NEW ISSUE—BOOK-ENTRY ONLY **RATING: S&P: "AA-"**
See "Rating" 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 2017 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 2017 Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

$33,020,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2017
(Los Angeles County, California)

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

Purpose. The Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2017 (the "2017 Bonds"), are being issued by the Successor Agency to the Redevelopment Agency of the City of Burbank (the "Successor Agency") pursuant to the provisions of Section 34177.5 of the California Health and Safety Code and Section 53580 *et seq*. of the California Government Code, a resolution adopted by the Successor Agency, and an Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and Wells Fargo Bank, N.A., as trustee (the "Trustee"), as supplemented and amended pursuant to a First Supplemental Indenture of Trust, dated as of November 1, 2017, by and between the Successor Agency and the Trustee (as so supplemented and amended, the "Indenture") . The 2017 Bonds are being issued to (a) refinance certain outstanding bonds issued by the former Redevelopment Agency of the City of Burbank, (b) purchase a debt service reserve policy to be issued by Build America Mutual Assurance Company ("BAM"), and (c) pay for the costs of issuing the 2017 Bonds.

Book-Entry; Payments. The 2017 Bonds will be delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") in the denomination of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. Beneficial Owners will not be entitled to receive delivery of bonds representing their ownership interest in the 2017 Bonds. Principal of, and semiannual interest on the 2017 Bonds due on June 1 and December 1 of each year, commencing June 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 2017 Bonds. See "THE 2017 BONDS."

Redemption. The 2017 Bonds are subject to redemption prior to maturity. See "THE 2017 BONDS – Redemption" herein.

Security; Parity Debt. The 2017 Bonds are secured by a pledge and lien on all of 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 2017 BONDS" herein. The payment of debt service on the 2017 Bonds is payable on a parity with the $41,020,000 original principal amount of Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015 (the "2015 Bonds"), currently outstanding in the principal amount of $32,175,000. In addition to the 2015 Bonds and the 2017 Bonds, the Successor Agency may issue or incur additional secured by pledge and lien on Tax Revenues on a parity with the 2015 Bonds and the 2017 Bonds, but only for the purpose of refunding the 2015 Bonds, the 2017 Bonds and any future parity debt. See "THE 2017 BONDS – Parity Debt" herein.

Limited Obligations. The 2017 Bonds and interest thereon are not a debt of the City of Burbank (the "City"), Los Angeles County (the "County"), the State of California (the "State") or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State nor any of their political subdivisions except the Successor Agency is liable thereon. The 2017 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, the County Board of Supervisors nor any persons executing the 2017 Bonds are liable personally on the 2017 Bonds. The Successor Agency has no taxing power.

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

This cover page and the inside cover page hereof contain information for quick reference only. They are not intended to be a summary of all factors relating to an investment in the 2017 Bonds. Investors should review the entire Official Statement before making any investment decision with respect to the 2017 Bonds.

The 2017 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 Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel to the Successor Agency. Certain legal matters will be passed on for the Successor Agency by the Office of the City Attorney, acting as general counsel to the Successor Agency, and for the Underwriters by Nossaman LLP, Irvine, California. It is anticipated that the 2017 Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about November 1, 2017.

STIFEL RAYMOND JAMES®

Dated: September 28, 2017

MATURITY SCHEDULE

$33,020,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2017
(Los Angeles County, California)

CUSIP Prefix: 12082R†

Maturity Date (December 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2018	$2,060,000	2.000%	0.860%	AV8
2019	2,205,000	3.000	0.980	AW6
2020	2,265,000	4.000	1.050	AX4
2021	1,475,000	5.000	1.180	AY2
2022	2,020,000	5.000	1.340	AZ9
2023	2,130,000	5.000	1.460	BA3
2024	930,000	5.000	1.650	BB1
2025	720,000	5.000	1.830	BC9
2026	755,000	5.000	1.990	BD7
2027	790,000	5.000	2.160	BE5
2028	830,000	5.000	2.300C	BF2
2029	870,000	5.000	2.430C	BG0
2030	365,000	2.750	2.950	BS4
2030	550,000	5.000	2.540C	BH8
2031	955,000	3.375	2.930C	BJ4
2032	985,000	3.000	3.150	BK1
2033	1,010,000	3.000	3.190	BL9
2034	1,045,000	3.000	3.250	BM7
2035	1,075,000	3.125	3.300	BN5
2036	1,110,000	3.125	3.350	BP0
2037	1,145,000	3.250	3.420	BQ8

$7,730,000 3.375% Term 2017 Bond Due December 1, 2043, Yield 3.570%, CUSIP† 12082R BR6

C Priced to first optional redemption date of December 1, 2027 at par.

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

SUCCESSOR AGENCY

Will Rogers, *Chair*
Emily Gabel-Luddy, *Board Member*
Bob Frutos, *Board Member*
Sharon Springer, *Board Member*
Jess Talamantes, *Board Member*

SUCCESSOR AGENCY STAFF

Ron Davis, *Executive Director*
Zizette Mullins, *Secretary*
Amy Albano, *Successor Agency Counsel*
Cindy Giraldo, *Financial Services Director, City of Burbank and Successor Agency Implementing Official*

SPECIAL SERVICES

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San Francisco, California

Bond Counsel
Quint & Thimmig LLP
Larkspur, California

Disclosure Counsel
Jones Hall, A Professional Law Corporation
San Francisco, California

Fiscal Consultant
HdL Coren & Cone
Diamond Bar, California

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

Verification Agent
Samuel Klein and Company, Certified Public Accountants
New York, New York

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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 2017 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 2017 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 2017 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Successor Agency or the Burbank Projects since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the 2017 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 2017 Bonds.

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

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

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

Stabilization of and Changes to Offering Prices. The Underwriters may over-allot or take other steps that stabilize or maintain the market price of the 2017 Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriters may discontinue such market stabilization at any time. The Underwriters may offer and sell the 2017 Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriters.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the 2017 Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934.

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

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

Website. The City of Burbank maintains an Internet website, but the information on the website is not incorporated in this Official Statement, nor is the City liable for repayment of the 2017 Bonds.

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OFFICIAL STATEMENT

$33,020,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2017
(Los Angeles County, California)

INTRODUCTION

This Official Statement, including the cover page, is provided to furnish information in connection with the sale by the Successor Agency to the Redevelopment Agency of the City of Burbank (the "**Successor Agency**") of its $33,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2017 (the "**2017 Bonds**").

This introduction is not a summary of this Official Statement. It is only a brief description and guide to, and is qualified by, the more complete and detailed information contained in the entire Official Statement including the cover page and the appendices, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2017 Bonds to potential investors is made only by means of the entire Official Statement.

Authority and Purpose

The Successor Agency is issuing the 2017 Bonds pursuant to authority granted by the Constitution of the State of California (the "**State**"), Section 34177.5(a)(1) of the Health and Safety Code of the State, Article 11 (commencing with Section 53580) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "**Refunding Law**") and an Indenture of Trust, dated as of April 1, 2015 (the "**Original Indenture**"), by and between the Successor Agency and Wells Fargo Bank, N.A., as trustee (the "**Trustee**"), as supplemented and amended by a First Supplemental Indenture of Trust, dated as of November 1, 2017 (the "**First Supplemental Indenture**"), by and between the Successor Agency and the Trustee (as so supplemented, the "**Indenture**"). See "THE 2017 BONDS – Authority for Issuance."

The Successor Agency is issuing the 2017 Bonds to refund on a current basis the following outstanding bonds (collectively, the "**Prior Agency Bonds**") issued by the former Redevelopment Agency of the City of Burbank (the "**Former Agency**") for the purpose of financing redevelopment activities:

- $6,460,000 aggregate outstanding principal amount of Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A, issued in the original principal amount of $69,000,000;

- $9,750,000 aggregate outstanding principal amount of Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, issued in the original principal amount of $31,390,000; and

- $25,000,000 aggregate outstanding principal amount of Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Subordinated Tax Allocation Bonds, Issue of 1993, issued in the original principal amount of $25,000,000.

The Prior Agency Bonds are owned by the Burbank Public Financing Authority (the "**Authority**") and secure the payment of debt service on the Authority's $52,325,000 original principal amount of Burbank Public Financing Authority Revenue Bonds, 2007 Series A (Golden State Redevelopment Project) (the "**2007 Authority Bonds**"), which are currently outstanding in the aggregate principal amount of $44,325,000. The Authority will cause the proceeds from the refunding of the Prior Agency Bonds to be used to defease and refund on a current basis the 2007 Authority Bonds.

See "REFUNDING PLAN."

The remaining proceeds of the 2017 Bonds will be used to (i) pay the premium of a debt service reserve policy for the 2017 Bonds (the "**2017 Reserve Policy**") to be issued concurrently with the delivery of the 2017 Bonds by Build America Mutual Assurance Company ("**BAM**") to satisfy the 2017 Reserve Requirement (as defined herein) for the 2017 Bonds and (ii) pay the costs of issuing the 2017 Bonds.

The City, the Former Agency and the Successor Agency

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

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

Dissolution Act. On June 29, 2011, Assembly Bill No. X1 26 ("**AB X1 26**") was enacted, together with a companion bill, Assembly Bill No. X1 27 ("**AB X1 27**"). The provisions of AB X1 26 provided for the dissolution of all redevelopment agencies statewide as of February 1, 2012. The provisions of AB X1 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 (Cal. Dec. 29, 2011), challenging the constitutionality of AB X1 26 and AB X1 27. The California Supreme Court largely upheld AB X1 26, invalidated AB X1 27, and held that AB X1 26 may be severed from AB X1 27 and enforced independently. As a result of AB X1 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 X1 26 relating to the dissolution and wind down of former redevelopment agency affairs are found in Parts 1.8 (commencing with Section 34161) and 1.85 (commencing with Section 34170) of Division 24 of the Health and Safety Code of the State, as amended on June 27, 2012 by Assembly Bill No. 1484 ("**AB 1484**"), enacted as Chapter 26, Statutes of 2012 and as further amended on September 22, 2015 by Senate Bill No. 107 ("**SB 107**"), enacted as Chapter 325, Statutes of 2015. The provisions of Part 1.85, as amended by AB 1484 and SB 107 are referred to in this Official Statement as the "**Dissolution Act**." The Redevelopment Law together with the Dissolution Act are sometimes referred to in this Official Statement as, the "**Law**."

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

The Redevelopment Plans and the Burbank Projects

General. The Former Agency established the following four project areas: (i) the Golden State Redevelopment Project (the "**Golden State Project**"); (ii) the City Centre Redevelopment Project (the "**City Centre Project**"); (iii) the South San Fernando Redevelopment Project (the "**South San Fernando Project**"); and (iv) the West Olive Project (the "**West Olive Project**"). As described below, the Golden State Project, the City Centre Project and the South San Fernando Project were fiscally merged in October 2004 to form the Merged Project and Amended Redevelopment Project (the "**Merged Project**"). After the merger, each of the Golden State Project, the City Centre Project and the South San Fernando Project retained separate redevelopment plans. The Golden State Project, the City Centre Project, the South San Fernando Project and the West Olive Project are referred to in this Official Statement individually as a "**Component Area**" and collectively as the "**Component Areas**."

Redevelopment Plans. Pursuant to the Redevelopment Law, the Former Agency adopted the following four redevelopment plans:

- The Redevelopment Plan for the Golden State Redevelopment Project (the "**Original Golden State Plan**") was adopted by the City Council pursuant to Ordinance No. 2269 on December 22, 1970. The Original Golden State Plan has been amended several times since its adoption, including pursuant to Ordinance No. 3654, adopted by the City Council on October 26, 2004 (the "**Merger Amendment**"), pursuant to which the Golden State Project, the City Centre Project and the South San Fernando Project were fiscally merged. The Original Golden State Plan as amended from time to time, including pursuant to the Merger Amendment, is hereinafter referred to as the "**Golden State Plan**."

- The Redevelopment Plan for the City Centre Redevelopment Project (the "**Original City Centre Plan**") was adopted by the City Council pursuant to Ordinance No. 2315 on October 26, 1971. The Original City Centre Plan has been amended several times since its adoption, including pursuant to the Merger Amendment, pursuant to which the Golden State Project, the City Centre Project and the South San Fernando Project were fiscally merged. The Original City Centre Plan as amended from time to time, including pursuant to the Merger Amendment, is hereinafter referred to as the "**City Centre Plan**."

- The Redevelopment Plan for the South San Fernando Redevelopment Project (the "**Original South San Fernando Plan**") was adopted by the City Council pursuant to Ordinance No. 3468 on June 17, 1997. The Original South San Fernando Plan has been amended several times since its adoption, including pursuant to the Merger Amendment, pursuant to which the Golden State Project, the City Centre Project and the South San Fernando Project were fiscally merged. The Original South San Fernando Plan as amended from time to time, including pursuant to the Merger Amendment, is hereinafter referred to as the "**South San Fernando Plan**."

- The Redevelopment Plan for the West Olive Redevelopment Project (the "**Original West Olive Plan**") was adopted by the City Council pursuant to Ordinance No. 2590 on December 21, 1976. The Original West Olive Plan has been amended several times since its adoption and as so amended is hereinafter referred to as the "**West Olive Plan**."

The Golden State Plan, the City Centre Plan, the South San Fernando Plan and the West Olive Plan are referred to collectively in this Official Statement as the "**Redevelopment Plans**." See "THE BURBANK PROJECTS – The Redevelopment Plans" for additional information regarding the Redevelopment Plans.

Project Areas. The Merged Project and the West Olive Project encompass approximately 1,914 acres with land being used primarily for commercial and industrial purposes. The total assessed value of the Burbank Projects as of fiscal year 2017-18 is approximately $7.1 billion.

The Merged Project and the West Olive Project are collectively referred to as the "**Burbank Projects**" in this Official Statement. See "THE BURBANK PROJECTS" for additional information regarding the Burbank Projects, including land use and property ownership.

Tax Allocation Financing

Prior to the enactment of AB X1 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 and the Los Angeles County Auditor-Controller (the "**County Auditor-Controller**") apportioned tax increment revenue to all redevelopment agencies as described in the Redevelopment Law. Assuming the taxable valuation never dropped 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 "**RPTTF**"). Section 34177.5(a)(1) of the Dissolution Act authorizes the issuance of refunding bonds, to be secured by a pledge of moneys deposited from time to time in the applicable RPTTF to provide savings to the successor agency, provided that (i) the total interest cost to maturity on the refunding bonds or other indebtedness plus the principal amount of the refunding bonds or other indebtedness does not exceed the total remaining interest cost to maturity on the bonds or other indebtedness to be refunded plus the remaining principal of the bonds or other indebtedness to be refunded, and (ii) the principal amount of the refunding bonds or other indebtedness does not exceed the amount required to defease the refunded bonds or other indebtedness, to establish customary debt service reserves, and to pay related costs of issuance. The 2017 Bonds are issued pursuant to this authority.

As described in "THE 2017 BONDS – Authority for Issuance," the Successor Agency, the Oversight Board (as defined herein) and the California Department of Finance (the "**DOF**") have approved issuance of the 2017 Bonds as required by the Dissolution Act.

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

Security for the 2017 Bonds

The 2017 Bonds are limited obligations of the Successor Agency entitled to the benefits of the Indenture and are secured by a pledge of, security interest in and lien on all of the Tax Revenues and moneys in certain funds and accounts established under the Indenture. As described in this Official Statement, Tax Revenues generally consists of tax increment revenues from the Burbank Projects that are deposited from time to time in the RPTTF. See "SECURITY FOR THE 2017 BONDS – Pledge Under the Indenture."

The Dissolution Act requires the County Auditor-Controller to annually determine the amount of property taxes that would have been allocated to the Former Agency from the Burbank Projects had the Former Agency not been dissolved pursuant to the operation of AB X1 26, using current assessed values on the last equalized roll on August 20 of each year, and to deposit that amount in the RPTTF for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act. The Dissolution Act provides that any bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the dissolved Former Agency, with the same lien priority and legal effect as if the bonds or other indebtedness had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's Recognized Obligation Payment Schedules (the "**ROPS**"). See "SECURITY FOR THE 2017 BONDS – Recognized Obligation Payment Schedules."

The Dissolution Act further provides that bonds or other indebtedness authorized thereunder to be issued by the Successor Agency will be secured by a pledge of, and lien on, and will be repaid from moneys deposited from time to time in the RPTTF, and that property tax revenues pledged to any bonds authorized under the Dissolution Act, such as the 2017 Bonds and the 2015 Bonds (as hereinafter defined), are taxes allocated to the Successor Agency pursuant to the provisions of the Redevelopment Law and the State Constitution.

Under the Dissolution Act, property tax revenues are distributed to the Successor Agency on a semi-annual basis (on January 2 and June 1) based on a ROPS submitted by the Successor Agency to an oversight board established for the Successor Agency (the "**Oversight Board**") and to the DOF. Pursuant to SB 107, the functions of the Oversight Board will be assumed by an oversight board established for all successor agencies within the County commencing on July 1, 2018. The County Auditor-Controller distributes funds from the RPTTF for each six-month period in the order specified in the Dissolution Act. See "SECURITY FOR THE 2017 BONDS – Recognized Obligation Payment Schedules."

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

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

(b) Statutory Pass-Through Payments and the Pass-Through Agreements (as such terms are hereinafter defined).

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

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

Limited Obligation

The 2017 Bonds are limited obligations of the Successor Agency and are secured by a pledge of, security interest in and lien on all of the Tax Revenues and moneys in certain funds and accounts established under the Indenture. The 2017 Bonds, interest and premium, if any, are not a debt of the City, the County, the State or any of their political subdivisions except the Successor Agency, and none of the City, the County, the State or any of their political subdivisions except the Successor Agency is liable thereon. The 2017 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The 2017 Bonds and interest thereon, are not payable out of any funds or properties other than those set forth in the Indenture. No member, officer, agent, or employee of the City, the Successor Agency, the Oversight Board, the City Council, the County Board of Supervisors or any person executing the 2017 Bonds is liable personally on the 2017 Bonds by reason of their issuance.

Parity Debt

The payment of debt service on the 2017 Bonds will be payable on a parity with the payment of debt service on the Successor Agency's $41,020,000 original principal amount of Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015 Bonds (the "**2015 Bonds**"). The 2015 Bonds were issued pursuant to the terms of the Original Indenture and are currently outstanding in the aggregate principal amount of $32,175,000.

The Indenture permits the issuance or incurrence of additional loans, advances or other indebtedness to be secured by a pledge and lien on Tax Revenues on a parity with the 2015 Bonds and the 2017 Bonds ("**Parity Debt**") under certain circumstances, but only to refund (i) the 2015 Bonds, (ii) any or all of the Prior Bonds and (iii) any outstanding Parity Debt. The 2015 Bonds, the 2017 Bonds and any Parity Debt issued in the future are collectively hereinafter sometimes referred to as the "**Bonds**." See "THE 2017 BONDS – Parity Debt."

Debt Service Reserve Account

Under the Indenture, the Trustee has established, within the Reserve Account, a debt service reserve subaccount for the 2017 Bonds (the "**2017 Reserve Subaccount**"). BAM has committed to issue concurrently with the issuance of the 2017 Bonds, the 2017 Reserve Policy in the amount of $2,295,489.43. On the date the 2017 Bonds are issued (the "**Closing Date**"), the Successor Agency will cause the Trustee to credit the 2017 Reserve Policy to the 2017 Reserve Subaccount to satisfy the 2017 Reserve Requirement (as defined herein) for the 2017 Bonds as of such date. Draws on the 2017 Reserve Policy are available solely to pay debt service on the 2017 Bonds and, amounts on deposit in the 2017 Reserve Subaccount, if any, secure only the 2017 Bonds. Neither draws on the 2017 Reserve Policy or amounts on deposit in the 2017 Reserve Subaccount, if any, will be available to pay debt service on the 2015 Bonds.

See "SECURITY FOR THE 2017 BONDS – Reserve Account."

In connection with the issuance of the 2015 Bonds, a debt service reserve policy for the 2015 Bonds was issued by BAM (the "**2015 Reserve Policy**"), in the amount equal the Reserve Requirement for the 2015 Bonds. The 2015 Reserve Policy was deposited in a reserve subaccount established and held by the Trustee under the Indenture (herein, the "**2015 Reserve Subaccount**"). Draws on the 2015 Reserve Policy are available solely to pay debt service on the 2015 Bonds and, amounts on deposit in the 2015 Reserve Subaccount, if any, secure only the 2015 Bonds. Neither draws on the 2015 Reserve Policy or amounts on deposit in the 2015 Reserve Subaccount, if any, will be available to pay debt service on the 2017 Bonds.

Professionals Involved in the Offering

Ross Financial, San Francisco, California (the "**Municipal Advisor**"), has served as municipal advisor to the Successor Agency in connection with the issuance of the 2017 Bonds. *Payment of the fees and expenses of the Municipal Advisor is contingent upon the sale and delivery of the 2017 Bonds*.

HdL Coren & Cone, Diamond Bar, California, has acted as fiscal consultant to the Successor Agency (the "**Fiscal Consultant**") and advised the Successor Agency as to the taxable values and Tax Revenues projected to be available to pay debt service on the 2017 Bonds as referenced in this Official Statement. The report prepared by the Fiscal Consultant is referred to as the "Fiscal Consultant's Report." See "APPENDIX G – FISCAL CONSULTANT'S REPORT."

Wells Fargo Bank, N.A., Los Angeles, California, will act as Trustee with respect to the 2017 Bonds.

All proceedings in connection with the issuance of the 2017 Bonds are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel to the Successor Agency. Jones Hall, A Professional Law Corporation, San Francisco, California, is acting as Disclosure Counsel to the Successor Agency. The City Attorney will render certain opinions on behalf of the Successor Agency as general counsel to the Successor Agency. Certain legal matters will be passed on for the Underwriters by Nossaman LLP, Irvine, California. *Payment of the fees and expenses of Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent upon the sale and delivery of the 2017 Bonds*.

Further Information

Brief descriptions of the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2017 Bonds, the Indenture, the Successor Agency, the Former Agency, the County and the City are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references in this Official Statement to the Redevelopment Law, the Dissolution Act, the Refunding Law, the 2017 Bonds, the Indenture, the Constitution and the laws of the State as well as the proceedings of the Former Agency, the Successor Agency, the County and the City are qualified in their entirety by reference to such documents and laws. References in this Official Statement to the 2017 Bonds are qualified in their entirety by the form included in the Indenture and by the provisions of the Indenture. Capitalized terms used and not otherwise defined in this Official Statement have the meanings given to such terms in the Indenture.

During the period of the offering of the 2017 Bonds, copies of the forms of all documents are available from the Secretary, Successor Agency of the Redevelopment Agency of the City of Burbank, 275 East Olive Avenue, P.O. Box 6459, California 91510-6459.

REFUNDING PLAN

Refunding of the Prior Agency Bonds and 2007 Authority Bonds

The Prior Agency Bonds are subject to optional redemption on any date, in whole or in part, at a redemption price equal to the outstanding principal amount thereof, plus accrued to the date fixed for redemption, without premium. The Authority Bonds are subject to redemption on any date on or after December 1, 2017, in whole or part, at a redemption price equal to the outstanding principal amount thereof, plus accrued to the date fixed for redemption, without premium.

Pursuant to an Escrow Agreement (the "**Escrow Agreement**"), by and among the Successor Agency, the Authority and Wells Fargo Bank, N.A., as escrow agent (in such capacity, the "**Escrow Agent**"), the Successor Agency will cause the Trustee to deliver a portion of the proceeds of the 2017 Bonds, along with other available amounts, to the Escrow Agent for deposit in an irrevocable escrow fund (the "**Escrow Fund**") established and held under the Escrow Agreement by the Escrow Agent. Pursuant to the Escrow Agreement, upon receipt by the Escrow Agent of such proceeds on the Closing Date, the Prior Agency Bonds will be deemed to be refunded and defeased in full on such date.

The Escrow Agent will invest a portion of the funds on deposit in the Escrow Fund in government securities and will hold the remainder in cash, uninvested. From the moneys on deposit in the Escrow Fund, the Escrow Agent will pay the principal amount of the 2007 Authority Bonds maturing on December 1, 2017 and the redemption price of the 2007 Authority Bonds maturing thereafter on December 1, 2017.

The outstanding 2007 Authority Bonds consist of the following:

2007 Authority Bonds

Maturity Date (December 1)	Principal Amount	CUSIP No.† (Prefix 12081P)
2017	$2,585,000	EF4
2018	2,725,000	EG2
2019	2,855,000	EH0
2020	2,995,000	EJ6
2021	1,960,000	EK3
2022	2,670,000	EL1
2023	2,790,000	EM9
2024	1,155,000	EN7
2025	860,000	EP2
2026	895,000	EQ0
2027	930,000	ER8
2032	5,300,000	ES6
2033	1,200,000	ET4
2038	6,780,000	EU1
2043	8,535,000	EV9

† *CUSIP Copyright 2017, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the Successor Agency nor the Underwriters take any responsibility for the accuracy of the CUSIP data.*

Pursuant to the Indenture of Trust, dated as of May 1, 2007 (the "**2007 Authority Bonds Indenture**"), by and between the Authority and Wells Fargo Bank, National Association, as trustee, the pledge of Revenues (as defined therein), consisting of payments of debt service on the Prior Agency Bonds, under the 2007 Authority Bonds Indenture will cease and terminate with respect to the 2007 Authority Bonds upon the deposit of the moneys in the Escrow Fund on the Closing Date as described above.

The amounts held by the Escrow Agent in the Escrow Fund are pledged solely to the amounts due and payable by the Authority with respect to the 2007 Authority Bonds. The funds deposited in the Escrow Fund will not be available for the payment of debt service with respect to the 2017 Bonds.

Verification of Mathematical Accuracy

Samuel Klein and Company, Certified Public Accountants, New York, New York (the "**Verification Agent**"), will verify the sufficiency of the deposits in the Escrow Fund for the purpose described above. Assuming the accuracy of the Verification Agent's computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the obligations of the Successor Agency with respect to the Prior Agency Bonds and the Authority with respect to the 2007 Authority Bonds will be discharged.

The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds are summarized below.

Sources:	
Principal Amount	$33,020,000.00
Plus: Net Original Issue Premium	2,240,050.25
Plus: Available Funds	10,449,144.77
Less: Underwriters' Discount	(117,129.81)
Total Sources	**$45,592,065.21**
Uses:	
Deposit to Escrow Fund (1)	$45,292,090.52
Costs of Issuance Fund (2)	299,974.69
Total Uses	**$45,592,065.21**

(1) To be used to refund the outstanding Prior Agency Bonds and thereafter, defease all of the outstanding the 2007 Authority Bonds. See "REFUNDING PLAN – Refunding of the Prior Agency Bonds and 2007 Authority Bonds."
(2) Costs of Issuance include fees and expenses for Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee, Escrow Agent, premium for the 2017 Reserve Policy, Successor Agency administrative staff, City Attorney as general counsel to the Successor Agency, printing expenses, rating fee and other costs related to the issuance of the 2017 Bonds.

Debt Service Schedule

The following table shows the annual debt service schedule for the 2015 Bonds and the 2017 Bonds, assuming no optional redemptions thereof.

Bond Year Ending December 1	2015 Bonds Principal	2015 Bonds Interest	2015 Bonds Total	2017 Bonds Principal	2017 Bonds Interest	2017 Bonds Total	Total Parity Bonds Debt Service
2017	$4,285,000.00	$1,492,443.76	$5,777,443.76	$ --	$ --	$ --	$5,777,443.76
2018	4,465,000.00	1,321,043.76	5,786,043.76	2,060,000.00	1,355,575.00	3,415,575.00	9,201,618.76
2019	4,645,000.00	1,142,443.76	5,787,443.76	2,205,000.00	1,210,100.00	3,415,100.00	9,202,543.76
2020	4,880,000.00	910,193.76	5,790,193.76	2,265,000.00	1,143,950.00	3,408,950.00	9,199,143.76
2021	3,510,000.00	666,193.76	4,176,193.76	1,475,000.00	1,053,350.00	2,528,350.00	6,704,543.76
2022	3,705,000.00	490,693.76	4,195,693.76	2,020,000.00	979,600.00	2,999,600.00	7,195,293.76
2023	3,915,000.00	305,443.76	4,220,443.76	2,130,000.00	878,600.00	3,008,600.00	7,229,043.76
2024	375,000.00	109,693.76	484,693.76	930,000.00	772,100.00	1,702,100.00	2,186,793.76
2025	385,000.00	90,943.76	475,943.76	720,000.00	725,600.00	1,445,600.00	1,921,543.76
2026	405,000.00	71,693.76	476,693.76	755,000.00	689,600.00	1,444,600.00	1,921,293.76
2027	210,000.00	51,443.76	261,443.76	790,000.00	651,850.00	1,441,850.00	1,703,293.76
2028	215,000.00	45,143.76	260,143.76	830,000.00	612,350.00	1,442,350.00	1,702,493.76
2029	220,000.00	38,693.76	258,693.76	870,000.00	570,850.00	1,440,850.00	1,699,543.76
2030	230,000.00	31,818.76	261,818.76	915,000.00	527,350.00	1,442,350.00	1,704,168.76
2031	235,000.00	24,343.76	259,343.76	955,000.00	489,812.50	1,444,812.50	1,704,156.26
2032	240,000.00	16,706.26	256,706.26	985,000.00	457,581.26	1,442,581.26	1,699,287.52
2033	255,000.00	8,606.26	263,606.26	1,010,000.00	428,031.26	1,438,031.26	1,701,637.52
2034	--	--	--	1,045,000.00	397,731.26	1,442,731.26	1,442,731.26
2035	--	--	--	1,075,000.00	366,381.26	1,441,381.26	1,441,381.26
2036	--	--	--	1,110,000.00	332,787.50	1,442,787.50	1,442,787.50
2037	--	--	--	1,145,000.00	298,100.00	1,443,100.00	1,443,100.00
2038	--	--	--	1,185,000.00	260,887.50	1,445,887.50	1,445,887.50
2039	--	--	--	1,225,000.00	220,893.76	1,445,893.76	1,445,893.76
2040	--	--	--	1,265,000.00	179,550.00	1,444,550.00	1,444,550.00
2041	--	--	--	1,310,000.00	136,856.26	1,446,856.26	1,446,856.26
2042	--	--	--	1,350,000.00	92,643.76	1,442,643.76	1,442,643.76
2043	--	--	--	1,395,000.00	47,081.26	1,442,081.26	1,442,081.26
Total	**$32,175,000.00**	**$6,817,543.92**	**$38,992,543.92**	**$33,020,000.00**	**$14,879,212.58**	**$47,899,212.58**	**$86,891,756.50**

THE 2017 BONDS

Authority for Issuance

The issuance of the 2017 Bonds and the execution and delivery of the First Supplemental Indenture were authorized by the Successor Agency pursuant to Resolution No. S-17-5, adopted on June 27, 2017 (the "**Successor Agency Resolution**"), and approved by the Oversight Board for the Successor Agency pursuant to Resolution No. 35 adopted on July 17, 2017 (the "**Oversight Board Resolution**").

Pursuant to the Dissolution Act, written notice of the Oversight Board Resolution was subsequently provided by the Successor Agency to the DOF. On September 21, 2017, 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 2017 Bonds is approved by the DOF. See "APPENDIX I – STATE DEPARTMENT OF FINANCE APPROVAL LETTER."

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

Description of the 2017 Bonds

The 2017 Bonds will be issued and delivered in fully-registered form without coupons in the denomination of $5,000 or any integral multiple thereof for each maturity, initially in the name of Cede & Co., as nominee for The Depository Trust Company ("**DTC**"), New York, New York, as registered owner of all 2017 Bonds. The initially executed and delivered 2017 Bonds will be dated the Closing Date and mature on December 1 in the years and in the amounts shown on the inside cover page of this Official Statement.

Interest on the 2017 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months at the rates shown on the inside cover page of this Official Statement, payable semiannually on June 1 and December 1 in each year, commencing on June 1, 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 2017 Bonds, by wire transfer to an account in the United States which shall be designated in written instructions by such Owner to the Trustee on or before the Record Date preceding the Interest Payment Date.

One fully-registered certificate will be issued for each maturity of each series of the 2017 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 2017 Bonds maturing on or before December 1, 2027, are not subject to optional redemption prior to maturity. The 2017 Bonds maturing on or after December 1, 2028, are subject to redemption, at the option of the Successor Agency on any date on or after December 1, 2027, in whole or in part, by such maturities as are determined by the Successor Agency (and, in lieu of such determination, pro rata among maturities), and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2017 Bonds maturing on December 1, 2043 (the "**2017 Term Bonds**"), are subject to mandatory redemption, in part by lot, from Sinking Account payments set forth in the following schedule on December 1, 2038, and on each December 1 thereafter to and including December 1, 2043 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. If any Sinking Account redemption date is not a Business Day, such payment shall be made on the next succeeding Business Day with the same force and affect as if such payment was made on the Sinking Account redemption date.

Redemption Date (December 1)	***Principal Amount***
2038	$1,185,000
2039	1,225,000
2040	1,265,000
2041	1,310,000
2042	1,350,000
2043†	1,395,000

† Maturity.

Notice of Redemption. The Trustee on behalf of and at the expense of the Successor Agency will mail (by first class mail, postage prepaid) notice of any optional redemption at least 20 (or, if more, such number of days as may be required by the Securities Depositories) but not more than 60 days prior to the redemption date, to (i) the Owners of any 2017 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 2017 Bonds; but such mailing will not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of such 2017 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 2017 Bonds to be redeemed, state the individual number of each 2017 Bond to be redeemed or state that all 2017 Bonds between two stated numbers (both inclusive) or all of the 2017 Bonds Outstanding (or all 2017 Bonds of a maturity) are to be redeemed, and will require that such 2017 Bonds be then surrendered at the Trust Office of the Trustee for redemption at the said redemption price, giving notice also that further interest on such 2017 Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the 2017 Bonds, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 Bonds so called for redemption shall have been duly deposited with the Trustee, such 2017 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 2017 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 2017 Bonds redeemed or purchased pursuant to the Indenture shall be canceled.

Selection of 2017 Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of 2017 Bonds and less than all 2017 Bonds then currently outstanding are called for redemption, the Trustee will select 2017 Bonds for redemption from 2017 Bonds then currently Outstanding and not previously called for redemption, at the written direction of the Successor Agency in such order of maturity as shall be designated by the Successor Agency, and in the absence of such direction, pro rata among maturities and by lot within a maturity. The Trustee will promptly notify the Successor Agency in writing of the 2017 Bonds so selected for redemption.

Parity Debt

In addition to the 2015 Bonds and the 2017 Bonds, the Indenture authorizes the Successor Agency to issue or incur Parity Debt to refund (i) the 2015 Bonds, (ii) any or all of the Prior Bonds and (iii) any outstanding Parity Debt, subject to the satisfaction of certain conditions precedent set forth in the Indenture, including the following:

- The Successor Agency will be in compliance with all covenants set forth in the Indenture;

- The Oversight Board shall have approved the issuance of the Parity Debt;

- The Parity Debt will be on such terms and conditions in a separate or Supplemental Indenture, which will provide for bonds or other obligations substantially in accordance with the Indenture;

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

- A reserve subaccount shall be established for such Parity Debt in a fixed amount, determined on or before the closing date for such Parity Debt, equal to the least of (a) Maximum Annual Debt Service for such Parity Debt for the then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for such Parity Debt for the then current or every subsequent Bond Year, and (c) 10% of the original principal amount of such Parity Debt.

See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

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 X1 26, using current assessed values on the last equalized roll on August 20, and to deposit that amount in the RPTTF for the Successor Agency established and held by the County Auditor-Controller pursuant to the Dissolution Act.

The Dissolution Act provides that any bonds authorized thereunder to be issued by the Successor Agency will be considered indebtedness incurred by the Former Agency, with the same lien priority and legal effect as if the bonds had been issued prior to the effective date of AB X1 26, in full conformity with the applicable provisions of the Redevelopment Law that existed prior to that date, and will be included in the Successor Agency's ROPS. See "SECURITY FOR THE 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 RPTTF, and that property tax revenues pledged to any bonds authorized to be issued by the Successor Agency under the Dissolution Act, including the 2015 Bonds and the 2017 Bonds, are taxes allocated to the Successor Agency pursuant to subdivision (b) of section 33670 of the Redevelopment Law and section 16 of Article XVI of the State Constitution.

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

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

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

That portion of the levied taxes described in paragraph (b) above, less amounts deducted pursuant to section 34183(a) of the Dissolution Act for permitted administrative costs of the County Auditor-Controller, constitute the amounts required under the Dissolution Act to be deposited by the County Auditor-Controller into the RPTTF. In addition, section 34183 of the Dissolution Act effectively eliminates the January 1, 1989 date from paragraph (b) above. Pursuant to SB 107, effective September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the RPTTF. No such overrides are pledged as security for the 2017 Bonds.

Before it was amended by the Dissolution Act, the Redevelopment Law required the Former Agency to set aside not less than 20% of all tax increment generated in the Burbank Projects into a low and moderate-income housing fund to be used for the purpose of increasing, improving and/or preserving the supply of low and moderate-income housing. These tax increment revenues were commonly referred to as "**Housing Set-Aside**."

The Dissolution Act eliminates the characterization of certain tax increment revenues as Housing Set-Aside. As a result, and because the Successor Agency has no obligations that will be payable from Housing Set-Aside after the issuance of the 2017 Bonds, the former Housing Set-Aside is included in "Tax Revenues" and is available to pay debt service on the 2015 Bonds, the 2017 Bonds and any Parity Debt.

SECURITY FOR THE 2017 BONDS

The County Auditor-Controller is required to deposit property tax revenues into the RPTTF pursuant to the requirements of the Health and Safety Code, including *inter alia* Health and Safety Code Sections 34183 and 34170.5(b). The 2017 Bonds are secured by a pledge of, security interest in and lien on all of the Tax Revenues and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement.

Pledge Under the Indenture

Except as described in "– Flow of Funds Under the Indenture" below and as required to compensate or indemnify the Trustee, the 2017 Bonds, the 2015 Bonds and any other 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 therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency are pledged to, or otherwise liable for, the payment of principal of or interest on the Bonds. The 2015 Reserve Subaccount shall also be available to secure the 2015 Bonds but only the 2015 Bonds. Separate reserve subaccounts established Parity Debt shall secure such Parity Debt and only such Parity Debt.

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

Tax Revenues

"**Tax Revenues**" is defined in the Indenture to mean the moneys deposited from time to time in the RPTTF established pursuant to subdivision (c) of section 34172 of the Dissolution Act, as provided in paragraph (2) of subdivision (a) of section 34183 of the Dissolution Act, after payment of (a) County administrative fees pursuant to Section 34183(a) of the Dissolution Act, and (b) all amounts due under the Statutory Pass-Through Payments and the Pass-Through Agreements.

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

See “PROPERTY TAXATION IN CALIFORNIA – Property Tax Administrative Costs” for a discussion regarding administrative fees payable to the County pursuant to Section 34183(a) of the Dissolution Act.

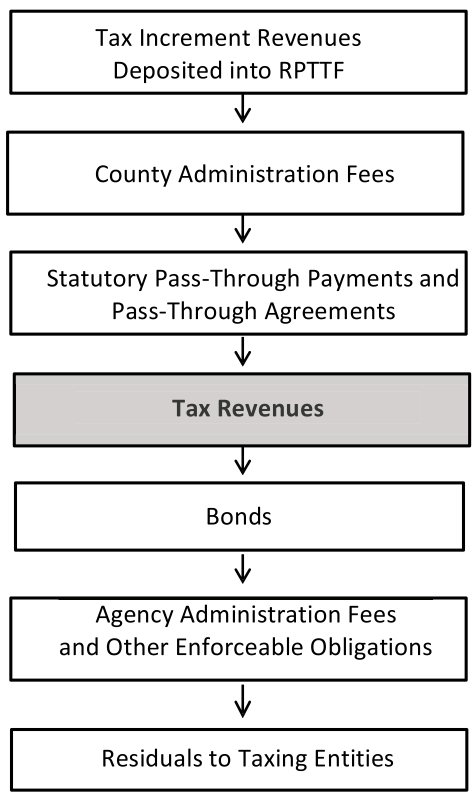
The Indenture defines “**Statutory Pass-Through Payments**” as amounts paid to affected taxing agencies pursuant to sections 33607.5 and/or 33607.7 of the Law and section 34183 of the Dissolution Act. See “– Statutory Pass-Through Payments” for a discussion regarding the Successor Agency’s obligations to make Statutory Pass-Through Payments with respect to the Burbank Projects.

See “– Negotiated Pass-Through Agreements” for a description of the Pass-Through Agreements entered into by the Former Agency and the Successor Agency’s obligations to make pass-through payments thereunder.

Flow of Funds Under the Indenture

General. The following diagram illustrates the application of tax increment revenues from the Burbank Projects (including the payment of the Bonds).

Flow of Funds



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

The Indenture provides that the Successor Agency will deposit all of the Tax Revenues received in any Bond Year into the Redevelopment Obligation Retirement Fund promptly upon receipt thereof by the Successor Agency, and promptly thereafter will transfer amounts received therein to the Debt Service Fund established and held by the Trustee under the Indenture. The Indenture provides that the Successor Agency shall so transfer such amounts until such time during such Bond Year as the amounts so transferred to the Debt Service Fund equal the aggregate amounts required to be deposited by the Trustee into the Interest Account, the Principal Account and the Redemption Account of the Debt Service Fund in such Bond Year pursuant to the Indenture and for deposit in such Bond Year in the funds and accounts established with respect to Parity Debt, as provided in any Supplemental Indenture.

Deposit of Amounts by Trustee. A special trust fund known as the "Debt Service Fund" has been established under the Indenture and the accounts therein described below. Moneys in the Debt Service Fund will be transferred by the Trustee in the following amounts, at the following times, and deposited by the Trustee in the following respective accounts, which are established in the Debt Service Fund, in the following order of priority:

> *Interest Account*. On or before the fifth Business Day preceding each Interest Payment Date, to the extent there are moneys available, the Trustee will transfer funds from the Debt Service Fund for deposit in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds and any Parity Debt on such Interest Payment Date. No such transfer and deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on the next succeeding Interest Payment Date upon all of the Outstanding Bonds and any Parity Debt. 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 any Parity Debt as it becomes due and payable (including accrued interest on any Bonds and Parity Debt redeemed prior to maturity).
>
> *Principal Account*. On or before the fifth Business Day preceding each Interest Payment Date, to the extent there are moneys available, the Trustee will transfer funds from the Debt Service Fund for deposit in the Principal Account an amount equal to one-half of the principal payments becoming due and payable on the Outstanding Bonds and any Parity Debt on the next December 1, to the extent monies on deposit in the Debt Service Fund are available therefor. No such transfer and deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on the next December 1 on all Outstanding Bonds and Parity Debt. Subject to the Indenture, all moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal payments of the Bonds and any Parity Debt as it becomes due and payable.
>
> *Sinking Account*. On or before the fifth Business Day preceding each Interest Payment Date, to the extent there are moneys available, the Trustee will transfer funds from the Debt Service Fund for deposit in the Sinking Account an amount equal to one-half of the sinking account payments becoming due and payable on Outstanding Bonds and Parity Debt on the next December 1. No such transfer and deposit need be made to the Sinking Account if the amount contained therein is at least equal to the sinking

account payments to become due on the next December 1 on all Outstanding Bonds and Parity Debt. All moneys in the Sinking Account will be used and withdrawn by the Trustee solely for the purpose of paying the aggregate principal amount of the Term Bonds and term bonds relating to Parity Debt required to be redeemed on such December 1 pursuant to the Indenture.

Reserve Account. Within the Debt Service Fund a separate account known as the "Reserve Account" and within the Reserve Account, the 2015 Reserve Subaccount and the 2017 Reserve Subaccount. On the Closing Date, the Successor Agency will cause the 2017 Reserve Policy to be deposited by the Trustee into the 2017 Reserve Subaccount to satisfy the "**2017 Reserve Requirement**" as of such date. Amounts on deposit in the 2017 Reserve Subaccount secure solely the 2017 Bonds. See "2017 Reserve Subaccount" below.

Draws on the 2015 Reserve Policy are available solely to pay debt service on the 2015 Bonds and, amounts on deposit in the 2015 Reserve Subaccount, if any, secure only the 2015 Bonds. Neither draws on the 2015 Reserve Policy or amounts on deposit in the 2015 Reserve Subaccount, if any, will be available to pay debt service on the 2017 Bonds.

Draws on the 2017 Reserve Policy are available solely to pay debt service on the 2017 Bonds and, amounts on deposit in the 2017 Reserve Subaccount, if any, secure only the 2017 Bonds. Neither draws on the 2017 Reserve Policy or amounts on deposit in the 2015 Reserve Subaccount, if any, will be available to pay debt service on the 2015 Bonds

See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" for additional information regarding the 2015 Reserve Subaccount.

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

2017 Reserve Subaccount

Definition of 2017 Reserve Requirement. The Indenture defines "**2017 Reserve Requirement**" to mean a fixed amount, determined on or before the Closing Date, equal to the least of (i) 10% of the original principal amount of the 2017 Bonds; (ii) 125% of the average Annual Debt Service for the 2017 Bonds for the then current year or every subsequent Bond Year, and (iii) Maximum Annual Debt Service for the 2017 Bonds for the then current year or every subsequent Bond Year.

Use of Moneys in the 2017 Reserve Subaccount; Reserve Policy. If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the 2017 Bonds then coming due and payable, the Trustee shall apply the moneys available in the 2017 Reserve Subaccount to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the 2017 Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account.

To the extent there is cash or investments on deposit in the 2017 Reserve Subaccount, such cash or investments shall be applied first before there is any draw on the 2017 Reserve Policy or any other credit facility credited to the 2017 Reserve Subaccount in lieu of cash (a "**2017 Credit Facility**"). Payment of any 2017 Reserve Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all 2017 Credit Facilities (including the 2017 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 2017 Reserve Subaccount. Payment of 2017 Reserve Policy Costs and reimbursement of amounts with respect to other 2017 Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the 2017 Reserve Subaccount. The Indenture, for the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the 2017 Reserve Subaccount or there has been a draw on the 2017 Reserve Policy, such amount shall be deposited in the 2017 Reserve Subaccount to the extent of such advance and first applied to reimburse a draw on the 2017 Reserve Policy and then to replenish any cash drawn therefrom.

The 2017 Reserve Subaccount may be maintained at the specific direction of the Successor Agency in the form of one or more separate sub-accounts which are established for the purpose of holding the proceeds of separate issues of the 2017 Bonds and Parity Debt in conformity with applicable provisions of the Tax Code.

The Successor Agency has no obligation to replace the 2017 Reserve Policy or to fund the 2017 Reserve Subaccount with cash if, at any time the 2017 Bonds are outstanding, (i) amounts are unavailable under the 2017 Reserve Policy, or (ii) the rating assigned to BAM by any rating agency is downgraded, suspended or withdrawn at any time. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Limited Obligation

The 2017 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 2017 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. No member of the Successor Agency, the City Council, the Oversight Board, the City Council or the County Board of Supervisors shall be individually or personally liable for the payment of the principal of or interest on the 2017 Bonds; but nothing contained in the Indenture relieves any such member, officer, agent or employee from the performance of any official duty provided by law.

Recognized Obligation Payment Schedules

Submission of ROPS. The Dissolution Act requires successor agencies to prepare, and submit to the successor agency's oversight board and the DOF for approval, a ROPS 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 ROPS process pursuant to which successor agencies are required to file ROPS 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, 2017, the Successor Agency was required to file a ROPS for the period commencing July 1, 2017 through June 30, 2018.

In addition, commencing on September 22, 2015, 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 (a "**Last and Final ROPS**"). If approved by the DOF, a Last and Final ROPS will be binding on all parties, and the Successor Agency would no longer submit a ROPS to the DOF or the Oversight Board. The County Auditor-Controller would remit the authorized funds to the Successor Agency in accordance with the approved Last and Final ROPS until each remaining enforceable obligation is fully paid. A Last and Final ROPS may only be amended twice, and only with approval of the DOF and the County Auditor-Controller. The Successor Agency currently has no plans to file a Last and Final ROPS.

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

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

Order of Priority of Distributions from RPTTF. Typically, under the RPTTF distribution provisions of the Dissolution Act, a county auditor-controller is to distribute funds for each six-month period in the following order specified in section 34183 of the Dissolution Act:

(i) first, subject to certain adjustments (as described below) for subordinations of statutory pass-through obligations to the extent permitted under the Dissolution Act and no later than each January 2 and June 1, to each local taxing agency and school entity, to the extent applicable, 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 (see "– Pass-Through Agreements" and "– Statutory Pass-Through Payments" below);

(ii) second, on each January 2 and June 1, to the successor agency for payments listed in its ROPS, with debt service payments (and amounts required to replenish the related reserve funds, if any) scheduled to be made for tax allocation bonds having the highest priority over payments scheduled for other debts and obligations listed on the ROPS;

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

The Dissolution Act requires the County Auditor-Controller to distribute from the RPTTF amounts required to be distributed for statutory pass-through obligations to the taxing entities on each January 2 and June 1 before amounts are distributed by the County Auditor-Controller from the RPTTF to the Successor Agency's Redevelopment Obligation Retirement Fund, unless: (i) pass-through payment obligations have been made subordinate to debt service payments for the bonded indebtedness of the Former Agency, as succeeded to by the Successor Agency; (ii) the Successor Agency has reported, no later than the December 1 and May 1 preceding the applicable January 2 or June 1 distribution date, that the total amount available to the Successor Agency from the RPTTF allocation to the Successor Agency's Redevelopment Obligation Retirement Fund, from other funds transferred from the Former Agency and from funds that have or will become available through asset sales and all redevelopment operations, is insufficient to fund the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance for the applicable ROPS period; and (iii) the State Controller has concurred with the Successor Agency that there are insufficient funds for such purposes.

If the requirements set forth in clauses (i) through (iii) of the foregoing paragraph have been met, the Dissolution Act provides for certain modifications in the distributions otherwise calculated to be distributed on the applicable January 2 or June 1 property tax distribution date (as adjusted for weekends and holidays). To provide for calculated shortages to be paid to the Successor Agency for enforceable obligations, the amount of the deficiency will first be deducted from the residual amount otherwise calculated to be distributed to the taxing entities under the Dissolution Act after payment of the Successor Agency's enforceable obligations, pass-through payments and the Successor Agency's administrative cost allowance. If such residual amount is exhausted, the amount of the remaining deficiency will be deducted from amounts available for distribution to the Successor Agency for administrative costs for the applicable ROPS period in order to fund the enforceable obligations. Finally, funds required for servicing bond debt may be deducted from the amounts to be distributed under subordinated negotiated pass-through agreements, if any, in order to be paid to the Successor Agency for enforceable obligations, but only after the amounts described in the previous two sentences have been exhausted.

The Dissolution Act provides for a procedure by which the Successor Agency may make statutory pass-through payments subordinate to bonds, including the 2017 Bonds. The Successor Agency has not undertaken the requisite procedures to obtain such subordination with respect to the 2017 Bonds and the 2015 Bonds and, therefore, statutory pass-through payments with respect to the Burbank Projects are payable on a senior basis to the payment of debt service on the 2017 Bonds and the 2015 Bonds, as described below. In addition, the Former Agency did enter into certain pass-through agreements with respect to the Burbank Projects and which are payable on a basis senior to debt service on the 2017 Bonds and the 2015 Bonds, as described below. See "SECURITY FOR THE 2017 BONDS – Pass-Through Agreements" and "– Statutory Pass-Through Payments."

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

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

Covenant by the Successor Agency relating to ROPS Submission*.* Pursuant to the Indenture, the Successor Agency covenants to comply with all of the requirements of the Dissolution Act applicable to it and to the Bonds. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to take all actions required under the Dissolution Act to prepare and file ROPS so as to enable the County Auditor-Controller to distribute from the RPTTF for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to timely pay the principal of, and interest on, all Outstanding Bonds coming due in each Fiscal Year, including any amounts required to replenish a reserve account established for any Parity Debt.

Pursuant to the Indenture, without limiting the generality of the foregoing, the Successor Agency covenants to take all actions required under the Dissolution Act to file a ROPS by February 1 in each year, commencing February 1, 2018, in accordance with section 34177 of the Law. For the semiannual period ending each June 30, the ROPS which includes such period shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

(i) for distribution on each June 1:

(A) all interest coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next succeeding December 1, and

(B) fifty percent (50%) of the principal amount coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next December 1; and

(ii) for distribution on each January 2:

(A) all interest coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next succeeding June 1, and

(B) fifty percent (50%) of the principal amount coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next December 1;

The foregoing actions shall include, without limitation, placing each February 1 on the annual ROPS for approval by the Oversight Board and the DOF, to the extent required, the amounts to be held by the Successor Agency as a reserve for the timely payment of principal of and interest on the Bonds and all Outstanding Parity Debt coming due in the succeeding Fiscal Year.

History of Submission of the ROPS. The Successor Agency has procedures in place to ensure full and timely compliance with the above-described covenant. Under the direction of the Financial Services Director of the City, the Successor Agency has submitted its ROPS on a timely basis.

Failure to Submit a ROPS. In addition, there are strong incentives for the Successor Agency to submit its ROPS on time. If the Successor Agency does not submit a ROPS to the Oversight Board, the County Auditor-Controller and the DOF on or before each February 1 commencing February 1, 2016 (unless the Successor Agency submits and obtains approval from the DOF of a Last and Final ROPS), then the Successor Agency will be subject to a $10,000 per day civil penalty for every day the schedule is not submitted to the DOF. See "SECURITY FOR THE 2017 BONDS – ROPS" for discussion regarding submission of a Last and Final ROPS. Additionally, if the Successor Agency does not submit a ROPS to the Oversight Board and the DOF within 10 days of the deadline, then the Successor Agency's maximum administrative cost allowance may be reduced by up to 25%. If the Successor Agency fails to submit a ROPS by the February 1 deadline, any creditor of the successor agency or the department or any affected taxing entity shall have standing to, and may request a writ of mandate to, require the Agency to immediately perform this duty. For additional information regarding procedures under the Dissolution Act relating to late ROPS and implications for the 2017 Bonds, see "RISK FACTORS – Recognized Obligation Payment Schedules."

Pass-Through Agreements

Prior to the effectiveness of Assembly Bill 1290 ("**AB 1290**") in 1994, under the Redevelopment Law, a redevelopment agency could enter into an agreement to pay tax increment revenues to any affected taxing agency that has territory located within a redevelopment project in an amount which in the redevelopment agency's determination is appropriate to alleviate any financial burden or detriment caused by the redevelopment project. Such agreements typically provided for payment or pass-through of tax increment revenue directed to the affected taxing agency, and, therefore, are commonly referred to as pass-through agreements or tax sharing agreements.

The Former Agency entered into the following two pass-through agreements, both relating to the West Olive Project (collectively, the "**Pass-Through Agreements**"):

- Agreement dated as of October 10, 2977, by and between the Los Angeles Community College District (the "**LACCD**") and the Former Agency;

- Agreement dated as of October 25, 1977, by and among the County, the City and the Former Agency.

Pursuant to the terms of the Pass-Through Agreements, the Former Agency agreed to make pass-through payments to LACCD and the County from tax increment revenues generated within the West Olive Project that is outside a specified area identified in such agreements as the "Triangle," constituting 58 parcels bordered by West Olive Avenue, West Alameda Avenue and State Route 134. Under the terms of the Pass-Through Agreements, the obligation to make such pass-through payments, and the Successor Agency's right to receive tax increment revenues from the West Olive Project outside the Triangle, terminates 37 years after the first date the Former Agency was first entitled to receive tax increment revenues from the West Olive Project, or fiscal year 2014-15 (such time limit, the "**Pass-Through Agreements Time Limit**"). The County has informed the Successor Agency that, due to the passage of SB 107, the County believes that the Pass-Through Agreements Time Limit is of no further force and effect for the purpose of paying enforceable obligations such as the 2017 Bonds and that it intends to continue to allocate tax increment revenue to the Successor Agency from the West Olive Project notwithstanding such the Pass-Through Agreements Time Limit. The Successor Agency did not seek or obtain the confirmation or agreement of LACCD that the Pass-Through Agreements Time Limit in its Pass-Through Agreement is of no further force and effect and therefore, it is possible that LACCD may seek to enforce the Pass-Through Agreements Time Limit under its Pass-Through Agreement in the future. In the event LACCD were to successfully enforce the Pass-Through Agreements Time Limit, tax increment revenues from the West Olive Project outside the Triangle would not be available for the payment of debt service on the Bonds.

The Successor Agency's obligations under the Pass-Through Agreements are payable on a senior basis to the 2017 Bonds and 2015 Bonds.

See "APPENDIX G – FISCAL CONSULTANT'S REPORT" for further information regarding the Pass-Through Agreements.

Statutory Pass-Through Payments

General. In certain circumstances, Sections 33607.5 and 33607.7 of the Redevelopment Law require redevelopment agencies and successor agencies to make statutory pass-through payments to taxing agencies whose territory is located within a redevelopment project area, to alleviate the financial burden or detriment caused by the redevelopment project.

Generally speaking, the County Auditor-Controller is required to deduct from the Successor Agency's RPTTF to pay to the affected taxing agencies percentages of tax increment generated in a project area as follows:

Tier 1: throughout the period that the Successor Agency is eligible to receive property tax revenues from a project area, 25% of revenues in excess of revenues generated in such project area from the date the redevelopment plan for such project area was adopted, for post-1994 plans, and from the year in which one of several specified plan limitations would have been reached, in the absence of an amendment to a redevelopment plan extending or eliminating such limitation, for pre-1994 plans with such amendments, all computed as though housing set-aside is still in effect; plus, Tier 2: for the 11th year of the receipt of tax increment and thereafter, 21% of revenues in excess of revenues based on assessed values in the project area for the 10th year of statutory pass-through payments; plus,

Tier 3: for the 31st year of the receipt of tax increment and thereafter, 14% of revenues in excess of revenues based on assessed values in the project area for the 30th year of statutory pass-through payments.

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

The Golden State Plan and the City Centre Plan were both adopted prior to January 1, 1994, and no amendments thereto have been subsequently adopted resulting in the triggering of Statutory Pass-Through Payments. Therefore, the Successor Agency has no obligation to make Statutory Pass-Through Payments with respect to such Component Areas.

With respect to the South San Fernando Plan, the City adopted the South San Fernando Plan on June 17, 1997, after the enactment of AB 1290. Accordingly, the Successor Agency is required to make Statutory Pass-Through Payments to taxing entities within the South San Fernando Project.

With respect to the West Olive Project, the City Council adopted the West Olive Plan prior to the enactment of AB 1290. However, on June 26, 2001, the City Council adopted an ordinance that, among other things, clarified how the cumulative tax increment limit within the West Olive Project would be determined. The Former Agency determined that this action triggered the obligation to make Statutory Pass-Through Payments from the West Olive Project pursuant to Section 33607.7 of the Redevelopment Law. As a result, the Successor Agency is required to make Statutory Pass-Through Payments with respect to the West Olive Project pursuant to AB 1290. See "APPENDIX G – FISCAL CONSULTANT'S REPORT" for further information regarding the Successor Agency's obligation to make Statutory Pass-Through Payments with respect to the West Olive Area.

No Subordination of Statutory Pass-Through Payments. Statutory Pass-Through Payments are payable on a senior basis to debt service on bonds under the Dissolution Act, unless such payments have been subordinated. The Redevelopment Law, as amended by the Dissolution Act, allows Statutory Pass-Through Payments to be subordinated to debt service on the Successor Agency's bonds. **However, the Successor Agency did not seek or obtain the consent from any taxing entities to subordinate their right to receive Statutory Pass-**

Through Payments to the payment of debt service on the 2017 Bonds or the 2015 Bonds. Accordingly, Statutory Pass-Through Payments from the Burbank Projects are payable on a senior basis to debt service on the 2017 Bonds and the 2015 Bonds. See "APPENDIX G – FISCAL CONSULTANT'S REPORT" for information about the Former Agency's Statutory Pass-Through Payments and the County's payment practices with regard thereto.

Section 33676 Payments

General. Redevelopment plans adopted between January 1, 1985, and January 1, 1994 were subject to payments to schools and to other affected taxing agencies that elected to receive tax revenue payments set forth under Section 33676 of the Redevelopment Law

Effect of Section 33676. Any payments under Section 33676 reduce the amount of tax increment allocated to the Successor Agency and, therefore, the amount of Tax Revenues.

Relevance to the Project Area*.* None of the redevelopment plans for the Component Areas were adopted during the relevant time frame; therefore the Successor Agency is not obligated to make the payments required by Section 33676 of the Redevelopment Law.

PROPERTY TAXATION IN CALIFORNIA

Property Tax Collection Procedures

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

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

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

Penalty. A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is declared in default by operation of law and declaration of the tax collector on or about June 30 of each fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is 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 or decreased revenue to the RPTTF to the extent that supplemental assessments of new construction or changes of ownership occur within the boundaries of redevelopment projects subsequent to the January 1 lien date. To the extent such supplemental assessments occur within the Burbank Projects, tax increment may increase. The Fiscal Consultant has not included supplemental assessments in the projections of Tax Revenues. See “APPENDIX G – FISCAL CONSULTANT’S REPORT” for additional information regarding supplemental assessments.

Property Tax Administrative Costs. In 1990, the State Legislature enacted SB 2557 (Chapter 466, Statutes of 1990) which allows counties to recover charges 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, in an amount equal to the fiscal year 1989-90 property tax administration costs, as adjusted annually.

SB 1559 (Chapter 697, Statutes of 1992) explicitly includes redevelopment agencies among the jurisdictions which are subject to such charges. The SB 2557 charges for fiscal year 2016-17 were 1.31% of the gross tax increment revenues from the Burbank Projects. **The County’s administrative charges are payable on a senior basis to debt service on the 2017 Bonds**.

For purposes of the projections of Tax Revenues in the Fiscal Consultant’s Report and this Official Statement, the Fiscal Consultant has assumed that the County’s administrative charges for fiscal year 2017-18 and each fiscal year thereafter will be 1.31% of gross tax increment from the Burbank Projects based on the County’s actual collection charges for fiscal year 2016-17. See “APPENDIX G – FISCAL CONSULTANT’S REPORT” and “THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage.”

Taxation of Commercial and Private Aircraft

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

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

Private Aircraft. The County Assessor is required to assess the value of all private aircraft that is legally situated within the County as of 12:01 a.m. on January 1 of each year (referred to as the "lien date"). Generally, ownership of private aircraft on the lien date determines the taxability and assessee of the aircraft; however, the location where private aircraft are legally situated is determined based on where the aircraft is habitually situated for the given fiscal year. Therefore, where an aircraft does not remain in one location, it is assessable in the place where it spends the greatest amount of ground time in the given fiscal year. The presence of private aircraft at a particular airport changes from year to year based on the aircraft owners' tax and business circumstances, creating volatility in the assessed value of private aircraft within a particular county.

See "THE BURBANK PROJECTS – Historical Assessed and Incremental Values" for a discussion regarding assessed values within the Burbank Projects attributable to aircraft.

No Teeter Plan

The County has not adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds with respect to property taxes (the "**Teeter Plan**"). Consequently, the amount of the levy of property tax revenue that can be allocated to the Successor Agency depends upon the actual collections of taxes within the Burbank Projects. Substantial delinquencies in the payment of property taxes could impair the timely receipt by the Successor Agency of Tax Revenues. See "THE BURBANK PROJECTS – Levy and Collections."

Unitary Property

Legislation enacted in 1986 and 1987 provided for a modification of the distribution of tax revenues derived from utility property assessed by the SBE, other than railroads. Prior to fiscal year 1988-89, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area.

Assembly Bill ("**AB**") 2890 (Statutes of 1986, Chapter 1457) provides that, commencing with fiscal year 1988-89, assessed value derived from State-assessed unitary property (consisting mostly of operational property owned by utility companies) is to be allocated 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. Additionally, the lien date on State-assessed property is changed from March 1 to January 1.

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

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of a project area; therefore, the base year value of the Burbank Projects has been reduced by the amount of utility value that existed originally in the base year. See "THE BURBANK PROJECTS – Unitary Property" for information regarding unitary revenue allocated to the Successor Agency with respect to the Burbank Projects.

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 State 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 State Legislature's action, the growth of property tax revenues may decline.

Legislation enacted by the State 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 SBE 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. During the ten previous fiscal years, the inflation factor has been less than 2% on four occasions. The table below reflects the inflation adjustment factors for the current fiscal year and the 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 area for the purpose of paying debt service on certain bonded indebtedness issued by a taxing entity (other than 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. Effective September 22, 2015, the Dissolution Act provides that such debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project that are not pledged to or not needed for debt service on successor agency obligations will be allocated and paid to the entity that levies the override.

Appeals of Assessed Values

Pursuant to State 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 SBE, with the appropriate county board of equalization or assessment appeals board.

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

See "THE BURBANK PROJECTS – Assessment Appeals; Proposition 8 Reductions" for information regarding historical and pending appeals of assessed valuations by property owners in the Burbank Projects.

Proposition 8

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

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

After a roll reduction is granted under this code section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and may be increased to the market value of the property without regard to the otherwise applicable maximum annual inflationary growth rate allowed on other properties under Article XIIIA of the State Constitution. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "THE BURBANK PROJECTS – Assessment Appeals; Proposition 8 Reductions."

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 State Constitution by adding an expansive definition for the term "tax," which previously was not defined under the State Constitution. Tax Revenues securing the 2017 Bonds and the 2015 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 the State'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

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

Successor Agency Powers

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

Status of Compliance with Dissolution Act

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

The Successor Agency completed the due diligence process and received its Finding of Completion on May 16, 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. Successor agencies are not required to immediately dispose of their properties but are limited in terms of what they can do with the retained properties. Permissible uses include: sale of the property, use of the property to satisfy an enforceable obligation, retention of the property for future redevelopment, and retention of the property for governmental use. These plans must be filed by successor agencies within six months of receiving a finding of completion, and the DOF will review these plans as submitted on a rolling basis.

The DOF approved the Successor Agency's Long Range Property Management Plan on July 25, 2014.

THE BURBANK PROJECTS

As previously described in this Official Statement, the 2017 Bonds are secured by a pledge of, security interest in and lien on all of the Tax Revenues and moneys in certain funds and accounts established under the Indenture, as further described in this Official Statement. Tax Revenues generally consist of tax increment revenues from the Burbank Projects that are deposited from time to time in the RPTTF. However, because of the unique characteristics of the Component Areas, information regarding the Component Areas is included in this Official Statement in addition to information regarding the Burbank Projects in aggregate.

Project Description

General. The Burbank Projects encompass approximately 1,914 acres. Land within the Burbank Projects is used primarily for commercial and industrial purposes. See "– Land Use" below.

The Burbank Projects consist of the Merged Project and the West Olive Project. The Merged Project was formed upon the merger of the Golden State Project, the City Centre Project and the South San Fernando Project in 2004. After the Merged Project was formed in 2004, the Golden State Project, the City Centre Project and the South San Fernando Project retained unique land use and development characteristics, as described below.

