



**Redevelopment and Financial Consulting**

---

225 Holmfirth Court  
Roseville CA 95661

Phone: (916) 791-8958  
FAX: (916) 791-9234

**ANNUAL REPORT**

*For 2015-16 Fiscal Year  
With Data for 2016-17 Fiscal Year*

**Refunding Revenue Bonds**  
**2007 Series A**  
**2014 Series A**  
**2015 Series A**

*South Tahoe Joint Powers Financing Authority  
Successor Agency to the South Tahoe Redevelopment Agency*

South Tahoe Redevelopment Project No. 1

March 2017

**Section A - Introduction**

---

The South Tahoe Joint Powers Financing Authority (Authority) has issued the following bonds that are on parity with each other:

| <b>Bond Issue</b>                     | <b>Par Amount</b> |
|---------------------------------------|-------------------|
| 2007 Series A Refunding Revenue Bonds | \$20,360,000      |
| 2014 Series A Refunding Revenue Bonds | \$29,230,000      |
| 2015 Series A Refunding Revenue Bonds | \$27,525,000      |

The 2007, 2014 and 2015 issues are referred to as the Senior Bonds. The Bonds are secured by Loan Agreements entered into with the former South Tahoe Redevelopment Agency (Former Agency). Due to the redevelopment Dissolution Act, the City of South Lake Tahoe has assumed the role of Successor Agency to the South Tahoe Redevelopment Agency (Agency).

The source of repayment for the Loans first includes a portion of the tax increment revenues generated within the boundaries of Redevelopment Project Area No. 1 (Project Area). The portion of the tax increment revenues that are pledged to Loan repayment represents total tax increment revenues less allocations to the taxing entities and property tax administrative fees and are referred to as Tax Increment Revenues. Second, the transient occupancy tax (TOT) revenues of the Project Area are pledged to make debt service payments on the Loans. Combined, the Tax Increment Revenues and the TOT Revenues are referred to as the Pledged Revenue.

Tax increment revenues are used first to pay debt service, followed by TOT Revenues to the extent needed to cover remaining debt service. The City receives all remaining TOT Revenues after the payment of the portion of the Senior Bonds not paid by tax increment. The remaining TOT Revenues are used by the City to make debt service payments on the Authority's \$23,245,000 Refunding Revenues Bonds, 2006 Series A (Lease Bonds).

As part of the issuance of the Bonds, the Agency executed Continuing Disclosure Certificates. The Disclosure Certificates were executed and delivered by the Agency for the benefit of the holders and beneficial owners of the bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

The 2014 and 2015 Disclosure Certificates require the Agency to file an Annual Report based on the then applicable rules and electronic format prescribed by the MSRB, which meets the requirement for the other Disclosure Certificates as well. The Annual Report must be filed by March 31 of each year.

The Annual Report needs to contain or incorporate by reference the following financial information or operating data, as shown in the 2014 and 2015 Certificates:

- Incremental taxable value and historical tax increment receipts, including information from Table 6 of the 2015 Official Statement.
- Historical information on Project Area TOT revenues, as shown on Table 7 of the 2015 Official Statement.
- The ten major property tax assesseses in the Project Area similar to Table 2 of the 2015 Official Statement.
- The ten major TOT assesseses in the Project Area similar to Table 8 of the 2015 Official Statement.
- An update to the debt service coverage based on actual TOT revenues for the most recently completed Fiscal Year, and estimated TA revenues based on the most recently available assessor's tax roll, in the form of Table 11 in the 2015 Official Statement.

The Annual Report must also contain the Audited Financial Statements of the Agency prepared in accordance with generally accepted accounting principles. Because of the Dissolution Act, there are not separate audited financial statements prepared for the Agency. Commencing with the audited financial statements for the City for the fiscal year ended September 30, 2012, the activities of the Agency are reported as a fiduciary trust fund as part of the City's Comprehensive Annual Financial Report (CAFR), which is in accordance with guidance issued by the California Department of Finance (DOF) and available on the DOF's website ([www.dof.ca.gov](http://www.dof.ca.gov)) as of December 20, 2013. The Agency financials are reported in the CAFR under "Private-Purpose Trust Fund". This fund reports the assets, liabilities and activities of the Successor Agency.

