,000,000.00	AA+	Aaa	03/07/17	03/08/17	970,078.13	1.91	963.40	974,186.45	980,469.00
US TREASURY NOTES DTD 03/31/2016 1.250% 03/31/2021	912828Q37	1,050,000.00	AA+	Aaa	11/29/16	11/30/16	1,028,466.80	1.74	36.06	1,032,497.98	1,032,978.45
US TREASURY NOTES DTD 03/31/2016 1.250% 03/31/2021	912828Q37	1,900,000.00	AA+	Aaa	05/10/17	05/12/17	1,862,074.22	1.78	65.25	1,865,753.60	1,869,199.10
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	2,000,000.00	AA+	Aaa	01/04/17	01/05/17	2,011,796.88	1.86	13,442.62	2,009,898.32	2,017,812.00
Security Type Sub-Total		**19,485,000.00**					**19,370,957.63**	**1.40**	**58,333.83**	**19,432,470.66**	**19,434,276.41**

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	1,500,000.00	NR	Aaa	09/12/17	09/19/17	1,496,400.00	1.64	780.50	1,496,439.35	1,487,212.50
Security Type Sub-Total		**1,500,000.00**					**1,496,400.00**	**1.64**	**780.50**	**1,496,439.35**	**1,487,212.50**
Federal Agency Bond / Note											
FANNIE MAE GLOBAL NOTES DTD 09/24/2012 0.875% 10/26/2017	3135G0PQ0	1,000,000.00	AA+	Aaa	01/22/15	01/23/15	998,930.00	0.91	3,767.36	999,972.85	999,887.00
FANNIE MAE GLOBAL NOTES DTD 10/30/2012 0.875% 12/20/2017	3135G0RT2	1,500,000.00	AA+	Aaa	02/11/15	02/12/15	1,491,510.00	1.08	3,682.29	1,499,339.57	1,499,286.00
FHLB GLOBAL NOTE DTD 08/26/2016 0.875% 10/01/2018	3130A9AE1	1,500,000.00	AA+	Aaa	08/30/16	08/31/16	1,498,620.00	0.92	6,562.50	1,499,333.37	1,493,418.00
FNMA BENCHMARK NOTE DTD 01/08/2016 1.375% 01/28/2019	3135G0H63	990,000.00	AA+	Aaa	01/21/16	01/22/16	997,345.80	1.12	2,382.19	993,256.08	989,008.02
FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	1,550,000.00	AA+	Aaa	06/22/15	06/23/15	1,576,272.50	1.40	3,390.63	1,560,101.57	1,558,622.65
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,340,000.00	AA+	Aaa	05/17/16	05/18/16	1,339,879.40	1.00	1,302.78	1,339,940.69	1,331,468.22
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,630,000.00	AA+	Aaa	01/30/17	01/31/17	1,620,366.70	1.29	1,584.72	1,623,445.40	1,619,621.79
FHLMC NOTES DTD 03/27/2009 3.750% 03/27/2019	3137EACA5	1,600,000.00	AA+	Aaa	03/15/16	03/16/16	1,721,040.00	1.20	666.67	1,660,015.97	1,652,932.80
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	2,000,000.00	AA+	Aaa	03/18/16	03/21/16	1,999,340.00	1.14	10,375.00	1,999,664.10	1,989,842.00
FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	1,500,000.00	AA+	Aaa	05/17/17	05/18/17	1,501,005.00	1.34	7,963.54	1,500,826.04	1,497,622.50
FNMA NOTES DTD 05/12/2014 1.750% 06/20/2019	3135G0ZE6	1,565,000.00	AA+	Aaa	06/22/15	06/23/15	1,579,460.60	1.51	7,683.72	1,571,334.35	1,571,948.60

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	1,500,000.00	AA+	Aaa	08/30/16	08/31/16	1,493,760.00	1.02	2,625.00	1,496,085.48	1,482,634.50
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	1,500,000.00	AA+	Aaa	11/15/16	11/16/16	1,481,550.00	1.34	2,151.04	1,487,438.03	1,482,313.50
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	1,000,000.00	AA+	Aaa	09/29/16	09/30/16	996,830.00	0.99	1,361.11	997,938.11	988,169.00
FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	1,155,000.00	AA+	Aaa	08/28/15	08/31/15	1,171,100.70	1.39	1,066.77	1,162,891.34	1,159,897.20
FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	1,000,000.00	AA+	Aaa	11/29/16	11/30/16	987,020.00	1.46	4,361.11	990,709.22	988,459.00
FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	1,630,000.00	AA+	Aaa	01/30/17	01/31/17	1,608,516.60	1.49	7,108.61	1,613,688.72	1,611,188.17
FREDDIE MAC AGENCY NOTE DTD 01/17/2017 1.500% 01/17/2020	3137EAEE5	1,000,000.00	AA+	Aaa	02/22/17	02/23/17	998,460.00	1.55	3,083.33	998,779.82	997,365.00
FREDDIE MAC AGENCY NOTE DTD 01/17/2017 1.500% 01/17/2020	3137EAEE5	1,900,000.00	AA+	Aaa	05/10/17	05/12/17	1,895,649.00	1.59	5,858.33	1,896,276.34	1,894,993.50
FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	990,000.00	AA+	Aaa	01/21/16	01/22/16	1,001,236.50	1.33	3,128.13	996,552.78	991,248.39
FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	1,310,000.00	AA+	Aaa	08/28/15	08/31/15	1,317,113.30	1.50	4,139.24	1,313,797.68	1,311,651.91
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	1,000,000.00	AA+	Aaa	08/31/17	08/31/17	1,001,020.00	1.46	1,375.00	1,000,985.34	997,622.00
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	1,000,000.00	AA+	Aaa	06/29/17	06/30/17	994,070.00	1.59	6,149.31	994,598.54	993,629.00
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	2,000,000.00	AA+	Aaa	10/26/15	10/27/15	2,002,180.00	1.48	8,250.00	2,001,301.56	1,994,392.00
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	1,000,000.00	AA+	Aaa	07/28/17	08/01/17	996,970.00	1.60	2,500.00	997,135.10	994,534.00

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	680,000.00	AA+	Aaa	09/07/17	09/08/17	677,817.20	1.48	77.92	677,860.19	673,495.12
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,325,000.00	AA+	Aaa	09/15/17	09/15/17	1,316,082.75	1.60	151.82	1,316,208.10	1,312,325.05
FHLMC REFERNCE NOTE DTD 08/12/2016 1.125% 08/12/2021	3137EAEC9	1,000,000.00	AA+	Aaa	01/24/17	01/25/17	964,710.00	1.94	1,531.25	969,823.08	974,584.00
FANNIE MAE AGENCY NOTES DTD 01/09/2017 2.000% 01/05/2022	3135G0S38	1,000,000.00	AA+	Aaa	01/24/17	01/25/17	998,910.00	2.02	4,777.78	999,056.98	1,002,541.00
FANNIE MAE NOTES DTD 04/10/2017 1.875% 04/05/2022	3135G0T45	1,000,000.00	AA+	Aaa	05/30/17	05/31/17	1,000,380.00	1.87	8,906.25	1,000,361.84	997,725.00
Security Type Sub-Total		**39,165,000.00**					**39,227,146.05**	**1.37**	**117,963.40**	**39,158,718.24**	**39,052,424.92**
Corporate Note											
JPMORGAN CHASE & CO GLOBAL NOTES DTD 05/15/2013 1.625% 05/15/2018	46625HJL5	1,000,000.00	A-	A3	10/26/15	10/29/15	998,310.00	1.69	6,138.89	999,580.95	999,686.00
AMERICAN EXPRESS CREDIT CORP NOTES DTD 03/18/2014 2.125% 03/18/2019	0258M0DK2	1,000,000.00	A-	A2	10/26/15	10/29/15	1,008,910.00	1.85	767.36	1,003,923.70	1,005,440.00
WELLS FARGO & CO CORP BONDS DTD 02/02/2015 2.150% 01/30/2020	94974BGF1	1,000,000.00	A	A2	10/26/15	10/29/15	1,001,560.00	2.11	3,643.06	1,000,879.79	1,002,710.00
HSBC USA INC NOTES DTD 03/05/2015 2.350% 03/05/2020	40428HPR7	1,665,000.00	A	A2	03/29/16	03/31/16	1,642,372.65	2.72	2,825.88	1,650,744.75	1,675,644.35
APPLE INC CORP NOTES DTD 05/06/2014 2.850% 05/06/2021	037833AR1	1,000,000.00	AA+	Aa1	02/13/17	02/16/17	1,023,040.00	2.27	11,479.17	1,019,781.35	1,027,579.00
ORACLE CORP BONDS DTD 07/08/2014 2.800% 07/08/2021	68389XBA2	1,000,000.00	AA-	A1	02/13/17	02/16/17	1,020,940.00	2.30	6,455.56	1,018,096.62	1,022,614.00
BONY MELLON GLOBAL NOTES (CALLABLE) DTD 09/23/2011 3.550% 09/23/2021	06406HBY4	1,000,000.00	A	A1	02/13/17	02/16/17	1,044,650.00	2.52	788.89	1,038,786.23	1,045,891.00
IBM CORP BONDS DTD 01/27/2017 2.500% 01/27/2022	459200JQ5	1,000,000.00	A+	A1	02/13/17	02/16/17	1,005,280.00	2.39	4,444.44	1,004,652.10	1,009,819.00

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
Security Type Sub-Total		**8,665,000.00**					**8,745,062.65**	**2.27**	**36,543.25**	**8,736,445.49**	**8,789,383.35**
Commercial Paper											
TOYOTA MOTOR CREDIT CORP COMM PAPER DTD 01/10/2017 0.000% 10/06/2017	89233GX68	1,000,000.00	A-1+	P-1	01/11/17	01/13/17	990,320.56	1.32	0.00	999,818.06	999,788.00
CREDIT AGRICOLE CIB NY COMM PAPER DTD 02/14/2017 0.000% 11/01/2017	22533TY18	1,000,000.00	A-1	P-1	05/02/17	05/02/17	993,391.67	1.31	0.00	998,880.55	998,927.00
BANK OF TOKYO MITSUBISHI UFJ COMM PAPER DTD 07/06/2017 0.000% 01/08/2018	06538CA84	1,000,000.00	A-1	P-1	07/10/17	07/11/17	992,910.83	1.42	0.00	996,122.50	996,218.00
BNP PARIBAS NY BRANCH DTD 07/27/2017 0.000% 03/28/2018	09659CCU0	1,000,000.00	A-1	P-1	09/29/17	09/29/17	992,900.00	1.43	0.00	992,978.89	992,800.00
Security Type Sub-Total		**4,000,000.00**					**3,969,523.06**	**1.37**	**0.00**	**3,987,800.00**	**3,987,733.00**
Certificate of Deposit											
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	740,000.00	A+	A1	09/25/17	09/27/17	740,000.00	2.07	170.20	740,000.00	739,764.68
Security Type Sub-Total		**740,000.00**					**740,000.00**	**2.07**	**170.20**	**740,000.00**	**739,764.68**
Managed Account Sub-Total		**73,555,000.00**					**73,549,089.39**	**1.50**	**213,791.18**	**73,551,873.74**	**73,490,794.86**
Money Market Fund											
CAMP Pool		111,715.44	AAAm	NR			111,715.44		0.00	111,715.44	111,715.44
Money Market Sub-Total		**111,715.44**					**111,715.44**		**0.00**	**111,715.44**	**111,715.44**

Securities Sub-Total	**$73,666,715.44**	**$73,660,804.83**	**1.50%**	**$213,791.18**	**$73,663,589.18**	**$73,602,510.30**
Accrued Interest						**$213,791.18**
Total Investments						**$73,816,301.48**

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	1,580,000.00	MORGANST		99.92	1,578,786.56	7,735.78	(624.18)	0.17	0.17	1.08
US TREASURY NOTES DTD 11/30/2012 0.625% 11/30/2017	912828UA6	1,825,000.00	MORGANST		99.92	1,823,598.40	32,032.97	163.74	0.17	0.17	1.08
US TREASURY NOTES DTD 12/31/2012 0.750% 12/31/2017	912828UE8	2,000,000.00	MERRILL		99.90	1,998,038.00	25,616.12	341.74	0.25	0.25	1.14
US TREASURY NOTES DTD 05/31/2013 1.000% 05/31/2018	912828VE7	1,580,000.00	MORGANST		99.83	1,577,283.98	(1,605.08)	(2,468.31)	0.66	0.66	1.26
US TREASURY NOTES DTD 10/31/2013 1.250% 10/31/2018	912828WD8	2,000,000.00	BARCLAYS		99.85	1,996,954.00	(20,624.13)	(9,417.44)	1.07	1.07	1.39
US TREASURY NOTES DTD 12/02/2013 1.250% 11/30/2018	912828A34	1,365,000.00	MORGANST		99.84	1,362,760.04	(2,080.00)	(2,177.21)	1.15	1.15	1.39
US TREASURY NOTES DTD 09/30/2013 2.000% 09/30/2020	912828VZ0	620,000.00	CITIGRP		101.06	626,587.50	(4,335.15)	(1,929.47)	2.90	2.90	1.64
US TREASURY N/B DTD 12/31/2015 1.750% 12/31/2020	912828N48	990,000.00	CITIGRP		100.19	991,856.25	812.11	1,016.13	3.13	3.13	1.69
US TREASURY N/B DTD 12/31/2015 1.750% 12/31/2020	912828N48	1,575,000.00	MORGANST		100.19	1,577,953.13	(2,276.36)	(1,221.45)	3.13	3.13	1.69
US TREASURY N/B DTD 02/29/2016 1.125% 02/28/2021	912828P87	1,000,000.00	BARCLAYS		98.05	980,469.00	10,390.87	6,282.55	3.33	3.33	1.72
US TREASURY NOTES DTD 03/31/2016 1.250% 03/31/2021	912828Q37	1,050,000.00	MORGANST		98.38	1,032,978.45	4,511.65	480.47	3.41	3.41	1.73
US TREASURY NOTES DTD 03/31/2016 1.250% 03/31/2021	912828Q37	1,900,000.00	MORGAN_S		98.38	1,869,199.10	7,124.88	3,445.50	3.41	3.41	1.73
US TREASURY NOTES DTD 06/02/2014 2.000% 05/31/2021	912828WN6	2,000,000.00	HSBC		100.89	2,017,812.00	6,015.12	7,913.68	3.50	3.50	1.75
Security Type Sub-Total		**19,485,000.00**				**19,434,276.41**	**63,318.78**	**1,805.75**	**1.85**	**1.85**	**1.45**
Supra-National Agency Bond / Note											
INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	1,500,000.00	HSBC		99.15	1,487,212.50	(9,187.50)	(9,226.85)	2.87	2.87	1.86
Security Type Sub-Total		**1,500,000.00**				**1,487,212.50**	**(9,187.50)**	**(9,226.85)**	**2.87**	**2.87**	**1.86**

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
Federal Agency Bond / Note											
FANNIE MAE GLOBAL NOTES DTD 09/24/2012 0.875% 10/26/2017	3135G0PQ0	1,000,000.00	GOLDMAN		99.99	999,887.00	957.00	(85.85)	0.07	0.07	1.03
FANNIE MAE GLOBAL NOTES DTD 10/30/2012 0.875% 12/20/2017	3135G0RT2	1,500,000.00	GOLDMAN		99.95	1,499,286.00	7,776.00	(53.57)	0.22	0.22	1.09
FHLB GLOBAL NOTE DTD 08/26/2016 0.875% 10/01/2018	3130A9AE1	1,500,000.00	MERRILL		99.56	1,493,418.00	(5,202.00)	(5,915.37)	0.99	0.99	1.32
FNMA BENCHMARK NOTE DTD 01/08/2016 1.375% 01/28/2019	3135G0H63	990,000.00	MORGANST		99.90	989,008.02	(8,337.78)	(4,248.06)	1.31	1.31	1.45
FANNIE MAE BENCHMARK NOTE DTD 01/13/2014 1.875% 02/19/2019	3135G0ZA4	1,550,000.00	BARCLAYS		100.56	1,558,622.65	(17,649.85)	(1,478.92)	1.36	1.36	1.47
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,340,000.00	HSBC		99.36	1,331,468.22	(8,411.18)	(8,472.47)	1.39	1.39	1.46
FNMA BENCHMARK NOTE DTD 02/23/2016 1.000% 02/26/2019	3135G0J53	1,630,000.00	MORGAN_S		99.36	1,619,621.79	(744.91)	(3,823.61)	1.39	1.39	1.46
FHLMC NOTES DTD 03/27/2009 3.750% 03/27/2019	3137EACA5	1,600,000.00	GOLDMAN		103.31	1,652,932.80	(68,107.20)	(7,083.17)	1.45	1.45	1.50
FREDDIE MAC NOTES DTD 03/21/2016 1.125% 04/15/2019	3137EADZ9	2,000,000.00	MORGANST		99.49	1,989,842.00	(9,498.00)	(9,822.10)	1.51	1.51	1.46
FEDERAL HOME LOAN BANK AGENCY NOTES DTD 05/12/2017 1.375% 05/28/2019	3130ABF92	1,500,000.00	MORGAN_S		99.84	1,497,622.50	(3,382.50)	(3,203.54)	1.63	1.63	1.47
FNMA NOTES DTD 05/12/2014 1.750% 06/20/2019	3135G0ZE6	1,565,000.00	WELLSFAR		100.44	1,571,948.60	(7,512.00)	614.25	1.68	1.68	1.49
FHLMC REFERENCE NOTE DTD 07/20/2016 0.875% 07/19/2019	3137EAEB1	1,500,000.00	NOMURA		98.84	1,482,634.50	(11,125.50)	(13,450.98)	1.78	1.78	1.53
FNMA BENCHMARK NOTE DTD 08/02/2016 0.875% 08/02/2019	3135G0N33	1,500,000.00	BARCLAYS		98.82	1,482,313.50	763.50	(5,124.53)	1.81	1.81	1.53
FHLB GLOBAL NOTE DTD 08/04/2016 0.875% 08/05/2019	3130A8Y72	1,000,000.00	JEFFERIE		98.82	988,169.00	(8,661.00)	(9,769.11)	1.82	1.82	1.53
FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	1,155,000.00	MKTX		100.42	1,159,897.20	(11,203.50)	(2,994.14)	1.91	1.91	1.53
FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	1,000,000.00	KEYBAN		98.85	988,459.00	1,439.00	(2,250.22)	2.03	2.03	1.57

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
Federal Agency Bond / Note											
FANNIE MAE GLOBAL NOTES DTD 10/25/2016 1.000% 10/24/2019	3135G0R39	1,630,000.00	MORGAN_S		98.85	1,611,188.17	2,671.57	(2,500.55)	2.03	2.03	1.57
FREDDIE MAC AGENCY NOTE DTD 01/17/2017 1.500% 01/17/2020	3137EAEE5	1,000,000.00	MORGAN_S		99.74	997,365.00	(1,095.00)	(1,414.82)	2.24	2.24	1.62
FREDDIE MAC AGENCY NOTE DTD 01/17/2017 1.500% 01/17/2020	3137EAEE5	1,900,000.00	BMO		99.74	1,894,993.50	(655.50)	(1,282.84)	2.24	2.24	1.62
FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	990,000.00	MORGANST		100.13	991,248.39	(9,988.11)	(5,304.39)	2.25	2.25	1.57
FNMA NOTES DTD 01/12/2015 1.625% 01/21/2020	3135G0A78	1,310,000.00	BARCLAYS		100.13	1,311,651.91	(5,461.39)	(2,145.77)	2.25	2.25	1.57
FNMA NOTES DTD 02/28/2017 1.500% 02/28/2020	3135G0T29	1,000,000.00	MERRILL		99.76	997,622.00	(3,398.00)	(3,363.34)	2.36	2.36	1.60
FHLMC AGENCY NOTES DTD 04/20/2017 1.375% 04/20/2020	3137EAEF2	1,000,000.00	WELLS_FA		99.36	993,629.00	(441.00)	(969.54)	2.48	2.48	1.63
FNMA BENCHMARK NOTES DTD 04/27/2015 1.500% 06/22/2020	3135G0D75	2,000,000.00	NOMURA		99.72	1,994,392.00	(7,788.00)	(6,909.56)	2.65	2.65	1.61
FNMA NOTES DTD 08/01/2017 1.500% 07/30/2020	3135G0T60	1,000,000.00	BARCLAYS		99.45	994,534.00	(2,436.00)	(2,601.10)	2.75	2.75	1.70
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	680,000.00	BARCLAYS		99.04	673,495.12	(4,322.08)	(4,365.07)	2.92	2.92	1.70
FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,325,000.00	DEUTSCHE		99.04	1,312,325.05	(3,757.70)	(3,883.05)	2.92	2.92	1.70
FHLMC REFERNCE NOTE DTD 08/12/2016 1.125% 08/12/2021	3137EAEC9	1,000,000.00	GOLDMAN		97.46	974,584.00	9,874.00	4,760.92	3.75	3.75	1.81
FANNIE MAE AGENCY NOTES DTD 01/09/2017 2.000% 01/05/2022	3135G0S38	1,000,000.00	TD		100.25	1,002,541.00	3,631.00	3,484.02	4.05	4.05	1.94
FANNIE MAE NOTES DTD 04/10/2017 1.875% 04/05/2022	3135G0T45	1,000,000.00	GOLDMAN		99.77	997,725.00	(2,655.00)	(2,636.84)	4.27	4.27	1.93
Security Type Sub-Total		**39,165,000.00**				**39,052,424.92**	**(174,721.13)**	**(106,293.32)**	**1.97**	**1.97**	**1.53**
Corporate Note											
JPMORGAN CHASE & CO GLOBAL NOTES DTD 05/15/2013 1.625% 05/15/2018	46625HJL5	1,000,000.00	STIFEL		99.97	999,686.00	1,376.00	105.05	0.62	0.62	1.67