Golden State Project. The Golden State Project was formed in 1970 and consists of a contiguous area including approximately 1,107 acres. The Golden State Project includes the Bob Hope Airport and the surrounding areas adjacent to the Interstate 5 Freeway, also known as the Golden State Freeway. The Golden State Project is generally bounded by the Burbank city limits on the west and north, the Metrolink railroad right-of-way on the south and the Interstate 5 Freeway on the east. The Golden State Project is composed of a total of 495 parcels.

City Centre Project. The City Centre Project was formed in 1971 and consists of a contiguous area that includes 212 acres. City Hall and other buildings of the City and County are located within the Civic Center. The City Centre Project is generally bounded by Interstate 5 on the south, Glenoaks Boulevard on the north; Verdugo Avenue on the east and Burbank Boulevard on the west. The City Centre Project is mostly commercial in nature and includes the historic downtown area of the City.

South San Fernando Project. The South San Fernando Project was formed in 1997 and consists of a contiguous area that includes 467 acres. The South San Fernando Project consists primarily of commercial and industrial parcels with limited residential use. The South San Fernando Project has an irregular boundary. The South San Fernando Project abuts the eastern City limits and follows the Interstate 5 corridor from Burbank Boulevard to the southeast. To the west, the South San Fernando Project also includes a commercial corridor along Victory Boulevard up to Burbank Boulevard where it abuts the Golden State Project. The South San Fernando Boulevard Corridor, within the South San Fernando Project, links the City Centre Project and the City's downtown at Verdugo, down to the City limits.

West Olive Project. The West Olive Project was formed in 1976 and consists of a contiguous area located on both sides of State Route 134 at West Olive Avenue. The West Olive Project consists of approximately 128 acres and is predominantly commercial in nature.

Project Area Map

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

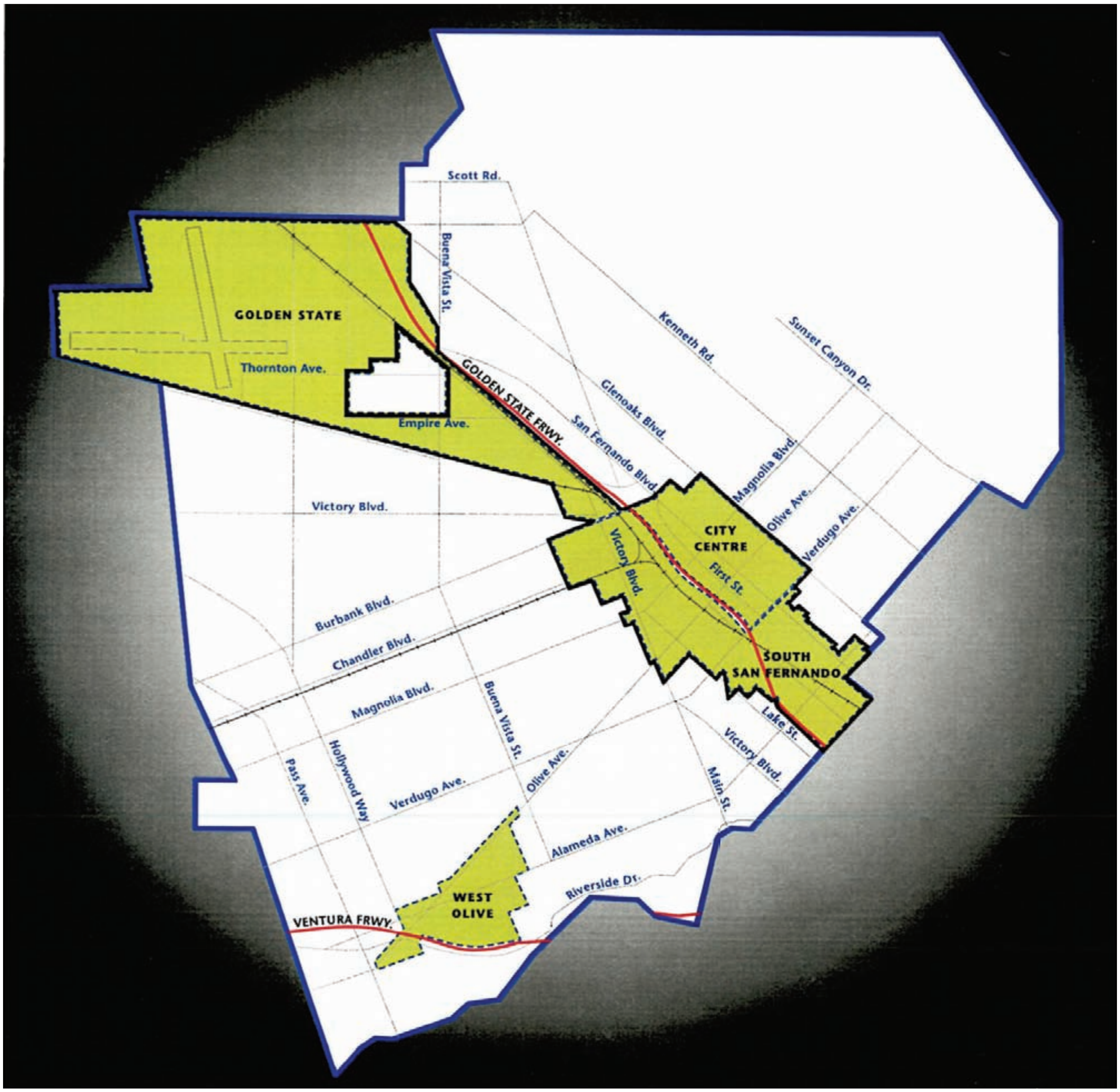


TABLE 1
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Summary of Acreage and FY 2017-18 Tax Increment
Revenues By Component Areas
(000s Omitted)

Component Area	Acreage	Plan Adoption Date	Base Year Assessed Valuation	FY 2017-18 Assessed Valuation	Base Year as % of FY 2017-18 AV	FY 2017-18 Tax Increment Revenues (1)	% of FY 2017-18 Total Tax Increment Revenues
Golden State Project	1,107	12/22/1970	$315,062	$3,236,229	9.74%	$29,012	53.7%
City Centre Project	212	10/26/1971	38,212	1,222,392	3.13	11,870	22.0
South San Fernando Project	467	6/17/1997	347,272	1,126,237	30.83	5,286	9.8
West Olive Project	128	12/21/1976	49,443	1,475,259	3.35	7,849	14.5
Total	**1,914**		**$749,989**	**$7,060,117**	10.62%	**$54,017**	100.0%

(1) Estimated.
Source: County Assessor; HdL Coren and Cone.

Major Developments; Recent Development Activity

The Burbank Projects include certain major developments, including the Bob Hope Airport and the Empire Center, as well as, recent development activity. Following is a description of the Bob Hope Airport, the Empire Center and certain new developments in the Burbank Projects.

Bob Hope Airport. The Bob Hope Airport is located on approximately 550 acres in the Golden State Project. The Airport has operated in the City since 1930. Seven commercial airlines operate from the Airport's two commercial terminals, which encompass approximately 220,000 square feet. In addition, two master tenants provide fixed-based operator services to the general aviation (private aircraft) market, including private hangars and two executive terminals. At the November 8, 2016 general election, voters within the City approved Measure B ("**Measure B**"), a ballot measure approving an agreement between the City and the Burbank-Glendale-Pasadena Airport Authority (the "**Airport Authority**") pursuant to which the Airport Authority has the right to build a 14-gate, 355,000-square-foot replacement passenger terminal. The replacement terminal is anticipated to be constructed at either a 49-acre parcel of land northeast of the Bob Hope Airport's existing property, off Hollywood Way and Winona Avenue (the "**Adjacent Property**") or in the southwest quadrant of the Bob Hope Airport's existing property (the "**Southwest Quadrant**"). The Adjacent Property is the Airport Authority's preferred location for the replacement terminal. If the replacement terminal is built on the Southwest Quadrant, general aviation facilities in that area would have to be relocated or demolished which is anticipated to disrupt current airport operations and result in a decrease in aircraft enplanement rates and possibly the legal situs of aircraft for property tax purposes. See "RISK FACTORS – Unsecured Value – Private Aircraft Value" and "– Operation of Bob Hope Airport" for a discussion of risks associated with the location the new terminal at Bob Hope Airport and possible reduction on unsecured assessed values of private aircraft at Bob Hope Airport as a result.

Over the next three years, from 2017 through 2019, the Airport Authority will conduct soil testing, update the Airport Layout Plan, submit it for Federal Aviation Administration approval and complete a Federal National Environmental Protection Act study. The terminal design and construction phase, which is anticipated to take place between 2018 and 2022, will include Airport Authority approval of the final design after a public hearing, submission of plans to the City for a building permit, and construction of the replacement terminal. The existing terminal is expected to be demolished in 2023, after the opening of the replacement terminal. The Authority will then extend the taxiways. It is anticipated that the replacement terminal once completed will provide a number of safety and economic benefits to the City and its residents. Anticipated economic benefits to the City include attracting more companies and jobs to the City's Media Center District where a number of film and television studios are located.

Empire Center/I-5 Improvement Project. Following the departure of Lockheed Martin in the late 1980s through early 1990s, the City initiated several economic development efforts to entice new companies to locate in the Golden State Project. Shortly after Lockheed's departure, Zelman, a real estate development company, purchased the bulk of the former Lockheed property. That acquisition led to the development of a regional shopping center, including stores such as Lowe's, Target, Best Buy, and other discount retailers commonly known as the Empire Center. The Empire Center also includes roughly 600,000 square feet of office use. Tenants within such office spaces include Alliance Insurance, Deluxe, Cast and Crew, and several other media and entertainment companies. A series of enhancements to the Interstate 5 Freeway (the "**Empire Interchange/I-5 Improvement Project**") is currently underway in the vicinity of the Empire Center. Pursuant to the Empire Interchange/I-5 Improvement Project, a portion of the Interstate 5 Freeway will be realigned and a new Interstate 5 Freeway off-ramp and interchange at Empire Avenue will be constructed. The Successor Agency anticipates that the Empire Interchange/I-5 Improvement Project will relieve congestion along Interstate 5 Freeway and provide new access to the Golden State Project, including the Empire Center and Bob Hope Airport. According to the California Department of Transportation, the Empire Interchange/I-5 Improvement Project is anticipated to be completed in 2019.

Recent Activity. Recent development activity within the Burbank Projects includes the following:

Downtown Burbank; First Street Village. In May 2017, the City Council approved the construction of "First Street Village" within the downtown area of the City along First Street (between First Street and Interstate 5 Freeway), and between East Magnolia Boulevard and the alley southeast of Palm Avenue. First Street Village is a mixed-used project anticipated to be constructed on three acres (three blocks) in downtown Burbank, with a total of approximately 275 multifamily apartments on above-ground floors, a total of up to approximately 19,000 square feet of retail and commercial space on the ground floors. The Successor Agency anticipates that First Street Village will be constructed in three phases with one building (one block) to be completed in each phase.

Talaria Mixed-Use Project. In addition, Talaria, a mixed-use project, is currently under construction on Olive Avenue in the close proximity to The Burbank Studios. Talaria is anticipated to consists of a residential and retail development with 241 residential units, a Whole Foods Market in excess of 42,000 square feet and 760 parking spaces on approximately 4 acres of land. Completion of Talaria is anticipated to occur in 2018.

The Fiscal Consultant has not included potential increases in assessed values as a result of ongoing or proposed projects in the Burbank Projects described above in the projections of Tax Revenues in the Fiscal Consultant's Report or this Official Statement. See "– Transfers of Ownership (New Development)" below for further information.

Land Use

The following table summarizes the current land use in the Burbank Projects by the number of parcels and by assessed value for fiscal year 2017-18. The assessed values shown have been reduced to reflect non-homeowner exemptions. As shown in the following table, land within the Burbank Projects is predominantly used for commercial purposes (approximately 47% in terms of assessed valuation).

TABLE 2
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Land Use by Net Taxable Assessed Value
Fiscal Year 2017-18

Category	No. of Parcels	Net Taxable Assessed Value	% of Net Taxable Assessed Value
Residential	377	$ 408,986,050	5.79%
Commercial	519	3,322,046,286	47.05
Industrial	601	1,227,120,751	17.38
Government Owned	3	68,650,666	0.97
Institutional (1)	9	25,114,081	0.36
Recreational	6	68,141,127	0.97
Vacant Land	101	130,715,321	1.85
Exempt	192	--	--
Subtotals:	**1,810**	**$5,250,774,282**	**74.37%**
SBE Non-unitary (2)	--	$ 1,475,145	0.02%
Cross Reference (3)	--	168,966,972	2.39%
Unsecured	--	1,638,907,890	23.21%
Subtotals:	--	**$1,809,350,007**	**25.63%**
Totals:	**1,810**	**$7,060,124,289**	**100.00%**

(1) Includes various land uses churches, hospitals, senior housing, and charitable organizations.
(2) State-assessed non-unitary utility property.
(3) Reflects possessory interest values assigned by the County Assessor in recognition of 93 long term leaseholds of property, many of which relate to leases of property owned by the City at or near the Burbank Airport.
Source: County Assessor; HdL Coren & Cone.

See "APPENDIX G – FISCAL CONSULTANT'S REPORT" for further information about sub-categories of land uses.

The Redevelopment Plans

General. The Golden State Project, the City Centre Project, the South San Fernando Project and the West Olive Project were established with the adoption by the City Council of their respective original Redevelopment Plans on December 22, 1970, October 26, 1971, June

17, 1997 and December 21, 1976. Since their adoption, such Redevelopment Plans have been amended several times. In particular, the Original Golden State Plan, the Original City Centre Plan and the Original South San Fernando Plan were amended in 2004 pursuant to the Merger Amendment to fiscally merge the Golden State Project, the City Centre Project and the South San Fernando Project to form the Merged Project. After the merger, each of the Golden State Project, the City Centre Project and the South San Fernando Project retained separate redevelopment plans.

No Plan Limits. In accordance with the Redevelopment Law, redevelopment plans like the Redevelopment Plans 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. Section 34189(a) of the Dissolution Act, added by SB 107 clarifies, that former tax increment limits set forth in redevelopment plans such as the Redevelopment Plans no longer apply for purposes of paying approved enforceable obligations such as the 2017 Bonds.

Unitary Property

As the result of the enactment of AB 2890 (Chapter 1457, Statutes of 1986) and Assembly Bill 454 (Chapter 921, Statutes of 1987), a portion of the County-wide unitary values assigned to public utilities is allocated to the Burbank Projects. Any substantial reduction in the values of public utility properties, either because of deregulation of a utility industry or for any other reason, will have an adverse impact on the amount of tax increment revenues. However, any such impact with respect to utility properties within the Burbank Projects will be lessened because the impact will be spread on a County-wide basis. The Fiscal Consultant reports that the Successor Agency received approximately $450,000 in unitary revenue from the Burbank Projects for fiscal year 2016-17.

For purposes of the projections of Tax Revenues in the Fiscal Consultant's Report and this Official Statement, the Fiscal Consultant has assumed that the unitary revenue allocated to the Burbank Projects will be approximately $450,000 in fiscal year 2017-18 and each fiscal year thereafter. See "APPENDIX G – FISCAL CONSULTANT'S REPORT" and "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage." See "PROPERTY TAXATION IN CALIFORNIA – Unitary Revenue" for information regarding taxation of unitary property in the State.

Largest Taxpayers

The following table lists the ten largest payers of property taxes in the Burbank Projects for fiscal year 2017-18. The total assessed valuation of the top ten property taxpayers accounted for approximately 30% and 33% of the total and incremental assessed value of the Burbank Projects, respectively. The Fiscal Consultant reports that four of the ten largest payers of property taxes in the Burbank Projects had pending assessment appeals as of the date of this Official Statement. See "– Assessment Appeals" and "RISK FACTORS – Concentration of Ownership" for a discussion regarding pending assessment appeals within the Burbank Projects and the risks associated with the concentration of ownership among the largest secured property taxpayers in the Burbank Projects, respectively.

TABLE 3
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Ten Largest Property Taxpayers
Fiscal Year 2017-18

Property Owner	Component Project Area	Property Use	Number of Parcels	Total Assessed Value	% of Total Assessed Value	% of Total Incremental Value
Catalina Media Development II LLC [(1)(2)]	West Olive Project	NBC Television Studio Parcels	5	$498,535,679	7.06%	7.90%
PI Hudson MC Partners LLC [(1)]	West Olive Project	Commercial Office Buildings	3	363,423,898	5.15	5.76
Burbank Mall Associates LLC [(2)]	City Centre Project	Burbank Town Center Mall Properties	15	285,164,734	4.04	4.52
IKEA Property Inc.[(1)]	South San Fernando & City Center Projects	Furniture Sales & Vacant Parcels	17	196,310,488	2.78	3.11
Burbank Empire Center II LLC [(2)]	Golden State Project	Empire Center Commercial Shopping Center	2	181,674,391	2.57	2.88
Southwest Airlines Company [(1)]	Golden State Project	Commercial Airline	59	124,676,962	1.77	1.98
Warner Bros. Entertainment Inc. [(1)]	West Olive & Golden State Projects	Television/Media Offices/Corp. Aircraft	13	121,748,796	1.72	1.93
AWH Burbank Hotel LLC [(2)]	Golden State Project	Marriott Hotel at Burbank Airport	1	119,699,853	1.70	1.90
Teachers Insurance and Annuity	Golden State Project	Empire Landing Residential Apartments	1	108,226,154	1.53	1.72
Walt Disney Productions Inc. [(1)]	West Olive & Golden State Projects	Walt Disney Co. Corporate Aircraft & Animation Studios	10	88,344,188	1.25	1.40
Top Taxpayer Total Value				**$2,087,805,143**	**29.57%**	**33.09%**
FY 2017-18 Burbank Projects AV:				**$7,060,116,289**		
FY 2017-18 Burbank Projects Incremental AV:				**$6,310,127,512**		

(1) The fiscal year 2017-18 assessed value of property owned by these taxpayers includes assessed value of unsecured property. *See* "APPENDIX G – FISCAL CONSULTANT'S REPORT" for further information.
(2) Taxpayers have pending assessment appeals with respect to property within the Burbank Projects as of the date of this Official Statement. See "– Assessment Appeals; Proposition 8 Reductions."
Source: County Assessor; HdL Coren and Cone.

Historical Assessed and Incremental Values

The table below shows the historical assessed valuations for the Burbank Projects for fiscal years 2008-09 through 2017-18 based upon the County Auditor-Controller's equalized rolls.

TABLE 4a
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Historical Assessed and Incremental Values
Fiscal Years 2008-09 through 2017-18

Fiscal Year	Secured Value (1)	Unsecured Value	Total Assessed Value	*Less*: Base Year Value (2)	Incremental Assessed Value
2008-09	$3,777,629,503	$1,878,168,364	$5,655,797,867	$764,417,751	$4,891,380,116
2009-10	3,935,001,806	1,897,155,438	5,832,157,244	764,246,598	5,067,910,646
2010-11	4,034,705,620	1,775,543,379	5,810,248,999	764,186,719	5,046,062,280
2011-12	4,038,667,415	1,412,163,098	5,450,830,513	764,166,576	4,686,663,937
2012-13	4,053,387,950	1,554,029,127	5,607,417,077	763,673,250	4,843,743,827
2013-14	4,252,737,885	1,387,700,020	5,640,437,905	763,673,250	4,876,764,655
2014-15	4,497,889,253	1,275,133,043	5,773,022,296	763,525,313	5,009,496,983
2015-16	4,658,444,668	1,484,836,016	6,143,280,684	763,315,528	5,379,965,156
2016-17	4,866,671,720	1,342,538,269	6,209,209,989	749,988,777	5,459,221,212
2017-18	5,421,216,399	1,638,899,890	7,060,116,289	749,988,777	6,310,127,512

(1) Secured values include State-assessed non-unitary utility property.
(2) Base Year value modified due to adjustments by the SBE. See "PROPERTY TAXATION IN CALIFORNIA – Unitary Property."
Source: County Assessor; HdL Coren and Cone.

General. As shown in the table above, from fiscal year 2008-09 to 2017-18, total assessed values within the Burbank Projects increased by approximately $1.4 billion or 25%, from approximately $5.7 billion in fiscal year 2008-09 to approximately $7.1 billion in fiscal year 2017-18. The growth in assessed values during such period was due primarily to an increase in secured assessed values of approximately $1.64 billion or 44%, from approximately $3.8 billion in fiscal year 2008-09 to approximately $5.4 billion in fiscal year 2017-18. The increase in secured assessed values with the Burbank Projects during this period was partially offset by a reduction in unsecured assessed values of approximately $239 million or 13%, from approximately $1.9 billion in fiscal year 2008-09 to approximately $1.6 billion in fiscal year 2017-18. According to the Fiscal Consultant, the reduction in unsecured assessed values is primarily due to the reduced presence of taxable private aircraft at the Bob Hope Airport, as described below. The Fiscal Consultant further reports that unsecured assessed values within the Burbank Projects not attributable to aircraft have remained virtually level since fiscal year 2008-09.

Unsecured Assessed Values Attributable to Aircraft. The Fiscal Consultant reports that assessed values of commercial aircraft are included in the unsecured property values by the County Assessor as personal property and are not reported separately. Assessed values attributable to private aircraft are identified separately on the tax rolls by the County Assessor. The table below shows the historical incremental assessed unsecured values attributable to private aircraft at Bob Hope Airport for fiscal years 2007-08 through 2017-18 based upon the

County Auditor-Controller's equalized rolls. According to the Fiscal Consultant, private aircraft at Bob Hope Airport include jets owned by media and entertainment companies located in or near the City.

TABLE 4b
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Private Aircraft Historical Incremental Assessed Values
Fiscal Years 2008-09 through 2017-18

Fiscal Year	Aircraft Assessed Value [1]	% Change
2008-09	$923,536,706	14.13%
2009-10	971,930,602	5.24
2010-11	925,517,879	(4.78)
2011-12	629,664,864	(31.97)
2012-13	761,263,855	20.90
2013-14	602,552,690	(20.85)
2014-15	524,496,095	(12.95)
2015-16	748,179,056	42.65
2016-17	574,141,010	(23.26)
2017-18	819,933,749	42.81

Source: County Assessor; HdL Coren and Cone.

As shown in the table above, the incremental unsecured assessed values attributable to private aircraft fluctuated significantly during fiscal years 2008-09 through 2017-18. According to the Fiscal Consultant, the volatility experienced during such fiscal years is due to the manner in which private (as opposed to commercial) aircraft are valued by the County. In particular, the Fiscal Consultant reports that the County determines the assessed value of private aircraft as of January 1 of each year based on the location of where the aircraft normally resides for the given fiscal year. For purposes of the projections of Tax Revenues in the Fiscal Consultant's Report and this Official Statement, the Fiscal Consultant has assumed that assessed values attributable to private aircraft at the Bob Hope Airport will remain at the fiscal year 2017-18 level in fiscal year 2018-19 and each fiscal year thereafter. Such projections also do not take into account any possible decreases in unsecured assessed values that may result in the event the replacement terminal approved pursuant to Measure B is located in the Southwest Quadrant, instead of the Adjacent Parcel. See "APPENDIX G – FISCAL CONSULTANT'S REPORT" and "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage."

Enplanement Rates. As described above, unsecured assessed values attributable to aircraft at Bob Hope Airport are affected by the presence of taxable aircraft at the airport. The Federal Aviation Administration reports that passenger boarding (enplanement) rates at Bob Hope Airport steadily declined from calendar years 2007 to 2013 and rose again in 2014 through 2016, as shown in the following table.

BOB HOPE AIRPORT
Historical Passenger Boarding (Enplanement) Rates
Calendar Years 2006 to 2016

Calendar Year	Passenger Boardings	% Change from Prior Year
2006	2,836,413	--
2007	2,950,652	4.00%
2008	2,647,287	-10.28
2009	2,294,991	-13.31
2010	2,239,804	-2.40
2011	2,144,915	-4.24
2012	2,027,203	-5.49
2013	1,918,011	-5.39
2014	1,928,491	0.55
2015	1,973,897	2.35
2016 (1)	2,007,810	1.72

(1) Preliminary; subject to change.
Source: Federal Aviation Administration.

See "RISK FACTORS – Unsecured Value – Private Aircraft Value" and "– Operation of Bob Hope Airport" for a discussion of risks associated with the location the new terminal at Bob Hope Airport and possible reduction of unsecured assessed values of private aircraft at Bob Hope Airport as a result.

Tax Rates

Tax rates will vary from area to area within the State, as well as within a community and a redevelopment project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of $1.00 per $100 of taxable value and any over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition XIII.

As previously indicated, Section 34183(a)(1) of the Dissolution Act requires the County Auditor-Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal of and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. In addition, effective September 22, 2015, debt service override revenues approved by the voters for the purpose of supporting pension programs, capital projects, or programs related to the State Water Project, that are not pledged to or needed for debt service on successor agency obligations are allocated and paid to the entity that levies the override and will not be deposited into the RPTTF.

The Fiscal Consultant reports that the Former Agency has not been allocated debt service override revenues. The Fiscal Consultant's projections of Tax Revenues available to pay debt service on the 2017 Bonds are based only on revenue derived from the general levy tax rate.

Levy and Collections

As previously indicated, the County has not adopted the Teeter Plan. Consequently, property tax payments are not adjusted for delinquencies, redemptions, penalties or interest, and property tax revenues from the Burbank Projects reflect actual collections. See "PROPERTY TAXATION IN CALIFORNIA – Rate of Collections – No Teeter Plan."

The following table shows the property tax collection rates for the Burbank Projects from fiscal year 2011-12 through fiscal year 2015-16. Property tax collection rates for the Burbank Projects for fiscal year 2016-17 are not yet available.

TABLE 5
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Tax Collections Rates
Fiscal Years 2011-12 through 2015-16

Fiscal Year	Golden State Project	City Centre Project	South San Fernando Project	West Olive Project	Total Burbank Projects
2011-12	99.45%	99.25%	97.08%	99.61%	99.16%
2012-13	98.18	99.56	96.93	99.87	99.77
2013-14	99.30	99.58	97.22	99.87	99.34
2014-15	98.73	99.84	97.39	99.54	99.07
2015-16	98.85	97.98	98.76	99.61	99.16

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

See "RISK FACTORS – Levy and Collection of Taxes."

Assessment Appeals; Proposition 8 Reductions

Appeals of Assessed Values. Pursuant to State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion.

Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes relating to assessed values in previous years may include refunds for overpayment of taxes relating to assessed values for years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

Appeals for reduction in the "base year" value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Appeals may also be filed under Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property shall be the lesser of its base year value annually 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. Significant reductions have taken place in some counties due to declining real estate values. 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 this section, the property is reviewed on an annual basis to determine its full cash value and the valuation is adjusted accordingly. This may result in further reductions or in value increases. Such increases must be in accordance with the full cash value of the property and it 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. See "PROPERTY TAXATION IN CALIFORNIA" above.

The Fiscal Consultant reviewed appeals data received from the County for the period commencing June 30, 2012 through July 3, 2017 to determine what, if any, impact pending appeals may have on projected Tax Revenues. The Fiscal Consultant reports that as of such date there were 224 appeals pending with respect to assessed values in the Burbank Projects seeking a total reduction in assessed value of approximately $2.2 billion. Certain of the pending assessment appeals were filed by the top ten largest property tax payers in the Burbank Projects. According to the Fiscal Consultant's Report and based on information provided by the County, the Fiscal Consultant estimates that, assuming a 16.74% reduction in assessed value (based on the average of actual reductions of assessed value for the period commencing June 30, 2012 through July 3, 2017 of 16.74%), the Successor Agency would experience a further reduction in assessed value of the Burbank Projects of approximately $186 million which, in turn, would reduce Tax Revenues from the Burbank Projects by approximately $1.86 million. The projections of Tax Revenues from the Burbank Projects available to pay debt service prepared by the Fiscal Consultant and set forth in the section of this Official Statement entitled "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage" take into account reductions in assessed value related to pending appeals based on such estimate.

The following table shows certain appeals data and summarizes the potential losses therefrom by Component Area that are incorporated into the Fiscal Consultant's projections of Tax Revenues in the Fiscal Consultant's Report and this Official Statement:

TABLE 6
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Assessed Valuation Appeals
June 30, 2012 through July 3, 2017

Component Area	Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. of Appeals Pending	Est. No. of Pending Appeals Allowed	Assessed Value of Appeals Pending	Estimated Reduction on Pending Appeals Allowed
Golden State Project	157	33	18	14.10%	124	68	$1,324,176,002	$101,859,542
City Centre Project	52	30	25	18.64	22	18	126,065,083	19,584,099
South San Fernando Project	86	49	37	16.57	37	28	155,289,529	19,435,042
West Olive Project	47	16	7	17.54	31	14	594,314,123	45,610,365
Total Burbank Projects:	**342**	**128**	**87**	**16.74%**	**214**	**127**	**$2,199,844,737**	**$186,489,048**

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

Proposition 8 Reductions. As discussed in "PROPERTY TAXATION IN CALIFORNIA – Proposition 8" above, Proposition 8 allows a temporary reduction in assessed value when the current market value of a property is less than the current assessed value as of the lien date. According to the Fiscal Consultant, as of fiscal year 2017-18, assessed values of 69 parcels remained subject to restoration under Proposition 8 totaling approximately $10.0 million. For purposes of the projections of Tax Revenues included in the Fiscal Consultant's Report and this Official Statement, the Fiscal Consultant has assumed that no Proposition 8 reductions or restorations will occur in fiscal year 2017-18 or any fiscal year thereafter.

See "APPENDIX G – FISCAL CONSULTANT'S REPORT" for more additional information regarding pending assessment appeals, including pending assessment appeals filed by certain of the ten largest payers of property taxes within the Burbank Projects.

Historical Tax Increment Revenues

The table on the following page sets forth historical tax increment revenues for the Burbank Projects for fiscal years 2011-12 through 2015-16. Historical tax increment revenues for the Burbank Projects for fiscal year 2016-17 are not yet available.

TABLE 7
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Historical Tax Increment Revenues
Fiscal Years 2011-12 through 2015-16

Fiscal Year	Gross Tax Increment Revenue [(1)]	Unitary Tax Revenue	SB 2557 Charge	Pass-Through Payments [(2)]	Haagen Note Debt Service [(3)]	Tax Increment Revenues
2011-12	$38,194,611	$305,512	$609,493	$5,902,926	$3,342,048	$28,645,655
2012-13	39,509,943	309,457	718,800	5,513,612	3,273,464	30,313,524
2013-14	41,319,847	337,206	703,745	6,162,533	3,480,298	31,310,477
2014-15	45,592,922	343,631	681,668	6,669,454	3,208,301	35,377,130
2015-16	46,241,922	388,469	718,153	8,412,438	3,208,301	34,291,499

(1) Gross tax increment revenue is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value.
(2) See "SECURITY FOR THE 2017 BONDS – Pass-Through Agreements" and "– Statutory Pass-Through Payments."
(3) Represents debt service on a promissory executed by the Former Agency in favor of Haagen-Burbank Partnership in the original principal amount of $33 million, which note was repaid in full on February 1, 2016 and is no longer outstanding.
Source: County Auditor-Controller; HdL Coren & Cone.

Transfers of Ownership (New Development)

Changes in assessed value due to transfers of ownership occurring after the lien date for fiscal year 2017-18 will affect the taxable values for fiscal year 2018-19. In particular, the Fiscal Consultant reports that after the lien date of January 1, 2017 for fiscal year 2017-18, transfers of ownership occurred within the Burbank Projects resulting in a total increase in assessed values for the Burbank Projects of approximately $34.1 million to be added on the tax rolls for fiscal year 2018-19. Such changes in assessed value are included in the projections of Tax Revenues set forth in the Fiscal Consultant's Report and this Official Statement.

According to the Fiscal Consultant, new development continues to occur within the Burbank Projects that is over and above changes of ownership but no additional value has been included in the projections of Tax Revenues in the Fiscal Consultant's Report or this Official Statement. See "APPENDIX G – Fiscal Consultant's Report" for additional information regarding transfers of ownership occurring after the lien date for fiscal year 2017-18. See also "THE BURBANK PROJECTS – Project Description" for a description of certain on-going and proposed developments in the future within the Burbank Projects.

Projected Tax Revenues and Estimated Debt Service Coverage

The Fiscal Consultant prepared projections of Tax Revenues from the Burbank Projects assuming 0% and 2% incremental growth in assessed values commencing in fiscal year 2018-19 and each fiscal year thereafter and they are shown in Tables 8 and 9, respectively. Other assumptions made by the Fiscal Consultant in calculating the projected Tax Revenues in Table 8 and 9 are described in the Fiscal Consultant's Report. See "APPENDIX G – FISCAL CONSULTANT'S REPORT."

Tables 10 and 11 below show projected debt service coverage based on total debt service on the 2017 Bonds and the 2015 Bonds assuming 0% and 2%, respectively, incremental growth in assessed values commencing in fiscal year 2018-19 and each fiscal year thereafter. There can be no assurance that actual Tax Revenues from the Burbank Projects will be at least equal to those projected on Tables 8, 9, 10 and 11. For a discussion of certain matters that will or could cause actual tax increment revenues from the Burbank Projects in the future to be less than those projected in this Official Statement, see “RISK FACTORS.”

TABLE 8
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Projection of Assessed Values and Tax Revenues
(Assuming No Growth)
(000s Omitted)

Fiscal Year Ending June 30	Total Assessed Value	Total Incremental Assessed Value	Gross Tax Increment	Less: County Admin. Fees (1)	Less: Pass-Through Payments (2)	Tax Revenues Available for Debt Service
2018	$7,060,124	$6,310,136	**$63,551**	$(840)	$(8,695)	**$54,016**
2019 (3)	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2020	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2021	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2022	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2023	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2024	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2025	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2026	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2027	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2028	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2029	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2030	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2031	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2032	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2033	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2034	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2035	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2036	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2037	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2038	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2039	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2040	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2041	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2042	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**
2043	6,885,130	6,135,141	**61,801**	(817)	(8,558)	**52,427**

(1) Represents the County’s administrative fees pursuant SB 2557 based on 1.31% of gross tax increment. See “PROPERTY TAXATION IN CALIFORNIA – Property Tax Administrative Costs.”
(2) Represents Statutory Pass-Through Payments and payments required to be made under the Pass-Through Agreements. See “SECURITY FOR THE 2017 BONDS – Pass-Through Agreements” and “– Statutory Pass-Through Payments.”
(3) Projected assessed values for fiscal year 2018-19 include (i) increases in assessed values attributable to sales occurring after January 1, 2017 of approximately $34.1 million. See “THE BURBANK PROJECTS – Transfers of Ownership (New Development)” and (ii) reductions in assessed values of approximately $186.5 million related to pending assessment appeals. See “– Assessment Appeals; Proposition 8 Reductions.”
Source: HdL Coren & Cone

TABLE 9
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Projection of Assessed Values and Tax Revenues
(Assuming 2% Annual Growth)
(000s Omitted)

Fiscal Year Ending June 30	Total Assessed Value	Total Incremental Assessed Value	Gross Tax Increment	Less: County Admin. Fees (1)	Less: Pass-Through Payments (2)	Tax Revenues Available for Debt Service
2018	$7,060,124	$6,310,136	**$63,551**	$(840)	$(8,695)	**$54,016**
2019 (3)	6,992,758	6,242,769	**62,878**	(831)	(8,773)	**53,273**
2020	7,102,768	6,352,780	**63,978**	(845)	(8,993)	**54,139**
2021	7,214,979	6,464,990	**65,100**	(860)	(9,218)	**55,022**
2022	7,329,434	6,579,445	**66,244**	(875)	(9,446)	**55,923**
2023	7,446,178	6,696,189	**67,412**	(891)	(9,680)	**56,842**
2024	7,565,257	6,815,268	**68,603**	(907)	(9,918)	**57,779**
2025	7,686,717	6,936,728	**69,817**	(923)	(10,160)	**58,734**
2026	7,810,607	7,060,618	**71,056**	(939)	(10,408)	**59,709**
2027	7,936,974	7,186,985	**72,320**	(956)	(10,660)	**60,704**
2028	8,065,869	7,315,880	**73,609**	(973)	(10,918)	**61,718**
2029	8,197,342	7,447,353	**74,924**	(990)	(11,208)	**62,725**
2030	8,331,444	7,581,455	**76,265**	(1,008)	(11,504)	**63,753**
2031	8,468,228	7,718,239	**77,632**	(1,026)	(11,806)	**64,800**
2032	8,607,748	7,857,759	**79,028**	(1,044)	(12,127)	**65,856**
2033	8,750,058	8,000,069	**80,451**	(1,063)	(12,454)	**66,934**
2034	8,895,214	8,145,226	**81,902**	(1,082)	(12,788)	**68,032**
2035	9,043,274	8,293,285	**83,383**	(1,102)	(13,128)	**69,153**
2036	9,194,295	8,444,306	**84,893**	(1,122)	(13,475)	**70,296**
2037	9,348,336	8,598,347	**86,433**	(1,142)	(13,829)	**71,462**
2038	9,505,458	8,755,469	**88,005**	(1,163)	(14,190)	**72,652**
2039	9,665,722	8,915,734	**89,607**	(1,184)	(14,559)	**73,865**
2040	9,829,192	9,079,203	**91,242**	(1,206)	(14,934)	**75,102**
2041	9,995,931	9,245,942	**92,909**	(1,228)	(15,318)	**76,364**
2042	10,166,005	9,416,016	**94,610**	(1,250)	(15,709)	**77,651**
2043	10,339,480	9,589,492	**96,345**	(1,273)	(16,107)	**78,965**

(1) Represents the County's administrative fees pursuant SB 2557 based on 1.31% of gross tax increment. See "PROPERTY TAXATION IN CALIFORNIA – Property Tax Administrative Costs."
(2) Represents Statutory Pass-Through Payments and payments required to be made under the Pass-Through Agreements. See "SECURITY FOR THE 2017 BONDS – Pass-Through Agreements" and "– Statutory Pass-Through Payments."
(3) Projected assessed values for fiscal year 2018-19 include (i) increases in assessed values attributable to sales occurring after January 1, 2017 of approximately $34.1 million. See "THE BURBANK PROJECTS – Transfers of Ownership (New Development)" and (ii) reductions in assessed values of approximately $186.5 million related to pending assessment appeals. See "– Assessment Appeals; Proposition 8 Reductions."
Source: HdL Coren & Cone.

TABLE 10
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Estimated Debt Service Coverage
(Assuming No Growth)
(000s Omitted)

Fiscal Year Ending June 30	Tax Revenues Available for Debt Service	Debt Service on 2015 Bonds (1)	Debt Service on 2017 Bonds (1)	Aggregate Parity Bonds Debt Service	Aggregate Parity Bonds Debt Service Coverage
2018	$54,016	$5,692	$3,416	$9,202	5.87
2019	52,427	5,697	3,415	9,203	5.70
2020	52,427	5,671	3,409	9,199	5.70
2021	52,427	5,668	2,528	6,705	7.82
2022	52,427	4,088	3,000	7,195	7.29
2023	52,427	4,103	3,009	7,229	7.25
2026	52,427	4,123	1,702	2,187	23.97
2025	52,427	475	1,446	1,922	27.28
2026	52,427	466	1,445	1,921	27.29
2027	52,427	467	1,442	1,703	30.78
2028	52,427	258	1,442	1,702	30.79
2029	52,427	257	1,441	1,700	30.85
2030	52,427	255	1,442	1,704	30.76
2031	52,427	258	1,445	1,704	30.76
2032	52,427	256	1,443	1,699	30.85
2033	52,427	253	1,438	1,702	30.81
2034	52,427	259	1,443	1,443	36.34
2035	52,427	--	1,441	1,441	36.37
2036	52,427	--	1,443	1,443	36.34
2037	52,427	--	1,443	1,443	36.33
2038	52,427	--	1,446	1,446	36.26
2039	52,427	--	1,446	1,446	36.26
2040	52,427	--	1,445	1,445	36.29
2041	52,427	--	1,447	1,447	36.24
2042	52,427	--	1,443	1,443	36.34
2043	52,427	--	1,442	1,442	36.36

(1) Represents Bond Year debt service.
Source: HdL Coren & Cone; Stifel, Nicolaus & Company, Incorporated; Raymond James & Associates

TABLE 11
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
Burbank Projects
Estimated Debt Service Coverage
(Assuming 2% Annual Growth)
(000s Omitted)

Fiscal Year Ending June 30	Tax Revenues Available for Debt Service	Debt Service on 2015 Bonds (1)	Debt Service on 2017 Bonds (1)	Aggregate Parity Bonds Debt Service	Aggregate Parity Bonds Debt Service Coverage
2018	$54,016	$5,692	$3,416	$9,202	5.87
2019	53,273	5,697	3,415	9,203	5.79
2020	54,139	5,671	3,409	9,199	5.89
2021	55,022	5,668	2,528	6,705	8.21
2022	55,923	4,088	3,000	7,195	7.77
2023	56,842	4,103	3,009	7,229	7.86
2026	57,779	4,123	1,702	2,187	26.42
2025	58,734	475	1,446	1,922	30.57
2026	59,709	466	1,445	1,921	31.08
2027	60,704	467	1,442	1,703	35.64
2028	61,718	258	1,442	1,702	36.25
2029	62,725	257	1,441	1,700	36.91
2030	63,753	255	1,442	1,704	37.41
2031	64,800	258	1,445	1,704	38.02
2032	65,856	256	1,443	1,699	38.76
2033	66,934	253	1,438	1,702	39.34
2034	68,032	259	1,443	1,443	47.16
2035	69,153	--	1,441	1,441	47.98
2036	70,296	--	1,443	1,443	48.72
2037	71,462	--	1,443	1,443	49.52
2038	72,652	--	1,446	1,446	50.25
2039	73,865	--	1,446	1,446	51.09
2040	75,102	--	1,445	1,445	51.99
2041	76,364	--	1,447	1,447	52.78
2042	77,651	--	1,443	1,443	53.83
2043	78,965	--	1,442	1,442	54.76

(1) Represents Bond Year debt service.
Source: HdL Coren & Cone; Stifel, Nicolaus & Company, Incorporated; Raymond James & Associates

RISK FACTORS

The following information should be considered by prospective investors in evaluating the 2017 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 2017 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 2017 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.

Concentration of Property Ownership

Based on fiscal year 2017-18 locally assessed taxable valuations, the top ten property tax payers in the Burbank Projects represent approximately 30% of the total fiscal year 2017-18 taxable assessed value and 33% of the fiscal year 2017-18 incremental assessed value within the Burbank Projects. Some of these property owners have pending assessed value appeals with respect to their property in the Burbank Projects. Bankruptcy, termination of operations or departure from the Burbank Projects by one or more of the largest property owners from the Burbank Projects could adversely impact the availability of Tax Revenues to pay debt service on the 2017 Bonds. See "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage."

Unsecured Property

General. Approximately 23% of the net assessed property value in the Burbank Projects for fiscal year 2017-18 is derived from unsecured property, including unsecured assessed value of approximately $819.9 million (or approximately 50% of total unsecured property within the Burbank Projects) attributable to private aircraft residing at the Bob Hope Airport. The remaining unsecured property in the Burbank Projects is comprised largely of equipment and other personal property. Such property is a transitory component of total assessed value and may be removed from the Burbank Projects at any point in time, and accordingly, must be viewed as a volatile component of assessed value in the Burbank Projects. See "APPENDIX G – FISCAL CONSULTANT'S REPORT." The removal of such unsecured personal property from the Burbank Projects could reduce the Tax Revenues available to pay debt service on the 2017 Bonds and adversely affect the source of repayment and security of the 2017 Bonds.

Private Aircraft Value. As described above, unsecured assessed value attributable to private aircraft totaled approximately $819.9 million (or approximately 50% and 11.6% of total unsecured assessed values and total assessed values within the Burbank Projects, respectively) for fiscal year 2017-18. Due to the manner in which private (as opposed to commercial) aircraft are valued by the County, assessed values within the Burbank Projects attributable such aircraft historically has been subject to significant volatility. For purposes of the projections of Tax Revenues from the Burbank Projects, the Fiscal Consultant has assumed that assessed values attributable to aircraft will remain at the fiscal year 2017-18 level in fiscal year 2018-19 and each fiscal year thereafter. Given the volatility of such values experienced historically, it is unlikely that actual unsecured assessed values attributable to aircraft in the Burbank Projects will be the same as those projected in the Fiscal Consultant's Report and this

Official Statement. A decrease in the number of private aircraft qualifying for legal situs for property tax purposes within the Burbank Projects could adversely impact unsecured assessed values of private aircraft within the Burbank Projects and in turn Tax Revenues available to pay debt service on the 2017 Bonds. See "PROPERTY TAXATION IN CALIFORNIA – Taxation of Commercial and Private Aircraft," "THE BURBANK PROJECTS – Historical Assessed and Incremental Values – Unsecured Assessed Values Attributable to Aircraft," and "– Projected Tax Revenues and Estimated Debt Service Coverage." See also "– Operation of Bob Hope Airport" below for risks associated with location of new terminal at Bob Hope Airport and possible reduction on legal situs of private aircraft for property tax purposes within the Burbank Projects as a result.

Operation of Bob Hope Airport

Operations at Bob Hope Airport may affect the assessed value of property within Bob Hope Airport, including the assessed valuation of real property as well as commercial and private aircraft, leasehold interests and other unsecured values. The airline industry is cyclical and subject to intense competition and variable demand. Traffic volumes are responsive to economic circumstances and seasonal patterns. Other factors, such as fuel and regulatory costs, can also have a significant impact on the industry. In addition, the location of the replacement terminal approved by voters within the City pursuant to Measure B may have a significant effect on the operations at Bob Hope Airport. As previously described in this Official Statement, the replacement terminal is anticipated to constructed on either the Adjacent Property or the Southwest Quadrant. If the replacement terminal is built in the Southwest Quadrant, general aviation facilities in that area would have to be relocated or demolished which is anticipated to disrupt current airport operations and could result in a decrease in aircraft enplanement rates and possibly the legal situs of aircraft for property tax assessment purposes. A decrease in the number of private aircraft qualifying for legal situs for property tax purposes within the Burbank Projects could adversely impact unsecured assessed values of private aircraft within the Burbank Projects and in turn Tax Revenues available to pay debt service on the 2017 Bonds. See "PROPERTY TAXATION IN CALIFORNIA – Taxation of Commercial and Private Aircraft," "THE BURBANK PROJECTS – Historical Assessed and Incremental Values – Unsecured Assessed Values Attributable to Aircraft," and "– Projected Tax Revenues and Estimated Debt Service Coverage."

Recognized Obligation Payment Schedules

The Dissolution Act provides that only those payments listed in a ROPS may be made by a successor agency from the funds specified in the ROPS. Pursuant to Section 34177 of the Dissolution Act, on or before each February 1 commencing February 1, 2016, the Successor Agency shall submit to the Oversight Board and the DOF, a ROPS unless, at the option of the Successor Agency and subject to DOF approval and satisfaction of certain other conditions, a Last and Final ROPS 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 ROPS 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 ROPS 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 ROPS is not filed, Tax Revenues will not be withdrawn from the RPTTF by the County Auditor-Controller and remitted to the Successor Agency without a duly approved and effective ROPS to pay debt service on the 2017 Bonds and to pay other enforceable obligations for each applicable annual period. In the event the Successor Agency were to fail to file a ROPS as required, the availability of Tax Revenues to the Successor Agency could be adversely affected for such period. See "SECURITY FOR THE 2017 BONDS – Recognized Obligation Payment Schedules."

In instances where a Last and Final ROPS is not filed, if a successor agency does not submit a ROPS within five business days of the date upon which the ROPS is to be used to determine the amount of property tax allocations, 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 ROPS. 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. The Dissolution Act provides that the county auditor-controller shall distribute withheld funds to a successor agency only in accordance with a ROPS approved by the DOF. Nothing in the Indenture limits the Successor Agency's ability to file a Last and Final ROPS.

AB 1484 also added provisions to the Dissolution Act implementing certain penalties in the event a successor agency does not timely submit a ROPS as required. Specifically, an oversight board approved ROPS 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 ROPS by such deadlines, the city or county that established the redevelopment agency will be subject to a civil penalty equal to $10,000 per day for every day the schedule is not submitted to the DOF. Additionally, a successor agency's administrative cost allowance is reduced by 25% if the successor agency does not submit an oversight board-approved ROPS within 10 days of the February 1 deadline, with respect to the ROPS 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., Health and Safety Code of the State 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 a 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 2017 Bonds.

Reduction in Taxable Value

Tax Revenues available to pay principal of and interest on the 2017 Bonds are determined by the amount of incremental taxable value in the Burbank Projects and the current rate or rates at which property in the Burbank Projects is taxed. The reduction of taxable values of property in the Burbank Projects caused by economic factors beyond the Successor Agency's control, such as relocation out of the Burbank Projects by one or more major property owners (including with respect to unsecured valuation relating to aircraft), sale of property to a non-profit corporation exempt from property taxation, or the complete or partial destruction of such property caused by, among other eventualities, earthquake or other natural disaster, could cause a reduction in the Tax Revenues available to pay debt service on the 2017 Bonds. Such reduction of Tax Revenues available to pay debt service on the 2017 Bonds could have an adverse effect on the Successor Agency's ability to make timely payments of principal of and interest on the 2017 Bonds; this risk may be increased by the significant concentration of property ownership in the Burbank Projects. See "THE BURBANK PROJECTS – Largest Taxpayers."

As described in greater detail under the heading "PROPERTY TAXATION IN CALIFORNIA – Article XIIIA of the State Constitution," Article XIIIA provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflation rate, not to exceed a two percent increase for any given year, or may be reduced to reflect a reduction in the consumer price index, comparable local data or any reduction in the event of declining property value caused by damage, destruction or other factors (as described above). Such measure is computed on a calendar year basis. Any resulting reduction in the full cash value base over the term of the 2017 Bonds could reduce Tax Revenues available to pay debt service on the 2017 Bonds.

In addition to the other limitations on, and required application under the Dissolution Act of Tax Revenues on deposit in the RPTTF, the State electorate or State Legislature could adopt a constitutional or legislative property tax reduction with the effect of reducing Tax Revenues allocated to the RPTTF and available to the Successor Agency. Although the federal and State Constitutions include clauses generally prohibiting the State Legislature's impairment of contracts, there are also recognized exceptions to these prohibitions. There is no assurance that the State electorate or State Legislature will not at some future time approve additional limitations that could reduce the Tax Revenues available to pay debt service on the 2017 Bonds and adversely affect the source of repayment and security of the 2017 Bonds.

Risks to Real Estate Market

The Successor Agency's ability to make payments on the 2017 Bonds will be dependent upon the economic strength of the Burbank Projects. The general economy of the Burbank Projects 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 Burbank Projects could be adversely affected by limitations of infrastructure or future governmental policies. In addition, if there is a significant decline in the general economy of the Burbank Projects, the owners of property within the Burbank Projects 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 Burbank Projects. See "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2017 Bonds.

Reduction in Inflationary Rate

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

Assessment Appeals

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

Development Risks

The general economy of a redevelopment project area will be subject to all the risks generally associated with real estate development. Projected development within a redevelopment project area may be subject to unexpected delays, disruptions and changes. Real estate development operations may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in development costs and by other similar factors. Further, real estate development operations within a redevelopment project area could be adversely affected by future governmental policies, including governmental policies to restrict or control development. Real estate development may also be adversely affected by any deficits in the general fund of the city or county in which a redevelopment project area resides to the extent that public services are reduced or the funds to finance capital infrastructure and other capital needs are insufficient. With respect to the City, the City currently projects a recurring general fund deficit that increases from approximately $1 million for fiscal year 2017-18 to approximately of $16.6 million in fiscal year 2022-23. The City is currently working to develop strategies to correct the structural deficit projected in such fiscal years. The City has numerous high priority infrastructure needs totaling approximately $493 million in the coming years. If such deficits are not resolved, the City may be unable to satisfy some or all of its high priority infrastructure needs or be required to reduce the services it provides to residents within the City. If projected development in a redevelopment project area is delayed or halted, the economy of the redevelopment project area could be affected. If such events lead to a decline in assessed values they could cause a reduction in incremental property tax revenues.

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 Revenues, and accordingly, could have an adverse impact on the security for and the ability of the Successor Agency to repay the 2017 Bonds.

Delinquencies in the payment of property taxes by the owners of land in the Burbank Projects, and the impact of bankruptcy proceedings on the ability of taxing agencies to collect property taxes as described below, could have an adverse effect on the Successor Agency's ability to make timely payments on the 2017 Bonds. See "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2017 Bonds.

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 2017 Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the liens to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. Such delay would increase the possibility of delinquent tax installments not being paid in full and thereby increase the likelihood of a delay or default in payment of the principal of and interest on the 2017 Bonds. See "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage" for a description of the debt service coverage on the 2017 Bonds.

Estimated Revenues

In estimating that Tax Revenues will be sufficient to pay debt service on the 2017 Bonds, the Successor Agency made certain assumptions with regard to present and future assessed valuation in the Burbank Projects, 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 2017 Bonds will be less than those projected and such reduced Tax Revenues may be insufficient to provide for the payment of principal of and interest on the 2017 Bonds. See "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage."

Hazardous Substances

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

Natural Disasters

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

Seismic Considerations. The areas in and surrounding the City, like those in much of California, may be subject to unpredictable seismic activity. There is significant potential for destructive ground shaking during the occurrence of a major seismic event. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such an event. In the event of a severe earthquake, there may be significant damage to both property and infrastructure in the Burbank Projects. As a result, the value of taxable land in the Burbank Projects could be diminished in the aftermath of such an earthquake, through appeals or otherwise, thereby reducing the amount of Tax Revenues. See "THE BURBANK PROJECTS – Assessment Appeals; Proposition 8 Reductions" herein. The City is located in a high impact seismic zone.

Changes in the Law

There can be no assurance that the State electorate will not at some future time adopt initiatives or that the State 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 2017 Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the 2017 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the 2017 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, clarification of the Code or court decisions may cause interest on the 2017 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the 2017 Bonds.

Should such an event of taxability occur, the 2017 Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Internal Revenue Service Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "**Service**") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the 2017 Bonds will be selected for audit by the Service. It is also possible that the market value of the 2017 Bonds might be adversely affected as a result of such an audit of the 2017 Bonds (or by an audit of similar municipal obligations).

Secondary Market

There can be no guarantee that there will be a secondary market for the 2017 Bonds, or, if a secondary market exists, that the 2017 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the 2017 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 2017 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 2017 Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2017 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 2017 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 2017 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 ("A**MTI**"), 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 2017 Bonds.

Ownership of the 2017 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 2017 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "**Issue Price**") for the 2017 Bonds is the price at which a substantial amount of the 2017 Bonds is first sold to the public. The Issue Price of the 2017 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 2017 Bonds who dispose of 2017 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2017 Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2017 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2017 Bond is purchased at any time for a price that is less than the 2017 Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a 2017 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 2017 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 2017 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2017 Bonds.

An investor may purchase a 2017 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 2017 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 2017 Bonds. Investors who purchase a 2017 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2017 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2017 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 2017 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 2017 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 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 2017 Bonds. If an audit is commenced, under current procedures the Service may treat the Successor Agency as a taxpayer and the 2017 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 2017 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 2017 Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2017 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 2017 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 2017 Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the 2017 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 2017 Bonds. Prospective purchasers of the 2017 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 2017 Bonds is set forth in "APPENDIX B – FORM OF OPINION OF BOND COUNSEL."

UNDERWRITING

The 2017 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, and Raymond James & Associates, Inc. (the "**Underwriters**"). The Underwriters have agreed to purchase the 2017 Bonds at a price of $35,142,920.44 (being the principal amount of the 2017 Bonds, plus a net original issue premium of $2,240,050.25 and less an Underwriters' discount of $117,129.81). The Underwriters will purchase all of the 2017 Bonds if any are purchased.

The Underwriters may offer and sell 2017 Bonds to certain dealers and others at a price lower than the offering price stated on the inside cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

LEGAL OPINIONS

The final approving opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, will be furnished to the purchaser at the time of delivery of the 2017 Bonds. Copies of the proposed form of Bond Counsel's final approving opinion with respect to the 2017 Bonds is set forth in "APPENDIX B – FORM OF OPINION OF BOND COUNSEL." In addition, certain legal matters will be passed on by Jones Hall, A Professional Law Corporation, as Disclosure Counsel, and by Nossaman LLP, as Underwriters' Counsel. Certain legal matters will be passed on for the Successor Agency by the City Attorney, as general counsel for the Successor Agency.

Compensation paid to Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent upon the sale and delivery of the 2017 Bonds.

MUNICIPAL ADVISOR

The Successor Agency has retained Ross Financial, San Francisco, California as Municipal Advisor in connection with the authorization and issuance of the 2017 Bonds. The Municipal Advisor does not underwrite or trade bonds and will not engage in any underwriting activities with regard to the issuance and sale of the 2017 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 this Official Statement and is not obligated to review or ensure compliance with continuing disclosure undertakings. The Municipal Advisor's fee is contingent on closing of the 2017 Bonds.

LITIGATION

To the best knowledge of the Successor Agency, there is no litigation pending (where service of process has been completed on the Successor Agency) or threatened against the Successor Agency concerning the validity of the 2017 Bonds or challenging any action taken by the Successor Agency in connection with the authorization of the Indenture, the Bond Purchase Agreement or any other document relating to the 2017 Bonds to which the Successor Agency is or is to become a party or the performance by the Successor Agency of any of its obligations under any of the foregoing.

There is no action, suit or proceeding pending or, to the knowledge of the Successor Agency, threatened, restraining or enjoining the execution or delivery of the 2017 Bonds or the Indenture, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Successor Agency, its Oversight Board, or the City taken with respect to any of the foregoing. The Successor Agency is a defendant in actions for writs of mandamus, injunctive relief and related fees, and for alleged damages to persons and/or property and for other alleged liabilities arising out of matters usually incident to the operation of a redevelopment agency (and now, a successor agency). The lawsuits described below relate to issues that may affect the distribution of property tax revenues or other monies to the Successor Agency under the Dissolution Act. The Successor Agency does not expect such pending or threatened litigation to result in a material adverse impact on the ability of the Successor Agency to make timely payments of debt service on the 2017 Bonds.

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

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

At this time, it is unclear what liability, if any, the Successor Agency may have to LACCD or to other school districts within its boundaries. Further, if the Successor Agency is found liable to LACCD, it is unclear under the Dissolution Act whether any amounts owed by the Successor Agency as a result of the LACCD case would be senior or subordinate to the payment of debt service on the 2017 Bonds. Notwithstanding the foregoing, due to the amount of residual tax increment revenues generated from the Burbank Projects, the Successor Agency does not expect the final judgment or similar resolution of either litigation to result in a material adverse impact on the ability of the Successor Agency to make timely payments of debt service on its 2017 Bonds. See "THE BURBANK PROJECTS – Projected Tax Revenues and Estimated Debt Service Coverage."

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

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating of "AA-" to the 2017 Bonds.

Such rating reflects only the view of S&P, and any explanation of the significance of such rating should be obtained from S&P. There is no assurance that such rating will be retained for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of any rating obtained may have an adverse effect on the market price of the 2017 Bonds.

CONTINUING DISCLOSURE

The Successor Agency will covenant for the benefit of owners of the 2017 Bonds to provide certain financial information and operating data relating to the Successor Agency by not later than March 31 after the end of each fiscal year of the Successor Agency (currently June 30), commencing not later than March 31, 2018 with the report for the 2016-17 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of enumerated events will be filed by the Successor Agency with the Municipal Securities Rulemaking Board through the Electronic Municipal Access ("**EMMA**") System. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized below under the caption "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriters in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**"). The City coordinates annual information filings for itself and its related governmental entities.

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

During the past five years, the City and its related entities, including the Former Agency and the Successor Agency, as successor thereto, failed to comply in all respects with certain of their undertakings in the previous five years as follows:

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

Former Agency/ Successor Agency. The following summarizes disclosure compliance failures by the Former Agency and Successor Agency in the last five years:

Burbank Public Financing Authority Revenue Bonds, 2002 Series A (Redevelopment Agency of the City of Burbank - West Olive Redevelopment Project). For fiscal year 2011-12, the Former Agency failed to file its financial statements on a timely basis by less than one week.

Burbank Public Financing Authority Revenue Bonds, 2003 Series A (Golden State Redevelopment Project). For fiscal year 2011-12, the Former Agency failed to file its financial statements on a timely basis by less than one week.

Burbank Public Financing Authority Revenue Bonds, 2003 Series B (South San Fernando Redevelopment Project). For fiscal year 2011-12, the Former Agency failed to file its financial statements on a timely basis by less than one week.

For a rating change that occurred on February 9, 2015, the Former Agency failed to file a notice regarding such change on a timely basis.

Burbank Public Financing Authority Revenue Bonds, 2003 Series C (City Centre Redevelopment Project). For fiscal year 2011-12, the Former Agency failed to file its financial statements on a timely basis by less than one week.

For rating changes that occurred on February 26, 2013, the Former Agency failed to file notices regarding such changes on a timely basis.

Burbank Public Financing Authority Revenue Bonds, 2007 Series A (Golden State Redevelopment Project). For fiscal year 2011-12, the Former Agency failed to file its financial statements on a timely basis by less than one week.

For rating changes that occurred on July 2, 2013, February 9, 2015, June 10, 2015 and April 6, 2017, the Former Agency failed to file notices regarding such changes on a timely basis.

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

City of Burbank Waste Disposal Revenue Bonds Series 2002B. For a rating change that occurred on November 2, 2012, the City failed to file a notice of rating change on a timely basis.

City of Burbank Waste Disposal Refunding Revenue Bonds, Series 2012. For fiscal year 2011-12, the City failed to file its financial statements on a timely basis by more than one year, without notice of filing late. For fiscal years 2011-12 and 2012-13, the City failed to include in the annual reports information on solid waste collections as required by the disclosure undertaking.

Community Facilities District No. 2005-1 (The Collection Public Parking Facility) 2006 Special Tax Bonds. For fiscal year 2011-12, the City failed to file its financial statements on a timely basis by less than one week.

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

Burbank Water and Power Electric Revenue Refunding Bonds, Series 2012A. For fiscal year 2011-12, the BWP failed to file its financial statements on a timely basis, without notice of filing late. For fiscal year 2012-13 through 2015-16, the BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

Burbank Water and Power Electric Revenue Refunding Bonds, Series 2010A. For fiscal year 2011-12, the BWP failed to file its financial statements on a timely basis, without notice of filing late. For fiscal year 2012-13 through 2015-16, the BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

For a rating change that occurred on August 1, 2017, BWP failed to file an underlying rating change notice on a timely basis.

Burbank Water and Power Electric Revenue Refunding Bonds, Series 2010B. For fiscal year 2011-12, the BWP failed to file its financial statements on a timely basis, without notice of filing late. For fiscal year 2012-13 through 2015-16, the BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

For a rating change that occurred on August 1, 2017, BWP failed to file an underlying rating change notice on a timely basis. *Burbank Water and Power Water Revenue Refunding Bonds, Series 2010A*. For fiscal years 2011-12 and 2013-14, the BWP failed to file its financial statements on a timely basis, without notice of filing late. For fiscal years 2012-13, 2014-15 and 2015-16, the BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

Burbank Water and Power Water Revenue Bonds, Series 2010B. For fiscal years 2011-12 and 2013-14, the BWP failed to file its financial statements on a timely basis, without notice of filing late. For fiscal years 2012-13, 2014-15 and 2015-16, the BWP filed its unaudited financial statements on a timely basis, but failed to file its audited financial statements on a timely basis.

To ensure compliance with their respective continuing disclosure undertakings under the Rule in the future, the City and its related entities, including the Successor Agency, have appointed the Financial Services Director of the City to coordinate, on behalf the City and its related entities, including the Successor Agency, the preparation and filing of annual disclosure reports by the City and its related entities, including the Successor Agency, and has adopted policies and procedures related thereto (the "**Disclosure Policies and Procedures**"). In addition, the City and its related entities, including the Successor Agency, have engaged NBS Government Finance Group, doing business as NBS (the "**Dissemination Agent**") to act as dissemination agent with respect to their undertakings under the Rule and to assist the City's Finance Director and other City staff with the preparation of documents and other information to be provided by the Dissemination Agent in the future in accordance with the Rule.

AUDITED FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2016 (the "**City CAFR**") is attached as Appendix E. The City CAFR includes the Successor Agency's audited financial statements for the fiscal year ended June 30, 2016. The Successor Agency's audited financial statements were audited by White Nelson Diehl Evans LLP (the "**Auditor**"). The Auditor has not been asked to consent to the inclusion of the Successor Agency's audited financial statements in this Official Statement and has not reviewed this Official Statement.

As described in “SECURITY FOR THE 2017 BONDS – Limited Obligation,” the 2017 Bonds are payable from and secured a pledge of, security interest in and lien on all of Tax Revenues and moneys in certain funds and accounts held by the Trustee under the Indenture and are not a debt of the City. The City CAFR is attached as Appendix E to this Official Statement only because it includes additional financial information pertaining to the Successor Agency.

MISCELLANEOUS

All of the preceding summaries of the Indenture, the Redevelopment Law, the Dissolution Act, other applicable legislation, the Redevelopment Plans, 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 2017 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

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

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

By /s/ *Ron Davis*

Ron Davis
Executive Director

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

PROVISIONS RELATING TO THE 2015 INDENTURE

Definitions

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

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

"*Bonds*" or "*2015 Bonds*" means the $41,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015, and, when the context requires, any Parity Debt.

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

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

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

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

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

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

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, operating expenses, rating agency fees, filing and recording fees, initial fees and charges and first annual administrative fee of the Trustee and fees and expenses of its counsel, fees, charges and disbursements of attorneys, financial advisors, fiscal consultants, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, premiums for the 2015 Municipal Bond Insurance Policy and the 2015 Reserve Policy and any other cost, charge or fee in connection with the original issuance of the Bonds.

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

"*County*" means Los Angeles County.

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

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

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

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

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

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

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

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

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

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

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

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

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

"*Late Payment Rate*" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) then applicable highest rate of interest on the Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the 2015 Municipal Bond Insurer in its sole and absolute discretion shall specify.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Federal Securities.

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

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

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

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
   Participation Certificates

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

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

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

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

1. Federal Home Loan Bank System
Senior debt obligations

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

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

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

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“*Redevelopment Obligation Retirement Fund*” means the fund by that name referenced in the Indenture.

“*Redevelopment Plans*” means, collectively, the Burbank Merged Plan and the West Olive Plan.

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

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

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

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

“*Reserve Agreement*” means the Debt Service Reserve Agreement, dated the Closing Date, by and between the Successor Agency and the 2015 Municipal Bond Insurer.

“*Reserve Requirement*” means a fixed amount, determined on or before the Closing Date, equal to the least of (a) Maximum Annual Debt Service for the 2015 Bonds for then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for the 2015 Bonds for then current or every subsequent Bond Year, and (c) 10% of the original principal amount of the 2015 Bonds.

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

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

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

"*State*" means the State of California.