This Annual Report provides the required information for the Agency's fiscal year ending September 30, 2016 and data for 2016-17. The balance of this Report shows the required financial information and operating data. The value and revenue estimates contained in the following sections of this Report are based upon information and data that we believe to be reasonable and accurate. To a certain extent, the estimates of revenue are based on assumptions that are subject to a degree of uncertainty and variation and therefore are not represented as results that will actually be achieved. However, we have conscientiously prepared them for the Agency on the basis of our experience in the field of financial analysis for redevelopment agencies.

### **AB 26 – Redevelopment Dissolution Act**

---

In December 2011, the California Supreme Court issued its opinion in the case of *California Redevelopment Association, et al., v. Matosantos, et al.* The Court upheld the right of the state to dissolve redevelopment agencies pursuant to AB 26 which along with subsequent amendments pursuant to AB 1484 and other legislation is referred to herein as the Dissolution Act. Based on modified time lines approved by the Court, all redevelopment agencies, including the South Tahoe Redevelopment Agency, were dissolved effective February 1, 2012. The City of South Lake Tahoe has assumed the role of Successor Agency and is charged with winding down the affairs of the former Agency

and to make payments due on enforceable obligations, as defined in the Dissolution Act. The Bonds are an enforceable obligation under the Dissolution Act.

Under the Dissolution Act, the County Auditor-Controller is to determine the amount of property taxes that would have been allocated to each redevelopment agency had the agency not been dissolved. All former tax increment monies go into a Redevelopment Property Tax Trust Fund (Trust Fund or RPTTF) which is controlled by the County Auditor-Controller.

The money in the Trust Fund is used as follows:

1. Allocate to the County property tax administrative fees and other costs needed to implement the Dissolution Act.
2. Pay all pass-through payments to the taxing entities. The former Project Area has an obligation to make payments required pursuant to former Section 33676, Section 33401 and Section 33607.5 and 33607.7 of the Community Redevelopment Law. None of these payments were subordinate to debt service on the Bonds.
3. Pay obligations required per the Recognized Obligation Payment Schedule (ROPS). The senior obligation payable from former Tax Revenues listed on the ROPS is payment of debt service on the Bonds.
4. Pay the administrative allowance, which goes to the Successor Agency to be used to wind down the affairs of the former redevelopment agency.
5. Distribute the balance to the taxing entities pursuant to Section 34183 and 34188 of the Dissolution Act.

The allocations from the Trust Fund take place in two six-month installments, in January and June of each year. The Successor Agency prepares a forward-looking ROPS on an annual basis which is split into two six-month periods. Money in the RPTTF is distributed twice annually, in January and June. Once approved by the Oversight Board and the state Department of Finance, the County Auditor-Controller releases the Trust Fund revenues to pay for the obligations on the ROPS. Any excess Trust Fund revenue not needed to meet the various obligations shown in items 1 through 4 above would be reallocated to the taxing entities. Due to the nature of the Agency's debt, where former tax increment is first used to pay debt service on the Bonds, the Agency is currently receiving all of the available tax increment in each six month period and there is no excess revenue to be distributed.

## **Financial and Operating Data**

---

This section of the Report includes information on historical revenues, the Top Ten Assesseees and other required information. It also includes information on Pledged Revenues and coverage ratios on the Senior Bonds.

## Historical Revenues

Table 1 provides information on historical assessed values in the Project Area. Taxable values have fallen from \$700.8 million in 2011-12 to \$514.3 million in 2015-16. For 2016-17, taxable values were stable at \$515.2 million. The reductions in value occurred under Proposition 8, which requires the local county assessor to enroll the lesser of the market value or the Proposition 13 value of property. In the opinion of the El Dorado County Assessor, the market value for time share units had dropped, and so they reduced value at the Grand Residence, the Timber Lodge, Diamond Resorts, and other time share facilities. In addition the County Assessor reduced value in 2012-13 for parcels where the owners had filed appeals and processed roll corrections for prior year taxes paid due to the resolution of the appeals.

Table 1 also provides information on the historical receipt of tax increment revenues in the Project Area. The initial County levy is compared to the actual receipt of tax increment (exclusive of supplemental revenues) to determine collection trends. The County has typically allocated 100 percent of the estimated tax levy to the Agency. Agency revenues are reduced for roll corrections and refunds of property taxes due to successful assessment appeals, which were substantial for 2012-13, totaling almost \$1.8 million. Supplemental property taxes are also shown on Table 1 and are a function of new construction or changes of ownership since the last property tax lien date.