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
Corporate Note											
AMERICAN EXPRESS CREDIT CORP NOTES DTD 03/18/2014 2.125% 03/18/2019	0258M0DK2	1,000,000.00	CITIGRP		100.54	1,005,440.00	(3,470.00)	1,516.30	1.44	1.44	1.75
WELLS FARGO & CO CORP BONDS DTD 02/02/2015 2.150% 01/30/2020	94974BGF1	1,000,000.00	US BANK		100.27	1,002,710.00	1,150.00	1,830.21	2.26	2.26	2.03
HSBC USA INC NOTES DTD 03/05/2015 2.350% 03/05/2020	40428HPR7	1,665,000.00	KEYBAN		100.64	1,675,644.35	33,271.70	24,899.60	2.35	2.35	2.08
APPLE INC CORP NOTES DTD 05/06/2014 2.850% 05/06/2021	037833AR1	1,000,000.00	US_BANCO		102.76	1,027,579.00	4,539.00	7,797.65	3.38	3.38	2.05
ORACLE CORP BONDS DTD 07/08/2014 2.800% 07/08/2021	68389XBA2	1,000,000.00	CITIGRP		102.26	1,022,614.00	1,674.00	4,517.38	3.55	3.55	2.17
BONY MELLON GLOBAL NOTES (CALLABLE) DTD 09/23/2011 3.550% 09/23/2021	06406HBY4	1,000,000.00	RBC	08/23/21	104.59	1,045,891.00	1,241.00	7,104.77	3.67	3.64	2.34
IBM CORP BONDS DTD 01/27/2017 2.500% 01/27/2022	459200JQ5	1,000,000.00	RBC		100.98	1,009,819.00	4,539.00	5,166.90	4.06	4.06	2.26
Security Type Sub-Total		**8,665,000.00**				**8,789,383.35**	**44,320.70**	**52,937.86**	**2.65**	**2.65**	**2.05**
Commercial Paper											
TOYOTA MOTOR CREDIT CORP COMM PAPER DTD 01/10/2017 0.000% 10/06/2017	89233GX68	1,000,000.00	TOYOTA		99.98	999,788.00	9,467.44	(30.06)	0.02	0.02	1.27
CREDIT AGRICOLE CIB NY COMM PAPER DTD 02/14/2017 0.000% 11/01/2017	22533TY18	1,000,000.00	CREDAG		99.89	998,927.00	5,535.33	46.45	0.09	0.09	1.21
BANK OF TOKYO MITSUBISHI UFJ COMM PAPER DTD 07/06/2017 0.000% 01/08/2018	06538CA84	1,000,000.00	BTM		99.62	996,218.00	3,307.17	95.50	0.27	0.27	1.37
BNP PARIBAS NY BRANCH DTD 07/27/2017 0.000% 03/28/2018	09659CCU0	1,000,000.00	BNP_PARI		99.28	992,800.00	(100.00)	(178.89)	0.49	0.49	1.46
Security Type Sub-Total		**4,000,000.00**				**3,987,733.00**	**18,209.94**	**(67.00)**	**0.22**	**0.22**	**1.33**
Certificate of Deposit											
BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	740,000.00	MITSU		99.97	739,764.68	(235.32)	(235.32)	1.97	1.97	2.06

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	Broker	Next Call Date	Market Price	Market Value	Unreal G/L On Cost	Unreal G/L Amort Cost	Effective Duration	Duration to Worst	YTM at Mkt
Security Type Sub-Total		**740,000.00**				**739,764.68**	**(235.32)**	**(235.32)**	**1.97**	**1.97**	**2.06**
Managed Account Sub-Total		**73,555,000.00**				**73,490,794.86**	**(58,294.53)**	**(61,078.88)**	**1.94**	**1.94**	**1.57**
Money Market Fund											
CAMP Pool		111,715.44			1.00	111,715.44	0.00	0.00	0.00	0.00	
Money Market Sub-Total		**111,715.44**				**111,715.44**	**0.00**	**0.00**	**0.00**	**0.00**	
Securities Sub-Total		**$73,666,715.44**				**$73,602,510.30**	**($58,294.53)**	**($61,078.88)**	**1.94**	**1.94**	**1.57%**
Accrued Interest						**$213,791.18**					
Total Investments						**$73,816,301.48**					

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
BUY										
09/07/17	09/08/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	680,000.00	(677,817.20)	0.00	(677,817.20)			
09/12/17	09/19/17	INTL BANK OF RECONSTRUCTION AND DEV NOTE DTD 09/19/2017 1.561% 09/12/2020	45905UP32	1,500,000.00	(1,496,400.00)	0.00	(1,496,400.00)			
09/15/17	09/15/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,325,000.00	(1,316,082.75)	(354.25)	(1,316,437.00)			
09/25/17	09/27/17	BANK TOKYO MITSUBISHI UFJ LTD LT CD DTD 09/27/2017 2.070% 09/25/2019	06539RGM3	740,000.00	(740,000.00)	0.00	(740,000.00)			
09/29/17	09/29/17	BNP PARIBAS NY BRANCH DTD 07/27/2017 0.000% 03/28/2018	09659CCU0	1,000,000.00	(992,900.00)	0.00	(992,900.00)			
Transaction Type Sub-Total				**5,245,000.00**	**(5,223,199.95)**	**(354.25)**	**(5,223,554.20)**			
INTEREST										
09/05/17	09/05/17	HSBC USA INC NOTES DTD 03/05/2015 2.350% 03/05/2020	40428HPR7	1,665,000.00	0.00	19,563.75	19,563.75			
09/12/17	09/12/17	FNMA NOTES DTD 07/28/2014 1.750% 09/12/2019	3135G0ZG1	1,155,000.00	0.00	10,106.25	10,106.25			
09/15/17	09/15/17	GENERAL ELEC CAP CORP GLOBAL SR MTN DTD 09/24/2007 5.625% 09/15/2017	36962G3H5	900,000.00	0.00	25,312.50	25,312.50			
09/18/17	09/18/17	AMERICAN EXPRESS CREDIT CORP NOTES DTD 03/18/2014 2.125% 03/18/2019	0258M0DK2	1,000,000.00	0.00	10,625.00	10,625.00			
09/23/17	09/23/17	BONY MELLON GLOBAL NOTES (CALLABLE) DTD 09/23/2011 3.550% 09/23/2021	06406HBY4	1,000,000.00	0.00	17,750.00	17,750.00			
09/27/17	09/27/17	FHLMC NOTES DTD 03/27/2009 3.750% 03/27/2019	3137EACA5	1,600,000.00	0.00	30,000.00	30,000.00			
09/28/17	09/28/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	1,325,000.00	0.00	1,012.15	1,012.15			
09/28/17	09/28/17	FHLB NOTES DTD 09/08/2017 1.375% 09/28/2020	3130ACE26	680,000.00	0.00	519.45	519.45			

CITY OF EL CAJON - OPERATING FUNDS - 505-00 - (12510521)

Transaction Type Trade	Settle	Security Description	CUSIP	Par	Principal Proceeds	Accrued Interest	Total	Realized G/L Cost	Realized G/L Amort Cost	Sale Method
INTEREST										
09/30/17	09/30/17	US TREASURY NOTES DTD 03/31/2016 1.250% 03/31/2021	912828Q37	1,900,000.00	0.00	11,875.00	11,875.00			
09/30/17	09/30/17	US TREASURY NOTES DTD 09/30/2013 2.000% 09/30/2020	912828VZ0	620,000.00	0.00	6,200.00	6,200.00			
09/30/17	09/30/17	US TREASURY NOTES DTD 10/01/2012 0.625% 09/30/2017	912828TS9	260,000.00	0.00	812.50	812.50			
09/30/17	09/30/17	US TREASURY NOTES DTD 03/31/2016 1.250% 03/31/2021	912828Q37	1,050,000.00	0.00	6,562.50	6,562.50			
Transaction Type Sub-Total				**13,155,000.00**	**0.00**	**140,339.10**	**140,339.10**			
MATURITY										
09/15/17	09/15/17	GENERAL ELEC CAP CORP GLOBAL SR MTN DTD 09/24/2007 5.625% 09/15/2017	36962G3H5	900,000.00	900,000.00	0.00	900,000.00	(80,010.00)	0.00	
09/29/17	09/29/17	BNP PARIBAS NY BRANCH COMM PAPER DTD 01/03/2017 0.000% 09/29/2017	09659BWV8	1,000,000.00	1,000,000.00	0.00	1,000,000.00	6,673.33	0.00	
09/30/17	09/30/17	US TREASURY NOTES DTD 10/01/2012 0.625% 09/30/2017	912828TS9	260,000.00	260,000.00	0.00	260,000.00	4,235.16	0.00	
Transaction Type Sub-Total				**2,160,000.00**	**2,160,000.00**	**0.00**	**2,160,000.00**	**(69,101.51)**	**0.00**	
SELL										
09/07/17	09/08/17	US TREASURY NOTES DTD 09/30/2013 2.000% 09/30/2020	912828VZ0	680,000.00	692,032.81	5,982.51	698,015.32	53.12	2,500.83	FIFO
09/12/17	09/19/17	US TREASURY NOTES DTD 06/01/2015 1.500% 05/31/2020	912828XE5	1,500,000.00	1,502,519.53	6,823.77	1,509,343.30	410.15	900.08	FIFO
09/25/17	09/27/17	US TREASURY NOTES DTD 10/01/2012 0.625% 09/30/2017	912828TS9	740,000.00	739,971.09	2,274.59	742,245.68	12,024.99	1.70	FIFO
Transaction Type Sub-Total				**2,920,000.00**	**2,934,523.43**	**15,080.87**	**2,949,604.30**	**12,488.26**	**3,402.61**	
Managed Account Sub-Total					**(128,676.52)**	**155,065.72**	**26,389.20**	**(56,613.25)**	**3,402.61**	
Total Security Transactions					**($128,676.52)**	**$155,065.72**	**$26,389.20**	**($56,613.25)**	**$3,402.61**	

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
Opening Balance					**376,268.75**
09/05/17	09/05/17	Purchase - Interest 40428HPR7	1.00	19,563.75	395,832.50
09/08/17	09/08/17	Purchase - Interest 912828VZ0	1.00	5,982.51	401,815.01
09/08/17	09/08/17	Purchase - Principal 912828VZ0	1.00	692,032.81	1,093,847.82
09/08/17	09/08/17	Redemption - Principal 3130ACE26	1.00	(677,817.20)	416,030.62
09/12/17	09/12/17	Purchase - Interest 3135G0ZG1	1.00	10,106.25	426,136.87
09/15/17	09/15/17	Purchase - Interest 36962G3H5	1.00	25,312.50	451,449.37
09/15/17	09/15/17	Purchase - Principal 36962G3H5	1.00	900,000.00	1,351,449.37
09/15/17	09/15/17	Redemption - Interest 3130ACE26	1.00	(354.25)	1,351,095.12
09/15/17	09/15/17	Redemption - Principal 3130ACE26	1.00	(1,316,082.75)	35,012.37
09/18/17	09/18/17	Purchase - Interest 0258M0DK2	1.00	10,625.00	45,637.37
09/19/17	09/19/17	Purchase - Principal 912828XE5	1.00	1,502,519.53	1,548,156.90
09/19/17	09/19/17	Purchase - Interest 912828XE5	1.00	6,823.77	1,554,980.67
09/19/17	09/19/17	Redemption - Principal 45905UP32	1.00	(1,496,400.00)	58,580.67
09/25/17	09/25/17	Purchase - Interest 06406HBY4	1.00	17,750.00	76,330.67
09/26/17	09/26/17	IP Fees August 2017	1.00	(5,431.20)	70,899.47
09/26/17	09/26/17	U.S. Bank Fees July 2017	1.00	(271.33)	70,628.14
09/27/17	09/27/17	Purchase - Interest 3137EACA5	1.00	30,000.00	100,628.14
09/27/17	09/27/17	Purchase - Interest 912828TS9	1.00	2,274.59	102,902.73
09/27/17	09/27/17	Purchase - Principal 912828TS9	1.00	739,971.09	842,873.82
09/27/17	09/27/17	Redemption - Principal 06539RGM3	1.00	(740,000.00)	102,873.82
09/28/17	09/28/17	Purchase - Interest 3130ACE26	1.00	1,012.15	103,885.97

CAMP

Account Statement

For the Month Ending **September 30, 2017**

CITY OF EL CAJON - OPERATING FUNDS - 505-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
CAMP Pool					
09/28/17	09/28/17	Purchase - Interest 3130ACE26	1.00	519.45	104,405.42
09/29/17	09/29/17	Purchase - Principal 09659BWV8	1.00	1,000,000.00	1,104,405.42
09/29/17	09/29/17	Redemption - Principal 09659CCU0	1.00	(992,900.00)	111,505.42
09/29/17	10/02/17	Accrual Income Div Reinvestment - Distributions	1.00	210.02	111,715.44
Closing Balance					**111,715.44**

	Month of September	Fiscal YTD January-September
Opening Balance	376,268.75	185,927.60
Purchases	4,964,703.42	33,740,438.65
Redemptions (Excl. Checks)	(5,229,256.73)	(33,814,650.81)
Check Disbursements	0.00	0.00
Closing Balance	**111,715.44**	**111,715.44**
Cash Dividends and Income	210.02	4,241.80

Closing Balance	111,715.44
Average Monthly Balance	223,831.10
Monthly Distribution Yield	1.15%

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2017 DEC 21 A 8:54

City of El Cajon Agenda Report

MEETING: Jan. 9, 2018

ITEM NO: 1.6

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick, Councilmembers Goble, Kalasho and McClellan

FROM: Dirk Epperson, Director of Public Works

SUBJECT: Subdivision Agreement and Final Map Approval for Tentative Subdivision Map (TSM) 628, 1123 East Washington Avenue, Engineering Job No. 3069

RECOMMENDATION: **That the City Council approves** the Subdivision Agreement and Final Map for Tentative Subdivision Map (TSM) 628, 1123 East Washington Avenue, City of El Cajon PUD 313, SP 510, Engineering Job No. 3069.

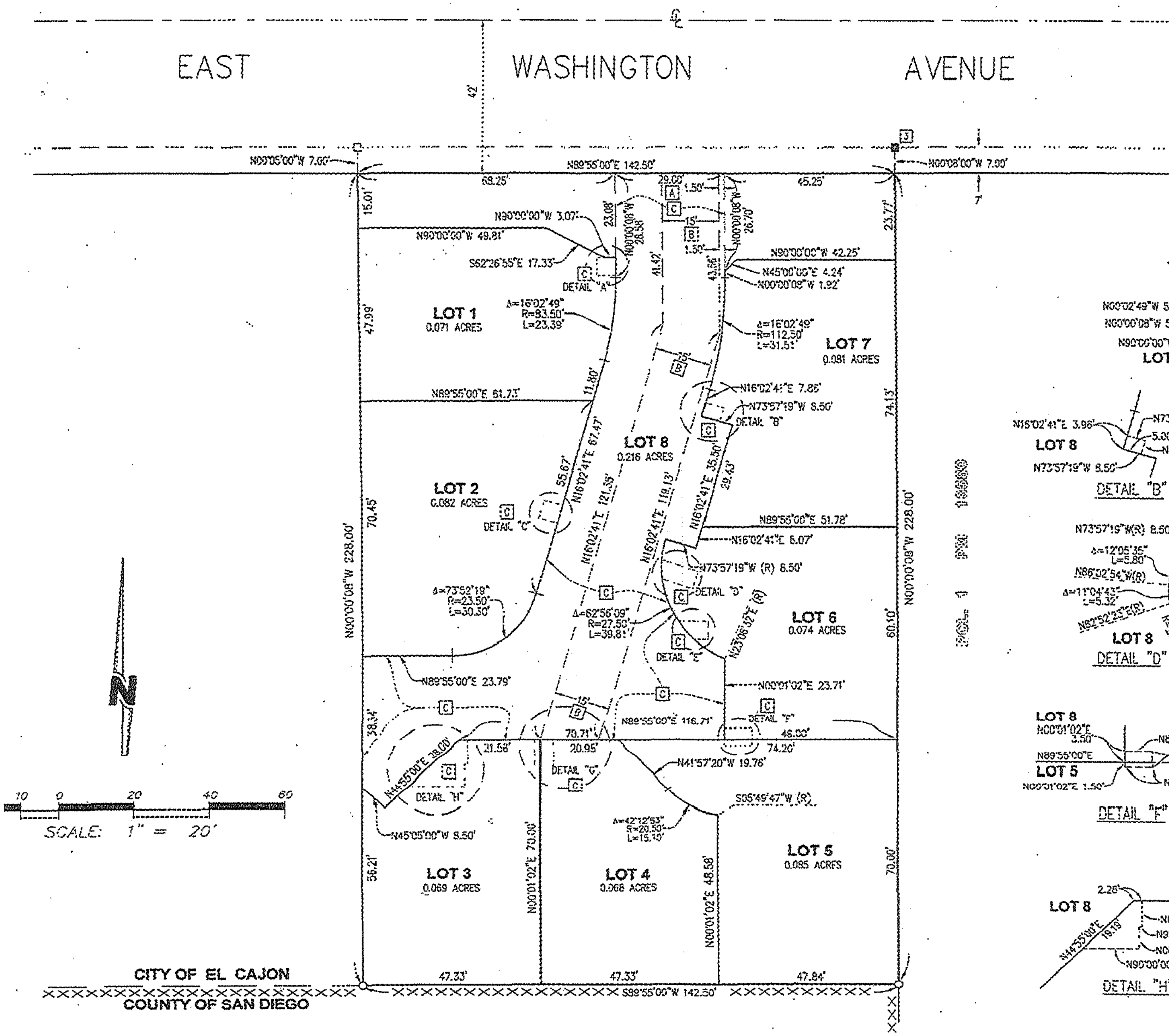
BACKGROUND: On June 13, 2006, the City Council approved TSM 628 for an eight (8) lot subdivision with seven (7) residential lots and one (1) common lot, by Resolution No. 082-06, subject to conditions. The subdivision is located at 1123 East Washington Avenue (APN: 493-112-08-00).

All conditions have been satisfied or are guaranteed by the Subdivision Agreement. All fees and securities have been paid; therefore, the Final Map is ready to be recorded.

FISCAL IMPACT: None. The property owner has paid all required fees.

PREPARED BY:	REVIEWED BY:	APPROVED BY:
Yazmin Arellano DEPUTY DIRECTOR OF PUBLIC WORKS/ CITY ENGINEER	Dirk Epperson DIRECTOR OF PUBLIC WORKS	Douglas Williford CITY MANAGER

Attachment: Final Map



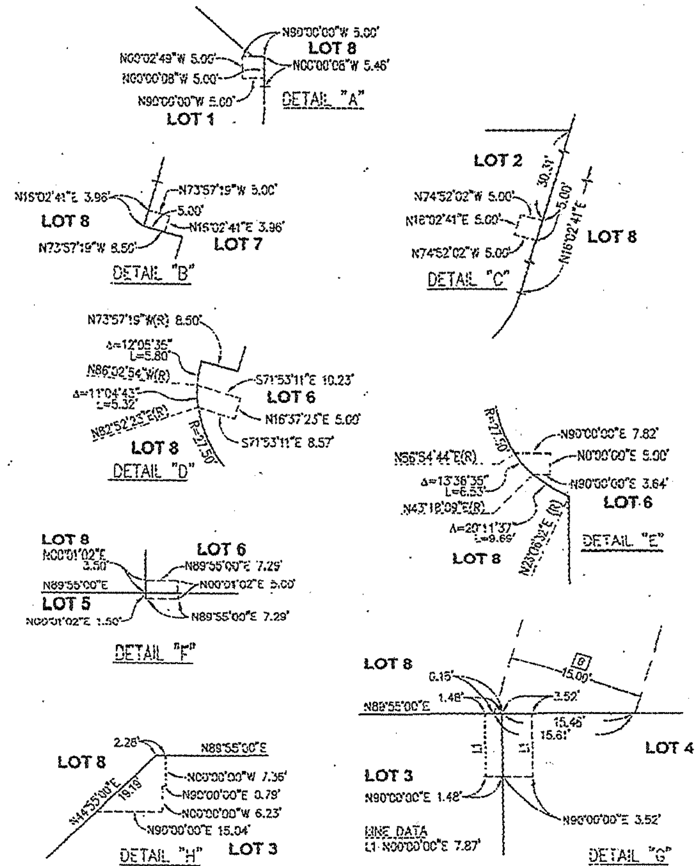
EASEMENT NOTES:

[A] AN EASEMENT FOR FIRE ACCESS TO HEARTLAND FIRE AND RESCUE DEDICATED HEREON.

[B] AN EASEMENT FOR SEWER UTILITIES TO THE CITY OF EL CAJON DEDICATED HEREON.

[C] AN EASEMENT FOR WATER UTILITIES TO HELIX WATER DISTRICT DEDICATED HEREON.

NOTE:
LOT 8 IS A NON-BUILDABLE COMMON LOT DESIGNATED FOR INGRESS AND EGRESS, WATER, SEWER, STORM WATER MANAGEMENT, BMP MAINTENANCE, LANDSCAPE MAINTENANCE, AND OTHER UTILITY PURPOSES, FOR THE COMMON USE AND BENEFIT OF LOTS 1–7 INCLUSIVELY.
Lots 1–7 are buildable Lots



HELIX WATER DISTRICT -- WO 4910

TSM 628	SP 510	PUD 313

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City of El Cajon Agenda Report

MEETING: Jan. 9, 2018

ITEM NO: 1.7

EL CAJON
The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick, Councilmembers Goble, Kalasho and McClellan

FROM: Nahid Razi, Purchasing Agent

SUBJECT: Rejection of Bid No. 020-18, Maintenance & Repairs of Mechanical Doors & Gates

RECOMMENDATION: **That the City Council adopts** the next RESOLUTION in order rejecting the bid due to the absence of bid submissions and directs the Purchasing Agent to proceed with an open market purchase.

BACKGROUND: On June 27, 2017, the City Council approved the Fiscal Year 2017-2018 budget for maintenance and repairs of mechanical doors and gates. The bid included four one-year renewal options. No responses were received at the bid opening held on December 5, 2017 at 2:00 p.m.

Pursuant to Public Contract Code Section 20166:

> In its discretion, the legislative body may reject any bids presented and readvertise. If two or more bids are the same and the lowest, the legislative body may accept the one it chooses. If no bids are received, the legislative body may have the project done without further complying with this chapter.

The Purchasing Division, in concurrence with the Director of Public Works, recommends rejection of the bid and authorization to perform an open market purchase.

FISCAL IMPACT: The estimated value of the annual contract is $22,000.00 and subsequent four-year costs are estimated to total $88,000.00. Sufficient funds for this contract are included in the Fiscal Year 2017-2018 Facilities Maintenance (123000) budget.