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

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

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

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

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

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

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

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

"*2015 Municipal Bond Insurance Policy*" means the 2015 Municipal Bond Insurance Policy issued by the 2015 Municipal Bond Insurer that guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

"*2015 Municipal Bond Insurer*" means Build America Mutual Assurance Company, or any successor thereto.

"*2015 Reserve Policy*" means the Reserve Account Municipal Bond Insurance Policy issued by the 2015 Municipal Bond Insurer in lieu of a cash funded reserve fund for the Bonds in an amount equal to the 2015 Reserve Requirement.

"2015 *Reserve Subaccount*" means the subaccount by that name established and held by the Trustee pursuant to the Indenture.

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

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

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

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

Costs of Issuance Fund

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

Issuance of Parity Debt

In addition to the Bonds, the Successor Agency may issue or incur Parity Debt to refund (1) the Bonds, (2) any or all of the following: Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Subordinated Tax Allocation Bonds, Issue of 1993, and the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, in such principal amount as shall be determined by the Successor Agency, pursuant to a separate or Supplemental Indenture adopted or entered into by the Successor Agency and Trustee, and (c) any outstanding Parity Debt. The Successor Agency may issue or incur such Parity Debt subject to the following specific conditions precedent:

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

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

(c) The Parity Debt will be on such terms and conditions as may be set forth in a separate or Supplemental Indenture, which will provide for bonds or other obligations substantially in accordance with this Indenture;

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

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

(f) A reserve subaccount shall be established for such Parity Debt in a fixed amount, determined on or before the closing date for such Parity Debt, equal to the least of (a) Maximum Annual Debt Service for such Parity Debt for then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for such Parity Debt for then current or every subsequent Bond Year, and (c) 10% of the original principal amount of such Parity Debt.

Security of Bonds; Equal Security

Except as otherwise provided in the Indenture, the Bonds and any Parity Debt shall be equally secured by a pledge and lien on all of the Tax Revenues and by a first and exclusive pledge and lien upon all of the moneys in the Debt Service Fund (including the Interest Account, the Principal Account and the Redemption Account therein) without preference or priority for series, issue, number, dated date, sale date, date of execution or date of delivery. Except for the Tax Revenues and such moneys, no funds or properties of the Successor Agency shall be pledged to, or otherwise liable for, the payment of principal of or interest or redemption premium (if any) on the Bonds. The 2015 Reserve shall also be available to secure the 2015 Bonds but only the 2015 Bonds. Separate reserve subaccounts established for Parity Debt shall secure such Parity Debt and only such Parity Debt.

In consideration of the acceptance of the Bonds and any Parity Debt by those who shall own the same from time to time, this Indenture shall be deemed to be and shall constitute a contract between the Successor Agency and the Trustee for the benefit of the Owners from time to time of the Bonds and any Parity Debt, and the covenants and agreements herein set forth to be performed on behalf of the Successor Agency shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds and any Parity Debt without preference, priority or distinction as to security or otherwise of any of the Bonds and any Parity Debt 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 herein.

Redevelopment Obligation Retirement Fund; Deposit of Tax Revenues

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

Deposit of Amounts by Trustee

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

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

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

(c) *2015 Reserve Subaccount.* Within the Reserve Account, there is hereby established a subaccount known as the 2015 Reserve Subaccount which shall provide security for the payment of debt service on the 2015 Bonds.

(i) In lieu of a cash deposit to the 2015 Reserve Subaccount equal to the 2015 Reserve Requirement, the Reserve Policy shall be delivered to the Trustee on the Closing Date. The prior written consent of the 2015 Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the 2015 Reserve Subaccount.

If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the 2015 Bonds then coming due and payable, the Trustee shall apply the moneys available in the 2015 Reserve Subaccount to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account. To the extent there is cash or investments on deposit in the 2015 Reserve Subaccount, 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 2015 Reserve Subaccount in lieu of cash (a "2015 Credit Facility"). Payment of any 2015 Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all 2015 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 2015 Reserve Subaccount. Payment of 2015 Policy Costs and reimbursement of amounts with respect to other 2015 Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the 2015 Reserve Subaccount. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the 2015 Reserve Subaccount or there has been a draw on the Reserve Policy, such amount shall be deposited in the 2015 Reserve Subaccount 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 has no obligation to replace the Reserve Policy or to fund the 2015 Reserve Subaccount with cash if, at any time the 2015 Bonds are outstanding, amounts are unavailable under the Reserve Policy or the rating assigned to the Municipal Bond Insurance Policy is downgraded, suspended or withdrawn at any time.

(ii) The Successor Agency shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the 2015 Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the 2015 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 "2015 Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2015 Policy Costs related to such draw.

Amounts in respect of 2015 Policy Costs paid to the 2015 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 2015 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 2015 Reserve Subaccount shall be transferred to the Debt Service Fund for payment of the debt service on the 2015 Bonds before any drawing may be made on the Reserve Policy or any other 2015 Credit Facilities in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all 2015 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 Debt Service Reserve Fund. Payment of 2015 Policy Costs and reimbursement of amounts with respect to other 2015 Credit Facilities shall be made on a pro rata basis prior to replenishment of any cash drawn from the 2015 Reserve Subaccount. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(iii) Draws under the Reserve Policy may only be used to make payments on 2015 Bonds.

(iv) If the Successor Agency shall fail to pay any 2015 Policy Costs in accordance with the requirements of paragraph (a) above, the 2015 Municipal Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the 2015 Bonds, or (ii) remedies which would adversely affect owners of the 2015 Bonds.

(v) This Indenture shall not be discharged until all 2015 Policy Costs owing to the 2015 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 2015 Bonds.

(vi) The Trustee shall ascertain the necessity for a claim upon the Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the 2015 Municipal

Bond Insurer at least three business days prior to each date upon which interest or principal is due on the 2015 Bonds.

(vii) The Reserve Policy shall expire on the earlier of the date the 2015 Bonds are no longer outstanding and the final maturity date of the 2015 Bonds.

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

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

Covenants of the Successor Agency

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

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

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

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

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

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

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

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

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

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

(i) **Rebate Requirement**. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government. In the event that the Successor

Agency shall determine that any amounts are due and payable to the United States of America under the Indenture and that the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the Interest Account, the Principal Account and excluding any other moneys required to pay the principal of or interest or redemption premium, if any, on the Bonds) to make such payment, the Successor Agency shall promptly pay from available Tax Revenues or any other source of legally available funds the sum of (a) one hundred percent (100%) of the amounts determined to be due and payable to the United States of America as a result of the investment of amounts on deposit in any fund or account established under the Indenture, plus (b) all other amounts due and payable to the United States of America.

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

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

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

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

(j) *Compliance with Dissolution Act; Recognized Obligation Payment Schedules*. The Successor Agency covenants that it will comply with all of the requirements of the Dissolution Act applicable to it and to the Bonds. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the Los Angeles County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund (as such term is used in the definition "Tax Revenues" in this Indenture) for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to timely pay the principal of, and interest on, all Outstanding Bonds coming due in each Fiscal Year, including any amounts required to replenish a reserve account established for any Parity Debt.

Without limiting the generality of the foregoing, the Successor Agency shall take all actions required under the Dissolution Act to file a Recognized Obligation Payment Schedule by February 1 in each year, commencing February 1, 2018, in accordance with section 34177 of the Redevelopment Law. "For the semiannual period ending each June 30, the Recognized Obligation Payment Schedule which includes such period shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

(i) for distribution on each June 1:

(A) all interest coming due and payable on the Bonds and all Outstanding Parity Debt on the next succeeding December 1, and

(B) fifty percent (50%) of the principal amount coming due and payable on the Bonds and all Outstanding Parity Debt on the next December 1; and

(ii) for distribution on each January 2:

(A) all interest coming due and payable on the Bonds and all Outstanding Parity Debt on the next succeeding June 1, and

(B) fifty percent (50%) of the principal amount coming due and payable on the Bonds and all Outstanding Parity Debt on the next December 1;

The foregoing actions shall include, without limitation, placing each February 1 on the annual Recognized Obligation Payment Schedule for approval by the Oversight Board and the California Department of Finance, to the extent required, the amounts to be held by the Successor Agency as a reserve for the timely payment of principal of and interest on the Bonds and all Outstanding Parity Debt coming due in the succeeding Fiscal Year.

(k) *Compliance with Plan Limit*. If and to the extent that the Plan Limit applies to the Successor Agency under the Law, the Successor Agency will annually review, no later than December 1 of each year, the total amount of remaining tax increment to be received by the Successor Agency under the Plan Limit (assuming all incremental revenue is allocated to the Successor Agency), as well as future cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to the 2015 Municipal Bond Insurer in connection with the 2015 Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds. If, based on such review, the allocation of tax increment to the Successor Agency in any of the next three succeeding Fiscal Years would cause an amount equal to 95% of the amount remaining under the Plan Limit to fall below the remaining cumulative principal of and interest and premium (if any) on the outstanding Bonds and any Parity Debt, amounts due and payable to the 2015 Municipal Bond Insurer in connection with the 2015 Municipal Bond Insurance Policy and the Reserve Policy, estimated future fees of the Trustee and any obligations of the Successor Agency that are senior to the Bonds or that are subordinate to the Bonds, the Successor Agency will include in its Recognized Obligation Payment Schedule sufficient additional amounts to fund a defeasance escrow to be held by the Trustee and to be pledged solely to the payment of debt service on the Bonds, which escrow shall be invested in Defeasance Obligations and used for the payment of principal of, redemption premiums, if any, and interest on the Bonds to ensure that there are sufficient remaining tax increment revenues under the Plan Limit to pay the remaining debt service and all amounts due and payable to the 2015 Municipal Bond Insurer in connection with the 2015 Municipal Bond Insurance Policy and the Reserve Policy. In the event such 95% limit is or will be reached or exceeded in any Fiscal Year, the Successor Agency shall promptly notify the 2015 Municipal Bond Insurer of such fact in writing.

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

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

Amendment

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

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

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

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

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

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

Effect of Supplemental Indenture

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

Events of Default and Acceleration of Maturities

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

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

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

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

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

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

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

Application of Funds Upon Acceleration

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

> *First*, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in exercising the rights and remedies set forth in the Indenture, including reasonable compensation to its agents, attorneys (including the allocated costs and disbursements of its in-house counsel to the extent such services are not redundant with those provided by outside counsel) and counsel and any outstanding fees, expenses of the Trustee; and
>
> *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at the net effective rate then borne by the Outstanding Bonds (to the extent that such interest on overdue installments of principal and interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Limitation on Owner's Right to Sue

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

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

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

Remedies Not Exclusive

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

Discharge of Indenture

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

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

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

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

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

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

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

Provisions Relating to the 2015 Municipal Bond Insurer and the 2015 Municipal Bond Insurance Policy

(a) *Books and Records*. The Successor Agency and the Trustee shall keep, or cause to be kept, proper books of record and account in which complete and correct entries shall be made of its transactions and all funds and accounts by or maintained pursuant to the Indenture, which shall at all times during normal business hours and upon reasonable notice be subject to inspection by the 2015 Municipal Bond Insurer or its agents or representatives who have been duly authorized in writing.

(b) *Discussion of Financial Matters*. The Successor Agency agrees, consents and will cooperate in good faith to provide information reasonably requested by the 2015 Municipal Bond Insurer and will further provide appropriately designated individuals and officers to discuss the affairs, finances and accounts of the Successor Agency or any other matter as the 2015 Municipal Bond Insurer may reasonably request.

(c) *Meet and Confer; ROPs Denial*. The Successor Agency shall provide the 2015 Municipal Bond Insurer with copies of all Recognized Obligation Payment Schedule ("ROPS") submitted and any and all correspondence received from the DOF upon receipt. In the event that the Successor Agency is a party to a meet and confer with the DOF, the Successor Agency shall timely notify the 2015 Municipal Bond Insurer and the 2015 Municipal Bond Insurer shall have the right to participate in the meet and confer process either by appearance with the Successor Agency at the meet and confer or through written submission as the 2015 Municipal Bond Insurer determines in its discretion. In the event the Successor Agency receives a ROPS denial, whether relating to the Insured Bonds or not, and such denial could delay the receipt of tax revenues necessary to pay debt service or Policy Costs relating to the Insured Bonds, the Successor Agency agrees to cooperate in good faith with the 2015 Municipal Bond Insurer and the 2015 Municipal Bond Insurer shall receive prompt notice of any such event and shall be permitted to attend any meetings with the Successor Agency and the DOF and to discuss such matters with the DOF directly.

(d) *the 2015 Municipal Bond Insurer As Third Party Beneficiary*. The 2015 Municipal Bond Insurer is recognized as and shall be deemed to be an irrevocable third party beneficiary of the Indenture and may enforce the provisions of the Indenture as if it were a party thereto.

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

(f) *Notice and Other Information to be given to the 2015 Municipal Bond Insurer*. The Successor Agency will identify the 2015 Municipal Bond Insurer as a "notice party" and shall further provide the 2015 Municipal Bond Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the Owners of Insured Bonds or the Trustee under the Indenture. The 2015 Municipal Bond Insurer shall receive copies of all notices and amendments relating to the Insured Bonds.

The notice address of the 2015 Municipal Bond Insurer is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Telephone: (212) 235-2500, Fax: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the 2015 Municipal Bond Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Fax: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(g) *Defeasance*. The investments in the defeasance escrow relating to Insured Bond shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by the 2015 Municipal Bond Insurer.

At least three (3) Business Days prior to any defeasance with respect to the Insured Bonds, the Successor Agency shall deliver to the 2015 Municipal Bond Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Bonds, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the 2015 Municipal Bond Insurer and shall be in form and substance satisfactory to the 2015 Municipal Bond Insurer. In addition, the escrow agreement shall provide that:

(i) Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes and the prior written consent of the 2015 Municipal Bond Insurer, which consent will not be unreasonably withheld.

(ii) The Successor Agency will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to the 2015 Municipal Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii) The Successor Agency shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without written notice to and the prior written consent of the 2015 Municipal Bond Insurer.

(h) *Trustee*. The 2015 Municipal Bond Insurer shall receive prior written notice of any name change of the Trustee or the resignation, removal or substitution of the Trustee. Each Trustee must be:

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

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

(iii) otherwise approved by the 2015 Municipal Bond Insurer in writing.

No resignation, removal or substitution of the Trustee shall take effect until a successor, acceptable to the 2015 Municipal Bond Insurer, shall be qualified and appointed. The 2015 Municipal Bond Insurer shall have the right to direct the replacement of the Trustee upon the occurrence of an event of a default on the Insured Bonds and any event of default to the extent the 2015 Municipal Bond Insurer determines in its sole discretion that there exists or could exist a conflict of interest.

(i) *Amendments, Supplements and Consents*. The 2015 Municipal Bond Insurer's prior written consent is required for all amendments and supplements to the Indenture, with the exceptions noted below. The Successor Agency shall send copies of all amendments or supplements to the 2015 Municipal Bond Insurer and the rating agencies that have assigned a rating to the Insured Bonds.

(i) **Consent of the 2015 Municipal Bond Insurer**. Any amendments or supplements to the Indenture shall require the prior written consent of the 2015 Municipal Bond Insurer with the exception of amendments or supplements:

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

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

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

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

(ii) **Consent of the 2015 Municipal Bond Insurer in Addition to Owner Consent**. Any amendment, supplement, modification to, or waiver of, any of the Indenture that requires the consent of Owners of the Insured Bonds or adversely affects the rights or interests of the 2015 Municipal Bond Insurer shall be subject to the prior written consent of the 2015 Municipal Bond Insurer.

(iii) **Notice To and Consent of the 2015 Municipal Bond Insurer in the Event of Insolvency**. To the extent the Successor Agency enters into any reorganization or liquidation plan with respect to the Successor Agency, it must be acceptable to the 2015 Municipal Bond Insurer. In the event of any reorganization or liquidation of the Successor Agency the 2015 Municipal Bond Insurer shall have the right to file a claim, object to and vote on behalf of all holders of the Insured Bonds absent a continuing failure by the 2015 Municipal Bond Insurer to make a payment under the 2015 Municipal Bond Insurance Policy. The Successor Agency shall provide the 2015 Municipal Bond Insurer with immediate written notice of any insolvency event that causes the Successor Agency to be unable to pay its obligations as and when they become due. In the event of a receivership or out-of-court restructuring, the 2015 Municipal Bond Insurer shall have the right to negotiate and speak on behalf of and bind the bondholders and any agreements reached must be acceptable to the 2015 Municipal Bond Insurer.

(iv) **Consent of the 2015 Municipal Bond Insurer Upon Default**. Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, monetary or nonmonetary, the 2015 Municipal Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners of the Insured Bonds or the Trustee for the benefit of the Owners of the Insured Bonds. No monetary or nonmonetary default or event of default may be waived without the 2015 Municipal Bond Insurer's written consent.

(v) **the 2015 Municipal Bond Insurer as Owner**. Upon the occurrence and continuance of a default or an event of default, the 2015 Municipal Bond Insurer shall be deemed to be the sole and exclusive owner of the outstanding Insured Bonds for all purposes under the Indenture, including, without limitation, for purpose of approvals, consents, exercising remedies and approving agreements relating to the Insured Bonds.

(vi) **Consent of the 2015 Municipal Bond Insurer for Acceleration**. The 2015 Municipal Bond Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

(vii) **Grace Period for Payment Defaults**. No grace period shall be permitted for payment defaults on the Insured Bonds. No grace period for a covenant default shall exceed 30 days without the prior written consent of the 2015 Municipal Bond Insurer.

(viii) **Special Provisions for Insurer Default**. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (j)(i)-(v) above to the contrary, (A) if at any time prior to or following an Insurer Default, the 2015 Municipal Bond Insurer has made payment under the 2015 Municipal Bond Insurance Policy, to the extent of such payment the 2015 Municipal Bond Insurer shall be treated like any other Owner of the Insured Bonds for all purposes, including giving of consents, and (B) if the 2015 Municipal Bond Insurer has not made any payment under the 2015 Municipal Bond Insurance Policy, the 2015 Municipal Bond Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2015 Municipal Bond Insurer makes a payment under the 2015 Municipal Bond Insurance Policy, in which event, the foregoing clause (A) shall control. For purposes of this paragraph, "Insurer Default" means: (1) the 2015 Municipal Bond Insurer has failed to make any payment under the 2015 Municipal Bond Insurance Policy when due and owing in accordance with its terms; or (2) the 2015 Municipal Bond Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrate or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (3) any state or federal agency or instrumentality shall order the suspension of payments on the 2015 Municipal Bond Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2015 Municipal Bond Insurer (including without limitation under the New York Insurance Law).

(j) *Payment Procedure Under the 2015 Municipal Bond Insurance Policy*. In the event that principal and/or interest due on the Insured Bonds shall be paid by the 2015 Municipal Bond Insurer pursuant to the 2015 Municipal Bond Insurance Policy, the Insured Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Successor Agency, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the Successor Agency to the Owners shall continue to exist and shall run to the benefit of the 2015 Municipal Bond Insurer and shall be subrogated to the rights and remedies of such Owners including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Insured Bonds.

In the event that on the second (2nd) Business Day prior to any Interest Payment Date on the Insured Bonds, the Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Bonds due on such Interest Payment Date, the Trustee shall immediately notify the 2015 Municipal Bond Insurer or its designee on the same Business Day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the Interest Payment Date, the Trustee shall notify the 2015 Municipal Bond Insurer or its designee immediately upon receipt of payment.

In addition, if the Trustee has notice that any Owner of the Insured Bonds has been required to disgorge payments of principal of or interest on the Insured Bonds pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, then the Trustee shall notify the 2015 Municipal Bond Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of the 2015 Municipal Bond Insurer.

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

(i) If there is a deficiency in amounts required to pay interest and/or principal on the Insured Bonds, the Trustee shall (A) execute and deliver to the 2015 Municipal Bond Insurer, in form satisfactory to the 2015 Municipal Bond Insurer, an instrument appointing the 2015 Municipal Bond Insurer as agent and attorney-in-fact for such Owners of the Insured Bonds in any legal proceeding related to the payment and assignment to the 2015 Municipal Bond Insurer of the claims for interest on the Insured Bonds, (B) receive as designee of the respective holders (and not as Trustee) in accordance with the tenor of the 2015 Municipal Bond Insurance Policy payment from the 2015 Municipal Bond Insurer with respect to the claims for interest so assigned, and (C) disburse the same to such respective Owners; and

(ii) If there is a deficiency in amounts required to pay principal of the Insured Bonds, the Trustee shall (A) execute and deliver to the 2015 Municipal Bond Insurer, in form satisfactory to the 2015 Municipal Bond Insurer, an instrument appointing the 2015 Municipal Bond Insurer as agent and attorney-in-fact for such Owner of the Insured Bonds in any legal proceeding related to the payment of such principal and an assignment to the 2015 Municipal Bond Insurer of the Insured Bonds surrendered to the 2015 Municipal Bond Insurer, (B) receive as designee of the respective Owners (and not as Trustee) in accordance with the tenor of the 2015 Municipal Bond Insurance Policy payment therefore from the 2015 Municipal Bond Insurer, and (C) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the 2015 Municipal Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to then current Owner, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the 2015 Municipal Bond Insurer, registered in the name directed by the 2015 Municipal Bond Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Successor Agency on any Insured Bond or the subrogation or assignment rights of the 2015 Municipal Bond Insurer.

Payments with respect to claims for interest on and principal of Insured Bonds disbursed by the Trustee from proceeds of the 2015 Municipal Bond Insurance Policy shall not be considered to discharge the obligation of the Successor Agency with respect to such Insured Bonds, and the 2015 Municipal Bond Insurer shall become the owner of such unpaid Insured Bonds and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise.

Irrespective of whether any such assignment is executed and delivered, the Successor Agency and the Trustee agree for the benefit of the 2015 Municipal Bond Insurer that:

(i) They recognize that to the extent the 2015 Municipal Bond Insurer makes payments directly or indirectly (e.g., by paying through the Trustee), on account of principal of or interest on the Insured Bonds, the 2015 Municipal Bond Insurer will be subrogated to the rights of such Owners to receive the amount of such principal and interest from the Successor Agency with interest thereon, as provided and solely from the sources stated in the Indenture and the Insured Bonds; and

(ii) They will accordingly pay to the 2015 Municipal Bond Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Bonds, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Bonds to Owners, and will otherwise treat the 2015 Municipal Bond Insurer as the owner of such rights to the amount of such principal and interest.

(k) *Additional Payments*. The Successor Agency agrees unconditionally that it will pay or reimburse the 2015 Municipal Bond Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the 2015 Municipal Bond Insurer may pay or incur, including, but not limited to, fees and expenses of the 2015 Municipal Bond Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Indenture ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of the 2015 Municipal Bond Insurer spent in connection with the actions described in the preceding sentence. The Successor Agency agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to the 2015 Municipal Bond Insurer until the date the 2015 Municipal Bond Insurer is paid in full.

Notwithstanding anything herein to the contrary, the Successor Agency agrees to pay to the 2015 Municipal Bond Insurer (i) a sum equal to the total of all amounts paid by the 2015 Municipal Bond Insurer under the 2015 Municipal Bond Insurance Policy ("the 2015 Municipal Bond Insurer Policy Payment"); and (ii) interest on such the 2015 Municipal Bond Insurer Policy Payments from the date paid by the 2015 Municipal Bond Insurer until payment thereof in full by the Successor Agency, payable to the 2015 Municipal Bond Insurer at the Late Payment Rate per annum (collectively, "the 2015 Municipal Bond Insurer Reimbursement Amounts") compounded semi-annually. The Successor Agency hereby covenants and agrees that the 2015 Municipal Bond Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Bonds on parity with debt service due on the Insured Bonds.

(l) *2015 Reserve Subaccount*. The prior written consent of the 2015 Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account, if any, other than the Reserve Policy. Amounts on deposit in the 2015 Reserve Subaccount shall be applied solely to the payment of debt service due on the Insured Bonds.

(m) *Exercise of Rights by the 2015 Municipal Bond Insurer*. The rights granted to the 2015 Municipal Bond Insurer under the Indenture and Insured Bonds to request, consent to or direct any action are rights granted to the 2015 Municipal Bond Insurer in consideration of its issuance of the 2015 Municipal Bond Insurance Policy. Any exercise by the 2015 Municipal Bond Insurer of such rights is merely an exercise of the 2015 Municipal Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Bonds and such action does not evidence any position of the 2015 Municipal Bond Insurer, affirmative or negative, as to whether the consent of the holders of the Insured Bonds or any other person is required in addition to the consent of the 2015 Municipal Bond Insurer.

(n) *Payment on Insured Bonds Due for Payment*. The 2015 Municipal Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Successor Agency (as such terms are defined in the 2015 Municipal Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the 2015 Municipal Bond Insurer has received a claim upon the 2015 Municipal Bond Insurance Policy.

PROVISIONS RELATING TO THE FIRST SUPOPLEMENTAL INDENTURE OF TRUST

Definitions

"*Authority*" means the Burbank Public Financing Authority, a joint exercise of powers entity, organized and existing under the Laws of the State.

"*Bond Year*" means the one-year period beginning on December 2 in any year and ending on the next succeeding December 1, both dates inclusive, except that, with respect to the 2017 Bonds, the first Bond Year shall begin on the Closing Date and end on December 1, 2017.

"*Closing Date*" means the date on which the 2017 Bonds are delivered to the Original Purchaser.

"*Continuing Disclosure Certificate*" means that certain Continuing Disclosure Certificate relating to the 2017 Bonds executed by the Successor Agency and dated the date of issuance and delivery of the 2017 Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"*Costs of Issuance*" means all items of expense directly or indirectly payable by or reimbursable to the Successor Agency relating to the authorization, issuance, sale and delivery of the 2017 Bonds, including but not limited to printing expenses, rating agency fees, 2017 Municipal Bond insurance premiums, filing and recording fees, initial fees, expenses and charges of the Trustee, and its counsel, including the Trustee's first annual administrative fee, fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the 2017 Bonds, the premium for the 2017 Reserve Account Insurance Policy and any other cost, charge or fee in connection with the original issuance of the 2017 Bonds.

"*Escrow Agreement*" means that certain Escrow Agreement, dated the Closing Date, by and among the Successor Agency, the Authority and the Escrow Bank, pursuant to which provision will be made for the defeasance of the Prior Agency Bonds and, therefore, the 2007A Authority Bonds.

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

"*First Supplement*" means the First Supplemental Indenture of Trust, dated as of November 1, 2017, by and between the Successor Agency and the Trustee, as the same may be amended from time to time in accordance with the terms of the Original Indenture.

"*Interest Payment Date*" means June 1 and December 1 in each year, commencing December 1, 2017, so long as any of the 2017 Bonds remain Outstanding.

"*Original Indenture*" means the Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and the Trustee, as the same may be amended from time to time in accordance with the terms thereof, including, without limitation, as amended and supplemented by the First Supplement.

"*Original Purchaser*" means, collectively, Stifel Nicolaus & Company, Incorporated, and Raymond James & Associates, Inc., as the first purchasers of the 2017 Bonds.

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

"*Prior Agency Bonds*" means, collectively, the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A, the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, and the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Subordinated Tax Allocation Bonds, Issue of 1993.

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

"*Resolution*" means Resolution No. S-17-5 adopted by the Successor Agency on June 27, 2017.

"*2017 Bonds*" means the Bonds which are authorized and issued under the Indenture.

"*2017 Costs of Issuance Fund*" means the fund by that name established and held by the Trustee pursuant to the Indenture.

"*2017 Municipal Bond Insurer*" means Build America Mutual Assurance Company or any successor thereto or assignee thereof.

"2017 *Reserve Subaccount*" means the subaccount by that name established and held by the Trustee pursuant to the Indenture.

"2017 *Reserve Requirement*" means a fixed amount, determined on or before the Closing Date, equal to the least of (a) Maximum Annual Debt Service for the 2017 Bonds for then current or every subsequent Bond Year, (b) 125% of average Annual Debt Service for the 2017 Bonds for then current or every subsequent Bond Year, and (c) 10% of the original principal amount of the 2017 Bonds.

"*2017 Reserve Account Insurance Policy*" means, with respect to the 2017 Bonds, the municipal bond insurance policy issued by the 2017 Municipal Bond Insurer for deposit in the Reserve 2017 Reserve Subaccount in an amount equal to $2,295,489.43.

2017 Costs of Issuance Fund.

The moneys in the 2017 Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Successor Agency stating (a) the person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the 2017 Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Written Request of the Successor Agency; in each case together with a statement or invoice for each amount requested thereunder. On the earlier of three (3) months from the Closing Date, or the date of receipt by the Trustee of a Written Request of the Successor Agency therefor, all amounts (if any) remaining in the 2017 Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and be transferred to the Successor Agency for deposit in the Interest Account.

2017 Reserve Subaccount

Within the Reserve Account, there is hereby established a subaccount known as the 2017 Reserve Subaccount which shall provide security for the payment of debt service on the 2017 Bonds.

(a) In lieu of a cash deposit to the 2017 Reserve Subaccount equal to the 2017 Reserve Requirement, the 2017 Reserve Policy shall be delivered to the Trustee on the Closing Date. The prior written consent of the 2017 Municipal Bond Insurer shall be a condition precedent to the deposit of any credit instrument in lieu of a cash deposit into the 2017 Reserve Subaccount.

If, on any Interest Payment Date, the moneys available in the Interest Account and/or the Principal Account do not equal the amount of the principal or interest with respect to the 2017 Bonds then coming due and payable, the Trustee shall apply the moneys available in the 2017 Reserve Subaccount to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account or shall draw on the 2017 Reserve Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Interest Account and/or the Principal Account. To the extent there is cash or investments on deposit in the 2017 Reserve Subaccount, such cash or investments shall be applied first before there is any draw on the 2017 Reserve Policy or any other credit facility credited to the 2017 Reserve Subaccount in lieu of cash (a "2017 Credit Facility"). Payment of any 2017 Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all 2017 Credit Facilities (including the 2017 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 2017 Reserve Subaccount. Payment of 2017 Policy Costs and reimbursement of amounts with respect to other 2017 Credit Facilities shall be made on a *pro rata* basis prior to replenishment of any cash drawn from the 2017 Reserve Subaccount. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the 2017 Reserve Subaccount or there has been a draw on the 2017 Reserve Policy, such amount shall be deposited in the 2017 Reserve Subaccount to the extent of such advance and first applied to reimburse a draw on the 2017 Reserve Policy and then to replenish any cash drawn therefrom.

The Successor Agency has no obligation to replace the Reserve Policy or to fund the 2017 Reserve Subaccount with cash if, at any time the 2017 Bonds are outstanding, amounts are unavailable under the 2017 Reserve Policy.

(b) The Successor Agency shall repay any draws under the 2017 Reserve Policy and pay all related reasonable expenses incurred by the 2017 Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the 2017 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 “2017 Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of 2017 Policy Costs related to such draw.

Amounts in respect of 2017 Policy Costs paid to the 2017 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 2017 Municipal Bond Insurer on account of principal due, the coverage under the 2017 Reserve Policy will be increased by a like amount, subject to the terms of the 2017 Reserve Policy.

All cash and investments in the 2017 Reserve Subaccount shall be transferred to the Debt Service Fund for payment of the debt service on the 2017 Bonds before any drawing may be made on the 2017 Reserve Policy or any other 2017 Credit Facility in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all 2017 Credit Facilities (including the 2017 Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Debt Service Reserve Fund. Payment of 2017 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 2017 Reserve Subaccount. 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.

(c) Draws under the 2017 Reserve Policy may only be used to make payments on 2017 Bonds.

(d) If the Successor Agency shall fail to pay any 2017 Policy Costs in accordance with the requirements of paragraph (a) above, the 2017 Municipal Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than (i) acceleration of the maturity of the 2017 Bonds, or (ii) remedies which would adversely affect owners of the 2017 Bonds.

(e) This Indenture shall not be discharged until all 2017 Policy Costs owing to the 2017 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 2017 Bonds.

(f) The Trustee shall ascertain the necessity for a claim upon the 2017 Reserve Policy in accordance with the provisions of paragraph (a) hereof and provide notice to the 2017 Municipal Bond Insurer at least three business days prior to each date upon which interest or principal is due on the 2017 Bonds.

(g) The 2017 Reserve Policy shall expire on the earlier of the date the 2017 Bonds are no longer outstanding and the final maturity date of the 2017 Bonds.

With respect to the 2017 Reserve Policy, notwithstanding anything to the contrary set forth in this Indenture, the Successor Agency and the Trustee agree to comply with the terms of the Reserve Agreement.

Compliance with Dissolution Act.

Compliance with Dissolution Act; Recognized Obligation Payment Schedules. The Successor Agency covenants that it will comply with all of the requirements of the Dissolution Act applicable to it and to the 2017 Bonds. Without limiting the generality of the foregoing, the Successor Agency covenants and agrees to take all actions required under the Dissolution Act to prepare and file Recognized Obligation Payment Schedules so as to enable the Los Angeles County Auditor-Controller to distribute from the Redevelopment Property Tax Trust Fund (as such term is used in the definition "Tax Revenues" in this Indenture) for deposit in the Redevelopment Obligation Retirement Fund all amounts as shall be required to enable the Successor Agency to timely pay the principal of, and interest on, all Outstanding Bonds coming due in each Fiscal Year, including any amounts required to replenish a reserve account established for any Parity Debt.

Without limiting the generality of the foregoing, the Successor Agency shall take all actions required under the Dissolution Act to file a Recognized Obligation Payment Schedule by February 1 in each year, commencing February 1, 2018, in accordance with section 34177 of the Redevelopment Law. For the semiannual period ending each June 30, the Recognized Obligation Payment Schedule which includes such period shall request the payment to the Successor Agency of an amount of Tax Revenues which is at least equal to the following:

(i) for distribution on each January 2:

(A) all interest coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next succeeding June 1, and

(B) fifty percent (50%) of the principal amount coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next December 1; and

(ii) for distribution on each June 1:

(A) all interest coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next succeeding December 1, and

(B) fifty percent (50%) of the principal amount coming due and payable on the 2017 Bonds and all Outstanding Parity Debt on the next December 1.

The foregoing actions shall include, without limitation, placing each February 1 on the annual Recognized Obligation Payment Schedule for approval by the Oversight Board and the California Department of Finance, to the extent required, the amounts to be held by the Successor Agency as a reserve for the timely payment of principal of and interest on the Bonds and all Outstanding Parity Debt coming due in the succeeding Fiscal Year.

*Dissolution Act Invalid; Maintenance of Tax Revenues***.** In the event that the applicable property tax revenues provisions of the Dissolution Act are determined by a court in a final judicial decision to be invalid and, in place of the invalid provisions, provisions of the Law or the equivalent become applicable to the 2017 Bonds, the Successor Agency shall comply with all requirements of the Law or the equivalent to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and, in the case of amounts payable by the State, appropriate officials of the State.

Tax Covenants

The Successor Agency covenants and agrees to contest by court action or otherwise any assertion by the United States of America or any departments or agency thereof that the interest received by the owners of the 2017 Bonds is includable in gross income of the recipient under federal income tax laws on the date of issuance of the 2017 Bonds. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest with respect to the 2017 Bonds and Parity Debt will not be adversely affected for federal income tax purposes, the Successor Agency covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

Rebate Requirement. The Successor Agency shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government. In the event that the Successor Agency shall determine that any amounts are due and payable to the United States of America hereunder and that the Trustee has on deposit an amount of available moneys (excluding moneys on deposit in the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account, and excluding any other moneys required to pay the principal of or interest or redemption premium, if any, on the 2017 Bonds) to make such payment, the Successor Agency shall promptly pay from available Tax Revenues or any other source of legally available funds the sum of (a) one hundred percent (100%) of the amounts determined to be due and payable to the United States of America as a result of the investment of amounts on deposit in any fund or account established hereunder, plus (b) any other amounts then due and payable to the United States of America.

Private Business Use Limitation. The Successor Agency shall assure that the proceeds of the 2017 Bonds are not used in a manner which would cause the 2017 Bonds to become “private activity Bonds” within the meaning of section 141(a) of the Code.

Private Loan Limitation. The Successor Agency shall assure that no more than five percent (5%) of the net proceeds of the 2017 Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting nonpurpose obligations as defined in the Code or constituting assessments) to persons other than state or local government units.

Federal Guarantee Prohibition. The Successor Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the 2017 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

No Arbitrage. The Successor Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the 2017 Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the 2017 Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

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

***OPINION**:* $33,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2017

Members of the Successor Agency:

We have acted as bond counsel in connection with the issuance by the Successor Agency to the Redevelopment Agency of the City of Burbank, as successor to the former Redevelopment Agency of the City of Burbank (the "Successor Agency"), of $33,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2017 (the "Bonds"), pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 *et seq.* of the California Government Code (collectively, the "Refunding Bond Law"), a resolution adopted by the Successor Agency on June 27, 2017, and an indenture of trust, dated as of April 1, 2015 (the "Original Indenture"), by and between the Successor Agency and Wells Fargo Bank, National Association, as trustee (the "Trustee"), as amended and supplemented by a first supplemental indenture of trust, dated as of November 1, 2017, by and between the Successor Agency and the Trustee (the "First Supplemental Indenture and, with the Original Indenture, the "Indenture").

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

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

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

1. The Successor Agency is duly created and validly existing as a public entity, 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 Successor Agency's Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2015, and any other Parity Debt that may be issued under and as such term is defined in the Indenture.

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

5. Subject to the Successor Agency's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

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

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

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

Respectfully submitted,

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix C concerning The Depository Trust Company ("DTC"), New York, New York, and DTC's book-entry system has been obtained from DTC and the Successor Agency takes no responsibility for the completeness or accuracy thereof. The Successor Agency cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 2017 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2017 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2017 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 2017 Bonds. The 2017 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 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 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 2017 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 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$33,020,000
SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK
TAX ALLOCATION REFUNDING BONDS, SERIES 2017

This CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK (the "**Successor Agency**") in connection with the execution and delivery of the bonds captioned above (the "**Bonds**"). The Bonds are being executed and delivered pursuant to an Indenture of Trust, dated as of April 1, 2015, by and between the Successor Agency and Wells Fargo Bank, N.A., as trustee (the "**Trustee**"), as supplemented and amended pursuant to a First Supplemental Indenture of Trust, dated as of November 1, 2017, by and between the Successor Agency and the Trustee.

The Successor Agency covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

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

"*Annual Report Date*" means the date that is nine months after the end of the City's fiscal year (currently March 31 based on the Successor Agency's fiscal year end of June 30).

"*Dissemination Agent*" means NBS Government Finance Group, DBA NBS, or any successor Dissemination Agent designated in writing by the Successor Agency and which has filed with the Successor Agency a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) 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 that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the Successor Agency in connection with the issuance of the Bonds.

"*Participating Underwriter*" means, collectively, Stifel, Nicolaus & Company, Incorporated and Raymond James & Associates, Inc., the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Successor Agency shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2018, with the report for the 2016-17 fiscal year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Successor Agency shall provide the Annual Report to the Dissemination Agent (if other than the Successor Agency). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Successor Agency) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Successor Agency to determine if the Successor Agency is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by 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 Annual Report Date, if not available by that date. 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). The Successor Agency shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the Successor Agency hereunder.

(b) If the Successor Agency does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the Successor Agency shall in a timely manner provide (or cause the Dissemination Agent to provide in a timely manner) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Successor Agency, file a report with the Successor Agency certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) The Successor Agency's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency's audited financial statements are not available by the Annual Report Date, 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) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the Successor Agency for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Assessed valuation by category of use for the Burbank Projects (as defined in the Official Statement) for the most recently completed fiscal year substantially in the form of Table 2 of the Official Statement;

(ii) Largest Property Taxpayers, by Assessed Value for the Burbank Projects for the most recently completed fiscal year substantially in the form of Table 3 of the Official Statement;

(iii) Historical taxable values and tax increment revenues for the most recently completed fiscal year substantially in the form of Table 4a of the Official Statement;

(iv) Tax collection rates for the Burbank Projects for the most recently completed fiscal year substantially in the form of Table 5 of the Official Statement;

(v) Appeals of top ten taxpayers for the Burbank Projects for the most recently completed fiscal year substantially in the form of Table 6 of the Official Statement; and

(vi) Debt Service Coverage for the Bonds, the 2015 Bonds and any outstanding Parity Debt for the most recently completed fiscal year substantially in the form of Table 9 of the Official Statement.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Successor Agency shall provide such further material 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.

(d) 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 the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Successor Agency shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant 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 Successor Agency or other obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or an 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.

(b) 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 subsection (a)(8) 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.

(c) The Successor Agency acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Successor Agency shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the Successor Agency obtains knowledge of the occurrence of any of these Listed Events, the Successor Agency will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Successor Agency will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Successor Agency in a proceeding under the United States 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 Successor Agency, or if such jurisdiction has been assumed by leaving the existing governing 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 Successor Agency.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the 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 legal 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. 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NBS Government Finance Group, DBA NBS. Any Dissemination Agent may resign by providing 30 days’ written notice to the Successor Agency.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Successor Agency may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first Annual Report filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to this Disclosure Certificate modifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Successor Agency to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Listed Event under Section 5(c).

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. If the Successor Agency fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds 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 its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and 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. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, 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 they 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) 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 no duty or obligation to review any information provided to it by the Successor Agency hereunder, and shall not be deemed to be acting in any fiduciary capacity for the Successor Agency, the Bond holders or any other party. The obligations of the Successor Agency under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the Successor Agency for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Successor Agency, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: November 1, 2017

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

By: ______________________________________

Name: ____________________________________

Title: _____________________________________

AGREED AND ACCEPTED:
NBS GOVERNMENT FINANCE GROUP, DBA NBS,
as Dissemination Agent

By: _________________________________

Name: ______________________________

Title: _______________________________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Successor Agency to the Redevelopment Agency of the City of Burbank
Name of Issue:	$33,020,000 Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2017
Date of Issuance:	November 1, 2017

NOTICE IS HEREBY GIVEN that the Successor Agency has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated November 1, 2017, executed and delivered by the Successor Agency in connection with the execution and delivery of the Bonds. The Successor Agency. The Successor Agency anticipates that the Annual Report will be filed by ________________.

Dated: __________________

DISSEMINATION AGENT:

____

By: ________________________________
Its: ________________________________

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APPENDIX E

SUCCESSOR AGENCY FINANCIAL STATEMENTS THROUGH JUNE 30, 2016

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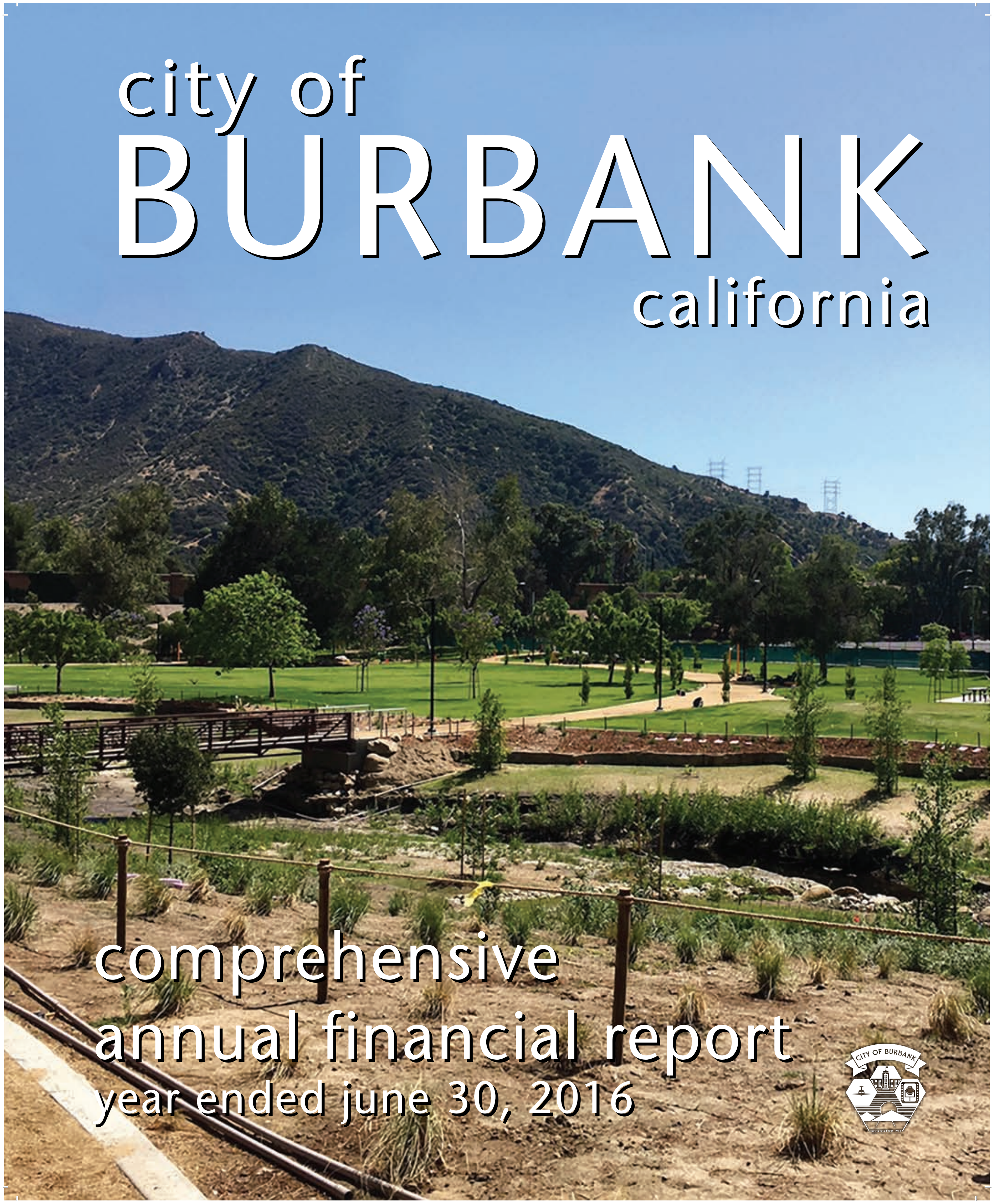

city of BURBANK california

comprehensive annual financial report

year ended june 30, 2016

ABOUT THE COVER

The City of Burbank Fiscal Year 2015-16 Comprehensive Annual Financial Report features photos and site plans of the modernized Johnny Carson Park, which has been completed.

One of the largest and most utilized parks within the City of Burbank, Johnny Carson Park stands at 17.6 acres and provides extensive local, regional, environmental and social benefits to the surrounding community. Current amenities offered at this park include picnic areas, an outdoor exercise course, a playground, a drainage channel (streambed), two pedestrian bridges, a performance stage, mature trees and vast areas of shaded green passive open parkland. These amenities make this facility quite popular with the community.

The Park's topography provides some very exciting opportunities to employ current design practices with a focus on long-term sustainability, while still serving the community's recreational needs. The renovation will incorporate streambed restoration, resulting in a more eco-sensitive component of the park. In addition, all major systems will be replaced, which will enhance conservation of water and electricity.

The Burbank City Council formally approved the redesign of Johnny Carson Park in June of 2013 and awarded the construction contract to GMZ Engineering, Inc. of Agoura Hills, California in January 2015. Construction began in April 2015. The project was estimated to cost about $3.7 million, with nearly $2.2 million funded by grants.

Cover Design & Graphics:
Cassidy Allen (Graphic Media Designer - City of Burbank)

Photos & Illustrations:
City Staff/AHBE Landscape Architects

C O M P R E H E N S I V E

ANNUAL FINANCIAL REPORT

OF THE

CITY OF BURBANK
BURBANK, CALIFORNIA

FISCAL YEAR ENDED June 30, 2016

Prepared by :
Financial Services Department
Cindy Giraldo
Financial Services Director

CITY OF BURBANK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED June 30, 2016

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CITY OF BURBANK
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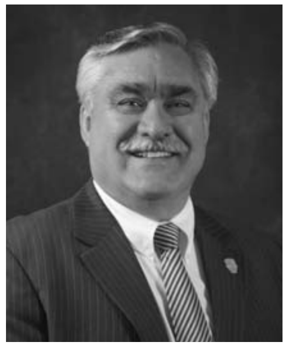
INTRODUCTORY SECTION

The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Burbank, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the:

- Letter of Transmittal,
- City's Organizational Chart and List of Principal Officials,
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.

City of Burbank's Elected Officials

and Principal Officers



Jess Talamantes
Mayor

Will Rogers
Vice Mayor

Bob Frutos
Council Member

Emily Gabel-Luddy
Council Member

Dr. David Gordon
Council Member

Zizette Mullins
City Clerk

Debbie Kukta
City Treasurer

CITY OF BURBANK
275 EAST OLIVE AVENUE, P.O.BOX 6459, BURBANK, CALIFORNIA 91510-6459

November 23, 2016

Honorable Mayor and Members of the City Council:

REPORT PURPOSE AND ORGANIZATION

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Burbank for the fiscal year ended June 30, 2016. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Burbank, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Since the cost should not outweigh their benefits, the City's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Audited Financial Statements

The City's financial statements have been audited by White Nelson Diehl Evans LLP, a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burbank, California, for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burbank, California's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with

GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

"Single Audit" for Federal Grant Programs. The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. This information is available in the City's separately issued *Single Audit Report*.

PROFILE OF THE CITY OF BURBANK

The City of Burbank, incorporated in 1911 under the general laws of the State of California, is a long-established residential city and commercial center located within Los Angeles County in Southern California. The City of Burbank is a unique urban community located 12 miles northwest of downtown Los Angeles and nestled between the Hollywood Hills and the Verdugo Mountains near Highway 5 and Highway 134. The City occupies a land area of 17.16 square miles and serves a population of 105,110.

The City provides a full range of municipal services. Services provided include public safety (police and fire); street construction and maintenance; sanitation, refuse collection and disposal; electric, water and sewer utilities; cultural and recreational programs; public infrastructure improvements; planning and zoning; and general administrative and support services.

Form of Government

The City of Burbank is a full-service charter city that operates on a Council-Manager form of government. The Council has the authority to make and enforce all laws and regulations with respect to municipal affairs, subject only to the limitations of the City Charter and the State Constitution. The City Council consists of five members elected at-large for four year terms. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected officials are the City Treasurer and City Clerk whose terms of office are four years. The City Council appoints the City Manager and City Attorney. All other department heads are hired by the City Manager.

Budgetary Policy and Control

The annual budget serves as the foundation for the City financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The level of appropriated budgetary control is the total adopted budget, which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are re-appropriated in the ensuing year's budget. The City utilizes an encumbrance accounting system, whereby commitments such as purchase orders and unperformed contracts are recorded as assigned fund balances at year-end per Governmental Accounting Standards Board (GASB) #54.

FACTORS AFFECTING FINANCIAL CONDITION

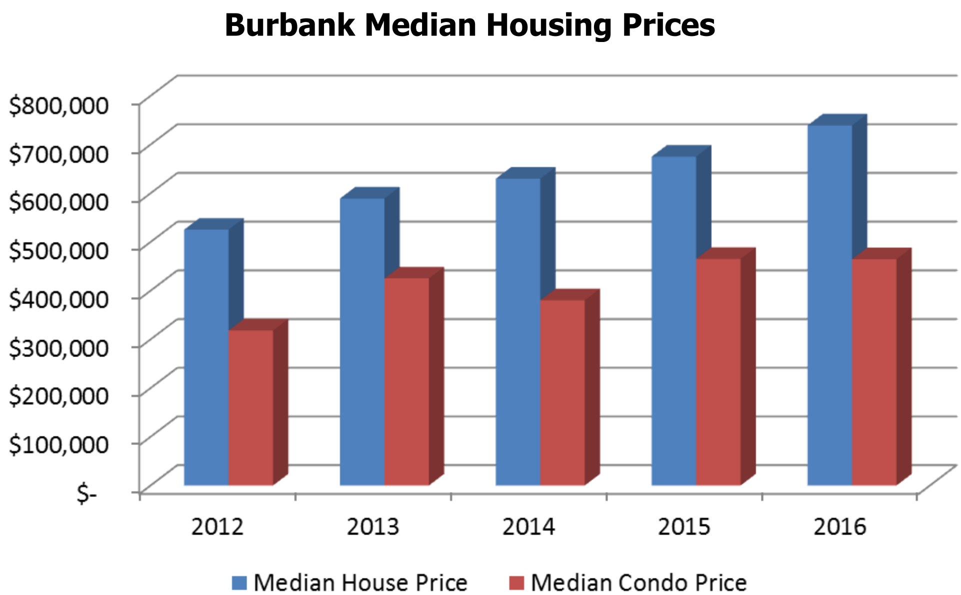
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burbank operates.

Local Economic Environment

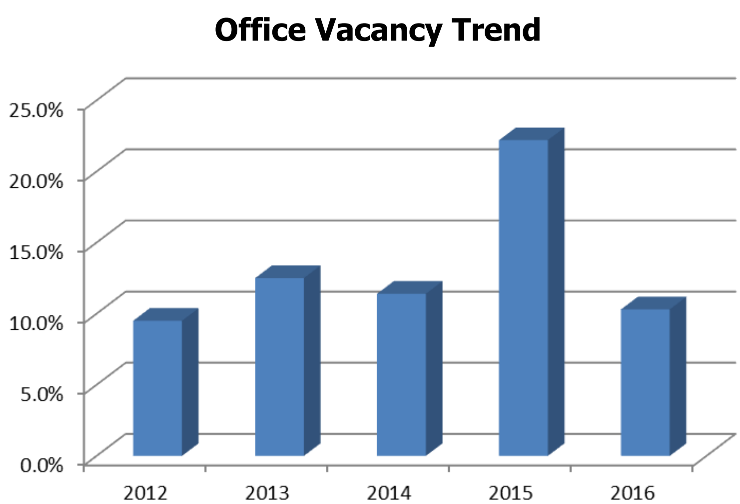
The City of Burbank's economic environment has felt the impacts of the economic downturn, but is still showing strength in commercial, residential and retail development. The City continues to focus on projects promoting the beautification of our neighborhoods and business districts, the attraction of new retail stores and restaurants, the development of needed Class A office space, and the expansion of the citywide transportation system.

Retail sales in Downtown Burbank continue to thrive with activity anchored by AMC movie theaters and IKEA, with several national retailers such as Sears, Macy's, Bed, Bath and Beyond and Old Navy. Burbank's Downtown features a desirable mix of local and national restaurants such as Wokcano, BJ's, Barney's Beanery, Gourmet 88, Gordon Biersch, PF Chang's, Kabuki, Wood Ranch BBQ and Grill and Granville Cafe. The re-opening of Johnny Carson Park also will be taking place and a new Marriott Spring Hill Suites Hotel and Walmart Supercenter have opened. The Downtown is focused on the goal of attracting "tech savvy" guests with higher disposable incomes by offering free Wi-Fi service in Downtown Burbank. New businesses which opened up during the year include Five Guys Burgers, Steak 'n Shake, Dog Haus and Lemonade. Also, The Yard House will be opening soon in the Downtown area.

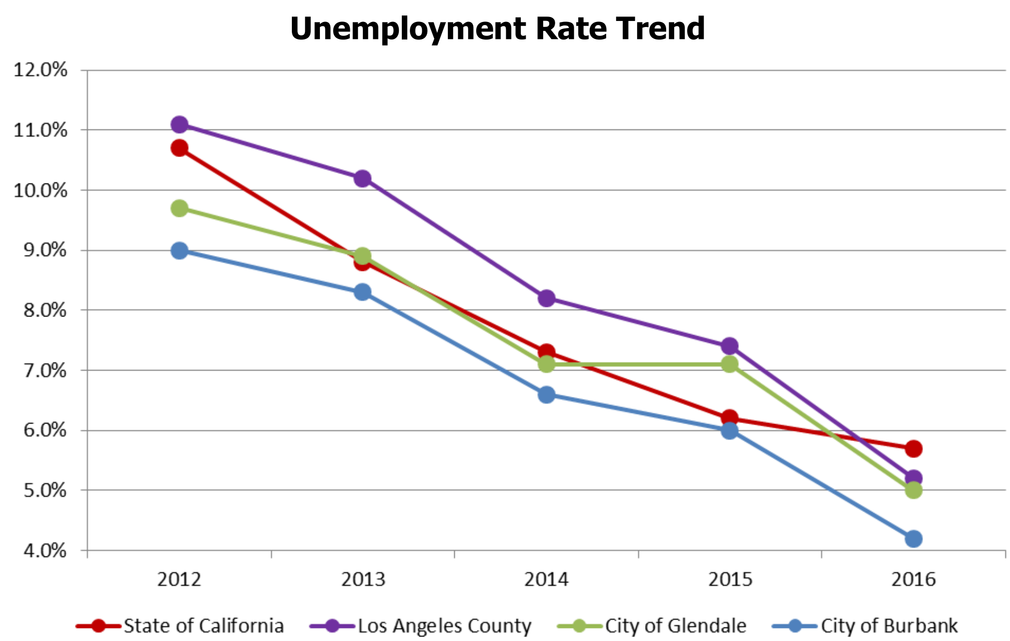
Burbank's single-family home prices continue to steadily increase as reflected in a median home price of $739,000 in June 2016, compared to $675,000 in June 2015. The condominium sales median value for June 2015 was $465,000, the median price decreased slightly to $464,500 in June 2016.



Burbank's office space vacancy is 10.3% compared to 22.2% in June 2015 with strong rental rates averaging $2.71 per square foot.



Unemployment rates continue to decrease both locally and statewide. The City of Burbank's unemployment rate at 4.2% continues to be lower in comparison to the City of Glendale's 5.0%, Los Angeles County's 5.2% and State of California's rate of 5.7%.



Effectively utilizing the City of Burbank's resources for the benefit of the entire community is at the heart of the Mayor and City Council's commitment to wise fiscal management. Economic development efforts also seek to continue building Burbank's revenue base by bringing new jobs and businesses to the City. The City of Burbank's goals emphasize sustainability, investment, and reinvestment to continue building a strong, healthy community and improve the quality of life for Burbank residents, businesses and visitors.

Long-Term Financial Planning

The City of Burbank engages in a number of activities focused on long-term financial planning, including:

Five-Year Financial Forecast. The City of Burbank perpetually maintains a five-year General Fund Financial Forecast to identify and focus on current and projected economic conditions. The purpose of the forecast is to identify the General Fund's ability over the next five years – on an order of magnitude basis – to continue current services, maintain existing assets and fund new initiatives or acquire new capital assets.

The Burbank City Council also annually reviews and adopts a five-year forecast of Capital Improvement Projects, grouping them by categories such as low-moderate housing, municipal facilities, pedestrian access and roadways, transportation, and the various utilities, to name a few**.** These investments reflect the City Council's commitment to maintain and improve the City of Burbank, in order to provide citizens with the highest possible service.

Major City Goals.
Also as part of the City's budget process, the Council discloses major City goals as an integral part of the Financial Plan. The Financial Plan is the City's main tool for programming implementation of these goals, plans and policies by allocating the resources necessary to do so. The following goals are intended to address the highest priority issues, community-wide concerns and needs.

- **Economic Development**. The City continues to focus on economic development with the commitment to advance job growth, increase retail/commercial vitality and maintain excellent quality of life for all. The components to this strategy are as follows: Strategically position Burbank as a competitive regional, statewide and national hub for business and residence; Focus on retail attraction, retention and expansion; Position Burbank as a travel destination; Continue to identify and encourage strategic opportunities innovative and entrepreneurial development within the City; and Enhance outreach and communications.

- **Preservation of Essential Services and Fiscal Health**. Adopt a balanced budget that sustains the City's short and long term fiscal health, preserves public health and safety, and other essential services in line with residents' priorities, and includes cost reduction strategies.

- **Municipal Government Leadership.** To provide municipal government leadership which is open and responsive to its residential and corporate constituents and is characterized by stability, confidence in the future and cooperative interaction among civic leaders, residents, business people and City staff, while recognizing and respecting legitimate differences of opinions on critical issues facing the City.

MAJOR INITIATIVES
The City continued its efforts on a number of significant initiatives in 2015-16 which will have a beneficial effect on fiscal health and quality of life.

Talaria at Burbank. Whole Foods Market is slated to be the anchor (approximately 43,000 sq. ft.) of the 241-unit luxury complex. Talaria at Burbank, one of the first LEED-certified green residential communities in the city.

IKEA and Nickelodeon. The IKEA project relocation and the Nickelodeon campus extension were approved by the City Council in March 2014. The IKEA relocation will include the construction of a 470,000 square foot store and 1,700 parking spaces on over 22 acres west of San Fernando Boulevard and south of Providencia Avenue. Scheduled to open in Spring of 2017, this will become the largest IKEA location in the nation. The Nickelodeon campus will include 114,000 square feet of office building space plus a 137,000 square feet parking garage. Scheduled to open in Summer of 2017.

AWARDS AND ACKNOWLEDGEMENTS

The Award Program

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. This was the 32nd consecutive year that the City of Burbank has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

There are a number of benefits in participating in these programs beyond simply receiving recognition for our efforts. For example, by striving to meet program standards and goals, the City produces better reports. Additionally, as part of the review process, comments for improvement from other municipal finance professionals who review our reports from a "fresh" perspective are received. The City believes that this results in continuous improvements in reporting our financial results to elected officials, staff and other interested parties such as bondholders, credit agencies and the public at-large.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report. We also acknowledge the work and dedication of our team of department managers and their staffs.

In closing, without the leadership and financial discipline demonstrated by the City Council of the City, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

Respectfully,

RON DAVIS
City Manager

CINDY GIRALDO
Financial Services Director

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the 32nd consecutive year that the City of Burbank has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

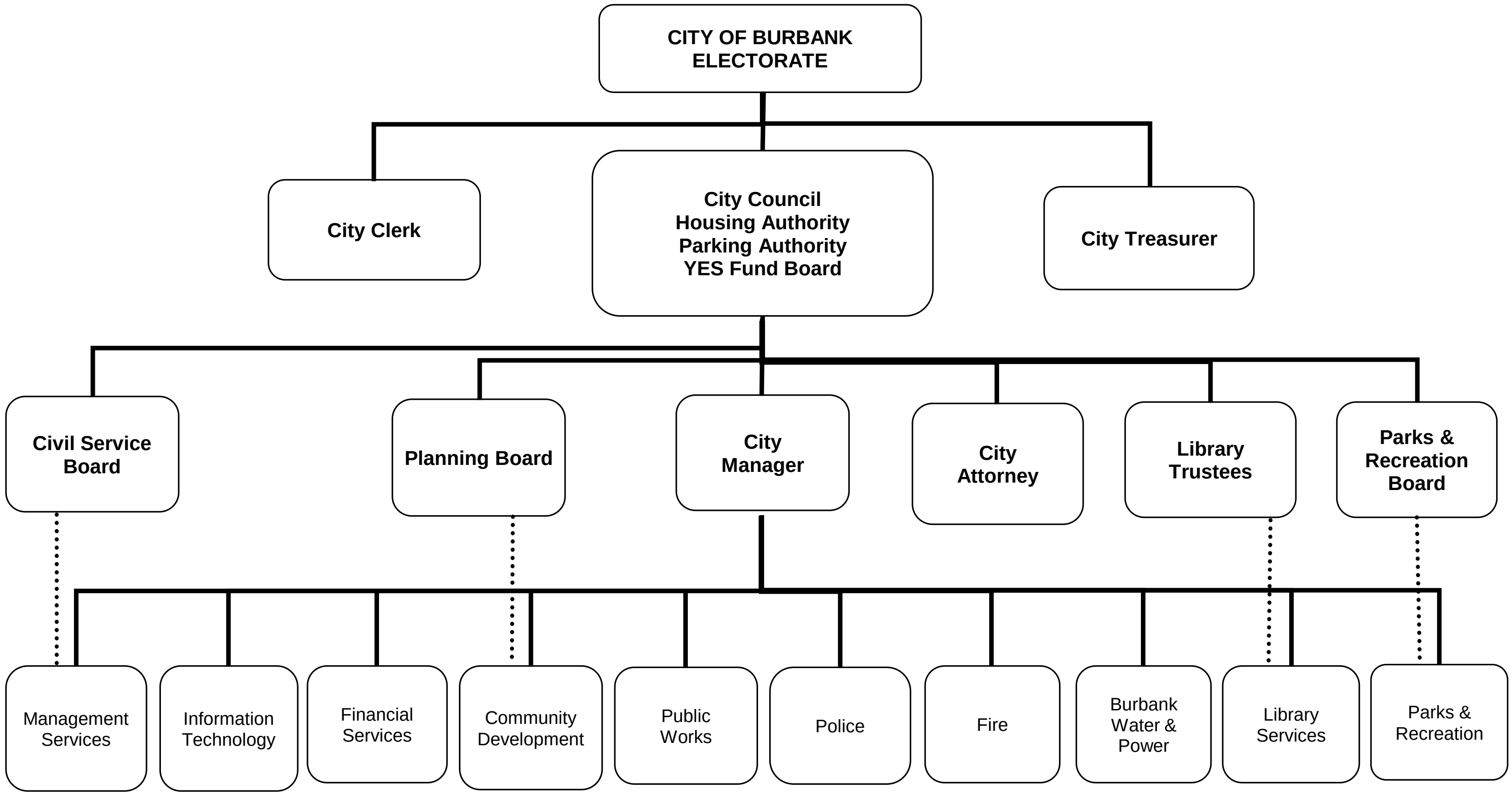
City of Burbank California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2015

Jeffrey R. Emer

Executive Director/CEO



Boards, Committees and Commissions in Burbank Municipal Code (Not in City Charter)

Art In Public Places Committee
Board of Building and Fire Code Appeals
Burbank Housing Corporation
Burbank Water and Power Board
Civic Pride Committee
Heritage Commission
Landlord-Tenant Commission
Senior Citizen Board
Sustainable Burbank Commission
Traffic and Transportation Commission
Youth Board

FINANCIAL SECTION

The Financial Section of the Comprehensive Annual Financial Report contains the following:

- Independent Auditor's Report

- Required Supplementary Information –
  Management's Discussion and Analysis (MD and A)

- City's basic financial statement, which includes the following:
  - The Government-wide Financial Statements
  - Fund Financial Statements
  - Notes to Basic Financial Statements

- Required Supplementary Information –
  Schedule of Funding Progress of the City's Defined Benefit Pension Plan

WHITE NELSON DIEHL EVANS LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

City Council Members
City of Burbank
Burbank, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burbank (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

2875 Michelle Drive, Suite 300, Irvine, CA 92606 • Tel: 714.978.1300 • Fax: 714.978.7893

Offices located in Orange and San Diego Counties

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Burbank, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Low/Moderate Income Housing Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 21, the City restated the net position of the governmental activities and the fund balance of the other governmental funds. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios of the defined benefit plans, the schedules of contributions of the defined benefit plans and the schedule of funding progress - other post-employment benefit plan, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining fund financial statements and budget and actual schedules of revenues, expenditures and changes in fund balances (supplementary information), and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Other Matters (Continued)

Other Information (Continued)

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

White Nelson Diehl Evans LLP

Irvine, California
November 23, 2016

As management of the City of Burbank, California (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page I of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $1,140,260,000 (net position). Of this amount, $75,806,000 (Unrestricted net position) may be used to meet the City's ongoing obligations.