Table 2 provides summarized information on TOT collections in the Project Area for the period 2005-06 through 2015-16. In both 2014-15 and 2015-16, TOT Revenues increased substantially. For 2014-15, TOT Revenue went up by \$565,560 and for 2015-16 by almost \$1.1 million.

## Top Ten Assesseees

The Top Ten Assesseees in the Project Area are summarized on Table 3. The secured taxable value for the Top Ten Assesseees represents 54 percent of the total secured value of the Project Area as of 2016-17 and 72 percent of secured incremental value.

Table 4 “Ten Major TOT Revenue Generators,” lists the ten major TOT generators in the Project Area, the TOT revenue paid by each, and the percentage of total Project TOT revenue represented by each lodging facility. As shown on Table 4, the cumulative TOT revenue of the ten largest facilities represented 92 percent of the total TOT revenue in the Project Area for 2015-16.

## Pledged Revenues and Coverage

As previously stated, the source of repayment for the Loans are the tax increment revenues and TOT revenues (Pledged Revenues) generated within the boundaries of the Project Area. This section includes information on Pledged Revenues and debt service coverage for the Senior Bonds and the Lease Bonds.

## **Annual Tax Increment Revenues**

Table 5 provides information on the estimated tax increment revenues of the Project Area for 2016-17. The value of secured and unsecured property shown on Table 5 is based on information provided by El Dorado County. Unitary revenues are based on prior year estimates from the County. Total tax increment is estimated at \$3.9 million.

The tax increment revenues of the Project Area were subject to certain adjustments and liens, as described in this section. Prior to the Dissolution Act, the adjustments and liens were required to be paid prior to the payment of debt service on the Senior Bonds.

### *Adjustments to Revenue*

There are three adjustments to the tax increment revenues shown on Table 5: property tax administrative fees; allocations pursuant to former Section 33676 of the Community Redevelopment Law (CRL); and property tax refunds, as discussed above.

State law allows counties to charge taxing entities, including redevelopment agencies, for the cost of administering the property tax collection system. In addition, the County is authorized to deduct its costs for implementing the Dissolution Act from the RPTTF. The fees have been estimated and shown on Table 5.

For project areas adopted prior to January 1994, taxing entities could elect to receive additional property taxes above the base year revenue amount. Such amounts are calculated by increasing the real property portion of base year values by an inflation factor of up to 2 percent annually. Taxing entities can receive a proportionate share of such revenues if they elected to do so prior to adoption of the redevelopment plan. El Dorado County, the El Dorado County Water Agency, the El Dorado County Service Area #3, the South Tahoe Public Utility District, and the El Dorado County Office of Education have elected to receive additional allocations of property taxes generated in the Project Area. Such amounts have been shown on Table 5.

### *Housing Set-Aside*

Prior to AB 26, redevelopment agencies were required to deposit not less than 20 percent of the tax increment generated in a project area into a special fund to be used for qualified low and moderate income housing programs. The housing set-aside deposit is no longer required and is shown at 0 on Table 5.

### *Tax Sharing Payments*

At the time of adoption of the Project Area, the Agency entered into individual agreements with three taxing entities. The agreements provide that the Agency will pay each taxing entity an amount of money to alleviate the fiscal detriment created by the

Project Area. The Agency's tax sharing agreements are with the Lake Tahoe Community College District and the Lake Tahoe Unified School District. It is estimated that tax sharing payments under the agreements will be \$148,000. As shown on Table 5, Tax Increment Revenues have been reduced by this amount.

After reduction for the above liens, Tax Increment Revenues are estimated at \$3.2 million for 2016-17.

### **TOT Revenues**

TOT Revenues for 2015-16 equaled \$5.8 million, as shown on Table 2.

### **Pledged Revenues and Coverage**

Table 6 provides information on Pledged Revenues and coverage for the Senior Bonds. Coverage on the Senior Bonds is shown based on Loan Year Debt Service. As shown on Table 6, debt service coverage for the Senior Bonds for 2016-17 is estimated at 168 percent.

Table 7 reflects the estimated impact of the Dissolution Act on Bond debt service payments. The table shows the actual or estimated tax increment and TOT Revenue that is available, the obligations that are deducted prior to paying debt service (including administrative fees, tax sharing payments, and refunds and roll corrections) and the payment of bond debt service. The table shows coverage on a semi-annual basis and the amount of TOT Revenue remaining to pay debt service on the Lease Bonds.

