



SUCCESSOR AGENCY TO THE SOUTH TAHOE REDEVELOPMENT AGENCY

\$6,135,000 COMMUNITY FACILITIES DISTRICT NO. 2001-1 (PARK AVENUE PROJECT) SPECIAL TAX REFUNDING BONDS SERIES 2015 (HEAVENLY VILLAGE)

South Lake Tahoe, California

Dated: October 1, 2015

Base CUSIP+: 840533

2016/17 ANNUAL CONTINUING DISCLOSURE INFORMATION STATEMENT AS OF MARCH 28, 2018

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* In its role as Disclosure Consultant, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

I. INTRODUCTION

Pursuant to an Official Statement dated September 18, 2015, the Successor Agency to the South Tahoe Redevelopment Agency (the “Agency”) issued \$6,135,000 Community Facilities District No. 2001-1 (Park Avenue Project) Special Tax Refunding Bonds, Series 2015 (Heavenly Village) (the “Bonds”). The proceeds of the Bonds were primarily used to (i) refund the South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (Park Avenue Project) Series 2007 Special Tax Bonds, (ii) provide for the establishment of a Reserve Account, and (iii) pay initial administration expenses and the costs of issuance of the Bonds.

The City of South Lake Tahoe (the “City”) is located at the Southwest corner of Lake Tahoe adjacent to the Nevada state line and is approximately 150 miles northeast of San Francisco and 100 miles east of Sacramento. Community Facilities District No. 2001-1 (Park Avenue Project) consists of 15.61 acres (10.39 acres subject to the Special Tax Levy) of mixed hotel, commercial and retail property located in the eastern end of the city at the base of Heavenly Mountain Ski Resort.

The Bonds are payable solely from the proceeds of the special tax to be levied annually on the real property within the District. Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are not in any way a debt, liability or obligation of the City.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the Agency for the benefit of the holders of the Bonds and includes the information specified in the Continuing Disclosure Certificate. For further information and a more complete description of the District, the Agency, the City, and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the Agency and the City and by other sources, which is believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances, create any implication that there has been no change in the affairs of the Agency and the City or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS COMMUNICATION, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. BOND INFORMATION

A. PRINCIPAL OUTSTANDING

Bond Issue	As of October 2, 2017
South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 Series 2015	\$5,520,000

The Agency has not authorized any additional debt payable from or secured by assessments or special taxes with respect to property within the District.

B. FUND BALANCES

Fund Balances	As of June 30, 2017	As of October 31, 2017
Bond Reserve Fund	\$519,268	\$520,693
Reserve Requirement ⁽¹⁾	\$516,050	\$516,050
Cost of Issuance	\$11,252	\$11,283
Project Account	\$0	\$0
Surplus Fund	\$101	\$101
Special Tax Fund	\$86,028	\$372

(1) Reserve Requirement, which is defined as the amount, as of any date of calculation, equal the lowest of (i) 10% of the initial principal amount of the Bonds, less original issue discount, if any, plus original issue premium, if any, or; (ii) the Maximum Annual Debt Service on the Bonds, or (iii) one hundred twenty-five percent (125%) of average annual debt service on the Bonds (the Reserve Requirement).

III. FINANCIAL INFORMATION

THE CITY'S AUDITED FINANCIAL STATEMENTS ARE PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE CITY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS AND THE CITY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS FROM THE CITY TREASURY TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

The audited financial statements for the City for the fiscal year ended September 30, 2017 will be separately filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") and are hereby incorporated by reference into this Annual Continuing Disclosure Information Statement.

IV. OPERATING INFORMATION

A. TOTAL ASSESSED VALUE

The following table sets forth a summary of the assessed values of all parcels subjected to the Special Tax levied. The information in this table is based on the El Dorado County 2017/18 Secured Property Roll and does not reflect any subsequent development or change of ownership.

Fiscal Year	Assessed Value	% Change
2002-03 ⁽¹⁾	\$66,300,000	-
2003-04	162,465,413	145%
2004-05	170,685,530	5%
2005-06	275,867,819	62%
2006-07	299,848,103	9%
2007-08	328,259,651	9%
2008-09	339,734,139	3%
2009-10	351,274,438	3%
2010-11 ⁽²⁾	340,840,382	-3%
2011-12 ⁽²⁾	269,864,478	-21%
2012-13 ⁽²⁾	217,483,484	-19%
2013-14	240,805,219	11%
2014-15 ⁽³⁾	188,581,580	-22%
2015-16	194,299,482	3%
2016-17	207,083,684	7%
2017-18	241,569,971	17%

⁽¹⁾ First year Special Taxes were levied; Total Assessed Value for each fiscal year is based on levied parcels only.

⁽²⁾ Proposition 8 temporary reductions applied.

⁽³⁾ Assessed values decreased from the prior fiscal year due to a Proposition 8 reduction on over 10,000 parcels.

Source: El Dorado County, as compiled by Willdan Financial Services.

B. TOP TEN TAXPAYERS

The following table lists the top ten taxpayers in the District responsible for the largest portions of the Special Tax Levy for the 2017-18 Fiscal Year.