- The City's total net position increased by $47,446,000 during the current fiscal year. This increase was largely driven by the Business-type Activities of the City which combined accounted for $26,597,000 of the increase.

- As of June 30, 2016, the City's governmental funds reported combined fund balances of $263,002,000 an increase of $5,925,000 from the prior year. Of fund balances, $57,097,000 or approximately 21% of total fund balances are unassigned fund balances.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $57,097,000 or 40% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to basic financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business**.**

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, police, fire, public works, community development, parks and recreation, library, and interest on long-term debt. The *business-type activities* of the City include operations of its electric, water, water reclamation and sewer, refuse collection and disposal, as well operating the golf course.

The government-wide financial statements can be found on page 17 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds**.**

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 21 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, the General Capital Projects Fund, the Low and Moderate Income Housing Special Revenue Fund and the Public Financing Authority Debt Service Fund, each of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of c*ombining statements* in the *Non-major Governmental Funds* section of this report.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison statement is provided for all funds with an annually adopted budget. The budgetary comparison statement for the General Fund is located in the basic financial statements. All other funds with legally adopted annual budgets are located in the supplementary information section.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented *as business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, water reclamation and sewer, refuse collection and disposal, and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

The City uses internal service funds to account for the following activities:

- Self-insurance activities, including:
  - General claims liability
  - Workers' compensation insurance

- Vehicle operation and maintenance

- Office equipment operation and maintenance

- Municipal building replacement, operation and maintenance

- Communication equipment operation and maintenance

- Computer equipment operation and maintenance

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, water reclamation and sewer, refuse collection and disposal and golf operations, all of which, except for the golf fund, are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Internal Service Funds* section of this report.

The basic proprietary fund financial statements can be found on page 31 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on page 38 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. *Required Supplementary Information* can be found on page 92 of this report.

Supplementary information on non-major governmental funds and internal service funds are presented immediately following *the required supplementary information* on pensions. Combining and individual fund statements and schedules can be found on page 99 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,140,260,000 at the close of the most recent fiscal year.

The largest portion of the City's net position (88%) reflects its net investment in capital assets (e.g., land, buildings, utility and general government infrastructure, machinery and equipment, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TABLE 1- The City of Burbank's Net Position as of June 30, 2016 and 2015 (000's):

	Governmental Activities		Business-type Actvities		Total	
Assets :	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
Current and other assets	$ 405,750	$ 400,637	227,069	218,319	632,819	618,956
Capital assets	688,518	692,032	452,512	445,554	1,141,030	1,137,586
Total assets	1,094,268	1,092,669	679,581	663,873	1,773,849	1,756,542
Deferred Outflows of Resources	18,793	16,485	6,973	6,216	25,766	22,701
Liabilities :						
Current and other liabilities	243,348	239,631	118,252	113,060	361,600	352,691
Long-term liabilities	104,374	101,062	157,289	164,046	261,663	265,108
Total liabilities	347,722	340,693	275,541	277,106	623,263	617,799
Deferred Inflows of Resources	25,019	49,817	11,073	19,640	36,092	69,457
Net Position :						
Net Investment in capital assets	688,518	692,032	312,885	298,664	1,001,403	990,696
Restricted	63,051	62,827	-	-	63,051	62,827
Unrestricted	(11,249)	(36,215)	87,055	74,679	75,806	38,464
Total net position	$ 740,320	$ 718,644	399,940	373,343	1,140,260	1,091,987

At the end of the current fiscal year, the City is able to report positive balances in two of the three categories of net position, the unrestricted fund balance for the Governmental Activities was negative due to the GASB 68 implementation, the total net position was positive as a whole for the City, as well as for its separate governmental and business-type activities.

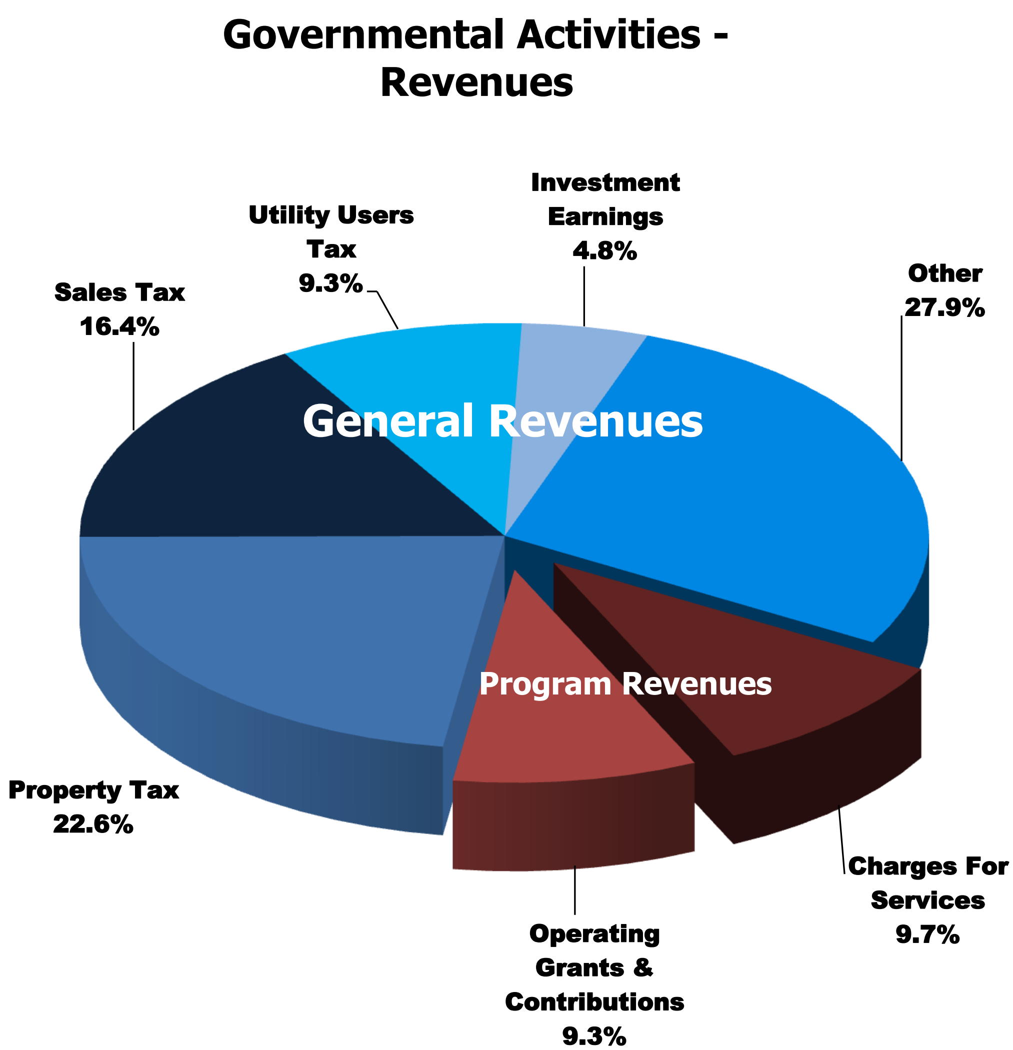
- The City's net position increased by $47,446,000 during the current fiscal year. This increase was largely driven by the Business-type Activities of the City which combined accounted for $26,597,000 of the increase. The increase was attributable to decreased operating expenditures of $10,301.

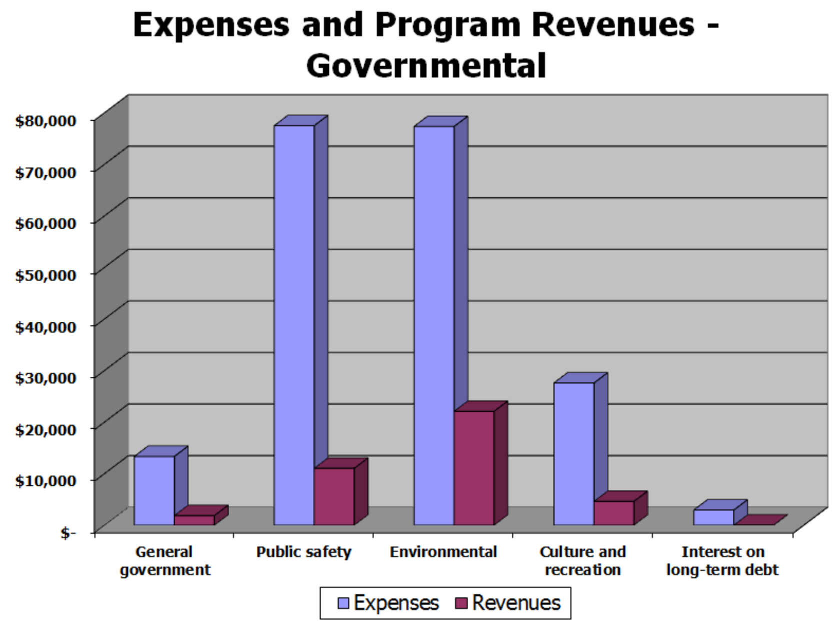
TABLE 2-The City's Changes in Net Position (000's) for the years ended June 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues :						
Program revenues :						
Charges for services	$ 20,242	$ 24,000	270,238	275,319	290,480	299,319
Operating grants and contributions	19,340	18,637	886	5,044	20,226	23,681
Capital grants and contributions	-	-	4,040	1,007	4,040	1,007
General revenues :						
Property tax	47,113	46,498	-	-	47,113	46,498
Sales tax	34,228	30,441	-	-	34,228	30,441
Utility users tax	19,384	19,312	-	-	19,384	19,312
Investment earnings	10,052	13,883	3,654	2,176	13,706	16,059
Other	58,100	47,214	2,621	3,790	60,721	51,004
Total revenues	208,459	199,985	281,439	287,336	489,898	487,321
Expenses :						
General government	13,335	14,600	-	-	13,335	14,600
Police	47,318	48,613	-	-	47,318	48,613
Fire	30,174	29,771	-	-	30,174	29,771
Public works	34,119	39,550	-	-	34,119	39,550
Community Development	43,219	44,946	-	-	43,219	44,946
Parks & Recreation	20,660	19,241	-	-	20,660	19,241
Library	6,919	6,735	-	-	6,919	6,735
Interest on long-term debt	2,943	3,743	-	-	2,943	3,743
Water reclamation & sewer	-	-	13,961	13,146	13,961	13,146
Nonmajor funds	-	-	703	753	703	753
Electric utility	-	-	186,306	198,082	186,306	198,082
Water utility	-	-	28,924	28,350	28,924	28,350
Refuse collection & disposal	-	-	13,871	13,735	13,871	13,735
Total expenses	198,687	207,199	243,765	254,066	442,452	461,265
Increase (decrease) in net assets before transfers	9,772	(7,214)	37,674	33,270	47,446	26,056
Transfers	11,077	11,084	(11,077)	(11,084)	-	-
Increase (decrease) in net assets	20,849	3,870	26,597	22,186	47,446	26,056
Net position, July 1	719,471	714,774	373,343	351,157	1,092,814	1,065,931
Prior period		827				827
Net position, June 30	$ 740,320	$ 719,471	399,940	373,343	1,140,260	1,092,814

Governmental Activities. Governmental activities increased the City's net position by $20,849,000. Total expenses decreased by 4%, while general revenues and transfers increased by 7%.

- *General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, property taxes are the largest single source of funds (26.2%), followed by sales tax (19.0%).*



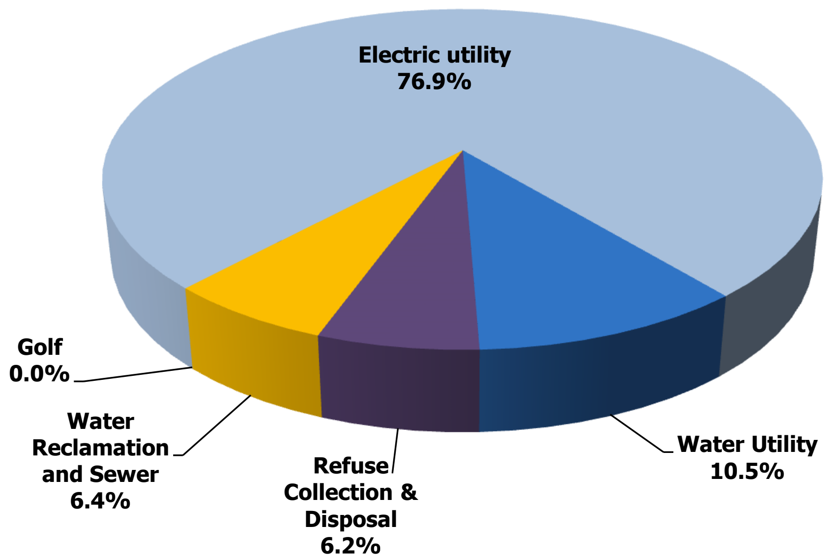


- *The chart above illustrates the City's governmental expenses and revenues by source. Public Safety (Police and Fire departments, 39.0%) is the largest function in expense, followed closely by Environmental (Public Works and Community Development departments, 38.9%), with Culture and Recreation third (Library, and Parks and Recreation departments, 13.9%).*

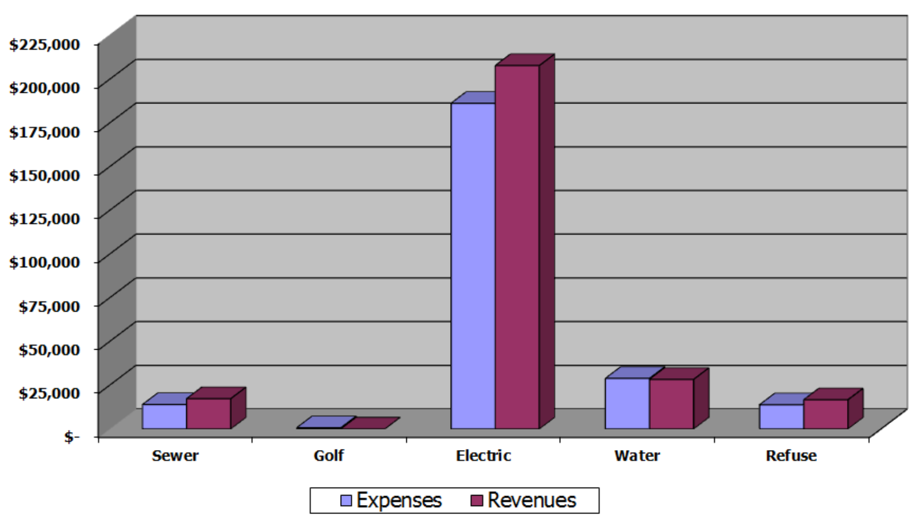
Business-type Activities. Business–type activities increased the City's net position by $26,597,000, accounting for 56% of the growth in the City's net position, indicating that business-type activities had revenues sufficient to cover operations. The key elements of this increase are as follows:

- *Improved cost management was the primary factor leading to an increased net position of $26,597,000 The Electric utility fund had an increased net position of $16,732,000; mainly due to improved expense management.*

Business-Type Activities Charges for Services



Expenses and Program Revenues - Business-type



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $263,002,000. Approximately 22% of fund balances ($57,097,000) constitute *unassigned fund balances.* The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed or assigned 1) to liquidate contracts and purchase orders of the prior period ($53,588,000), 2) to pay debt service ($43,604,000), 3) Reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources ($43,661,000), 4) to show amounts related to long-term notes ($50,195,000), and 5) for a variety of other restricted purposes ($14,857,000).

The General Fund is the chief operating fund of the City. During the current fiscal year, the total fund balance of the General Fund increased $8,140,000 or by 8% of the prior year total ending fund balance. At the end of FY 2016 the total General Fund balance was $106,010,000, while the unassigned fund balance was $57,097,000. As a measure of General Fund liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 40% of total General Fund expenditures of $141,872,000, while total fund balance represents 75% of that same amount.

The Low and Moderate Income Housing Special Revenue (Low/Mod) fund holds all capital project housing activities. At the end of the current fiscal year, the unassigned fund balance was $0, while total fund balance of $50,195,000 is restricted for specific uses. The unassigned fund balance represents 0% of total Low/Mod fund expenditures of $235,000. The fund balance of the Low/Mod fund increased by $38,000 during the current fiscal year.

The General Capital Projects fund holds all general City capital project activity. At the end of the current fiscal year, the unassigned fund balance was $0, while total fund balance was $29,645,000. This unassigned fund balance represents 0% of total General capital projects fund expenditures of $6,451,000, while total fund balance represents 459% of that same amount. The fund balance of the General capital projects fund increased by $450,000 during the current fiscal year.

The Public Financing Authority (PFA) debt service fund holds investments in Golden State and City Centre tax allocation bonds and records the debt service activity of its outstanding bonded indebtedness. At the end of the current fiscal year, the unassigned fund balance was $0, while total fund balance of $43,604,000 was restricted for specific uses. Total fund balance represents 956% of total Public Financing Authority debt service fund expenditures of $4,557,000. The fund balance decreased by $2,143,000 during the current fiscal year due to payments on the 1993 and 2003 Redevelopment Bonds.

Proprietary Funds. The City's Proprietary Funds provide the same type of information found in the government wide financial statements, but in more detail.

Enterprise Funds. As of June 30, 2016, the unrestricted net position of the enterprise funds totaled $87,054,000 and the total increase in unrestricted net position was $26,597,000.

The Water Reclamation and Sewer fund holds the City's sewer system enterprise. At the end of the current fiscal year, the unrestricted net position was $40,702,000, while total net position was $95,496,000. The unrestricted net position represents 300% of total Water Reclamation and Sewer fund expenses of $13,525,000, while total net position represents 706% of that same amount. The net position of the Water Reclamation and Sewer fund increased by $4,387,000 during the current fiscal year. This increase is similar to the prior year's increase, made possible by lower than budgeted expenditures, while revenues held within 3% of estimates, after a 1.5% rate increase for the year.

The Electric Utility fund holds the City's Electric power and distribution system. At the end of the current fiscal year, the unrestricted net position was $37,336,000, while total net position was $231,157,000. The unrestricted net position represents 20% of total Electric Utility fund expenses of $181,685,000, while total net position represents 127% of that same amount. The net position of the Electric Utility fund increased by $16,732,000 during the current fiscal year. The increase was primarily driven by a 6% decrease in operating expenses of $11,598,000 due to improved cost management.

The Water Utility fund holds the City's water system enterprise. At the end of the current fiscal year, the unrestricted net position was $1,156,000, while total net position was $53,535,000. The unrestricted net position represents 4.3% of total Water Utility fund expenses of $26,890,000, while total net position represents 199% of that same amount. The net position of the Water Utility fund increased by $2,071,000 during the current fiscal year. The increase was very similar to the prior year's increased net position of $2,036,000, which reflects management's commitment to providing a consistent financial position with no large surprises.

The Refuse Collection and Disposal fund holds the City's refuse collection and disposal enterprise. At the end of the current fiscal year, the unrestricted net position was $10,769,000, while total net position was $16,927,000. The unrestricted net position represents 76% of total Refuse Collection and Disposal fund expenses of $14,043,000, while total net position represents 120% of that same amount. The net position of the Refuse Collection and Disposal fund increased by $3,773,000 during the current fiscal year, primarily driven by expenditures lower than budgeted amounts (approximately 3.1 million), with revenues assisted by a 1% rate increase.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, including liability insurance, and workers' compensation insurance, vehicle operations and maintenance, office equipment operations and maintenance, building replacement and maintenance, communication equipment operation and maintenance, and computer equipment operation and maintenance. As of June 30, 2016, unrestricted net position of the internal service funds were $54,660,000 and the total increase in net position for these funds was $5,440,000.

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

General Fund Budgetary Process

The City adopts an annual appropriated operating budget for its General fund and reports the results of operations on a budget comparison basis.

In preparing its budget, the City projects its revenues using realistic but conservative methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to re-appropriate prior years approved projects and expenditures, as well as approving other adjustments for the current year.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities amounts to $1,141,030,000 (net of accumulated depreciation of $759,770,000) as of June 30, 2016, and $1,137,586,000 (net of accumulated depreciation of $718,865,000) as of June 30, 2015. This investment in capital assets includes land, buildings, utility systems, improvements other than buildings, infrastructure (roads, sidewalks, land held under easement, streetlights, etc.), machinery and equipment, and construction in progress.

The City has adopted a multi-year capital improvement program totaling $392 million over the next five years including FY 2016-17 appropriations of $60 million and prior year appropriation of $209 million. Approximately $123 million in future year appropriations will be required to complete all of the projects included in this year's capital improvement program budget. The City budgets these projects in 12 major categories: housing and economic development, municipal facilities, park and recreation, pedestrian access and roadway, refuse collection and disposal, transportation, wastewater, electric utility, street lighting, Magnolia power plant, Tieton hydropower project and water utility. Among these categories, the major projects that are planned for the fiscal year 2016-17 include $8,927,150 for municipal facilities, $2,511,667 for transportation improvements and $42,911,875 for various projects in the electric, water, wastewater, and refuse funds.

Table 3-The City's capital assets (net of accumulated depreciation) for June 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital assets not being depreciated :						
Land	$ 52,163	$ 49,368	11,824	11,824	63,987	61,192
Land held under easements	345,277	345,277	-	-	345,277	345,277
Construction in progress	16,669	13,126	39,555	19,171	56,224	32,297
Internal service fund assets Construction in progress	1,205	1,724	-	-	1,205	1,724
Total capital assets not being depreciated :	415,314	409,495	51,379	30,995	466,693	440,490
Capital assets being depreciated :						
Land improvements	8,694	8,694	13,199	13,199	21,893	21,893
Rights to purchased power	-	-	1,335	1,335	1,335	1,335
Buildings & improvements	208,344	205,615	711,929	700,522	920,273	906,137
Infrastructure	325,727	321,383	-	-	325,727	321,383
Machinery & other	4,837	5,953	85,134	86,663	89,971	92,616
Internal service fund assets	74,909	72,597	-	-	74,909	72,597
Accumulated depreciation	(349,307)	(331,705)	(410,464)	(387,160)	(759,771)	(718,865)
Total capital assets being depreciated, net	273,204	282,537	401,133	414,559	674,337	697,096
Total net capital assets	$ 688,518	$ 692,032	452,512	445,554	1,141,030	1,137,586

Additional information on the City's capital assets can be found in note 5 to the basic financial statements on pages 55 through 58 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of $190,678,000, including current portion of $10,065,000. Of this amount, $11,895,000 represents pension obligation bonds, issued to pay for police and fire unfunded accrued actuarial liability, $46,790,000 represents revenue bonds issued for redevelopment projects, and $131,993,000 represents revenue bonds issued for various business type activities.

Table 4-The City's outstanding bonded debt for June 30, 2016 and 2015:

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Pension Obligation bonds	$ 11,895	$ 13,185	-	-	11,895	13,185
Revenue bonds	46,790	49,170	131,993	138,867	178,783	188,037
Total long-term debt	$ 58,685	$ 62,355	131,993	138,867	190,678	201,222

Ratings on outstanding debt (not including debt considered fully defeased) are provided below. The ratings below are from Moody's Investor Services, Standard and Poor's, and Fitch, Inc. (Note that the insured rating is given rather than the underlying rating on insured issues.

Table 5-The City's Debt Ratings:

Debt Issue	Moody's	S & P
▪ 2012 Waste Disposal (taxable)	-	AAA
▪ 2004 Pension Obligation	-	-
▪ 2007A Golden State	WR *	A+
▪ 2010A Electric Revenue	A1*	AA-
▪ 2010B Electric Revenue	A1 *	AA-
▪ 2010A Water Revenue	-	AAA
▪ 2010B Water Revenue	-	AAA
▪ 2012A Electric Revenue	-	AAA
▪ 2014 Wastewater	Aa2	AA+
▪ 2015 Refunding Bonds	-	AA

* Starred rating is the underlying rating.

Additional information on the City's long term debt can be found in Note 8 of this report.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Additional financial information is available on our website at http://www.ci.burbank.ca.us. Questions concerning any of the information in this report or request for additional financial information should be addressed the Director of Financial Services, 301 E. Olive Avenue, Burbank, CA 91502.

City Of Burbank

STATEMENT OF NET POSITION

June 30, 2016

(in thousands)

Assets :	Governmental Activities	Business-type Activities	Total
Cash and investments (note 4)	$ 240,515	139,354	379,869
Receivables, net (note 9)	17,864	22,596	40,460
Internal balances (note 7)	2,147	(2,147)	-
Intergovernmental receivables	389	-	389
Inventories	810	9,711	10,521
Prepaid items and deposits (note 14)	225	27,937	28,162
Land held for resale	-	-	-
Regulatory assets - deferred charges	-	777	777
OPEB asset (note 18)	11,773	3,665	15,438
Rectricted cash and investments (note 5)	43,584	25,176	68,760
Advances receivable from Burbank Successor Agency (note 7)	50,856	-	50,856
Developer loans receivable (Note 9)	37,587	-	37,587
Capital assets not being depreciated (note 5)	415,314	51,379	466,693
Capital assets, net of accumulated			
depreciation (note 5)	273,204	401,133	674,337
Total assets	1,094,268	679,581	1,773,849
Deferred Outflows of Resources :			
Deferred amounts from pension	18,793	6,973	25,766
Liabilities :			
Accounts payable	11,560	7,671	19,231
Accrued liabilities (note 12)	7,981	12,383	20,364
Intergovernmental payables	45	-	45
Unearned revenue	-	3,943	3,943
Deposits	5,008	10,465	15,473
Advances payable to Burbank Successor Agency (note 7)	2,007	-	2,007
Bond interest payable	236	596	832
Net pension liability	199,230	76,211	275,441
Current portion of long-term liabilities (note 8)	17,281	6,983	24,264
Long-term liabilities, net of current portion (note 8)	104,374	157,289	261,663
Total liabilities	347,722	275,541	623,263
Deferred Inflows of Resources:			
Deferred amounts from pension	25,019	11,073	36,092
Net Position :			
Net investment in capital assets (Note 2)	688,518	312,885	1,001,403
Restricted for :			
Public safety	1,002	-	1,002
Environmental	62,049	-	62,049
Unrestricted	(11,249)	87,055	75,806
Total net position	$ 740,320	399,940	1,140,260

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF ACTIVITIES
For the Year ended June 30, 2016
(in thousands)

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities	Net (Expenses) Revenues and Changes in Net Assets: Business-Type Activities	Total
Governmental Activities :							
General government	$ 13,335	220	1,636	-	(11,479)	-	(11,479)
Police	47,318	3,784	1,669	-	(41,865)	-	(41,865)
Fire	30,174	4,383	1,191	-	(24,600)	-	(24,600)
Public works	34,119	1,896	2,280	-	(29,943)	-	(29,943)
Community development	43,219	5,862	12,046	-	(25,311)	-	(25,311)
Parks and recreation	20,660	3,903	488	-	(16,269)	-	(16,269)
Library	6,919	194	30	-	(6,695)	-	(6,695)
Interest on long-term debt	2,943	-	-	-	(2,943)	-	(2,943)
Total Governmental Activities	198,687	20,242	19,340	-	(159,105)	-	(159,105)
Business-Type Activities :							
Water Reclamation and Sewer	13,961	17,321	-	-	-	3,360	3,360
Golf Activities	703	-	-	-	-	(703)	(703)
Electric Utility	186,306	207,850	143	2,997	-	24,684	24,684
Water Utility	28,924	28,367	727	1,043	-	1,213	1,213
Refuse Collection & Disposal	13,871	16,700	16	-	-	2,845	2,845
Total Business-Type Activities	243,765	270,238	886	4,040	-	31,399	31,399
Total	$ 442,452	290,480	20,226	4,040	(159,105)	31,399	(127,706)
General revenues :							
Taxes:							
Property Tax					47,113	-	47,113
Sales Tax					34,228	-	34,228
Utility Users Tax					19,384	-	19,384
Franchise Tax					9,352	-	9,352
Transient Occupancy Tax					10,595	-	10,595
Transient Parking Tax					2,955	-	2,955
Other taxes					2,246	48	2,294
Intergovernmental revenue, unrestricted					43	-	43
Unrestricted investment earnings					10,052	3,654	13,706
Contributions from Successor Agency					2,795	-	2,795
Grants/contributions not restricted to specific programs					1,538	-	1,538
Other					28,576	2,573	31,149
Transfers (note 7)					11,077	(11,077)	-
Total general revenues, contributions and transfers					179,954	(4,802)	175,152
Change in net position					20,849	26,597	47,446
Net position, July 1, 2015, as restated					719,471	373,343	1,092,814
Net position, June 30, 2016					$ 740,320	399,940	1,140,260

See accompanying notes to basic financial statements

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2016

(in thousands)

		Special Revenue	Debt Service	Capital Projects	Nonmajor
		Low/Mod Income Housing	**Public Fin. Authority**	**General Cap. Proj.**	**Govern- mental Funds**
Assets :	**General**				
Pooled cash and cash investments (note 4)	$ 65,781	2,514	8	30,569	38,822
Restricted non-pooled cash					
and cash equivalents (note 4)	-	-	114	-	-
Restricted investments (note 4)	-	-	43,470	-	-
Receivables, net (note 9)	15,452	37,666	12	451	979
Interfund receivables (note 7)	16	-	-	-	-
Intergovernmental receivables	389	-	-	-	-
Inventories	69	-	-	-	174
Prepaid items and deposits (note 14)	163	-	-	-	2
Advances receivable-general city (note 7)	3,520	-	-	-	-
Advances receivable-successor agency (note 7)	40,141	10,035	-	680	-
Total assets	$ 125,531	50,215	43,604	31,700	39,977
Liabilities :					
Accounts payable	$ 3,356	20	-	1,014	5,780
Accrued liabilities (note 12)	7,981	-	-	-	-
Due to Successor Agency	1,327	-	-	-	-
Interfund payable (note 7)	750	-	-	-	316
Intergovernmental payables	45	-	-	-	-
Deposits	4,923	-	-	-	10
Advances payable-general city (note 7)	-	-	-	-	323
Advances payable-successor agency (note 7)	-	-	-	680	-
Total liabilities	18,382	20	-	1,694	6,429
Deferred inflows of resources :					
Unavailable revenues	1,139	-	-	361	-
Fund balances :					
Nonspendable:					
Advances	43,661	-	-	-	-
Inventories	69	-	-	-	174
Change and imprest	188	-	-	-	-
Prepaid items	163	-	-	-	-
Restricted :					
Transportation	-	-	-	-	8,340
Federal and state grants	-	-	-	-	1,997
Public education in government	1,115				
Public safety	134	-	-	-	1,002
Debt service	-	-	43,604	-	-
Redevelopment	-	50,195	-	-	-
Capital projects	32	-	-	-	1,643
Committed :					
Transportation	-	-	-	-	20,392
Assigned (continuing appropriations)	3,551	-	-	29,645	-
Unassigned	57,097	-	-	-	-
Total fund balances	106,010	50,195	43,604	29,645	33,548
Total liabilities, deferred inflow of resources and fund balances	$ 125,531	50,215	43,604	31,700	39,977

See accompanying notes to basic financial statements

(continued)

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS, Concluded

June 30, 2016

(in thousands)

	Total Govern-mental Funds
Assets :	
Pooled cash and cash investments (note 4)	$ 137,694
Restricted non-pooled cash	
and cash equivalents (note 4)	114
Restricted investments (note 4)	43,470
Receivables, net (note 9)	54,560
Interfund receivables (note 7)	16
Intergovernmental receivables	389
Inventories	243
Prepaid items and deposits (note 14)	165
Advances receivable-general city (note 7)	3,520
Advances receivable-successor agency (note 7)	50,856
Total assets	$ 291,027
Liabilities :	
Accounts payable	$ 10,170
Accrued liabilities (note 12)	7,981
Due to Successor Agency	1,327
Interfund payable (note 7)	1,066
Intergovernmental payables	45
Deposits	4,933
Advances payable-general city (note 7)	323
Advances payable-successor agency (note 7)	680
Total liabilities	26,525
Deferred inflows of resources:	
Unavailabe revenues	1,500
Fund balances :	
Nonspendable:	
Advances	43,661
Inventories	243
Change and imprest	188
Prepaid items	163
Restricted :	
Transportation	8,340
Federal and state grants	1,997
Public education in government	1,115
Public safety	1,136
Debt service	43,604
Redevelopment	50,195
Capital projects	1,675
Committed:	
Transportation	20,392
Assigned	33,196
Unassigned	57,097
Total fund balances	263,002
Total liabilities and fund balances	$ 291,027

See accompanying notes to basic financial statements

City Of Burbank

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

June 30, 2016

(in thousands)

Fund balances of governmental funds		$ 263,002
Amounts reported for governmental activities in the statement of net position are different because :		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.		688,518
Long term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.		(73,441)
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as a payable in the governmental funds.		(236)
Other Post-employment benefits and pension payments in excess of the annual required contribution are not considered financial resources in the governmental funds; however in the statement of net position, an asset is recognized.		11,773
Unavailable revenue is recognized on the governmental funds balance sheet for certain notes, which do not meet the criteria for availability, and are thus reported as deferred inflows of resources under modified accrual. This criteria is not applicable on the statement of net position.		1,500
Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Net position, less capital assets and long-term liabilities disclosed above, are shown here.		54,660
Pension related debt applicable to the City's government activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of recources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities:		
Deferred outflows of resources	$ 18,793	
Deferred inflows of resources	(25,019)	
Pension liability	(199,230)	(205,456)
Net position of governmental activities		$ 740,320

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year ended June 30, 2016
(in thousands)

		Special Revenue	Debt Service	Capital Projects	
		Low/Mod			Nonmajor Govern-
Revenues :	General	Income Housing	Public Fin. Authority	General Cap. Proj.	mental Funds
Taxes	$ 109,975	-	-	-	4,763
Licenses & permits	4,929	-	-	-	-
Fines, forfeitures and penalties	2,380	-	-	-	-
Use of money or property	2,387	60	2,414	668	1,659
Intergovernmental	13,287	-	-	1,538	14,814
Charges for services	12,304	213	-	-	19,423
Other revenues	33	-	-	119	-
Total revenues	145,295	273	2,414	2,325	40,659
Expenditures :					
General government :					
City council	447	-	-	-	-
City attorney	2,429	-	-	-	-
City clerk	526	-	-	-	-
City treasurer	114	-	-	-	-
City manager	1,051	-	-	-	-
Financial services	2,476	-	-	-	-
Management services	1,558	-	-	-	-
Administrative services	-	160	-	-	670
Information technology	2,570	-	-	-	-
Non-departmental	899	-	-	-	-
Total general government	12,070	160	-	-	670
Public safety :					
Police	51,567	-	-	-	418
Fire	32,968	-	-	-	-
Total public safety	84,535	-	-	-	418
Environmental :					
Community development	6,843	-	-	-	33,568
Public works	11,785	-	-	-	-
Total environmental	18,628	-	-	-	33,568
Culture and recreation :					
Library	6,313	-	-	-	-
Parks and recreation :					
Parks	7,679	-	-	-	-
Recreation	8,310	-	-	-	-
Special community activities	2,265	-	-	-	-
Total parks and recreation	18,254	-	-	-	-
Total culture and recreation	24,567	-	-	-	-

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year ended June 30, 2016

(in thousands)

		Special Revenue	Debt Service	Capital Projects	Nonmajor
	General	Low/Mod Income Housing	Public Fin. Authority	General Cap. Proj.	Govern-mental Funds
Capital outlay :					
Street improvements	-	-	-	-	6,921
General capital improvements	-	75	-	6,451	1,452
Total capital outlay	-	75	-	6,451	8,373
Debt service :					
Principal retirement	1,290	-	2,380	-	-
Interest and finance charges	782	-	2,177	-	-
Total debt service	2,072	-	4,557	-	-
Total expenditures	141,872	235	4,557	6,451	43,029
Excess (deficiency) of revenues over expenditures	3,423	38	(2,143)	(4,126)	(2,370)
Other financing sources (uses) :					
Transfers in (note 7)	8,774	-	-	4,576	2,546
Transfers out (note 7)	(4,057)	-	-	-	(736)
Total other financing sources (uses)	4,717	-	-	4,576	1,810
Net change in fund balances	8,140	38	(2,143)	450	(560)
Fund balances, July 1, 2015 (as restated)	97,870	50,157	45,747	29,195	34,108
Fund balances, June 30, 2016	$ 106,010	50,195	43,604	29,645	33,548

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS
For the Year ended June 30, 2015
(in thousands)

	Total Govern-mental Funds
Revenues :	
Taxes	$ 114,738
Licenses & permits	4,929
Fines, forfeitures and penalties	2,380
Use of money or property	7,188
Intergovernmental	29,639
Charges for services	31,940
Other revenues	152
Total revenues	190,966
Expenditures :	
General government :	
City council	447
City attorney	2,429
City clerk	526
City treasurer	114
City manager	1,051
Financial services	2,476
Management services	1,558
Administrative services	830
Information technology	2,570
Non-departmental	899
Total general government	12,900
Public safety :	
Police	51,985
Fire	32,968
Total public safety	84,953
Environmental :	
Community development	40,411
Public works	11,785
Total environmental	52,196
Culture and recreation :	
Library	6,313
Parks and recreation :	
Parks	7,679
Recreation	8,310
Special community activities	2,265
Total parks and recreation	18,254
Total culture and recreation	24,567

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year ended June 30, 2015

(in thousands)

	Total Govern- mental Funds
Capital outlay :	
Street improvements	$ 6,921
General capital improvements	7,978
Total capital outlay	14,899
Debt service :	
Principal retirement	3,670
Interest and finance charges	2,959
Total debt service	6,629
Total expenditures	196,144
Excess (deficiency) of revenues over expenditures	(5,178)
Other financing sources (uses) :	
Transfers in (note 7)	15,896
Transfers out (note 7)	(4,793)
Total other financing sources (uses)	11,103
Net change in fund balances	5,925
Fund balances, July 1, 2015	257,077
Fund balances, June 30, 2016	$ 263,002

See accompanying notes to basic financial statements

City of Burbank

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2016

(in thousands)

Net change in fund balances - total governmental funds	$ 5,925
Amounts reported for governmental activities in the statement of net activities are different because :	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives, and reported as depreciation expense. This is the amount by which depreciation ($15,510) was exceeded then capital outlay ($12,500) in the current period.	(3,009)
The issuance of long-term debt such as bonds provides current financial resources to governmental funds, while the repayment of the principal ($3,670)of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, compensated absences expenses ($942) reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items.	2,728
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as an expense in the governmental fund statements. This difference between the prior year's accrued interest expense and the current year's accrued interest expense is reported in the statement of activities.	16
Other Post Employment Benefits (OPEB) asset have been established for the government wide statements, as these assets do not impact current financial resources and are therefore not reported in governmental funds. This is total change in OPEB asset.	965
Some revenues reported in the Statement of Activities do not increase current financial resources in the fund financial statements and therefore are not reported as revenues in governmental funds.	(32)
Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.	5,440
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the changes in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.	8,816
Change in net position of governmental activities	$ 20,849

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL

GENERAL FUND

For the Year ended June 30, 2016

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues :				
Taxes	$ 101,256	103,134	109,975	6,841
Licenses & permits	4,144	4,144	4,929	785
Fines, forfeitures and penalties	2,157	2,145	2,380	235
Use of money or property	1,631	1,667	2,387	720
Intergovernmental	10,184	11,242	13,287	2,045
Charges for services	9,567	9,952	12,304	2,352
Other revenues	-	-	33	33
Total revenues	128,939	132,284	145,295	13,011
Expenditures :				
General government :				
City council	520	552	447	105
City attorney	2,198	2,222	2,429	(207)
City clerk	1,053	1,066	526	540
City treasurer	194	194	114	80
City manager	1,369	1,435	1,051	384
Financial services	2,835	2,919	2,476	443
Management services	2,284	2,285	1,558	727
Information technology	2,778	2,855	2,570	285
Non-departmental	3,678	2,600	899	1,701
Total general government	16,909	16,128	12,070	4,058
Public safety :				
Police	51,519	53,286	51,567	1,719
Fire	30,599	32,644	32,968	(324)
Total public safety	82,118	85,930	84,535	1,395
Environmental :				
Community development	6,950	7,211	6,843	368
Public works	12,852	12,725	11,785	940
Total environmental	19,802	19,936	18,628	1,308
Culture and recreation :				
Library	6,695	6,741	6,313	428
Parks	9,986	8,994	7,679	1,315
Recreation	7,128	8,173	8,310	(137)
Special community activities	2,207	2,188	2,265	(77)
Total culture and recreation	26,016	26,096	24,567	1,529

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, Concluded

GENERAL FUND

For the Year ended June 30, 2016

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service :				
Principal retirement	$ 1,290	1,290	1,290	-
Interest expense	908	908	782	126
Total debt service	2,198	2,198	2,072	126
Total expenditures	147,043	150,288	141,872	8,416
Excess (deficiency) of revenues over expenditures	(18,104)	(18,004)	3,423	21,427
Other financing sources (uses) :				
Transfers in	11,034	11,034	8,774	(2,260)
Transfers out	(2,783)	(4,432)	(4,057)	375
Total other financing sources (uses)	8,251	6,602	4,717	(1,885)
Net change in fund balances (deficits)	(9,853)	(11,402)	8,140	19,542
Fund balance, July 1, 2015	97,870	97,870	97,870	-
Fund balance, June 30, 2016	$ 88,017	86,468	106,010	19,542

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOW/MODERATE INCOME HOUSING SPECIAL REVENUE FUND

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 6	6	60	54
Charges for services	337	337	213	(124)
Total revenues	343	343	273	(70)
Expenditures :				
General governmental:				
Administrative services	355	355	160	195
Capital outlay:				
General capital improvements	1,142	1,142	75	1,067
Total expenditures	1,497	1,497	235	1,262
Excess (deficiency) of revenues over expenditures	(1,154)	(1,154)	38	1,192
Fund balance, July 1, 2015	49,409	49,409	50,157	748
Fund balance, June 30, 2016	$ 48,255	48,255	50,195	1,940

See accompanying notes to basic financial statements.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC FINANCING AUTHORITY DEBT SERVICE - MAJOR FUND

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and or property	$ 90	90	2,414	2,324
Total revenues	90	90	2,414	2,324
Expenditures :				
Debt service:				
Principal retirement	6,435	6,435	2,380	4,055
Interest and finance charges	4,095	4,095	2,177	1,918
Total expenditures	10,530	10,530	4,557	5,973
Excess (deficiency) of revnues over expenditures	(10,440)	(10,440)	(2,143)	8,297
Fund balance, July 1, 2015	45,747	45,747	45,747	-
Fund balance, June 30, 2016	$ 35,307	35,307	43,604	8,297

See accompanying notes to basic financial statements.

City Of Burbank

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016
(in thousands)

	Business-type activities - Enterprise funds						Governmental Activities- Internal Service Funds
Assets :	**Water Rec & Sewer**	**Electric Utility**	**Water Utility**	**Refuse Collection & Disposal**	**Nonmajor Enterprise Fund**	**Total**	
Current assets :							
Pooled cash and investments (note 4)	$ 43,254	68,529	11,549	15,761	261	139,354	102,821
Accounts receivable (note 9)	1,594	15,174	3,688	1,653	27	22,136	605
Interest receivable (note 9)	128	197	34	101	-	460	286
Interfund receivable (note 7)	-	300	750	-	-	1,050	-
Inventories	-	6,837	2,874	-	-	9,711	567
Prepaid expenses (note 14)	16	27,904	17	-	-	27,937	60
Restricted pooled cash and investments (note 4)	-	-	-	19,720	-	19,720	-
Restricted non-pooled investments (note 4)	-	5,277	179	-	-	5,456	-
Total current assets	44,992	124,218	19,091	37,235	288	225,824	104,339
Non-current assets :							
Regulatory assets - deferred charges	-	449	328	-	-	777	-
OPEB Asset (note 18)	-	3,665	-	-	-	3,665	-
Total other non-current assets	-	4,114	328	-	-	4,442	-
Capital assets (note 5) :							
Land	5,316	2,734	309	3,454	11	11,824	-
Land improvements	6,096	-	-	6,050	1,053	13,199	-
Rights to purchased power	-	1,335	-	-	-	1,335	-
Buildings and improvements	119,450	432,636	143,183	7,672	8,988	711,929	6,166
Machinery and equipment	2,490	65,592	5,614	11,047	391	85,134	68,743
Construction in progress	7,787	24,584	6,746	365	73	39,555	1,205
Less accumulated depreciation	(76,002)	(249,401)	(62,185)	(18,094)	(4,782)	(410,464)	(54,505)
Total capital assets, net of accumulated depreciation	65,137	277,480	93,667	10,494	5,734	452,512	21,609
Total non-current assets	65,137	281,594	93,995	10,494	5,734	456,954	21,609
Total assets	110,129	405,812	113,086	47,729	6,022	682,778	125,948
Deferred outflows of resources:							
Deferred amounts from pensions	190	5,351	823	609	-	6,973	-

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF NET POSITION, Concluded
PROPRIETARY FUNDS
June 30, 2016
(in thousands)

	Business-type activities - Enterprise funds						Governmental Activities- Internal Service Funds
Liabilities :	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	
Current liabilities :							
Accounts payable	$ 1,979	4,097	1,403	192	-	7,671	1,390
Accrued expenses (note 12)	-	10,846	1,537	-	-	12,383	-
Compensated absences payable (note 8)	1	363	20	55	-	439	7
Unearned revenue	-	816	3,127	-	-	3,943	-
Customer deposits	-	8,041	1,475	949	-	10,465	75
Bond interest payable	35	392	149	20	-	596	-
Current portion of revenue bonds (note 8)	800	3,920	795	630	-	6,145	-
Current portion of loan payable (note 8)	-	-	399	-	-	399	-
Outstanding claims self insurance (note 15)	-	-	-	-	-	-	12,049
Total current liabilities	2,815	28,475	8,905	1,846	-	42,041	13,521
Long-term liabilities (net of current portion) (note 8) :							
Revenue bonds	9,543	79,739	32,859	3,706	-	125,847	-
Landfill closure & post closure (note 8)	-	-	-	17,662	-	17,662	-
Loan payable (note 8)	-	-	7,235	-	-	7,235	-
Compensated absences (note 8)	186	4,860	865	634	-	6,545	294
Net pension liability	1,989	58,442	9,177	6,603	-	76,211	
Outstanding claims - self insurance (note 15)	-	-	-	-	-	-	35,864
Advances payable (note 7)	-	-	-	-	3,197	3,197	-
Total long-term liabilities (net of current portion)	11,718	143,041	50,136	28,605	3,197	236,697	36,158
Total liabilities	14,533	171,516	59,041	30,451	3,197	278,738	49,679
Deferred inflows of resources :							
Deferred amounts from pensions	290	8,490	1,333	960	-	11,073	-
Net position :							
Net investment in capital assets	54,794	193,821	52,379	6,158	5,734	312,886	21,609
Unrestricted	40,702	37,336	1,156	10,769	(2,909)	87,054	54,660
Total net position	$ 95,496	231,157	53,535	16,927	2,825	399,940	76,269

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year ended June 30, 2016
(in thousands)

	Business-type activities - Enterprise funds						Governmental Activities- Internal Service Funds
Operating revenues :	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	
Sales of water and power	$ -	202,169	25,099	-	-	227,268	-
Charges for services	17,321	5,681	3,268	16,700	-	42,970	33,134
Total operating revenues	17,321	207,850	28,367	16,700	-	270,238	33,134
Operating expenses :							
Operations and maintenance	6,688	35,901	705	8,836	205	52,335	32,155
Purchased water and power	-	127,651	22,607	-	-	150,258	-
Inspection and investigation	1,972	-	-	-	-	1,972	-
Design and permits	1,367	-	-	184	-	1,551	-
Refuse disposal	-	-	-	2,504	-	2,504	-
Recycling	-	-	-	1,933	-	1,933	-
Depreciation	3,498	18,133	3,578	586	472	26,267	3,604
Total operating expenses	13,525	181,685	26,890	14,043	677	236,820	35,759
Operating income (loss)	3,796	26,165	1,477	2,657	(677)	33,418	(2,625)
Nonoperating income (expense) :							
Interest income	928	1,723	262	738	3	3,654	2,036
Intergovernmental	-	143	727	16	-	886	-
Other local taxes	-	-	48	-	-	48	1,596
Gain/(loss) on disposal of capital assets	-	253	-	309	-	562	27
Interest expense	(436)	(4,874)	(2,034)	(137)	(26)	(7,507)	-
Other income/(expense) - net	103	1,481	548	107	334	2,573	4,432
Total nonoperating income (expense)	595	(1,274)	(449)	1,033	311	216	8,091
Income (loss) before capital contributions and transfers	4,391	24,891	1,028	3,690	(366)	33,634	5,466
Transfers in (note 7)	22	80	-	83	-	185	26
Capital contributions	-	2,997	1,043	-	-	4,040	-
Transfers out (note 7)	(26)	(11,236)	-	-	-	(11,262)	(52)
Change in net position	4,387	16,732	2,071	3,773	(366)	26,597	5,440
Net position, July 1, 2015	91,109	214,425	51,464	13,154	3,191	373,343	70,829
Net position, June 30, 2016	$ 95,496	231,157	53,535	16,927	2,825	399,940	76,269

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
For the Year ended June 30, 2016
(in thousands)

Cash flows from operating activities :	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Government Activities- Internal Service Funds
Cash received from customers	$ 17,346	206,620	25,639	16,823	4	266,432	32,927
Cash paid to suppliers	(7,497)	(145,585)	(16,096)	(10,781)	(256)	(180,215)	(22,342)
Cash paid to employees	(1,373)	(20,235)	(4,975)	(4,742)	-	(31,325)	(2,313)
Net cash provided by (used in) operating activities	8,476	40,800	4,568	1,300	(252)	54,892	8,272
Cash flows from noncapital financing activities :							
Payments received from other funds	-	143	727	16	-	886	-
Payments made to other funds	-	-	-	-	(32)	-	-
Proceeds from other funds	-	-	-	-	-	-	6,028
Other income (expense)	-	-	-	-	334	334	-
Transfers from other funds	22	80	-	83	-	185	26
Transfers to other funds	(26)	(11,236)	-	-	-	(11,262)	(52)
Net cash provided by (used in) noncapital financing activities	(4)	(11,013)	727	99	302	(9,857)	6,002
Cash flows from capital and related financing activities :							
Contributed capital	-	2,997	2,484	-	-	5,481	-
Proceeds from sales of capital assets	-	-	-	309	-	309	27
Acquisition and construction of assets	(8,167)	(17,887)	(6,210)	(559)	(20)	(32,843)	(3,099)
Principal payments - bonds	(785)	(3,745)	(765)	(610)	-	(5,905)	-
Principal payments - loan payable	-	-	(460)	(97)	-	(557)	-
Interest paid	(579)	(5,349)	(2,037)	(140)	(26)	(8,131)	-
Net cash used in capital and related financing activities	(9,531)	(23,984)	(6,988)	(1,097)	(46)	(41,646)	(3,072)
Cash flows from investing activities :							
Interest received	905	1,678	260	722	3	3,568	1,963
Net cash provided by investing activities	905	1,678	260	722	3	3,568	1,963
Net increase (decrease) in cash and cash equivalents	(154)	7,481	(1,433)	1,024	7	6,957	13,165
Cash and cash equivalents, July 1, 2015	43,408	66,325	13,161	34,457	254	157,605	89,656
Cash and cash equivalents, June 30, 2016	$ 43,254	73,806	11,728	35,481	261	164,530	102,821

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF CASH FLOWS, (concluded)
ALL PROPRIETARY FUND TYPES
For the Year ended June 30, 2016
(in thousands)

	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Government Activities- Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities :							
Operating income (loss)	$ 3,796	26,165	1,477	2,657	(677)	33,418	(2,625)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :							
Depreciation	3,498	18,133	3,578	(1,691)	472	23,990	3,604
Other income	103	1,481	596	107	-	2,287	-
Gain/(loss) on sale of fixed assets	-	253	-	-	-	-	-
(Increase) decrease in accounts receivable	25	(1,230)	(318)	123	5	(1,395)	(207)
(Increase) decrease in due to/from City of Burbank	-	(110)	375	-	-	265	
(Increase) decrease in inventories	-	(685)	(653)	-	-	(1,338)	-
(Increase) decrease in prepaid items	(16)	96	(17)	-	-	63	225
(Increase) decrease in deferred outflows from pension	(25)	(613)	(72)	(47)			
Increase in outstanding claims payable	-	-	-	-	-	-	7,966
Increase (decrease) in accounts payable	1,168	(29)	(161)	(102)	(52)	824	(732)
Increase (decrease) in net pension liability	125	3,378	530	381			
Increase (decrease) in deferred inflows from pension		(6,571)	(1,032)	(742)			
Increase (decrease) in compensated absences	24	337	(15)	12	-	358	44
Increase (decrease) in customer deposits	-	338	398	159	-	895	-
Increase (decrease) in bond premium	(222)	-	-	-	-	(222)	-
Increase (decrease) in deferred revenue		(143)	(118)				
Increase in landfill closure and postclosure liabilities	-	-	-	443	-	443	-
Total adjustments	4,680	14,635	3,091	(1,357)	425	26,170	10,897
Net cash provided by (used in) operating activities	$ 8,476	40,800	4,568	1,300	(252)	54,892	8,272
Noncash investing, capital, and financing activities :							
Increase (decrease) in fair value of investments	$ 311	490	86	255	2	1,144	848

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2016
(in thousands)

	Private - Purpose Trust Fund Successor Agency
Assets :	
Pooled cash and investments (note 4)	$ 17,985
Restricted non-pooled cash and cash equivalents (note 4)	6,934
Accounts receivable (note 9)	10
Receivables from the City of Burbank (note 7)	2,007
Capital assets	2,355
Total assets	29,291
Liabilities :	
Accounts payable	6
Interest payable	331
Current portion of long term liabilities (note 8)	6,425
Long term liabilities, net of current portion (note 8)	78,437
Payable to the City of Burbank (note 7)	50,856
Total liabilities	136,055
Net position	
Unrestricted	(106,764)
Total net position	$ (106,764)

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Year ended June 30, 2016
(in thousands)

	Private - Purpose Trust Fund
	Successor Agency
ADDITIONS :	
Receipts from County	$ 19,500
Use of money or property	354
Other	152
Total additions	20,006
DEDUCTIONS :	
Administrative expenses	4,746
Interest expense	3,889
Payment to County	18,486
Contribution to City of Burbank	2,795
Total deductions	29,916
Change in net position	(9,910)
Net position, July 1, 2015	(96,854)
Net position, June 30, 2016	$ (106,764)

See accompanying notes to basic financial statements

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - Reporting Entity

Included within the financial reporting entity, "City of Burbank" (the City), the Burbank Parking Authority (the Parking Authority), the Public Facilities Financing Authority (PFFA), the Burbank Public Financing Authority (PFA), the Burbank Community Services Fund (BCSF), the Burbank Youth Endowment Services (YES) Fund, and the Burbank Housing Authority (Housing Authority). Although these entities are legally separate from each other, the City Council acts as the governing board of each entity and these entities are so intertwined with the City they they are, in substance, part of the City operations. Accordingly, the financial activities of these component units are blended in the accompanying basic financial statements. A description of the entities follows.

City of Burbank
The City was incorporated in July 1911, under the general laws of the State of California. The City Charter was adopted in January 1927, and most recently amended in April 2007. The City provides a full range of municipal services as contemplated by statute or charter. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection, electric, water and sewer utilities, culture and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

Burbank Parking Authority

The Burbank Parking Authority is a public financing agency established by the City in May 1970, under the State of California Parking Law of 1949 to provide public parking facilities on a citywide basis. The Parking Authority's financial data and transactions are included in the accompanying basic financial statements within the capital projects funds category. Separate financial statements are not available for the Parking Authority.

Public Facilities Financing Authority
The Public Facilities Financing Authority (PFFA) was established in May 1987 by the City Council. The formation of the PFFA creates a financing entity through which Certificates of Participation can be issued for the proposed remodeling of various City buildings, the construction of a parking facility in the City Centre area, and various other additions or improvements to the City's infrastructure. Separate financial statements for the PFFA are not available. At June 30, 2016, the PFFA had no assets, liabilities or fund equity, nor did it enter into any financial transactions during the fiscal year.

Burbank Public Financing Authority

The Burbank Public Financing Authority (PFA) was established in March 1993, as a joint exercise of powers agreement (JPA) between the City of Burbank and the Redevelopment Agency. The purpose of the JPA is to provide for the financing of public capital improvements and for working capital requirements of the members, through the acquisition by the PFA of such capital improvements and for the purchase by the PFA of obligations of either of the members. Separate financial statements for the PFA are not available; financial data is presented in the basic financial statements as the Public Financing Authority debt service fund.

Burbank Community Services Fund
The Burbank Community Services Fund (Special revenue fund) was established in July 1998 as a 501 (C) (3) corporation. The purpose of this fund is to assist with support services, volunteer services, and educational services related to the development and maintenance of public facilities in the City of Burbank. Separate financial statements are not available for this fund; financial data is presented in the nonmajor funds column of the basic financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Burbank Youth Endowment Services Fund

The Youth Endowment Services (YES) capital projects fund was established in January 1991 as a 501 (C) (3) nonprofit corporation. The purpose of the YES fund is to provide youth-oriented facilities and programs, within and nearby the City's Redevelopment project areas. The YES fund financial data and transactions are included in the accompanying basic financial statements as a capital projects fund. Separate financial statements are not available for the YES fund.

Burbank Housing Authority

The Housing Authority, established by the City Council in June 1975, is responsible for the administration of a federally funded housing assistance payments project undertaken by the City.

The Housing Authority created the City's housing assistance payments and affordable housing programs by separate agreements with the Department of Housing and Urban Development (HUD) in November 1975, as amended December 1976, March 1982, and May 1987.

The agreements state that HUD and the Housing Authority will provide an annual contribution of funds, in accordance with section 8 of the United States Housing Act of 1937, in order to provide decent, safe and sanitary dwellings for low to moderate income families, and to increase the supply and quality of affordable housing within the City. The Housing Authority's financial data and transactions are included in the accompanying basic financial statements as special revenue funds. Separate financial statements are not available for the Housing Authority. The Housing Authority has become the Successor Housing Agency administrator of the Low and Moderate Income Housing fund.

B - Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues, and are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges to business-type activities and other charges between business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds :

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Low / Moderate Income Housing Special Revenue Fund - This fund is used for funds received from the department of Housing and Urban Development (HUD) for the affordable housing program.

Public Financing Authority Debt Service - This fund is used to account for all debt service within the Public Financing Authority.

General Capital Projects - This fund is used to account for all multiple-year capital projects undertaken by the City.

The City reports the following major proprietary funds :

Water Reclamation and Sewer - This fund is used to account for the operation and maintenance of the Water Reclamation Plant and Sewage System.

Electric Utility - To account for the production, distribution, and transmission of electric energy to residents and businesses located within the City.

Water Utility - To account for the transmission of potable water, and reclaimed water to residents and businesses in the City.

Refuse Collection and Disposal - To account for the activities involved in the collection and disposal of refuse throughout the City.

Additionally the City reports the following fund types:
Governmental Fund Types - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expnedable trusts, or major capital projects), that are restricted to expenditures for special purposes. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major facilities other than those financed by Proprietary, Special Assessment, and/or Trust Funds.
Fiduciary Fund Types - The private purpose trust fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Proprietary Fund Types – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These services include liability insurance, workers' compensation insurance, and maintenance and financing of office equipment, vehicles, municipal buildings, communication equipment, and computer equipment.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C - Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar nonexchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available, susceptible to accrual. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period (e.g., charges for services, intergovernmental revenue, sales tax, property taxes, franchise taxes, motor vehicle fees, utility users taxes, etc). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension, OPEB, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied, taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered measurable and available only when cash is received by the City.

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise and internal service funds include cost of sales and services, operations and maintenance of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The City's electric and water utility funds are subject to the provisions of GASB No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. GASB No. 62 addresses accounting rules for regulated operations. This statement recognizes the economic ability of regulators, through the ratemaking process, to create future economic benefits and obligations affecting rate-regulated companies. Accordingly, the electric and water utility funds records these future economic benefits and obligations as regulatory assets or regulatory liabilities, respectively.

Regulatory assets represent probable future revenues associated with previously incurred costs that are expected to be recovered from customers. Regulatory liabilities represent probable future reductions in revenues associated with amounts that are expected to be refunded to customers through the ratemaking process.

In order for a rate-regulated entity to continue to apply the provisions of GASB No. 62, it must meet the following three criteria; (i) the enterprise's rates for regulated services provided to its customers must be established by an independent third-party regulator or its own governing board empowered by a statute to establish rates that bind customers; (ii) the regulated rates must be designed to recover the specific enterprise's costs of providing the regulated services; and (iii) in view of the demand for the regulated services and the level of competition, it is reasonable to assume that rates set at levels that will recover the enterprise's costs can be charged to and collected from customers.

Based upon the City's evaluation of the three criteria discussed above in relation to its operations, and the effect of competition on its abiliity to recover its costs, the City believes that GASB No. 62 continues to apply.

The City regularly assesses whether regulatory assets and liabilities are probable of recovery or refund. If recovery or refund is not approved by the City Council, which sets rates charged to customers, or if it becomes no longer probable that these amounts will be realized or refunded, they would need to be written-off and recognized in the current period results of operations.

D - Inventories and prepaid items

All inventories are valued at cost, using the standard cost method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

E - Land held for resale

Land held for resale is recorded at the lower of cost or estimated net realizable value. Estimated net realizable value is determined by an agreed upon sales price with potential developers, when applicable.

F - Capital Assets

Capital assets, which include property, plant, equipment, easements, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, including land held under easements. Donated capital assets are recorded at estimated fair value at the date of acquisition. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

(in thousands)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

	Estimated useful life
Buildings and improvements	20 to 40 years
Infrastructure	20 to 65 years
Machinery and equipment (except vehicles)	5 to 20 years
Production plant	30 years
Boiler plant	20 years
Transmission structures	40 years
Transmission equipment	20 to 40 years
Poles, towers and fixtures	20 to 40 years
Distribution stations	30 to 40 years
Transformers	20 to 40 years
Meters	15 to 20 years
Water services	40 years
Vehicles	5 to 20 years
Office equipment	3 to 15 years

Capital outlay purchases of $14,899 were recorded as expenditures on the governmental fund level financial statements.

G - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick, universal and in-lieu leave pay benefits. The maximum accumulation of vacation leave is limited to the total number of hours accruable for two years, unless approved otherwise by the department head and City Manager. The maximum accumulation of in-lieu time is between 200 to 300 hours, depending upon the employee's bargaining unit. There is no limitation as to the number of sick leave hours accumulated.

Executives, unrepresented managers and Burbank Management Association (BMA) employees do not earn vacation or sick leave. The instead receive universal leave which has an accrual cap of 1040 hours. Universal leave is reported as part of the compensated absences accrual.

Employees are paid 100% of their accumulated vacation, universal and in-lieu time when they terminate for any reason. Accumulated sick leave is only paid out under one of the following conditions (a) at retirement or death, provided the employee has been employed by the City for over five years and is over 50 years of age; (b) at time of layoff. Accumulated sick leave is paid at 50% of the total value, except for Burbank Police Officers Association (BPOA) and Burbank Fire Fighters (BFF) employees in which sick leave is paid at 70% and respecting of the total value.

All vacation, universal, in-lieu and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in government funds only it they employees have separated from the City.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H - Net Position and Fund Equity

The governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to show the level of constraint governing the use of the funds. Nonspendable fund balances include amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Restricted fund balances are restricted for specific purposes by third parties or enabling legislation. Committed fund balances include amounts that can be used only for specific purposes determined by formal action of the Council. Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. Assigned fund balances comprise amounts intended to be used by the City for specific purposes as determined by the Council such as PERS retirement set-aside funds, prior years carryovers and various capital projects. Unassigned fund balance is the remaining fund balance after all of the above classifications and should only be reported in the general fund or resulting deficit fund balance in any other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and the unrestricted resources as necessary. When committed and assigned resources are available for use, it is the City's policy to use committed resources first and then assigned resources, as they are needed.

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: net investment in capital assets; restricted and unrestricted. Restricted net position represent net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments including enabling legislation).

I - Cash and Investments

The City combines the cash and investments of all funds into two pools (the City pool, and the Housing Authority pool), except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Each fund's portion of the pooled cash and investments are displayed on the balance sheet-governmental funds, or the statement of net position-proprietary funds.

Interest earned on pooled cash and investments is allocated monthly to the various funds based on average daily balances. Interest income from cash and investments with fiscal agents and in the deferred compensation plan is credited directly to the related funds. The City manages its pooled idle cash and investments under a formal investment policy that is reviewed and adopted annually by the City Council and that follow the guidelines of the State of California Government Code. The City's investment policy specifically authorizes the City to invest in treasury bills, treasury notes, federal agency securities, bankers' acceptances, negotiable and nonnegotiable certificates of deposit, commercial paper, the California Local Agency Investment Fund (LAIF), the Los Angeles County Pooled Investment Fund, and money market mutual funds.

The City's investments are reported at fair value. LAIF operates in accordance with the state laws and regulation of California. The reported value of the pool is the same as the fair value of the pool shares.

For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents includes all pooled cash investments, non-pooled restricted cash and restricted investments with an original maturity of three months or less. The City considers the cash and investments pool to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J - Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due. Estimated allowances for uncollectible accounts for enterprise fund customer accounts receivables are adjusted to the 90 days and over receivables balances.

Assessed values are determined on an annual basis by the Los Angeles County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

The Low and Moderate Income Housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years with a stated annual interest rate of 3%. At the end of each notes' term, the City will receive either; A) the outstanding principal and interest on the loans or, b) as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties, after their respective fifty-five year term is over, in lieu of full payment of unpaid principal and interest from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term. (i.e.; estimated value fifty-five years after the start of each loan, not present valued back to June 30, 2016). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net position in governmental activities in the entity-wide

The Community Development and Block Grant (CDBG) and HOME funds give loans to the BHC and to individuals meeting eligibility criteria. The loans have various term lengths with stated interest rates ranging from 0% to 6%. The loans are scheduled to be forgiven at the end of their respective terms.

K - Interfund Advances

Advances between funds, as reported in the fund statements, are classified as either resticted or non spendable fund balance in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable avabilable finacaial resources.

L - Self-Insurance Program

The City has self-insurance programs to provide for general liability and workers' compensation claims. These activities are accounted for in the Self-Insurance internal service fund, a proprietary fund type. Fund revenues are primarily premium charges to other funds and are planned to match estimated payments, including both reported and incurred but not reported claims, operating expenses, and reinsurance premiums. The fund expenses the estimated liability for claims in cases where such amounts are reasonably determinable and where the liability is likely.

The City is self-insured for individual claims up to $2,000 for worker's compensation, and $1,000 for general liability. Losses in excess of these amounts are covered through commercial insurance policies, up to statutory limits, for individual claims. See note 15, Self-insurance, for additional information on the City's self-insurance programs.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M - Current Year Standards

In fiscal year 2015-2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, "*Fair Value Measurement and Application".* GASB Statement No. 72 requires the City to use valuation techniques which are appropriate under the circumstances and are either a market approach or income approach. GASB Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements. There was no material impact on the City's financial statements as a result of the implementation of GASB Statement No. 72.