PREPARED BY:	REVIEWED BY:	APPROVED BY:
Nahid Razi PURCHASING AGENT	Dirk Epperson DIRECTOR OF PUBLIC WORKS	Douglas Williford CITY MANAGER

RESOLUTION NO. _-18

RESOLUTION REJECTING BIDS FOR
MAINTENANCE AND REPAIRS OF
MECHANICAL DOORS AND GATES
(Bid No. 020-18)

WHEREAS, on June 27, 2017, the City Council approved the Fiscal Year 2017-2018 budget for maintenance and repairs of mechanical doors and gates (the "Project") for a one-year term with four (4) one-year renewal options; and

WHEREAS, no responses to the Invitation to Bid for the Project were received at the bid opening held at 2:00 p.m. on December 5, 2017; and

WHEREAS, pursuant to Public Contract Code Section 20166:

> In its discretion, the legislative body may reject any bids presented and re-advertise. If two or more bids are the same and the lowest, the legislative body may accept the one it chooses. If no bids are received, the legislative body may have the project done without further complying with this chapter.

WHEREAS, the Purchasing Division, in concurrence with the Director of Public Works, believes it to be in the City's best interests to waive the bidding requirement, and authorize staff to perform an open market purchase; and

WHEREAS, the City Council agrees it is in the best interests of the City to waive the bidding requirement for the Project and authorize staff to perform an open market purchase.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The foregoing recitals are true and correct and are the findings of the City Council.

2. The City Council hereby waives the bidding requirement for the Maintenance and Repairs of Mechanical Doors and Gates project, and authorizes staff to perform an open market purchase, as approved by the City Manager.

3. The City Manager is hereby authorized to approve the open-market purchase on behalf of the City of El Cajon.

City of El Cajon Agenda Report

MEETING: Jan. 9, 2018

ITEM NO: 1.8

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick
Councilmembers Goble, Kalasho and McClellan

FROM: Angela Aguirre, City Clerk

SUBJECT: Board of Supervisors Appointment to Gillespie Field Development Council

RECOMMENDATION: **That the City Council** ratifies the San Diego County Board of Supervisors re-appointment of Phillis Trombi to the Gillespie Field Development Council for a term to expire December 7, 2021.

BACKGROUND: In accordance with the Joint Powers Agreement between the County of San Diego and the City of El Cajon, three members are appointed by the Board of Supervisors and are ratified by the City Council. Two members are appointed by the City Council and ratified by the Board of Supervisors.

Phyllis Trombi has been serving on the Gillespie Field Development Council for more than 10 years, and on December 5, 2017, was reappointed by the County Board of Supervisors for another four-year term. Phyllis currently serves as the chair and brings her experience in aviation to the development program for Gillespie Field.

FISCAL IMPACT: None

PREPARED BY:	REVIEWED BY:	APPROVED BY:
Angela Aguirre CITY CLERK	Anthony Shute DIRECTOR OF COMMUNITY DEVELOPMENT	Douglas Williford CITY MANAGER

County of San Diego

DAVID HALL
EXECUTIVE OFFICER/CLERK

CLERK OF THE BOARD OF SUPERVISORS
1600 PACIFIC HIGHWAY, ROOM 402, SAN DIEGO, CALIFORNIA 92101-2471
PHONE (619) 531-5600 FAX (619) 338-8146
www sandiegocob com

ANDREW POTTER
ASSISTANT CLERK OF THE BOARD

December 8, 2017

Phyllis Trombi
2338 Valley Mill Rd
El Cajon, CA 92020

Dear Ms. Phyllis Trombi:

On December 5, 2017 (29), the Board of Supervisors re-appointed you as a member of the **GILLESPIE FIELD DEVELOPMENT COUNCIL**, Seat No. 3, for a term to expire December 7, 2021.

Enclosed is the following:

- Certificate of appointment.

If you have any questions regarding this re-appointment, please contact us at (619) 531-5600.

Sincerely,

Andrew Potter
Assistant Clerk of the Board of Supervisors

AP:sl
Enclosure (1)

cc: Chairwoman, Dianne Jacob, A-500
Lorie Maniss, Gillespie Field, S-119

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City of El Cajon Agenda Report

MEETING: 01/09/2018

ITEM NO: 1.9

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick, Councilmembers Goble, Kalasho, McClellan

FROM: Director of Finance

SUBJECT: Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2017, and Other Written Communication from the City's Independent Auditor

RECOMMENDATION: That the City Council receive and accept the Comprehensive Annual Financial Report and other written communication from the independent accounting firm of Rogers, Anderson, Malody & Scott, LLP, for the fiscal year ended June 30, 2017.

BACKGROUND:

Comprehensive Annual Financial Report and Independent Auditors' Report

The Comprehensive Annual Financial Report (CAFR) is prepared annually to present the City's financial condition and the fiscal year end results of government-wide operations by fund. The financial statements have been audited by the firm of Rogers, Anderson, Malody & Scott, LLP, whose Independent Auditors' Report states that, in their opinion, the financial statements are presented fairly in all material respects and are in conformance with generally accepted accounting principles (a "clean" audit opinion).

Due to the size of the CAFR, it is not included as part of this report. However, copies have been provided to the Mayor, Mayor Pro Tem, and each Councilmember. Additionally, the CAFR is available for review in the City Clerk's Office, the Finance Department, and on the City's website at the following link (www.cityofelcajon.us/your-government/departments/finance/financial-reports).

Other Correspondence

The purpose of the *Independent Auditor's Report on Internal Control Over Financial Reporting* is solely to describe the scope of the auditor's testing of internal control and compliance, and the results of that testing, not to provide an opinion of the effectiveness of the City's internal control or on compliance. Given these limitations, they did not identify any deficiencies in internal control that they consider material weaknesses or significant deficiencies.

Article XIII-B of the California Constitution establishes a statutory appropriations limit for the state and each local government within the State. The appropriations limit is adjusted annually for the cost of living and change in population. Additionally, the annual calculation of the appropriations limit is required to be reviewed as part of the annual financial audit. The *Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriations Limit Worksheets, prescribed by Article XIII-B of the California Constitution* is the result of that review.

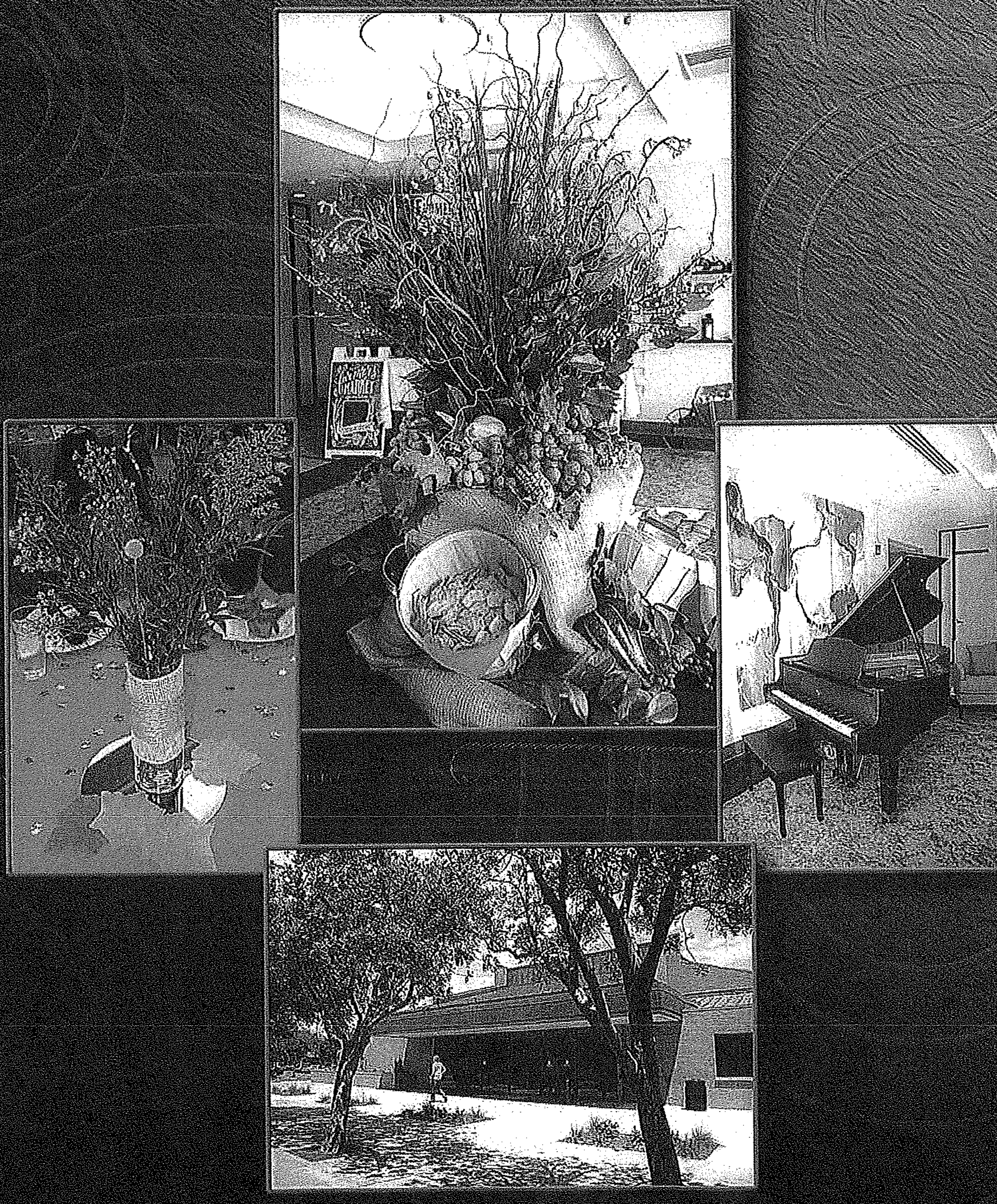
Additionally, the auditors issued a letter in accordance with the Statement on Auditing Standards 114 (SAS 114). The standard requires the communication between the auditor and client to identify certain information, such as qualitative aspects of accounting practices, management representations, and other audit findings or issues, among others.

FISCAL IMPACT: None.

PREPARED BY:	**APPROVED BY:**
Clay Schoen	**Douglas Williford**
DIRECTOR OF FINANCE	**CITY MANAGER**

View online at www.cityofelcajon.us/your-government/departments/finance/financial-reports

City of El Cajon
California



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017

View online at www.cityofelcajon.us/your-government/departments/finance/financial-reports

RAMS

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

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

Independent Auditor's Report

The Honorable City Council
City of El Cajon, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of El Cajon (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 19, 2017.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable City Council
City of El Cajon

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

Compliance and Other Matters

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 19, 2017

RAMS

ROGERS, ANDERSON, MALODY & SCOTT, LLP
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To the Honorable Mayor and Members of the City Council
City of El Cajon, California

INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS

We have performed the procedures enumerated below to the accompanying Appropriations Limit worksheet of the City of El Cajon, California, for the year ended June 30, 2017. These procedures, which were agreed to by the City of El Cajon, California and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution),* were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. The City of El Cajon's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

   Exception: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

   Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII-B of the California Constitution*.

This report is intended solely for the information and use of the City Council and management of the City of El Cajon, California and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 19, 2017

CITY OF EL CAJON
APPROPRIATIONS LIMIT COMPUTATION
2016 - 2017

		2016-17
Per Capita Personal Income change		5.37%
Population change: County population growth		0.78%
CPI change converted to a ratio		1.0537
Population change converted to a ratio		1.0078
Calculation of growth factor		1.0619
2015-2016 Appropriations Limit	$ 137,464,416	
2016-2017 Appropriations Limit ($137,464,416 X 1.0619)	$ 145,976,056	

RAMS

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CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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909 889 5361 F
ramscpa.net

December 19, 2017

To the Honorable City Council
City of El Cajon
200 Civic Center Way
El Cajon, CA 92020

We have audited the financial statements of the City of El Cajon (the City) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 4, 2017, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note A to the financial statements. As described in Note A to the financial statements, during the year, the City adopted the following Governmental Accounting Standards Board (GASB) statements: GASB Statement No. 77, *Tax Abatement Disclosures* which establishes dislcosures required for certain tax abatement agreements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the asset for other post-employment benefits (OPEB) is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, related deferred inflows and outflows and pension expense are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements relate to:

The disclosure of fair value of investments in the notes to the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation in the notes to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of the other post-employment benefits (OPEB) in the notes to the basic financial statements identifies the net OPEB asset, the annual OPEB cost and the funded status of the actuarial accrued liability. The information disclosed is based on actuarial assumptions which could differ from actual costs.

The disclosure of net pension liability, deferred inflows and outflows and pension expense in the notes to the financial statements are based on actuarial assumptions. Actual future liabilities, deferred inflows and outflows and pension expense may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated December 19, 2017.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the city, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

> We applied certain limited procedures to the required supplementary information (RSI), as listed in the basic financial statements table of contents, which are required information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.
>
> We were engaged to report on the combining and individual nonmajor fund financial statements, the budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.
>
> We were not engaged to report on the transmittal letter and statistical section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 19, 2017

City of El Cajon Agenda Report

MEETING: 1/9/2018

ITEM NO: 4.1

EL CAJON
The Valley of Opportunity
Incorporated 1912

TO: Chairman Wells, Vice Chairman Kendrick, Boardmembers Goble, Kalasho and McClellan

FROM: Graham Mitchell, Assistant City Manager

SUBJECT: Refunding the 2005 and 2007 Tax Allocation Bonds of the Former El Cajon Redevelopment Agency

RECOMMENDATION: That the Successor Agency Board adopt a Resolution Approving the Form and Authorizing Distribution of a Preliminary Official Statement in Connection with the Offering and Sale of Tax Allocation Bonds to Refund Certain Outstanding Obligations of the Former El Cajon Redevelopment Agency and Approving Related Documents and Actions.

BACKGROUND: The former El Cajon Redevelopment Agency issued Tax Allocation Refunding Bonds, Issue of 2005 (the "2005 Bonds") and Tax Allocation Bonds, Issue of 2007 (the "2007 Bonds", and together with the 2005 Bonds, the "Prior Bonds") in the amounts of $40,000,000 and $15,750,000, respectively. The 2005 Bonds have $28,110,000 remaining in principal through October 1, 2036 with interest rates ranging from 4.00% to 4.50%. The 2007 Bonds have $12,220,000 remaining in principal through October 1, 2037 with interest rates ranging from 4.25% to 4.375%.

City staff met with Brandis Tallman LLC to discuss refunding the Prior Bonds (the "Refunding") and presented a recommendation to consider this action at the November 14, 2017 Successor Agency Board meeting. The Successor Agency Board adopted a resolution authorizing the issuance of refunding bonds because of the current low interest rate environment and the ability to refund the Prior Bonds on any date at par (no premium). This action will result in significant savings which will be passed through to all taxing entities, including the City.

This staff report provides a summary of transactions that have occurred related to this agenda item, outlines the refunding process, and provides a fiscal analysis.

TRANSACTION RECAP:

- November 14, 2017 - Successor Agency approved the Resolution authorizing the issuance of refunding bonds and approving the forms of documents in connection therewith, and authorizing the filing of the Resolution and Plan of Refunding and Savings Analysis with the appropriate parties.

- November 15, 2017 - Oversight Board approved the Resolution authorizing the issuance of refunding bonds and approving the forms of documents in connection therewith, and authorizing the filing of the Resolution and Plan of Refunding and Savings Analysis with the appropriate parties including DOF.
- November 16, 2017 - All documentation received by the County Administrative Officer, County Auditor-Controller, and DOF. The 60-day review period for DOF to consider the Oversight Board action began.

PROCESS: This is the final approval by the Successor Agency needed for the issuance and sale of the Refunding Bonds, which will be used to refund the Prior Bonds. If the resolution is approved, the financing team will work throughout January and February to distribute a Preliminary Official Statement to potential investors, market and sell the Refunding Bonds, and close the transaction. This schedule is dependent upon approval from the California Department of Finance ("DOF") which is expected by January 16, 2018.

The City's Municipal Advisor, Urban Futures, along with Brandis Tallman, has prepared the following refunding summary and savings analysis based on current market interest rates.

Refunding Results

Outstanding Amount of Bonds:	$40,330,000	
Refunding Par Amount:	$36,460,000	
Total Gross Savings:	$4,709,914	(Including All Costs)
Average Annual Savings:	$240,400	(Including All Costs)
Net Present Value Savings:	$3,585,662	(Including All Costs)
Net Present Value Savings % Prior:	8.89% (1)	
True Interest Cost:	3.34%	
Average Interest Rate (Prior):	4.44%	
Average Interest Rate (New):	2.83% (2)	
Final Maturity (Prior):	10/1/2037	
Final Maturity (New):	10/1/2037	

(1) Net present value savings exceeding 4.00% of the prior bonds are generally considered significant.
(2) Interest rates are subject to change with market conditions

As stated above, refunding the Prior Bonds is expected to produce a total net present value savings of $3,585,662 and an average annual debt service savings of $240,400. The savings would be shared among the affected taxing entities and the City would receive approximately $27,021 (11.24%) of savings each year. The Refunding will not be a debt of the City, nor will the City have any liability for outstanding debt associated with the issuance.

The total costs of issuance for the Refunding are estimated to be $972,293. All of the expected savings from the Refunding are net of the costs of issuance. Most of the costs of issuance associated with the Refunding are contingent upon a successful close, and are paid out of bond proceeds at closing. Other costs, such as those of the Fiscal Consultant and the Standard & Poor's rating fee, are non-contingent, but will be paid out of bond proceeds upon a successful closing. Should the Refunding not close, these costs would be eligible to be included with future ROPS's administrative allowance. The Fiscal Consultant has prepared a formal report on the Successor Agency including a projection of expected future tax increment. Analysts from Standard & Poor's have been assigned to this transaction and a credit rating due diligence call has been scheduled for January 11th. The rating agency will provide their credit rating for this transaction by January 25th. After the credit rating is received, the finance team will proceed with obtaining bond insurance and a surety bond for the reserve fund requirement.

FISCAL IMPACT: Savings from the Refunding will accrue to the City and the other affected taxing entities. The transaction is expected to realize estimated total gross savings of $4.7 million and savings of $240,400 per year in debt service, resulting in approximately $27,021 of additional revenue to the City per year.

PREPARED BY:	**REVIEWED BY:**	**APPROVED BY:**
Graham Mitchell **ASSISTANT CITY MANAGER**	**Clay Schoen** **FINANCE DIRECTOR**	**Douglas Williford** **CITY MANAGER**

RESOLUTION NO. SA-00 –18

A RESOLUTION OF THE CITY OF EL CAJON
AS SUCCESSOR AGENCY TO THE
EL CAJON REDEVELOPMENT AGENCY
APPROVING THE FORM AND AUTHORIZING
DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT
IN CONNECTION WITH THE OFFERING AND SALE OF
TAX ALLOCATION BONDS TO REFUND CERTAIN
OUTSTANDING OBLIGATIONS OF THE
EL CAJON REDEVELOPMENT AGENCY AND
APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code (unless otherwise noted, all section references hereinafter being to such Code), the El Cajon Redevelopment Agency (the "Former Agency"), has been dissolved and no longer exists as a public body, corporate and politic, and pursuant to section 34173 the Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency") has become the successor entity to the Former Agency;

WHEREAS, a redevelopment plan for the Former Agency's El Cajon Redevelopment Project in the City of El Cajon (the "City") has been adopted in compliance with all requirements of the Code (the "Redevelopment Project");

WHEREAS, prior to the dissolution of the Former Agency, the Former Agency incurred certain obligations to finance redevelopment activities within and for the benefit of the Redevelopment Project, of which the following remain outstanding:

(a) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Taxable Tax Allocation Refunding Bonds, Issue of 2000 (the "2000 Bonds"),

(b) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2005 (the "2005 Bonds"), and

(c) El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2007 (the "2007 Bonds" and, with the 2000 Bonds and the 2005 Bonds, the "Former Agency Obligations");

WHEREAS, section 34177.5 authorizes the Successor Agency to issue refunding bonds pursuant to Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law") for the purpose of achieving debt service savings within the parameters set forth in section 34177.5(a)(1) (the "Savings Parameters");

WHEREAS, to determine compliance with the Savings Parameters for purposes of the issuance by the Successor Agency of its tax allocation refunding bonds (the

"Refunding Bonds"), the Successor Agency has caused its municipal advisor, Urban Futures, Inc. (the "Municipal Advisor"), to prepare an analysis of the potential savings that will accrue to the Successor Agency and to applicable taxing entities as a result of the use of the proceeds of the Refunding Bonds to repay or refund all or a portion of the Former Agency Obligations (the "Debt Service Savings Analysis");

WHEREAS, the Debt Service Savings Analysis has demonstrated that a refunding of the 2005 Bonds and the 2007 Bonds (the "Refundable Former Agency Obligations") will satisfy the Savings Parameters;

WHEREAS, the Successor Agency as determined to issue its Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018, to refund the Refundable Former Agency Obligations (the "Bonds"), pursuant to an indenture of trust, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee;

WHEREAS, the Successor Agency, by its resolution adopted on November 14, 2017, authorized the issuance of the Bonds and approved the form and authorized the execution of the various documents prepared in connection therewith.

WHEREAS, a preliminary official statement to be used in connection with the offering and sale of the Bonds has been prepared and it is appropriate at this time for the Successor Agency to approve the form thereof and its distribution to prospective purchasers of the Bonds; and

WHEREAS, the Successor Agency has determined to sell the Bonds to Brandis Tallman LLC (the "Underwriter").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. Approval of Preliminary Official Statement. The Successor Agency hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 except for permitted omissions, a preliminary official statement describing the Bonds in the form on file with the Secretary (the "Preliminary Official Statement"). Distribution of the Preliminary Official Statement by the Underwriters to prospective purchasers of the Bonds is hereby approved. The Chair, the Vice Chair, the Treasurer or the Executive Director (the "Authorized Officers") are hereby authorized to execute the final form of an official statement, including as it may be modified by such additions thereto and changes therein as an Authorized Officer shall deem necessary, desirable or appropriate (the "Final Official Statement"), and the execution of the Final Official Statement by an Authorized Officer shall be conclusive evidence of the approval of any such additions and changes. The Successor Agency hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official

Statement shall be executed in the name and on behalf of the Successor Agency by an Authorized Officer.

SECTION 2. Approval of Continuing Disclosure Certificate. The continuing disclosure certificate, in the form on file with the Secretary (the "Continuing Disclosure Certificate"), is hereby approved and any Authorized Officer is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to execute and deliver the Continuing Disclosure Certificate in such form together with such changes therein, deletions therefrom and additions thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by the execution and delivery of the Continuing Disclosure Certificate. The Successor Agency hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

SECTION 3. Official Actions. The Authorized Officers and any and all other officers of the Successor Agency are hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in obtaining the requested approvals by the Oversight Board and the California Department of Finance and in the issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the Successor Agency is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

SECTION 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

SECTION 5. Certification. The Secretary shall certify to the passage and adoption hereof.

