



**SOUTH TAHOE REDEVELOPMENT AGENCY
COMMUNITY FACILITIES DISTRICT NO. 2001-1
(Park Avenue Project)
SERIES 2015 SPECIAL TAX REFUNDING BONDS
(Heavenly Village)
\$6,135,000**

South Lake Tahoe, California
Dated: October 1, 2015
Base CUSIP+: 840533

**2015/16 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT
AS OF MARCH 15, 2017**

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CITY OF SOUTH LAKE TAHOE

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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 South Tahoe Redevelopment Agency (the "Agency") issued \$6,135,000 Community Facilities District No. 2001-1 (the "District") (Park Avenue Project) Series 2015 Special Tax Refunding Bonds (Heavenly Village) (the "Series 2015 Bonds"). The proceeds of the Bonds were primarily used to refund the \$7,200,000 South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 (the "District") (Park Avenue Project) Series 2007 Special Tax 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 190 miles northeast of San Francisco and 100 miles east of Sacramento. The District boundaries presently encompass an area of approximately 9.32 acres which includes approximately 5.38 acres of private development property that is subject to Special Tax levies and approximately 3.94 acres of property that has been used for perimeter landscaping, an ice rink, open space and a public parking garage, all of which will be exempt from Special Taxes of the District.

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 and the City for the benefit of the holders of the Bonds and includes the information specified in the Continuing Disclosure Agreement. 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 sources, which are 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, 2016
South Tahoe Redevelopment Agency Community Facilities District No. 2001-1 Series 2015	5,830,000

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, 2016	As of October 31, 2016
Bond Reserve Fund	\$517,090	\$517,866
Reserve Requirement ⁽¹⁾	\$516,050	\$516,050
Cost of Issuance	\$11,205	\$11,222
Project Account	\$0	\$0
Surplus Fund	\$102	\$101
Special Tax Fund	\$979	\$977

(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). Source: The Official Statement.

III. FINANCIAL INFORMATION

THE CITY'S ANNUAL FINANCIAL STATEMENT IS 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, 2016 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.

Neither the audited nor the unaudited financial statements were available at the time of this report. The audited financial statements for the City for the fiscal year ended September 30, 2016 are expected to be filed by March 28, 2017.

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 2016/17 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%

⁽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

Owner	Number of Parcels Taxed	2016/17 Special Tax Levy	Percent of Total Levy	2016/17 Assessed Value Total
CECILS LLC	1	\$19,954	2.02%	\$7,415,364
FIRST AMERICAN TRUST - GRAND RESIDENCE	747	47,613	4.81%	8,616,520
FIRST AMERICAN TRUST FSB ETAL & LAND TRUST #1082-0300-00	14	23,231	2.35%	5,113,908
FIRST AMERICAN TRUST - TIMBER LODGE	2106	127,289	12.87%	33,216,835
HEAVENLY RESORT PROPERTIES	1	4,613	0.47%	2,655,451
HEAVENLY VALLEY LTD PTNSHP	1	148,440	15.01%	16,313,409
MARRIOTT OWNERSHIP RESORTS	14	9,410	0.95%	4,810,384
TSI INVESTMENTS A NEVADA L	3	37,260	3.77%	21,286,502
TSI INVESTMENTS NV LLC	5	38,092	3.85%	11,974,000
Unknown Owner	2505	80,598	8.15%	0
Top Ten Taxpayer Subtotal	5,397	\$536,501	54.25%	\$111,402,373
All Other Special Taxpayers Subtotal	9,632	\$452,488	45.75%	\$95,681,311
Total All Property Owners	15,029	\$988,989	100%	\$207,083,684

C. DELINQUENCY SUMMARIES

Fiscal Year	Number of Parcels	Number of Delinquent Parcels	Annual Special Tax	Amount Delinquent ⁽¹⁾	Percent Delinquent
2014/15	11,102	188	\$925,874.10	\$7,447.48	0.87%
2015/16	13,308	2,349	\$923,275.19	\$72,294.66	7.83%

⁽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.

Source: El Dorado County and South Tahoe Redevelopment Agency as compiled by Willdan Financial Services

D. FORECLOSURE COVENANT

The covenant requires the Agency to commence judicial foreclosure proceedings (i) 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.

E. FORECLOSURE PROCEEDINGS

One parcel is subject to the foreclosure covenant. At this time the Agency is not pursuing judicial foreclosure. The City will take actions as necessary, under advice from legal counsel, to enforce collection in the event of continued non-payment.