Table 1  
 South Tahoe Successor Agency  
 Project Area No. 1

**HISTORICAL TAX INCREMENT REVENUE**

|                                     | 2015-16            | 2014-15            | 2013-14            | 2012-13            | 2011-12            |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Taxable Value                 | \$514,345,054      | \$522,396,203      | \$582,591,002      | \$595,897,312      | \$700,791,998      |
| Less: Base Year Value               | 130,614,321        | 130,614,321        | 130,614,321        | 130,614,321        | 130,614,321        |
| <b>Incremental Taxable Value</b>    | <b>383,730,733</b> | <b>391,781,882</b> | <b>451,976,681</b> | <b>465,282,991</b> | <b>570,177,677</b> |
| Tax Increment                       | 3,861,291          | 3,942,274          | 4,519,767          | 4,675,332          | 5,701,777          |
| Less: Section 33676 Allocations     | 366,040            | 346,199            | 341,709            | 319,933            | 313,673            |
| Less: Property Tax Admin. Fees      | 83,924             | 55,663             | 85,726             | 133,180            | 148,900            |
| <b>Net Tax Increment Levy (1)</b>   | <b>3,411,327</b>   | <b>3,540,412</b>   | <b>4,092,332</b>   | <b>4,222,219</b>   | <b>5,239,204</b>   |
| <i>Adjustments to Levy (2)</i>      |                    |                    |                    |                    |                    |
| Penalties & Interest                | 4,739              | 5,294              | 1,220              |                    |                    |
| Less: Refunds / Roll Corrections    | 192,044            | 196,857            | 105,113            | 1,791,481          | 101,204            |
| Other Adjustments                   |                    |                    | 5,013              | 84,719             |                    |
| <b>Total Tax Increment Receipts</b> | <b>3,224,022</b>   | <b>3,348,849</b>   | <b>3,983,426</b>   | <b>2,346,019</b>   | <b>5,138,000</b>   |
| <b>Receipts to Levy %</b>           | <b>94.51%</b>      | <b>94.59%</b>      | <b>97.34%</b>      | <b>55.56%</b>      | <b>98.07%</b>      |
| Supplemental Property Taxes         | 33,476             | (166,576)          | 446,805            | 213,699            |                    |
| <b>Total Tax Increment Receipts</b> | <b>3,257,498</b>   | <b>3,182,273</b>   | <b>4,430,231</b>   | <b>2,559,718</b>   | <b>5,138,000</b>   |
| <b>Receipts to Levy %</b>           | <b>95.49%</b>      | <b>89.88%</b>      | <b>108.26%</b>     | <b>60.62%</b>      | <b>98.07%</b>      |
| <i>Liens on Tax Increment (3)</i>   |                    |                    |                    |                    |                    |
| Housing Set-Aside                   | 0                  | 0                  | 0                  | 0                  | 0                  |
| Taxing Entity Share                 | 148,112            | 148,112            | 148,112            | 148,112            | 148,112            |
| <b>Total Liens</b>                  | <b>148,112</b>     | <b>148,112</b>     | <b>148,112</b>     | <b>148,112</b>     | <b>148,112</b>     |
| <b>Tax Increment Revenues</b>       | <b>\$3,109,386</b> | <b>\$3,034,161</b> | <b>\$4,282,119</b> | <b>\$2,411,606</b> | <b>\$4,989,888</b> |

(1) Reflects initial levy calculation by the County, reduced by Section 33676 and property tax administrative payments, which are deducted prior to payment of tax increment to the Agency.

(2) Amounts shown are adjustments to the initial levy reported by the County. In 2012-13 refunds were made to the owner of Project 3 for multiple prior year appeals that had been filed.

(3) Reflects reductions for prior liens on tax increment, in order to determine the amount available to pay bond debt service. Starting in 2011-12 under AB 26, the housing set-aside was no longer required.