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 30, 2018

NEW ISSUE—BOOK-ENTRY ONLY

RATINGS:
S&P: "__" (____-Insured)
S&P: "__" (Underlying)
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.

$36,460,000*
SUCCESSOR AGENCY TO THE
EL CAJON REDEVELOPMENT AGENCY
(San Diego County, California)
Tax Allocation Refunding Bonds, Series 2018

Dated: Date of Delivery | **Due: October 1, as shown on the inside cover**

The $36,460,000* Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (the "Bonds"), are being issued by the Successor Agency to the El Cajon Redevelopment Agency (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 February 1, 2018 (the "Indenture"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), to (a) refund (i) the outstanding El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2005, and (ii) the El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2007, each issued by the former El Cajon Redevelopment Agency (the "Former Agency") to finance redevelopment activities within and for the benefit of the El Cajon Redevelopment Project of the Former Agency, (b) purchase a reserve fund municipal bond insurance policy in lieu of cash funding a reserve fund for the Bonds, and (c) 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 ("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, premium if any, and semiannual interest on the Bonds due on April 1 and October 1 of each year, commencing April 1, 2018, will be payable by 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 a first lien on 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.

In addition to the Bonds, 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. See "SECURITY FOR THE BONDS—Parity Debt" herein.

The Bonds and interest thereon are not a debt of the City of El Cajon (the "City"), San Diego 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 City Council of the City, the County Board of Supervisors nor any persons executing the Bonds are liable personally on the Bonds. The Successor Agency has no taxing power.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by __________________. See "MUNICIPAL BOND INSURANCE" herein.

[INSURER LOGO]

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

SEE THE INSIDE COVER

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 Quint & Thimmig LLP, Larkspur, California, as Disclosure Counsel, and by McDougal, Love, Boehmer, Foley, Lyon & Canlas, La Mesa, California, the City Attorney. Certain matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about February 28, 2018.

BRANDIS TALLMAN LLC

Dated: February __, 2018

*Preliminary, subject to change.

$36,460,000*
SUCCESSOR AGENCY TO THE
EL CAJON REDEVELOPMENT AGENCY
(San Diego County, California)
Tax Allocation Refunding Bonds, Series 2018

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR YIELDS

CUSIP† Prefix: ______

Maturity (October 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix	

*Preliminary, subject to change.
† Copyright 2018, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, operated by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency and are included solely for the convenience of the registered owners of the Bonds. Neither the Successor Agency nor the Underwriter is responsible for the selection or uses of these CUSIP numbers and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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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 Preliminary 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 Redevelopment Project 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 Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has 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 Underwriter does 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 Underwriter 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 Underwriter may discontinue such market stabilization at any time. The Underwriter 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 Underwriter.

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.

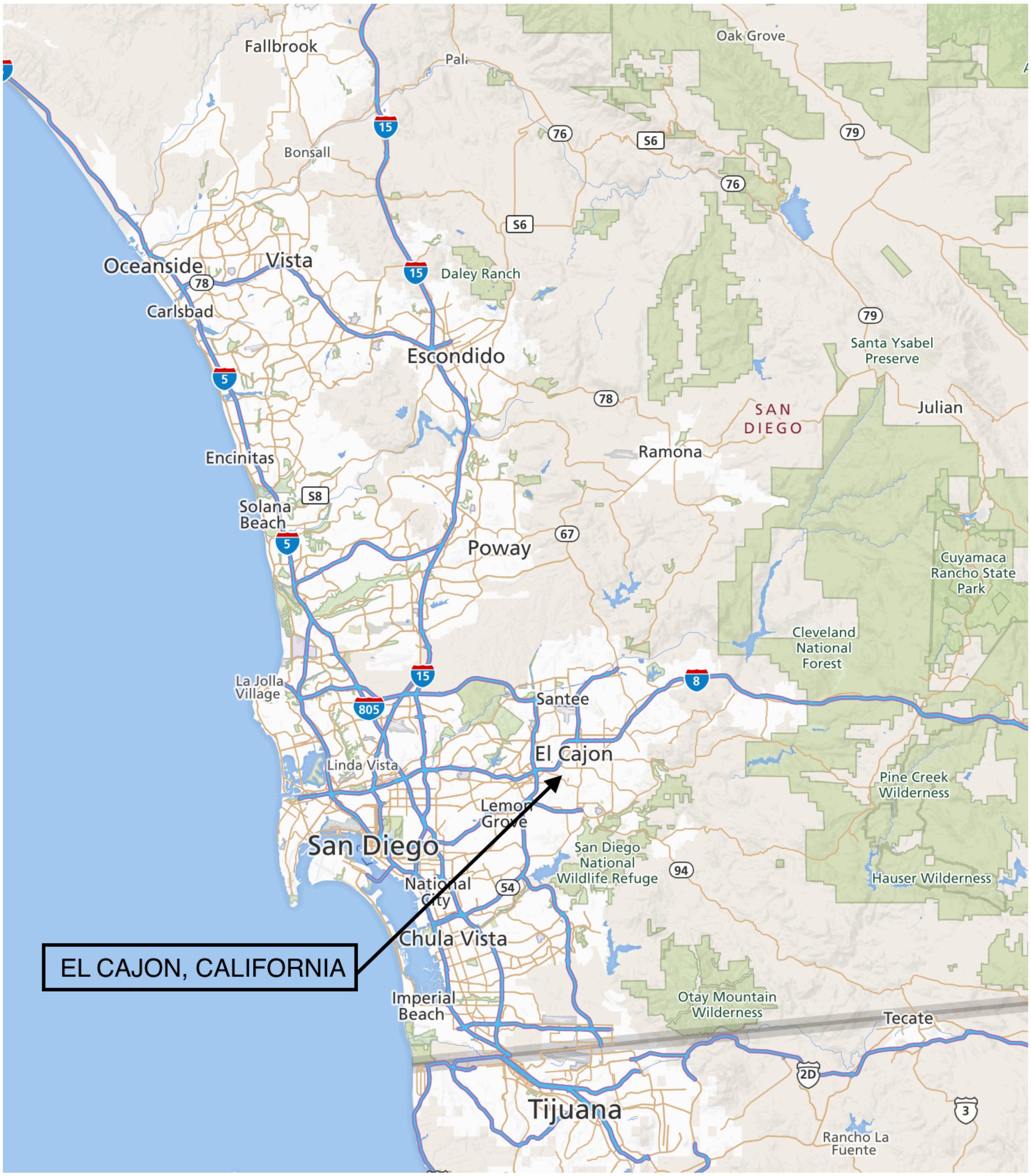
Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, section 21E of the United States Securities Exchange Act of 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 AUTHORITY 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.

Municipal Bond Insurance. __________ (the "Municipal Bond Insurer") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, the Municipal Bond Insurer 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 the Municipal Bond Insurer supplied by the Municipal Bond Insurer and presented under the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

Website. The City of El Cajon, California, maintains an Internet website, but the information on the website is not incorporated in this Official Statement.

CITY OF EL CAJON
(San Diego County, California)

Regional Location Map



SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY

SUCCESSOR AGENCY BOARD OF DIRECTORS*

Bill Wells, *Chair*
Gary Kendrick, *Vice Chair*
Steve Goble, *Member*
Ben Kalasho, *Member*
Bob McClellan, *Member*

SUCCESSOR AGENCY/CITY OFFICIALS

Douglas Williford, *Executive Director and City Manager*
Graham Mitchell, *Assistant City Manager*
Clay Schoen, *Director of Finance*
Anthony Schute, *Community Development Director*

PROFESSIONAL SERVICES

Successor Agency General Counsel and City Attorney
McDougal, Love, Boehmer, Foley, Lyon & Canlas
La Mesa, California

Municipal Advisor and Fiscal Consultant
Urban Futures, Inc.
Tustin, California

Bond Counsel and Disclosure Counsel
Quint & Thimmig LLP
Larkspur, California

Trustee and Escrow Bank
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent
Chris D. Berens, CPA, P.C.,
Omaha, Nebraska

* The City Council of the City of El Cajon, California, serves as the Board of Directors of the Successor Agency.

OFFICIAL STATEMENT

$36,460,000*
SUCCESSOR AGENCY TO THE
EL CAJON REDEVELOPMENT AGENCY
(San Diego County, California)
Tax Allocation Refunding Bonds, Series 2018

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency") of its $36,460,000* Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (the "Bonds").

Authority and Purpose

The Successor Agency is issuing the Bonds pursuant to authority granted by section 34177.5(a)(1) of the California Health & Safety Code, Article 11 (commencing with section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Refunding Law"), Resolution No. SA-006-17 adopted by the Board of Directors of the Successor Agency on November 14, 2017, and an Indenture of Trust, dated as of February 1, 2018 (the "Indenture") by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). See "THE BONDS—Authority for Issuance."

The Successor Agency is issuing the Bonds to refund and defease the following bonds issued by the El Cajon Redevelopment Agency (the "Former Agency"), to finance redevelopment activities within and for the benefit of the Former Agency's El Cajon Redevelopment Project (the "Redevelopment Project"):

- El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2005, of which $28,110,000 is outstanding (the "2005 Bonds"), and

- El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Tax Allocation Refunding Bonds, Issue of 2007, of which $12,220,000 is outstanding (the "2007 Bonds" and, with the 2005 Bonds, the "Prior Bonds").

A portion of the proceeds of the Bonds will also be used to purchase a reserve fund municipal bond insurance policy in lieu of cash funding a reserve fund for the Bonds, and to pay the costs of issuing the Bonds.

The City, the Former Agency and the Successor Agency

The City. The City of El Cajon, California (the "City") is located in southwestern San Diego County, California (the "County"). The City was incorporated on November 12, 1912. The City is bordered

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* Preliminary, subject to change.

by San Diego and La Mesa on the west, Spring Valley on the south, Santee on the north, and unincorporated San Diego County on the east.

For certain information regarding the City and the County see APPENDIX F—GENERAL INFORMATION ABOUT THE CITY OF EL CAJON AND THE COUNTY OF SAN DIEGO. The City has no responsibility whatsoever for the repayment of the Bonds. See "SECURITY FOR THE BONDS—Limited Obligation."

The Former Agency. The Former Agency was established July 19, 1971, pursuant to the California Community Redevelopment Law (referred to in this Official Statement as the "Redevelopment Law") and Ordinance No. 2390 adopted by the City Council. The City Council was the governing board of the Former Agency.

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 19, 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 California Health and Safety Code, as amended, including by Assembly Bill No. 1484 ("AB 1484"), enacted on June 27, 2012 as Chapter 26, Statutes of 2012, and on September 22, 2015 by Senate Bill 107 ("SB 107"), enacted as Chapter 325, Statutes of 2015. The provisions of Part 1.85, as amended by AB 1484 and SB 107 and other amendments are referred to in this Official Statement as the "Dissolution Act." The Redevelopment Law together with the Dissolution Act and the acts amendatory thereof and supplemental thereto are sometimes referred to in this Official Statement as, the "Law."

Successor Agency. Pursuant to section 34173 of the Dissolution Act, on January 10, 2012, the City Council of the City affirmed its intent to act as the as the successor agency to the Former Agency. However, subdivision (g) of section 34173 of the Dissolution Act, added by AB 1484, expressly affirms that the Successor Agency is a separate 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. See "THE SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY."

The Redevelopment Project

The Redevelopment Plan for the El Cajon Redevelopment Project Area (the "Redevelopment Plan") was approved by Ordinance No. 2437 adopted by the City Council of the City on December 28, 1971.

The Redevelopment Plan was amended and retitled the Plan for the El Cajon Redevelopment Project by Ordinance No. 4038, adopted by the City Council of the City on July 14, 1987. The Former Agency further amended the Redevelopment Plan to amend and/or add certain time limitations pursuant to Ordinance No. 4454 adopted on December 13, 1994.

The Redevelopment Project, being the area encompassed by the Redevelopment Plan encompasses 1,548 acres of commercial, industrial and residential properties. See "THE REDEVELOPMENT PROJECT" herein.

The total assessed valuation of taxable property in the Redevelopment Project in fiscal year 2017-18 is $2,424,132,407, with $1,876,689,634 of such amount representing incremental assessed value. See "THE REDEVELOPMENT PROJECT—Historical Assessed Values" and APPENDIX G—FISCAL CONSULTANT'S REPORT.

Tax Increment 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.

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 "Redevelopment Property Tax Trust Fund"). 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 Redevelopment Property Tax Trust Fund 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.

Security for the Bonds

The Dissolution Act requires the San Diego County Auditor-Controller (the "County Auditor-Controller") to determine the amount of property taxes that would have been allocated to the Former Agency from the Redevelopment Project 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 Redevelopment Property Tax Trust Fund 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 lien priority and legal effect as if the bonds or other indebtedness had been issued prior to 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. 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 Redevelopment Property Tax Trust Fund, 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 California State Constitution.

Property tax revenues are allocated to the Successor Agency on a semi-annual basis based on a Recognized Obligation Payment Schedule submitted by the Successor Agency to an oversight board established for the Successor Agency (the "Oversight Board") and the California Department of Finance (the "DOF"). The County Auditor-Controller distributes funds from the Redevelopment Property Tax Trust Fund in the order specified in the Dissolution Act. See "SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules."

The Bonds and any Parity Debt 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 the Reserve Account therein. See "SECURITY FOR THE BONDS—Pledge Under the Indenture." The term "Tax Revenues" is defined under the Indenture to mean the moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (b) of section 34170.5 of the Law, as provided in section 34183 of the Law, excluding (a) County administrative fees pursuant to section 34183(a) of the Dissolution Act, (b) payments due with respect to the outstanding El Cajon Redevelopment Agency, El Cajon Redevelopment Project, Taxable Tax Allocation Refunding Bonds, Issue of 2000 (the "2000 Bonds"), (c) Statutory Pass-Through Amounts, and (d) Negotiated Pass-Through Amounts. If, and to the extent, that the provisions of section 34172 of the Law or section 34183 of the Law 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.

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

Municipal Bond Insurance Policy; Reserve Policy

The scheduled payment of the principal and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the "Municipal Bond Insurance Policy") to be issued by ____________ (the "Municipal Bond Insurer") simultaneously with the issuance of the Bonds. See "MUNICIPAL BOND INSURANCE." In addition, the Municipal Bond Insurer has made a commitment to issue a municipal bond insurance policy for the Reserve Account (the "Reserve Policy") in an amount equal to the Reserve Requirement for the benefit of the Bonds. See "SECURITY FOR THE BONDS—Reserve Account" and APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.

Limited Obligation

The Bonds are limited obligations of the Successor Agency and are secured by an irrevocable pledge of, and are payable as to principal, interest and premium, if any, from Tax Revenues and other funds pledged therefore under the Indenture. 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 thereon. The Bonds are not payable out of any funds other than those pledged to the payment of the Bonds in the Indenture. No member of the Board of Directors of the Successor Agency, officer, agent, or employee of the Successor Agency, or member of the Board of Directors of the Oversight Board, the City Council of the City or of the County Board of Supervisors, or any person executing the Bonds, is liable personally on the Bonds by reason of their issuance.

Parity Debt

The Indenture permits the issuance of Parity Debt secured by a pledge of Tax Revenues on a parity with the pledge of Tax Revenues to the payment of the Bonds under the Indenture, under certain circumstances. As of the date of issuance of the Bonds, there will be no outstanding obligations, other than the Bonds, secured by a pledge of the Tax Revenues. See "THE BONDS—Parity Debt."

Professionals Involved in the Offering

Urban Futures, Inc., Tustin, California (the "Municipal Advisor"), has served as municipal advisor to the Successor Agency and has advised the Successor Agency with respect to the financial structure of the Bonds and as to other financial aspects related to the Bonds.

Urban Futures, Inc., Tustin, California, has also 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 in this Official Statement as the "Fiscal Consultant's Report." See APPENDIX G—FISCAL CONSULTANT'S REPORT.

The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, will act as Trustee for the Bonds under the Indenture and as Escrow Bank with respect to the refunding of the Prior Bonds. Sufficiency of the deposits to redeem and defease the Prior Bonds will be verified by Chris D. Berens, CPA, P.C., Omaha, Nebraska.

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Quint & Thimmig LLP is also acting as Disclosure Counsel to the Successor Agency for the Bonds. McDougal, Love, Boehmer, Foley, Lyon & Canlas, La Mesa, California, acting as general counsel to the Successor Agency, will render an opinion as to certain legal matters on behalf of the Successor Agency. Certain legal matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California, acting as Underwriter's Counsel.

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the Bonds, the Indenture, the Escrow Agreements (defined below), the Successor Agency, the Former Agency and the Redevelopment Project are included in this Official Statement. Such descriptions 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 Escrow Agreements, the Constitution and the laws of the State, as well as the proceedings of the Former Agency and the Successor Agency 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 described herein are available upon written request from the City of El Cajon, 200 Civic Center Way, El Cajon, CA 92929-3916, Attention: Director of Finance. The City may impose a charge for the copying, mailing and handling of documents.

REFUNDING PLAN

Refunding of the Prior Bonds

2005 Bonds. A portion of the proceeds of the Bonds, together with amounts on deposit in the funds and accounts related to the 2005 Bonds, will be deposited in an escrow fund (the "2005 Escrow Fund") under an escrow deposit and trust agreement, by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Bank"). Such amounts will be held in cash, uninvested. The sufficiency of the moneys for such purposes will be verified by Chris D. Berens, CPA, P.C. (the "Verification Agent"). See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." The uninvested cash in the 2005 Escrow Fund will be applied to redeem then outstanding 2005 Bonds in full on March 19, 2018, at a redemption price equal to 100% of the principal amount thereof.

As a result of the deposit and application of funds in the 2005 Escrow Fund, the obligations of the Successor Agency with respect to the 2005 Bonds will be defeased and discharged.

The 2005 Bonds to be refunded are shown in the following table:

Maturity Date	Amount Refunded	Interest Rate	Call Date	Call Price	CUSIP Number†
10/1/2018	$ 1,285,000	4.000%	3/19/2018	100.000	28268K BW2
10/1/2019	1,340,000	4.200	3/19/2018	100.000	28268K BX0
10/1/2020	1,390,000	4.250	3/19/2018	100.000	28268K BY8
10/1/2021	1,450,000	4.300	3/19/2018	100.000	28268K BZ5
10/1/2022	1,500,000	4.300	3/19/2018	100.000	28268K CA9
10/1/2030	1,600,000	4.500	3/19/2018	100.000	28268K CB7
10/1/2036	19,545,000	4.500	3/19/2018	100.000	28268K CC5

The amounts held by the Escrow Bank in the 2005 Escrow Fund are pledged solely to the payment of amounts due and payable by the Successor Agency with respect to the 2005 Bonds. The moneys deposited in the 2005 Escrow Fund will not be available for the payment of debt service with respect to the Bonds or any other obligations of the Successor Agency.

2007 Bonds. A portion of the proceeds of the Bonds, together with amounts on deposit in the funds and accounts related to the 2007 Bonds, will be deposited in an escrow fund (the "2007 Escrow Fund") under an escrow deposit and trust agreement, by and between the Successor Agency and the Escrow Bank. Such amounts will be held in cash, uninvested. The sufficiency of the moneys for such purposes will be verified by the "Verification Agent." See "VERIFICATION OF MATHEMATICAL COMPUTATIONS." The uninvested cash in the 2007 Escrow Fund will be applied to redeem then outstanding 2007 Bonds in full on March 19, 2018, at a redemption price equal to 100% of the principal amount thereof.

The 2007 Bonds to be refunded are shown in the following table:

Maturity Date	Amount Refunded	Interest Rate	Call Date	Call Price	CUSIP Number[†]
10/1/2018	$ 405,000	4.250%	3/19/2018	100.000	28268K CQ4
10/1/2019	425,000	4.250	3/19/2018	100.000	28268K CR2
10/1/2020	440,000	4.000	3/19/2018	100.000	28268K CS0
10/1/2021	460,000	4.000	3/19/2018	100.000	28268K CT8
10/1/2022	480,000	4.000	3/19/2018	100.000	28268K CU5
10/1/2030	3,185,000	4.250	3/19/2018	100.000	28268K CV3
10/1/2037	6,825,000	4.375	3/19/2018	100.000	28268K CW1

The amounts held by the Escrow Bank in the 2007 Escrow Fund are pledged solely to the payment of amounts due and payable by the Successor Agency with respect to the 2007 Bonds. The moneys deposited in the 2007 Escrow Fund will not be available for the payment of debt service with respect to the Bonds or any other obligations of the Successor Agency.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds for the financing are summarized below.

Sources:	
Principal Amount of Bonds	
Plus: Net Original Issue Premium	
Plus: Released 2005 Bond Moneys (1)	
Plus: Released 2007 Bond Moneys (2)	
Total Sources	
Uses:	
2005 Escrow Fund Deposit	
2007 Escrow Fund Deposit	
Costs of Issuance (3)	
Total Uses	

(1) Includes amounts in various funds and accounts attributable to the 2005 Bonds and amounts held by the Successor Agency.
(2) Includes amounts in various funds and accounts attributable to the 2007 Bonds and amounts held by the Successor Agency.
(3) Costs of issuance include the Underwriter's discount, fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Fiscal Consultant, the Trustee, the City, the Successor Agency administrative staff, Successor Agency counsel, printing expenses, rating fees, the premiums for the Municipal Bond Insurance Policy and the Reserve Policy, and other costs related to the issuance of the Bonds.

[†] Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services Bureau, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the Successor Agency or the Underwriter and are included solely for the convenience of the holders 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 prior to their respective maturities.

Bond Year Ending October 1	Principal(1)	Interest	Total	Total
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				

(1) Includes mandatory sinking fund payments. See "THE BONDS—Redemption—Mandatory Sinking Account Redemption."

THE BONDS

Authority for Issuance

The Bonds were authorized to be issued, and the Indenture was authorized to be executed, by the Successor Agency pursuant to Resolution No. SA-006-17 adopted by the Board of Directors of the Successor Agency on November 14, 2017 (the "Successor Agency Resolution"), and the issuance of the Bonds by the Successor Agency was approved by the Oversight Board of the Successor Agency pursuant to its Resolution No. OB-06-17 adopted on November 15, 2017 (the "Oversight Board Resolution").