Owner ⁽¹⁾	Number of Parcels Taxed	2017/18 Special Tax Levy	Percent of Total Levy	2017/18 Assessed Value Total
CECILS LLC	1	\$19,954	2.17%	\$7,563,671
FIRST AMERICAN TRUST - Timber Lodge	2107	127,397	13.83%	33,320,392
TSI INVESTMENTS A NEVADA L	3	37,260	4.05%	21,717,591
HEAVENLY VALLEY LTD PTNSHP	1	148,440	16.12%	17,941,627
TSI INVESTMENTS NV LLC	5	38,092	4.14%	12,503,000
FIRST AMERICAN TRUST - Grand Residence	947	56,394	6.12%	10,227,815
FIRST AMERICAN TRUST FSB ETAL & LAND TRUST #1082-0300-00 AKA	14	23,231	2.52%	5,140,134
MARRIOTT OWNERSHIP RESORTS	12	9,330	1.01%	4,845,062
HEAVENLY RESORT PROPERTIES	1	4,613	0.50%	2,708,559
HEAVENLY RESORT PROPERTIES & NV LLC	30	7,722	0.84%	987,584
Top Ten Taxpayer Subtotal	3,121	\$472,433	51.29%	\$116,955,435
All Other Special Taxpayers Subtotal	12,065	448,658	48.71%	124,614,536
Total All Property Owners	15,186	\$921,091	100%	\$241,569,971

⁽¹⁾ Top Special Taxpayers within the District who pay more than 0.5% of the fiscal year 2017-18 Special Tax levied
Source: El Dorado County, as compiled by Willdan Financial Services

C. DELINQUENCY SUMMARIES

Fiscal Year	Secured Roll Levy	Individual Handbilled Parcels	Individual Handbilled Amount	Handbill to Marriot/First American	Total Levy	As of Fiscal Year End June 30			As May 24, 2017		
						Number of Delinquent Parcels	Amount Delinquent	% of Levy Delinquent	Number of Delinquent Parcels	Amount Delinquent ⁽¹⁾	% of Levy Delinquent
2008-09	\$675,594	5	\$145	\$194,677	\$870,416	1,035	\$26,732	3.07%	5	\$145	0.02%
2009-10	701,770	219	6,360	200,605	908,734	1,431	\$27,420	3.02%	219	\$6,360	0.91%
2010-11	722,461	2	48	172,733	895,243	1,064	\$27,358	3.06%	2	\$48	0.01%
2011-12	779,571	12	387	118,829	898,787	812	\$25,112	2.79%	41	\$1,506	0.19%
2012-13	779,668	1842	88,991	56,325	924,983	1,101	\$23,422	2.53%	55	\$1,909	0.24%
2013-14	860,190	10	7,060	58,624	925,874	1,037	\$37,134	4.01%	102	\$3,496	0.41%
2014-15 ⁽²⁾⁽³⁾	860,190	-	-	65,684	925,874	791	\$30,348	3.28%	164	\$6,457	0.75%
2015-16 ⁽³⁾	864,055	-	-	59,220	929,913	940	\$20,907	4.84%	257	\$9,703	1.12%
2016-17 ⁽³⁾	988,989	-	-	80,615	1,069,604	3,312	\$110,437	11.17%	3,312	\$110,437	11.17%
2017-18 ⁽³⁾	921,091	-	-	0	921,091	N/A	N/A	N/A	N/A	N/A	N/A
Total					\$9,270,519					\$140,061	1.65%

⁽¹⁾ Delinquent amount shown includes handbilled parcels to First American Trust/Marriott Vacations Worldwide Corporation totaling \$59,220.47. To-date, the District is in dispute with First American Trust/Marriott Vacations Worldwide Corporation regarding the outstanding handbill.

⁽²⁾ Marriot Reported that as of October 31, 2013, all Ownership Intervals had been sold.

⁽³⁾ Handbilled Parcels for Fiscal Year 2014-15, 2015-16, 2016-17, and 2017-18 are to First American Trust.

Source: Official Statement and El Dorado County Tax Collector, as compiled by Willdan Financial Services.

D. FORECLOSURE COVENANT

The Agency has covenanted in the Fiscal Agent Agreement that it will (i) commence judicial foreclosure proceedings against all parcels owned by a property owner where the aggregate delinquent Special Taxes on such parcels is greater than \$1,000 by the December 1 following the close of each Fiscal Year in which such Special Taxes were due, and (ii) commence judicial foreclosure proceedings against all parcels with delinquent Special Taxes by the December 1 following the close of each Fiscal Year in which it receives Special Taxes in an amount which is less than 90% of the total Special Taxes levied for such Fiscal Year, and (iii) diligently pursue such foreclosure proceedings in accordance with the provisions of the Act and applicable law until the delinquent Special Taxes are paid.

E. FORECLOSURE PROCEEDINGS

There are two parcels subject to accelerated foreclosure proceedings under the foreclosure covenant. At this time, the Agency is not pursuing judicial foreclosure. The Agency will take actions as necessary, under advice from legal counsel, to enforce collection in the event of continued non-payment.