- GASB 73 - "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68",* was required to be implemented in the current fiscal year, except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016, and did not impact the City.

- GASB Statement No. 76 - "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments",* was required to be implemented in the current fiscal year, and did not impact the City.
- GASB Statement No. 79 - "*Certain External Investment Pools and Pool Participants", was* required to be implemented in the current fiscal year, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for periods beginning after December 15, 2015, and did not impact the City.
- GASB Statement No. 82 - "*Pension Issues on Amendment of GASB Statement No. 67, No. 68 and No. 73",* changed the measurement of covered payroll reported in required supplementary information and has been early implemented.

N - Pending Accounting Standards

GASB has issued the following statements which may impact the City's financial reporting requirements in the future:
- GASB 73 - "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68",* effective for periods beginning after June, 15, 2015 - except for those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for periods beginning after June 15, 2016.

- GASB 74 - "*Financial Reprting for Postemployment Benefit Plans Other Than Pension Plans",* effective for periods beginning after June 15, 2016.

- GASB 75 - "*Accounting and Financial Reprting for Postemployment Benefit ther Than Pension Plans",* effective for periods beginning after June 15, 2017.

- GASB 77 - "*Tax Abatement Disclosure",* effective for periods beginning after December 15, 2015.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

N - Pending Accounting Standards (continued)

- GASB 78 - "*Pensions Provided through Certain Mulltiple-Employer Defined Benefit Pension Plans",* effective for periods beginning after December 15, 2015.

- GASB 79 - "*Certain External Investment Pools and Pool Participants",* the certain provisions on portfolio quality, custodial credit risk, and shadow pricing, effective for periods beginning after December 15, 2015.

- GASB 80 - "*Blending Requirements for Certain Component Units",* effective for periods beginning after June 15, 2015.

- GASB 81 - "*Irrevocable Split-Interest Agreements",* effective for periods beginning after December 15, 2016.

- GASB 82 - "*Pension Issues",* effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which is effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

O - Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

-Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability.

-Deferred gain or loss refunding reported. A deferred gain or loss on refunding results from the difference in the carryiing value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and governmental funds balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

-Deferred inflows from unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from taxes and grants. These amounts are reported as unavailable and recognized as an inflow of resources in the period that the amounts become available.

- Deferred inflows related to pensions for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plans, which is 3.3, 3.7 and 4.2 years for miscellaneous, police and fire, respectively.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expecting remaining service lives of all employees that are provided with pensions through the Plans, which is 3.3, 3.7 and 4.2 years for miscellaneous, police and fire, respectively.

- Deferred inflows related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.

P - Pensions
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans and additions to /deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q - Use of Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of computation of certain items on statement of net position

The statement of net position includes an element titled "Net investment in capital assets". The details of this computation are explained below :

Governmental activities :	
Capital assets of internal service funds, net of accumulated depreciation	$ 21,609
Governmental assets, net of accumulated depreciation	666,909
Net investment in capital assets	$ 688,518
Business-type activities :	
Capital assets, net of accumulated depreciation	$ 452,512
All revenue bonds, current and long term portions	(131,993)
Loan payable	(7,634)
Net investment in capital assets	$ 312,885

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Appropriations

During the year, several supplemental budget appropriations were adopted by the City Council as amendments to the annual budget. Such appropriations are as follows: $498 BPOA MOU and NOHO Bus Service $340.

Appropriated Budget and Budgetary Control

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue (except for the Drug Asset Forfeiture fund), Debt Service and Capital Projects funds (except for Public Improvement Funds). The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. Certain multi-year capital improvements and other projects are budgeted on a project-length basis. Additionally, appropriations for the Drug Asset Forfeiture fund occur based on actual cash receipts and do not lapse at year end. A comparison of these budgets with current year expenditures would not be meaningful, due to the multi-year nature of these projects. As a result, budgetary schedules are not presented for the Public Improvements capital projects fund, the Drug Asset Forfeiture special revenue fund, and the General City Capital Projects fund.

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (continued)

The level of appropriated budgetary control is at the functional departmental level. The City Manager may authorize transfers of appropriations within a departmental function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the City Council by a 3/5 vote. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted and are more fully described above. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

The City uses an "encumbrance system". Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as "committed" or "assigned" fund balance.

The City Council adopts budgets for the Enterprise and Internal Service funds. All Proprietary fund types are accounted for on the economic resources measurement focus and the accrual basis of accounting. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

For the fiscal year ended June 30, 2016, the following fund reflected expenditures in excess of budgeted amounts : State Gas Tax Special Revenue fund, an excess of $1,663. Also, the general fund had expenditures in excess of budgeted amounts in the following department: Fire Departments an excess of $324, City Attorney an excess of $207, Recreation an excess of $137 and Special Community Services of $77.

(in thousands)

(4) CASH AND INVESTMENTS

Cash and investments as of June 30, 2016 are classified in the accompanying financial statements as follows :

	Govern-mental	Business Type	Fiduciary Fund	Total
Pooled cash and investments	$ 240,515	139,354	17,985	$ 397,854
Restricted pooled cash and investments	-	19,720	-	19,720
Restricted non-pooled cash and cash equivalents	114	-	6,934	7,048
Restricted cash and investments	43,470	5,456	-	48,926
Total	$ 284,099	164,530	24,919	$ 473,548

Cash on hand	$ 1,132
Demand deposits	135
Investments	472,281
Total	$ 473,548

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (Code) (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the Code or the City's investment policy.

Authorized Investment Type	Authorized By City Policy	Maximum Maturity **	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Agency-U.S. Federal Agency	Yes	5 years	90%	None
Corporate-medium term notes	Yes	5 years	30%	5%
LAIF-Local Agency Invest. Fund	Yes	N/A	None	$65 million per account
U.S. Treasury obligations	Yes	5 years	100%	None
Non-negotiable Certificates of Deposit	Yes	5 years	40%	$250,000
Certificates of deposit	Yes	5 years	30%	$250,000
Money market mutual funds	Yes	90 days	20%	None
State and Local Agency Obligations	Yes	5 years	15%	5%
Banker's acceptances	No	N/A	N/A	N/A
Commercial paper	Yes	270 days	25%	5%
Repurchase agreements	Yes	90 days	25%	None
Reverse repurchase agreements	No	N/A	N/A	N/A
Mutual funds	No	N/A	N/A	N/A
Mortgage pass-through securities	No	N/A	N/A	N/A
County pooled investment funds	No	N/A	N/A	N/A

* * No investment shall be made in any security that, at the time of the investment, has a term remaining to maturity in excess of five years, unless the City Council has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment, with the maximum allowed not to exceed 5% of the portfolio from over five years to ten year maturities.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

(in thousands)

(4) CASH AND INVESTMENTS, (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Investment Agreements	N/A	None	None
LAIF-Local Agency Invstmt Fund	N/A	None	None
Money Market	N/A	None	None
Pledge Bonds	N/A	None	None
U.S. Treasury Obligations	N/A	None	None

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

		Remaining Maturity (in Months)			
	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Agency-U.S. Federal Agency	$ 169,433	10,697	36,008	122,728	-
U.S. Treasury obligations	8,181			8,181	
Corporate-Medium Term Notes	69,407	17,008	22,087	30,312	-
Municipal Bonds	19,880	1,331	1,244	17,305	-
Negotiable Certificates of Deposit	76,829	12,272	11,255	53,302	-
LAIF-Local Agency Invst Fund	72,576	72,576			
Held by bond trustee:					
Investment Agreements	5,949	-	-	-	5,949
Money Market	6,556	7,357			
Local obligation bonds	43,470	2,260	2,370	8,090	30,750
	$ 472,281	123,501	72,964	239,918	36,699

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Code, the City's investment policy, or debt agreements, and the Moody's actual rating as of year end for each investment type.

(in thousands)

(4) CASH AND INVESTMENTS, (continued)

	Total	Minimum Legal Rating	Not Rated
Agency-U.S. Federal Agency	$ 169,433	N/A	-
U.S. Treasury obligations	8,181	N/A	-
Corporate-Medium Term Notes	69,407	A	-
Municipal Bonds	19,880	A	-
Negotiable Certificates of Deposit	76,829	N/A	76,829
LAIF-Local Agency Invstmt Fund	72,576	N/A	72,576
Held by bond trustee:			
Investment Agreements	5,949	A	-
Money Market	6,556	Aaa	-
Local obligation bonds	43,470	N/A	43,470
Totals	$ 472,281		192,875

	Rating as of year end				Not required
	Aaa	Aa	A	*Oth	to be rated
Agency-U.S. Federal Agency	$ 169,433	-	-		-
U.S. Treasury obligations					8,181
Corporate-Medium Term Notes	-	-	-		-
Municipal Bonds	-	-	-		-
Negotiable Certificates of Deposit	-	-	-		-
LAIF-Local Agency Invstmt Fund	-	-	-		-
Held by bond trustee:					
Investment Agreements	-	-	5,949		-
Money Market	6,556	-	-		-
Totals	$ 175,989	-	5,949		8,181

*Corporate-Medium Term Notes: A1=28,937; A2=10,587; Aa1=5,066; Aa2=3,025; Aa3=15,698; Aaa=6,094. Municipal Bonds: Aa1=1,031; Aa2=10,524; Aa3=6,185; Aaa=1,244; Not Rated=895.

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Investments in any one issuer (other than US Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows :

Federal Home Loan Bank - U.S. Federal Agency - $43,217
FHLMC Debentures - U.S. Federal Agency - $37,447
FNMA - U.S. Federal Agency - $50,305
Federal Farm Credit Bank - U.S. Federal Agency - $28,426

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The amount of deposits are covered by FDIC insurance or collateralized under California law.

The Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits : The Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code, section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

(4) CASH AND INVESTMENTS, (continued)

Investment in Local Obligation Bonds

The City's investment in local obligation bonds are investments in the Successor Agency's Tax Allocation Bonds that are secured by a pledge of, and lien on, and repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund established and held by the County Auditor-Controller for the Successor Agency by the Dissolution Act (the "RPTTF").

Fair Value Measurements

The City categorizes its fair values measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted. quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2: Inputs to the valuation methodology includes: quoted prices for similar assets in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the City's management. City management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

The methods described may produce a fair value calculation that may not be indicative of next realizable value or reflective of future fair values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. When quoted prices in active markets are not available, fair values are based on evaluated prices received by City from third party service provider.

For a large portion of the City's portfolio, the City's third party service provider applies their leveling methodology across all securities in a specific sector (i.e. U.S. Government Sponsored Agency Securities). Inputs to their pricing models are based on observable market inputs in active markets.

The City's investments in local obligations bonds and investment agreements are valued based at cost as these investments are not traded on and therefore are categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

(in thousands)

(4) CASH AND INVESTMENTS, (continued)

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservble Inputs Level 3	Investments Not Subject to Hierarchy	Total
Agency-U.S. Federal Agency	-	169,433	-	-	169,433
Corporate-medium term notes	-	69,407	-	-	69,407
LAIF-Local Agency Invest. Fund	-	-	-	72,576	72,576
U.S. Teasury obligations	-	8,181	-	-	8,181
Negotiable Certificates of Deposit	-	76,829	-	-	76,829
Municipal Bonds	-	19,880	-	-	19,880
Investment Agreements	-	-	5,949	-	5,949
Money Market	-	-	-	6,556	6,556
Local obligation bonds	-	-	43,470	-	43,470
	$ -	$ 343,730	$ 49,419	$ 79,132	$ 472,281

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 is as follows.

Governmental activities	**Balance July 1, 2015**	**Additions**	**Deletions**	**Balance June 30, 2016**
Capital assets not being depreciated :				
Land	$ 49,368	2,795	-	52,163
Land held under easements	345,277	-	-	345,277
Construction in progress	13,126	12,199	(8,656)	16,669
Internal service fund assets :				
Construction in progress	1,724	590	(1,109)	1,205
Total capital assets not being depreciated	409,495	15,584	(9,765)	415,314
Capital assets being depreciated :				
Land Improvements	$ 8,694	-	-	8,694
Accumulated depreciation	(5,565)	(348)	-	(5,913)
Buildings & Improvements	205,615	2,796	(67)	208,344
Accumulated depreciation	(131,651)	(6,172)	52	(137,771)
Infrastructure	321,383	7,658	(3,314)	325,727
Accumulated depreciation	(138,629)	(8,477)	31	(147,075)
Machinery & other	5,953	-	(1,116)	4,837
Accumulated depreciation	(3,652)	(513)	122	(4,043)
Internal service fund assets :				
Buildings and improvements	6,165	1	-	6,166
Accumulated depreciation	(1,699)	(260)	-	(1,959)
Machinery & other	66,432	4,176	(1,865)	68,743
Accumulated depreciation	(50,509)	(3,467)	1,430	(52,546)
Total capital assets being depreciated, net	282,537	(4,606)	(4,727)	273,204
Total net capital assets - governmental activities	$ 692,032	10,978	(14,492)	688,518

Depreciation charged to governmental functions on the statement of activities during the year is as follows; $4,500 General Government, $64 to Police, $5 to Fire, $8,751 to Public Works, $2,722 to Community Development, $2,455 to Parks and Recreation and $740 to Library.

(in thousands)

(5) CAPITAL ASSETS, (continued)

Total Enterprise fund type capital assets are as follows :

All Business-type activities	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated :				
Land	$ 11,824	-	-	11,824
Construction in progress	19,172	21,385	(1,002)	39,555
Total capital assets not being depreciated	30,996	21,385	(1,002)	51,379
Capital assets being depreciated :				
Land improvements	13,199	-	-	13,199
Accumulated depreciation	(9,917)	(421)	-	(10,338)
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(670)	(43)	-	(713)
Buildings & Improvements	700,522	14,356	(2,949)	711,929
Accumulated depreciation	(323,513)	(20,011)	255	(343,269)
Machinery & other	86,664	4,637	(6,167)	85,134
Accumulated depreciation	(53,064)	(5,845)	2,765	(56,144)
Total capital assets being depreciated, net	414,556	(7,327)	(6,096)	401,133
Total net capital assets - business-type activities	$ 445,552	14,058	(7,098)	452,512

Water Reclamation & Sewer fund capital assets are as follows :

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated :				
Land	$ 5,316	-	-	5,316
Construction in progress	670	7,117	-	7,787
Total capital assets not being depreciated	5,986	7,117	-	13,103
Capital assets being depreciated :				
Land improvements	6,096	-	-	6,096
Accumulated depreciation	(4,008)	(316)	-	(4,324)
Buildings & Improvements	118,400	1,050	-	119,450
Accumulated depreciation	(66,509)	(3,038)	-	(69,547)
Machinery & other	2,490	-	-	2,490
Accumulated depreciation	(1,988)	(143)	-	(2,131)
Total capital assets being depreciated, net	54,481	(2,447)	-	52,034
Total net capital assets - Water reclamation and sewer	$ 60,467	4,670	-	65,137

(in thousands)

(5) CAPITAL ASSETS, (continued)

Electric Utility fund capital assets are as follows :

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated :				
Land	$ 2,734	-	-	2,734
Construction in progress	13,289	11,295	-	24,584
Total capital assets not being depreciated	16,023	11,295	-	27,318
Capital assets being depreciated :				
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(670)	(43)	-	(713)
Buildings & Improvements	425,147	10,435	(2,946)	432,636
Accumulated depreciation	(192,971)	(13,203)	253	(205,921)
Machinery & other	67,249	1,736	(3,393)	65,592
Accumulated depreciation	(38,187)	(4,932)	352	(42,767)
Total capital assets being depreciated, net	261,903	(6,007)	(5,734)	250,162
Total net capital assets - Electric utility	$ 277,926	5,288	(5,734)	277,480

During fiscal year ended June 30, 2016 the City had capitalized interest of $0 in the Electric fund.

Water Utility fund capital assets are as follows :

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated :				
Land	$ 309	-	-	309
Construction in progress	4,051	2,695	-	6,746
Total capital assets not being depreciated	4,360	2,695	-	7,055
Capital assets being depreciated :				
Buildings & Improvements	141,470	1,716	(3)	143,183
Accumulated depreciation	(54,527)	(3,326)	2	(57,851)
Machinery & other	5,635	377	(398)	5,614
Accumulated depreciation	(4,206)	(253)	125	(4,334)
Total capital assets being depreciated, net	88,372	(1,486)	(274)	86,612
Total net capital assets - Water utility	$ 92,732	1,209	(274)	93,667

(in thousands)

(5) CAPITAL ASSETS, (continued)

Refuse Collection & Disposal fund capital assets are as follows :

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Capital assets not being depreciated :				
Land	$ 3,454	-	-	3,454
Construction in progress	1,110	256	(1,001)	365
Total capital assets not being depreciated	4,564	256	(1,001)	3,819
Capital assets being depreciated :				
Land improvements	6,050	-	-	6,050
Accumulated depreciation	(5,230)	(77)	-	(5,307)
Buildings & Improvements	6,517	1,155	-	7,672
Accumulated depreciation	(6,182)	(26)	-	(6,208)
Machinery & other	10,899	2,524	(2,376)	11,047
Accumulated depreciation	(8,373)	(494)	2,288	(6,579)
Total capital assets being depreciated, net	3,681	3,082	(88)	6,675
Total net capital assets - Refuse collection & disposal	$ 8,245	3,338	(1,089)	10,494

(6) DEFINED CONTRIBUTION AND PENSION PLANS

Defined Contribution Plans

Welfare Benefit Plan (VEBA)

The VEBA is a defined contribution plan established by the City of Burbank to provide post retirement medical benefits primarily to members of the Burbank Police Officers' Association. At June 30, 2016, there were 145 active participants and 83 retired participants. VEBA members are required to contribute their final vested sick pay at retirement. The City is required to contribute $34.36 dollars per month per active participant and 1.5% of the Burbank Police Officers' Association annual covered salary. VEBA provisions and contribution requirements are established and may be amended by the City Council of the City. Investments are self directed by each VEBA participant.

The VEBA's financial statements are prepared using the accrual basis of accounting, and the statements are available at the City of Burbank, 275 E Olive Ave, Burbank CA 91502. The employer contributions are recognized in the period that the contributions are made; contributions totaled $499 for the fiscal year ended June 30, 2016. VEBA investments are reported at fair value. At June 30, 2016, the fair value of assets was $6,128.

(in thousands)

(6) DEFINED CONTRIBUTION (continued)

Post Employment Health Plan (PEHP)

The PEHP is a defined contribution plan established by the City of Burbank in February 2006 to provide retirement medical benefits primarily to members of the Burbank Fire Fighters' Association (BFF) and the Burbank Fire Fighters' Chief Officers' Unit (BFF-COU). The PEHP is a multi-employer trust comprised of over 800 public sector entities across the United States and is administered by Nationwide Retirement Solutions. At June 30, 2016 there were 118 active and 36 retired participants. BFF and BFF-COU PEHP members are required to contribute the balance of their accumulated leave balance upon retirement or separation to their individual plan accounts. The BFF and BFF-COU take a vote of the membership annually in October to ascertain the dollar amount to be deposited from their accumulated leave balance into the Universal Reimbursement Account, and any remaining balance is deposited into the Insurance Reimbursement Premium Account.

PEHP provisions and contribution requirements are established and may be amended by the City Council of the City to the extent allowed by the Internal Revenue Code. Participants may elect to have their contributions and earnings directed to an investment option of their choice and these investments are self directed by each PEHP participant. The City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City contributed $466 to the PEHP during the year ended June 30, 2016.

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2016 is as follows :

	Interfund		Transfers	
Fund	**Receivable**	**Payable**	**In**	**Out**
General fund	$ 16	750	8,774	4,057
Golden State debt service	-	-	-	-
Merged capital projects	-	-	-	-
Low / Mod housing	-	-	-	-
General capital projects	-	-	4,576	-
Water recl & sewer	-	-	22	26
Electric utility	300	-	80	11,236
Water utility	750	-	-	-
Refuse coll. & disp.	-	-	83	-
Nonmajor prop. fund	-	-	-	-
Nonmajor governmental funds	-	316	2,546	736
Internal service funds	-	-	26	52
Total interfund receivable / payable / transfers	$ 1,066	1,066	16,107	16,107

Composition and purpose of interfund transfers is as follows :

Nonmajor governmental funds transfers in of $2,515 was for the Street Lighting fund transferred from Electric Utility fund for in-lieu of taxes payments.

General fund transfers in of $8,774 includes $8,720 from the Electric Utility fund for in-lieu of taxes payments.

General Capital Projects fund transfers in of $4,576 includes $3,961 from the General fund for infrastructure reserve and additional street improvements per resolution 15-28766.

(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS, (continued)

The composition of interfund advances as of June 30, 2016 is as follows :
Advances from City :

The general fund advanced the golf fund $2.9 million for construction of the new clubhouse. The terms of the advance were per resolution 27488, passed on June 19, 2007. The term of the advance was initially 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%, with the first repayment date as January 2009. On June 7, 2011, the payment terms of this advance were revised per resolution 28347 to defer payments until fiscal year 2013-14 with payments commencing on January 1, 2014 and recalculated annually thereafter over 17 years through January 1, 2030. On April 9, 2013, the payment terms of this advance were revised to defer payments until fiscal year 2018-19 with payments commencing on January 1, 2019 and recalculated annually thereafter over 30 years through January 1, 2049.	$ 2,214
The general fund advanced the golf fund $1.0 million to make the golf fund fiscally solvent. The terms of the advance are per resolution 28347, passed on June 7, 2011. The term of the advance is 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%. This advance will be recalculated every January, with the first repayment date as January 2014. On April 9, 2013, the payment terms of this advance were revised to defer payments until fiscal year 2015-16 with payments commencing on January 1, 2016 and recalculated annually thereafter over 20 years through January 1, 2036.	$ 983
From 1997 to 1999, the General fund advanced $1,118 to the Public Improvements fund, to pre-fund the development impact activity for the Police/Fire facility construction per Resolution 25174 and 25176 on November 4, 1997 and Resolution 25270 on May 5, 1998. As revenue is accumulated within Public Improvements, repayments are made on this advance; there is no interest charged, nor is there a specified repayment schedule.	$ 323
	$ 3,520

Advances to Successor Agency :

The City and the Agency entered into a cooperation agreement through which the City agreed to advance funds to the City Centre project necessary for land acquisition and related expenses. Transferred to Successor Agency February 1, 2012. AB 1484 specifies the actions to be taken and the method of repayment for advances by the Successor Agency to the various funds of the City. Upon application and approval by the successor agency and approval by the oversight board, loan agreements (advances) entered into by former redevelopment agency and the city shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the advances were for legitimate redevelopment purposes. The accumulated interest on the remaining amount of advances will be recalculated from origination at the interest rate earned by funds deposited into the Local Agency Investment Fund. The advances are to be repaid with a defined schedule over a reasonable term of years at an interest rate not to exceed the 3%. The annual advances repayments are subject to certain limitations. Advance repayments shall not be prior to the 2014-2015 fiscal year, are subject to a formula distribution, and have a lower priority for repayment as described in AB 1484 (Health and Safety Code Section 34191.4(2)(A). The advances related to the borrowing for the SERAF payment have a priority over repayment of the other advances. 20% of the repayment of the other advances not related to the SERAF advances shall be deducted and transferred to the Low and Moderate Income Housing Fund (Housing Authority).	$ 49,823
From 1977 through 1979, the City and the Agency entered into agreements to loan funds aggregating $225 to the West Olive Project.	$ 191
The City and the Agency entered into an agreement through which the City agreed to advance funds to the South San Fernando project necessary for formation costs.	$ 162
In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The City loaned funds of $680 to the Golden State project.	$ 680
	$ 50,856

(in thousands)

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS, (continued)

Advances to City from Successor Agency :

In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The South San Fernando project area loaned funds of $680 to the City. The advance is not interest bearing and there is no repayment schedule. Transferred to Successor Agency February 1, 2012.	$ 680
	$ 680

Due to Successor Agency :

In 2015, it was deemed by the State Controller's Office during the final Asset Transfer Review that the prior asset transfers from the Agency to the City were unallowable and must be turned over to the Agency. A receivable has been booked on the Agency's Statement of Net Position as of June 30, 2016.	$ 1,327
	$ 1,327

A breakdown of all items as stated on the statement of net position :

	Internal Balances		Transfers	
Fund	**Govern-mental**	**Business-Type**	**Govern-mental**	**Business-Type**
Governmental funds				
interfund receivable	$ 3,474	-	$ -	-
transfers in	-	-	15,896	-
interfund payable	(1,327)	-	-	-
transfers out	-	-	(4,793)	-
Internal service funds				
interfund receivable	-	-	-	-
transfers in	-	-	26	-
interfund payable	-	-	-	-
transfers out	-	-	(52)	-
Proprietary funds				
interfund receivable	-	1,050	-	-
transfers out	-	-	-	(11,262)
interfund payable	-	(3,197)	-	-
transfers in	-	-	-	185
Totals	$ 2,147	(2,147)	$ 11,077	(11,077)

(in thousands)

(8) LONG TERM LIABILITIES

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Fiduciary activities:					
Community facilities district bonds					
Tax allocation bonds	91,841	-	(6,979)	84,862	6,425
Total fiduciary activities	91,841	-	(6,979)	84,862	6,425
Governmental activities :					
Revenue bonds	$ 49,170	-	(2,380)	46,790	2,465
Pension obligation bonds	13,185	-	(1,290)	11,895	1,455
*Compensated absences	13,814	2,274	(1,332)	14,756	1,305
Total non-internal service debt	76,169	2,274	(5,002)	73,441	5,225
Claims payable from self-insurance funds (note 16)	39,947	17,502	(9,536)	47,913	12,049
Compensated absences - payable from internal service funds	257	65	(21)	301	7
Total governmental activities	$ 116,373	19,841	(14,559)	121,655	17,281

*Compensated absences liability for governmental activities will be liquidated by the following funds: general fund, section 8, HOME, CDBG and street lighting.

(in thousands)

(8) LONG TERM LIABILITIES, (continued)

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Business-type activities :					
Water Reclamation & Sewer :					
Revenue bonds	$ 11,270	-	(927)	10,343	800
Compensated absences - payable from enterprise funds	163	25	(1)	187	1
Subtotal	11,433	25	(928)	10,530	801
Refuse Collection & Disposal :					
Revenue bonds	5,043	-	(707)	4,336	630
Other long-term liabilities	17,219	443	-	17,662	-
Compensated absences - payable from enterprise funds	677	93	(81)	689	55
Subtotal	22,939	536	(788)	22,687	685
Electric Utility :					
Revenue bonds	88,031	-	(4,371)	83,660	3,920
Compensated absences - payable from enterprise funds	4,886	675	(338)	5,223	363
Subtotal	92,917	675	(4,709)	88,883	4,283
Water Utility :					
Revenue bonds	34,523	-	(869)	33,654	795
Other long-term liabilities	8,023	-	(389)	7,634	399
Compensated absences - payable from enterprise funds	900	30	(45)	885	20
Subtotal	43,446	30	(1,303)	42,173	1,214
Total business-type activities :					
Revenue bonds	138,867	-	(6,874)	131,993	6,145
Other long-term liabilities	25,242	443	(389)	25,296	399
Compensated absences - payable from enterprise funds	6,626	823	(465)	6,984	439
Total business-type activities	$ 170,735	1,266	(7,728)	164,273	6,983

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

FIDUCIARY ACTIVITIES

Tax Allocation Bonds

$69,000 Golden State Redevelopment Project Tax Allocation Bonds 1993 Series A

The bonds are due in annual installments from $410 to $4,655 through December 1, 2024. Interest at various rates ranging from 2.75% to 6.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects (ii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project First Lien Tax Allocation Bonds, 1985 Series A; and (iii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project Second Lien Refunding Tax Allocation Bonds, 1985 Series A. As of June 30, 2016 the entire balance of the bonds are owned by Burbank Public Financing Authority.	$ 6,570
$31,930 Golden State Redevelopment Project Tax Allocation Bonds 2003 Series A The bonds are due in annual installments from $780 to $6,620 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.50% is payable semiannually on June 1 and December 1. These bonds are secured by a pledge of certain tax increment revenues, and other amounts payable to the Agency. As of June 30, 2016 the entire balance of the bonds are owned by Burbank Public Financing Authority.	$ 11,900
1993 Golden State Subordinated Tax Allocation Bonds On September 16, 2003, the Agency remarketed the 1993 Golden State Subordinated tax allocation bonds, in the amount of $25,000, with interest due semiannually on June 1 and December 1, and annual maturities from $610 to $1,850, from December 1, 2022 to December 1, 2043, with interest rates ranging from 5.15% to 5.75%. As of June 30, 2016 the entire balance of the bonds are owned by Burbank Public Financing Authority.	$ 25,000
2015 Successor Agency Tax Allocation Refunding Bonds, Series 2015 The bonds are due in annual installments from $210 to $4,680 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (a) to refinance certain outstanding bonds and a loan and note entered into by the former Redevelopment Agency to the City of Burbank; (b) to fund a reserve account bond insurance policy; and, (c) provide for the costs of issuing the Bonds. The refunding was undertaken to reduce annual debt service payments averaging $1.229 over the next 19 years for a total savings of $23.358.	$ 36,340
Plus original issue premium	$ 5,052
Total Tax Allocation Bonds	$ 84,862
Total fiduciary activities	$ 84,862

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

GOVERNMENTAL ACTIVITIES

2007 Series A Revenue Bonds Payable

In April 2007, the Authority issued $52,335 Revenue Bonds Series A. The bonds are due in annual installments from $50 to $2,995 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the 2003 Authority's outstanding revenue bonds, (ii) fund a purchase in lieu of redemption of the Agency's subordinated tax allocation bonds. In consideration of the defeasance of a portion of the 2003 Authority bonds, a portion of the Agency's outstanding Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A (the "1993 Senior Agency Bonds") and a portion of the Agency's outstanding Golden State Redevelopment Tax Allocation Bonds, 2003 Series A (the "2003 Senior Agency Bonds"), which were held as pledged bonds securing the 2003 Authority Bonds were assigned as pledged bonds securing a portion of the 2007 Authority Bond.	$ 46,790
Pension Obligation Bonds (POB)	
The bonds are due in annual installments from $260 to $2,510 through June 1, 2023. Interest is fixed at 5.93%. The bonds provided funds to pay the City's unfunded pension obligation related to increased safety salaries, in lieu of reducing this obligation over a number of years directly through PERS.	$ 11,895
Compensated absences	
Governmental activities - Governmental funds accumulated vacation, universal, in-lieu and sick leave accrual is reported in the government-wide statement of net assets. For the fiscal Year Ended June 30, 2016, the noncurrent portions of the accrual consist of vacation leave of $8,702, sick leave of $3,405, and in-lieu time of $1,344, and the current portion of $1,305.	$ 14,756
Outstanding Claims Payable - Self-Insurance	
The Risk Management fund total outstanding claims are $6,620. The current portion of the outstanding claims are reported in the current liability section of the statement of net position, of which $3,137 is recorded as claims payable and the remainder is included in long-term liabilities.	$ 6,620
The Workers' Compensation fund total outstanding claims are $41,293. The current portion of the outstanding claims are reported in the current liability section of the statement of net position, of which $8,912 is recorded as claims payable and the remainder is included in long-term liabilities.	$ 41,293
Total long-term liabilities for self-insurance	$ 47,913
Compensated absences :	
All the Internal Service fund types' accumulated vacation and sick leave accrual is reported in the respective Internal Service fund. At June 30, 2016, the accrual consists of vacation leave of $140, sick leave of $81 and in-lieu time of $73 and the current portion of $7.	$ 301
Total governmental activities	$ 121,655

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

BUSINESS-TYPE ACTIVITIES - REVENUE BONDS

Wastewater Treatment

<u>$10,575 Wastewater Treatment Revenue Bonds of 2014 Series</u> The bonds are due in annual installments ranging from $90 to $1,130 from June 1, 2015 to June 1, 2033, with interest rates ranging from 2% to 5%, payable semiannually on June 1 and December 1. The purpose of these bonds is to refund, on a current basis, the City's Wastewater Treatment Refunding Revenue Bonds, 2004 Series A and to pay all costs of issuance. The 2004 Wastewater Revenue Bonds were defeased during the fiscal year. The difference in the debt service payments totaled $3,338 and the net present value gain was $2,479.	$ 9,030
Plus original issue premium	$ 1,313
Total Wastewater Revenue bonds	$ 10,343

Waste Disposal

<u>$6,315 Waste Disposal Refunding Revenue Bonds of 2012 Series</u> These bonds are due in installments ranging from $480 to $725 from May 1, 2013, to May 1, 2022, with an interest rate of 3.00%, payable semiannually on May 1 and November 1. The bonds are special obligations of the City payable solely from the net revenues of the City's waste collection and disposal system and other funds specified in the indenture.	$ 4,060
Plus original issue premium	$ 276
Total Waste Disposal revenue bonds	$ 4,336

Burbank Water and Power Revenue Bonds

<u>$35,825 Burbank Water and Power Electric Revenue/Refunding Bonds 2010 Series A</u> These bonds were issued to partially advance refund the 1998 Bonds and the 2001 Bonds and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from $2,290 to $3,530. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the electric enterprise fund as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 22,915
<u>$52,665 Burbank Water and Power Electric Revenue Bonds 2010 Series B</u> These bonds were issued to finance a portion of the costs of certain improvements to the Electric System, including the conversion of certain residential and commercial distribution circuits and to fund a deposit in the Parity Reserve Fund and to pay the costs of issuance. Payable in installments ranging from $2,210 to $4,195. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the electric enterprise fund as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 52,665

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

BUSINESS-TYPE ACTIVITIES - REVENUE BONDS

$8,795 Burbank Water and Power Water Revenue/Refunding and New Bonds 2010 Series A

These bonds were issued to refund on a current basis all of the outstanding 1998 Water Bonds, finance the costs of certain improvements to the City's water system and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from $165 to $970. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 5,445

$27,945 Burbank Water and Power Water Revenue Bonds 2010 Series B
(Taxable Build America Bonds)

These bonds were issued to finance the costs of the 2010 Water Project and to pay the costs of issuance of the Series 2010B Bonds. Payable in installments ranging from $850 to $2,275. Interest rates range from 4.89% to 5.79%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account. The City expects to receive a direct cash subsidy from the United States Department of Treasury equal to 35% of the interest on the Series 2010B Bonds.	$ 27,945

$9,810 Burbank Water and Power Electric Revenue Refunding Bonds, 2012 Series A

These bonds were issued to refund on a current basis all of the outstanding 2002 Electric Bonds and to pay the costs of issuance of the Series 2012A Bonds. Payable in installments ranging from $375 to $1,145. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2022. The bonds are secured by a pledge of net revenues of the electric enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.	$ 6,195
Plus original issue premium	2,546
Less original issue discount	(397)
Total Burbank Water and Power revenue bonds	$ 117,314
Total Enterprise revenue bonds	$ 131,993

Other long-term liabilities :
Landfill Closure and Post-Closure Care Costs

State laws and regulations require the City to place a final cover on the Burbank Landfill No. 3 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports portions of these costs as operating expenses in each period, as required by GASB 18, and based on landfill capacity used as of each balance sheet date.

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

The landfill closure and postclosure care liability at June 30, 2016 represents the cumulative amount reported to date based on the use of 48 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of $22,881 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. Using the 2016 inflation factor of 1.010 percent, the total estimated adjusted closure and postclosure costs as of 2016 are $37,251. The City expects to close the landfill in the year 2066. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in regulations.	
The City is required by state laws and regulations to make annual contributions to a trust fund to finance closure and postclosure care. The City is in compliance with these requirements, and at June 30, 2016, $16,571 was reported as restricted cash. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.	$ 17,662
State Water Resources Control Board Loan (SWRCB) #2: This loan was issued for the purpose of upgrading the Recycled Water Pumping Station PS-1 project to create capaciity needed to distribute recycled water to new users. The cost of the project is $1,916, of which $521 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than November 2030.	$ 429
State Water Resources Control Board Loan (SWRCB) #3: This loan was issued for the purpose of constructing the Valhalla Recycled Water Main Extension. This pipeline extends the existing recycled water distribution system to Valhalla Memorial Park and Cemetery and other recycled water customers in its vicinity. The cost of the project is $5,062, of which $3,709 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2031.	$ 3,007
State Water Resources Control Board Loan #4: This loan was issued for the purpose of constructing the Studio District Recycled Water Main Extension. This pipeline extends the existing recycled water distribution system to Warner Brothers, Disney and NBC Studios and other recycled water customers in its vicinity. The cost of the project is $5,161, of which $3,240 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2032.	$ 2,654
State Water Resources Control Board Loan #5: This loan was issued for the purpose of constructing the Northern Burbank Main Extensioin. This pipeline extends the existing recycled water distribution system to Brace Park, Woodbury University and I-5 landscaping and other recycled water customers in its vicinity. The cost of the project is estimated to be $1,934, of which $1,784 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than June 2033.	$ 1,544
Total other long-term liabilities	$ 25,296
Compensated absences : All the Enterprise fund types' accumulated vacation, universal, in-lieu and sick leave accrual is reported in the respective Enterprise fund. For the fiscal year ended June 30, 2016, the noncurrent portions of the accrual consist of vacation leave of $4,428, sick leave of $1,383 and in-lieu time of $734 and the current portion of $439.	$ 6,984
Total business-type activities	$ 164,273

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2016 are as follows :

Fiduciary activities

Year ending June 30	Fiduciary Tax Allocation Principal	Fiduciary Tax Allocation Interest
2017	6,425	3,853
2018	6,655	3,583
2019	6,965	3,279
2020	7,280	2,938
2021	7,835	2,551
2022-2026	20,295	8,326
2027-2031	5,525	5,587
2032-2036	6,320	4,024
2037-2041	7,225	2,325
2042-2045	5,285	417
Premium	5,052	-
Totals	$ 84,862	$ 36,883

Governmental activities

Year ending June 30	Governmental Revenue Bonds Principal	Governmental Revenue Bonds Interest	POB Bond Principal	POB Bond Interest
2017	2,465	2,068	1,455	706
2018	2,585	1,942	1,635	620
2019	2,725	1,809	1,825	522
2020	2,855	1,669	2,035	414
2021	2,995	1,523	2,260	294
2022-2026	9,435	6,098	2,685	170
2027-2031	4,870	4,737	-	-
2032-2036	6,030	3,549	-	-
2037-2041	7,485	2,066	-	-
2042-2045	5,345	368	-	-
Totals	$ 46,790	$ 25,829	$ 11,895	$ 2,726

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Business-type activities

Year ending	Revenue Bonds		Other Liabilities	
June 30	Principal	Interest	Principal	Interest
2017	6,145	5,473	399	158
2018	6,410	5,204	409	150
2019	6,690	4,924	420	141
2020	6,985	4,622	432	132
2021	6,905	4,299	442	123
2022-2026	24,355	23,246	2,392	467
2027-2031	20,515	19,024	2,720	202
2032-2036	25,820	12,301	420	5
2037-2040	24,430	3,824	-	-
Discount	(397)	-	-	-
Premium	4,135	-	-	-
Totals	$ 131,993	82,917	$ 7,634	1,378

(in thousands)

(8) LONG-TERM LIABILITIES, (continued)

Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

Description of Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (of all debt secured by this revenue)	Debt Service as a Percentage of Pledged Revenue
Water Revenues	5,055	2,593	51.30%
Electric Revenues	44,298	7,469	16.86%
Water Rec. & Sewer	7,294	1,222	16.75%
Refuse Collection & Disposal	3,243	749	23.10%

(in thousands)

(9) RECEIVABLES

Receivables at June 30, 2016 consist of the following :

Governmental activities :	General Fund	Low/Mod Housing	General Cap. Proj.
Accounts receivable, net	$ 14,165	72	364
Interest receivable	185	7	87
Taxes receivable, net	1,102	-	-
Developer notes receivable	-	37,587	-
Total	$ 15,452	37,666	451

Governmental activities :	Public Fin. Authority	Nonmajor Govt'l Funds	Internal Service Funds	Total Govern-mental
Accounts receivable, net	-	871	605	16,077
Interest receivable	12	108	286	685
Taxes receivable, net	-	-	-	1,102
Developer notes receivable	-	-	-	37,587
Total	12	979	891	55,451

	Water Reclam. & Sewer	Electric	Water	Refuse Collect. & Disposal	Nonmajor Prop. Funds	Total Business Type
Business-type activities :						
Accounts receivable, net	$ 1,594	15,174	3,688	1,653	27	22,136
Interest receivable	128	197	34	101	-	460
Total	$ 1,722	15,371	3,722	1,754	27	22,596

The low and moderate income housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years from date of issuance with a stated interest rate of 3%. At the end of each notes' term, the City will receive either the outstanding principal and interest on the loans, or as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties in lieu of payment from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term (i.e.; fifty-five years after the start of each loan, not present valued back to June 30, 2016). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net position in governmental activities in the entity-wide statements. As of June 30, 2016, the notes receivable balance was $37,587, net of an allowance for doubtful accounts of $19,663. For the fiscal year ended June 30, 2016, the allowance for doubtful accounts increased $1,072.

(9) RECEIVABLES, (continued)

The Community Development and Block Grant (CDBG) and HOME funds provide loans to the BHC and to individuals. The loan terms for each loan are various lengths with stated interest rates ranging from 0% to 6% and are scheduled to be forgiven at the end of their respective term. The City records the notes receivable balance, and an allowance for doubtful accounts equal to 100% of the outstanding note balance. The notes receivable balance for CDBG as of June 30, 2016 was $0, net of an allowance for doubtful accounts of $2,556, in both the governmental activities and the governmental funds. The notes receivable balance for HOME as of June 30, 2016 is $0, net of an allowance for doubtful accounts of $9,703, in both the governmental activities and the governmental funds.

(10) COMMITMENTS AND CONTINGENCIES

Media City Center Mall

In September 1992, the City entered into a Disposition and Development Agreement (DDA) which obligated the City to rebate either amounts equivalent to specified portions of property and sales taxes generated by the mall, or an amount equal to $51,500 plus interest. These amounts helped offset the original construction costs incurred for construction of the Macy's building, and parking and related common area facilities at the Media City Centre mall that are owned by the developer. These payments to the developer are scheduled through February 1, 2016. After this date, the City will no longer be required to make payments to the developer. For the year ended June 30, 2016, the City received $1,729 in revenue which was paid to the developer under this agreement.

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact to the City over and above the amounts recorded as claims liability. City management believes that the claims liability recorded within the self-insurance internal service fund is sufficient to cover any potential losses, should an unfavorable outcome result and that any overage would be covered by the City's excess insurance pool, ACCEL.

Construction commitments

Outstanding construction commitments include $2,098 LADWP recycle water pipeline; $2,065 Cal Trans I-5 Empire Project and $789 for SAFE routes to School.

(11) POWER SUPPLY EXPENSES

A - RETAIL ENERGY SUPPLY

The City receives electricity through firm contracts, local generation and market purchases. The majority of electricity is delivered through firm contracts, which include "take or pay", "take and pay" and term purchases. Local generation and market purchases supplement firm contracts to meet the City's retail load requirements.

B - JOINT POWERS AGENCY CONTRACTS

The City, through its Electric Utility Fund, has entered into several "take or pay" contracts and "take and pay" contracts through its participation in two joint power agencies, the Intermountain Power Agency (IPA) and the Southern California Public Power Authority (SCPPA) in order to meet the electric needs of its customers. These contracts are not considered joint ventures since the City has no interest in the assets, liabilities, or equity associated with any of the projects to which these contracts refer. Under the "take or pay" contract, the City is obligated to pay its share of the indebtedness regardless of the ability of the contracting agency to provide electricity or the City's need for the electricity. The City is only obligated to pay its share of the indebtedness upon delivery of energy under the "take and pay" contracts. However, in the opinion of management, the City does not have a financial responsibility for purposes of GASB Statement No. 14, "Financial Reporting Entity", because the IPA and SCPPA do not depend on revenue from the City to continue in existence.

These contracts constitute an obligation of the Electric Utility Fund to make debt service payments from its operating revenues. The Electric Utility Fund's share of debt service is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses.

During the fiscal years ended June 30, 2016 and 2015, the Electric Fund made payments totaling $73,323 and $74,518 for "take or pay" contracts, respectively, and $1,703 and $2,204 for the "take and pay" contract, respectively.

(a) Intermountain Power Agency (IPA)

In 1980, the City, along with the California Cities of Los Angeles, Anaheim, Glendale, Pasadena and Riverside, entered into a power sales contract with IPA, which obligates each purchaser to purchase, on a "take or pay" basis, a percentage share of capacity and energy generated by the Intermountain Power Project (IPP) in Utah. The City, through contract, is entitled to 60 MW of 3.371% of the 1,800 MW of generation at the plant. In addition, the City entered into an Excess Power Sales Agreement, also on a "take or pay" contract, with Utah municipal and cooperative IPP purchasers, which provides for the City to obtain up to an additional 0.797% (14 MW) when not used by the Utah municipal or cooperative IPP purchasers.

(b) Southern California Public Power Authority (SCPPA)

SCPPA membership consists of 10 Southern California cities and one public irrigation district of the State of California, which serves the electric power needs of its Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the Joint Exercise of Powers Act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint power agreement has a term of 50 years.

Southern Transmission System Project (STS)

Pursuant to an agreement dated May 1, 1983 with the IPA, SCPPA made payments-in-aid of construction to IPA to defray all costs of acquisition and construction of the STS, which provides for the transmission of energy from the Intermountain Generating Station in Utah to Southern California. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles (LADWP), a member of SCPPA, serves as project manager and operating agent of IPP. The STS consists of a 488 mile transmission line and the associated converter station on each end. The 500 kV DC bi-pole transmission lines are currently rated at 2,400 megawatts (MW) as a result of an upgrade completed in December 2010. The City's ownership share of this project is 4.498%.

(11) POWER SUPPLY EXPENSES (continued)

Magnolia Power Project (MPP)
In March 2003, the City, along with the Cities of Anaheim, Cerritos, Colton, Glendale and Pasadena, entered into a power sales agreement with SCPPA for MPP. MPP commenced commercial operations in Burbank, California in September 2005. MPP is a combined-cycle natural gas-fired generation plant with a nominal rate net base capacity of 242 MW, but can boost its output to 310 MW, if needed. The City has entitlement up to 97.6 MW or 30.992% of its output. The City's share of outstanding debt is 32.350% which excludes debt relating solely to the City of Cerritos. The City is also MPP's operating agent.

Prepaid Natural Gas Project (PNGP)
The PNGP primarily consists of the acquisition by SCPPA of the right to receive an aggregate amount of approximately 135 billion cubic feet of natural gas, which subsequently was reduced to approximately 90 billion cubic feet as a result of restructuring to accelerate a portion of the long-term savings, reduce the remaining volumes of gas to be delivered, and shorten the overall duration of five prepaid agreements (with the City, and the Cities of Anaheim, Colton, Glendale and Pasadena).

The City's natural gas supply agreement with SCPPA is expected to provide approximately one-fourth of the City's gas requirements for MPP. The City has no obligation under the natural gas supply agreement to pay for gas not delivered.

Milford I Wind Project (M1WP)
M1WP is located near Milford, Utah and began commercial operations in November 2009. The facility is a 200 MW nameplate capacity wind farm comprised of 97 wind turbine generators, delivered by a 90 mile transmission line, 345 kV, extending from the generation site to the IPP switchyard in Delta, Utah. This plant generates enough capacity to supply electricity to power more than 60,000 homes and offset over 366,000 tons per year of carbon dioxide that would otherwise be emitted from a coal-powered plant. SCPPA (on behalf of project participants LADWP, the City and the City of Pasadena, California) acquired 100.000% of this facility and issued bonds in 2010 to finance the purchase by prepayment of a specified quantity of energy from this facility over the 20-year delivery term, with a guaranteed annual quantity in each year. The City's share of this project is 5.000% of the total capacity of 10 MW, energy, and environmental attribute rights produced at this facility.

Mead-Adelanto Project (MA)
SCPPA also entered into an agreement dated December 17, 1991 to acquire a 67.917% interest in the MA, a transmission line extending between the Adelanto substation in Southern California and the Marketplace substation in Nevada. Funding for these projects was provided by a transfer from the Multiple Projects Fund, and commercial operations commenced in April 1996. LADWP serves as the operations manager of MA. The project is a 202 mile, 500 kV AC transmission line with a rating of 1,200 MW. The City's ownership share of MA is 11.534%.

Palo Verde Project (PV)
Pursuant to an assignment agreement dated August 14, 1981 with the Salt River Project, SCPPA purchased a 5.910% interest in the Palo Verde Nuclear Generating Station, a 3,810 MW nuclear-fueled generating station near Phoenix, Arizona and a 6.550% share of the right to use certain portions of the Arizona nuclear power project valley transmission system (collectively, the PV). Units 1, 2 and 3 of PV began commercial operations in January 1986, September 1986 and January 1988, respectively. The City's ownership share of this project is 4.400% (9.7 MW).

(11) POWER SUPPLY EXPENSES (continued)

Tieton Hydro Project (THP)
This facility was acquired by SCPPA in November 2009 with 100.000% of entitlement shares. Each of the two project participants, the City and the City of Glendale, California, have an equal 50.000% entitlement share of this project. THP is a run of the reservoir hydroelectric facility, comprised of a powerhouse constructed at the base of the United States Bureau of Reclamation (USBR) Tieton Dam on the Tieton River in the State of Washington, on a 21 mile, 115 kV transmission line from the plant substation to the interconnection of the electrical grid. The powerhouse has a maximum capacity of 20 MW, with a nameplate capacity of 13.6 MW. USBR owns and operates the dam and controls the flows into the Tieton River from the Rimrock Lake reservoir, which was created by the dam. Average annual generation from this plant is approximately 48,000 megawatt hours (MWh). The City is also Tieton's operating agent.

Mead-Phoenix Project (MP)
SCPPA entered into an agreement dated December 17, 1991 to acquire an interest in the MP, a transmission line extending between the West Wing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.308% interest in the West Wing-Mead project, a 17.756% interest in the Mead substation project component and a 22.408% interest in the Mead-Marketplace component. The project is a 256 mile, 500 kV AC transmission line with a rating of 1,300 MW. The City's ownership share of MP is 15.400%.

Natural Gas Project (NGP)
The NGP was acquired by SCPPA in 2005 and 2006 and is being developed for the primary purpose of providing the participants with stable long-term supplies of gas for the purpose of fueling their electric generation needs.

SCPPA issued 2008 Bonds to provide monies for the refinancing of the City's share of the costs of acquisition and development of the NGP through the redemption of a portion of SCPPA's draw down bonds previously issued for the NGP.

SCPPA has sold entitlements to 100.000% of the production capacity of the NGP pursuant to separate gas sales agreements with the five participants - the City, and the Cities of Anaheim, Colton, Glendale and Pasadena. The participants are obligated to pay for such production capacity, including amounts required to pay debt service on bonds issued to finance their respective share of the NGP, on a "take or pay" basis. The City has 14.286% of entitlement shares in the Pinedale, Wyoming Subproject (2005 purchase), and 27.273% of entitlement shares in the Barnett, Texas Subproject (2006 purchase).

Hoover Uprating Project (HU)
On March 1, 1986, SCPPA and the City, and eight participants including the Cities of Anaheim, Azusa, Banning, Colton, Glendale, Pasadena, Riverside and Vernon entered into an agreement pursuant to which each participant assigned its entitlement to capacity and associated firm energy to SCPPA in return for SCPPA's agreement to make advance payments to the USBR on behalf of such participants. SCPPA has an 18.680% interest in the contingent capacity of the HU. All 17 "uprated" generators of the HU have commenced commercial operations. The City has a 15.957% (15 MW) ownership interest in this project.

Ameresco/Chiquita Landfill Gas Project
Ameresco/Chiquita Landfill Gas Project is located in Valencia, California near Lake Castaic and began commercial operations in November 2010. The renewable energy is generated using landfill gas produced at the Chiquita Canyon Landfill. This plant has a total generating capacity of 10 MW and SCPPA members receive 100.000% of the project output. The project participants are the City and the City of Pasadena. The City contracted to purchase approximately 16.700% or 1.7 MW.

(in thousands)

(11) POWER SUPPLY EXPENSES (continued)

Don A. Campbell Geothermal (aka Wild Rose)
In November 2013, the City began to receive geothermal energy output from the Wild Rose Geothermal (aka Don A. Campbell) Project, located in Mineral County, Nevada. The term of this agreement is 20 years. This is a geothermal power generating facility with a generating nameplate capacity of 25 MW and a projected capacity of 16.2 MW. The City and the City of Los Angeles are project participants. The City contracted to purchase approximately 15.380% (3.845 MW).

Pebble Springs Wind Project
Pebble Springs is located in Gilliam County, Oregon, near the town of Arlington and began commercial operations in early 2009. The term of this agreement is 18 years. The City, and the Cities of Los Angeles and Glendale receive the entire energy output of 99 MW. The City contracted to purchase approximately 10.000% (10 MW).

Copper Mountain 3 Solar Project
Copper Mountain 3 Solar Project is located near Boulder City, Nevada, approximately 25 miles southeast of Las Vegas, Nevada. The facility is the third phase of one of the largest photovoltaic solar facilities in the U.S. situated on about 1,400 acres of land. The City and the City of Los Angeles entered into a 20-year power sales agreement through SCPPA. The City's share of this project is 16.000% (40 MW) of the total capacity of 250 MW. The purchase of 40 MW of renewable energy output per year, or approximately 90,000 megawatt hours (MWh) annually, will enable Burbank to meet approximately 7 percent of BWP's resource requirements. In May 2014, ahead of schedule, the City began to receive solar energy output from Copper Mountain 3. The plant went from partial commercial operations to full commercial operations in 2015.

A summary of the City's contracts and related projects and its commitments at June 30, 2016 are shown below:

	City of Burbank portion *	City of Burbank share of bonds	City of Burbank obligation relating to total debt service
Intermountain Power Project	3.371%	$ 42,094	45,540
SCPPA: [1]			
Southern Transmission System	4.498%	27,332	34,289
Magnolia Power Project (Project A)	32.350%	98,323	140,567
Prepaid Natural Gas Project #1	33.000%	100,827	165,478
Milford I Wind Project	5.000%	9,819	13,911
Mead-Adelanto	11.534%	10,507	11,738
Palo Verde	4.400%	1,075	1,102
Tieton Hydropower Project	50.000%	24,415	43,697
Mead-Phoenix	15.400%	4,265	4,697
Natural Gas Project - Barnett	100.000%	17,319	24,681
Hoover Uprating Project	15.957%	665	700
Natural Gas Project - Pinedale	100.000%	5,591	7,969
SCPPA Total		300,138	448,829
Total		$ 342,232	$ 494,369

(in thousands)

(11) POWER SUPPLY EXPENSES (continued)

(1) All SCPPA listed obligations are "take or pay" contracts except the Prepaid Natural Gas Project #1, a "take and pay" contract, and the Milford I Wind Project, a prepaid purchase power agreement.
* Burbank shares in % and amounts are estimated based on weighted average.

The following schedule details the amount of principal and interest that is due and payable by the City as part of the joint power agency contracts, by project, in the fiscal year indicated (year ending June 30).

	2016/17		2017/18		2018/19	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	$ 3,673	1,494	6,585	958	7,321	930
SCPPA:						
Southern Transmission System	2,413	1,221	2,443	1,119	2,523	997
Magnolia Power Project (Project A)	3,615	3,273	2,238	3,138	2,343	3,032
Prepaid Natural Gas Project #1	1,411	5,099	1,520	5,025	1,777	4,943
Milford I Wind Project	459	474	481	451	504	427
Mead-Adelanto	2,074	448	2,128	358	2,213	250
Palo Verde	529	20	546	7	-	-
Tieton Hydropower Project	435	1,234	455	1,215	475	1,193
Mead-Phoenix	849	159	872	122	905	85
Natural Gas Project - Barnett	1,674	941	1,485	854	1,342	776
Hoover Uprating Project	324	26	341	9	-	-
Natural Gas Project - Pinedale	541	304	480	276	433	251
Total	$ 17,997	14,693	19,574	13,532	19,836	12,884

	2019/20		2020/21		2021/26	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	$ 7,606	420	7,372	(67)	9,536	(290)
SCPPA:						
Southern Transmission System	2,204	883	2,900	775	12,100	1,831
Magnolia Power Project (Project A)	2,454	2,919	2,573	2,799	16,100	12,230
Prepaid Natural Gas Project #1	2,127	4,843	2,549	4,720	18,992	21,030
Milford I Wind Project	529	402	555	375	3,207	1,432
Mead-Adelanto	2,306	137	1,785	39	-	-
Palo Verde	-	-	-	-	-	-
Tieton Hydropower Project	500	1,168	525	1,142	3,905	5,205
Mead-Phoenix	929	50	711	16	-	-
Natural Gas Project - Barnett	1,240	705	1,160	639	4,932	2,325
Hoover Uprating Project	-	-	-	-	-	-
Natural Gas Project - Pinedale	400	228	375	206	1,593	751
Total	$ 20,295	11,755	20,505	10,644	70,365	44,514

City of Burbank

Year Ended June 30, 2016

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES (continued)

	2026/31		2031/36		2036/41	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	$ -	-	-	-	-	-
SCPPA:						
Southern Transmission System	2,748	132	-	-	-	-
Magnolia Power Project (Project A)	21,714	9,144	26,509	5,386	20,775	325
Prepaid Natural Gas Project #1	32,658	14,423	39,795	4,567	-	-
Milford I Wind Project	4,085	530	-	-	-	-
Mead-Adelanto	-	-	-	-	-	-
Palo Verde	-	-	-	-	-	-
Tieton Hydropower Project	4,210	4,024	5,373	2,832	8,538	1,269
Mead-Phoenix	-	-	-	-	-	-
Natural Gas Project - Barnett	4,018	1,034	1,467	88	-	-
Hoover Uprating Project	-	-	-	-	-	-
Natural Gas Project - Pinedale	1,297	334	473	28	-	-
Total	$ 70,730	29,621	73,617	12,901	29,313	1,594

	Total	
	Principal	Interest
Intermountain Power Project	42,094	3,446
SCPPA:		
Southern Transmission System	27,332	6,958
Magnolia Power Project (Project A)	98,323	42,245
Prepaid Natural Gas Project #1	100,827	64,649
Milford I Wind Project	9,819	4,092
Mead-Adelanto	10,507	1,231
Palo Verde	1,075	27
Tieton Hydropower Project	24,415	19,282
Mead-Phoenix	4,265	432
Natural Gas Project - Barnett	17,319	7,363
Hoover Uprating Project	665	35
Natural Gas Project - Pinedale	5,591	2,377
Total	342,232	152,137

(12) ACCRUED LIABILITIES

Accrued liabilities for Governmental and Business Type Activities June 30, 2016, consist of the following:

	Govermental Activities	Business Type Activities
Accrued expenditures	$ 16	$ 12,383
Accrued payroll	3,123	-
Other liabilities	4,842	-
Total	$ 7,981	$ 12,383

(13) DEFERRED COMPENSATION PLANS

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code Section 457 and 457p for its eligible full-time and part-time employees respectively.

Pursuant to changes in August, 1966 of IRC section 457, the City formally established a trust in which all assets and income of the 457 plans were placed. The assets, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such are not subject to the claims of the City's general creditors, thus the assets of these plans are not reflected in the accompanying basic financial statements.

As of June 30, 2016, the City's deferred compensation plan had accumulated assets of $142,600 under the 457 plan, and $688 under the 457p plan.

(14) PREPAID ITEMS AND DEPOSITS

The City shows a total of $28,182 in prepaid items and deposits. $27,904 of the prepaid items are in the Electric Utility, $16 are in water rec and sewer, $17 are in water utility and $225 in the Governmental activities ($163 in the general fund), with incidental amounts in internal service funds.

(in thousands)

(15) SELF-INSURANCE

The City is self-insured for the first $1,000 on each general liability claim against the City. The City also self-insures for the first $2,000 for each workers compensation claim. At June 30, 2015, $6,620 was accrued for general liability claims, and $41,293 accrued for workers compensation claims. These amounts were determined by an actuarial study, performed biannually. These accruals represent estimates of amounts to be paid for incurred and reported claims as well as incurred but unreported claims based upon past experience and modified for current trends and information. See the end of this note for a table showing changes in the aggregate liabilities for the past two years.

While the ultimate amounts of losses incurred through June 30, 2016, are dependent on future developments, based upon information provided from the City Attorney, outside legal counsel and others involved with the administration of the programs, City management believes that the aggregate accrual is adequate to cover such losses. The City is insured with outside insurance carriers for $1,000 for general liability claims and $2,000 in excess of self-insurance limits per claim. There have been no reductions during the fiscal year in insurance coverage, nor have there been any settlements in excess of insurance coverage for the past three years.

The City participated in California Authority for Municipal Excess Liability (CAMEL), which is a joint insurance purchasing arrangement, from July 1998 to June 2004. The City rejoined ACCEL (Authority for California Cities Excess Liability on July 1, 2004.

Authority for California Cities Excess Liability (ACCEL)
Since July 1, 2004, the City has been a member in ACCEL, which is a risk sharing pool for municipal excess liability. Each individual member self-insures all general liability losses for the first $1,000 and the members of the pool share losses between $1,000 and $5,000. The members jointly purchase additional layers of coverage beyond the pooled layer, with Burbank purchasing an additional $45,000 of excess coverage, for total coverage of $50,000. The layers of coverage above $5,000 are not pooled, but rather jointly purchased.

Changes in the self-insurance liability for the last two fiscal years were as follows :

	Fiscal year	
	2014/15	**2015/16**
Beginning liability, July 1	$ 36,045	39,947
Claims and changes in estimates	13,438	17,502
Claims payments during the year	(9,536)	(9,536)
Ending liability, June 30	$ 39,947	47,913

The claims liability is reported as a long-term liability in the self-insurance internal service funds and in long term liabilities in the Governmental Actitvities.

(in thousands)

(16) LEASE OBLIGATIONS

OPERATING LEASES

The City is lessee under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected as assets or liabilities in the City's statement of net position.

Prepaid Leases

Warner Brothers

In June 2000, the City of Burbank made a prepaid lease payment of $1,500 to Warner Brothers Studios for the use of land to locate a new switching station. The terms of the agreement was an advance payment of $1,500 for a twenty-year lease term, with the City's right to renew for ten years at an annual base payment of $50 in year 21, with a 3% increase in years 22-30. The lease began in January 2002. For the fiscal year ended June 30, 2016, the electric fund amortized $75 on this prepaid lease, leaving a balance of $413.

(17) PENSION PLANS:

A. General Information about the Pension Plans:

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of services. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Prior to	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.5%@55	2%@62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	19.95%	19.95%

	Police	
	Prior to	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3%@50	2.7%@57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9%	12.75%
Required employer contribution rates	37.58%	37.58%

	Fire	
	Prior to	On or After
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3%@55	2.7%@57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9%	11.25%
Required employer contribution rates	24.14%	24.14%

(in thousands)

(17) PENSION PLANS (continued):

A. General Information about the Pension Plans (Continued):

Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Police	Fire
Inactive employees or beneficiaries currently receiving benefits	1,215	234	188
Inactive employees entitled to but not yet receiving benefits	777	37	29
Active employees	1,040	144	116
Total	3,032	415	333

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability:

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Police	Fire
Valuation Date	June 30, 2014	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:			
Discount Rate	7.65%	7.65%	7.65%
Inflation	2.75%	2.75%	2.75%
Payroll Growth	3.00%	3.00%	3.00%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)	3.3% - 14.2% (1)
Investment Rate of Return	7.5% (2)	7.5% (2)	7.5% (2)
Mortality	(3)	(3)	(3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

(3) The probabilities of mortality are derived using CaslPERS membership data for all funds. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

Change of Assumptions

GASB 69, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

(in thousands)

(17) PENSION PLANS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period
(b) An expected inflation of 3.0% used for this period

C. Changes in the Net Pension Liability:

The changes in the net pension liability for the Miscellaneous Plan are as of the measurement date are follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	$ 783,394,162	$ 625,886,484	$ 157,507,678
Changes in the Year:			
Service cost	12,555,200	-	12,555,200
Interest on the total pension liability	56,944,154	-	56,944,154
Differences between actual and expected experience	(12,736,964)	-	(12,736,964)
Changes in assumptions	(13,841,120)	-	(13,841,120)
Changes in benefit terms	-	-	-
Contribution - employer	-	13,696,952	(13,696,952)
Contribution - employee (paid by employer)	-	6,443,320	(6,443,320)
Contribution - employee	-	-	-
Net investment income	-	13,820,471	(13,820,471)
Plan to Plan Resource Movement		(2)	2
Administrative expenses	-	(700,061)	700,061
Benefit payments, including refunds of employee contributions	(37,451,291)	(37,451,291)	-
Net Changes	5,469,979	(4,190,611)	9,660,590
Balance at June 30, 2015	$ 788,864,141	$ 621,695,873	$ 167,168,268

(in thousands)

(17) PENSION PLANS (continued):

The changes in the net pension liability for the Police Plan are as of the measurement date are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	$ 266,890,008	$ 205,029,770	$ 61,860,238
Changes in the Year:			
Service cost	5,321,905	-	5,321,905
Interest on the total pension liability	19,538,993	-	19,538,993
Differences between actual and expected experience	(2,163,782)	-	(2,163,782)
Changes in assumptions	(4,702,484)	-	(4,702,484)
Changes in benefit terms	-	-	-
Contribution - employer	-	5,800,229	(5,800,229)
Contribution - employee (paid by employer)	-	-	-
Contribution - employee	-	1,549,949	(1,549,949)
Net investment income	-	4,432,031	(4,432,031)
Plan to Plan Resource Movement		2	(2)
Administrative expenses	-	(227,394)	227,394
Benefit payments, including refunds of employee contributions	(14,546,053)	(14,546,053)	-
Net Changes	3,448,579	(2,991,236)	6,439,815
Balance at June 30, 2015	$ 270,338,587	$ 202,038,534	$ 68,300,053

The changes in the net pension liability for the Fire Plan are as of the measurement date are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014	$ 209,143,683	$ 175,764,300	$ 33,379,383
Changes in the Year:			
Service cost	3,238,929	-	3,238,929
Interest on the total pension liability	15,385,179	-	15,385,179
Differences between actual and expected experience	(593,799)	-	(593,799)
Changes in assumptions	(3,637,875)	-	(3,637,875)
Changes in benefit terms	-	-	-
Contribution - employer	-	2,878,901	(2,878,901)
Contribution - employee (paid by employer)	-	1,238,238	(1,238,238)
Contribution - employee	-	-	-
Net investment income	-	3,875,526	(3,875,526)
Administrative expenses	-	(194,366)	194,366
Benefit payments, including refunds of employee contributions	(10,836,052)	(10,836,052)	-
Net Changes	3,556,382	(3,037,753)	6,594,135
Balance at June 30, 2015	$ 212,700,065	$ 172,726,547	$ 39,973,518

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Police	Fire
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	$ 271,870,040	$ 103,852,540	$ 67,348,000
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	$ 167,168,268	$ 68,300,053	$ 39,973,518
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	$ 80,802,138	$ 39,086,450	$ 17,333,088

(17) PENSION PLANS (continued):

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions:

For the year ended June 30, 2016, the City recognized pension expense of $11,704. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 25,766	$ -
Differences between actual and expected experience	-	(10,909)
Change in assumptions	-	(15,851)
Net differences between projected and actual earnings on plan investments	-	(9,332)
Total	$ 25,766	$ (36,092)

$25,766 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2016	$ (17,591)
2017	(17,591)
2018	(11,397)
2019	10,487
2020	-
Thereafter	-

E. Payable to the Pension Plan:

At June 30, 2016, the City reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The City contributes to three retiree healthcare benefit plans. The first is the Burbank Employees Retiree Medical Trust (BERMT). This single employer, defined benefit plan, was established in April 2003 by the city's employee associations to provide post retirement medical benefits to all non-safety employees, including elected and appointed officials. Plan members are required to contribute fifty dollars per bi-weekly pay period, which the City matches. Plan provisions and contribution requirements are established by and may be amended by BERMT board. The trust is controlled by the seven voting members from the various employee associations appointed to three year terms. The City appoints an eighth member to the board, but that member is non-voting. Investments are determined by the BERMT plan trustees, and are governed by ERISA provisions. Eligibility for benefits require that members are retired, and have reached age 58 with a minimum of 5 years of contributions into the plan. The benefit ranges from $150 to $630 in reimbursements per month based on years of service, for eligible medical expenses.