Pursuant to the Dissolution Act, written notice of the adoption of the Oversight Board Resolution was provided to the DOF on November 15, 2017. On _______, 2018, 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 issuance of 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 Recognized Obligation Payment Schedules 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 of each series of the Bonds, initially in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as registered owner of all of the Bonds. The initially executed and delivered Bonds will be dated the date of delivery (the "Closing Date") and will mature on October 1 in the years and in the principal 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 April 1 and October 1 in each year, commencing on October 1, 2018, 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 applicable Record Date. Record Date is defined in the Indenture as, with respect to any Interest Payment Date, the close of business on the first (1st) calendar day of the month in which such Interest Payment Date occurs, whether or not such first (1st) calendar day is a Business Day.

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. See APPENDIX C—BOOK-ENTRY ONLY SYSTEM.

Redemption

Optional Redemption. The Bonds maturing on or before October 1, _____, are not subject to optional redemption prior to maturity. The Bonds maturing on and after October 1, _____, are subject to redemption, at the option of the Successor Agency on any date on or after October 1, _____, in whole or in part, among 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 to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Account Redemption. The Bonds maturing on October 1, _____ (the "_____ Term Bonds"), are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on October 1, _____, and on each October 1 thereafter to and including October 1, _____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the _____ Term Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the _____ Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee.

Redemption Date (October 1)	Principal Amount

The Bonds maturing on October 1, _____ (the "_____ Term Bonds"), are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on October 1, _____, and on each October 1 thereafter to and including October 1, _____, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the _____ Term Bonds have been optionally redeemed, the total amount of Sinking Account payments to be made subsequent to such redemption shall be reduced in an amount equal to the principal amount of the _____ Term Bonds so redeemed by reducing each such future Sinking Account payment on a pro rata basis (as nearly as practicable) in integral multiples of $5,000, as shall be designated pursuant to written notice filed by the Successor Agency with the Trustee.

Redemption Date (October 1)	Principal Amount

In lieu of the Sinking Account redemption of the _____ Term Bonds and the _____ Term Bonds, the Trustee may apply amounts in the Sinking Account to the purchase of _____ Term Bonds or _____ Term Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as may be directed by the Successor Agency, except that the purchase price (exclusive of accrued interest) may not exceed the then redemption price of the _____ Term Bonds or the _____ Terms Bonds, as applicable, as set forth in a Written Request of the Successor Agency.

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will send (by first class mail, postage prepaid, or by such other means as is acceptable to the recipient thereof) notice of any redemption at least twenty (20) (or, if more, such minimum number of days as may be required by the Securities Depositories) 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 sending 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 (except for mandatory Sinking Account redemptions) at the Principal Corporate 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 may also 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 shall be canceled.

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of Bonds and less than all Bonds then currently outstanding of a series are called for redemption, the Trustee will select Bonds of a series for redemption from Bonds of such series 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 of such series and by lot within a maturity. The Trustee will promptly notify the Successor Agency in writing of the Bonds so selected for redemption.

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 Redevelopment Property Tax Trust Fund 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 Recognized Obligation Payment Schedule. See "THE DISSOLUTION ACT—Recognized Obligation Payment Schedules" and "SECURITY FOR THE 2017 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 Redevelopment Property Tax Trust Fund, 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, taxes levied upon taxable property in the Redevelopment Project 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 Redevelopment Plan, or the effective dates of ordinances approving amendments to the Redevelopment Plan that added territory 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 Redevelopment Project 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 Redevelopment Plan, or the respective effective dates of ordinances approving amendments to the Redevelopment Plan that added territory to the Redevelopment Project, as applicable (each, a "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 Redevelopment Property Tax Trust Fund 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 Redevelopment Property Tax Trust Fund. In addition, section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above. See the discussion in Section IV.C. of the Fiscal Consultant's Report in Appendix G.

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 Redevelopment Property Tax Trust Fund 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).

Recognized Obligation Payment Schedules

Submission of Recognized Obligation Payment Schedule. The Dissolution Act requires successor agencies to periodically prepare, and submit to the DOF and the County Auditor-Controller for approval, an oversight board-approved recognized obligation payment schedule (the "Recognized Obligation Payment Schedule") 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.

Commencing on February 1, 2016, successor agencies were transitioned to an annual Recognized Obligation Payment Schedule process pursuant to which successor agencies are required to file Recognized Obligation Payment Schedules with the DOF and the County Auditor-Controller for approval on or before each February 1 for the July 1 through June 30 period immediately following such February 1. For example, on February 1, 2016, the Successor Agency was required to file a Recognized Obligation Payment Schedule for the period commencing July 1, 2016 through June 30, 2017.

In addition, commencing on January 1, 2016, successor agencies that have received a Finding of Completion and the concurrence of the DOF as to the items that qualify for payment, among other conditions, may at their option, file a "Last and Final" Recognized Obligation Payment Schedule. If approved by the DOF, the Last and Final Recognized Obligation Payment Schedule will be binding on all parties, and the Successor Agency will no longer submit a Recognized Obligation Payment Schedule to the DOF 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 Recognized Obligation Payment Schedule until each remaining enforceable obligation has been fully paid. A Last and Final Recognized Obligation Payment Schedule may only be amended twice, and only with approval of the DOF and the County Auditor-Controller. The Successor Agency has no current plans to file a Last and Final Recognized Obligation Payment Schedule.

Payment of Amounts Listed on the Recognized Obligation Payment Schedule. 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 Recognized Obligation Payment Schedule 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 Recognized Obligation Payment Schedule 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 Redevelopment Property Tax Trust Fund (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 payments listed in the Recognized Obligation Payment Schedule may be made by a successor agency and only from the funds specified in the Recognized Obligation Payment Schedule.

Order of Priority of Distributions from Redevelopment Property Tax Trust Fund. Typically, under the Redevelopment Property Tax Trust Fund distribution provisions of the Dissolution Act, and despite the provisions of the Dissolution Act which now provide for annual submissions by successor agencies of Recognized Obligation Payment Schedules (see discussion above under "Submission of Recognized Obligation Payment Schedules"), 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, subject to certain adjustments for subordinations to the extent permitted under the Dissolution Act, if any (as described above under "SECURITY FOR THE BONDS—Pass-Through Payments") and no later than each January 2 and June 1, amounts required for pass-through payments such entity would have received under provisions of the Redevelopment Law, as those provisions read on January 1, 2011, including negotiated pass-through agreements and statutory pass-through obligations;

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its Recognized Obligation Payment Schedule, 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 Recognized Obligation Payment Schedule;

(iii) third, on each January 2 and June 1, to the successor agency for the administrative cost allowance, as defined in the Dissolution Act; and

(iv) fourth, on each January 2 and June 1, to taxing entities any moneys remaining in the Redevelopment Property Tax Trust Fund 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).

Failure to Submit a Recognized Obligation Payment Schedule. The Recognized Obligation Payment Schedule must be approved by the oversight board, and the oversight board-approved Recognized Obligation Payment Schedule must be submitted by a successor agency to the county auditor-controller and the DOF by February 1 of each year. If the successor agency does not submit a Recognized Obligation Payment Schedule 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, if a successor agency does not submit a Recognized Obligation Payment Schedule within 10 days of the deadline, the successor agency's maximum administrative cost for the applicable period is reduced by twenty-five percent.

However, the Dissolution Act provides that, if a successor agency fails to submit a Recognized Obligation Payment Schedule by the deadline, any creditor of the successor agency or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the successor agency to immediately perform this duty. For additional information regarding procedures under the Dissolution Act relating to late Recognized Obligation Payment Schedules and implications thereof on the Bonds, see "RISK FACTORS—Recognized Obligation Payment Schedule." To date, the Successor Agency has timely filed all required Oversight Board-approved Recognized Obligation Payment Schedules with the County Auditor-Controller and the DOF.

SECURITY FOR THE BONDS

The County Auditor-Controller will deposit property tax revenues into the Redevelopment Property Tax Trust Fund pursuant to the requirements of the Dissolution Act, including *inter alia* Health and Safety Code section 34183 and 34170.5(b). The Bonds are payable from and secured by the Tax Revenues to be derived from the Redevelopment Project consisting of a portion of the property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

Pledge Under the Indenture

Except 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 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) and the Redevelopment Obligation Retirement Fund without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. The Bonds (exclusive of any Parity Debt) are additionally secured by an exclusive pledge of, security interest in and lien on the Reserve Account established by 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 or redemption premium (if any) on the Bonds.

In consideration of the acceptance of the Bonds by owners of the Bonds, the Indenture is deemed to be and constitutes 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

The term "Tax Revenues" is defined in the Indenture to mean the moneys deposited or available for deposit from time to time in the Redevelopment Property Tax Trust Fund established pursuant to subdivision (b) of section 34170.5 of the Law, as provided in section 34183 of the Law, excluding (a) County administrative fees pursuant to section 34183(a) of the Dissolution Act, (b) payments due with respect to the outstanding 2000 Bonds, (c) Statutory Pass-Through Amounts, and (d) Negotiated Pass-Through Amounts. If, and to the extent, that the provisions of section 34172 of the Law or section 34183 of the Law 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.

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 Redevelopment Project 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. Since a deduction for the Housing Set-Aside is no longer required, amounts that were previously required to be deposited in the housing fund are now included in Tax Revenues.

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 in the Indenture 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 shall deposit all of the Tax Revenues received in any Bond Year from the Redevelopment Property Tax Trust Fund in accordance with the Dissolution Act into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter shall transfer amounts therein to the Trustee for deposit in the Debt Service Fund (as described below), until such time that the aggregate amounts on deposit in such Debt Service Fund equal the aggregate amounts required to be deposited into the Interest Account, the Principal Account, the Sinking Account, the Redemption Account and the Reserve Account in such Bond Year pursuant to the Indenture, and for deposit in such Bond Year in the funds and accounts (including any reserve account) established with respect to Parity Debt, as provided in any Supplemental Indenture.

Deposit of Amounts by Trustee. There is established under the Indenture a trust fund to be known as the Debt Service Fund, which will be held by the Trustee under the Indenture in trust. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts, at the following times to the following respective special accounts within the Debt Service Fund, in the following order of priority:

Interest Account. On or before the fifth (5th) Business Day preceding each Interest Payment Date, commencing with the October 1, 2018 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).

Principal Account. On or before the fifth (5th) Business Day preceding each October 1 Interest Payment Date, commencing with the October 1, 2018 Interest Payment Date, to the extent there are monies 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 coming due and payable on the Outstanding Bonds and any Parity Debt on the next October 1. On or before the fifth (5th) Business Day preceding each October 1 Interest Payment Date, commencing with the October 1, 2018 Interest Payment Date, to the extent there are monies available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to the difference between the amount then on deposit in the Principal Account and the amount of any principal due on the Outstanding Bonds and any Parity Debt on such October 1. In any event, 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 October 1 on all Outstanding Bonds and any Parity Debt. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds and any Parity Debt as it shall become due and payable.

Sinking Account. On or before the fifth (5th) Business Day preceding each October 1 Interest Payment Date, commencing with the first such October 1 date which is six months prior to the date on which principal (or any mandatory sinking payment) is due on any Term Bonds, 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 any Bonds and Parity Debt that constitute Term Bonds on the next October 1. On or before the fifth (5th) Business Day preceding each October 1 Interest Payment Date, commencing with the first such October 1 date on which principal (or any mandatory sinking payment) is due on any Term Bonds, to the extent there are monies available, the Trustee shall transfer funds from the Debt Service Fund for deposit in the Sinking Account an amount equal to the difference between the amount then on deposit in the Sinking Account and the amount of any principal (or any mandatory sinking payment) is due on the Outstanding Term Bonds on such October 1. In any event, 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 October 1 on all Outstanding Bonds and Parity Debt that constitute Term Bonds. 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 October 1pursuant to the provisions of the document providing for the issuance of any Parity Debt that constitutes Term Bonds.

Reserve Account. In lieu of a cash deposit to the Reserve Account, it is expected that the Reserve Policy, in an amount equal to the initial Reserve Requirement, will be delivered to the Trustee on the Closing Date, and will be held by the Trustee for the credit of the Reserve Account solely for the benefit of the Bonds issued on the Closing Date (and not for the benefit of any Parity Debt). "Reserve Requirement" means, with respect to the Bonds, as of any date of calculation, to be equal to the least of (a) Maximum Annual Debt Service (not including for such purpose debt service on any Parity Debt) for then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service (not including for such purpose debt service on any Parity Debt) for then current or every subsequent Bond Year, and (c) 10% of the original principal amount of the Bonds (not including any Parity Debt). As of the Closing Date, the Reserve Requirement will be $_________.

If, on any Interest Payment Date, the moneys available in the Interest Account, the Principal Account and the Sinking Account do not equal the amount of the principal or interest on the Bonds (not including any Parity Debt) 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, the Principal Account and/or the Sinking 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, the Principal Account and/or the Sinking 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 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 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 Credit Facility without regard to the legal or financial ability or willingness of the provider thereof 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 Successor Agency will have no obligation to replace the Reserve Policy or to fund the Reserve Account with cash if, at any time the Bonds are outstanding, (i) amounts are unavailable under the Reserve Policy or (ii) the rating assigned to the Municipal Bond Insurer by any rating agency is downgraded, suspended or withdrawn at any time.

The Successor Agency will repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Municipal Bond Insurer 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") will commence in the first month following each draw.

Amounts in respect of Policy Costs paid to the Municipal Bond Insurer 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 the Municipal Bond Insurer 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 Reserve Account. 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.

Draws under the Reserve Policy may only be used to make payments on Bonds (but not Parity Debt).

If the Successor Agency shall fail to pay any Policy Costs in accordance with the requirements of the Indenture, the Municipal Bond Insurer will 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.

The Indenture shall not be discharged until all Policy Costs owing to the Municipal Bond Insurer shall have been paid in full. The Successor Agency's obligation to pay such amount shall expressly survive payment in full of the Bonds. In order to secure the Successor Agency's payment obligations with respect to the Policy Costs, there is granted and perfected in favor of the Municipal Bond Insurer a security interest under the Indenture (subordinate only to that of the owners of the Bonds) in all revenues and collateral pledged as security for the Bonds.

The Reserve Policy will expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

Redemption Account. On or before the fifth (5th) Business Day preceding any date on which Bonds are, or any Parity Debt is, to be optionally redeemed, the Trustee shall withdraw from the Debt Service Fund and transfer to the Redemption Account (which the Trustee shall thereupon establish and hold in trust hereunder) an amount required to pay the principal of and premium, if any, on the Bonds and any Parity Debt 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 and any Parity Debt to be redeemed on the respective dates set for such redemption.

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 Board of Directors of the Successor Agency or of the Oversight Board, of the City Council of the City or member of the Board of Supervisors of the County, shall be individually or personally liable for the payment of the principal of or interest or redemption premium (if any) on the Bonds.

Recognized Obligation Payment Schedules

Dissolution Act Covenant by the Successor Agency. The Successor Agency has covenanted in the Indenture that it will comply with the requirements of the Dissolution Act necessary so as to not materially adversely affect the payment of and security for the Bonds.

In the Indenture the Successor Agency covenants and agrees that it will take all actions required under the Dissolution Act to include in Recognized Obligation Payment Schedules for each ROPS Period scheduled debt service on the Bonds and any Parity Debt (including, without limitation, any mandatory redemption payments), as well as any amount required to replenish the Reserve Account of the Debt Service Fund or to pay any amounts owing to the Municipal Bond Insurer, all so as to enable the County's Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund to the Redevelopment Obligation Retirement Fund on each RPTTF Distribution Date amounts required for the Successor Agency to pay principal of, and interest on, the Bonds and any Parity Debt, and any amounts owing to the Municipal Bond Insurer coming due in the respective ROPS Payment Period corresponding to such RPTTF Distribution Date pursuant to the Dissolution Act (including but not limited to section 34177 therein).

Without limiting the generality of the foregoing, the Successor Agency additionally covenants and agrees in the Indenture that, not later than February 1, 2018 and each February 1 thereafter (or at such other time as may be required by the Dissolution Act) for so long as any Bonds or any Parity Debt remain outstanding, the Successor Agency will submit to the California Department of Finance and to the County's Auditor-Controller an Oversight Board-approved ROPS that provides for the distribution of the following amounts (but only to the extent that other amounts on deposit in the Redevelopment Property Tax Trust Fund or the Redevelopment Obligation Retirement Fund reserved for payment of debt service on the Bonds or any Parity Debt or on deposit in the Debt Service Fund or in the debt service fund or similar fund relating to such other Parity Debt are insufficient therefor):

(i) for distribution on each June 1: (A) all interest coming due and payable on the Bonds and any Parity Debt on the next succeeding October 1, and (B) the amount of the principal coming due and payable on the Bonds and any Parity Debt on the next succeeding October 1, less the amount actually distributed to the Successor Agency on the preceding January 2 in respect of such principal; and

(ii) for distribution on each January 2: (A) all interest coming due and payable on the Bonds and any Parity Debt on the next succeeding April 1, and (B) fifty percent (50%) of the principal amount coming due and payable on the Bonds and any Parity Debt on the next October 1;

(iii) if the Successor Agency determines it is necessary to ensure timely payment of debt service on the Bonds or any Parity Debt, the Successor Agency may also collect on each January 2 or June 1, as necessary, a reserve to be held for debt service on the Bonds and any Parity Debt on April 1 and October 1 of the next succeeding calendar year; and

(iv) any amounts required to replenish the Reserve Account, any other reserve account established under any Parity Debt instrument, and any amounts due and owing to the Municipal Bond Insurer.

In addition, the Successor Agency covenants that, if the amount of Tax Revenues expected to be available with respect to a ROPS Payment Period will be insufficient to pay required debt service on the Bonds and any Parity Debt and all other required amounts payable from the Redevelopment Obligation Retirement Fund during such ROPS Payment Period, it shall, on or before the May 1 or December 1, as applicable, preceding such ROPS Payment Period (or such other date as otherwise may be specified in the Dissolution Act), file a Notice of Insufficiency with the County Auditor-Controller in accordance with the Dissolution Act (including, but not limited to, paragraph (b) of section 34183 therein).

In the event the Successor Agency fails to provide a ROPS to the Oversight Board for approval, or provide the State Department of Finance with an Oversight Board-approved ROPS, by the statutory deadlines relating to the Bonds for any period, the Successor Agency will designate the Municipal Bond Insurer as its attorney in fact with the power to make such a request relating to the Bonds. The Successor Agency agrees to amend any ROPS filing for any period during which amounts owed to the Municipal Bond Insurer with respect to the Municipal Bond Insurance Policy are not included on such ROPS, to the extent possible under the Dissolution Act.

The Successor Agency will not, without the prior written consent of the Municipal Bond Insurer, approve or submit for approval by the Oversight Board or the State Department of Finance the final amendment permitted for any Last and Final ROPS.

County Administrative Fees

Chapter 466, Statutes of 1990 (referred to as SB 2557), permits the County to withhold a portion of annual tax revenues for the recovery of County charges related to property tax administration services to cities in an amount equal to their property tax administration costs proportionately attributable to cities. SB 2557, and subsequent legislation under SB 1559 (Statutes of 1992), permitted counties to charge all jurisdictions, including redevelopment agencies, on a year-to-year basis. Section 34182(a)(3) of the California Dissolution Act also provides for recovery of county costs in connection with performing duties related to the dissolution of redevelopment agencies. The amount charged to the Successor Agency for the January 2, 2017 and June 1, 2017 RPTTF allocations was $47,054 and $12,501 respectively. The Fiscal Consultant has advised that these nominal amounts have not been factored into the Fiscal Consultant's projections of Tax Revenues.

For purposes of showing debt service coverage, the Fiscal Consultant has assumed that the County administrative fees are senior to the Successor Agency's pledge of Tax Revenues to its obligation to make debt service payments on the Bonds.

Pass-Through Payments

The Law recognizes two basic types of pass-throughs to affected taxing agencies: negotiated agreements (section 33401 of the Law) typically for project areas formed prior to January 1, 1994; and statutory pass through agreements (sections 33607.5 and 33607.7 of the Law), applicable to project areas formed on or after January 1, 1994 as well as project areas where certain amendments have been made to the redevelopment plan after January 1, 1994.

Tax Sharing Agreements. At the time the Amendment Area was adopted, the Agency entered into agreements with three taxing entities.

County of San Diego. The Agency and the County of San Diego entered into a tax sharing agreement ("County Agreement") on April 19, 1988. The County Agreement requires the Agency to make payments to the County General Fund between fiscal year 1988-89 through fiscal year 2026-27 equal to the County's share of the inflationary 2% revenue increase on the secured assessment roll. The County Agreement fixes the County's general levy tax rate at 25.52% of the 1% general levy. Further, commencing in the sixteenth year of the Plan (2002-03) the Agency is to pay to the County an increasing percentage of the County's levy rate of the Agency's net tax increment revenues (defined as the gross tax increment generated by the County's tax levy less the inflationary pass-through payment amount). The percentages of the County levy to be shared are indicated below:

Year 16-20	(2002-03 through 2006-07)	15%
Year 21-25	(2007-08 through 2011-12)	25%
Year 26-30	(2012-13 through 2016-17)	35%
Year 31-35	(2017-18 through 2021-22)	45%
Year 36-40	(2022-23 through 2026-27)	55%

The County Agreement also states that when the Agency's cumulative tax increment revenue reaches $1.4 billion, the County shall receive 100% of their share of tax revenue generated in the Amendment Area. Further, any increase in tax levy for the benefit of the County after fiscal year 1986-87 shall be allocated to and received by the County. The County Agreement provided that the Agency pay the County $3.0 million within 3 years after adoption of the Plan (by 1990-91) for design and construction of a County Library facility in the City. This commitment was satisfied in fiscal year 1990-91. The County Agreement was amended on June 3, 2003 to subordinate the payment of non- Inflationary 2% Revenue adjustment payments ("County Payments"), starting in fiscal year 2002-2003 and continuing through fiscal year 2026-2027, to current and future Agency bonded indebtedness provided that the following conditions are met prior to incurring such debt:

1. The Agency shall give notice to the County, in writing, of its intent to incur debt and the notice shall include a certificate of the Agency's Executive Director, or his or her designee, demonstrating the Agency's ability to meet its obligations required of existing and the proposed debt, including the full payment of the County Payments for the period of time that the proposed debt remains outstanding.

2. Agency staff and County staff shall meet to discuss the need for the proposed subordination and the certification and information provided to assure that the Agency can pay the County if the County Payments are subordinated.

3. The Agency shall obtain from the Chief Administrative Officer written approval to subordinate the County Payments. These subordination provisions are effective only if, and so long as, the Agency is required to subordinate the tax increment revenue payable to the County of San Diego or to establish a special reserve fund for the Agency's outstanding indebtedness as a condition to the Agency obtaining any bond insurance or letter of credit.