Table 2  
 South Tahoe Successor Agency  
 Project Area No. 1

**PROJECT AREA HISTORICAL TOT REVENUE (1)**

| Fiscal Year (2) | Lake Tahoe Hotel (3)<br>TOT Revenue | Lake Tahoe Resorts<br>TOT Revenue | Grand Residence<br>TOT Revenue | Timber Lodge<br>TOT Revenue | All Other Project<br>TOT | Total Project<br>TOT | Percentage<br>Change | Dollar<br>Change |
|-----------------|-------------------------------------|-----------------------------------|--------------------------------|-----------------------------|--------------------------|----------------------|----------------------|------------------|
| 2005-06         | 2,156,802                           | 177,808                           | 970,173                        | 317,580                     | 1,244,734                | 4,867,097            | -2.88%               | (144,501)        |
| 2006-07         | 2,080,641                           | 157,889                           | 871,651                        | 466,603                     | 1,122,224                | 4,699,008            | -3.45%               | (168,089)        |
| 2007-08         | 1,983,151                           | 166,392                           | 954,634                        | 599,574                     | 1,377,867                | 5,081,618            | 8.14%                | 382,610          |
| 2008-09         | 1,557,831                           | 168,964                           | 761,863                        | 742,885                     | 1,251,066                | 4,482,609            | -11.79%              | (599,009)        |
| 2009-10         | 1,526,269                           | 181,517                           | 712,296                        | 742,693                     | 924,033                  | 4,086,809            | -8.83%               | (395,800)        |
| 2010-11         | 1,597,481                           | 186,335                           | 781,425                        | 683,723                     | 789,881                  | 4,038,845            | -1.17%               | (47,964)         |
| 2011-12         | 1,519,096                           | 142,462                           | 812,556                        | 773,897                     | 837,655                  | 4,085,666            | 1.16%                | 46,821           |
| 2012-13         | 1,429,460                           | 172,469                           | 891,828                        | 957,825                     | 950,632                  | 4,402,214            | 7.75%                | 316,548          |
| 2013-14         | 1,629,816                           | 189,799                           | 1,022,522                      | 1,286,893                   | 36,401                   | 4,165,430            | -5.38%               | (236,784)        |
| 2014-15         | 1,375,947                           | 200,000                           | 818,738                        | 1,047,169                   | 1,289,137                | 4,730,990            | 13.58%               | 565,560          |
| 2015-16         | 1,614,827                           | 541,021                           | 1,018,696                      | 1,297,081                   | 1,354,627                | 5,826,251            | 23.15%               | 1,095,261        |

- (1) TOT revenue generated within the boundaries of the South Tahoe Redevelopment Project No. 1.
- (2) Reflects City Fiscal Year beginning October 1 and ending September 30.
- (3) Formerly Embassy Suites Hotel.

Table 3  
 South Tahoe Successor Agency  
 Project Area No. 1

**TEN MAJOR PROPERTY TAX ASSESSEES**

| <u>Assessee</u>                   | <u>Type of Use</u>         | <u>Number of<br/>Parcels</u> | <u>2016-17<br/>Secured Value (1)</u> | <u>%of Secured<br/>Value (2)</u> | <u>%of Secured<br/>Incremental<br/>Value (2)</u> |
|-----------------------------------|----------------------------|------------------------------|--------------------------------------|----------------------------------|--|
| 1) FIRST AMERICAN TRUST FSB T (3) | Time share parcels         | 8,534                        | 62,324,450                           | 12.56%                           | 16.78%   |
| 2) ROPPOINGI-TAHOE LP             | Lake Tahoe Resort Hotel    | 1                            | 45,624,227                           | 9.19%                            | 12.28%   |
| 3) TRANS SIERRA / TSI INVESTMENTS | Retail in Heavenly Village | 8                            | 33,260,502                           | 6.70%                            | 8.95%  |
| 4) TAHOE CRESCENT PTN LP          | Shopping Center            | 3                            | 27,683,789                           | 5.58%                            | 7.45%  |
| 5) TAHOE STATELINE VENTURE        | Commercial                 | 15                           | 25,303,823                           | 5.10%                            | 6.81%  |
| 6) HEAVENLY VALLEY LTD PTNSHP     | Gondola                    | 1                            | 24,597,508                           | 4.96%                            | 6.62%  |
| 7) MARRIOTT OWNERSHIP RESORTS (4) | Timber Lodge               | 212                          | 24,427,902                           | 4.92%                            | 6.57%  |
| 8) NBT ERI TAHOE CA LLC           | Hotel                      | 3                            | 11,056,885                           | 2.23%                            | 2.98%  |
| 9) ZALANTA RESORT AT THE VILLAGE  | Hotel / Commercial         | 5                            | 7,503,399                            | 1.51%                            | 2.02%  |
| 10) CECILS LLC                    | Retail in Heavenly Village | 1                            | 7,421,068                            | 1.49%                            | 2.00%  |
| <b>Total Valuation</b>            |                            |                              | <b>269,203,553</b>                   | <b>54.23%</b>                    | <b>72.46%</b>                                    |