The second plan is the CalPERS Healthcare (PEMHCA) plan, established by CalPERS under the authority of section 22750 to 22948 of the state of California's government code, a single employer plan. The City pays the required PEMHCA minimum contribution for all miscellaneous and safety employees retiring directly from the City who enroll in a CalPERS medical plan. The current PEMHCA minimum contribution amount is $125 per month. In addition, the City pays retiree health contribution amounts of $75.00 per month for 20 management retirees, and $188 per month for 9 IBEW retirees. For these management/IBEW retirees, the PEMHCA minimum required contribution of $125 is paid in addition to the retiree health contribution amounts. The PEMHCA benefit provisions are established and amended through negotiations between the City and its unions.

The third plan is the Utility Retiree Medical Trust, a single employer plan, established during the 2008-09 fiscal year for IBEW members and 13 management employees as a supplement to benefit payments from BERMT and PEMHCA. The total target benefit is $1,200/month for individuals age 50 to age 64 and $750/month for those age 65 and above, with the exception that for qualifying employees who retire after December 16, 2015 and who have not contributed to Medicare while employed at Burbank and who are also not otherwise eligible for premium-free Medicare Part A at age 65 and older, the maximum amount at age 65 and older shall be $975/month for fiscal year 2015-16, including payments from BERMT, PEMHCA minimum and Utility Retiree Medical Trust. For the fiscal year 2015-16, the City contributed $67. The City's ARC was $40 (in thousands) for the fiscal year 2015-16.

The City pre-funds the BERMT with both member and City contributions. The BERMT members represented by a bargaining group are required to contribute fifty dollars per pay period. The City contributes fifty dollars per pay period for both represented and unrepresented BERMT members. For the fiscal year 2015-16, the City contributed $1,353 to BERMT. The City's ARC was $1,831 for BERMT in the fiscal year 2015-16.

(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

The City has pre-funded the PEMHCA Plan through CalPERS OPEB Trust (CERBT) and has a policy of contributing 100% of the City's Annual Required Contribution (ARC) each year. For the fiscal year 2015-16, the City contributed $2,551, including $1,663 in benefit payments and $888 deposit to CERBT. The City's ARC was $1,250 for the fiscal year 2015-16.

The CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the City, not individualized, but in aggregate with the other CERBT participating agencies. BERMT also issues publicly available financial statements. These reports may be obtained by writing or calling the plans at the following addresses:

PEMHCA CERBT - State of California PERS - 400 Q St - Sacramento, CA 95811
BERMT Delta Health Systems - Attn: Cindi Forbes - 555 W Benjamin Holt Drive, Stockton, CA 95207. (800) - 700-6762

The Utility Retiree Medical Trust does not issue a separate financial statement.

The City's annual other post-employment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table, based on the City's actuarial valuation as of June 30, 2015, shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's Net OPEB obligation:

	BERMT	PEMHCA	URMT
Annual required contribution	$ 1,831	1,250	20
Interest on net OPEB obligation/(asset)	(9)	(772)	(264)
Adjustment to annual required contribution	(11)	650	244
Annual OPEB cost	1,811	1,128	-
Contributions made	(1,353)	(2,551)	(20)
Increase (Decrease) in net OPEB obligation	458	(1,423)	(20)
Net OPEB obligation/(asset) - beginning of year	(160)	(10,648)	(3,645)
Net OPEB obligation/(asset) - end of year	$ 298	(12,071)	(3,665)

The OPEB funding excess is recorded as part of Net pension/OPEB Assets on the Statement of Net Position. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for each of the plans were as follows :

	Year Ended	Annual OPEB Cost	Pct of OPEB cost Contributed	Net OPEB (Asset) Obligation
BERMT	6/30/2014	$ 2,016	65.0%	$ (705)
PEMHCA	6/30/2014	1,348	156.5%	(10,027)
URMT	6/30/2014	92	117.4%	(3,619)
BERMT	6/30/2015	$ 1,841	70.4%	$ (160)
PEMHCA	6/30/2015	1,086	157.2%	(10,648)
URMT	6/30/2015	(7)	-271.4%	(3,645)
BERMT	6/30/2016	$ 1,811	74.7%	$ 298
PEMHCA	6/30/2016	1,128	226.2%	(12,071)
URMT	6/30/2016	-	0.0%	(3,665)

(in thousands)

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

Funded status and funding progress

The funded status of the plans as of June 30, 2015 actuarial valuation was:

	BERMT	PEMHCA	URMT
Actuarial accrued liability (a)	$ 49,112	59,838	8,294
Actuarial value of plan assets (b)	25,873	21,269	8,054
Unfunded actuarial accrued liability (funding excess) (a)-(b)	23,239	38,569	240
Funded ratio (b) / (a)	52.7%	35.5%	97.1%
Covered payroll (c)	74,050	107,071	16,598
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a)-(b)]/(c))	31.4%	36.0%	1.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for the benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows :

	BERMT	PEMHCA	URMT
Actuarial valuation date	6/30/2015	6/30/2015	6/30/2015
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar for 29 years	Level % of pay for 27 years	Level % of pay for 24 years
Amortization period	Closed	Closed	Closed
Actuarial asset method	5 year smoothed >=80% and =< 120% of market value	5 year smoothed >=80% and =< 120% of market value	5 year smoothed >=80% and =< 120% of market value

	BERMT	PEMHCA	URMT
Actuarial assumptions :			
Discount rate	5.75%	7.25%	7.25%
General inflation	3.00%	3.00%	3.00%
Aggregate payroll increases	3.25%	3.25%	3.25%
COLA	0.00%	N/A	4.50%
Healthcare trend (HMO)	N/A	10.1% initial, 4.5% ultimate	N/A
Healthcare trend (PPO)	N/A	10.8% initial, 4.5% ultimate	N/A
PEHMHCA minimum increases	N/A	4.50% Increase Per Year	4.50% Increase Per Year
Mortality, withdrawal, disability	Post-retirement mortality projected fully generational with Scale MP-2014, modified to converge to ultimate imrovement rates to 2022	Post-retirement mortality projected fully generational with Scale MP-2014, modified to converge to ultimate imrovement rates to 2022	Post-retirement mortality projected fully generational with Scale MP-2014, modified to converge to ultimate imrovement rates to 2022
Retirement	CalPERS 1997-2011	CalPERS 1997-2011	CalPERS 1997-2011

(19) ADDITIONAL INFORMATION

Burbank Operable Unit (BOU)

Pursuant to a consent decree of March 25, 1992, Lockheed Martin Corporation (Lockheed) constructed a groundwater treatment system, now known as the BOU, on property within and owned by the City, designed to treat volatile organic compounds contaminating groundwater in parts of the San Fernando Groundwater Basin. A second consent decree, dated May 28, 1997, provided that Lockheed was responsible for the cost of operation and maintenance of the BOU, through at least December 11, 2018. The City recognized ownership of the BOU on December 1, 1998. However, due to the major uncertainties that existed concerning the realizability within reasonable limits of a fair value of the BOU, the City did not recognize any value associated with the BOU in the accompanying basic financial statements. On December 12, 2000, the commencement date, the City became responsible for oversight of the BOU. The BOU represents an ongoing obligation of Lockheed to mitigate damages to the aforementioned basin groundwater. In the fiscal year 2018-19, the United States Environmental Protection Agency (EPA) will determine the disposition of the BOU.

Unavailable Revenues

The General fund records unavailable revenue of $1,139 for sales tax true up and $361 for the General Capital Projects fund as of June 30, 2016. This amount is a component of net position in the government-wide financial statements.

Deficit Net Position

The Agency Fiduciary Trust fund has a deficit net position of $106,764, which is expected to be offset by future tax increment revenues to the extent that they are received.

(20) RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

On June 29, 2011, Assembly Bills 1 x 26 (the "Dissolution Act") and 1 x 27 were enacted as part of the fiscal year 2011-12 state budget package.

On June 27, 2012, as part of the fiscal year 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

On September 22, 2015, as part of the fiscal year 2015-16 state budget package, the Legislature passed and the Governor signed SB 107, which made technical and substantive amendments to the Dissolution Act based on experience to-date at the state and local level in implementing the Dissolution Act.

Under the Dissolution Act, each California redevelopment agency (each a "Dissolved RDA") was dissolved as of February 1, 2012, and the sponsoring community that formed the Dissolved RDA, together with other designated entities, have initiated the process under the Dissolution Act to unwind the affairs of the Dissolved RDA. A Successor Agency was created for each Dissolved RDA which is the sponsoring community of the Dissolved RDA unless it elected not to serve as the Successor Agency. On January 31, 2012, the City elected to serve as the Successor Agency of the Burbank Redevelopment Agency.

The Dissolution Act also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each Dissolved RDA which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the Dissolved RDAs to the County Auditor-Controller for distribution to the affected taxing entities.

The Dissolution Act allowed the sponsoring community that formed the Dissolved RDA to elect to assume the housing functions and take over the certain housing assets of the Dissolved RDA. If the sponsoring community does not elect to become the Successor Housing Agency and assume the Dissolved RDA's housing functions, such housing functions and all related housing assets will be transferred to the local housing authority in the jurisdiction. AB 1484 modified and provided some clarifications on the treatment of housing assets under the Dissolution Act. The City elected on January 31, 2012 to serve as the Housing Successor Agency.

After the date of dissolution, the housing assets, obligations, and activities of the former RDA have been transferred and are reported in the Low/Mod Income Housing Special Revenue Fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved RDA have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The Dissolution Act and AB 1484 also establish roles for the County Auditor-Controller (the "CAC"), the California Department of Finance (the "DOF") and the California State Controller's office in the dissolution process and the satisfaction of enforceable obligations of the Dissolved RDAs.

The County Auditor-Controller is charged with establishing a Redevelopment Property Tax Trust Fund (the "RPTTF") for each Successor Agency and depositing into the RPTTF the amount of property taxes that would have been redevelopment property tax increment had the Dissolved RDA not been dissolved. The deposit in the RPTTF fund is to be used to pay to the Successor Agency the amounts due on the Successor Agency's enforceable obligations.

The Successor Agency is required to prepare a recognized obligation payment schedule (the "ROPS") approved by the oversight board setting forth the amounts due for each enforceable obligation. The ROPS is submitted to the DOF for approval. The County Auditor-Controller will make payments to the Successor Agency from the RPTTF fund based on the ROPS amount approved by the DOF. The ROPS is prepared in advance for the enforceable obligations due over the next six months.

The process of making RPTTF deposits to be used to pay enforceable obligations of the Dissolved RDA will continue until all enforceable obligations have been paid in full and all non-housing assets of the Dissolved RDA have been liquidated.

(in thousands)

(20) RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES (continued):

The DOF issued a Finding of Completion on May 16, 2013 in which DOF concurred that the Successor Agency has made full payments of any payments required as a result of the due diligence reviews.

Pursuant to Health and Safety Code Section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Burbank Redevelopment Agency (RDA) to the City of Burbank (City) or any other public agency after January 1, 2011. This included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency. It applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. The SCO also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed. Corrective actions were taken by the City in 2013 and 2014 leaving $2,205,838 in unallowable transfers that had to be turned over to the Successor Agency. In June 2016 $978,434 was transferred back to the Successor Agency and remitted to Los Angeles County for disbursement to the applicable taxing entities. The remaining $1,327,404 will be repaid out of the City's final loan repayment, an approved expenditure item on the Recognized Obligation Payments Schedule (ROPS).

Management believes, in consultation with legal counsel, that the obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

(21) RESTATEMENT OF FUND BALANCES AND NET POSITION:

Fund balance-Net Position as of July 1, 2015, were restated as follows:	Non-Major Governmental Funds	Net Position of Governmental Activities
Fund balance-Net Position as of July 1, 2015, as originally reported	$ 33,281	$ 718,644
Adjust deficit fund balances for Magnolia Power Plant by $544 and Tieton Hydro by $283 due to prior years billing timing differences	827	827
Fund balance-Net Position as of July 1, 2015, as restated	$ 34,108	$ 719,471

CITY OF BURBANK

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - MISCELLANEOUS PLAN
REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Fiscal Years*

	2015	2014
Total Pension Liability:		
Service cost	$ 12,555,200	$ 13,181,727
Interest on total pension liability	56,944,154	55,430,897
Changes in assumptions	(13,841,120)	-
Differences between expected and actual experience	(12,736,964)	-
Benefit payments, including refunds of employee contributions	(37,451,291)	(35,412,463)
Net Change in Total Pension Liability	5,469,979	33,200,161
Total Pension Liability - Beginning of Year	783,394,162	750,194,001
Total Pension Liability - End of Year (a)	$ 788,864,141	$ 783,394,162
Plan Fiduciary Net Position:		
Contributions - employer	$ 13,696,952	$ 12,179,748
Contributions - employee	6,443,320	6,416,442
Net investment income	13,820,471	94,169,766
Benefit payments	(37,451,291)	(35,412,463)
Plan to plan resource movement	(2)	-
Administrative expense	(700,061)	-
Net Change in Plan Fiduciary Net Position	(4,190,611)	77,353,493
Plan Fiduciary Net Position - Beginning of Year	625,886,484	548,532,991
Plan Fiduciary Net Position - End of Year (b)	$ 621,695,873	$ 625,886,484
Net Pension Liability - Ending (a)-(b)	$ 167,168,268	$ 157,507,678
Plan fiduciary net position as a percentage of the total pension liability	78.81%	79.89%
Covered - employee payroll	$ 79,288,586	$ 76,428,082
Net pension liability as percentage of covered- employee payroll	210.84%	206.09%

Notes to Schedule:

Benefit Changes:

The figures above do not include any liability impace that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions:

The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS PLAN
REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2016	June 30, 2015
Actuarially determined contribution	$ 15,348,888	$ 13,793,807
Contributions in relation to the actuarially determined contributions	(15,348,888)	(13,793,807)
Contribution deficiency (excess)	$ -	$ -
Covered - employee payroll	$ 84,117,261	$ 79,288,586
Contributions as a percentage of covered - employee payroll	18.25%	17.40%

Notes to Schedule:

Valuation Date	June 30, 2013	June 30, 2012

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	3.30% to 14.20% depending on age, service and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years 2.7% @ 55 and 52 years 2% @ 62**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.**

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.
**-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) included the same actuarial assumptions
***-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method.

CITY OF BURBANK

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - POLICE
REQUIRED SUPPLMENTARY INFORMATION
Last Ten Fiscal Years*

	2015	2014
Total Pension Liability:		
Service cost	$ 5,321,905	$ 5,537,702
Interest on total pension liability	19,538,993	18,902,036
Differences between expected and actual experience	(2,163,782)	-
Changes in assumptions	(4,702,484)	-
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	(14,546,053)	(13,616,037)
Net Change in Total Pension Liability	3,448,579	10,823,701
Total Pension Liability - Beginning of Year	266,890,008	256,066,307
Total Pension Liability - End of Year (a)	$ 270,338,587	$ 266,890,008
Plan Fiduciary Net Position:		
Contributions - employer	$ 5,800,229	$ 5,711,333
Contributions - employee	1,549,949	1,591,859
Net investment income	4,432,031	31,026,505
Benefit payments	(14,546,053)	(13,616,037)
Plan to plan resource movement	2	-
Administrative expense	(227,394)	-
Net Change in Plan Fiduciary Net Position	(2,991,236)	24,713,660
Plan Fiduciary Net Position - Beginning of Year	205,029,770	180,316,110
Plan Fiduciary Net Position - End of Year (b)	$ 202,038,534	$ 205,029,770
Net Pension Liability - Ending (a)-(b)	$ 68,300,053	$ 61,860,238
Plan fiduciary net position as a percentage of the total pension liability	74.74%	76.82%
Covered - employee payroll	$ 17,523,263	$ 16,789,814
Net pension liability as percentage of covered- employee payroll	389.77%	368.44%

Notes to Schedule:

Benefit Changes:
The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in Assumptions:
The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - POLICE
REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2016	June 30, 2015
Actuarially determined contribution	$ 6,975,117	$ 5,800,229
Contributions in relation to the actuarially determined contributions	(6,975,117)	(5,800,229)
Contribution deficiency (excess)	$ -	$ -
Covered - employee payroll	$ 18,590,430	$ 17,523,263
Contributions as a percentage of covered - employee payroll	37.52%	33.10%

Notes to Schedule:

Valuation Date	June 30, 2013	June 30, 2012

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	3.30% to 14.20% depending on age, service and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years 2.7% @ 55 and 52 years 2% @ 62**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.**

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.
**-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) included the same actuarial assumptions
***-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method.

CITY OF BURBANK

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS - FIRE
REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Fiscal Years*

	2015	2014
Total Pension Liability:		
Service cost	$ 3,238,929	$ 3,365,967
Interest on total pension liability	15,385,179	14,831,589
Differences between expected and actual experience	(593,799)	-
Changes in assumptions	(3,637,875)	-
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	(10,836,052)	(10,250,818)
Net Change in Total Pension Liability	3,556,382	7,946,738
Total Pension Liability - Beginning of Year	209,143,683	201,196,945
Total Pension Liability - End of Year (a)	$ 212,700,065	$ 209,143,683
Plan Fiduciary Net Position:		
Contributions - employer	$ 2,878,901	$ 2,633,397
Contributions - employee	1,238,238	1,245,700
Net investment income	3,875,526	26,645,747
Benefit payments	(10,836,052)	(10,250,818)
Administrative expense	(194,366)	-
Net Change in Plan Fiduciary Net Position	(3,037,753)	20,274,026
Plan Fiduciary Net Position - Beginning of Year	175,764,300	155,490,274
Plan Fiduciary Net Position - End of Year (b)	$ 172,726,547	$ 175,764,300
Net Pension Liability - Ending (a)-(b)	$ 39,973,518	$ 33,379,383
Plan fiduciary net position as a percentage of the total pension liability	81.21%	84.04%
Covered - employee payroll	$ 13,785,343	$ 13,400,056
Net pension liability as percentage of covered- employee payroll	289.97%	249.10%

Notes to Schedule:

Benefit Changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

Changes in Assumptions:

The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF BURBANK

SCHEDULE OF CONTRIBUTIONS - FIRE
REQUIRED SUPPLEMENTARY INFORMATION
Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2016	June 30, 2015
Actuarially determined contribution	$ 3,442,631	$ 2,878,901
Contributions in relation to the actuarially determined contributions	(3,442,631)	(2,878,901)
Contribution deficiency (excess)	$ -	$ -
Covered - employee payroll	$ 14,624,870	$ 13,785,343
Contributions as a percentage of covered - employee payroll	23.54%	20.88%

Notes to Schedule:

Valuation Date	June 30, 2013	June 30, 2012

Methods and Assumptions Used to Determine Contribution Rates:

Single and agent employers	Entry age**
Amortization method	Level percentage of payroll, closed**
Asset valuation method	15 year smoothed market***
Inflation	2.75%**
Salary increases	3.30% to 14.20% depending on age, service and type of employment**
Investment rate of return	7.50%, net of pension plan investment expense, including inflation**
Retirement age	50 years 2.7% @ 55 and 52 years 2% @ 62**
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CaslPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.**

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.
**-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) included the same actuarial assumptions
***-The valuation for June 30, 2012 (applicable to fiscal year ended June 30, 2015) valued assets using a 15 Year Smoothed Market method.

CITY OF BURBANK

SCHEDULES OF FUNDING PROGRESS OPEB PLANS (Unaudited)

Burbank Employees Retiree Medical Trust (BERMT)

	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of covered payroll
6/30/2015	25,873	49,112	23,239	52.7%	74,050	31.4%
6/30/2013	19,872	43,228	23,356	46.0%	74,296	31.4%
6/30/2011	13,833	39,553	25,720	35.0%	89,772	28.7%
CalPERS Healthcare (PEHMHCA)						
6/30/2015	21,269	59,838	38,569	35.5%	107,071	36.0%
6/30/2013	16,085	23,229	7,144	69.2%	106,075	6.7%
6/30/2011	11,411	20,475	9,064	55.7%	117,001	7.7%
Utility Retiree Medical Trust (URMT)						
6/30/2015	8,054	8,294	240	97.1%	16,598	1.4%
6/30/2013	6,635	4,692	(1,943)	141.4%	16,753	-11.6%
6/30/2011	5,346	5,119	(227)	104.4%	17,345	-1.3%

NONMAJOR GOVERNMENTAL FUNDS

This section of the CAFR provides information on each individual governmental fund, except for those major governmental funds reported in the basic financial statements: the Low and Moderate Income Housing Fund, the Public Financing Authority Debt Service Fund, and the General Capital Projects Fund. This section includes the following special revenue, debt service, and capital projects funds:

SPECIAL REVENUE FUNDS

104 - Transportation Fund - Prop A – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

105 - Transportation Fund - Prop C – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

106 - AQMD Fund – To account for monies received and expended on the City's ride share program. Monies received include participant fees and funds received from the Southern California Air Quality Management District Fund.

128 - Home Program Investment Partnership Program (HOME) – To account for HUD funding to increase the supply of affordable housing to the City.

122 - Community Development Block Grants Fund – To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Programs.

117 - Housing Authority Fund – To account for monies received and expended in housing assistance to low and moderate income families. Funds are provided by receipts from the Federal Section 8 Voucher Program.

125 - State Gas Tax Fund – To account for monies received and expended from state gas tax allocation.

129 - Street Lighting Fund – To account for monies received from a portion of the in-lieu tax on electricity, used for maintenance, repairs and conversion of the City's mercury and low pressure sodium street lights to high pressure sodium lights.

121 - Supplemental Law Enforcement Services Fund – To account for grant monies received and spent from federal programs used to supplement the City's law enforcement program.

124 - Drug Asset Forfeiture Fund – To account for monies and property seized as a result of judicial forfeitures.

107 - Measure R Fund – To account for monies received and expended from L.A. County sales tax increase.

483 - Magnolia Power Plant – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located at the City's electric utility.

133 - Tieton Hydro – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located in Washington State.

CAPITAL PROJECTS FUNDS

127 - Public Improvements Fund – To account for monies received through developer fees and grants, used for infrastructure improvements throughout the City.

310 - Parking Authority Fund – To account for financial resources to be used for the acquisition or construction of public parking facilities on a citywide basis. The primary source of funds has been contributions from other funds.

130 - Burbank Youth Endowment Services Fund (YES) – To account for financial resources used for new capital facilities for youth oriented programs to benefit the youth of Burbank. The YES Fund is funded by a pledge from the Burbank Redevelopment Agency of 5% of the new tax increment in each of the Golden State, City Centre, and West Olive Project areas.

City Of Burbank

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016
(in thousands)

	Special Revenue Funds					
	Transp. Prop. A	**Transp. Prop. C**	**AQMD**	**Home Program**	**Commun. Dev Block Grants**	**Housing Authority**
Assets :						
Pooled cash and investments	$ 2,192	2,405	245	160	927	702
Accounts receivable	4	61	36	28	137	88
Interest receivable	6	7	1	-	2	-
Interfund receivables	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Total assets	$ 2,202	2,473	282	188	1,066	790
Liabilities :						
Accounts payable	$ 29	42	1	5	59	266
Interfund payable	-	-	-	-	-	16
Due to Successor Agency	-	-	-	-	-	-
Deposits	-	-	9	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	29	42	10	5	59	282
Fund balances :						
Nonspendable (deficits):						
Inventories	-	-	-	-	-	-
Restricted :						
Transportation	2,173	2,431	-	-	-	-
Federal and state grants	-	-	272	183	1,007	508
Public safety	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	-	-	-	-	-	-
Total fund balances (deficits)	2,173	2,431	272	183	1,007	508
Total liabilities and fund balances	$ 2,202	2,473	282	188	1,066	790

(Continued)

City Of Burbank

COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016
(in thousands)

	Special Revenue Funds					
	State Gas Tax	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture	Measure R
Assets :						
Pooled cash and investments	$ 2,654	588	255	27	819	3,351
Accounts receivable	-	249	5	-	-	-
Interest receivable	8	2	1	-	2	9
Inventories	-	174	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Total assets	$ 2,662	1,013	261	27	821	3,360
Liabilities :						
Accounts payable	$ 1,737	-	-	-	80	545
Interfund payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	1,737	-	-	-	80	545
Fund balances :						
Nonspendable (deficits):						
Inventories	-	174	-	-	-	-
Restricted						
Transportation	921	-	-	-	-	2,815
Federal and state grants	-	-	-	27	-	-
Public safety	-	-	261	-	741	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	4	839	-	-	-	-
Total fund balances (deficits)	925	1,013	261	27	741	2,815
Total liabilities and fund balances	$ 2,662	1,013	261	27	821	3,360

(Continued)

City Of Burbank

COMBINING BALANCE SHEET, CONCLUDED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016
(in thousands)

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Govern-mental Funds
	Magnolia Power Plant	Tieton Hydro	Public Improve.	Parking Authority	Youth Endowment	
Assets :						
Pooled cash and investments	2,613	47	20,149	1,549	139	$ 38,822
Accounts receivable	-	253	-	10	-	871
Interest receivable	7	-	57	3	3	108
Inventories	-	-	-	-	-	174
Prepaid items and deposits	2	-	-	-	-	2
Total assets	$ 2,622	300	20,206	1,562	142	$ 39,977
Liabilities :						
Accounts payable	$ 2,622	-	333	61	-	5,780
Interfund payable	-	300	-	-	-	316
Deposits	-		1	-	-	10
Advances payable	-		323	-	-	323
Total liabilities	2,622	300	657	61	-	6,429
Fund balances :						
Nonspendable (deficits)						
Inventories	-	-	-	-	-	174
Restricted						
Transportation	-	-	-	-	-	8,340
Federal and state grants	-	-	-	-	-	1,997
Public safety	-	-	-	-	-	1,002
Capital projects	-	-	-	1,501	142	1,643
Committed						
Transportation	-	-	19,549	-	-	20,392
Total fund balances (deficits)	-	-	19,549	1,501	142	33,548
Total liabilities and fund balances	2,622	300	20,206	1,562	142	$ 39,977

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year ended June 30, 2016
(in thousands)

	Special Revenue Funds					
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority
Revenues :						
Taxes	$ 1,998	1,579	-	-	-	-
Use of money or property	43	130	5	1	16	2
Intergovernmental	92	-	135	353	615	8,907
Charges for services	118	158	-	-	26	-
Total revenues	2,251	1,867	140	354	657	8,909
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						
Police	-	-	-	-	-	-
Environmental :						
Community development	1,943	1,116	99	508	532	8,897
Culture and recreation :						
Special community activities	-	-	-	-	-	-
Capital outlay :						
Street improvements	-	-	-	-	-	-
General capital improvements	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-
Total expenditures	1,943	1,116	99	508	532	8,897
Excess (deficiency) of revenues over expenditures	308	751	41	(154)	125	12
Other financing sources (uses) :						
Transfers in	31	-	-	-	-	-
Transfers out	-	(31)	-	-	-	-
Total other financing sources (uses)	31	(31)	-	-	-	-
Net change in fund balance	339	720	41	(154)	125	12
Fund balances (deficits), July 1, 2015	1,834	1,711	231	337	882	496
Fund balances (deficits), June 30, 2016	$ 2,173	2,431	272	183	1,007	508

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, CONTINUED

NONMAJOR GOVERNMENTAL FUNDS

For the Year ended June 30, 2016

(in thousands)

	Special Revenue Funds					
	State Gas Tax	**Street Lighting**	**Sup Law Enforce Service**	**Comm. Services**	**Drug Asset Forfeiture**	**Measure R**
Revenues :						
Taxes	$ -	-	-	-	-	1,186
Use of money or property	57	31	7	7	18	66
Intergovernmental	2,284	-	236	-	5	-
Charges for services	-	127	-	-	-	195
Total revenues	2,341	158	243	7	23	1,447
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	
Public safety :						-
Police	-	-	238	-	180	
Environmental :						-
Community development	-	-	-	10	-	
Capital outlay :						
Street improvements	4,082	2,468	-	-	-	371
General capital improvements	-	-	-	-	-	1,103
Total capital outlay	4,082	2,468	-	-	-	1,474
Total expenditures	4,082	2,468	238	10	180	1,474
Excess (deficiency) of revenues over expenditures	(1,741)	(2,310)	5	(3)	(157)	(27)
Other financing sources (uses) :						
Transfers in	-	2,515	-	-	-	-
Transfers out	-	(80)	-	-	-	-
Total other financing sources (uses)	-	2,435	-	-	-	-
Net change in fund balance	(1,741)	125	5	(3)	(157)	(27)
Fund balances (deficits), July 1, 2015	2,666	888	256	30	898	2,842
Fund balances (deficits), June 30, 2016	$ 925	1,013	261	27	741	2,815

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, CONCLUDED

NONMAJOR GOVERNMENTAL FUNDS

For the Year ended June 30, 2016

(in thousands)

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor
	Magnolia Power Plant	Tieton Hydro	Public Improve.	Parking Authority	Youth Endowment	Govern-mental Funds
Revenues :						
Taxes	$	-	-	-	-	4,763
Use of money or property	51	-	416	792	17	1,659
Intergovernmental	-	-	2,187	-	-	14,814
Charges for services	16,686	1,889	224	-	-	19,423
Total revenues	16,737	1,889	2,827	792	17	40,659
Expenditures :						
General government :						
Administrative services	-	-	-	670	-	670
Public safety :						
Police	-	-	-	-	-	418
Environmental :						
Community development	16,748	1,541	2,174	-	-	33,568
Capital outlay :						
Street improvements	-	-		-	-	6,921
General capital improvements	-	348	-	1	-	1,452
Total capital outlay	-	348	-	1	-	8,373
Total expenditures	16,748	1,889	2,174	671	-	43,029
Excess (deficiency) of revenues over expenditures	(11)	-	653	121	17	(2,370)
Other financing sources (uses) :						
Transfers in	-	-	-	-	-	2,546
Transfers out	-	-	-	-	(625)	(736)
Total other financing sources (uses)	-	-	-	-	(625)	1,810
Net change in fund balance	(11)	-	653	121	(608)	(560)
Fund balances (deficits), July 1, 2015 (as restated)	11	-	18,896	1,380	750	34,108
Fund balances (deficits), June 30, 2016	-	-	19,549	1,501	142	$ 33,548

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROP A

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	$ 1,939	1,939	1,998	59
Use of money or property	20	20	43	23
Intergovernmental	90	90	92	2
Charges for services	97	97	118	21
Total revenues	2,146	2,146	2,251	105
Expenditures :				
Environmental:				
Community development	2,003	2,003	1,943	60
Total expenditures	2,003	2,003	1,943	60
Excess (deficiency) of revenues over expenditures	143	143	308	165
Other financing sources :				
Transfers in	-	-	31	(31)
Total other financing sources	-	-	31	(31)
Net change in fund balance	143	143	339	134
Fund balance, July 1, 2015	1,834	1,834	1,834	-
Fund balance, June 30, 2016	$ 1,977	$ 1,977	$ 2,173	$ 134

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TRANSPORTATION PROP C

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	$ 1,654	1,654	1,579	(75)
Use of money or property	121	121	130	9
Charges for services	120	120	158	38
Total revenues	1,895	1,895	1,867	(28)
Expenditures :				
Environmental:				
Community development	1,478	1,478	1,116	362
Total expenditures	1,478	1,478	1,116	362
Excess (deficiency) of revenues over expenditures	417	417	751	334
Other financing sources :				
Transfers out	-	-	(31)	31
Total other financing sources	-	-	(31)	31
Excess (deficiency) of revenues over expenditures	417	417	720	365
Fund balance, July 1, 2015	1,711	1,711	1,711	-
Fund balance June 30, 2016	$ 2,128	$ 2,128	$ 2,431	$ 365

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AQMD

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 2	2	5	3
Intergovernmental	125	125	135	10
Total revenues	127	127	140	13
Expenditures :				
Environmental:				
Community development	158	158	99	59
Excess (deficiency) of revenues over expenditures	(31)	(31)	41	72
Fund balance, July 1, 2015	231	231	231	-
Fund balance, June 30, 2016	$ 200	200	272	72

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOME PROGRAM

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 1	1	1	-
Intergovernmental	629	629	353	(276)
Total revenues	630	630	354	(276)
Expenditures :				
Environmental:				
Community development	825	825	508	317
Excess (deficiency) of revenues over expenditures	(195)	(195)	(154)	41
Fund balance, July 1, 2015	337	337	337	-
Fund balance, June 30, 2016	$ 142	142	183	41

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANTS

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 7	7	16	9
Intergovernmental	1,374	1,374	615	(759)
Charges for services	50	50	26	(24)
Total revenues	1,431	1,431	657	(774)
Expenditures :				
Environmental:				
Community development	2,382	2,212	532	1,680
Excess (deficiency) of revenues over expenditures	(951)	(781)	125	906
Fund balance (deficit), July 1, 2015	882	882	882	-
Fund balance (deficit), June 30, 2016	$ (69)	101	1,007	906

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING AUTHORITY

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 1	1	2	1
Intergovernmental	8,847	8,847	8,907	60
Total revenues	8,848	8,848	8,909	61
Expenditures :				
Environmental:				
Community development	9,081	9,122	8,897	225
Total expenditures	9,081	9,122	8,897	225
Excess (deficiency) of revenues over expenditures	(233)	(274)	12	286
Fund balance, July 1, 2015	496	496	496	-
Fund balance, June 30, 2016	$ 263	222	508	286

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STATE GAS TAX

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 10	10	57	47
Intergovernmental	2,293	2,293	2,284	(9)
Total revenues	2,303	2,303	2,341	38
Expenditures :				
Capital outlay :				
Street improvements	2,419	2,419	4,082	(1,663)
Total expenditures	2,419	2,419	4,082	(1,663)
Excess (deficiency) of revenues over expenditures	(116)	(116)	(1,741)	(1,625)
Other financing uses :				
Transfers out	(1,977)	(1,977)	-	1,977
Net change in fund balance	(2,093)	(2,093)	(1,741)	352
Fund balance, July 1, 2015	2,666	2,666	2,666	-
Fund balance, June 30, 2016	$ 573	573	925	352

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STREET LIGHTING

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 55	55	31	(24)
Charges for services	700	700	127	(573)
Total revenues	755	755	158	(597)
Expenditures :				
Capital outlay :				
Street improvements	4,743	4,743	2,468	2,275
Deficiency of revenues over expenditures	(3,988)	(3,988)	(2,310)	1,678
Other financing sources (uses):				
Transfers in	2,515	2,515	2,515	-
Transfers out	(80)	(80)	(80)	-
Total other financing sources (uses)	2,435	2,435	2,435	-
Net change in fund balance	(1,553)	(1,553)	125	1,678
Fund balance, July 1, 2015	888	888	888	-
Fund balance, June 30, 2016	$ (665)	(665)	1,013	1,678

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SUPPLEMENTAL LAW ENFORCEMENT SERVICES

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 6	6	7	1
Intergovernmental	403	403	236	(167)
Total revenues	409	409	243	(166)
Expenditures :				
Public Safety:				
Police	30	455	238	217
Excess (deficiency) of revenue over expenditures	379	(46)	5	51
Fund balance, July 1, 2015	256	256	256	-
Fund balance, June 30, 2016	$ 635	210	261	51

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COMMUNITY SERVICES

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 7	7	7	-
Expenditures :				
Environmental:				
Community development	20	20	10	10
Total expenditures	20	20	10	10
Excess (deficiency) of revenues over expenditures	(13)	(13)	(3)	(10)
Net change in fund balance	(13)	(13)	(3)	(10)
Fund balance, July 1, 2015	30	30	30	-
Fund balance, June 30, 2016	$ 17	17	27	(10)

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MEASURE R

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Taxes	$ 1,189	1,189	1,186	(3)
Use of money or property	15	15	66	51
Charges for services	385	385	195	
Total revenues	1,589	1,589	1,447	48
Expenditures :				
Capital outlay:				
Street improvements	1,100	1,100	371	729
Community development	1,708	1,708	1,103	605
Total expenditures	2,808	2,808	1,474	1,334
Excess (deficiency) of revenues over expenditures	(1,219)	(1,219)	(27)	1,192
Fund balance, July 1, 2015	2,842	2,842	2,842	-
Fund balance, June 30, 2016	$ 1,623	1,623	2,815	1,192

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAGNOLIA POWER PLANT

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ -	-	51	51
Charges for services	23,498	23,498	16,686	(6,812)
Total revenues	23,498	23,498	16,737	(6,761)
Expenditures :				
Environmental:				
Community development	29,246	29,245	16,748	12,497
Total expenditures	29,246	29,245	16,748	12,497
Excess (deficiency) of revenues over expenditures	(5,748)	(5,747)	(11)	5,736
Fund balance (deficit), July 1, 2015 (as restated)	11	11	11	-
Fund balance (deficit), June 30, 2016	$ (5,737)	(5,736)	-	5,736

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
TIETON HYDRO

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Charges for services	$ 1,797	1,797	1,889	92
Total revenues	1,797	1,797	1,889	92
Expenditures :				
Capital outlay:				
Community development	1,361	1,361	1,541	(180)
Environmental:				
Capital improvements	1,074	1074	348	726
Total expenditures	2,435	2,435	1,889	546
Excess (deficiency) of revenues over expenditures	(638)	(638)	-	638
Fund balance (deficit), July 1, 2015 (as restated)	-	-	-	-
Fund balance (deficit), June 30, 2016	$ (638)	(638)	-	638

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PARKING AUTHORITY CAPITAL PROJECTS

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ 799	799	792	(7)
Total revenues	799	799	792	(7)
Expenditures :				
General government:				
Administrative services	1,556	987	670	317
General capital improvements	-	569	1	568
Total expenditures	1,556	1,556	671	885
Excess (deficiency) of revenues over expenditures	(757)	(757)	121	878
Fund balance, July 1, 2015	1,380	1,380	1,380	-
Fund balance, June 30, 2016	$ 623	623	1,501	878

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YOUTH ENDOWMENT SERVICES

For the Year ended June 30, 2016
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	$ -	1	17	16
Total revenues	-	1	17	16
Expenditures :				
General government:				
Administrative services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	1	17	16
Other financing uses:				
Transfers out	(600)	(625)	(625)	-
Total other financing uses	(600)	(625)	(625)	-
Net change in fund balance	(600)	(624)	(608)	16
Fund balance, July 1, 2015	750	750	750	-
Fund balance, June 30, 2016	$ 150	126	142	16

NONMAJOR ENTERPRISE FUND

This section of the CAFR provides information on non-major enterprise funds.

495 - Golf Fund – To account for the operations of the City's Golf Course.

Nonmajor
Enterprise Funds

City Of Burbank

STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUND
June 30, 2016
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Assets :		
Current assets :		
Pooled cash and investments	$ 261	261
Accounts receivable	27	27
Total current assets	288	288
Capital assets :		
Land	11	11
Land improvements	1,053	1,053
Buildings and improvements	8,988	8,988
Machinery and equipment	391	391
Construction in progress	73	73
Less accumulated depreciation	(4,782)	(4,782)
Total capital assets, net of accumulated depreciation	5,734	5,734
Total assets	6,022	6,022
Liabilities :		
Accounts payable	-	-
Total current liabilities	-	-
Long-term liabilities:		
Advances payable	3,197	3,197
Total long-term liabilities	3,197	3,197
Total liabilities	3,197	3,197
Net position :		
Net investment in capital assets	5,734	5,734
Unrestricted (deficit)	(2,909)	(2,909)
Total net position	$ 2,825	2,825

City Of Burbank

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2016
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Operating revenues :		
Charges for services	$ -	-
Total operating revenues	-	-
Operating expenses :		
Operations and maintenance	205	205
Depreciation	472	472
Total operating expenses	677	677
Operating (loss)	(677)	(677)
Nonoperating income (expense) :		
Interest income	3	3
Interest expense	(26)	(26)
Other income - net	334	334
Total nonoperating income (expense)	311	311
Income (loss) before capital contributions and transfers	(366)	(366)
Change in net position	(366)	(366)
Net position, July 1, 2015	3,191	3,191
Net position, June 30, 2016	$ 2,825	2,825

City Of Burbank

STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2016
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Cash flows from operating activities :		
Cash received from customers	$ 4	4
Cash paid to suppliers	(256)	(256)
Net cash used in operating activities	(252)	(252)
Cash flows from noncapital financing activities :		
Paid to City of Burbank	(32)	(32)
Other income/expense	334	334
Intergovernmental revenue	-	-
Net cash provided by noncapital financing activities	302	302
Cash flows from capital and related financing activities :		
Acquisition and construction of assets	(20)	(20)
Interest paid	(26)	(26)
Net cash used in capital and related financing activities	(46)	(46)
Cash flows from investing activities :		
Interest received	3	3
Net cash provided by investing activities	3	3
Net increase in cash and cash equivalents	7	7
Cash and cash equivalents, July 1, 2015	254	254
Cash and cash equivalents, June 30, 2016	$ 261	261

(Continued)

City Of Burbank

STATEMENT OF CASH FLOWS, (concluded)
NONMAJOR ENTERPRISE FUND
For the Year ended June 30, 2016
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Reconciliation of operating loss to net cash used in operating activities :		
Operating loss	$ (677)	(677)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	472	472
Decrease in accounts receivable	5	5
Increase in accounts payable	(52)	(52)
Total adjustments	425	425
Net cash used in operating activities	$ (252)	(252)

INTERNAL SERVICE FUNDS

This section of the CAFR provides information on each individual internal service fund. Internal service funds are used by the City to centralize certain services and then allocate the cost of those services to the user departments on a cost reimbursement basis. User fund charges from internal service funds with capital assets typically consist of two components: a maintenance/service component and a capital replacement component. User fund charges from self-insurance internal service funds generally are based on claims experience of the user department.

530 - Risk Management Self-Insurance Fund – To finance and account for the City's general liability claims program.

531 - Worker's Compensation Self-Insurance Fund – To finance and account for the City's workers' compensation claims program.

532 - Vehicle Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of vehicular fleet and equipment utilized by general government departments on a rental fee basis.

533 - Office Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of office equipment utilized by general government departments on a rental fee basis.

534 - Municipal Building Replacement Fund – To account for the operation, maintenance, and replacement of municipal buildings occupied by City departments on a rental fee basis.

535 - Communication Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of the electronic communication equipment utilized by City departments on a rental basis.

537 - Computer Equipment Replacement Fund – To account for the operation and maintenance of the City's new networked based software and hardware computer system.

Internal Service Funds

City Of Burbank

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2016
(in thousands)

Assets:	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Current assets :					
Pooled cash and investments	$ 24,232	41,807	21,154	3,546	1,425
Accounts receivable	-	22	47	-	476
Interest receivable	67	117	59	10	4
Inventories	-	-	419	-	-
Prepaid expenses	3	17	22	-	-
Total current assets	24,302	41,963	21,701	3,556	1,905
Capital assets :					
Buildings and improvements	-	-	2,777	-	-
Accumulated depreciation	-	-	(1,082)	-	-
Machinery and equipment	-	-	35,797	3,594	-
Accumulated depreciation	-	-	(23,327)	(3,191)	-
Construction in progress	-	-	-	-	791
Total capital assets	-	-	14,165	403	791
Total assets	24,302	41,963	35,866	3,959	2,696
Liabilities :					
Current liabilities:					
Accounts payable	58	11	565	66	337
Compensated absences	-	-	4	-	-
Deposits	9	-	8	-	58
Outstanding claims - self insurance	3,137	8,912	-	-	-
Total current liabilities	3,204	8,923	577	66	395
Long-term liabilities (net of current portion):					
Compensated absences	-	-	162	-	5
Outstanding claims - self insurance	3,483	32,381	-	-	-
Total long-term liabilities	3,483	32,381	162	-	5
Total liabilities	6,687	41,304	739	66	400
Net Position :					
Net investment in capital assets	-	-	14,165	403	791
Unrestricted	17,614	659	20,962	3,490	1,506
Total net position	$ 17,614	659	35,127	3,893	2,297

(Continued)

City Of Burbank

COMBINING STATEMENT OF NET POSITION, (concluded)
INTERNAL SERVICE FUNDS

June 30, 2016
(in thousands)

Assets:	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Current assets :			
Cash and investments	$ 5,681	4,976	102,821
Accounts receivable	46	14	605
Interest receivable	16	13	286
Inventories	148	-	567
Prepaid expenses	-	18	60
Total current assets	5,891	5,021	104,339
Capital assets :			
Buildings and improvements	3,389	-	6,166
Accumulated depreciation	(878)	-	(1,960)
Machinery and equipment	12,953	16,399	68,743
Accumulated depreciation	(11,507)	(14,520)	(52,545)
Construction in progress	68	346	1,205
Total capital assets	4,025	2,225	21,609
Total assets	9,916	7,246	125,948
Liabilities :			
Current liabilities:			
Accounts payable	107	246	1,390
Compensated absences	3	-	7
Deposits	-	-	75
Outstanding claims - self insurance	-	-	12,049
Total current liabilities	110	246	13,521
Long-term liabilities (net of current portion):			
Compensated absences	124	3	294
Outstanding claims - self insurance	-	-	35,864
Total long-term liabilities	124	3	36,158
Total liabilities	234	249	49,679
Net Position :			
Net investment in capital assets	4,025	2,225	21,609
Unrestricted	5,657	4,772	54,660
Total net position	$ 9,682	6,997	76,269

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2016
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Operating revenues :					
Charges for services	$ 5,846	12,082	8,445	245	1,201
Total operating revenues	5,846	12,082	8,445	245	1,201
Operating expenses :					
Operations and maintenance	4,693	15,240	4,862	164	2,665
Depreciation	-	-	2,709	111	-
Total operating expenses	4,693	15,240	7,571	275	2,665
Operating income (loss)	1,153	(3,158)	874	(30)	(1,464)
Nonoperating income (expense) :					
Interest income	459	836	422	73	29
Other local taxes	-	-	-	-	1,596
Gain (loss) on disposal of capital assets	-	-	27	-	-
Other income (expense)	3,555	42	603	74	1
Total nonoperating income (expense)	4,014	878	1,052	147	1,626
Income (loss) before transfers	5,167	(2,280)	1,926	117	162
Transfers in	-	-	26	-	-
Transfers out	-	-	-	-	-
Change in net position	5,167	(2,280)	1,952	117	162
Net position, July 1, 2015	12,447	2,939	33,175	3,776	2,135
Net position, June 30, 2016	$ 17,614	659	35,127	3,893	2,297

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION, (concluded)
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2016
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Operating revenues :			
Charges for services	$ 2,751	2,564	33,134
Total operating revenues	2,751	2,564	33,134
Operating expenses :			
Operations and maintenance	2,048	2,483	32,155
Depreciation	447	337	3,604
Total operating expenses	2,495	2,820	35,759
Operating income (loss)	256	(256)	(2,625)
Nonoperating income (expense) :			
Interest income	112	105	2,036
Other local taxes	-	-	1,596
Gain (loss) on disposal of capital assets	-	-	27
Other income (expense)	38	119	4,432
Total nonoperating income (expense)	150	224	8,091
Income (loss) before transfers	406	(32)	5,466
Transfer in	-	-	26
Transfer out	-	(52)	(52)
Change in net position	406	(84)	5,440
Net position, July 1, 2015	9,276	7,081	70,829
Net position, June 30, 2016	$ 9,682	6,997	76,269

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2016
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Cash flows from operating activities :					
Cash received from customers	$ 5,846	12,060	8,473	245	971
Cash paid to suppliers	(3,408)	(8,659)	(3,691)	(139)	(2,914)
Cash paid to employees	-	-	(1,197)	-	(76)
Net cash provided by (used in) operating activities	2,438	3,401	3,585	106	(2,019)
Cash flows from noncapital financing activities :					
Proceeds from other funds	3,555	42	603	74	1,597
Transfers from other funds	-	-	26	-	-
Transfers to other funds	-	-	-	-	-
Net cash provided by noncapital financing activities	3,555	42	629	74	1,597
Cash flows from capital and related financing activities :					
Proceeds from sales of capital assets	-	-	27	-	-
Acquisition and construction of assets	-	-	(2,296)	(200)	(160)
Net cash provided by (used in) capital and related financing activities	-	-	(2,269)	(200)	(160)
Cash flows from investing activities :					
Interest received	433	810	408	73	30
Net cash provided by investing activities	433	810	408	73	30
Net increase (decrease) in cash and cash equivalents	6,426	4,253	2,353	53	(552)
Cash and cash equivalents, July 1, 2015	17,806	37,554	18,801	3,493	1,977
Cash and cash equivalents, June 30, 2016	$ 24,232	41,807	21,154	3,546	1,425

(Continued)

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS, CONTINUED
INTERNAL SERVICE FUNDS
For the Year ended June 30, 2016
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Cash flows from operating activities :			
Cash received from customers	$ 2,759	2,573	32,927
Cash paid to suppliers	(1,190)	(2,341)	(22,342)
Cash paid to employees	(898)	(142)	(2,313)
Net cash provided by (used in) operating activities	671	90	8,272
Cash flows from noncapital financing activities :			
Proceeds from other funds	38	119	6,028
Transfers from other funds	-	-	26
Transfers to other funds	-	(52)	(52)
Net cash provided by noncapital financing activities	38	67	6,002
Cash flows from capital and related financing activities :			
Proceeds from sales of capital assets	-	-	27
Acquisition and construction of assets	33	(476)	(3,099)
Net cash provided by (used in) capital and related financing activities	33	(476)	(3,072)
Cash flows from investing activities :			
Interest received	108	101	1,963
Net cash provided by investing activities	108	101	1,963
Net increase (decrease) in cash and cash equivalents	850	(218)	13,165
Cash and cash equivalents, July 1, 2015	4,831	5,194	89,656
Cash and cash equivalents, June 30, 2016	$ 5,681	4,976	102,821

(Continued)

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2016
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Reconciliation of operating income (loss) to net cash provided by operating activities :					
Operating income (loss)	$ 1,153	(3,158)	874	(30)	(1,464)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :					
Depreciation	-	-	2,709	111	-
(Increase) decrease in accounts receivable	-	(22)	28	-	(230)
(Increase) decrease in inventories	-	-	17	-	-
(Increase) decrease in prepaid items		(17)	(13)	-	-
Increase (decrease) in outstanding claims payable	1,272	6,694	-	-	-
Increase (decrease) in accounts payable	13	(96)	(61)	25	(322)
Increase (decrease) in compensated absences	-	-	31	-	-
Increase (decrease) in deferred revenue	-	-	-	-	(3)
Increase (decrease) in customer deposits	-	-	-	-	-
Total adjustments	1,285	6,559	2,711	136	(555)
Net cash provided by (used in) operating activities	$ 2,438	3,401	3,585	106	(2,019)
Noncash investing, capital, and financing activities :					
Increase (decrease) in fair value of investments	$ 196	345	175	30	13

City Of Burbank

COMBINING STATEMENT OF CASH FLOWS, (concluded)
INTERNAL SERVICE FUNDS

For the Year ended June 30, 2016
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Reconciliation of operating income (loss) to net cash provided by operating activities :			
Operating income (loss)	$ 256	(256)	(2,625)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :			
Depreciation	447	337	3,604
(Increase) decrease in accounts receivable	8	9	(207)
(Increase) decrease in inventories	(17)	-	-
(Increase) decrease in prepaid items	-	255	225
Increase (decrease) in outstanding claims payable	-	-	7,966
Increase (decrease) in accounts payable	(34)	(257)	(732)
Increase (decrease) in compensated absences	11	2	44
Increase (decrease) in deferred revenue	-	-	(3)
Total adjustments	415	346	10,897
Net cash provided by (used in) operating activities	$ 671	90	8,272
Noncash investing, capital, and financing activities :			
Increase (decrease) in fair value of investments	$ 47	42	848

STATISTICAL SECTION (UNAUDITED)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in the statistical section (i.e., data of prior years, nonfinancial data), the section does not fall within the scope of the independent audit.

Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source, electric utility fees.

Demographic – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Statistical Section
(unaudited)

City Of Burbank

Table 1 - Net Position by Component
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

Governmental Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2007-08	679,945	89,024	201,906	970,875
2008-09	688,056	113,038	195,574	996,668
2009-10	690,072	114,205	184,720	988,997
2010-11	561,931	179,919	210,335	952,185
2011-12	750,743	86,936	204,378	1,042,057
2012-13	736,794	59,742	232,353	1,028,889
2013-14	733,756	61,165	216,456	1,011,377
2014-15	692,032	62,827	(36,215)	718,644
2015-16	688,518	63,051	(11,249)	740,320

Business-type Activities :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2006-07	206,962	-	126,564	333,526
2007-08	247,383	-	101,024	348,407
2008-09	272,665	-	93,546	366,211
2009-10	260,770	-	121,593	382,363
2010-11	247,901	12,413	133,194	393,508
2011-12	278,893	-	130,394	409,287
2012-13	287,055	-	138,590	425,645
2013-14	300,256		144,501	444,757
2014-15	298,664	-	74,679	373,343
2015-16	312,885	-	87,055	399,940

Primary Government :

Fiscal Year	Investment in capital assets	Restricted	Unrestricted	Total
2006-07	859,162	95,958	313,877	1,268,997
2007-08	927,328	89,024	302,930	1,319,282
2008-09	960,721	113,038	289,120	1,362,879
2009-10	950,842	114,205	306,313	1,371,360
2010-11	809,832	192,332	343,529	1,345,693
2011-12	1,029,636	86,936	334,772	1,451,344
2012-13	1,023,849	59,742	370,943	1,454,534
2013-14	1,034,012	61,165	360,957	1,456,134
2014-15	990,696	62,827	38,464	1,091,987
2015-16	1,001,403	63,051	75,806	1,140,260

SOURCE : City Financial Services Department

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2012	**2013**	**2014**	**2015**	**2016**
Expenses					
Governmental activities :					
General government	7,437	15,976	12,022	14,600	13,335
Police	48,453	50,557	48,288	48,613	47,318
Fire	31,543	32,743	31,754	29,771	30,174
Public works	39,573	51,496	27,481	39,550	34,119
Community development	68,778	46,976	47,011	44,946	43,219
Parks & recreation	19,803	18,526	19,613	19,241	20,660
Library	6,961	6,736	6,593	6,735	6,919
Extraordinary Gain (Loss)	37,354	-	-	-	-
Interest on long-term debt	13,936	2,955	7,254	3,743	2,943
Total governmental activities expenses	273,838	225,965	200,016	207,199	198,687
Business-type activities :					
Water reclamation & sewer	13,408	13,596	13,556	13,146	13,961
Golf course	2,576	2,460	1,719	753	703
Electric utility	186,279	199,755	211,426	198,286	186,306
Water utility	24,126	25,957	29,529	28,350	28,924
Refuse collection & disposal	14,810	16,172	14,056	14,076	13,871
Total business-type activities expenses	241,199	257,940	270,286	254,611	243,765
Total primary government expenses	515,037	483,905	470,302	461,810	442,452
Program Revenues					
Governmental activities :					
Charges for services					
General government	393	160	160	189	220
Police	3,763	3,729	3,612	3,856	3,784
Fire	3,174	3,691	3,684	3,474	4,383
Public works	1,361	1,354	1,147	2,126	1,896
Community development	11,467	21,399	9,630	10,350	5,862
Parks and recreation	4,188	3,467	3,759	3,817	3,903
Library	184	179	179	188	194
Operating grants and contributions	17,869	19,040	19,214	18,637	19,340
Total governmental activities program revenues	42,399	53,019	41,385	42,637	39,582

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	2012	2013	2014	2015	2016
Business-type activities :					
Charges for services :					
Water reclamation & sewer	15,915	16,606	17,056	17,654	17,321
Golf course	2,005	1,932	887	19	-
Electric utility	202,216	218,712	224,958	212,282	207,850
Water utility	26,682	27,724	31,286	29,068	28,367
Refuse collection & disposal	15,474	16,365	16,302	16,841	16,700
Operating grants and contributions	4,502	1,898	2,639	5,044	886
Capital grants and contributions	1,705	732	891	1,007	4,040
Total business-type activities program revenues	268,499	283,969	294,019	281,915	275,164
Total primary government program revenues	310,898	336,988	335,404	324,552	314,746
Net (expense) / revenue					
Governmental activities	(231,439)	(172,946)	(158,631)	(164,562)	(159,105)
Business-type activities	27,300	26,029	23,733	27,304	31,399
Total primary government net expense	(204,139)	(146,917)	(134,898)	(137,258)	(127,706)

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Assets					
Governmental activities :					
Property tax	46,328	46,499	32,936	37,351	47,113
Sales tax	31,352	32,967	31,657	30,441	34,228
Utility users tax	19,784	20,237	19,905	19,312	19,384
Motor-vehicle in-lieu tax	4,631	5,021	4,919	5,309	9,352
Franchise tax	8,436	8,574	8,819	9,147	-
Transient occupancy tax	5,943	6,548	7,145	7,902	10,595
Transient parking tax	2,821	2,805	2,818	2,846	2,955
Unrestricted investment earnings	9,565	7,802	18,156	13,883	10,052
Other	29,789	17,142	27,025	31,157	35,198
Extraordinary gain on dissolution of redevelopment agency	116,599	-	-	-	-
Transfers	11,651	12,183	12,058	11,084	11,077
Total governmental activities	286,899	159,778	165,438	168,432	179,954
Business-type activities :					
Unrestricted investment earnings	2,358	43	2,939	2,176	3,654
Other	(2,228)	2,469	2,606	3,790	2,621
Transfers	(11,651)	(12,183)	(12,058)	(11,084)	(11,077)
Total business-type activities	(11,521)	(9,671)	(6,513)	(5,118)	(4,802)
Total primary government	275,378	150,107	158,925	163,314	175,152
Change in Net Position					
Governmental activities	89,872	(13,168)	6,807	3,870	20,849
Business-type activities	15,779	16,358	17,220	22,186	26,597
Total primary government	105,651	3,190	24,027	26,056	47,446

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
Expenses					
Governmental activities :					
General government	5,254	6,535	7,731	-	2,649
Police	41,345	43,759	46,718	45,118	43,161
Fire	29,955	33,262	34,426	32,169	31,648
Public works	26,163	25,977	27,365	47,947	55,699
Community development	26,953	37,322	25,917	46,785	70,264
Parks & recreation	19,533	20,945	21,983	30,113	20,363
Library	6,256	6,764	6,968	7,370	7,014
Interest on long-term debt	19,027	19,673	28,087	21,781	21,970
Total governmental activities expenses	174,486	194,237	199,195	231,283	252,768
Business-type activities :					
Water reclamation & sewer	14,573	13,680	13,639	12,714	13,577
Golf course	17,814	19,762	21,208	20,290	2,669
Electric utility	347,122	370,144	270,341	218,051	214,840
Water utility	17,064	20,657	19,831	19,777	22,453
Refuse collection & disposal	12,452	12,461	12,768	13,796	14,117
Total business-type activities expenses	409,025	436,704	337,787	284,628	267,656
Total primary government expenses	583,511	630,941	536,982	515,911	520,424
Program Revenues					
Governmental activities :					
Charges for services					
General government	737	917	1,369	850	101
Police	4,771	4,364	4,483	4,207	3,956
Fire	2,915	3,111	3,208	3,170	3,522
Public works	2,664	2,427	2,142	1,728	1,426
Community development	15,436	10,990	9,152	7,833	16,828
Parks and recreation	3,434	3,606	3,774	3,725	3,918
Library	190	189	193	183	184
Operating grants and contributions	20,238	19,859	19,046	18,404	19,238
Total governmental activities program revenues	50,385	45,463	43,367	40,100	49,173

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
Business-type activities :					
Charges for services :					
Water reclamation & sewer	13,406	13,819	14,171	14,459	14,941
Golf course	17,821	19,316	20,307	19,303	1,769
Electric utility	368,760	382,167	287,589	235,020	225,901
Water utility	19,618	23,224	21,372	22,118	23,281
Refuse collection & disposal	11,075	11,827	13,142	14,332	15,016
Capital grants and contributions	3,181	2,635	2,749	2,659	4,120
Total business-type activities program revenues	433,861	453,179	359,805	308,421	285,028
Total primary government program revenues	484,246	498,642	403,172	348,521	334,201
Net (expense) / revenue					
Governmental activities	(124,101)	(148,774)	(155,828)	(191,183)	(203,595)
Business-type activities	24,836	16,475	22,018	23,793	17,372
Total primary government net expense	(99,265)	(132,299)	(133,810)	(167,390)	(186,223)

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Position
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Position					
Governmental activities :					
Property tax	65,559	69,483	80,079	79,803	66,240
Sales tax	31,904	33,419	30,249	24,948	29,907
Utility users tax	19,505	20,310	20,236	19,908	18,524
Motor-vehicle in-lieu tax	7,801	8,419	8,596	4,212	4,559
Franchise tax	5,073	5,130	5,283	8,760	8,938
Transient occupancy tax	5,691	5,981	5,941	5,273	5,686
Transient parking tax	3,526	3,651	2,978	2,759	2,886
Unrestricted investment earnings	21,283	19,627	10,995	17,631	14,315
Other	2,300	3,522	7,654	7,412	22,389
Transfers	10,721	10,728	11,103	11,667	11,354
Total governmental activities	173,363	180,270	183,114	182,373	184,798
Business-type activities :					
Unrestricted investment earnings	8,479	8,210	3,119	3,771	3,327
Other	1,622	924	201	255	1,706
Transfers	(10,721)	(10,728)	(11,103)	(11,667)	(11,354)
Total business-type activities	(620)	(1,594)	(7,783)	(7,641)	(6,321)
Total primary government	$ 172,743	178,676	175,331	174,732	178,477
Change in Net Position					
Governmental activities	49,262	180,270	27,286	(8,810)	(18,797)
Business-type activities	24,216	(133,893)	14,235	16,152	11,071
Total primary government	73,478	46,377	41,521	7,342	(7,726)

SOURCE : City Financial Services Department

City Of Burbank

Table 3 - Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

Fiscal Year	General Fund Reserved	General Fund Unreserved	Total General Fund	All Other Governmental Reserved	Special Revenue Unreserved	Capital Projects Unreserved	Total All Other Governmental Funds
2006-07	53,469	68,066	121,535	177,775	30,208	46,172	254,155
2007-08	52,837	66,847	119,684	177,011	30,417	38,315	245,743
2008-09	55,422	59,885	115,307	175,959	29,891	60,331	266,181
2009-10	64,841	43,679	108,520	182,572	28,896	59,907	271,375
2010-11	63,113	42,968	106,081	270,658	-	-	270,658

GASB 54 Fund Balance

	General Fund Nonspendable	General Fund Restricted	General Fund Committed	General Fund Assigned	General Fund Unassigned	Total General Fund
2011-12	30,822	107	-	8,538	47,098	86,565
2012-13	46,384	119	-	5,202	43,189	94,894
2013-14	46,451	741	-	2,986	43,312	93,490
2014-15	46,171	1,023	-	2,356	48,320	97,870
2015-16	44,081	1,281	-	3,551	57,097	106,010

	All Other Governmental Nonspendable	All Other Governmental Restricted	All Other Governmental Committed	All Other Governmental Assigned	All Other Governmental Unassigned	Total All Other Governmental Funds
2011-12	352	138,120	19,364	54,744	(542)	212,038
2012-13	12,124	135,103	17,053	29,461	(564)	193,177
2013-14	184	166,474	16,723	30,194	(807)	212,768
2014-15	208	110,217	19,576	29,195	(816)	158,380
2015-16	174	106,781	20,392	29,645	-	156,992

SOURCE : City Financial Services Department

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

	2012	2013	2014	2015	2016
Revenues					
Sales tax	31,352	32,967	31,657	30,441	34,228
Property tax	46,328	46,499	32,936	37,351	47,113
Utility Users tax	19,784	20,237	19,905	19,312	19,384
Other	24,786	13,529	25,692	27,370	14,013
Total Taxes	122,250	113,232	110,190	114,474	114,738
Special Assessments	-	-	-	-	-
Licenses & Permits	4,228	4,373	4,298	5,852	4,929
Fines, forfeitures, and penalties	2,590	2,308	2,110	2,570	2,380
Use of money or property	11,449	5,625	11,447	14,575	7,188
Intergovernmental	26,056	27,617	28,282	31,763	29,639
Charges for services	45,439	38,368	32,049	34,375	31,940
Total revenues	212,012	191,523	188,376	203,609	190,814
Expenditures					
General government	32,607	23,113	12,391	15,640	12,900
Public Safety	77,111	80,070	79,432	80,519	84,953
Environmental	59,325	60,377	53,791	52,005	52,196
Culture and recreation	25,032	23,066	23,358	23,517	24,567
Capital outlay	23,895	38,223	11,840	14,337	14,899
Debt service :					
Principal	15,280	4,500	6,700	53,185	3,670
Other	-	-	-	-	-
Interest	13,939	2,959	6,786	4,041	2,959
Total expenditures	247,189	232,308	194,298	243,244	196,144
Excess of revenues over (under) expenditures	(35,177)	(40,785)	(5,922)	(39,635)	(5,330)
Other financing sources (uses)					
Transfers in	24,462	20,084	17,885	14,867	15,896
Transfers out	(13,070)	(5,451)	(4,307)	(4,294)	(4,793)
Other revenues	-	15,620	28	92	152
Total other financing sources (uses)	11,392	30,253	13,606	10,665	11,255
Extraordinary gain/(loss) on dissolution of Redevelopment agency	(37,354)	-	-	-	-
Net change in fund balances	(61,139)	(10,532)	7,684	(28,970)	5,925
Debt service as a percentage of noncapital expenditures	13.1%	3.8%	7.4%	25.0%	3.7%

SOURCE : City Financial Services Department

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds, Concluded
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

	2007	2008	2009	2010	2011
Revenues					
Sales tax	31,904	$ 33,419	$ 30,249	24,948	29,789
Property tax	65,559	69,483	80,079	79,803	76,308
Utility Users tax	19,505	20,310	20,236	19,908	18,524
Other	13,614	14,124	14,102	13,279	12,230
Total Taxes	130,582	137,336	144,666	137,938	136,851
Special Assessments	234	-	-	-	-
Licenses & Permits	4,802	4,646	4,115	3,680	3,798
Fines, forfeitures, and penalties	3,222	2,617	2,974	2,597	2,340
Use of money or property	18,923	18,220	12,476	16,281	11,232
Intergovernmental	27,467	29,418	28,298	29,056	29,604
Charges for services	33,844	28,356	34,555	29,032	46,766
Total revenues	219,074	220,593	227,084	218,584	230,591
Expenditures					
General government	27,949	33,797	28,172	48,736	40,537
Public Safety	68,758	73,740	76,616	75,205	72,832
Environmental	35,099	35,999	37,573	37,856	60,374
Culture and recreation	25,172	27,349	29,391	30,527	25,213
Capital outlay	23,863	43,602	19,702	18,330	22,552
Debt service :					
Principal	8,456	8,440	8,330	9,115	9,590
Other	592	-	-	-	-
Interest	19,163	19,625	23,035	21,841	22,007
Total expenditures	209,052	242,552	222,819	241,610	253,105
Excess of revenues over (under) expenditures	10,022	(21,959)	4,265	(23,026)	(22,514)
Other financing sources (uses)					
Transfers in	77,806	69,514	48,877	53,290	69,253
Transfers out	(69,850)	(60,369)	(35,729)	(41,276)	(57,399)
Advances from City	-	-	-	-	-
Payment of unfunded actuarial liability	-	-	-	-	-
Bond proceeds	52,325	-	-	-	-
Total other financing sources (uses)	60,281	9,145	13,148	12,014	11,854
Net change in fund balances	70,303	(12,814)	17,413	(11,012)	(10,660)
Debt service as a percentage of noncapital expenditures	15.2%	14.1%	15.4%	13.9%	13.7%

SOURCE : City Financial Services Department

City Of Burbank
Table 5 - Electricity Sold by Type of Customer
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Residential	Commercial	Large Commercial	Industrial	Street Lights/ Traffic	Wholesale	Other
2006-07	36,157	51,897		63,163	2,699	207,259	7,585
2007-08	37,755	79,376		35,142	3,238	220,177	6,479
2008-09	37,726	48,556		68,965	2,791	120,716	3,966
2009-10	37,147	40,797	68,984	-	2,605	75,946	4,641
2010-11	37,326	42,948	68,851	-	2,294	59,200	8,640
2011-12	38,096	43,717	69,331	-	2,325	35,484	4,959
2012-13	41,404	44,617	70,123	-	2,399	44,295	6,628
2013-14	39,910	46,479	68,755	-	2,385	50,151	-
2014-15	43,109	48,980	71,086	-	-	35,691	9,169
2015-16	45,021	49,301	71,761	-	-	27,131	8,931

Source : Burbank Water and Power

City Of Burbank

Table 6 - Electricity Rates
Last ten fiscal years
(Unaudited)

Fiscal Year	Residential	Commercial	Large Commercial
2006-07	0.12782	0.12748	0.10469
2007-08	0.13068	0.12768	0.11255
2008-09	0.13267	0.13279	0.11527
2009-10	0.13506	0.13482	0.11806
2010-11	0.14097	0.14224	0.12516
2011-12	0.14401	0.14319	0.12616
2012-13	0.14710	0.14346	0.12832
2013-14	0.14910	0.14645	0.12810
2014-15	0.15810	0.15590	0.13950
2015-16	0.16160	0.16080	0.14310

Source : Burbank Water and Power

City Of Burbank

Table 7 - Largest Electrical Customers

Per Burbank Water & Power during the fiscal year the top 10 Electric Utility customers consumed 18.3% of total electricity supplied and were billed 17.3% of total electric service revenues.