Cajon Valley Unified School District. The Agency and the Cajon Valley Union School District ("CVUSD") entered into a tax sharing agreement ("Cajon Valley Agreement") on April 19, 1988 for the Amendment Area. The Cajon Valley Agreement provides that the Agency is to pay the CVUSD's, the City's and any other taxing entity's unclaimed share of the inflationary 2% revenue increase (based on the 1986-87 secured assessment roll) to the CVUSD. CVUSD's cumulative payments may not exceed $30.0 million.

The Cajon Valley Agreement further provides that in the sixth year of the Plan (1992-93), CVUSD had the option of receiving an advance payment of up to $3.0 million for acquisition of real property or construction of school facilities. In exchange for the advance, the Agency was entitled to retain the CVUSD's annual pass through payments until the amount retained equals the amount of the advance, plus interest. In 1992, the Agency advanced $3.0 million of 1992 Tax Allocation Bond proceeds to the CVUSD. Between 1992 and 2002, the Agency retained the CVUSD pass-through to fully credit the advance and accrued interest.

Grossmont Union High School District. The Agency and Grossmont Union High School District ("GUHSD") entered into a tax sharing agreement ("Grossmont Union Agreement") for the Amendment Area on May 5, 1988. The Grossmont Union Agreement provides that the Agency shall pay to GUHSD annual payments equal to GUHSD's share (24.70%) of the Inflationary 2% Revenue increase applied to the 1986-87 secured assessment roll. Once the total cumulative pass through payments exceed $9.2 million, the Agency has no further obligation to GUHSD. RSG projects that the $9.2 million threshold will be achieved in fiscal year 2011-12, after which the entire GUHSD's share would be retained by the Agency. If growth differs from the assumptions used in this Report, the payment threshold could be reached earlier or later than 2011-12.

AB 1290 Statutory Pass Through Payments. On June 26, 2007, the City Council adopted Ordinance No. 4844 that amended the Redevelopment Plan to eliminate the time limit on establishing loans, advances and indebtedness. As a result, the Former Agency was obligated to make statutory tax sharing payments pursuant to Section 33607.7 of the Law. These disbursements are paid from Amendment Area tax increment revenues to the Grossmont Community College District, Santee Elementary School District, and La Mesa/Spring Valley Unified School District. These payments are calculated on the annual inflationary adjustment to the secured base year value of the Amendment Area allowed under Article XIIIA of the State Constitution. Tax sharing payments are made to all taxing entities that have not previously entered into tax sharing agreements in accordance with the three-tiered formulas for statutory tax sharing payments required of those redevelopment projects adopted or amended after January 1, 1994. Since the former time limit on incurrence of new debt for the Redevelopment Project was July 12, 2008, these statutory tax-sharing payments began in fiscal year 2009-10 and use the Redevelopment Project assessed valuation for 2008-09 as the adjusted base year.

For the first tier of tax sharing, the annual tax sharing amount to be divided among the affected taxing entities is 25% of the revenues derived from the difference in assessed value between the adjusted base year value and the current year value net of a 20% share for the formerly-applicable housing set-aside requirement. According to the Law, these statutory tax sharing payments will continue annually through the last fiscal year within which the Redevelopment Project is able to repay indebtedness. The second tier of statutory tax sharing payments required by section 33607.7 will be initiated in fiscal year 2019-20 and will use the Redevelopment Project assessed values for 2018-19 as a second adjusted base year value. The annual tier 2 tax sharing amount to be divided among the affected taxing entities is 21% of the revenues derived from the difference in assessed value between the second adjusted base year value and the current year value net of a 20% share for the formerly-applicable housing set-aside requirement. A third tier of statutory tax sharing will not be initiated prior to the expiration of the Redevelopment Project's ability to repay indebtedness.

Because of reductions in assessed value within the Redevelopment Project after 2008-09, no statutory tax sharing payments have been made to date. Based on the Fiscal Consultant's projections, the Fiscal Consultant has estimated that tier one statutory tax sharing payments will begin to be made in fiscal year 2021-22 and that tier two statutory tax sharing payments will begin to be made in fiscal year 2031-32.

The City is entitled to make an election to receive its share of the Tier 1 tax sharing payment amount. Since only the City and one other taxing entity have not entered into tax sharing agreements, the statutory tax sharing payment amounts will be made only to them.

Other Agreements

The Agency has entered into numerous agreements with various property owners and developers (known as disposition and development agreements or owner participation agreements), however, none of these agreements represent a pledge of annual tax increment revenue.

Parity Debt

"Parity Debt" means any loan, bonds, notes, advances or indebtedness payable from Tax Revenues on a parity with the Bonds as authorized by the Indenture. The Indenture and section 34177.5(a) of the Dissolution Act permit the issuance of Parity Debt but only to refund the Bonds. Other than the Bonds, there will be no other outstanding obligations secured by the Tax Revenues.

MUNICIPAL BOND INSURANCE

[TO COME]

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 (each a taxing entity) and successor agencies eligible to receive distributions from the respective Redevelopment Property Tax Trust Funds.

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 Redevelopment Property Tax Trust Fund 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. If a change in ownership results in a decrease in assessed value, a negative supplemental assessment may occur, requiring a refund of taxes paid to the property owner. To the extent such supplemental assessments occur within the Redevelopment Project, tax increment may increase or decrease. See Table G in the Fiscal Consultant's Report in Appendix G for a table showing historical Supplemental Revenue Allocations to the Successor Agency. Because of their volatility, 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.

County Property Tax Collection and 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. In addition, sections 34182(e) and 34183(a) of the Dissolution Act allow administrative costs of the County Auditor-Controller for the costs of administering the provisions of the Dissolution Act. For fiscal year 2015-16, the County charges were 1.098% of gross tax increment within the Redevelopment Project. Based on the collection charges for fiscal year 2015-16, the Fiscal Consultant projects the charge for fiscal year 2016-17 and future fiscal years as a percentage of gross tax increment to remain at 1.098%. 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 collection and administration and that such charge will increase proportionally with any increases in revenue.

Levy and Collection of Taxes. 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 the Tax Revenues, and accordingly, could have an adverse impact on the ability of the Successor Agency to repay the Bonds. Likewise, delinquencies in the payment of property taxes and the impact of bankruptcy proceedings on the legal ability of taxing agencies to collect property taxes could have an adverse effect on the Successor Agency's ability to make timely Bond payments.

Notwithstanding the foregoing, the Fiscal Consultant has advised that prior to February 1, 2012, the County utilized a method for the distribution of tax revenue to redevelopment agencies that provided them with tax increment revenue and was effectively like a "Teeter Plan." Under this method, redevelopment agencies in the County received 100% of the taxes levied on the extended tax roll subject to correction, cancellation and refunds. The tax revenues of the Former Agency were not subject to revenue loss due to delinquencies or gains due to redemption of unpaid taxes. The Fiscal Agent has represented that the County Auditor-Controller has continued to use this method for allocation of tax increment revenue after the dissolution of redevelopment agencies.

The County does not publish delinquency data for redevelopment project areas or agencies and it does not publish such information on a city level either. Collections within the County for the prior five fiscal years is reflected in Table I in the Fiscal Consultant's Report. See APPENDIX G—FISCAL CONSULTANT'S REPORT—Table I—San Diego County Property Tax Collection History. Substantial delinquencies in the payment of property taxes and failure by the County to continue to remit 100% of the taxes levied each year could impair the timely receipt by the Successor Agency to Tax Revenues, although the Tax Revenues provide substantial debt service coverage on the Bonds. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage."

Unitary Property

Assembly Bill ("AB") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, tax revenues derived from unitary property and assessed by the State Board of Equalization 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.

AB 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 redevelopment project. Consequently, the base year values of redevelopment projects are reduced by the amount of utility value that existed originally in the base years. The Auditor-Controller reported that for fiscal year 2016-17 utility revenues of $182,492 were allocated to the Redevelopment Project. The unitary revenue amount to be allocated for fiscal year 2017-18 is not yet available. For the purposes of the Fiscal Consultant's projection of tax revenues available to pay debt service on the Bonds, the Fiscal Consultant assumed that the utility revenue allocated to the Redevelopment Project will remain the same for future fiscal years as the amount for fiscal year 2016-17 for the life of the projection.

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 State 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 -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
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
2016-17	1.525
2017-18	2.000

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 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 which 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 REDEVELOPMENT PROJECT—Assessment Appeals" for information regarding historical and pending appeals of assessed valuations by property owners in the Redevelopment Project. Also, see APPENDIX G—FISCAL CONSULTANT'S REPORT—Table K—Historical Assessment Appeal Summary.

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 EL CAJON REDEVELOPMENT AGENCY

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 the elected members of the City Council. Pursuant to the Dissolution Act, the Successor Agency 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 required that a due diligence review be conducted to determine the unobligated balances of each successor agency that are available for transfer to taxing entities. The due diligence review involved 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 would 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 April 26, 2013.

After receiving a finding of completion, each successor agency is required to submit a Long Range Property Management Plan detailing what it intends to do with its inventory of properties. Permissible uses include: sale of the property, use of the property to fill an enforceable obligation, retention of the property for future redevelopment, and retention of the property for governmental use. The DOF Approved the Successor Agency's Long Range Property Management Plan on March 12, 2014.

Plan Limits

In accordance with the Redevelopment Law, redevelopment plans like the Redevelopment Plan were required to include certain limits on the financing of the redevelopment projects. These limits could include a time limit on the life of the redevelopment plan, a time limit on the incurrence of indebtedness, a time limit on the receipt of property tax increment and the repayment of indebtedness and a limit on the amount of bonded indebtedness outstanding at any time. SB 107 clarifies that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plan no longer apply for purposes of paying approved enforceable obligations such as the Bonds.

Notwithstanding the foregoing, pursuant to a Settlement Agreement (the "1991 Settlement Agreement") entered on June 5, 1991, in the Superior Court of the State of California for the County, by the Former Agency and the City, as amended in 1995, various limitations were placed on the Redevelopment Plan, including that subject to certain exceptions, no more than $150,000,000 of tax increment revenues would be allotted or paid to the Former Agency during the term of the Redevelopment Plan (excluding formerly-required housing set-aside amounts, payments made to taxing entities for pass-through obligations, amounts paid to fulfill ERAF payment obligations levied by the State, costs of debt issuance, interest costs for debt obligations and $75,000 per year for administrative costs).

The Fiscal Consultant has advised that the amount of revenues received by the Former Agency and Successor Agency to date that are applicable to the limit contemplated by the 1991 Settlement Agreement, as amended, is approximately $11,170,000. Based on the Fiscal Consultant's projections and accounting for interest costs of the Prior Bonds but not including any projected issuance or interest costs of the Bonds, the Fiscal Consultant has concluded that the Redevelopment Project tax increment limit imposed by the 1991 Settlement Agreement is not expected to be exceeded. See Section II B. in the Fiscal Consultant's Report in Appendix G.

THE REDEVELOPMENT PROJECT

In 1971, the City Council adopted the Central Business District Redevelopment Project Area to stimulate redevelopment efforts in downtown El Cajon. The 50-acre redevelopment project generally included those properties adjacent to the existing Civic Center complex. The Agency's first redevelopment venture involved a joint partnership effort with the County of San Diego and Grossmont Community College District to develop City Hall, the East County Regional Center, and the East County Performing Arts Center (Theater East).

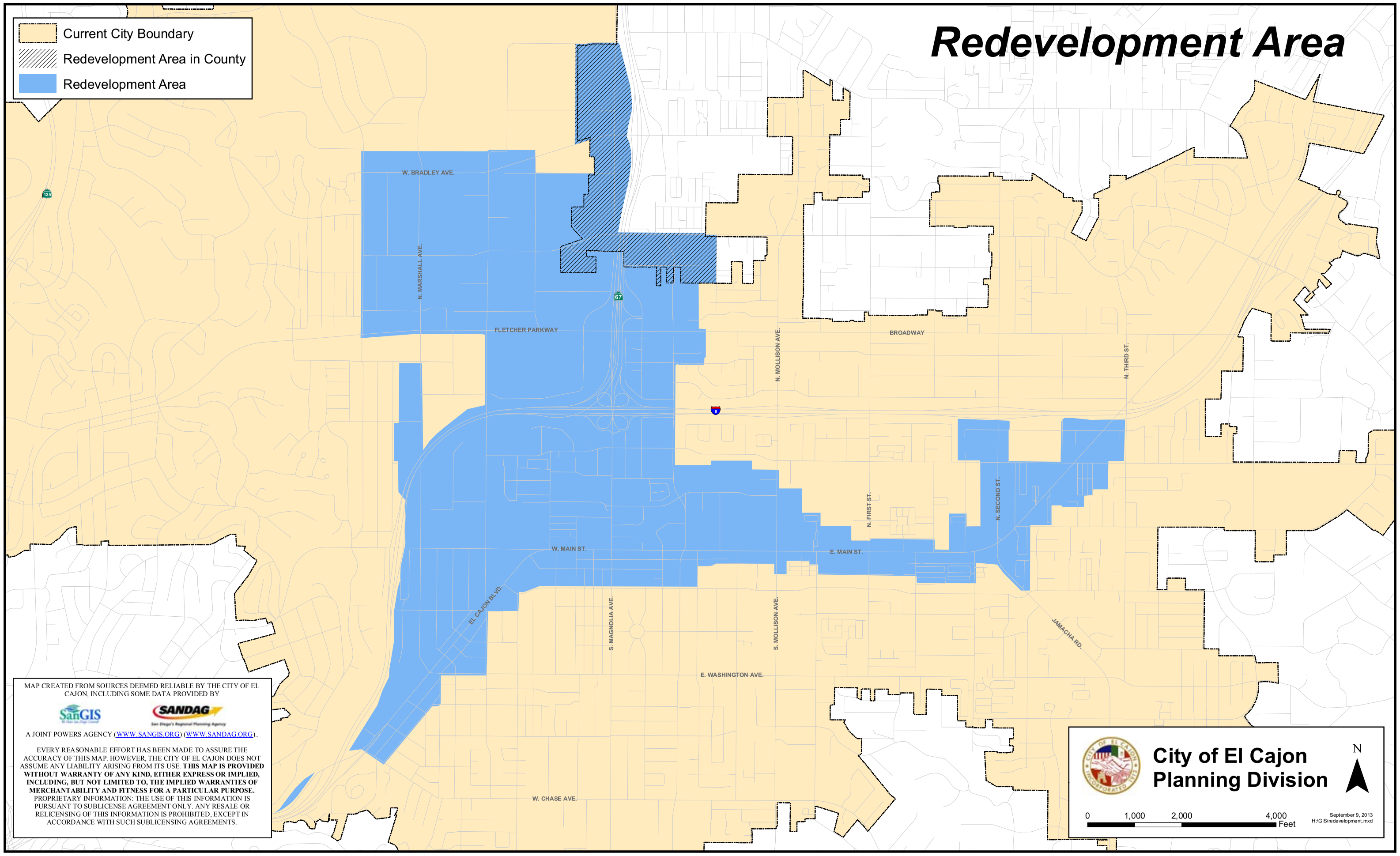
In 1986, the Agency commissioned a review of the Central Business District Redevelopment Project Area to identify methods in which the Agency could further stimulate private redevelopment activities. This review concluded that the existing 50-acre project area was too small in size and that the revenue generated could not support a wider redevelopment effort. Further, this review identified other areas and needs in the community that could be addressed through redevelopment. In 1987, the Agency adopted the El Cajon Redevelopment Project Area that encompasses the original 50-acre project area and 1,498-acres of commercial, industrial, and residential properties. These properties are located in the northern portions of the City and within the unincorporated areas east of Gillespie Field. Since adopting the 1987 amendment, the Agency has been actively pursuing new redevelopment projects in conjunction with the private sector.

The Redevelopment Project encompasses approximately 16.70% of the total area of the City.

Since 1987, the Agency has funded and implemented a variety of redevelopment projects to benefit the community.

The total assessed valuation of taxable property in the Redevelopment Project in fiscal year 2017-18 is $2,424,132,407, with $1,876,689,634 of such amount representing incremental assessed value. See "THE REDEVELOPMENT PROJECT—Historical Assessed Values" and APPENDIX G—FISCAL CONSULTANT'S REPORT.

A map of the Redevelopment Project is shown below.


Redevelopment Area
Current City Boundary
Redevelopment Area in County
Redevelopment Area
W. BRADLEY AVE.
N. MARSHALL AVE.
FLETCHER PARKWAY
BROADWAY
N. MOLLISON AVE.
N. THIRD ST.
N. FIRST ST.
N. SECOND ST.
W. MAIN ST.
E. MAIN ST.
EL CAJON BLVD.
S. MAGNOLIA AVE.
S. MOLLISON AVE.
JAMACHA RD.
E. WASHINGTON AVE.
W. CHASE AVE.
MAP CREATED FROM SOURCES DEEMED RELIABLE BY THE CITY OF EL CAJON, INCLUDING SOME DATA PROVIDED BY
SanGIS
SANDAG
A JOINT POWERS AGENCY (WWW.SANGIS.ORG) (WWW.SANDAG.ORG).
EVERY REASONABLE EFFORT HAS BEEN MADE TO ASSURE THE ACCURACY OF THIS MAP. HOWEVER, THE CITY OF EL CAJON DOES NOT ASSUME ANY LIABILITY ARISING FROM ITS USE. THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. PROPRIETARY INFORMATION: THE USE OF THIS INFORMATION IS PURSUANT TO SUBLICENSE AGREEMENT ONLY. ANY RESALE OR RELICENSING OF THIS INFORMATION IS PROHIBITED, EXCEPT IN ACCORDANCE WITH SUCH SUBLICENSING AGREEMENTS.
City of El Cajon
Planning Division
N
0
1,000
2,000
4,000
Feet
September 9, 2013

Land Use

The aggregate designated land use in the Redevelopment Project for fiscal year 2017-18 is set forth in the following table.

TABLE 2
LAND USE SUMMARY
Fiscal Year 2017-18

Category	No. of Parcels	Taxable Value	% of Assessed Value(1)
Commercial	494	$ 923,292,316	41.88%
Industrial	1,674	700,104,150	31.75
Residential	361	538,065,165	24.40
Vacant Commercial	54	23,304,267	1.06
Vacant Industrial	35	8,799,863	0.40
Vacant Residential	47	5,005,450	0.23
Recreational	13	4,565,497	0.21
Government/Institutional/Other	119	1,421,263	0.06
Vacant Government/Institutional/Other	8	288,476	0.01
Totals:	2,805	$2,204,846,447	100.00%

Source: Fiscal Consultant.
(1) Based on fiscal year 2017-18 secured assessed valuation of $2,204,846,448.

The foregoing information is based on County land use designations as provided by San Diego County through tax roll data and reported in the Fiscal Consultant's Report. The Fiscal Consultant notes that the County land use designations do not necessarily parallel City land use and zoning designations. Unsecured, Cross Reference and State Board of Equalization Non-Unitary values shown in Table 2 are associated with secured County Assessor parcels that are already accounted for in other categories. Within the Redevelopment Project, parcels identified as cross reference parcels include mobile homes and several possessory interest assessments that are the result of long-term land leases.

Historical Assessed Values

Table 3 below summarizes year-to-year changes in the Redevelopment Project's assessed values for the past five years based upon the County Auditor-Controller's annual assessed value reports. Since the base year valuation, the total assessed value for the Redevelopment Project has increased from $547,442,773 to $2,424,132,407.

TABLE 3
HISTORICAL TAXABLE VALUES AND ANNUAL PERCENTAGE INCREASE OR DECREASE
Fiscal Years 2013-14 to 2017-18

Secured(1)	Base Year	2013-14	2014-15	2015-16	2016-17	2017-18
Land	$199,056,095	$771,332,062	$798,052,897	$830,150,885	$880,255,737	$932,618,037
Improvements	306,835,680	1,092,616,163	1,127,856,423	1,183,243,495	1,223,570,869	1,303,224,898
Personal Property	20,179,060	37,595,745	37,699,854	27,063,034	16,661,421	32,464,741
Exemptions	3,968,824	45,398,380	50,524,188	52,660,858	51,609,533	63,461,228
Total Secured	$522,102,011	$1,856,145,590	$1,913,084,986	$1,987,796,556	$2,068,878,494	$2,204,846,448
Unsecured						
Land						
Improvements	23,320,282	77,392,078	74,772,736	77,273,392	85,980,327	77,203,757
Personal Property	2,020,480	141,663,616	138,764,197	140,841,437	151,111,280	144,448,809
Exemptions	-	(1,732,817)	(1,709,848)	(1,236,979)	(1,696,730)	(2,366,607_
Total Unsecured	$25,340,762	$217,322,877	$211,827,085	$216,877,850	$235,394,877	$219,285,959
GRAND TOTAL	$547,442,773	$2,073,468,467	$2,124,912,071	$2,204,674,406	$2,304,273,371	$2,424,132,407
Incremental Value		$1,526,025,694	1,577,469,298	1,657,231,633	1,756,830,598	1,876,689,634
% Annual Change		-	3.37%	5.06%	6.01%	6.82%

Source: County of San Diego, as reported by the Fiscal Consultant.
(1) Secured values include State-assessed non-unitary utility property.

Largest Taxpayers

The ten largest taxpayers for the Redevelopment Project according to the 2017-18 assessed valuations are shown below.

TABLE 4
TEN LARGEST PROPERTY TAXPAYERS
Fiscal Year 2017-18

Property Owner	Assessed Value	% of Total Value	% of Incremental Value	Primary Land Use
Star-West Parkway Mall LP (1)	$285,413,026	12.94%	15.21%	Commercial
Conrad Prebys Trust	58,181,900	2.64	3.10	Residential
GKN Aerospace Chem-Tronics Inc.	49,631,028	2.25	2.64	Industrial
Seritage SRC Finance LLC	31,110,000	1.41	1.66	Commercial
Victoria Laurie A	30,978,000	1.40	1.65	Residential
Harsch Investment Properties LLC	28,783,890	1.31	1.53	Industrial
Toro Company	22,404,902	1.02	1.19	Industrial
505 W Madison Apartments LLC	19,832,003	0.90	1.06	Residential
RS Partners L P	19,732,323	0.89	1.05	Commercial
Parkway Club Apartments LP	19,553,422	0.89	1.04	Residential
Top Property Owner Total Value	$565,620,494	25.65%	30.14%	
Project Area Assessed Value	2,204,846,488			
Project Area Incremental Value	1,876,689,634			

Source: Fiscal Consultant.
(1) This taxpayer has pending assessment appeals on parcels owned. See "THE REDEVELOPMENT PROJECT—Assessment Appeals" below for a discussion of the pending appeals of this taxpayers.