- (1) Based on ownership of locally-assessed secured property.
- (2) Based on 2016-17 Project Area secured taxable value of \$496,394,519 and incremental secured value of \$371,531,339.
- (3) First American Trust holds time share parcels in several different resorts.
- (3) Includes the value of common area (95%) and timeshare intervals that have been sold back to Marriott (5%).  
The value also includes Grand Residence parcels owned by Marriott under the name Heavenly Resort Properties.

Source: El Dorado County Assessor Records

Table 4  
 South Tahoe Successor Agency  
 Project No. 1

**TEN MAJOR TOT REVENUE GENERATORS**

| No.                | Business Name                  | Rooms | 2015-16          | Percent of (1)<br>Total TOT Revenue |
|--------------------|--------------------------------|-------|------------------|-------------------------------------|
| 1                  | Lake Tahoe Resort (2)          | 400   | \$1,629,816      | 28%                                 |
| 2                  | Marriott's Timber Lodge (2)    | 258   | 1,286,893        | 22%                                 |
| 3                  | Marriott's Grand Residence (2) | 201   | 1,022,522        | 18%                                 |
| 4                  | Diamond Resorts (2)            | 182   | 451,867          | 8%                                  |
| 5                  | Holiday Inn Express SLT        | 89    | 282,899          | 5%                                  |
| 6                  | Hotel Becket                   | 60    | 189,799          | 3%                                  |
| 7                  | Postmarc Hotel and Spa         | 54    | 165,884          | 3%                                  |
| 8                  | Knight Inn (Super 8 Motel)     | 112   | 133,479          | 2%                                  |
| 9                  | Econo Lodge                    | 120   | 106,085          | 2%                                  |
| 10                 | Blue Lake Inn                  | 68    | 101,816          | 2%                                  |
| <b>SUBTOTAL</b>    |                                |       | <b>5,371,058</b> | <b>92%</b>                          |
| All other TOT      |                                |       | 455,193          |                                     |
| <b>Grand Total</b> |                                |       | <b>5,826,251</b> |                                     |

(1) Based on total TOT revenue collected in 2015-16 in the Project Area of \$5,826,251.

(2) A tax rate of 12 percent applies to these businesses. A 10 percent rate is paid at all other facilities.

Table 5  
 South Tahoe Successor Agency  
 Project Area No. 1

**ESTIMATE OF TAX INCREMENT REVENUES (1)  
 FOR FISCAL YEAR 2016-17**

|                                      | 2016-17            |
|--------------------------------------|--------------------|
| <b>Local Secured</b>                 |                    |
| Land                                 | \$115,281,157      |
| Improvements                         | 373,619,628        |
| Personal Property                    | 7,493,734          |
| Gross Local Secured                  | 496,394,519        |
| Exempt                               | 0                  |
| Net Local Secured                    | 496,394,519        |
| <b>Unsecured</b>                     |                    |
| Land                                 | 130,712            |
| Improvements                         | 11,489,667         |
| Personal Property                    | 7,423,136          |
| Gross Unsecured                      | 19,043,515         |
| Exempt                               | 0                  |
| Net Unsecured                        | 18,833,473         |
| Total Secured & Unsecured            | 515,227,992        |
| Base Year Taxable Value              | 130,614,321        |
| Incremental Taxable Value            | 384,613,671        |
| Tax Increment                        | 3,846,137          |
| Unitary Property Tax Revenue         | 23,984             |
| <b>Total Tax Increment Revenue</b>   | <b>3,870,121</b>   |
| <u>Adjustments to Tax Revenue</u>    |                    |
| Section 33676 Allocations (2)        | 386,279            |
| Property Tax Administration Fees (3) | 88,355             |
| <u>Liens on Tax Increment</u>        |                    |
| Taxing Entity Share (4)              | 148,112            |
| <b>Tax Increment Revenues</b>        | <b>\$3,247,375</b> |

- (1) Taxable values as reported by El Dorado County.
- (2) Reflects property tax allocations made pursuant to Section 33676 of the Health and Safety Code.
- (3) Reflects percent that the actual reduction for January 2017 equaled in relation to total tax increment.
- (4) Based on the provisions of the tax sharing agreements.