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type
Last ten fiscal years
(in thousands)
(Unaudited)

	Fiduciary Activities		Governmental Activities		
	Fiduciary				
Fiscal Year	**Community Facilities District Bonds**	**Tax Allocation Bonds**	**Pension Obligation Bonds**	**Revenue Bonds**	**Total Govt'l Activities**
2006-07	6,155		18,840	229,503	248,343
2007-08	6,155		18,500	221,747	240,247
2008-09	6,155		18,070	214,257	232,327
2009-10	5,860		17,545	206,579	224,124
2010-11	5,555		16,915	198,581	215,496
2011-12	5,235		16,175	204,311	220,486
2012-13	4,900		15,315	196,014	211,329
2013-14	4,555	108,366	14,320	95,505	109,825
2014-15	-	91,841	13,185	49,170	62,355
2015-16	-	84,862	11,895	46,790	58,685

Source : Financial Services Department

(Continued)

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type, Concluded
Last ten fiscal years
(in thousands)
(Unaudited)

	Business-Type Activities					
Fiscal Year	**Revenue Bonds**	**Loans**	**Total Bus. Type Activities**	**Total (3) Primary Govt.**	**Pct (1) Personal Income**	**Per Capita (1)**
2006-07	122,613	1,361	123,974	372,317	10.02%	3.51
2007-08	111,902	1,186	113,088	353,335	8.75%	3.27
2008-09	100,808	1,007	101,815	334,142	7.77%	3.09
2009-10	137,762	823	138,585	362,709	7.91%	3.34
2010-11	166,075	634	166,709	382,205	8.97%	3.66
2011-12	160,487	961	161,448	381,934	8.75%	3.66
2012-13	153,446	7,260	160,706	372,035	8.33%	3.54
2013-14	145,605	8,437	154,042	263,867	5.62%	2.50
2014-15	138,867	8,023	146,890	209,245	4.24%	1.97
2015-16	131,993	7,634	139,627	198,312	3.82%	1.89

(1) This ratio is calculated using personal income for two prior calendar years for the prior calendar year.

(2) This ratio is calculated using population for the prior calendar year.

(3) Includes debt in Fidiuciary Trust Fund.

Source : Financial Services Department

City Of Burbank

Table 9 - Ratio of General Bonded Debt Outstanding
Last ten fiscal years
(in thousands)
(Unaudited)

	Outstanding General Bonded Debt				
Fiscal Year	**Revenue Bonds**	**Pension Obligation Bonds**	**Total General Debt**	**Pct. of Assessed Value (1)**	**Per Capita (2)**
2006-07	229,503	18,830	248,333	1.60%	2.30
2007-08	221,747	18,500	240,247	1.42%	2.22
2008-09	214,257	18,070	232,327	1.28%	2.15
2009-10	206,579	17,545	224,124	1.23%	2.07
2010-11	198,581	16,915	215,496	1.18%	2.07
2011-12	204,311	16,175	220,486	1.21%	2.11
2012-13	196,014	15,315	211,329	1.15%	2.00
2013-14	95,505	14,320	109,825	0.58%	1.05
2014-15	49,170	13,185	62,355	0.30%	0.59
2015-16	46,790	11,895	58,685	0.28%	0.56

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

(2) This ratio is calculated using the prior year's population.

Source : Financial Services Department

City Of Burbank

Table 10 - Schedule of Direct and Overlapping Debt
June 30, 2016
(in thousands)
(Unaudited)

City Assessed Valuation	$	20,742,502
Redevelopment Agency Incremental Valuation		6,141,647
Total Assessed Valuation	$	26,884,149

	Percentage Applicable (1)	Outstanding Debt 14/15	Estimated Share of Overlapping Debt
Los Angeles County	1.494%	44,917	671
Burbank Unified School District	100.000%	112,575	112,575
Los Angeles Community College District	2.944%	3,671,000	108,074
Total overlapping debt		3,828,492	221,320
City direct debt :			
Burbank Redevelopment Tax Allocation (2)		131,652	
Pension obligation bonds		11,895	
Total City direct debt			143,547
Total direct and overlapping debt			$ 364,867

Note : (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within City boundaries and dividing it by each unit's total taxable assessed value.

Sources : City Financial Services Department
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City Of Burbank

Table 11 - Legal Debt Margin Information
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt	Legal Debt Margin	Pct (1)
2006-07	2,333,694	218,975	2,114,719	9.38%
2007-08	2,533,836	224,041	2,309,795	8.84%
2008-09	2,719,939	214,817	2,505,122	7.90%
2009-10	2,511,195	208,744	2,302,451	8.31%
2010-11	2,743,065	190,789	2,552,276	6.96%
2011-12	2,723,655	137,674	2,585,981	5.05%
2012-13	2,767,712	131,563	2,636,149	4.75%
2013-14	2,850,211	99,583	2,750,761	3.49%
2014-15	2,877,262	112,235	2,765,027	3.90%
2015-16	3,111,620	72,949	3,038,671	2.34%

(1) Full title : Total net debt applicable to the limit as a percentage of the debt limit

Net assessed value		$ 20,744,136
Debt limit - 15% of assessed value		3,111,620
Amount of debt applicable to debt limit :		
Community facilities district bonds (1)	-	
Redevelopment debt - tax allocation bonds (1)	79,810	
Total	79,810	
Less :		
Reserves in Debt Service funds available for payment of principal :		
Redevelopment debt	6,861	
Total	6,861	
Total amount of debt applicable to debt limit		72,949
Legal debt margin		$ 3,038,671

(1) Reflected in the Fiduciary Trust Fund statements.

Source : City Financial Services Department

City Of Burbank

Table 12 - Pledged Revenue Coverage
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
		ELECTRIC UTILITY FUND			
2006-07	374,340	330,977	43,363	9,304	4.66
2007-08	387,358	354,041	33,317	12,413	2.69
2008-09	289,780	254,484	35,296	8,890	3.97
2009-10	239,870	207,144	32,726	6,418	5.10
2010-11	229,981	201,254	28,727	10,643	2.70
2011-12	209,467	175,748	33,719	6,127	5.50
2012-13	223,176	182,461	40,715	7,603	5.36
2013-14	230,366	194,311	36,055	7,464	4.83
2014-15	219,508	179,878	39,630	7,465	5.31
2015-16	211,450	168,081	43,369	7,469	5.81
		WATER UTILITY FUND			
2006-07	20,385	14,456	5,929	1,098	5.40
2007-08	24,476	17,958	6,518	1,102	5.91
2008-09	21,724	17,047	4,677	1,103	4.24
2009-10	22,913	16,705	6,208	1,102	5.63
2010-11	23,925	19,845	4,080	1,704	2.39
2011-12	27,404	21,085	6,319	2,386	2.65
2012-13	28,125	22,544	5,581	2,381	2.34
2013-14	32,137	25,558	6,579	2,346	2.80
2014-15	29,872	24,558	5,314	2,592	2.05
2015-16	27,542	22,918	4,624	2,593	1.78
		WATER RECLAMATION AND SEWER FUND			
2006-07	14,876	10,273	4,603	2,640	1.75
2007-08	14,984	9,253	5,731	1,421	4.04
2008-09	14,791	9,094	5,697	1,418	4.02
2009-10	15,816	8,630	7,186	1,421	5.06
2010-11	15,342	9,743	5,599	1,414	3.96
2011-12	16,217	9,562	6,655	1,417	4.70
2012-13	16,622	10,408	6,214	1,419	4.38
2013-14	17,961	10,154	7,807	1,422	5.49
2014-15	19,443	9,714	9,729	1,223	7.96
2015-16	18,352	10,466	7,886	1,222	6.45

City Of Burbank

Table 12 - Pledged Revenue Coverage, concluded
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
		REFUSE COLLECTION AND DISPOSAL FUND			
2006-07	12,579	10,820	1,759	1,304	1.35
2007-08	13,194	10,781	2,413	1,302	1.86
2008-09	14,342	11,260	3,082	1,299	2.37
2009-10	15,474	12,359	3,115	964	3.23
2010-11	15,760	13,099	2,661	949	2.80
2011-12	16,564	13,922	2,642	964	2.74
2012-13	17,105	15,708	1,397	557	2.51
2013-14	17,166	13,080	4,086	751	5.44
2014-15	17,743	13,514	4,229	748	5.65
2015-16	17,870	13,782	4,088	759	5.39

TAX ALLOCATION BONDS

Fiscal Year	Tax Increment	Debt Service		Times coverage
		Principal	Interest	
2006-07	42,003	4,408	7,034	3.67
2007-08	44,043	5,050	8,671	3.21
2008-09	53,099	6,215	10,921	3.10
2009-10	53,171	5,280	9,700	3.55
2010-11	50,343	5,550	9,432	3.36
2011-12	24,358	9,685	10,458	1.21
2012-13	22,928	6,120	8,828	1.53
2013-14	22,775	6,445	8,496	1.52
2014-15	10,387	6,365	5,909	0.85
2015-16	19,500	6,805	4,081	1.79

Notes :
(1) Total operating expenses exclude depreciated cost.
(2) Debt service represents cash requirements during the year.
(3) Gross revenues are total operating revenues, interest income, intergovernmental revenues, gain on disposal of fixed assets, and other income.

Source: City Financial Services Department

City Of Burbank

Table 13 - Demographic and Economic Statistics
Last ten fiscal years

(Unaudited)

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2006-07	107,921	3,715,288	34,426	3.9%
2007-08	108,029	4,036,179	37,362	5.9%
2008-09	108,082	4,301,015	39,794	9.2%
2009-10	108,469	4,584,442	42,265	10.0%
2010-11	104,304	4,262,592	40,867	9.7%
2011-12	104,427	4,364,109	41,791	9.0%
2012-13	104,982	4,468,454	42,564	7.5%
2013-14	105,543	4,693,919	44,474	6.6%
2014-15	106,084	4,936,088	46,530	6.1%
2015-16	105,110	5,192,434	49,400	4.3%

Note:
(1) State of California Department of Finance

(2) (3) X (1); In Thousands

(3) Bureau Economic Analysis, Dept. of Commerce. For Los Angeles County.
CA1-3 per capital personal income (Metropolitan divisions)

(4) State of California Economic Development Department.

City Of Burbank

Table 14 - Principal Employers
Current Year and Ten Years Ago

(Unaudited)

		2016		2007	
		Number of Employees	**%**	**Number of Employees**	**%**
1.	Warner Bros. Entertainment	5,000	7.6%	8,093	13.8%
2.	The Walt Disney Company	3,900	5.9%	7,744	13.2%
3.	Providence St. Joseph's Hospital	2,850	4.3%	2,368	4.0%
4.	Bob Hope Airport	2,200	3.4%	2,415	4.1%
5.	Burbank Unified School District	1,800	2.7%	2,002	3.4%
6.	City of Burbank	1,600	2.4%	1,549	2.6%
7.	Deluxe Shared Services	1,540	2.3%	-	0.0%
8.	ABC Inc	951	1.4%	-	0.0%
9.	Nickelodeon Animation	602	0.9%	-	0.0%
10.	Crane Co. Hydro-Aire Division	594	0.9%	-	0.0%
	Other employers	44,565	67.9%	34,529	58.8%
	(1)	65,602	100.0%	58,701	100.0%

Source : City of Burbank Economic Development Department.

(1) The total employees includes all employees in agencies which are required to report their employee counts to the City. Non-profit agencies are not required to report this information.

City Of Burbank

Table 15 - Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30, 2016	2015	2014	2013	2012
General government	165	145	161	163	161
Police	271	266	265	265	265
Fire	136	135	135	137	139
Public works	111	108	128	129	131
Community development	51	49	75	81	97
Parks and recreation	231	222	160	157	154
Library	65	63	63	63	62
Water Reclamation and Sewer	11	11	11	11	11
Electric Utility	286	286	286	286	288
Water Utility	53	51	51	51	51
Refuse Collection & Disposal	56	55	55	55	54
	1,436	1,391	1,390	1,398	1,413

	2011	2010	2009	2008	2007
General government	166	166	169	165	164
Police	268	271	279	273	270
Fire	139	139	143	141	137
Public works	136	144	146	144	144
Community development	93	82	86	84	83
Parks and recreation	158	178	179	174	174
Library	64	67	69	69	67
Water Reclamation and Sewer	12	12	12	11	11
Electric Utility	288	278	275	275	273
Water Utility	51	50	50	50	48
Refuse Collection & Disposal	49	48	46	46	46
	1,424	1,435	1,454	1,432	1,417

(1) For years prior to 2008, only full-time employees are shown.

Source : City Financial Services Department

City Of Burbank

Table 16 - Operating Indicators by function, concluded
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2016	**2015**	**2014**	**2013**	**2012**
Police :					
Arrests	5,155	5,601	5,802	5,628	5,443
Reports taken	13,016	11,848	12,221	12,387	12,359
Service calls	47,432	44,663	44,355	44,889	44,889
Animals entering shelter (1)	2,013	2,220	2,630	2,504	2,839
Moving violations issued	12,019	15,377	13,703	14,445	13,337
Fire :					
Safety employees	135	125	120	123	115
Fire incidents	1,331	1,221	1,221	1,218	1,260
Medical incidents	8,759	7,818	7,818	7,818	7,457
Community Development :					
Building permits	4,372	4,060	4,428	5,749	4,388
Business licenses/business permits (3)	965	938	1,026	1,005	1,020
Business tax registrations	12,903	13,043	12,791	12,620	12,333
Parks and Recreation :					
Number of street trees	28,532	28,505	28,631	28,788	28,758
Sports participants	15,709	15,230	17,290	15,507	17,540
Afterschool and daycamp participants	4,935	13,924	13,716	15,140	14,825
Special interest participants	11,000	11,004	11,416	13,258	11,585
Burbank bus ridership (2)	330,103	317,178	332,232	351,724	359,092
RSVP volunteer hours served	138,407	119,955	178,000	178,000	178,000
Library :					
Number of books	438,872	480,374	548,494	531,253	512,118
Number of audiovisual recordings	88,869	85,482	87,254	82,415	76,981
Water Reclamation & Sewer :					
Customer accounts (4)	47,529	47,371	47,242	55,883	48,044
Electric Utility :					
Number of meters	53,153	54,086	53,130	52,788	52,766
Generating capacity (KW)	225,000	225,000	225,000	211,000	211,000
Peak demand (KW)	309,000	316,000	266,000	294,000	305,000
Water Utility :					
Number of meters	26,820	27,003	26,880	26,853	26,815
Average daily gallons used	12,095	14,694	17,796	17,117	16,856
Refuse collection & Disposal :					
Customer accounts	50,728	49,853	48,996	48,331	53,536
Golf Course :					
Rounds of full golf	51,200	56,000	55,000	56,782	58,357
Rounds of 3 par golf	7,852	13,000	14,000	15,100	16,624

(continued)

City Of Burbank

Table 16 - Operating Indicators by function, concluded
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2011	**2010**	**2009**	**2008**	**2007**
Police :					
Arrests	5,492	7,417	8,674	9,076	8,879
Reports taken	11,953	12,209	13,559	13,667	13,667
Service calls	42,566	39,966	44,621	46,809	47,003
Animals entering shelter (1)	2,879	3,068	3,081	2,605	2,870
Moving violations issued	13,127	17,450	14,800	13,856	15,875
Fire :					
Safety employees	125	125	123	125	121
Fire incidents	1,243	1,293	1,348	1,554	1,447
Medical incidents	7,568	7,418	7,136	7,146	7,076
Community Development :					
Building permits (3)	3,978	3,601	3,958	4,713	4,864
Business licenses	799	2,000	2,000	700	790
Business tax registrations	11,757	14,000	15,000	16,534	16,311
Parks and Recreation :					
Number of street trees	28,656	28,643	28,670	29,000	28,489
Sports participants	17,619	16,489	16,326	15,837	16,214
Afterschool and daycamp participants	11,640	11,892	11,008	17,005	5,740
Special interest participants	7,871	8,718	10,362	10,545	10,500
Burbank bus ridership (2)	392,637	520,372	611,184	529,813	459,626
RSVP volunteer hours served	189,000	187,875	221,926	136,674	180,402
Library :					
Number of books	482,490	433,975	432,817	456,553	440,232
Number of audiovisual recordings	71,148	69,802	64,288	56,555	42,566
Water Reclamation & Sewer :					
Customer accounts (4)	47,690	47,413	57,526	56,499	56,335
Electric Utility :					
Number of meters	52,627	51,796	51,384	51,338	51,310
Generating capacity (KW)	225,000	225,000	225,000	225,000	225,000
Peak demand (KW)	322,000	286,000	289,000	308,000	285,000
Water Utility :					
Number of meters	26,792	26,506	26,486	26,455	26,391
Average daily gallons used	21,980	18,854	23,367	22,410	20,470
Refuse collection & Disposal :					
Customer accounts	51,650	50,132	47,212	29,000	30,659
Golf Course :					
Rounds of full golf	52,185	60,933	59,605	65,472	61,020
Rounds of 3 par golf	17,108	21,775	22,311	24,296	23,980

(1) For years 2006 and after, includes dogs and cats.
(2) For years 2000-2013 includes Got Wheels program. Got Wheels Program was discontinued in 2013. Includes Parks & Recreation Summer Camps and Management Services Summer programs provided with Got Wheels Vehicles.
(3) For years 2009 and after, includes business licenses and business permits. For years 2008 and before, includes only business licenses.
(4) For years 2007, 2008 and 2009 the figure shows how many distinct customers were billed at one time for sewer during the year.
(5) 2011 and prior amount provided in hundred cubic feet.

City Of Burbank

Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2016	**2015**	**2014**	**2013**	**2012**
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	368	368	368	368	368
Street lights	9,335	9,180	9,148	9,133	9,008
Miles of storm drains	63	63	63	61	61
Signalized intersections	196	196	196	196	196
Parks and Recreation :					
Number of parks	28	28	28	28	28
Swimming pools	2	2	2	2	2
Tennis courts	21	21	21	21	21
Ballfields	13	13	15	15	15
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	225	225	225	223	223
Electric Utility :					
Transmission & distribution lines (miles)	421	419	420	405	419
Water Utility :					
Miles of water mains	280	280	280	280	280

(continued)

City Of Burbank

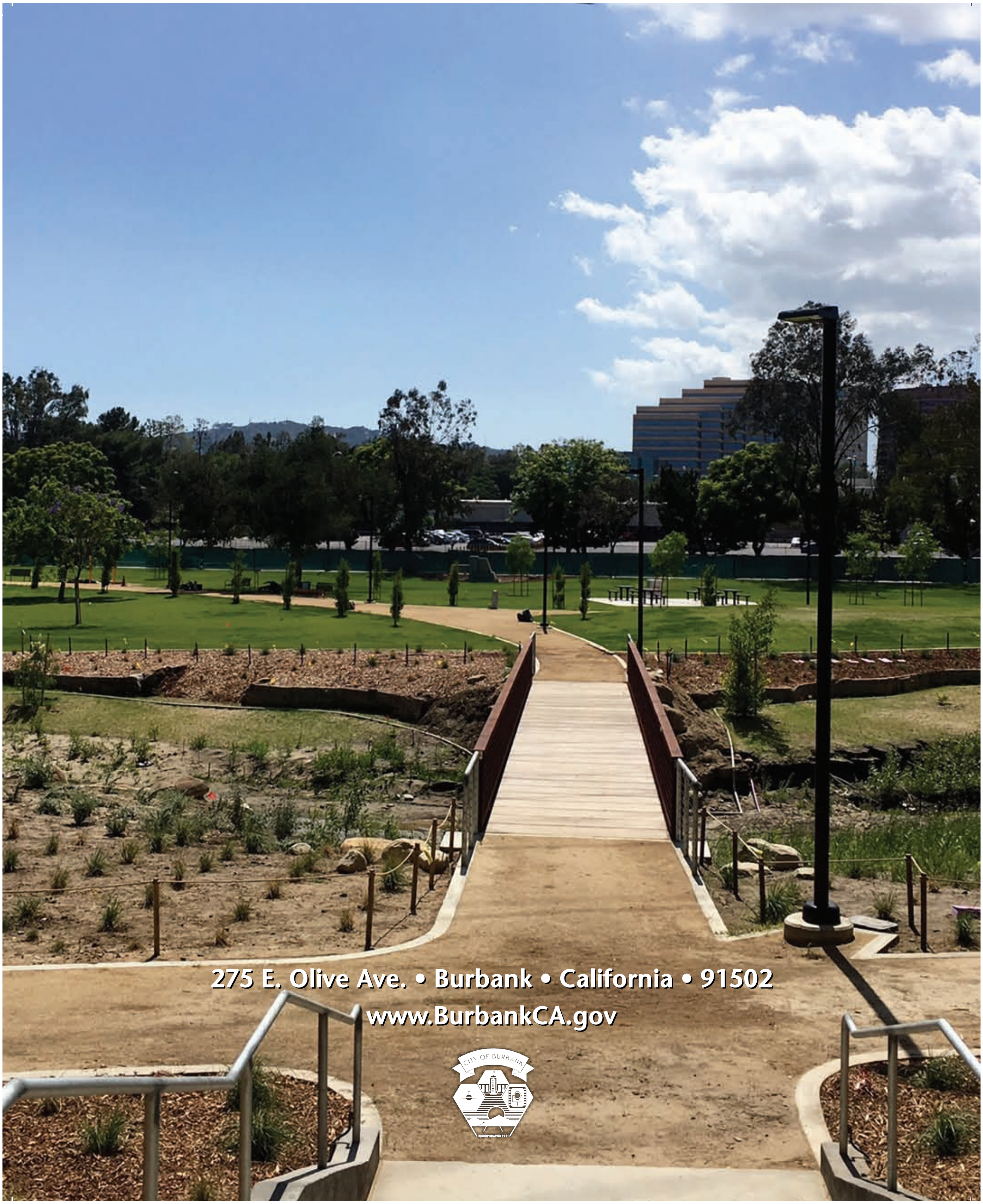
Table 17 - Capital Asset Statistics, concluded
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2010	**2009**	**2008**	**2007**	**2006**
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	367	367	367	367	366
Street lights	9,419	9,383	9,238	9,184	9,184
Miles of storm drains	61	61	61	61	61
Signalized intersections	194	190	183	183	183
Parks and Recreation :					
Number of parks	27	26	25	25	25
Swimming pools	2	2	2	2	2
Tennis courts	24	24	24	24	24
Ballfields	16	16	16	16	16
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	223	223	223	223	223
Electric Utility :					
Transmission & distribution lines (miles)	356	356	410	410	410
Water Utility :					
Miles of water mains	280	278	278	278	277

City Of Burbank

Table 18 - Schedule of Credits
June 30, 2016
(Unaudited)

Cindy Giraldo	
Financial Services Director	General Overview
	Management's discussion & analysis
	Letter of Transmittal
Carrie Matson	
Deputy Financial Services Director	General Overview
	Management's discussion & analysis
	Letter of Transmittal
Dino Balos, CPA	
Accounting and Auditing Manager	General Overview
	Management's discussion & analysis
	Letter of Transmittal
	Audit Coordination
	Enterprise Funds
Heidi Okimoto,	
Principal Accountant	Governmental Funds :
	General Fund
	General City Capital Projects Fund
	Notes to Financial Statements
Angela O'Connor,	
Senior Accountant	Sucessor Agency - Private Purpose Trust Fund
	Redevelopment Capital Projects & Debt Service Funds
	Public Financing Authority
	Internal Service Funds
	Special Revenue Funds
	Notes to Financial Statements
Eva Felipe	
Accountant	Projects
	Enterprise Funds
Monina Marin	
Accountant	Special Revenue Funds
	Bank Reconciliations
	Inventory
	Notes to Financial Statements
Craig Wood,	
Financial Systems Manager	Systems Programming
	Grant Activity Report (Single Audit)
Cathy Jaramillo	
Account Clerk	Bond Cash Reconciliations
	Nutrition Accounting
Jonathan Mendoza	
Accountant	Letter of Transmittal
	Fixed Assets Accounting
	Statistical Section
Mike McDaniel,	
Reprographics Supervisor	Reprographic Services
Cassidy Allen,	
Graphic Illustrator	Cover photos and design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CITY OF BURBANK

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APPENDIX F

CITY OF BURBANK SUPPLEMENTAL INFORMATION

*The following information concerning the City of Burbank (the "**City**") and surrounding areas is included only for the purpose of supplying general information regarding the community. The 2017 Bonds are not a debt of the City, County of Los Angeles (the "**County**"), the State of California (the "**State**") or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

General

The City is located in the greater metropolitan Los Angeles area, approximately 12 miles northeast of the Los Angeles Civic Center complex. The economy represents a diverse blend of commercial and residential development. The City is the home of several major entertainment industry firms, including Warner Brothers and Walt Disney Company. The City is a mature community that experienced very little population growth in the later 1970's, modest population growth in the early 1980's, and slightly faster population growth in the late 1980's and early 1990's. See "Population" below.

Population

The following table shows population estimates for the City, the County and the State for the past five years as of January 1.

CITY OF BURBANK, LOS ANGELES COUNTY
Population Estimates

Area	2013	2014	2015	2016	2017
City of Burbank	104,739	105,019	105,207	105,046	105,033
Los Angeles County	10,021,318	10,089,847	10,150,617	10,182,961	10,241,278
State of California	38,238,492	38,572,211	38,915,880	39,189,035	39,523,613

Source: State of California, Department of Finance.

Employment and Industry

The seasonally adjusted unemployment rate in the County declined over the month to 4.5% in April 2017 from a revised 4.6% in March 2017 and was below the rate of 5.3% one year ago. Civilian employment increased by 24,000 to 4,872,000 in April 2017, while unemployment declined by 5,000 to 231,000 over the month. The civilian labor force increased by 19,000 over the month to 5,103,000 in April 2017. (All of the above figures are seasonally adjusted.) The unadjusted unemployment rate for the County was 4.1% in April 2017.

The City is included in the Los Angeles–Long Beach–Glendale Metropolitan Division. The following table summarizes the civilian labor force, employment and unemployment in the County for the calendar years 2012 through 2016. These figures are county-wide statistics and may not necessarily accurately reflect employment trends in the City. The table below lists employment by industry group for the Los Angeles-Long Beach-Glendale Metropolitan Division for the past five years for which data is available.

LOS ANGELES-LONG BEACH-GLENDALE METROPOLITAN DIVISION
(LOS ANGELES COUNTY)
Civilian Labor Force, Employment and Unemployment
(Annual Averages)
March 2016 Benchmark

	2012	2013	2014	2015	2016
Civilian Labor Force	4,915,300	4,967,000	5,006,800	5,000,600	5,043,300
Employment	4,378,400	4,482,100	4,593,900	4,668,200	4,778,800
Unemployment	536,900	485,000	412,900	332,400	264,500
Unemployment Rate	10.9%	9.8%	8.2%	6.6%	5.2%
Wage and Salary Employment: (1)					
Agriculture	5,400	5,500	5,200	5,000	5,300
Mining and Logging	4,300	4,500	4,300	3,900	3,600
Construction	107,600	114,600	118,500	126,200	133,100
Manufacturing	373,300	374,400	370,000	366,800	360,400
Wholesale Trade	211,900	218,700	222,500	225,700	227,000
Retail Trade	400,900	405,600	413,000	419,200	422,300
Trans., Warehousing, Utilities	154,500	157,500	163,400	171,500	180,600
Information	192,100	197,000	198,800	207,500	230,900
Financial and Insurance	140,200	138,300	134,500	135,600	138,100
Real Estate, Rental & Leasing	72,200	74,700	76,700	80,000	81,700
Professional and Business Services	564,100	586,900	593,300	595,500	605,200
Educational and Health Services	699,500	702,100	720,700	741,100	767,400
Leisure and Hospitality	415,800	440,500	466,600	489,100	510,500
Other Services	141,700	145,700	150,500	151,000	153,400
Federal Government	48,100	47,200	46,700	47,400	47,800
State Government	83,100	83,600	85,300	87,400	89,900
Local Government	425,600	420,500	424,200	433,700	438,600
Total All Industries (2)	4,040,300	4,117,200	4,193,900	4,286,500	4,395,700

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) May not add due to rounding.
Source: State of California Employment Development Department.

Employment

The table below lists the major employers in the County. Major private employers in the Los Angeles area include those in aerospace, health care, entertainment, electronics, retail and manufacturing. Major public sector employers include public universities and schools, the State and the County.

COUNTY OF LOS ANGELES
Major Employers
(Listed Alphabetically)
June 2017

Employer Name	Location	Industry
AHMC Healthcare Inc	Alhambra	Health Care Management
American Honda Motor Co Inc	Torrance	Automobile-Manufacturers
Cedar Sinai Medical Ctr	West Hollywood	Hospitals
Century Plaza Towers	Los Angeles	Office Buildings & Parks
Edd	Los Angeles	State Government-General Offices
Gov Republic of New Lemuria	Not Available	Government Offices-Us
Infineon Technologies Americas	El Segundo	Semiconductor Devices (mfrs)
Kaiser Permaente LA Med Ctr	Los Angeles	Hospitals
LAC & Usc Medical Ctr	Los Angeles	Hospitals
Long Beach City Hall	Long Beach	Government Offices-City, Village & Twp
Los Angeles County Sheriff	Monterey Park	Government Offices-County
Los Angeles Police Dept	Los Angeles	Police Departments
Nestle USA Inc	Glendale	Food Facilities (whls)
Paramount Petroleum Corp	Paramount	Asphalt & Asphalt Products-Manufacturers
Paramount Pictures Corp	Los Angeles	Motion Picture Producers & Studios
Security Industry Specialist	Culver City	Security Systems Consultants
Six Flags	Valencia	Amusement & Theme Parks
Sony Pictures Entertainment	Culver City	Motion Picture Producers & Studios
Torrid	City Of Industry	Women's Apparel-Retail
UCLA	Los Angeles	Schools-Universities & Colleges Academic
UCLA Health System	Los Angeles	Physicians & Surgeons
University of Ca Los Angeles	Los Angeles	Schools-Universities & Colleges Academic
Vxi Global Solutions	Los Angeles	Call Centers
Walt Disney Co	Burbank	Motion Picture Producers & Studios
Warner Bros Studio	Burbank	Television Program Producers

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2017 2nd Edition.

The following table lists the City's top 10 major employers.

CITY OF BURBANK
Top 10 Major Employers
June 30, 2016

Business Name	No. of Employees
Warner Bros. Entertainment	5,000
The Walt Disney Company	3,900
Providence St. Joseph's Hospital	2,850
Bob Hope Airport	2,200
Burbank Unified School District	1,800
City of Burbank	1,600
Deluxe Shared Services	1,540
ABC Inc.	951
Nickelodeon Animation	602
Crane Co. Hydro-Aire Division	594

Source: City of Burbank Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016.

Construction Trends

Provided below are the building permits and valuations for the City for calendar years 2012 through 2016.

CITY OF BURBANK
New Construction
(Dollars in Thousands)

	2012	2013	2014	2015	2016
Permit Valuation					
New Single-family	$3,621.6	$5,181.3	$8,318.1	$2,209.5	$5,092.6
New Multi-family	4,967.0	0.0	1,097.4	6,333.9	58,188.0
Res. Alterations/Additions	17,550.1	15,676.2	17,746.3	22,180.6	26,595.0
Total Residential	26,138.7	20,857.7	27,161.8	30,724.0	89,875.6
New Commercial	39,753.2	2,412.8	108,646.4	16,655.6	11,261.0
New Industrial	59,945.6	254.4	0.0	2,275.0	0.0
New Other	0.0	747.1	25,498.0	24,800.4	6,881.0
Com. Alterations/Additions	31,419.4	40,094.3	52,744.6	39,731.8	86,666.3
Total Nonresidential	131,118.2	43,508.6	186,889.0	83,462.8	104,808.3
New Dwelling Units					
Single Family	6	7	22	5	15
Multiple Family	20	0	5	20	251
TOTAL	26	7	27	25	266

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during the calendar year 2015 in the City were reported to be $2,726,975,000, a 0.4% decrease over the total taxable sales of $2,737,253,000 reported during the calendar year 2014. Figures for calendar year 2016 are not yet available.

CITY OF BURBANK
Taxable Transactions
(Dollars in Thousands)

Year	Retail Permits on July 1	Retail Stores Taxable Transactions	Total Permits on July 1	Total Outlets Taxable Transactions
2011	2,368	$2,018,393	3,934	$2,678,390
2012	2,315	2,030,869	3,851	2,716,027
2013	2,347	2,049,260	3,849	2,700,240
2014	2,495	2,118,051	4,004	2,737,253
2015	2,602	2,120,371	4,475	2,726,975

Source: State of California, Board of Equalization.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and non-tax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2012 through 2016.

COUNTY OF LOS ANGELES
Effective Buying Income
2012 through 2016

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2012	City of Burbank	$2,791,428	$49,139
	Los Angeles County	210,048,048	44,384
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Burbank	$2,788,468	$51,226
	Los Angeles County	205,133,995	45,013
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Burbank	$2,901,243	$52,953
	Los Angeles County	214,247,274	46,449
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Burbank	$3,117,543	$55,912
	Los Angeles County	214,247,274	46,449
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2016	City of Burbank	$3,274,292	$58,339
	Los Angeles County	243,502,324	50,236
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

Source: The Nielsen Company (US), Inc.

APPENDIX G

FISCAL CONSULTANT'S REPORT

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SUCCESSOR AGENCY
TO THE
REDEVELOPMENT AGENCY OF THE CITY OF BURBANK

Golden State Redevelopment Project, City Centre Redevelopment Project,
South San Fernando Redevelopment Project and
West Olive Redevelopment Project

PROJECTED TAXABLE VALUES AND
ANTICIPATED TAX INCREMENT REVENUES

September 12, 2017

I. Introduction

The Successor Agency to the Redevelopment Agency of the City of Burbank Tax Allocation Refunding Bonds, Series 2017 (the "2017 Bonds"), are being issued by the Successor Agency to the Redevelopment Agency of the City of Burbank (the "Successor Agency") pursuant to the provisions of section 34177.5 of the California Health and Safety Code and section 53580 et seq. of the California Government Code, a resolution adopted by the Successor Agency and an indenture of trust, dated as of April 1, 2015, by and between the Successor Agency and Wells Fargo Bank, N.A., as trustee (the "Trustee"), as supplemented and amended by a first supplemental indenture of trust, dated as of November 1, 2017, by and between the Successor Agency and the Trustee to (a) refund the outstanding par amount of the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Refunding Bonds, 1993 Series A, the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Tax Allocation Bonds, 2003 Series A, and the Redevelopment Agency of the City of Burbank Golden State Redevelopment Project Subordinated Tax Allocation Bonds, Issue of 1993(collectively the "Prior Agency Bonds"), which secure the Burbank Public Financing Authority Revenue Bonds, 2007 Series A (Golden State Redevelopment Project) (the "2007A Authority Bonds"), (b) fund a debt service reserve fund for the 2017 Bonds, and (c) provide for the costs of issuing the 2017 Bonds.

The Successor Agency issued its Tax Allocation Refunding Bonds, Series 2015 (the "2015 Bonds) to provide for the refunding and repayment, as applicable, of (a) the 2002 West Olive Loan Agreement, (b) a portion the 1993 Golden State Bonds, (c) the 2003 San Fernando Bonds, (d) the 1993 City Centre Bonds, and (e) the 2006 CFD Agency Note. The 2017 Bonds are issued on parity with the 2015 Bonds.

The 2017 Bonds are special obligations of the Successor Agency and debt service on the 2017 Bonds is payable from the pledged Tax Revenues and amounts held in the Special Fund and the Redemption Fund, and the Successor Agency is not obligated to pay them except from the Tax Revenues and amounts held in the Special Fund and the Redemption Fund. The 2015 Bonds and the 2017 Bonds are equally secured by a pledge of, and charge and lien upon, the Tax Revenues and amounts held in the Special Fund and other funds and accounts as provided in the indenture and such amounts constitute a trust fund for the security and payment of the interest on and the principal of the 2015 Bonds and the 2017 Bonds. The 2017 Bonds are not a debt of the City of Burbank (the "City"), the State of California or any of its political subdivisions (other than the Successor Agency), and neither said City, said State nor any of its political subdivisions (other than the Successor Agency) is liable therefor, nor in any event shall the 2017 Bonds be payable out of any funds or properties other than those of the Successor Agency.

On June 29, 2011, the California Legislature approved and the Governor signed Assembly Bill x1 26 (AB x 1 26), which generally dissolved redevelopment agencies statewide as of February 1, 2012. The bill was challenged by a suit filed before the California Supreme Court, but was upheld by the Court on December 29, 2012. On June 27, 2012 Assembly Bill 1484 ("AB 1484") was signed into law, modifying and supplementing ABx1 26. In accordance with Section 34177.5(g) of the California Health and Safety Code, the Successor Agency bonds shall be considered indebtedness incurred by the dissolved redevelopment agency, with the same legal effect as if the bonds, indebtedness, financing agreement, or amended enforceable obligation had been issued, incurred, or entered into prior to June 29, 2011, in full conformity with the applicable provisions of the California Community Redevelopment Law (being Part 1 of Division 24 of the Health and Safety Code and is being referred to herein as the "Law") that existed prior to that date, shall be included in the successor agency's Recognized Obligation Payment Schedules (the "ROPS"), and shall be secured by a pledge of, and lien on, and shall be repaid from moneys deposited from time to time in the Redevelopment Property Tax Trust Fund (the "RPTTF") , as more fully described in the indenture.

The Successor Agency's Project Areas include the Golden State Redevelopment Project, the City Centre Redevelopment Project, the South San Fernando Redevelopment Project and the West Olive Redevelopment Project. When referred to together, the "Burbank Redevelopment Projects." The Law provides for the creation of redevelopment agencies by cities and counties for the purpose of the elimination of blight. The Law, together with Article 16, Section 16 of the California Constitution, authorizes redevelopment agencies to receive that portion of property tax revenue generated by project area taxable values that are in excess of the "Base Year" value. The Base Year value is defined as the amount of the taxable values within the project area boundaries on the last equalized tax roll prior to adoption of the project area. The amount of current year taxable value that is in excess of the Base Year value is referred to as incremental taxable value. Tax revenues generated from the incremental taxable value are generally referred to as "Tax Increment Revenues". The Law provides that the Tax Increment Revenues may be pledged by the redevelopment agency to the repayment of agency indebtedness.

In this report, Tax Increment Revenues with the addition of Unitary Tax Revenue (see Section IV, Allocation of State Assessed Unitary Taxes) are referred to as Gross Tax Revenues. Tax Revenues are defined as Gross Tax Revenues less the SB 2557 County Administrative fees and collection charges (see Section IV, County Collection Charges); and, tax sharing payments that have a lien on Tax Revenues that is superior to the lien on Tax Revenues of debt service on the 2017 Bonds (see Section VII, Tax Sharing Agreements and Other Obligations).

The purpose of this fiscal consultant report (the Report) is to examine the assessed values of the current fiscal year and project for the term of the 2017 Bonds the amount of tax increment revenues anticipated to be received by the Successor Agency from each of the component project areas. The amount of the Tax Revenues available for the payment of debt service on the 2017 Bonds is also affected by prior obligations undertaken by the Successor Agency. Based on our research, we project that the Tax Revenues for the current fiscal year and the subsequent nine that will be pledged to the payment of debt service on the 2017 Bonds will be as shown in Table A below. Projected Tax Revenues for the full term of the 2017 Bonds are shown in Table 2 of the tables appended to this Report.

Table A
Burbank Redevelopment Projects Tax Revenues
(000's omitted)

Fiscal Year	Gross Tax Revenue	SB 2557 Admin. Fee	Negotiated Pass Through Agreements	Statutory Pass Through Payments	Tax Revenues
2017-18	**$63,551**	($840)	($5,206)	($3,490)	**$54,016**
2018-19	**62,878**	(831)	(5,308)	(3,466)	**53,273**
2019-20	**63,978**	(845)	(5,412)	(3,581)	**54,139**
2020-21	**65,100**	(860)	(5,519)	(3,699)	**55,022**
2021-22	**66,244**	(875)	(5,627)	(3,819)	**55,923**
2022-23	**67,412**	(891)	(5,738)	(3,942)	**56,842**
2023-24	**68,603**	(906)	(5,851)	(4,067)	**57,779**
2024-25	**69,817**	(923)	(5,966)	(4,194)	**58,734**
2025-26	**71,056**	(939)	(6,084)	(4,324)	**59,709**
2026-27	**72,320**	(956)	(6,203)	(4,457)	**60,704**

The taxable values of property and the resulting Tax Revenues for the Burbank Redevelopment Projects summarized above are reflected on Tables 1 and 2 of the projections (attached). These projections are based on assumptions determined by our review of the taxable value history of the component project areas, the property tax assessment and property tax apportionment procedures of Los Angeles County (the County); the estimated reductions of value from pending assessment appeal and transfers of ownership that will impact projected values. The projection illustrates the entire amount of Tax Revenues projected as being available from each component area of the Burbank Redevelopment Projects. Future year assessed values and Tax Revenues are projections based upon the assumptions described in this Report, and are not guaranteed as to accuracy. This Report is not to be construed as a representation of such by HdL Coren & Cone.

II. The Project Areas

Golden State Redevelopment Project

The Golden State Redevelopment Project was adopted on December 22, 1970 by Ordinance No. 2269 and consists of a single contiguous area including approximately 1,107 acres. The project area includes the Bob Hope Airport and the surrounding areas adjacent to the Interstate 5, the Golden State Freeway. Golden State is generally bounded by the Burbank city limits on the west and north, the Metrolink railroad right-of-way on the south and Interstate 5 on the east. The project area is made up of a total of 412 secured parcels. For fiscal year 2017-18, the taxable value within the Golden State Redevelopment Project is $3,236,228,659 and the incremental value is $2,921,166,622.

City Centre Redevelopment Project

The City Centre Redevelopment Project was adopted on October 26, 1971 by Ordinance No. 2315 and consists of a single contiguous area that includes 212 acres. The project area contains the City Hall and other City buildings and the Burbank Town Center Mall. The project area is mostly commercial in nature but includes a substantial number of residential parcels. There are 461 secured parcels within City Centre. The project area is generally bounded by Interstate 5 on the south, Glenoaks Boulevard on the north;

Verdugo Avenue on the east and Burbank Boulevard on the west. For fiscal year 2016-17, the taxable value within the City Centre Redevelopment Project is $1,222,391,894 and the incremental value is $1,184,180,154.

South San Fernando Redevelopment Project

The South San Fernando Redevelopment Project was adopted on June 17, 1997 by Ordinance No. 3468 and consists of a single contiguous area that includes 467 acres. The project area consists primarily of commercial and industrial parcels with very little residential use. There are 597 secured parcels within South San Fernando. The project area has a very irregular boundary. The project area abuts the eastern City limits and follows the Interstate 5 corridor from Burbank Boulevard to the southeast. For fiscal year 2017-18, the taxable value within the South San Fernando Redevelopment Project is $1,126,237,193 and the incremental value is $778,965,386.

West Olive Redevelopment Project

The West Olive Redevelopment Project was adopted on December 21, 1976 by Ordinance No. 2590 and consists of a single area located on both sides of State Route 134 at West Olive Avenue. The project area totals 128 acres. The project area contains a total of 148 secured parcels with most being commercial or industrial in use. Within the project area are several large movie, radio and television studio properties as well as the Providence Saint Joseph Medical Center. For fiscal year 2017-18, the taxable value within the West Olive Redevelopment Project is $1,475,258,543 and the incremental value is $1,425,815,350.

Table B below reflects the 2017-18 assessed values, base year values and incremental values for the component project areas.

Table B
Fiscal Year 2017-18 Assessed Values and Incremental Values
by Component Project Area

Component Project Area	2017-18 Assessed Value	Base Year Value	Incremental Value	Inc. Revenue @ 1%
Golden State Project	$3,236,228,659	$315,062,037	$2,921,166,622	$29,211,666
City Centre Project	1,222,391,894	38,211,740	1,184,180,154	11,841,802
South San Fernando Project	1,126,237,193	347,271,807	778,965,386	7,789,654
West Olive Project	1,475,258,543	49,443,193	1,425,815,350	14,258,154
Totals:	**$7,060,116,289**	**$749,988,777**	**$6,310,127,512**	**$63,101,276**

A. Land Use

Table C represents the breakdown of land use in the Burbank Redevelopment Projects by the number of parcels and by assessed value for fiscal year 2017-18. Unsecured and SBE non-unitary values are associated with parcels that are already accounted for in other categories. Institutional land uses include various uses such as churches, hospitals, senior housing, and charitable organizations. Cross Reference uses reflects possessory interest values assigned by the County Assessor in recognition of 90 long term leaseholds of property. Many of these relate to leases of property owned by the City at or near the Burbank Airport. It should be noted that the figures below include the net taxable value for all parcels. This information is based on County land use designations as provided by the County.

Table C
Burbank Redevelopment Projects
Land Use Summary

Category	No. Parcels	Net Taxable Value	% of Total
Residential	377	$ 408,986,050	5.79%
Commercial	519	3,322,046,286	47.05%
Industrial	601	1,227,120,751	17.38%
Government Owned	3	68,650,666	0.97%
Institutional	9	25,114,081	0.36%
Recreational	6	68,141,127	0.97%
Vacant Land	101	130,715,321	1.85%
Exempt	192	0	0.00%
Subtotals:	**1,810**	**$5,250,774,282**	**74.37%**
SBE Non-unitary		1,475,145	0.02%
Cross Reference		168,966,972	2.39%
Unsecured		1,638,907,890	23.21%
Subtotals:		**$1,809,350,007**	**25.63%**
Totals:	**1,810**	**$7,060,124,289**	**100.00%**

The vacant parcels within the Burbank Redevelopment Projects that are not owned by governmental entities total 40.74 acres according to Assessor's maps and other County records. The following Table D breaks down the non-governmental owned vacant parcels for each of the component project areas.

Table D
Non-Government Owned Vacant Land Summary

	No. Vacant Parcels	Net Taxable Value	Acres
Golden State Project	21	$21,762,820	14.56
City Centre Project	8	3,354,399	1.89
South San Fernando Project	33	41,240,448	18.67
West Olive Project	34	62,327,011	5.62
Totals	**96**	**$128,684,678**	**40.74**

B. Former Redevelopment Plan Limits

Chapter 942, Statutes of 1993 (See Section VI B below), as codified in Section 33333.6 of the Law, limited the life of redevelopment plans adopted prior to January 1, 1994 to 40 years from the date of adoption or January 1, 2009, whichever was later. It also limited the period within which a redevelopment project area was allowed to receive tax increment to the life of the redevelopment plan plus ten years beyond the termination of redevelopment activities except to accommodate certain specific low and moderate-income housing obligations or to pay debt service on bonds, indebtedness or other financial obligations authorized prior to January 1, 1994. Such redevelopment plans were further required to include a limitation on the number of tax increment dollars that could be allocated to the redevelopment agency; a time limit on the establishing of indebtedness to be repaid with tax increment; and a limit on the amount of bonded indebtedness to be repaid with tax increment that could be outstanding at one time. These limits were to be extended only by an amendment of the redevelopment plan.

For redevelopment plans adopted prior to 1994, Chapter 942 stipulated that the time limit for establishing indebtedness was not to exceed 20 years from the adoption of the redevelopment plan or January 1, 2004, whichever was later. Chapter 741, Statutes of 2001, was adopted under Senate Bill 211 ("SB 211") and amended several sections of the Law that controlled time limitations for redevelopment project areas. Limitations, that under prior legislation could not be amended or had different amendment procedures, in accordance with this section, could be modified through project area amendments as set forth in this section of the Law (see Section VI, Legislation). None of the Successor Agency's redevelopment plans that were adopted prior to 1994 were amended in the manner allowed by SB 211.

Pursuant to Senate Bill 1045 ("SB 1045") (see Section VI) the City Council extended the term of redevelopment plan effectiveness of all component project areas by one year with the adoption of project specific ordinances on January 6, 2004. These extensions extended by one year both the period of the component area redevelopment plan effectiveness and the period within which the project areas may repay indebtedness. Pursuant to Senate Bill 1096 ("SB 1096") the City Council further extended the terms of redevelopment plan effectiveness of all component project areas other than the South San Fernando Project Area and, by extension, the period within which the former Redevelopment Agency of the City of Burbank (the "Former Agency") was permitted repay indebtedness with revenue from the extended component areas by two additional years through the adoption of project specific ordinances on September 13, 2005 and on September 12, 2006. Each of the plan amendments added one year to the component area redevelopment plan effectiveness as provided by SB 1096. These two, one-year extensions of the time limits were predicated upon the payment by the Former Agency of its ERAF obligations for 2005 and 2006. The payment of these obligations was required by law and the Former Agency made the required payments.

The South San Fernando Project Area was adopted under the time limits applied by Chapter 942 and was amended by the adoption of Ordinance No. 3629 on January 6, 2004 to add one year of redevelopment plan effectiveness pursuant to SB 1045 (see above). The redevelopment plan for the South San Fernando Project was to no longer be effective thirty-one years after the effective date of its adoptive ordinance and no new debt to be repaid from tax increment revenues was to be incurred after twenty years from the adoption date. The Former Agency was not to repay indebtedness in the San Fernando Project Area beyond forty-six years from the adoption date. There was no limitation on the amount of cumulative tax increment revenue that could be received from within the South San Fernando Project.

The redevelopment plan limits that were set forth in the redevelopment plans for the component project areas are summarized in Table E below:

Table E
Burbank Redevelopment Projects
Former Redevelopment Plan Limits

Project Area	Termination of Project Activities	Last Date to Repay Debt with Tax Revenue	Tax Increment Limit	Limit on Outstanding Bond Debt
Golden State Project	December 22, 2013	December 22, 2023	$5,098,032,285	No Limit
City Centre Project	October 26, 2014	October 26, 2024	$3,106,962,907	No Limit
S. San Fernando Project	July 26, 2028	July 26, 2043	No Limit	$140.2 million
West Olive Project	December 21, 2019	December 21, 2029	$60 million	$30 million

On September 22, 2015, the Governor signed Senate Bill 107 ("SB 107") was enacted as Chapter 325, Statutes of 2015 and was effective September 22, 2015. This legislation implemented a number of revisions to the Health and Safety Code as it impacts the time and tax increment limits of former redevelopment project areas. By revisions made to Section 34189 of the Health and Safety Code the legislation eliminated the effectiveness of tax increment limits, limits on redevelopment activities and time limits on repayment of indebtedness except for all but contractual agreements that had been structured to terminate based on a project area reaching its tax increment and/or time limits. Pursuant to SB 107, Tax Revenues will continue to be allocated from the Project Areas until such time as all authorized enforceable obligations, including the 2017 Bonds, have been repaid.

III. Project Area Assessed Values

A. Assessed Values

Taxable values are prepared and reported by the County Auditor-Controller each fiscal year and represent the aggregation of all locally assessed properties that are part of each of the component project areas. The assessments are assigned to Tax Rate Areas (TRA) that are coterminous with the boundaries of the project areas. The historic reported taxable values for the component project areas were reviewed in order to ascertain the rate of taxable property valuation growth over the most recent ten fiscal years beginning with 2008-09. Between 2008-09 and 2017-18 the taxable value within the Burbank Redevelopment Projects increased by $1,404,318,422 (24.83%) in the aggregate, although such growth was not experienced uniformly among each of the component project areas. This represents an average annual growth of 2.48% despite reductions in value that occurred in fiscal years 2010-11 and 2011-12.

Growth of Tax Revenue within the Burbank Redevelopment Projects has been impacted by the large fluctuations in the value of privately owned aircraft within the Golden State Project. Value identified as Aircraft value on the unsecured tax roll relates to privately owned aircraft that are normally residing at the Bob Hope Airport. These include very expensive jet aircraft owned by the Disney Company and other media companies with offices in or near the City. Commercial aircraft values are not separately listed but are included within the unsecured tax rolls as personal property. Non-Aircraft unsecured values in the Burbank Redevelopment Projects have remained virtually level since 2008-09. Unsecured values within the Golden State Project for 2017-18 include a total of $819.93 million in Aircraft (see discussion below) value.

This is 50.02% of all unsecured value and 11.61% of the Burbank Redevelopment Projects total value. Personal Property values in the Golden State Project have fluctuated but have remained relatively stable over the 10-year period examined.

The Golden State Project, the City Centre Project and the South San Fernando Project are located along the Golden State Freeway (the "Interstate 5") as it passes through the City. All three of these former project areas are so to some degree impacted by a major I-5 reconstruction effort by the California Department of Transportation ("Caltrans"). The Empire Interchange / Interstate 5 Improvement Project is a series of enhancements to the Interstate 5, including a new interchange at Empire Avenue. This project, led by Caltrans and funded primarily by State transportation funds and Los Angeles County transportation sales tax funds, will relieve congestion along Interstate 5 while providing an important new access to the Golden State area of Burbank, including the Empire Center and Bob Hope Airport. This complex project is fully funded and construction is underway. Construction began in May 2014 and all the project components should be completed by 2019. However, certain project components would be completed earlier depending on project phasing. The impact on assessed values in the component project areas affected by this project was examined. The start of construction in May 2014 indicates that any impacts of the construction would first be reflected in the values of fiscal year 2015-16. As can be seen in Table F below, the assessed values in the City Centre and South San Fernando Projects grew in both 2015-16 and 2016-17. The Golden State Project assessed values grew substantially in 2015-16 and declined in 2016-17, however, the decline in value in 2016-17 was primarily the result of value losses among aircraft values. Golden State Project values grew by 22.55% in 2017-18, however, and much of this growth came from a large increase in aircraft values (see Table G below).

Due to the periodic closures and detours caused by the construction, there was some concern that the City's commercial centers located along Interstate 5 could be affected. The parcels within the Empire Center, a 75 acres commercial center located on the south side of Interstate 5 at Empire Avenue, have gained value in each of the last 3 years. There are no changes to assessed values within the Golden State, City Centre and South San Fernando Projects that can be associated with the construction being done along the Interstate 5 corridor.

The component project areas have all grown substantially in the period of time from 2008-09 through 2017-18. Each of the component project areas experienced some amount of value loss during the period of 2010-11 through 2012-13. The table below shows the taxable incremental values for each of the component project areas and the percentage by which these values have increased above the prior year values.

Table F
Incremental Value History and Percentage Growth
From Prior Year by Component Project Area

	Golden State	City Centre	S. San Fernando	West Olive
2008-09	$2,613,397,123	$ 982,376,921	$304,477,783	$991,128,289
	15.74%	6.07%	13.13%	19.70%
2009-10	$2,653,002,613	$1,053,749,848	$339,773,256	$1,021,384,929
	1.52%	7.27%	11.59%	3.05%
2010-11	$2,583,459,955	$1,039,895,156	$339,633,916	$1,083,073,253
	-2.62%	-1.31%	-0.04%	6.04%
2011-12	$2,227,250,733	$1,041,461,701	$328,342,035	$1,089,609,468
	-13.79%	0.15%	-3.32%	0.60%
2012-13	$2,367,952,122	$1,034,710,713	$359,708,590	$1,081,372,402
	6.32%	-0.65%	9.55%	-0.76%
2013-14	$2,262,322,178	$1,070,905,367	$367,645,015	$1,175,892,095
	-4.46%	3.50%	2.21%	8.74%
2014-15	$2,224,669,251	$1,111,361,822	$395,221,815	$1,278,453,880
	-1.66%	3.78%	7.50%	8.72%
2015-16	$2,504,785,566	$1,137,338,552	$424,933,778	$1,312,907,260
	12.59%	2.34%	7.52%	2.69%
2016-17	$2,383,569,556	$1,149,491,567	$567,659,062	$1,358,501,027
	-4.84%	1.07%	33.59%	3.47%
2017-18	$2,921,166,622	$1,184,180,154	$778,965,386	$1,425,815,350
	22.55%	3.02%	37.22%	4.96%

Value changes within the Golden State Project are impacted by the fact that the Bob Hope Airport is located within that project area, and several of the entertainment industry companies in the area house their very expensive corporate aircraft at that airport. Table G below reflects the value of private aircraft within the Golden State Project over the ten-year period reviewed.

Table G
Private Aircraft Values within Golden State Project

Fiscal Year	Private Aircraft Value	% Value Change From Prior Year
2008-09	$923,536,706	14.13%
2009-10	971,930,602	5.24%
2010-11	925,517,879	-4.78%
2011-12	629,664,864	-31.97%
2012-13	761,236,855	20.90%
2013-14	602,552,690	-20.85%
2014-15	524,496,095	-12.95%
2015-16	748,179,056	42.65%
2016-17	574,141,010	-23.26
2017-18	819,933,749	42.81%

The volatility in aircraft value is mainly due to the fact that airplanes and helicopters are valued by the County as of the January 1 lien date of each year and this value is assigned based on where these aircraft are normally residing for the given fiscal year. The presence of aircraft at a particular airport, changes from year to year based on the aircraft owners tax and business circumstances. Because we have no adequate way to project the change in aircraft value from year to year, we have assumed that aircraft values will remain at the 2017-18 amounts for the duration of the projection.

Secured assessed values within the South San Fernando Project Area rose by $195.6 million (24.17%) for 2017-18. This increase was substantially due to the development of a new and larger Ikea store that replaces the store that was built in 1990 and was 242,000 square feet. This original store was located in the City Centre Project Area. The new store is 470,000 and is built on 22 acres. Ikea owns a total of 14 parcels in this site and for 2017-18 the aggregate increase in the value of these properties is $165.6 million. This is an increase in value of $134.1 million over the value of these properties at the time they were acquired by IKEA. Another large increase in value resulted from the sale of the Burbank Gateway shopping center to CPUS Burbank LP in May 2015. This sale resulted in the reappraisal of the shopping center and the addition of $26 million (112%) in assessed value for 2016-17. A new Springhill Suites Hotel was opened within the South San Fernando Project and it's the value added to the tax rolls for 2017-18 on this site totaled $43.1 million, an increase of value of 273% on this parcel.

B. Top Ten Taxable Property Owners

A review of the top ten taxpayers in the Burbank Redevelopment Projects for fiscal year 2017-18 was conducted and broken down within each of the component project areas. Within the Burbank Redevelopment Projects, the aggregate total taxable value for the ten largest taxpayers totaled 2,087,805,143. This amount is 33.09% of the $5,459,221,212 Burbank Redevelopment Projects incremental value. The top taxpayer in the Burbank Redevelopment Projects is Catalina Media Development II LLC that controls a total of 498,535,679 in secured and unsecured assessed value. Catalina Media Development II LLC owns the properties occupied by the NBC Television Studios and is located within the West Olive Project Area. This amount is 7.90% of the Burbank Redevelopment Projects incremental value. The second largest taxpayer is PI Hudson MC Partners LLC that controls a combined secured and unsecured valuation of 363,423,898. PI Hudson MC Partners LLC owns two commercial office buildings located within the West Olive Project Area. This taxpayer's valuation is 5.76% of the Burbank Redevelopment Projects total incremental value. Table H below illustrates the percentage of incremental value for the top ten taxpayers and their relative importance to the incremental value of the Burbank Redevelopment Projects.

Table H
Top Ten Property Taxpayers for the
Burbank Redevelopment Projects

Property Owner	Combined Value	% of Total Assessed Value	% of Total Incremental Value	Component Project Area
Catalina Media Development II LLC (1)(2)	$498,535,679	7.067%	7.90%	West Olive Project
PI Hudson MC Partners LLC (1)	363,423,898	5.15%	5.76%	West Olive Project
Burbank Mall Associates LLC (2)	285,164,734	4.04%	4.52%	City Centre Project
IKEA Property Inc. (1)	196,310,488	2.78%	3.11%	S. San Fernando & City Centre Projects
Burbank Empire Center II LLC (2)	181,674,391	2.57%	2.88%	Golden State Project
Southwest Airlines Company (1)	124,676,962	1.77%	1.98%	Golden State Project
Warner Bros. Entertainment Inc. (1)	121,748,796	1.72%	1.93%	W. Olive & Golden State Project
AWH Burbank Hotel LLC (2)	119,699,853	1.70%	1.90%	Golden State Project
Teachers Insurance and Annuity	108,226,154	1.53%	1.72%	Golden State Project
Walt Disney Productions Inc. (1)	88,344,188	1.25%	1.40%	W. Olive & Golden State Project
Top Taxpayer Total Value	**$2,087,805,143**			
Project Area Assessed Value	**$7,060,116,289**	**29.57%**		
Project Area Inc. Value	**$6,310,127,512**		**33.09%**	

(1) Property owner total value includes unsecured assessed values.
(2) Property owner has assessment appeals pending on secured and/or unsecured assessments.

Among the top ten taxpayers in the Burbank Redevelopment Projects, four have filed assessment appeals that are currently pending. These include Catalina Media Development II LLC; Burbank Mall Associates LLC; Burbank Empire Center II LLC; and, AWH Burbank Hotel LLC. The details of the top taxpayer pending assessment appeals are discussed in Section IV, F (Assessment Appeals) below. Potential reductions in value that may result from these appeals have been considered in the projections of tax increment revenue for the component project areas.

IV. Los Angeles County Tax Allocation and Disbursement Methodology

A. Property Taxes

The taxable values of property are established each year on the January 1 property tax lien date. Real property values reflect the reported assessed values for secured and unsecured land and improvements. The base year value of a parcel is the value established as the full market value upon a parcel's sale, improvement or other reason for reassessment. Article XIIIA of the California Constitution (Proposition 13) provides that a parcel's base year value is established when locally assessed real property undergoes a change in ownership or new construction occurs. Following the fiscal year that a parcel's base year value is first enrolled, the parcel's value is factored annually for inflation. The term base year value does not refer to the base year value of a project area. Pursuant to Article XIIIA, Section 2(b) of the State Constitution and

California Revenue and Taxation Code Section 51, the percentage increase in the parcel's value cannot exceed 2% of the prior year's value.

Secured property includes property on which any property tax levied by a county becomes a lien on that property. Unsecured property typically includes value for tenant improvements, fixtures, inventory and personal property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other secured property owned by the taxpayer. The taxes levied on unsecured property are levied at the previous year's secured property tax rate. Utility property assessed by the State Board of Equalization (the Board) may be revalued annually and such assessments are not subject to the inflation limitations established by Proposition 13. The taxable value of Personal Property is also established on the lien dates and is not subject to the annual 2% limit of locally assessed real property.

Each year the Board announces the applicable adjustment factor. Since the adoption of Proposition 13, inflation has, in most years, exceeded 2% and the announced factor has reflected the 2% cap. Through fiscal year 2017-18 there were ten occasions when the inflation factor has been less than 2%. Until 2010-11 the annual adjustment never resulted in a reduction to the base year values of individual parcels, however, the factor that was applied to real property assessed values for the January 1, 2010 assessment date was a -0.237% and this resulted in a reduction to the adjusted base year value of parcels. The changes in the California Consumer Price Index (CCPI) from October of one year and October of the next year are used to determine the adjustment factor for the January assessment date. The table below reflects the inflation adjustment factors for the current fiscal year, ten prior fiscal years and the estimated adjustment factor for the next fiscal year.