Star-West Parkway Mall LP, the largest taxpayer within the Redevelopment Project, is the owner of the Parkway Plaza shopping mall. The mall includes a Walmart, Macy's, JC Penny, Sears, Dick's Sporting Goods, Starbucks, Panda Express, Rubio's and Tower Bakery. An 18-screen Regal Cinema and IMAX theater is also at the mall, which has a total of 170 stores and restaurants.

Historical Tax Revenues

Table 5 below reflects the Successor Agency's historical assessed values, incremental values and allocated Tax Revenues for the most recent five fiscal years.

TABLE 5
HISTORICAL ASSESSED VALUES, INCREMENTAL VALUES AND TAX REVENUES
Fiscal Years 2013-14 to 2017-18

	2013-14	2014-15	2015-16	2016-17	2017-18(3)
Total Assessed Value	$2,073,468,467	$2,124,912,071	$2,204,674,406	$2,304,273,371	$2,424,132,407
Incremental Value	1,526,025,694	1,577,469,298	1,657,231,633	1,756,830,598	1,876,689,634
Total Annual Increment(1)	15,260,257	15,774,693	16,572,316	17,568,306	18,766,896
Gross RPTTF Collections(2)	$15,461,632	$16,268,695	$16,970,276	$18,203,284	$18,766,896
Less: SB 2557 Admin. Fees	(220,224)	(215,016)	(211,283)	(214,268)	(221,449)
Less: Pass-Through Payments	(4,213,767)	(4,373,758)	(4,624,444)	(4,920,226)	(5,433,281)
Tax Revenues	$11,027,641	$11,679,921	$12,134,549	$13,068,790	$13,112,166

Source: Fiscal Consultant.
(1) Total Annual Increment calculated at 1% of Incremental Value.
(2) Includes unitary tax revenues. See "PROPERTY TAXATION IN CALIFORNIA – UNITARY PROPERTY."
(3) RPTTF Collections, SB 2557 Admin. Fees, Pass-Through Payments and Tax Revenues for 2017-18 are estimated.
(4) See "SECURITY FOR THE BONDS—Negotiated Agreements."

Assessment Appeals

Assessment appeals with respect to a property's value on the County Assessor's tax roll granted under section 51 of the Revenue and Taxation Code (also known as "Prop 8" Appeals) require that, for each subsequent annual tax roll lien date, the value of real property shall be adjusted to be the lesser of its base year value as adjusted by the inflation factor pursuant to Article XIIIA of the State 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 this code section may be initiated by the County Assessor or requested by the property owner.

After a roll reduction is granted under section 51, the property is reviewed on an annual basis to determine the full cash value of the property and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be consistent with the full cash value of the property and, as a result, may exceed the 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. "PROPERTY TAXATION IN CALIFORNIA – Article XIIIA of the State Constitution."

The Fiscal Consultant reports that, for fiscal years 2012-13 through 2016-17 and based on hearing data through December 1, 2017 there are 53 pending assessment appeals within the Project Area. The values under appeal total $998.7 million and the owners are seeking reductions totaling $735.6 million (-73.65%). Based on the average number of appeals allowed over the past five years and the average reduction in value achieved in those successful appeals, the Fiscal Consultant has estimated that 16.41% of the currently pending appeals will be allowed with a valuation reduction of $120.7 million. The expected reduction in value has not been incorporated into the Fiscal Consultant's Tax Revenue projections, as the outcome of pending appeals cannot be predicted with certainty.

The largest taxpayer in the Redevelopment Project has pending property tax appeals on multiple parcels for the tax years 2014, 2015 and 2016. The total assessed valuation under appeal by this taxpayer I $838,570,895. The total valuation reduction requested by this taxpayer is $678,178,895, which represents aa reduction of 80.97% from the current assessed valuation of parcels under appeal by this property owner.

Table 6 below shows the number of appeals that have been settled in the Redevelopment Project from January 1, 2021, through December 1, 2017.

TABLE 6
HISTORICAL ASSESSMENT APPEAL SUMMARY
January 1, 2012, through December 1, 2017

Number of Appeals Filed	Number of Successful Appeals	Assessed Value of Property	Owner's Opinion of Value	Total Requested AV Reduction	Reduction Allowed by Board	Allowed Reductions as % of Requested
276	61	$1,295,150,412	$754,794,515	$540,355,897	$88,697,992	16.41%

Source: Fiscal Consultant.

The top ten taxpayer in the Redevelopment Project (see "THE REDEVELOPMENT PROJECT—Largest Taxpayers") has filed appeals of its assessed values. These appeals are included in the table 7 below.

TABLE 7
PENDING APPEALS
As of December 1, 2017

Roll Year Appealed	Number of Appeals Filed	Assessed Value of Property	Owner's Opinion of Value	Potential Loss of Assessed Value	Historical Success Rate	Estimated AV Reduction (based On Historical Success
2014	8	$274,350,247	$27,521,723	$246,828,524	16.41%	$40,516,250
2015	8	299,879,540	120,298,449	179,581,091	16.41%	29,477,761
2016	27	388,819,297	93,883,091	294,936,206	16.41%	48,412,999
2017	10	35,642,202	21,409,889	14,232,313	16.41%	2,336,197

Source: Fiscal Consultant.

Transfers of Ownership and New Development

The Fiscal Consultant has advised that the Tax Revenue projections do not include values which could be added to the projected assessed values of property in the Redevelopment Project for fiscal year 2018-19 as the result of transfers of ownership or new development.

Projected Available Tax Revenues and Estimated Debt Service Coverage

Table 8 below shows available net tax increment from the Redevelopment Project, which assumes the actual 2017-18 assessed valuation with 0% growth for each year thereafter, and includes projected debt service on the Bonds.

TABLE 8
PROJECTION OF TAX REVENUES FOR DEBT SERVICE AND DEBT SERVICE COVERAGE
(0% Growth in Assessed Valuations for Inflation)
(dollars in thousands)

Year Ending 6/30(1)	Assessed Valuation(1)	Total RPTTF Revenues(2)	Less: County Admin.(3)	Less: Pass-Through Obligations(4)	Less: 2000 Bond Debt Service	Tax Revenues(5)	Bond Debt Service(6)(7)	Debt Service Coverage(6)(7)
2017-18	2,424,132,407	18,766,896	221,449	5,433,281	1,261,965	11,850,201	2,688,577	4.41x
2018-19	2,424,132,407	18,766,896	221,449	5,433,281	1,257,785	11,854,381	3,975,200	2.98x
2019-20	2,424,132,407	18,766,896	221,449	5,433,281	1,253,605	11,858,561	3,194,800	3.71x
2020-21	2,424,132,407	18,766,896	221,449	5,433,281	1,259,045	11,853,121	3,184,500	3.72x
2021-22	2,424,132,407	18,766,896	221,449	5,433,281	1,258,880	11,853,286	3,186,700	3.72x
2022-23	2,424,132,407	18,766,896	221,449	5,755,807	1,267,913	11,521,727	3,171,400	3.63x
2023-24	2,424,132,407	18,766,896	221,449	5,755,807	2,578,623	10,211,017	1,659,400	6.15x
2024-25	2,424,132,407	18,766,896	221,449	5,755,807	2,577,160	10,212,480	1,656,600	6.16x
2025-26	2,424,132,407	18,766,896	221,449	5,755,807	2,571,650	10,217,990	1,653,400	6.18x
2026-27	2,424,132,407	18,766,896	221,449	5,755,807	2,566,515	10,223,125	1,654,700	6.18x
2027-28	2,424,132,407	18,766,896	221,449	5,755,807	2,560,985	10,228,655	1,645,600	6.22x
2028-29	2,424,132,407	18,766,896	221,449	5,755,807	2,554,290	10,235,350	1,644,250	6.22x
2029-30	2,424,132,407	18,766,896	221,449	5,755,807	2,545,660	10,243,980	1,645,250	6.23x
2030-31	2,424,132,407	18,766,896	221,449	5,755,807	2,539,133	10,250,507	1,640,375	6.25x
2031-32	2,424,132,407	18,766,896	221,449	5,755,807	—	12,789,640	4,554,875	2.81x
2032-33	2,424,132,407	18,766,896	221,449	5,755,807	—	12,789,640	4,554,750	2.81x
2033-34	2,424,132,407	18,766,896	221,449	5,755,807	—	12,789,640	4,550,750	2.81x
2034-35	2,424,132,407	18,766,896	221,449	5,755,807	—	12,789,640	4,542,625	2.82x
2035-36	2,424,132,407	18,766,896	221,449	5,755,807	—	12,789,640	4,539,875	2.82x
2036-37	2,424,132,407	18,766,896	221,449	5,755,807	—	12,789,640	4,532,000	2.82x
2037-38	2,424,132,407	18,766,896	221,449	5,755,807	—	11,850,201	1,291,500	9.18x

Source: Tax data from the Fiscal Consultant. Debt service data from the Underwriter.
(1) Actual FY 2017-18 assessed valuation from County, with assumed 0% annual growth thereafter.
(2) RPTTF Revenues based on 1.00% tax rate applied to Incremental Valuation (Assessed Valuation less Base Year AV of $547,442,773).
(3) County Admin. Fees projected to be equal to 1.18% of Incremental Revenues, based on actual FY 16-17 amount.
(4) Includes Statutory pass throughs and payments pursuant to Tax Sharing Agreements.
(5) Tax Revenues available for debt service payments on the Bonds.
(6) Includes payments made with respect to the 2005 and 2007 Bonds.
(7) Preliminary, subject to change.

Table 9 below shows available net tax increment from the Redevelopment Project, which assumes the actual 2017-18 assessed valuation with 2% growth for each year thereafter, and includes projected debt service on the Bonds.

TABLE 9
PROJECTION OF TAX REVENUES FOR DEBT SERVICE AND DEBT SERVICE COVERAGE
(2% Growth in Assessed Valuations for Inflation)
(dollars in thousands)

Year Ending 6/30(1)	Assessed Valuation(1)	Total RPTTF Revenues(2)	Less: County Admin.(3)	Less: Pass-Through Obligations(4)	Less: 2000 Bond Debt Service	Tax Revenues(5)	Bond Debt Service(6)(7)	Debt Service Coverage(6)(7)
2017-18	2,424,132,407	18,766,896	221,449	5,433,281	1,261,965	11,850,201	2,688,577	4.41x
2018-19	2,472,615,055	19,251,723	227,170	5,601,175	1,257,785	12,165,593	3,975,200	3.06x
2019-20	2,522,067,356	19,746,246	233,006	5,773,291	1,253,605	12,486,344	3,194,800	3.91x
2020-21	2,572,508,703	20,250,659	238,958	5,949,727	1,259,045	12,802,929	3,184,500	4.02x
2021-22	2,623,958,877	20,765,161	245,029	6,130,584	1,258,880	13,130,668	3,186,700	4.12x
2022-23	2,676,438,055	21,289,953	251,221	6,828,840	1,267,913	12,941,979	3,171,400	4.08x
2023-24	2,729,966,816	21,825,240	257,538	7,025,416	2,578,623	11,963,663	1,659,400	7.21x
2024-25	2,784,566,152	22,371,234	263,981	7,226,671	2,577,160	12,303,422	1,656,600	7.43x
2025-26	2,840,257,475	22,928,147	270,552	7,432,711	2,571,650	12,653,234	1,653,400	7.65x
2026-27	2,897,062,625	23,496,199	277,255	7,643,645	2,566,515	13,008,784	1,654,700	7.86x
2027-28	2,955,003,877	24,075,611	284,092	7,859,582	2,560,985	13,370,952	1,645,600	8.13x
2028-29	3,014,103,955	24,666,612	291,066	8,080,636	2,554,290	13,740,620	1,644,250	8.36x
2029-30	3,074,386,034	25,269,433	298,179	8,306,924	2,545,660	14,118,670	1,645,250	8.58x
2030-31	3,135,873,755	25,884,310	305,435	8,538,563	2,539,133	14,501,179	1,640,375	8.84x
2031-32	3,198,591,230	26,511,485	312,836	8,775,675	—	17,422,974	4,554,875	3.83x
2032-33	3,262,563,054	27,151,203	320,384	9,018,383	—	17,812,436	4,554,750	3.91x
2033-34	3,327,814,316	27,803,715	328,084	9,266,814	—	18,208,817	4,550,750	4.00x
2034-35	3,394,370,602	28,469,278	335,937	9,521,097	—	18,612,244	4,542,625	4.10x
2035-36	3,462,258,014	29,148,152	343,948	9,781,365	—	19,022,839	4,539,875	4.19x
2036-37	3,531,503,174	29,840,604	352,119	10,047,752	—	19,440,733	4,532,000	4.29x
2037-38	3,602,133,238	30,546,905	360,453	10,319,041	—	11,850,201	1,291,500	9.18x

Source: Tax data from the Fiscal Consultant. Debt service data from the Underwriter.
(1) Actual FY 2017-18 assessed valuation from County, with assumed 2% annual growth thereafter.
(2) RPTTF Revenues based on 1.00% tax rate applied to Incremental Valuation (Assessed Valuation less Base Year AV of $547,442,773).
(3) County Admin. Fees projected to be equal to 1.18% of Incremental Revenues, based on actual FY 16-17 amount.
(4) Includes Statutory pass throughs and payments pursuant to Tax Sharing Agreements.
(5) Tax Revenues available for debt service payments on the Bonds.
(6) Includes payments made with respect to the 2005 and 2007 Bonds.
(7) Preliminary, subject to change.

Tax Revenues presented in the projections in Tables 8 and 9 represent the amount available for debt service computed as gross Redevelopment Property Tax Trust Fund Revenue less (1) the County administration fees; (2) pass-through payments (See "SECURITY FOR THE BONDS—County Administrative Fees," "—Pass-Through Payments," and "—Negotiated Agreements"). The projection commences with the 2017-18 fiscal year and 2017-18 assessed valuations and incorporates the valuation assumptions made in the Fiscal Consultant's Report. No changes in assessed value have been reflected in the projections based on transfers in ownership or new development. See "PROPERTY TAXATION IN CALIFORNIA—Article XIIIA of the State Constitution." The projections do not 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 Recognized Obligation Payment Schedule may be made by a successor agency from the funds specified in the Recognized Obligation Payment Schedule. Pursuant to section 34177 of the Dissolution Act, on or before each February 1 commencing February 1, 2016, the Successor Agency shall submit to the Oversight Board and the DOF, a Recognized Obligation Payment Schedule unless, at the option of the Successor Agency and subject to DOF approval and satisfaction of certain other conditions, a Last and Final Recognized Obligation Payment Schedule is filed by the Successor Agency and is approved by the DOF in which event no such periodic filing requirements apply. In instances where a Last and Final Recognized Obligation Payment Schedule is not filed, for each annual period, the Dissolution Act requires each successor agency to prepare and approve, and submit to the successor agency's oversight board and the DOF for approval, a Recognized Obligation Payment Schedule 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, in instances where a Last and Final Recognized Obligation Payment Schedule is not filed, Tax Revenues will not be withdrawn from the Redevelopment Property Tax Trust Fund by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective Recognized Obligation Payment Schedule to pay debt service on the Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency were to fail to file a Recognized Obligation Payment Schedule as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "THE DISSOLUTION ACT—Recognized Obligation Payment Schedules."

In instances where a Last and Final Recognized Obligation Payment Schedule is not filed, if a successor agency does not submit a Recognized Obligation Payment Schedule within five business days of the date upon which the Recognized Obligation Payment Schedule is to be used to determine the amount of property tax allocations, the DOF may determine if any amount should be withheld by the county auditor-controller for payments for enforceable obligations from distribution to taxing entities, pending approval of a Recognized Obligation Payment Schedule. The county auditor-controller is then required to distribute the portion of any of the sums withheld as described above to the affected taxing entities in accordance with applicable provisions of the Dissolution Act upon notice by the DOF that a portion of the withheld balances are in excess of the amount of enforceable obligations. Although the Successor Agency currently has no plans to file a Last and Final Recognized Obligation Payment Schedule nothing in the Indenture prevents it from doing so in the future.

For a description of the covenant made by the Successor Agency in the Indenture relating to the obligation to submit Recognized Obligation Payment Schedules on a timely basis, see "THE SECURITY FOR THE BONDS—Recognized Obligation Payment Schedules." For a history of ROPS deposits, see Table 8 under the heading "THE REDEVELOPMENT PROJECT—Historical RPTTF Deposits."

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a Recognized Obligation Payment Schedule as required. Specifically, an oversight board approved Recognized Obligation Payment Schedule must be submitted by the successor agency to the county auditor-controller and the DOF, no later than each February 1 for the subsequent annual period. If a successor agency does not submit a Recognized Obligation Payment Schedule 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 Recognized Obligation Payment Schedule within 10 days of the February 1 deadline, with respect to the Recognized Obligation Payment Schedule for the subsequent annual period.

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 are monoline financial guaranty insurers domiciled in the State of New York, and as such, provide credit enhancement on bonds issued by state and local governments and do not sell other kinds of insurance such as life, health, or property insurance. Syncora 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 Taxable Value

Tax Revenues allocated to the Redevelopment Property Tax Trust Fund and thereby available to pay principal of and interest on the Bonds are determined by the amount of incremental taxable value in the Redevelopment Project and the current rate or rates at which property in the Redevelopment Project is taxed. The reduction of taxable values of property in the Redevelopment Project caused by economic factors beyond the Successor Agency's control, such as relocation out of the Redevelopment Project by one or more major property owners, 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 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 the Redevelopment Project. see "THE REDEVELOPMENT PROJECT—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 Redevelopment Property Tax Trust Fund, the State electorate or Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the Redevelopment Property Tax Trust Fund 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.

Limitations on Remedies

The enforceability of the rights and remedies of the owners of the Bonds and the obligations of the Successor Agency may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of servicing a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the Bond Owners.

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 Redevelopment Project. The general economy of the Redevelopment 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 Redevelopment Project could be adversely affected by limitations of infrastructure or future governmental policies, including governmental policies to restrict or control development. In addition, if there is a significant decline in the general economy of the Redevelopment Project, the owners of property within the Redevelopment 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 Redevelopment Project. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage" for a description of the projected debt service coverage on the Bonds.

Concentration of Property Ownership; High Volatility Ratio

Based on fiscal year 2017-18 locally assessed taxable valuations, the top ten taxable property owners in the Redevelopment Project represent approximately 25.65% of the total fiscal year 2017-18 taxable value and 30.14% of the incremental value. The top taxpayer, Star-West Parkway Mall LP represents 12.94% of the total fiscal year 2017-18 taxable value and 15.21% of the incremental value. A default by such taxpayer in the payment of its property taxes could materially and adversely affect the ability of the Successor Agency to pay debt service on the Bonds. Star-West Parkway Mall LP has pending assessed value appeals with respect to their property in the Redevelopment Project. See "THE REDEVELOPMENT PROJECT—Largest Taxpayers" and "THE REDEVELOPMENT PROJECT—Assessment Appeals.

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%. See "PROPERTY TAXATION IN CALIFORNIA – Article XIIIA of the State Constitution." The Successor Agency is unable to predict if any further adjustments to the full cash value base of real property within the Redevelopment Project, whether an increase or a reduction, will be realized in the future.

Development Risks

The general economy of a redevelopment project will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project 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 could be adversely affected by future governmental policies, including governmental policies to restrict or control development. If projected development in a redevelopment project is delayed or halted, the economy of the redevelopment project could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues.

The Successor Agency believes that a decline in development activity in the Redevelopment Project is unlikely to adversely impact its ability to pay debt service on the Bonds in light of the debt service coverage provided by fiscal year 2017-18 Tax Revenues. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage."

Future Land Use Regulations and Growth Control Initiatives

In the past, citizens of a number of local communities in Southern California have placed measures on the ballot designed to limit the issuance of building permits or impose other restrictions to control the rate of future growth in those areas. It is possible that future initiatives could be enacted that could be applicable to the City and have a negative impact on the ability of developers in the Redevelopment Project to complete any existing or proposed development. Bond Owners should assume that any event that significantly affects the ability to develop land in the City could cause the land values within the Redevelopment Project to decrease substantially and could affect the willingness and ability of the owners of land within the Redevelopment Project to pay property taxes when due.

There can be no assurance that land development within the City will not be adversely affected by future governmental policies, including, but not limited to, government policies to restrict or control development. Under current State law, it is generally accepted that proposed development is not exempt from future land use regulations until building permits have been issued and substantial work has been performed and substantial liabilities have been incurred in good faith reliance on the permits prior to the adoption of such regulations.

Assessment Appeals

Property taxable values may be reduced as a result 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 Redevelopment Project 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 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 Redevelopment Project and summary information regarding pending and resolved assessment appeals for the Successor Agency, see

"THE REDEVELOPMENT PROJECT—Assessment Appeals" and APPENDIX G—FISCAL CONSULTANT'S REPORT.

The largest property taxpayer in the Redevelopment Project has pending property tax appeals. See "THE REDEVELOPMENT PROJECT—Assessment Appeals" and "THE REDEVELOPMENT PROJECT—Largest Taxpayers" for a description of pending appeals and the potential impact on Tax Revenues if the appeals are granted.

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 Redevelopment 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. Notwithstanding the foregoing, the Fiscal Consultant has advised that prior to February 1, 2012, the County utilized a method for the distribution of tax revenue to redevelopment agencies that provided them with tax increment revenue and was effectively like a "Teeter Plan." Under this method, redevelopment agencies in the County received 100% of the taxes levied on the extended tax roll subject to correction, cancellation and refunds. The tax revenues of the Former Agency were not subject to revenue loss due to delinquencies or gains due to redemption of unpaid taxes. The Fiscal Consultant has represented that County Auditor-Controller has continued to use this method for allocation of tax increment revenue after the dissolution of redevelopment agencies.

The County does not publish delinquency data for redevelopment project areas or agencies and it does not publish such information on a city level either. Collections within the County for the prior five fiscal years is reflected in Table I in the FISCAL CONSULTANT'S REPORT in Appendix G.

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. Although 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, the Successor Agency believes any such adverse impact is unlikely in light of the debt service coverage provided by fiscal year 2017-18 net tax increment. See "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the Bonds.

Estimated Revenues

In estimating that net tax increment will be sufficient to pay debt service on the Bonds, the Fiscal Consultant has made certain assumptions with regard to present and future assessed valuation in the Redevelopment Project, future tax rates and percentage of taxes collected. 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 Tax Revenues 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 "THE REDEVELOPMENT PROJECT—Projected Available Tax Revenues and Estimated Debt Service Coverage."