Table 6  
 South Tahoe Successor Agency  
 Project Area No. 1

**PROJECTED DEBT SERVICE COVERAGE (1)**  
 (000's Omitted)

| Fiscal Year | Projected TA (2) Revenue | Actual TOT (3) Revenue | Total Projected Revenue | Series 2007 Debt Service | Series 2014 Debt Service | Series 2015 Debt Service | Total Debt Service | Debt Service Coverage |
|-------------|--------------------------|------------------------|-------------------------|--------------------------|--------------------------|--------------------------|--------------------|-----------------------|
| 2016 - 2017 | \$3,247,375              | \$5,826,251            | \$9,073,626             | \$1,166,329              | \$1,749,469              | \$2,478,894              | \$5,394,692        | 168%                  |
| 2017 - 2018 | 3,247,375                | 5,826,251              | 9,073,626               | 1,166,129                | 1,751,269                | 2,477,294                | 5,394,692          | 168%                  |
| 2018 - 2019 | 3,247,375                | 5,826,251              | 9,073,626               | 1,169,866                | 1,762,069                | 2,463,694                | 5,395,629          | 168%                  |
| 2019 - 2020 | 3,247,375                | 5,826,251              | 9,073,626               | 1,168,106                | 1,761,469                | 2,464,694                | 5,394,269          | 168%                  |
| 2020 - 2021 | 3,247,375                | 5,826,251              | 9,073,626               | 1,165,781                | 1,758,219                | 2,472,194                | 5,396,194          | 168%                  |
| 2021 - 2022 | 3,247,375                | 5,826,251              | 9,073,626               | 1,167,881                | 1,763,469                | 2,465,694                | 5,397,044          | 168%                  |
| 2022 - 2023 | 3,247,375                | 5,826,251              | 9,073,626               | 1,169,100                | 1,771,719                | 2,455,694                | 5,396,513          | 168%                  |
| 2023 - 2024 | 3,247,375                | 5,826,251              | 9,073,626               | 1,169,250                | 1,762,719                | 2,462,194                | 5,394,163          | 168%                  |
| 2024 - 2025 | 3,247,375                | 5,826,251              | 9,073,626               | 1,172,000                | 1,775,319                | 2,449,194                | 5,396,513          | 168%                  |
| 2025 - 2026 | 3,247,375                | 5,826,251              | 9,073,626               | 1,168,750                | 1,774,669                | 2,452,444                | 5,395,863          | 168%                  |
| 2026 - 2027 | 3,247,375                | 5,826,251              | 9,073,626               | 1,169,750                | 1,777,169                | 2,445,944                | 5,392,863          | 168%                  |
| 2027 - 2028 | 3,247,375                | 5,826,251              | 9,073,626               | 1,174,750                | 1,782,594                | 2,437,769                | 5,395,113          | 168%                  |
| 2028 - 2029 | 3,247,375                | 5,826,251              | 9,073,626               | 1,173,500                | 3,605,700                | 618,769                  | 5,397,969          | 168%                  |
| 2029 - 2030 | 3,247,375                | 5,826,251              | 9,073,626               | 1,171,250                | 3,610,700                | 615,994                  | 5,397,944          | 168%                  |
| 2030 - 2031 | 3,247,375                | 5,826,251              | 9,073,626               | 1,173,000                | 3,579,400                | 647,400                  | 5,399,800          | 168%                  |
| 2031 - 2032 | 3,247,375                | 5,826,251              | 9,073,626               | 1,173,500                | 3,582,200                | 640,600                  | 5,396,300          | 168%                  |
| 2032 - 2033 | 3,247,375                | 5,826,251              | 9,073,626               | 1,177,750                | 3,585,000                | 638,400                  | 5,401,150          | 168%                  |
| 2033 - 2034 | 3,247,375                | 5,826,251              | 9,073,626               | 1,175,500                | 3,707,600                | 515,600                  | 5,398,700          | 168%                  |
| 2034 - 2035 | 3,247,375                | 5,826,251              | 9,073,626               | 1,177,000                | 0                        | 4,212,000                | 5,389,000          | 168%                  |
| 2035 - 2036 | 3,247,375                | 5,826,251              | 9,073,626               | 5,882,000                | 0                        | 0                        | 5,882,000          | 154%                  |
| 2036 - 2037 | 3,247,375                | 5,826,251              | 9,073,626               | 5,885,250                | 0                        | 0                        | 5,885,250          | 154%                  |

- (1) Revenues are based on a Fiscal Year ending September 30 of each year and debt service is presented on a bond year ending October 1 of each calendar year.  
 (2) Tax increment (TA) revenues are estimated for the current 2016-17 fiscal year based on reported assessed value.  
 (3) TOT Revenues are actuals from the recently completed 2015-16 fiscal year.