Table I
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%

On December 13, 2016, the Board determined that the inflationary adjustment for fiscal year 2017-18 would be 2.00%. This was incorporated into the values published by the Assessor for the 2017-18 fiscal year. For purposes of the projection we have assumed that the inflation adjustment factor for future years will be 2.00%. This assumption is based on the fact that the inflation adjustment factor has been at the maximum allowed amount of 2.00% in 32 of the 43 years since the adoption of Proposition 13.

B. Supplemental Assessments

Chapter 498 of the Statutes of 1983 provides for the reassessment of property upon a change of ownership or completion of new construction. Such reassessment is referred to as the Supplemental Assessment and is determined by applying the current year's tax rate to the amount of the increase or decrease in a property's value and prorating the resulting property taxes to reflect the portion of the tax year remaining as determined by the date of the change in ownership or completion of new construction. Supplemental Assessments become a lien against Real Property.

Since fiscal year 1984-85, revenues derived from Supplemental Assessments have been allocated to redevelopment agencies and taxing entities in the same manner as regularly collected property taxes. The receipt of Supplemental Assessment Revenues by taxing entities typically follows the change of ownership by a year or more. We have **not** included tax revenues resulting from Supplemental Assessments in the projections. Table JI illustrates the amounts of Supplemental Revenues that have been received by the Successor Agency for the Burbank Redevelopment Projects during fiscal years 2012-13 through 2015-16. Complete revenue data for fiscal year 2016-17 is not yet available.

Table J
Supplemental Revenue History
by Component Project Area

	2012-13	2013-14	2014-15	2015-16
Golden State Project Area	$186,417	$377,723	$452,684	$61,819
City Centre Project Area	(48,097)	99,373	95,387	(143,690)
South San Fernando Project Area	59,918	63,080	107,858	519,158
West Olive Project Area	11,292	480,164	782,134	58,450
Burbank Redevelopment Projects Total:	**$209,530**	**$1,020,340**	**$1,438,063**	**$495,737**

C. Tax Rates

Tax rates will vary from area to area within the State, as well as within a community and a project area. The tax rate for any particular parcel is based upon the jurisdictions levying the tax rate for the area where the parcel is located. The tax rate consists of the general levy rate of $1.00 per $100 of taxable value and the over-ride tax rate. The over-ride rate is that portion of the tax rate that exceeds the general levy tax rate and is levied to pay voter approved indebtedness or contractual obligations that existed prior to the enactment of Proposition 13.

A Constitutional amendment approved in June 1983 allows the levy of over-ride tax rates to repay indebtedness for the acquisition and improvement of real property, upon approval by a two-thirds vote. A subsequent amendment of the Constitution prohibits the allocation to redevelopment agencies of tax revenues derived from over-ride tax rates levied for repayment of indebtedness approved by the voters after December 31, 1988. Tax rates that were levied to support any debt approved by voters after December 31, 1988 were not allocated to redevelopment agencies. The over-ride tax rates typically decline each year as a result of (1) increasing property values (which would reduce the over-ride rate that must be levied to meet debt service) and (2) the eventual retirement of debt over time.

Section 34183(a)(1) of the Law as amended by AB1x 26 requires the Auditor Controller to allocate all revenues attributable to tax rates levied to make annual repayments of the principal and interest on any bonded indebtedness for the acquisition or improvement of real property to the taxing entity levying the tax rate. This was interpreted by the County to include none of the revenues resulting from all over-ride tax rates that were previously being allocated to redevelopment agencies based on their determination that these tax rates are not being levied for repayment of indebtedness for acquisition or improvement of real property except for those tax rates being levied to fund pension obligations. As a result, the tax increment revenues being deposited into the RPTTF included all revenues derived from the general levy tax rate and all revenues derived from over-ride tax rates that had been included in tax increment revenues prior to the dissolution of redevelopment agencies.

SB 107 was approved in 2015 and it has amended a number of the provisions of ABx1 26 and AB 1484. With regard to debt service override tax rates levied for pension fund programs and state water contracts, the revenue generated from these tax rates, including that revenue generated by the Metropolitan Water District of Southern California (the "MWD") state water contract override tax rate (see below) will no longer be allocated to the Successor Agency unless these revenues have been pledged to the payment of debt service on bonds. Any debt service override tax rate revenues that have been pledged to debt service but are not needed to make the debt service payments on the bonds will be allocated directly to the entities that have levied the override tax rate. These debt service revenues have, indeed, been pledged for debt service on the Prior Agency Bonds, however, these debt service revenues are not needed for the payment of debt service on the Prior Agency Bonds and have not been included in the projections used for this Report.

The Burbank Redevelopment Projects contain a total of 7 Tax Rate Areas (TRAs). A Tax Rate Area is a geographic area within which the taxes on all property are levied by a certain set of taxing entities. These taxing entities each receive a prorated share of the general levy and those taxing entities with voter approved over-ride tax rates receive the revenue resulting from that over-ride tax rate. The tax increment projections are based on the published tax rates for fiscal year 2017-18. Within the various TRAs there is only one applicable tax rate. This tax rate contains debt service over-ride rates that have been levied by the MWD pursuant to State water contract obligation and tax rates levied by the Burbank Unified School District and the Los Angeles Community College District. The over-ride tax rate levied by MWD was approved by voters prior to January 1, 1989 and revenues derived from this tax rate were, prior to the dissolution of redevelopment agencies, allocated to the Former Agency for payment of debt service on the Prior Agency Bonds. Because the over-ride tax rates levied by the school and community college districts were approved by voters after January 1, 1989 the revenue derived from these over-ride tax rates within Burbank Redevelopment Projects TRA's were never allocated to the Former Agency. The Burbank Unified School District and Los Angeles Community College District over-ride tax rate revenues are paid directly to the districts by the Auditor-Controller and have no effect on the revenues of the Successor Agency. Due to the nature of the components of the fiscal year 2017-18 tax rate and the legislative changes enacted by SB 107, the projection of Tax Revenues in this Report assume that only revenue derived from the 1% general levy tax rate will be deposited into the RPTTF.

D. Allocation of Taxes

Taxes on secured property values paid by property owners are due in two equal installments on November 1 and on February 1 and become delinquent on December 10 and April 10. Taxes on unsecured property are due March 1 and become delinquent August 31. The County apportions secured tax increment revenue to all redevelopment agencies from November through August with approximately 35% of secured revenues being apportioned by the end of December. A total of 75% of the secured revenues are apportioned by the end of the following April. Unsecured revenues are apportioned from October through August of each fiscal year with approximately 95% of the unsecured revenues being apportioned in October. The Los Angeles County Auditor-Controller apportions tax increment revenue based on collections and does not utilize the alternative allocation method known as the Teeter Plan. The apportionment schedule described above and the apportionment of tax increment revenue based on collections was in use by Los Angeles County for many years prior to redevelopment dissolution and continues to be the pattern of tax increment revenue apportionment.

As of February 1, 2012, the allocation of apportioned tax increment revenue was dictated by the legislation adopted as ABx1 26 (See Legislation, Section VI). Apportioned tax increment revenue is now allocated to Successor Agencies on January 2 and June 1 of each fiscal year. All tax increment revenue collections are deposited by the County Auditor-Controller in the RPTTF for allocation on these two dates. The tax increment revenue available for allocation on January 2 consists of revenues collected after June 1 of the previous fiscal year and for collections in November and December of the current fiscal year. The tax increment revenues available for allocation on June 1 include revenues collected from January 1 to June 1 of the current fiscal year.

From the amounts accumulated in the RPTTF for each allocation date, the County Auditor-Controller is to deduct its own County administrative charges and is to calculate and deduct amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law and for statutory tax sharing obligations required by Sections 33607.5 and 33607.7 of the Law. The amount remaining after these reductions, if any, is what is available for payment by the Successor Agency of debt obligations of the Former Agency.

Prior to receiving revenues on June 1 and January 2, the Successor Agency must adopt a ROPS that lists the debt obligations of the Former Agency that must be paid during the next two upcoming six-month periods of July 1 through December 31 and January 1 through June 30 respectively. This ROPS must be approved by a board made up of taxing entity representatives established as required by the ABx1 26 legislation (the "Oversight Board") and submitted to the State Department of Finance (the "DOF") by February 1 of each year. There is a provision in the legislation for a Successor Agency to request a change in the approved payment amounts for the approved January 2 ROPS payment if necessary to adjust payment amounts but no new payment obligations may be added with this revision. The ROPS must receive approval from the DOF. Filing ROPS statements is mandated by statute and penalties are incurred if they are filed late or if they are not filed at all.

The Successor Agency is entitled to receive an amount to cover the administrative costs of winding down the business of the Former Agency. This amount is set by ABx1 26 at the greater of $250,000 per year or a maximum of 3% of the amount allocated from the RPTTF. AB 1484 added language that allowed the

Oversight Board to reduce the amount of the minimum administrative allowance. To the extent that revenues are insufficient to pay the approved ROPS obligations, the Successor Agency's administrative allowance will be reduced or eliminated. Successor Agency administrative allowance amounts that have been approved but cannot be paid due to a lack of RPTTF revenue will be carried over to the next RPTTF allocation for payment as funds become available.

By passage of SB 107, revisions to Section 34171(b)(3) and (4) require that commencing July 1, 2016, the administrative cost allowance will be 3% of the actual property taxes allocated to the Successor Agency in the preceding fiscal year less the Successor Agency's administrative cost allowance and City loan repayment amounts. If, however, 3% of the actual property taxes allocated in the preceding fiscal year is greater than 50% of the total RPTTF amounts distributed to pay enforceable obligations as reduced by the administrative allowance and City loan repayment amounts, then the administrative cost allowance shall not exceed 50% of the total RPTTF amounts distributed to pay enforceable obligations as reduced by the administrative allowance and City loan repayment amounts.

If there are RPTTF amounts remaining after reductions for County administrative charges, amounts owed, if any, to taxing entities for tax sharing agreements entered into pursuant to Section 33401 of the Law, enforceable obligations and Successor Agency administrative allowance, these remainder amounts are referred to as Residual Revenue. Residual Revenue for each allocation cycle is proportionately allocated to the taxing entities and to the Educational Revenue and Augmentation Fund (ERAF). The legislation stipulates that the combination of tax sharing payments and Residual Revenue payments to taxing entities may not exceed that taxing entity's full share of tax increment revenue. In circumstances where a taxing entity receives all or most of its share of tax increment revenue from receipt of tax sharing payments, that taxing entity's share of the Residual Revenue distribution may be reduced and the portions of Residual Revenue allocated to the other taxing entities will be proportionately increased. (See Section VII – Tax Sharing Agreements and Other Obligations).

The forms and procedures used by a successor agency to submit its ROPS to its Oversight Board and to the DOF are dictated by the legislation as interpreted by DOF.

E. Annual Tax Receipts to Tax Levy

A review was made of the receivable and allocated tax revenues for the Burbank Redevelopment Projects for fiscal years 2011-12 through 2015-16. The collections data for fiscal year 2016-17 is not yet available. The collection rates for the Burbank Redevelopment Projects was comparable to the collection rates for other taxing entities within the County for each year. Table K below shows the collection rates for the component project areas and the Burbank Redevelopment Projects during these fiscal years. Collection rates are a comparison of current year revenues to the adjusted tax roll assessed values at the end of each fiscal year. Prior year collections included supplemental revenues, escaped assessment revenues from prior years and penalties. Collection rates have not been factored into the projection.

Table K
Current Year Collection Rates for Prior Five Fiscal Years

	Golden State	City Centre	South San Fernando	West Olive	Burbank Redevelopment Projects
2011-12	99.45%	99.25%	97.08%	99.61%	99.16%
2012-13	98.18%	99.56%	96.93%	99.87%	99.77%
2013-14	99.30%	99.58%	97.22%	99.87%	99.34%
2014-15	98.73%	99.84%	97.39%	99.54%	99.07%
2015-16	98.85%	97.98%	98.76%	99.61%	98.84%

F. Assessment Appeals

Assessment appeals data from Los Angeles County for fiscal years 2012-13 through 2016-17 with data through July 3, 2017 has been reviewed to determine the potential impact that pending appeals may have on the projected Tax Revenues. We have determined that there are 214 pending appeals within the Burbank Redevelopment Projects. To estimate the potential reduction in assessed value that may occur as a result of these pending appeals, we have determined how many appeals have been resolved for each of the fiscal years examined and to what degree successful appeals have resulted in reductions of value. The average number of appeals that have been successful and the average reduction of value on those successful appeals was applied to the currently pending appeals in order to estimate the number of pending appeals that may be allowed and the amount of assessed value that may be removed as the result of these pending appeals.

The table below summarizes the projected loss of assessed value will result from the assessment appeals that are currently pending within the component project areas.

Table L
Assessment Appeals Summary
by Component Project Area

Project Areas	Total No. of Appeals	No. of Resolved Appeals	No. of Successful Appeals	Average Reduction	No. & Value of Appeals Pending		Est. No. of Appeals Allowed	Est. Reduction on Pending Appeals Allowed (2017-18 Value Adjustment)
Golden State	157	33	18	14.10%	124	$1,324,176,002	68	$101,859,542
City Centre	52	30	25	18.64%%	22	126,065,083	18	19,584,099
S. San Fernando	86	49	37	16.57%	37	155,289,529	28	19,435,042
West Olive	47	16	7	17.54%	31	594,314,123	14	45,610,365
Project Areas	**342**	**128**	**87**	**16.74%**	**214**	**$2,199,844,737**	**127**	**$186,489,048**

Four of the Burbank Redevelopment Projects top ten taxpayers have pending appeals of their assessed value. These taxpayers are Catalina Media Development II LLC; Burbank Mall Associates LLC; Burbank Empire Center II LLC; and AWH Burbank Hotel LLC. The table below reflects those currently pending assessment appeals.

Table M
Pending Assessment Appeals Among
Burbank Redevelopment Projects Top Taxpayers

Taxpayer	FY of Appeal	No. Of Parcels Under Appeal	Value Under Appeal	Owner Opinion of Value	Max. Value Reduction
Catalina Media Development II LLC	2013-14	4	$440,631,293	$290,500,000	$150,131,293
	2014-15	4	$456,621,255	$290,500,000	$166,121,255
	2015-16	4	$465,744,545	$0	$465,744,545
	2016-17	4	$488,647,146	$244,300,000	$244,347,146
Burbank Mall Associates LLC	2014-15	1	$30,181,005	$15,000,000	$15,181,005
	2015-16	1	$30,784,020	$12,000,000	$18,784,020
	2016-17	1	$31,253,476	$11,968,244	$19,285,232
Burbank Empire Center II LLC	2015-16	1	$151,456,570	$130,000,000	$21,456,570
AWH Burbank Hotel LLC	2013-14	1	$86,720,000	$80,000,000	$6,720,000
	2014-15	1	$108,791,848	$80,000,000	$28,791,848

The maximum potential losses of value shown above are for information only. The actual loss of value for property owners that have appeals in multiple years is not cumulative and the losses in value will be limited to the maximum loss in the most recent fiscal year being appealed. The maximum aggregate loss in value from the top taxpayer pending appeals would be $313.9 million. This amount is 4.97% of the Burbank Redevelopment Projects incremental value for 2017-18.

G. County Collection Charges

Chapter 466 (SB 2557) allows counties to recover charges for property tax administration in an amount equal to their 1989-90 property tax administration costs, as adjusted annually. The County collection charges for 2016-17 have been applied and these collection charges were 1.31% of Gross Revenue within the Burbank Redevelopment Projects. For purposes of the projections, the SB 2557 charges for all years is estimated at 1.31% of Gross Tax Revenue. We have assumed that the County will continue to charge the Successor Agency for property tax administration and that such charge will increase proportionally with any increases in revenue. The reimbursement amount is uniform among the component project areas.

H. Allocation of State Assessed Unitary Taxes

Legislation enacted in 1986 (Chapter 1457) and 1987 (Chapter 921) provided for a modification of the distribution of tax revenues derived from utility property assessed by the State Board of Equalization, other than railroads. Prior to the 1988-89 fiscal year, property assessed by the SBE was assessed statewide and was allocated according to the location of individual components of a utility in a tax rate area. Commencing in 1988-89, tax revenues derived from unitary property and assessed by the SBE are accumulated in a single Tax Rate Area for the County. It is then distributed to each taxing entity in the County in the following manner: (1) each taxing entity will receive the same amount as in the previous year plus an increase for inflation of up to two percent; (2) if utility tax revenues are insufficient to provide the same amount as in the previous year, each taxing entity's share would be reduced pro-rata county wide; and (3) any increase in revenue above two percent would be allocated in the same proportion as the taxing entity's local secured taxable values are to the local secured taxable values of the County.

To administer the allocation of unitary tax revenues to redevelopment agencies, the County no longer includes the taxable value of utilities as part of the reported taxable values of the project area, therefore, the base year of project areas have been reduced by the amount of utility value that existed originally in the base year. The Auditor Controller allocated an aggregate total of $449,986 of unitary tax revenue to the component project areas of the Burbank Redevelopment Projects for 2016-17. For purposes of the projections we estimate that this same amount of unitary tax revenue will be allocated for 2017-18 and each fiscal year of the projection. The unitary tax revenue amounts that were allocated for 2016-17 is listed by component project area in Table N below.

Table N
Unitary Revenue Allocated
by Component Project Area

Project Area	Unitary Revenue
Golden State Project	$ 188,589
City Centre Project	188,529
South San Fernando Project	14,828
West Olive Project	58,041
Burbank Redevelopment Projects	**$ 449,987**

V. Low and Moderate Income Housing Set-Aside

Sections 33334.2 and 33334.3 of the Law required redevelopment agencies to set aside not less than 20 percent of all tax increment revenues from project areas adopted after December 31, 1976 into a low and moderate income housing fund (the "Housing Set-Aside Requirement"). Sections 33334.3, 33334.6 and 33334.7 of the Law extend this requirement to redevelopment projects adopted prior to January 1, 1977. With the adoption of ABx1 26, the Housing Set-Aside Requirement was eliminated. The housing fund into which these set-aside amounts were formerly deposited has been eliminated and any unencumbered amounts remaining in that fund have been identified through a mandated Due Diligence Review. The amounts found to be unencumbered through this Due Diligence Review have been paid to the County and these funds have been allocated to the taxing entities within the former project areas.

VI. Legislation

In order to address State Budget deficits, the Legislature enacted SB 614, SB 844 and SB 1135 that required payments from redevelopment agencies for the 1992-93, 1993-94 and 1994-95 fiscal years into a countywide ERAF. The Former Agency could have used any funds legally available and not legally obligated for other uses, including agency reserve funds, bond proceeds, earned income, and proceeds of land sales, but not moneys in the Low and Moderate-Income Housing Fund (the "Housing Fund") to satisfy this obligation. From 1995-96 to 2001-02, state budgets were adopted with no additional shifting of tax increment revenues from redevelopment agencies, however, the 2002-03 State Budget required a shift of $75 million of tax increment revenues statewide from redevelopment agencies to ERAF to meet the state budget shortfall. AB 1768 (Chapter 1127, Statutes of 2002) was enacted by the Legislature and signed by the Governor and based upon the methodology provided in the 2002-03 budget, the shift requirement for the former redevelopment agencies to make payments into the ERAF was limited to fiscal year 2002-03 only.

As part of the State's fiscal year 2003-04 budget legislation, SB 1045 (Chapter 260, Statutes of 2003) required redevelopment agencies statewide to contribute $135 million to local County ERAF which reduced the amount of State funding for schools. This transfer of funds was limited to fiscal year 2003-04 only. Under the Law as amended by SB 1045, the redevelopment agencies were authorized to use a simplified methodology to amend the individual redevelopment plans to extend by one year the effectiveness of the plan and the time during which the agencies could repay debt with tax increment revenues. In addition, the amount of this payment and the ERAF payments made in prior years were to be deducted from the cumulative tax increment amounts applied to a project area's cumulative tax increment revenue limit. The passage of SB 107 has eliminated these time limits effective for all fiscal years after the adoption by the State of the legislation dissolving redevelopment agencies.

After the State's budget for 2004-05 was approved by the legislature and signed by the Governor, Senate Bill 1096 was adopted. Pursuant to SB 1096, redevelopment agencies within the State were required to pay a total of $250 million to ERAF for fiscal year 2004-05 and for 2005-06. The payments were due on May 10 of each fiscal year. As in previous years, payments were permitted to be made from any available funds other than the Housing Fund. If an agency was unable to make a payment, it could borrow up to 50% of the current year Housing Set-Aside Requirement, however, the borrowed amount was required to be repaid to the Housing Fund within 10 years of the last ERAF payment (May 10, 2006). Under SB 1096, redevelopment plans with less than ten years of effectiveness remaining from June 30, 2005, could be extended by one year for each year that an ERAF payment is made. For redevelopment plans with 10 to 20 years of effectiveness remaining after June 30, 2005, the plans may be extended by one year for each year that an ERAF payment is made if the city council could find that the former redevelopment agency had complied with specified state housing requirements. These requirements are: 1) that the agency is setting aside 20% of gross tax increment revenues; 2) that housing implementation plans are in place; 3) that replacement housing and inclusionary housing requirements are being met; and, 4) that no excess surplus exists. Table C above reflects these time limit extensions. The former redevelopment agency did not borrow from the Housing Fund as authorized in order to make the required payments for ERAF. As outlined below, the method by which ERAF loans from the Housing Fund may be repaid has been modified by the adoption of AB 1484. The requirement for repayment of these loans by certain dates has been eliminated.

In July 2009, the Legislature adopted AB 26 4x as a means of implementing a package of 30 bills that were adopted to close the State's budget deficit. Under this legislation, the former redevelopment agencies statewide were required to pay into their county's "Supplemental" ERAF (the "SERAF"), $1.7 billion in fiscal year 2009-10 and were required to pay another $350 million in fiscal year 2010-11. Based on a State Controller formula, the former redevelopment agencies were required to pay the required amounts by May 2010 and May 2011 respectively.

Under this legislation, the former redevelopment agencies could use any available funds to make the SERAF payments. If Housing Set-Aside Requirement or Housing Fund amounts were borrowed to make the SERAF payment, the borrowed amounts were required to be repaid to the Housing Fund by June 30, 2015 and June 30, 2016 respectively. Under the requirements of Section 34191.4 amended by AB 1484, however, redevelopment agencies that borrowed from the Housing Fund to make the required SERAF payments for 2010 and for 2011 may only repay the borrowed amounts from annual amounts that are 50% of the increase in annual Residual Revenues that are above the Residual Revenue for fiscal year 2012-13. Repayment amounts are, under current legislation, to be repaid to the Successor Housing Agency established pursuant to

ABx1 26 and AB 1484 (see below). Repayment of SERAF payment amounts borrowed from the Housing Fund may only be repaid from growth in Residual Revenue. The former agency did not borrow from the Housing Fund in order to make the required payments.

ABx1 26 and ABx1 27 were introduced in May 2011 as placeholder bills and were substantially amended on June 14, 2011. These bills proposed to dramatically modify the Law as part of the fiscal year 2011-12 State budget legislation. ABx1 26 was intended to dissolve redevelopment agencies statewide effective October 1, 2011 and to suspend all redevelopment activities as of its effective date. ABx1 27 was intended to allow redevelopment agencies to avoid dissolution by providing them the ability to opt into a voluntary program requiring them to make substantial annual contributions to local school and special districts. The bills were signed by the Governor in late June 2011 and were challenged by a suit filed before the California Supreme Court by the California Redevelopment Association. On December 29, 2011, the Supreme Court ruled that ABx1 27 was unconstitutional and that ABx1 26 was not unconstitutional. The legislature passed and the Governor signed Assembly Bill 1484 on June 27, 2012. This legislation made certain revisions to the language of ABx1 26 based on experience after its implementation.

Once the obligations of the former redevelopment agencies have been recognized as Enforceable Obligations, the Successor Agency is obliged to manage the repayment of those Enforceable Obligations through the annual adoption of ROPS by the Oversight Board that is made up of representatives of taxing entities within the former redevelopment agency. Membership of the Oversight Board is dictated by Section 34179 of the Law. Effective July 1, 2018, there will be a single Oversight Board in each county that will be responsible for adoption of ROPS for all successor agencies in the county. The ROPS establishes the amounts that may be paid by the Successor Agency on the former redevelopment agency's debts during the six-month periods following payments to the Successor Agency from the RPTTF by the County Auditor-Controller on January 2 and June1 of each year.

The legislature has approved SB 107 in late 2015. Among the changes to the dissolution statutes that were included in SB 107 was a revision to Section 34189 that was the affirmative elimination of the effectiveness of time and tax increment limits from the redevelopment plans of the former project areas. Section 34189(a) now provides that the elimination of these limits will not result in the restoration or continuation of funding for projects whose contractual terms specified that project funding would cease once the limitations in the redevelopment plans had been reached. It doesn't appear that any of the obligations of the Successor Agency will be affected by this change to the law. SB 107 revised Section 34177(o) such that it provides that ROPS will be approved once per year in February and the approved ROPS will cover the allocation of tax increment revenues for the upcoming June and January RPTTF allocations. This provision does not change the process for allocation of revenues but only changes the process for approving the ROPS documents necessary for the Successor Agency to receive authority to pay enforceable obligations.

Numerous lawsuits have been filed on various aspects of ABx1 26 and AB 1484 which could impact the dissolution of redevelopment agencies. Our projections could be impacted by future court decisions.

VII. Tax Sharing Agreements and Other Obligations

The legislation that dissolved redevelopment agencies also required that the calculation and payment of tax sharing amounts be taken over by the County Auditor-Controller. Since February 2012, the tax sharing obligations outlined below have been administered by the Auditor-Controller's office. Pursuant to AB x1 26, the calculation of pass through obligations is to be done in the same manner as these calculations were done prior to dissolution including the assumption of reductions for the Housing Set-Aside Requirement where such reductions were required prior to dissolution.

A. Tax Sharing Obligations

No tax sharing agreements were entered into by the former redevelopment agency for the Golden State Project Areas or the City Centre Project Area. Additionally, no amendments have been made to the Golden State Project or the City Centre Project, both of which were adopted prior to January 1, 1994, that would have required payment of statutory tax sharing amounts under the terms of Sections 33607.5 or 33607.7.

The South San Fernando Project was adopted after January 1, 1994 and is, therefore, subject to the statutory tax sharing payments mandated in the Law as amended by Assembly Bill 1290. These tax-sharing payments are set by statute and are not negotiated. A prescribed portion of the Agency's tax increment revenue must be shared with all taxing entities represented within the South San Fernando Project. This defined tax-sharing amount has three tiers.

The first-tier payments began in the first year that the San Fernando Project received tax increment revenue and continues for the life of the Project. This first-tier tax-sharing amount is 25 percent of the gross tax increment revenue allocated to the Project area net of the Housing Set-Aside Requirement. The City of Burbank has opted to receive its share of this first tier of tax-sharing payments as permitted by the Law. The second-tier payments began in the eleventh year after the Agency first received tax increment revenue from within the South San Fernando Project. This second-tier is 21 percent of the tax increment revenue, net of the Housing Set-Aside Requirement, that is derived from the growth in assessed value that is in excess of the assessed value of the Project in the tenth year. The City may not receive any portion of the second-tier tax-sharing payments. The third-tier payments begin in the 31st year after the Agency first received tax increment revenue. This third-tier is 14 percent of the tax increment revenue, net of the Housing Set-Aside Requirement that is derived from the growth in assessed value that is in excess of the assessed value of the Project in the 30th year. The City may not receive any portion of the third-tier tax-sharing payments. These three tiers of tax sharing are calculated independent of one another and continue from their inception through the termination of the Project's ability to repay indebtedness.

Within the West Olive Project, tax sharing obligations were required by settlement agreements with Los Angeles County and the Los Angeles Community College District. In addition, amendments made to the West Olive redevelopment plan required statutory tax sharing payments to be made to other affected taxing entities pursuant to Section 33607.7 of the Law.

The settlement agreements with Los Angeles County (51.71%) and the Los Angeles Community College District (3.15%) require that these entities receive their full shares of tax increment revenue generated from the portion of the West Olive Project that is outside of a specified area identified as the Triangle. The Triangle consists of an area that contains 58 parcels that are enclosed by West Olive Avenue, West Alameda Avenue and State Route 134. The Triangle properties account for 32.33% of the total West Olive Project incremental value for 2017-18.

Amendments made to the West Olive Project redevelopment plan required the initiation of statutory tax sharing payments pursuant to Section 33607.7 of the Law. These payments began in fiscal year 2000-01 and use the West Olive Project assessed value for 1999-00 as an adjusted base year value for purposes of calculating the revenue that is subject to the tier-one payments. The Law requires these tier-one payments to be made to all taxing entities that do not receive tax sharing payments. The taxing entities receiving tier-one payments receive their proportional shares of 25% of revenue derived from assessed value growth above the adjusted base year value less 20% for the housing set-aside requirement. Beginning in 2011-12 and using West Olive Project assessed values for 2010-11 as a second adjusted base year value, tier-two payments began. The taxing entities receiving tier-two payments receive their proportional shares of 21% of revenue derived from assessed value growth above the second adjusted base year value less 20% for the housing set-aside requirement. A tier-three payment will be implemented beginning in 2031-32 using a third adjusted base year value that will be the West Olive Project assessed values for 2030-31. The tier-three payments are based on 14% of the revenue derived from assessed value growth above the third adjusted base year value less 20% for the housing set-aside requirement. The City is entitled to receive its proportional share of the tier-one payments but is no allowed to receive any share of the tier-two or tier-three payments.

The West Olive Project exceeded its redevelopment plan limit on receipt of tax increment revenue during 2016. Because of the changes to Section 34189 of the Law enacted by SB 107, tax increment revenue will continue to be available to the Successor Agency from this project area as necessary for the payment of enforceable obligations. The Auditor-Controller's implementation of the revised Section 34189 results in tax increment revenue being added as needed from the West Olive Project so that there is sufficient tax increment revenue to pay all enforceable obligations. The continued allocation of revenue from within the West Olive Project may or may not result in tax sharing payments being made. The payment or non-payment of these tax sharing amounts will not impact the availability of tax increment revenue for the payment of enforceable obligations.

B. Owner Participation Agreements

The Former Agency entered into an unsecured obligation with the original developer of the Media City Centre Mall (now the Burbank Town Center Mall) whereby the developer loaned the Former Agency $18.5 million to finance the cost of parking and related common area facilities to benefit the mall development. Payments on this loan were made through February 1, 2016 at which point all obligations of the Successor Agency were fulfilled. No further payments are required relative to this agreement.

In 1992, the Former Agency entered into a $33 million obligation with the mall developer related to the cost of a building to house Macy's department store that was secured but subordinate to the repayment of the earlier $18.5 million obligation. Payments on this loan were made through February 1, 2016 at which point all obligations of the Successor Agency were fulfilled. No further payments are required relative to this agreement.

VIII. Transfers of Ownership and Development Activities

After January 1, 2017 within the Burbank Redevelopment Projects, there have been 22 transfers of real property ownership where the sales price can be confirmed. These transfers of ownership represent a combined increase of $34.1 million in assessed value that is expected to be added to the tax rolls for 2018-19. The addition of new value due to transfers of ownership is distributed among the component projects of the Burbank Redevelopment Projects as shown in Table O below.

Table O
Value Added to Projection from Transfers of Ownership

Project Area	# Transfers	Added Value
Golden State Project	8	$20,575,307
City Centre Project	10	11,494,792
South San Fernando Project	4	2,070,436
West Olive Project	0	0
Burbank Redevelopment Projects	**22**	**$34,140,535**

New development continues to occur within the Burbank Redevelopment Projects but no additional value has been included in the projections of Tax Revenue in this Report for new construction. At the November 8, 2016 general election, voters within the City approved Measure B, a ballot measure approving an agreement between the City and the Burbank-Glendale-Pasadena Airport Authority pursuant to which the Airport Authority has the right to build a 14-gate, 355,000-square-foot replacement passenger terminal. The replacement terminal is anticipated to be constructed at either a 49-acre parcel of land northeast of the Bob Hope Airport's existing property, off Hollywood Way and Winona Avenue or in the southwest quadrant of the Bob Hope Airport's existing property. The 49-acre parcel is the Airport Authority's preferred location for the replacement terminal. Over the next three years, from 2017 through 2019, the Airport Authority will conduct soil testing, update the Airport Layout Plan, submit it for Federal Aviation Administration approval and complete a Federal National Environmental Protection Act study. The terminal design and construction phase, which is anticipated to take place between 2018 and 2022, will include Airport Authority approval of the final design after a public hearing, submission of plans to the City for a building permit, and construction of the replacement terminal. The existing terminal is expected to be demolished in 2023, after the opening of the replacement terminal. The Authority will then extend the taxiways. It is anticipated that the replacement terminal once completed will provide a number of safety and economic benefits to the City and its residents. Anticipated economic benefits to the City include attracting more companies and jobs to the City's Media Center District where a number of film and television studios are located.

In May 2017, the City Council approved the construction of "First Street Village" within the downtown area of the City along First Street (between First Street and Interstate 5 Freeway), and between East Magnolia Boulevard and the alley southeast of Palm Avenue. First Street Village is a mixed-used project anticipated to be constructed on three acres (three blocks) in downtown Burbank, with a total of approximately 275 multifamily apartments on above-ground floors, a total of up to approximately 19,000 square feet of retail and commercial space on the ground floors. The Successor Agency anticipates that First Street Village will be constructed in three phases with one building (one block) to be completed in each phase.

Talaria, a mixed-use project, is currently under construction on Olive Avenue in close proximity to The Burbank Studios. The Talaria is anticipated to consists of a residential and retail development with 241 residential units, a Whole Foods Market, more than 42,000 square feet of retail space and 760 parking spaces on approximately 4 acres of land. Completion of Talaria is anticipated to occur in early 2018.

IX. Trended Taxable Value Growth

In accordance with Proposition 13, growth in real property land and improvement values may reflect the year-to-year inflationary rate not to exceed 2% for any given year. A 2% growth rate is the maximum inflationary growth rate permitted by law and this rate of growth has been realized in all but ten years since 1981. The years in which less than 2% growth was realized included fiscal years 1983-84 (1.0%), 1995-96 (1.19%), 1996-97 (1.11%), 1999-00 (1.85%), 2004-05 (1.867%), 2010-11 (-0.237%), 2011-12 (0.753%), 2014-15 (0.454%), 2015-16 (1.998%) and 2016-17 (1.525%). The Board announced on December 13, 2016 that the annual inflationary adjustment for 2017-18 would be 2%. We have assumed this same adjustment in all subsequent fiscal years. Future values will also be impacted by changes of ownership and new construction not reflected in our projections. In addition, the values of property previously reduced in value due to assessment appeals based on Proposition 8 market value reductions could increase more than 2% when real estate values increase more than 2%. Seismic activity, economic disruptions and environmental conditions such as hazardous substances that cannot be anticipated in this Report might also impact taxable assessed values and Gross Tax Revenues. HdL Coren & Cone makes no representation that taxable assessed values will actually grow at the rate projected.

Anticipated revenues could be adjusted due to unidentified assessment appeal refunds, other Assessor corrections discussed previously, or unanticipated increases or decreases in property tax values. Estimated valuations from developments included in this analysis are based upon our understanding of the general practices of the County Assessor and County Auditor-Controller's Office. General assessment practices are subject to policy changes, legislative changes, and the judgment of individual appraisers. While we believe our estimates to be reasonable, taxable values resulting from actual appraisals may vary from the amounts assumed in the projections of Tax Revenues in this Report.

Burbank Successor Agency
Burbank Redevelopment Projects

Projection of Incremental Taxable Value & Tax Increment Revenue 9/12/2017

(000's Omitted)

Table 1

Taxable Values (1)		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**
Real Property (2)		5,567,888	5,500,522	5,610,532	5,722,743	5,837,198	5,953,942	6,073,021	6,194,481	6,318,371	6,444,738
Personal Property (3)		1,492,228	1,492,228	1,492,228	1,492,228	1,492,228	1,492,228	1,492,228	1,492,228	1,492,228	1,492,228
Total Projected Value		**7,060,116**	**6,992,750**	**7,102,760**	**7,214,971**	**7,329,426**	**7,446,170**	**7,565,249**	**7,686,709**	**7,810,599**	**7,936,966**
Taxable Value over Base	**749,989**	**6,310,128**	**6,242,761**	**6,352,772**	**6,464,982**	**6,579,437**	**6,696,181**	**6,815,260**	**6,936,720**	**7,060,610**	**7,186,977**
Gross Tax Increment Revenue (4)		63,101	62,428	63,528	64,650	65,794	66,962	68,153	69,367	70,606	71,870
Unitary Tax Revenue		450	450	450	450	450	450	450	450	450	450
Gross Tax Revenues		**63,551**	**62,878**	**63,978**	**65,100**	**66,244**	**67,412**	**68,603**	**69,817**	**71,056**	**72,320**
LESS:											
SB 2557 Admin. Fee (5)		(840)	(831)	(845)	(860)	(875)	(891)	(906)	(923)	(939)	(956)
AB 1290 Statutory Tax Sharing Tier 1 (6)		(1,561)	(1,562)	(1,604)	(1,646)	(1,688)	(1,732)	(1,777)	(1,822)	(1,869)	(1,916)
AB 1290 Statutory Tax Sharing Tier 2 (6)		(855)	(857)	(891)	(927)	(963)	(999)	(1,037)	(1,075)	(1,114)	(1,154)
AB 1290 Statutory Tax Sharing Tier 3 (6)		0	0	0	0	0	0	0	0	0	0
LA County General Fund Stipulation (7)		(4,906)	(5,003)	(5,101)	(5,201)	(5,304)	(5,408)	(5,514)	(5,623)	(5,734)	(5,847)
LA Community College Stipulation (7)		(299)	(305)	(311)	(317)	(324)	(330)	(336)	(343)	(350)	(357)
SB 211 Statutory Tax Sharing Tier 1 (8)		(887)	(870)	(895)	(920)	(946)	(972)	(999)	(1,027)	(1,055)	(1,083)
SB 211 Statutory Tax Sharing Tier 2 (8)		(186)	(176)	(191)	(206)	(222)	(238)	(254)	(270)	(287)	(304)
Tax Revenues		**54,016**	**53,273**	**54,139**	**55,022**	**55,923**	**56,842**	**57,779**	**58,734**	**59,709**	**60,704**

(1) Taxable values for 2017-18 as reported by Los Angeles County.

(2) Real property consists of land and improvements. Increased for inflation at 2.00% annually. Values for 2018-19 are increased by $34,140,535 for sales occurring during 2017 and decreased by $186,489,048 for expected losses on pending appeals.

(3) Personal property includes aircraft values within the Golden State Industrial Project. Aircraft values will vary from year to year in unpredictable amounts. For purposes of the projection, personal property values, including aircraft values, are held constant at 2017-18 levels.

(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will no longer be allocated to the Successor Agency

(5) L.A. County Administration Fee is estimated at 1.31% of Gross Tax Revenue.

(6) See South San Fernando Redevelopment Project projection for AB 1290 statutory tax sharing payment information.

(7) Within West Olive Project, pursuant to a settlement stipulation, the L.A. County General Fund and the LA Community College District receive their shares of general levy tax increment revenue from property that lies outside of the project subarea known as the Triangle. The County General Fund share of general levy revenue is 51.71% and the College share is 3.15%.

(8) Due to the amendment of the West Olive Redevelopment Plan, taxing entites receive their shares of 25% of tax revenue on incremental value above the year 1999-00 value net of Housing Set-Aside. In addtion, beginning in 2011-12 and using the year 2010-11 value as an adjusted base, Taxing Entities receive 21% of tax revenue on incremental value above the year 2010-11 value net of Housing Set-Aside Payments are made only to Taxing Entities with no tax sharing agreements and may be subordinated.

Burbank Successor Agency
Golden State Industrial Redevelopment Project

Projection of Incremental Taxable Value & Tax Increment Revenue

9/12/2017

(000's Omitted)

Table 1

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)											
Real Property (2)		1,978,323	1,913,993	1,952,272	1,991,318	2,031,144	2,071,767	2,113,203	2,155,467	2,198,576	2,242,547
Personal Property (3)		1,257,906	1,257,906	1,257,906	1,257,906	1,257,906	1,257,906	1,257,906	1,257,906	1,257,906	1,257,906
Total Projected Value		**3,236,229**	**3,171,898**	**3,210,178**	**3,249,224**	**3,289,050**	**3,329,673**	**3,371,108**	**3,413,372**	**3,456,482**	**3,500,453**
Taxable Value over Base	**315,062**	**2,921,167**	**2,856,836**	**2,895,116**	**2,934,162**	**2,973,988**	**3,014,611**	**3,056,046**	**3,098,310**	**3,141,420**	**3,185,391**
Gross Tax Increment Revenue (4)		29,212	28,568	28,951	29,342	29,740	30,146	30,560	30,983	31,414	31,854
Unitary Tax Revenue		189	189	189	189	189	189	189	189	189	189
Gross Tax Revenues		**29,400**	**28,757**	**29,140**	**29,530**	**29,928**	**30,335**	**30,749**	**31,172**	**31,603**	**32,043**
LESS:											
SB 2557 Admin. Fee (5)		(388)	(380)	(385)	(390)	(395)	(401)	(406)	(412)	(418)	(423)
Tax Revenues		**29,012**	**28,377**	**28,755**	**29,140**	**29,533**	**29,934**	**30,343**	**30,760**	**31,185**	**31,619**

(1) Taxable values for 2017-18 as reported by Los Angeles County.
(2) Real property consists of land and improvements. Increased for inflation at 2.00% annually. Values for 2018-19 are increased by $20,575,307 for sales occurring during 2017 and decreased by $101,859,542 for expected losses on pending appeals.
(3) Personal property includes aircraft values that will vary from year to year in unpredictable amounts. For purposes of the projection, personal property values are held constant at 2017-18 level.
(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will no longer be allocated to the Successor Agency
(5) L.A. County Administration Fee is estimated at 1.32% of Gross Tax Revenue.

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Burbank Successor Agency
City Centre Redevelopment Project

Projection of Incremental Taxable Value & Tax Increment Revenue

(000's Omitted) 9/12/2017

Table 1

		2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Taxable Values (1)											
Real Property (2)		1,169,367	1,184,273	1,207,958	1,232,118	1,256,760	1,281,895	1,307,533	1,333,684	1,360,357	1,387,564
Personal Property (3)		53,025	53,025	53,025	53,025	53,025	53,025	53,025	53,025	53,025	53,025
Total Projected Value		**1,222,392**	**1,237,298**	**1,260,984**	**1,285,143**	**1,309,785**	**1,334,920**	**1,360,558**	**1,386,709**	**1,413,383**	**1,440,590**
Taxable Value over Base	**38,212**	**1,184,180**	**1,199,086**	**1,222,772**	**1,246,931**	**1,271,573**	**1,296,709**	**1,322,347**	**1,348,497**	**1,375,171**	**1,402,378**
Gross Tax Increment Revenue (4)		11,842	11,991	12,228	12,469	12,716	12,967	13,223	13,485	13,752	14,024
Unitary Tax Revenue		189	189	189	189	189	189	189	189	189	189
Gross Tax Revenues		**12,030**	**12,179**	**12,416**	**12,658**	**12,904**	**13,156**	**13,412**	**13,674**	**13,940**	**14,212**
LESS:											
SB 2557 Admin. Fee (5)		(160)	(162)	(165)	(169)	(172)	(175)	(179)	(182)	(186)	(189)
Tax Revenues		**11,870**	**12,017**	**12,251**	**12,489**	**12,732**	**12,980**	**13,233**	**13,491**	**13,755**	**14,023**

(1) Taxable values for 2017-18 as reported by Los Angeles County.

(2) Real property consists of land and improvements. Increased for inflation at 2.00% annually. Values for 2018-19 are decreased by $11,494,792 for sales occurring during 2017 and decreased by $19,584,099 for expected losses on pending appeals.

(3) Personal property is held constant at 2017-18 level.

(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will no longer be allocated to the Successor Agency

(5) L.A. County Administration Fee is estimated at 1.33% of Gross Tax Revenue.

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Burbank Successor Agency
South San Fernando Redevelopment Project

Projection of Incremental Taxable Value & Tax Increment Revenue 9/12/2017

(000's Omitted)

Table 1

Taxable Values (1)		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**
Real Property (2)		1,028,768	1,029,520	1,050,111	1,071,113	1,092,535	1,114,386	1,136,673	1,159,407	1,182,595	1,206,247
Personal Property (3)		97,469	97,469	97,469	97,469	97,469	97,469	97,469	97,469	97,469	97,469
Total Projected Value		**1,126,237**	**1,126,989**	**1,147,579**	**1,168,581**	**1,190,004**	**1,211,854**	**1,234,142**	**1,256,876**	**1,280,064**	**1,303,716**
Taxable Value over Base	**347,272**	**778,965**	**779,717**	**800,307**	**821,310**	**842,732**	**864,583**	**886,870**	**909,604**	**932,792**	**956,444**
Gross Tax Increment Revenue (4)		7,790	7,797	8,003	8,213	8,427	8,646	8,869	9,096	9,328	9,564
Unitary Tax Revenue		15	15	15	15	15	15	15	15	15	15
Gross Tax Revenues		**7,804**	**7,812**	**8,018**	**8,228**	**8,442**	**8,661**	**8,884**	**9,111**	**9,343**	**9,579**
LESS:											
SB 2557 Admin. Fee (5)		(103)	(103)	(105)	(108)	(111)	(114)	(117)	(120)	(123)	(126)
AB 1290 Statutory Tax Sharing Tier 1 (6)		(1,561)	(1,562)	(1,604)	(1,646)	(1,688)	(1,732)	(1,777)	(1,822)	(1,869)	(1,916)
AB 1290 Statutory Tax Sharing Tier 2 (6)		(855)	(857)	(891)	(927)	(963)	(999)	(1,037)	(1,075)	(1,114)	(1,154)
AB 1290 Statutory Tax Sharing Tier 3 (6)		0	0	0	0	0	0	0	0	0	0
Tax Revenues		**5,286**	**5,290**	**5,418**	**5,548**	**5,680**	**5,815**	**5,953**	**6,094**	**6,238**	**6,384**

(1) Taxable values for 2017-18 as reported by Los Angeles County.

(2) Real property consists of land and improvements. Increased for inflation at 2.00% annually. Values for 2018-19 are increased by $2,070,436 for sales occurring during 2017 and decreased by $19,435,042 for expected losses on pending appeals.

(3) Personal property is held constant at 2017-18 level.

(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will no longer be allocated to the Successor Agency

(5) L.A. County Administration Fee is estimated at 1.31% of Gross Tax Revenue.

(6) All Taxing Entities receive their shares of 25% of total tax increment revenue net of Housing Set-Aside. In addition, after year 10, Taxing Entities receive 21% of tax revenue on incremental value above the year 10 value net of Housing Set-Aside. After year 30, Taxing Entities also receive 14% of tax revenue on incremental value above the year 30 value net of Housing Set-Aside.

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Burbank Successor Agency
West Olive Redevelopment Project

Projection of Incremental Taxable Value & Tax Increment Revenue 9/12/2017

(000's Omitted)

Table 1

Taxable Values (1)		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**
Real Property (2)		1,391,430	1,372,736	1,400,191	1,428,195	1,456,759	1,485,894	1,515,612	1,545,924	1,576,842	1,608,379
Personal Property (3)		83,828	83,828	83,828	83,828	83,828	83,828	83,828	83,828	83,828	83,828
Total Projected Value		**1,475,259**	**1,456,565**	**1,484,019**	**1,512,023**	**1,540,587**	**1,569,722**	**1,599,440**	**1,629,752**	**1,660,671**	**1,692,208**
Taxable Value over Base	**49,443**	**1,425,815**	**1,407,121**	**1,434,576**	**1,462,580**	**1,491,144**	**1,520,279**	**1,549,997**	**1,580,309**	**1,611,228**	**1,642,764**
Gross Tax Increment Revenue (4)		14,258	14,071	14,346	14,626	14,911	15,203	15,500	15,803	16,112	16,428
Unitary Tax Revenue		58	58	58	58	58	58	58	58	58	58
Gross Tax Revenues		**14,316**	**14,129**	**14,404**	**14,684**	**14,969**	**15,261**	**15,558**	**15,861**	**16,170**	**16,486**
LESS:											
SB 2557 Admin. Fee (5)		(188)	(186)	(190)	(193)	(197)	(201)	(205)	(209)	(213)	(217)
LA County General Fund Stipulation (6)		(4,906)	(5,003)	(5,101)	(5,201)	(5,304)	(5,408)	(5,514)	(5,623)	(5,734)	(5,847)
LA Community College Stipulation (6)		(299)	(305)	(311)	(317)	(324)	(330)	(336)	(343)	(350)	(357)
SB 211 Statutory Tax Sharing Tier 1 (7)		(887)	(870)	(895)	(920)	(946)	(972)	(999)	(1,027)	(1,055)	(1,083)
SB 211 Statutory Tax Sharing Tier 2 (7)		(186)	(176)	(191)	(206)	(222)	(238)	(254)	(270)	(287)	(304)
Tax Revenues (8)		**7,849**	**7,589**	**7,716**	**7,845**	**7,977**	**8,112**	**8,249**	**8,389**	**8,532**	**8,678**

(1) Taxable values for 2016-17 as reported by Los Angeles County.

(2) Real property consists of land and improvements. Increased for inflation at 2.00% annually. There were no values adjustments for 2018-19 due sales activity. due to sales activity. Values for 2018-19 are decreased by $45,610,365 for expected losses on pending appeals.

(3) Personal property is held constant at 2017-18 level.

(4) Projected Gross Tax Increment is based upon incremental values factored against the general levy tax rate of $1.00 per $100 of taxable value. Per ABx 1 26, all revenue derived from debt service override tax rates will no longer be allocated to the Successor Agency

(5) L.A. County Administration Fee is estimated at 1.31% of Gross Tax Revenue.

(6) Pursuant to a settlement stipulation, the L.A. County General Fund and the LA Community College District receive their shares of general levy tax increment revenue from property that lies outside of the project subarea known as the Triangle. The County General Fund share of general levy revenue is 51.71% and the College share is 3.15%.

(7) Due to the amendment of the Redevelopment Plan, taxing entites receive their shares of 25% of tax revenue on incremental value above the year 1999-00 value net of Housing Set-Aside. In addtion, beginning in 2011-12 and using the year 2010-11 value as an adjusted base, Taxing Entities receive 21% of tax revenue on incremental value above the year 2010-11 value net of Housing Set-Aside. Payments are made only to Taxing Entities with no tax sharing agreements and may be subordinated.

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Burbank Successor Agency

Burbank Redevelopment Projects

PROJECTION OF INCREMENTAL VALUE AND TAX INCREMENT REVENUE

(000s Omitted)

9/12/2017

Table 2

		Component Project Area Gross Tax Revenue								Statutory Tax Sharing			
		Golden State Industrial	City Centre	South San Fernando	West Olive	Gross Tax Revenue	SB 2557 Admin. Fee	LA County Stipulation	LA Community College Stipulation	Tier 1	Tier 2	Tier 3	Tax Revenues
1	2017-18	29,400	12,030	7,804	14,316	**63,551**	(840)	(4,906)	(299)	(2,448)	(1,042)	0	**54,016**
2	2018-19	28,757	12,179	7,812	14,129	**62,878**	(831)	(5,003)	(305)	(2,433)	(1,033)	0	**53,273**
3	2019-20	29,140	12,416	8,018	14,404	**63,978**	(845)	(5,101)	(311)	(2,499)	(1,082)	0	**54,139**
4	2020-21	29,530	12,658	8,228	14,684	**65,100**	(860)	(5,201)	(317)	(2,566)	(1,133)	0	**55,022**
5	2021-22	29,928	12,904	8,442	14,969	**66,244**	(875)	(5,304)	(324)	(2,635)	(1,184)	0	**55,923**
6	2022-23	30,335	13,156	8,661	15,261	**67,412**	(891)	(5,408)	(330)	(2,705)	(1,237)	0	**56,842**
7	2023-24	30,749	13,412	8,884	15,558	**68,603**	(906)	(5,514)	(336)	(2,776)	(1,291)	0	**57,779**
8	2024-25	31,172	13,674	9,111	15,861	**69,817**	(923)	(5,623)	(343)	(2,849)	(1,345)	0	**58,734**
9	2025-26	31,603	13,940	9,343	16,170	**71,056**	(939)	(5,734)	(350)	(2,923)	(1,401)	0	**59,709**
10	2026-27	32,043	14,212	9,579	16,486	**72,320**	(956)	(5,847)	(357)	(2,999)	(1,458)	0	**60,704**
11	2027-28	32,491	14,490	9,821	16,807	**73,609**	(973)	(5,962)	(364)	(3,076)	(1,516)	0	**61,718**
12	2028-29	32,948	14,773	10,067	17,135	**74,923**	(990)	(6,080)	(371)	(3,155)	(1,575)	(28)	**62,725**
13	2029-30	33,415	15,062	10,318	17,470	**76,264**	(1,008)	(6,200)	(378)	(3,235)	(1,636)	(56)	**63,752**
14	2030-31	33,891	15,356	10,574	17,812	**77,632**	(1,026)	(6,322)	(386)	(3,317)	(1,697)	(84)	**64,800**
15	2031-32	34,377	15,656	10,835	18,160	**79,027**	(1,044)	(6,447)	(393)	(3,401)	(1,760)	(126)	**65,856**
16	2032-33	34,872	15,963	11,101	18,515	**80,451**	(1,063)	(6,574)	(401)	(3,486)	(1,824)	(169)	**66,934**
17	2033-34	35,377	16,275	11,373	18,877	**81,902**	(1,082)	(6,704)	(409)	(3,573)	(1,889)	(212)	**68,032**
18	2034-35	35,892	16,594	11,650	19,247	**83,383**	(1,102)	(6,836)	(417)	(3,662)	(1,956)	(257)	**69,153**
19	2035-36	36,418	16,919	11,933	19,624	**84,893**	(1,122)	(6,971)	(425)	(3,753)	(2,024)	(302)	**70,296**
20	2036-37	36,954	17,251	12,221	20,008	**86,433**	(1,142)	(7,109)	(434)	(3,845)	(2,093)	(348)	**71,462**
21	2037-38	37,500	17,589	12,515	20,400	**88,005**	(1,163)	(7,249)	(442)	(3,939)	(2,164)	(396)	**72,651**
22	2038-39	38,058	17,934	12,815	20,800	**89,607**	(1,184)	(7,392)	(451)	(4,035)	(2,236)	(444)	**73,865**
23	2039-40	38,627	18,286	13,121	21,208	**91,242**	(1,206)	(7,539)	(460)	(4,134)	(2,310)	(493)	**75,102**
24	2040-41	39,207	18,645	13,433	21,624	**92,909**	(1,228)	(7,688)	(469)	(4,233)	(2,385)	(543)	**76,364**
25	2041-42	39,799	19,011	13,751	22,049	**94,610**	(1,250)	(7,840)	(478)	(4,335)	(2,461)	(594)	**77,651**
26	2042-43	40,402	19,385	14,076	22,481	**96,345**	(1,273)	(7,995)	(488)	(4,440)	(2,539)	(646)	**78,965**
		882,883	399,773	275,483	464,055	**2,022,194**	(26,720)	(164,546)	(10,038)	(86,453)	(44,272)	(4,697)	**1,685,468**

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Burbank Successor Agency
Burbank Redevelopment Projects
Historical Taxable Values
Table 3

9/12/2017

Secured (2)	Base Year	2008-09	Revised Base Year (2009-10)	2009-10	Revised Base Year (2010-11)	2010-11	Revised Base Year (2011-12)	2011-12	Revised Base Year (2012-13)
Land	204,227,334	1,572,210,903	204,145,923	1,616,020,037	204,132,500	1,599,642,258	204,115,241	1,625,575,693	203,642,918
Improvements	273,608,916	2,234,468,749	247,797,208	2,347,495,569	247,750,744	2,468,520,317	247,747,974	2,455,810,964	247,727,017
Personal Property	117,985,025	31,786,325	143,706,945	35,180,359	143,706,945	33,655,435	143,706,831	30,265,989	143,706,831
Exemptions	(1,831,481)	(60,836,474)	(1,831,435)	(63,694,159)	(1,831,427)	(67,112,390)	(1,831,427)	(72,985,231)	(1,831,473)
Total Secured	**593,989,794**	**3,777,629,503**	**593,818,641**	**3,935,001,806**	**593,758,762**	**4,034,705,620**	**593,738,619**	**4,038,667,415**	**593,245,293**
Unsecured									
Aircraft	0	923,536,706	0	971,930,602	0	925,517,879	0	629,664,864	0
Land	1,467,000	0	1,467,000	0	1,467,000	0	1,467,000	0	1,467,000
Improvements	80,239,614	145,270,420	80,239,614	163,807,021	67,817,534	142,840,594	67,817,534	134,097,619	67,817,534
Personal Property	96,770,399	813,094,917	96,770,399	765,159,900	109,192,479	710,868,585	109,192,479	652,358,615	109,192,479
Exemptions	(8,049,056)	(3,733,679)	(8,049,056)	(3,742,085)	(8,049,056)	(3,683,679)	(8,049,056)	(3,958,000)	(8,049,056)
Total Unsecured	**170,427,957**	**1,878,168,364**	**170,427,957**	**1,897,155,438**	**170,427,957**	**1,775,543,379**	**170,427,957**	**1,412,163,098**	**170,427,957**
GRAND TOTAL	**764,417,751**	**5,655,797,867**	**764,246,598**	**5,832,157,244**	**764,186,719**	**5,810,248,999**	**764,166,576**	**5,450,830,513**	**763,673,250**
Incremental Value:		4,891,380,116		5,067,910,646		5,046,062,280		4,686,663,937	
% Growth in Incremental Value:				3.61%		-0.43%		-7.12%	

Secured (2)	2012-13	2013-14	Revised Base Year (2014-15)	2014-15	Revised Base Year (2015-16)	2015-16	Revised Base Year (2016-17)	2016-17	2017-18
Land	1,634,017,098	1,690,811,190	203,558,562	1,752,676,214	203,511,536	1,818,571,730	200,591,114	1,909,704,685	2,151,170,453
Improvements	2,465,794,159	2,623,688,926	247,663,436	2,812,939,416	247,500,651	2,892,437,598	237,133,625	3,021,107,898	3,333,456,864
Personal Property	24,989,059	19,203,499	143,706,831	17,909,513	143,706,831	24,519,596	143,665,821	23,702,333	25,527,908
Exemptions	(71,412,366)	(80,965,730)	(1,831,473)	(85,635,890)	(1,831,447)	(77,084,256)	(1,829,740)	(87,843,196)	(88,938,826)
Total Secured	**4,053,387,950**	**4,252,737,885**	**593,097,356**	**4,497,889,253**	**592,887,571**	**4,658,444,668**	**579,560,820**	**4,866,671,720**	**5,421,216,399**
Unsecured									
Aircraft	761,263,855	602,552,690	0	524,496,095	0	748,179,056	0	574,141,010	819,933,749
Land	0	0	1,467,000	0	1,467,000	0	1,467,000	0	0
Improvements	132,499,109	142,273,152	67,817,534	149,523,701	67,817,534	163,087,748	67,817,534	184,129,351	172,199,699
Personal Property	665,226,111	647,387,462	109,192,479	605,452,531	109,192,479	594,007,736	109,192,479	603,664,345	646,774,442
Exemptions	(4,959,948)	(4,513,284)	(8,049,056)	(4,339,284)	(8,049,056)	(20,438,524)	(8,049,056)	(19,396,437)	(8,000)
Total Unsecured	**1,554,029,127**	**1,387,700,020**	**170,427,957**	**1,275,133,043**	**170,427,957**	**1,484,836,016**	**170,427,957**	**1,342,538,269**	**1,638,899,890**
GRAND TOTAL	**5,607,417,077**	**5,640,437,905**	**763,525,313**	**5,773,022,296**	**763,315,528**	**6,143,280,684**	**749,988,777**	**6,209,209,989**	**7,060,116,289**
Incremental Value:	4,843,743,827	4,876,764,655		5,009,496,983		5,379,965,156		5,459,221,212	6,310,127,512
% Growth in Incremental Value:	3.35%	0.68%		2.72%		7.40%		1.47%	15.59%

(1) Source: County of Los Angeles
(2) Secured values include state assessed non-unitary utility property.

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Burbank Successor Agency
Burbank Redevelopment Projects
TOP TEN TAXABLE PROPERTY OWNERS
Fiscal Year 2016-17
Table 4

9/12/2017

		Secured			Unsecured			Total				
		Assessed Value	Parcels	Percentage	Assessed Value	Parcels	Percentage	Assessed Value	% of Project Taxable Value	% of Project Inc. Value	**Property Uses**	**Project Area**
1.	Catalina Media Development II LLC	$498,420,087	4	9.19%	$115,592	1	0.01%	$498,535,679	7.06%	7.90%	NBC Television Studio Parcels	West Olive Project
	(Pending Appeals On Parcels)											
2.	PI Hudson MC Partners LLC	$363,406,448	2	6.70%	$17,450	1	0.00%	$363,423,898	5.15%	5.76%	Commercial Office Buildings	West Olive Project
3.	Burbank Mall Associates LLC	$285,164,734	15	5.26%	$0	0	0.00%	$285,164,734	4.04%	4.52%	Burbank Town Center Mall Properties	City Centre Project
	(Pending Appeals On Parcels)											
4.	IKEA Property Inc.	$195,889,862	16	3.61%	$420,626	1	0.03%	$196,310,488	2.78%	3.11%	Furniture Sales/Vacant Parcels	South San Fernando/City Centre
5.	Burbank Empire Center II LLC	$181,674,391	2	3.35%	$0	0	0.00%	$181,674,391	2.57%	2.88%	Retail Commercial Shopping Center	Golden State Project
	(Pending Appeals On Parcels)											
6.	Southwest Airlines Company	$6,289,577	3	0.12%	$118,387,385	2	7.22%	$124,676,962	1.77%	1.98%	Commercial Airline	Golden State Project
7.	Warner Bros. Entertainment Inc.	$78,108,938	3	1.44%	$43,639,858	10	2.66%	$121,748,796	1.72%	1.93%	Television/Media Offices/Corp. Aircraft	West Olive/Golden State Project
8.	AWH Burbank Hotel LLC	$119,699,853	1	2.21%	$0	0	0.00%	$119,699,853	1.70%	1.90%	Marriott Hotel at Burbank Airport	Golden State Project
	(Pending Appeals On Parcels)											
9.	Teachers Insurance and Annuity	$108,226,154	1	2.00%	$0	0	0.00%	$108,226,154	1.53%	1.72%	Empire Landing Residential Apartments	Golden State Project
10.	Walt Disney Productions Inc.	$6,304,772	1	0.12%	$82,039,416	9	5.01%	$88,344,188	1.25%	1.40%	Walt Disney Co. Corporate Aircraft	West Olive/Golden State Project
	Totals:	$1,843,184,816	48		$244,620,327	24		$2,087,805,143				
	Total Assessed Values:	$5,421,216,399		34.00%	$1,638,899,890		14.93%	$7,060,116,289	29.57%			
	Incremental Assessed Value:	4,841,655,579		38.07%	1,468,471,933		16.66%	6,310,127,512		33.09%		

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Burbank Successor Agency
Burbank Redevelopment Projects
Transfers of Ownership/New Development
Table 5

09/12/17

000's omitted

Real Property Value	SqFt/ Units	Value	Total Value	Less Existing	Total Value Added	Start	Complete	2018-19	2019-20	2020-21	2021-22
	0	$0.00	$0	$0	$0			0	0	0	0
	0	$0.00	$0	$0	$0			0	0	0	0
	0	Lump Sum	$0	0	0			0	0	0	0
Transfers of Ownership after 1/1/2017	22	Lump Sum	$61,422,500	27,281,965	34,141			34,141	0	0	0
Total Real Property Value			**$61,422,500**	**$27,281,965**	**34,141**			**34,141**	**0**	**0**	**0**
Total Real Property inc. Inflation Adj. @ 2% per year									$0	$0	$0

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APPENDIX H

STATE DEPARTMENT OF FINANCE APPROVAL LETTER

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REVISED

September 21, 2017

Ms. Cindy Giraldo, Financial Services Director/Successor Agency Implementing Official
City of Burbank
301 East Olive Avenue
Burbank, CA 91502

Dear Ms. Giraldo:

Subject: Determination of Oversight Board Action

This letter supersedes the California Department of Finance's (Finance) September 18, 2017 Oversight Board (OB) Resolution No. 35 determination letter. The City of Burbank Successor Agency (Agency) notified Finance of its July 17, 2017 OB Resolution on July 19, 2017. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance completed its review of the OB Resolution and issued our determination. Subsequent to that determination, new information was provided and Finance is revising its determination.

Based on our review of additional information received and application of the law, OB Resolution No. 35, approving the issuance of $47,500,000 in Tax Allocation Refunding Bonds, Series 2017, is partially approved.

Finance is approving the proposed refunding. The Agency desires to refund the 1993 Senior Tax Allocation Bonds (TAB), Series A, the 2003 TAB, Series A, and the 1993 Subordinated TAB issued by the former Redevelopment Agency and anticipates achieving approximately $14,744,762 in savings over the remaining life of the bonds. Finance's approval is based on our understanding no refunding bonds will be issued unless such bonds meet the limitations in HSC section 34177.5 (a). Following the issuance, the payments for the refunding bonds should be placed on a subsequent Recognized Obligation Payment Schedule (ROPS) for Finance's review and approval.

To the extent the indebtedness obligations approved for refunding per the OB Resolution are refunded in accordance with HSC section 34177.5 and prior to the next ROPS submission, the Agency may use Redevelopment Property Tax Trust Funds received for payment of the currently listed obligations being refunded. Any indebtedness for which refunding is finalized must be separately identified as a new item on a subsequent ROPS and will be subject to Finance's review and approval. Further, pursuant to HSC section 34186 (a), the Agency is required to report estimated obligations and actual payments. Any unspent funds should be reported as prior period adjustments.

In addition, Section 5 (c) of the Resolution states the Agency shall be entitled to receive its full allocation of the administrative cost allowance without any reductions with respect to continuing costs related to the Bonds. While all costs related to the issuance can be paid separately pursuant HSC section 34177.5 (f), any administrative costs post issuance of the bonds must be placed on a subsequent ROPS for Finance's review to determine if the costs should be paid out of the administrative allowance or whether the costs are separate enforceable obligations. To the extent this section seeks to have ongoing administration costs of bonds to be paid in addition to regular administrative costs, such action is denied.

In the event the OB desires to amend the portion of the Resolution not approved by Finance, Finance is returning it to the board for reconsideration. However, the Agency may move forward with the portion of the resolution approved by Finance.

Please direct inquiries to Kylie Oltmann, Supervisor, or Brian Dunham, Lead Analyst, at (916) 322-2985.

Sincerely,

Jennifer for

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Angela O'Connor, Senior Accountant, City of Burbank
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK • TAX ALLOCATION REFUNDING BONDS, SERIES 2017 (LOS ANGELES COUNTY, CALIFORNIA)

CITY OF BURBANK

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