Seismic Factors and Flooding

The occurrence of severe seismic activity and/or flooding in the Redevelopment Project could result in substantial damage to property located in the Redevelopment Project, and could lead to successful appeals for reduction of assessed values of such property. Such a reduction could result in a decrease in Tax Revenue available to the Successor Agency. Portions of the Redevelopment Project are within the 100-year flood plain.

The Redevelopment Project is located in an active seismic region. The proximity to faults makes the Redevelopment Project subject to the hazards associated with ground shaking and soil instability.

Hazardous Substances

An environmental condition that may result in the reduction in the assessed value of parcels in the Redevelopment Project would be the discovery of a hazardous substance that would limit the beneficial use of the property. In general, the owners and operators of an assessed parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as CERCLA or the Superfund Act, is the most well-known and widely applicable of these laws but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition on the 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 assessed parcels be affected by a hazardous substance would be to reduce the marketability and value of the parcel by the costs of remedying the condition, since the purchaser, upon becoming owner, will become obligated, along with the seller, to remedy the condition.

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.

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 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 Brandis Tallman LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $____________ (being the principal amount of the Bonds of $____________, less an Underwriter's discount of $____________, and less (plus) a net original issue discount (premium) of $____________). The Underwriter will purchase all of the Bonds if any are purchased.

The Underwriter 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 Underwriter.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent will verify, from the information provided to it, the mathematical accuracy as of the date of the closing on the Bonds of computations relating to the adequacy of the amounts deposited in the 2005 Escrow Fund for the defeasance of the 2005 Bonds and the amounts deposited in the 2007 Escrow Fund for the defeasance of the 2007 Bonds. The Verification Agent will also verify the yield of the

Bonds. The Verification Agent will restrict its procedures to examining the arithmetical accuracy of certain computations and will not make a study or evaluation of the information and assumptions on which such computations are based and, accordingly, will not express an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

MUNICIPAL ADVISOR

Urban Futures, Inc., Tustin, California, has served as municipal advisor (the "Municipal Advisor") to the Successor Agency in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in the Official Statement. The fees of the Municipal Advisor are contingent upon the sale and delivery of the Bonds.

LEGAL OPINIONS

The proposed form of Bond Counsel's final approving opinion with respect to the Bonds is attached hereto in APPENDIX B—FORM OF OPINION OF BOND COUNSEL. In addition to those matters opined on by Bond Counsel, certain legal matters will be passed on for the Successor Agency by Quint & Thimmig LLP, as Disclosure Counsel to the Successor Agency for the Bonds and by McDougal, Love, Boehmer, Foley, Lyon & Canlas, La Mesa, California, as counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California, acting as Underwriter's Counsel.

LITIGATION

There is no action, suit or proceeding known to the Successor Agency to be pending and notice of which has been served upon and received by the Successor Agency, or 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 taken with respect to any of the foregoing. See, however, "RISK FACTORS—Challenges to Dissolution Act."

RATINGS

S&P is expected to assign the rating of "AA" to the Bonds based on the issuance of a Municipal Bond Insurance Policy by the Municipal Bond Insurer at the time of delivery of the Bonds. See "MUNICIPAL BOND INSURANCE." In addition, S&P has assigned the underlying rating of "_____" to the Bonds without regard to the issuance of the Municipal Bond Insurance Policy. These ratings reflect only the views of S&P and an explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by S&P, if in the judgment of the S&P, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

The Successor Agency has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the Successor Agency (the "Annual Report") by not later than March 1 after the end of the Successor Agency's fiscal year (the current end of the Successor Agency's fiscal year is on June 30), commencing with the report for the 2016-17 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the Successor Agency with the Municipal Securities Rulemaking Board (the "MSRB"). The notices of enumerated events will be filed by the Successor Agency with the MSRB. The specific nature of the information to be made available and to be contained in the notices of material 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 S.E.C. Rule 15c2-12(b)(5) (the "Rule").

[During the past five years, the City and its affiliated entities, including the Successor Agency, have failed to comply in certain respects with continuing disclosure obligations related to outstanding bonded indebtedness. The failures to comply are detailed below and include late filings with respect to annual reports, audited financial statements, financial operating data and property tax data. The failures to comply also include late filings with respect to certain notices of material events. A comprehensive description of all failures to comply, broken down by the responsible entity, is as follows: ________________________

The City and its affiliated entities, including the Successor Agency, have made remedial filings to provide all of the previously omitted information on ___________, _____.**]**

In order to promote compliance by the Successor Agency with its continuing disclosure obligations, the Successor Agency has retained ______________ to serve as the dissemination agent under the Continuing Disclosure Certificate for the Bonds. See APPENDIX D—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

AUDITED FINANCIAL STATEMENTS

The Successor Agency's audited financial statements for Fiscal Year Ended June 30, 2017 are attached as APPENDIX E—AUDITED FINANCIAL STATEMENTS OF THE SUCCESSOR AGENCY OF THE EL CAJON REDEVELOPMENT AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2017. The Successor Agency's audited financial statements were audited by Rogers, Anderson, Malody & Scott, LLP, San Bernardino, California (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.

MISCELLANEOUS

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans, 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 EL CAJON
REDEVELOPMENT AGENCY

By ____________________________________
Executive Director

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APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Successor Agency to the El Cajon Redevelopment Agency
200 Civic Center Way
El Cajon, California 92020

OPINION: $36,460,000* Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the El Cajon Redevelopment Agency (the "Successor Agency"), of its $36,460,000* Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (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"), Resolution No. SA-006-17, adopted by the Successor Agency on November 14, 2017, and an Indenture of Trust, dated as of February 1, 2018 (the "Indenture"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee.

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 the pledge thereof for the security of any future Parity Debt (as such capitalized terms are defined in the Indenture) that may be issued under the Indenture.

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* Preliminary, subject to change.

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 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.

In rendering this opinion, we have relied upon certifications of the Successor Agency and others with respect to certain material facts. 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 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 affect 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 EL CAJON REDEVELOPMENT AGENCY (the "Successor Agency") in connection with the issuance of $36,460,000* Successor Agency to the El Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of February 1, 2018 (the "Indenture"), by and between the Successor Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Bonds shall be secured by a pledge, charge and lien upon Tax 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 the Successor Agency 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 the 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.

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* Preliminary, subject to change.

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).

Section 3. Provision of Annual Reports.

(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 2016-17 Fiscal Year, which is due not later than March 31, 2018, 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. The filing of the official statement prepared for the Bonds shall satisfy the March 31, 2018, filing requirement.

(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. If the Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the annual filing date (or, if such annual filing date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a failure to file event shall have occurred and the Successor Agency irrevocably directs the Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit A without reference to the anticipated filing date for the Annual Report.

(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, in a timely manner, 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, in a timely manner, 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. Content of Annual Reports. 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 current fiscal year, as follows:

[(1) Principal amount of Bonds outstanding;

(2) Land use in the form of Table 1—THE REDEVELOPMENT PROJECT—Land Use;

(3) Assessed value growth in the form of Table 2—THE REDEVELOPMENT PROJECT—Assessed Values;

(4) Historical taxable values and tax revenues in the form of Table 3—THE REDEVELOPMENT PROJECT— Historical Taxable Values and Tax Revenues;

(5) Top ten largest property taxpayers in the form of Table 4—THE REDEVELOPMENT PROJECT—Ten Largest Property Taxpayers; and

(6) Debt service coverage computed by dividing debt service by the Net Tax Revenues in the form of Table 6—THE REDEVELOPMENT PROJECT—Projection of Tax Revenues for Debt Service and 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. Reporting of Listed Events.

(a) The Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

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

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

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

(6) 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.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

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

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, trustee 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.

(13) 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, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) Whenever the Successor Agency obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13) or (a)(14) above, the Successor Agency determines that knowledge of the occurrence of that Listed Event would be material under applicable Federal securities law, the Successor Agency shall, or shall cause the Dissemination Agent (if not the Successor Agency) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders 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 agrees 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 EL CAJON REDEVELOPMENT AGENCY, as Dissemination Agent

By ______________________________________
Executive Director

EXHIBIT A

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor:	Successor Agency to the El Cajon Redevelopment Agency
Names of Issue:	Successor Agency to the EL Cajon Redevelopment Agency Tax Allocation Refunding Bonds, Series 2018
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue 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: ____________________

SUCCESSOR AGENCY TO THE EL CAJON
REDEVELOPMENT AGENCY, as
Dissemination Agent

By ____________________________________
Authorized Officer

APPENDIX E

AUDITED FINANCIAL STATEMENTS OF THE SUCCESSOR AGENCY OF THE EL CAJON REDEVELOPMENT AGENCY FOR THE FISCAL YEAR ENDED JUNE 30, 2017

The Auditor was not requested to consent to the inclusion of its report in this Appendix E and it has not undertaken to update financial statements included in this Appendix E. No opinion is expressed by the Auditor with respect to any event subsequent to its report.

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APPENDIX F

GENERAL INFORMATION ABOUT THE CITY OF EL CAJON AND THE COUNTY OF SAN DIEGO

The following information is provided for background purposes only. The City of El Cajon and the County of San Diego have no liability or responsibility whatsoever with respect to the Bonds or the Indenture.

Introduction

The City. The City of El Cajon, California (the "City") is located in southwestern San Diego County, California. The City is bordered by San Diego and La Mesa on the west, Spring Valley on the south, Santee on the north, and unincorporated San Diego County on the east. The City currently occupies a land area of 14.4 square miles.

Policy-making and legislative authority are vested in the city council consisting of the mayor and four other councilmembers. The city council is currently elected at large on a non-partisan basis, although as part of the November 8, 2016, general election, Measure S passed amending the City's charter to required district elections for the City's four councilmembers. Following the approval of Measure S, the city council conducted public hearings to solicit public input and thereafter adopted an ordinance to establish the four districts for the councilmembers and to establish that representation from one district will be determined at the November 2018 election, and representation from the other three districts will be determined at the November 2020 election.

The city council is responsible for, among other things, passing ordinances, adopting a budget, appointing committees, and hiring both the city manager and the city attorney. The City operates under the council-manager form of government. The city manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the City, and for appointing the directors and employees of the various departments.

The City provides a full range of services, including police and fire protection, animal control, emergency medical services, construction and maintenance of streets, parks, civic facilities, and other infrastructure, right-of-way regulation, city planning and building regulation, recreational activities, cultural events, housing assistance and wastewater services. The City is financially accountable for the El Cajon Housing Authority and El Cajon Public Financing Authority, both of which are reported as blended component units within the City's financial statements. Additional information on these separate entities can be found in note A.2. in the notes to the basic financial statements.

The County. The County is located in the southwestern corner of the state of California. The County is California's second-most populous county and the County is the fifth-most populous county in the United States. The County seat is the City of San Diego, the eighth-most populous city in the United States. The County is the south-westernmost county in the 48 contiguous United States.

The County has 70 miles (110 km) of coastline. Most of the County has a mild Mediterranean climate to semiarid climate, though there are mountains that receive frost and snow in the wintertime. From north to south, the County extends from the southern borders of Orange County and Riverside County to the Mexico–United States border and Baja California. From west to east, the County stretches from the Pacific Ocean to its boundary with Imperial County.

There are 16 naval and military installations of the U.S. Navy, U.S. Marine Corps, and the U.S. Coast Guard in the County. These include the Naval Base San Diego, Marine Corps Base Camp Pendleton, Marine Corps Air Station Miramar, and Naval Air Station North Island.

Population

The following table contains the population of the City, the County and the State of California for the last five years.

CITY OF EL CAJON, SAN DIEGO COUNTY
AND STATE OF CALIFORNIA
Population Data

Year	City of El Cajon	San Diego County	State of California
2013	101,358	3,195,215	38,238,492
2014	101,829	3,231,651	38,572,211
2015	102,233	3,266,192	38,915,880
2016	102,277	3,286,717	39,189,035
2017	102,803	3,316,192	39,523,613

Source: California Department of Finance E-4 Population Estimates for Cities, Counties and State, 2010-2017 with 2010 Benchmark.

Employment

The following table summarizes the historical numbers of workers by industry in San Diego-Carlsbad MSA (which covers the County) for the last five years:

SAN DIEGO-CARLSBAD MSA
(SAN DIEGO COUNTY)
Labor Force and Industry Employment
Annual Averages by Industry

	2012	2013	2014	2015	2016[1]
Total, All Industries	1,294,400	1,327,500	1,355,900	1,395,900	1,431,600
Total Farm	9,800	9,800	9,400	9,100	9,000
Mining, Logging, and Construction	57,400	61,300	64,300	70,200	76,400
Construction	57,000	61,000	63,900	69,900	76,100
Manufacturing	98,200	99,400	102,200	106,200	107,800
Wholesale Trade	43,500	43,900	43,700	44,000	44,800
Retail Trade	137,200	141,300	144,300	146,800	147,400
Transportation, Warehousing & Utilities	27,300	27,200	27,000	28,400	29,400
Information	24,500	24,300	24,400	23,800	23,600
Financial Activities	69,800	70,800	69,400	71,200	73,000
Professional & Business Services	213,400	221,100	224,300	230,200	234,000
Educational & Health Services	174,500	181,000	186,000	192,700	198,500
Leisure & Hospitality	161,700	168,600	177,000	183,900	190,700
Government	227,800	229,500	231,900	236,200	242,100

Source: California Employment Development Department, based on March 2016 benchmark.
Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.
(1) Last available full year data.

The following tables summarize historical employment and unemployment for the County, the State of California and the United States:

SAN DIEGO COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate [1]
2012	San Diego County	1,594,900	1,452,500	142,400	8.9%
	California	18,554,800	16,630,100	1,924,700	10.4
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	San Diego County	1,590,000	1,470,000	120,000	7.5
	California	18,671,600	17,002,900	1,668,700	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4
2014	San Diego County	1,544,600	1,445,400	99,200	6.4
	California	18,811,400	17,397,100	1,414,300	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2
2015	San Diego County	1,563,800	1,482,500	81,300	5.2
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	146,411,000	5.3
2016[2]	San Diego County	1,570,400	1,497,000	73,500	4.7
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	148,976,000	4.9

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2010-2016, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data, therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers

The following table lists the top 10 employers within the County as of June 30, 2016.

SAN DIEGO COUNTY
Top 10 Employers
as of June 30, 2016

Employer	Employees	% of Total County Employment
University of California, San Diego	30,671	2.05%
Sharp HealthCare	17,809	1.19
County of San Diego	17,034	1.14
Scripps Health	14,863	.99
City of San Diego	11,347	.76
Kaiser Permanente	8,406	.56
UC San Diego Health	7,438	.50
San Diego Community College District	5,902	.39
General Atomics Aeronautical Systems Inc.	5,480	.37
Rady Children's Hospital – San Diego	5,129	.34
Total Top 10	124,079	8.29%

Source: San Diego County 2015-16 CAFR.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF EL CAJON
Building Permits and Valuation
(Dollars in Thousands)

	2012	2013	2014	2015	2016
Permit Valuation:					
New Single-family	$ 3,169	$ 5,064	$ 3,810	$ 24,188	$ 24,648
New Multi-family	235	119	119	-	-
Res. Alterations/Additions	4,034	3,718	3,331	4,419	2,915
Total Residential	7,439	8,902	7,261	28,608	27,563
Total Nonresidential	8,361	23,469	14,807	13,381	11,036
Total All Building	15,800	32,371	22,068	41,989	38,600
New Dwelling Units:					
Single Family	15	18	15	98	76
Multiple Family	4	7	6	-	-
Total	19	25	21	98	76

Source: Construction Industry Research Board: "Building Permit Summary."
Note: Totals may not add due to independent rounding.

SAN DIEGO COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2012	2013	2014	2015	2016
Permit Valuation:					
New Single-family	$ 711,514	$ 773,429	$ 936,634	$ 860,232	$ 1,069,272
New Multi-family	375,732	613,538	878,179	611,730	1,028,733
Res. Alterations/Additions	335,347	222,813	245,435	346,889	349,035
Total Residential	1,422,595	1,609,781	2,060,249	1,818,853	2,447,041
Total Nonresidential	961,603	1,235,121	3,485,675	1,920,627	1,862,502
Total All Building	2,384,198	2,844,903	5,545,924	3,739,480	4,309,543
New Dwelling Units:					
Single Family	2,242	2,100	2,539	2,276	3,136
Multiple Family	3,038	4,319	5,803	4,327	6,869
Total	5,280	6,419	8,342	6,603	10,005

Source: Construction Industry Research Board: "Building Permit Summary."
Note: Totals may not add due to independent rounding.

Median Household Income

The following table summarizes the total effective buying income and the median household effective buying income for the City, the County, the State and the nation for the past five years.

CITY OF EL CAJON, SAN DIEGO COUNTY
AND STATE OF CALIFORNIA
Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2012	City of El Cajon	$ 1,689,973	$ 38,210
	San Diego County	74,593,405	48,364
	California	864,088,827	47,307
	United States	6,737,867,730	41,358
2013	City of El Cajon	1,709,743	38,795
	San Diego County	73,266,155	49,302
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of El Cajon	1,745,025	38,607
	San Diego County	76,880,343	51,447
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of El Cajon	1,839,038	39,590
	San Diego County	84,949,559	55,146
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of El Cajon	1,997,011	42,444
	San Diego County	91,727,879	58,408
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

Source: Nielsen Claritas, Inc.

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APPENDIX G

FISCAL CONSULTANT'S REPORT

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APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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City of El Cajon Agenda Report

MEETING: 1/9/18

ITEM NO: 6.1

The Valley of Opportunity
Incorporated 1912

TO: Mayor Pro Tem Kendrick, and Councilmembers Goble, Kalasho and McClellan

FROM: Mayor Wells

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:
Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:
Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

December 27, 2017 -	El Cajon Salvation Army Demolition Event
January 1, 2018 -	Prayer Breakfast
January 2, 2018 -	Meeting w/ Marriott Hotel Management Team
January 4, 2018 -	Meeting w/ Constituent
January 9, 2018 -	City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Bill Wells
Mayor

City Clerk Date Stamp
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City of El Cajon Agenda Report

MEETING: 1/9/18

ITEM NO: 6.3

TO: Mayor Pro Tem Kendrick, Councilmembers Goble, Kalasho and McClellan

FROM: Mayor Wells

SUBJECT: Council Assignments

RECOMMENDATION: That the City Council consider and approve council assignments to the various boards and commissions giving El Cajon input on matters important to this region as follows:

Mayor Bill Wells: SANDAG (San Diego Association of Governments); League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee. LAFCO*

*Elected to the LAFCO Commission for a four year term to represent the east county, by east county Mayors, in December, 2017.

Mayor Pro Tem Gary Kendrick: Heartland Communications JPA; Heartland Fire Training JPA.

Councilmember Steve Goble: SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

Councilmember Ben Kalasho: East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

Councilmember Bob McClellan: MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

BACKGROUND: There are numerous boards and commissions affecting the San Diego Region. Local government agencies have input into decisions made by these groups in the form of Council appointees. Following is a current list of appointees from the City of El Cajon:

Mayor Bill Wells: SANDAG (San Diego Association of Governments); SANDAG Public Safety Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; Indian Gaming Local Community Benefit Committee.

Mayor Pro Tem Gary Kendrick: Heartland Communications JPA; Heartland Fire Training JPA.

Councilmember Steve Goble: SANDAG – Alternate; SANDAG Public Safety Committee – Alternate; Chamber of Commerce – Government Affairs; MTS (Metropolitan Transit System Board) – Alternate; East County Economic Development Council; METRO Commission/Wastewater JPA - Alternate.

Councilmember Ben Kalasho: East County Economic Development Council – Alternate; METRO Commission/Wastewater JPA; Indian Gaming Local Community Benefit Committee – Alternate.

Councilmember Bob McClellan: MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications JPA – Alternate.

FISCAL IMPACT: None.

PREPARED BY:

Bill Wells
Mayor

City Clerk Date Stamp

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City of El Cajon Agenda Report

MEETING: 1/9/18

ITEM NO: 7.1

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Councilmembers Goble, Kalasho and McClellan

FROM: Mayor Pro Tem Kendrick

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:
Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:
Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

December 14, 2017 -	40th Anniversary – California Metals
December 19, 2017 -	Cornerstone Development Ground Breaking
January 5, 2017 -	Meeting w/ City Manager
January 9, 2018 -	City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Gary Kendrick

Gary Kendrick
Mayor Pro Tem

City Clerk Date Stamp
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2018 JAN -3 A 11: 45

City of El Cajon Agenda Report

MEETING: 1/9/18

ITEM NO: 8.1

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick and Councilmembers Goble and Kalasho

FROM: Councilmember McClellan

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:
Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:
Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

December 14, 2017 -	MTS Board Meeting
December 16, 2017 -	Hope Toy Drive – Meridian Baptist Church
January 9, 2017 -	City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Bob McClellan

Bob McClellan
Councilmember

City Clerk Date Stamp
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City of El Cajon Agenda Report

MEETING: 1/9/18

ITEM NO: 9.1

The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick and Councilmembers Goble and McClellan

FROM: Councilmember Kalasho

SUBJECT: Council Activities Report

RECOMMENDATION: **That the City Council** accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:
Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:
Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

Nothing to report.

I will be happy to answer any questions you may have.

SUBMITTED BY,

Ben Kalasho

Ben Kalasho
Councilmember

City Clerk Date Stamp
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2018 JAN -2 A 10: 39

City of El Cajon Agenda Report

MEETING: 1/9/18

ITEM NO: 10.1

EL CAJON
The Valley of Opportunity
Incorporated 1912

TO: Mayor Wells, Mayor Pro Tem Kendrick, and Councilmembers Kalasho and McClellan

FROM: Councilmember Goble

SUBJECT: Council Activities Report

RECOMMENDATION: That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:
Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:
Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

December 15, 2017 -	Present certificate to First Class Packaging
December 16, 2017 -	Toy Drive at Meridian Baptist Church
December 19, 2017 -	Groundbreaking for Cornerstone Housing Project
December 27, 2017 -	Salvation Army Demolition Event
December 30, 2017 -	Trash Pickup Event - Main Street
January 1, 2018 -	Trash Pickup Event - Main Street
January 8, 2018 -	Meeting with City Manager
January 9, 2018 -	City Council Meeting(s)

I will be happy to answer any questions you may have.

SUBMITTED BY,

Steve Goble

Steve Goble
Councilmember