Table 7  
 South Tahoe Redevelopment Agency  
 Project No. 1

**BOND DEBT SERVICE COVERAGE UNDER AB 26**

| Category                                  | 2015-16                         |                                   |                    | 2016-17                            |                                      |                    |
|---|---------------------------------|-----------------------------------|--------------------|------------------------------------|--------------------------------------|--------------------|
|   | Actual<br>January-<br>June 2016 | Actual<br>July -<br>December 2016 | Total              | Estimated<br>January-<br>June 2017 | Estimated<br>July -<br>December 2017 | Total              |
| Tax Increment (1)                         | \$1,725,747                     | \$1,924,255                       | 3,893,459          | \$1,935,060                        | \$1,935,060                          | 3,870,121          |
| Supplemental Revenue                      | 4,376                           | 53,084                            | 57,460             | 0                                  | 0                                    | 0                  |
| TOT Revenue (2)                           | 2,875,184                       | 2,951,067                         | 5,826,251          | 2,875,184                          | 2,951,067                            | 5,826,251          |
| <b>Total</b>                              | <b>4,605,307</b>                | <b>4,928,406</b>                  | <b>9,777,170</b>   | <b>4,810,244</b>                   | <b>4,886,127</b>                     | <b>9,696,372</b>   |
| <i>Obligations</i>                        |                                 |                                   |                    |                                    |                                      |                    |
| Property Tax Administration Fees (3)      | 0                               | 83,924                            | 83,924             | 41,962                             | 41,962                               | 88,355             |
| Tax Sharing Payments (4)                  | 257,076                         | 257,076                           | 514,152            | 257,076                            | 257,076                              | 534,391            |
| <b>Combined Revenue for Debt Service</b>  | <b>\$4,348,231</b>              | <b>\$4,587,406</b>                | <b>\$9,179,094</b> | <b>\$4,511,206</b>                 | <b>\$4,587,089</b>                   | <b>\$9,073,626</b> |
| 2007 Series A                             | 461,789                         | 706,789                           | 1,168,578          | 455,664                            | 710,664                              | 1,166,328          |
| 2014 Series A                             | 593,134                         | 1,153,134                         | 1,746,268          | 584,734                            | 1,164,734                            | 1,749,469          |
| 2015 Series A                             | 657,146                         | 1,821,597                         | 2,478,743          | 594,447                            | 1,884,447                            | 2,478,894          |
| <b>Total Parity Debt Service (5)</b>      | <b>1,712,069</b>                | <b>3,681,520</b>                  | <b>5,393,589</b>   | <b>1,634,845</b>                   | <b>3,759,845</b>                     | <b>5,394,691</b>   |
| <b>Debt Service Coverage - Post AB 26</b> | <b>254%</b>                     | <b>125%</b>                       | <b>170%</b>        | <b>276%</b>                        | <b>122%</b>                          | <b>168%</b>        |
| Remaining Tax Increment                   |                                 |                                   | 0                  |                                    |                                      | 0                  |
| Remaining TOT Revenue                     | 2,636,162                       | 905,886                           | 3,785,505          | 2,876,361                          | 827,244                              | 3,678,935          |
| 2006 Lease Bonds (5)                      |                                 |                                   | 1,823,831          |                                    |                                      | 1,823,231          |
| <b>Net TOT Revenues</b>                   |                                 |                                   | <b>1,961,674</b>   |                                    |                                      | <b>1,855,704</b>   |

- (1) Reflects actual receipts based on the records of the Agency for 2015-16.  
 Other numbers are estimates.
- (2) TOT reflects actuals or estimates based on historical collections by month. Reflects the period from October through September of each year. Future TOT held constant.
- (3) Estimated for 2016-17 based on 2.85 percent of tax increment.
- (4) The County calculation of pass through payments includes the Section 33676 amounts.
- (5) Bond year debt service.